

# CONNECTING THE FUTURE

ANNUAL REPORT 2014 | Thaicom Public Company Limited



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# VISION

## To be a Leading Asian Satellite Operator

Thaicom, as an Asian satellite operator, will set the benchmark of creating innovative business and technology solutions to contribute to the industry and society at a global scale, while maintaining profitable and sustainable growth.

# MISSION

- Sustain growth and return profits to shareholders,
- Develop innovative solutions and new markets,
- Enhance the company's reputation among all stakeholders,
- Create a great workplace and a high performance organization

# VALUE



E- Excellence in Technology

P- Passion to Challenge

I- Initiative in Innovation

C- Commitment to Contribute

# OVERALL STRATEGIES



The Company has developed business policies and intended to engage all departments in the strategy to maintain profitable and sustainable growth. The strategies include:

## 1 Human resources strategy

The Board of Directors takes priority in human resources which it believes to be a main driving force behind the success of other resources and the Company's profitability. The Company plans to become the source of knowledge through the continuous development of human resources, focusing on the commitment to the organization and understanding diversity in this type of business. Succession planning is to be reviewed by the Board of Directors at least once a year.

## 2 Business strategy

The Company provides three services including television broadcasting, broadband and a convergence services to meet customers' needs.

Broadcast services strategy supports the introduction of high definition [HD] and ultra-high definition [Ultra-HD] television into the market. Since both televisions require respectively 3 and 12 times higher bandwidth capacity from the satellites, the demand for wider broadcast channels has increased significantly. As a result, the company took advantage of the opportunity and increased their services.

For broadband satellites, the strategy is to conduct business with local operators of the target country and focus on the development of new innovations to expand the integrated services such as IFC, IFEC and CDN. The strategy in 2015 therefore aims at creating and introducing new innovations into the market to respond to the customers' needs.

The company also plans to accomplish long-term growth including horizontal growth, increasing the number of satellites in the next three to five years, and vertical growth, expanding business investment in the integrated satellite services or End-to-End Solutions.

## 3 Corporate image and governance strategy

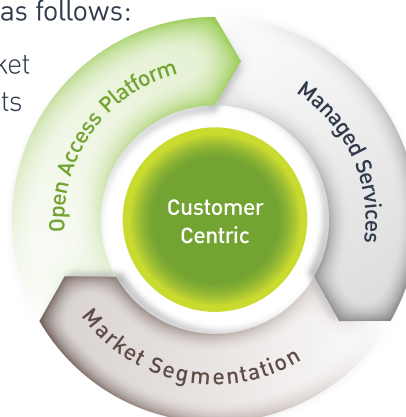
As a Thai company, Thaicom seeks to conduct the business while serving the society and shareholders from all sectors, especially in the area of Thai education for young children. The effort has particularly shown through 'Thai Kids Thaicom' project and the international recognition the Company has earned in the field of business and technology, as well as the corporate governance. The Company plans to reinforce and instill self-development, integrity and competence into its employees. In 2015, the company will continue to maintain its corporate governance policy overseas and ensure compliance by incorporating the policy on corporate transparency to all of its subsidiaries.

These are all of the Company's strategies that allow each function to operate in harmony towards accomplishing the Company's vision and mission.

It is on these core strategic directions that all business units will operate to ensure a unified effort to achieve the Company's vision and mission.

The Company's overall strategic plan can be summarized as follows:

- 1 Market segmentation : To clearly identify focused market segments to precisely address customers' requirements
- 2 Open Access Platform : To open to collaborative efforts and to develop beneficial and strategic partnerships that will meet the different needs of customers in different territories
- 3 Managed Services : To use our more than 20 years of experience and expertise to develop products and services to provide End-to-End Solutions to customers





A conceptual image featuring a human hand reaching upwards from the bottom left towards a network diagram. The network consists of several black dots (nodes) connected by thin black lines, with one node at the top highlighted in green. The background is a bright blue sky with wispy white clouds. The word 'CONNECTING' is written in a bold, dark brown, sans-serif font across the middle of the image, partially overlaid by the network lines.

# CONNECTING



# THE FUTURE

Thaicom connects the essences  
of sustainable and profitable growth  
altogether to drive the future.



## CONNECTING PEOPLE

Uniting strengths to create value and a future progress for all

Thaicom's people are the Company's most valuable asset, and the Company constantly seeks for opportunities to improve the potential of its people so that they may serve as the driving force behind the Company's sustainable growth. The Company also works hard at providing opportunities for growth for all stakeholders, so that their futures too will be filled with success.









# CONNECTING OPPORTUNITY

## Pursuing new opportunities for future growth

Thaicom consistently pursues new opportunities to expand its markets through connecting boundaries, bringing together and connecting business ventures from diverse fields, and connecting partnerships from around the world so that the unification of the individual strengths will create sustainable business success for all.



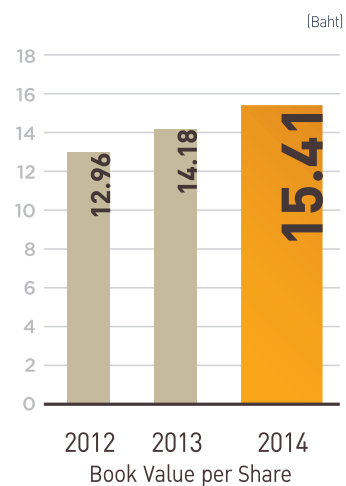
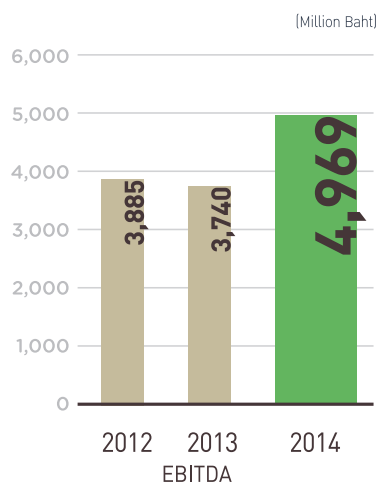
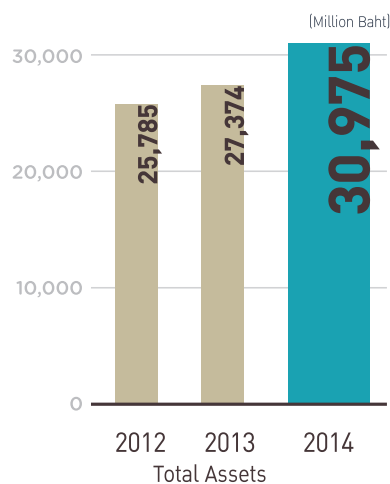
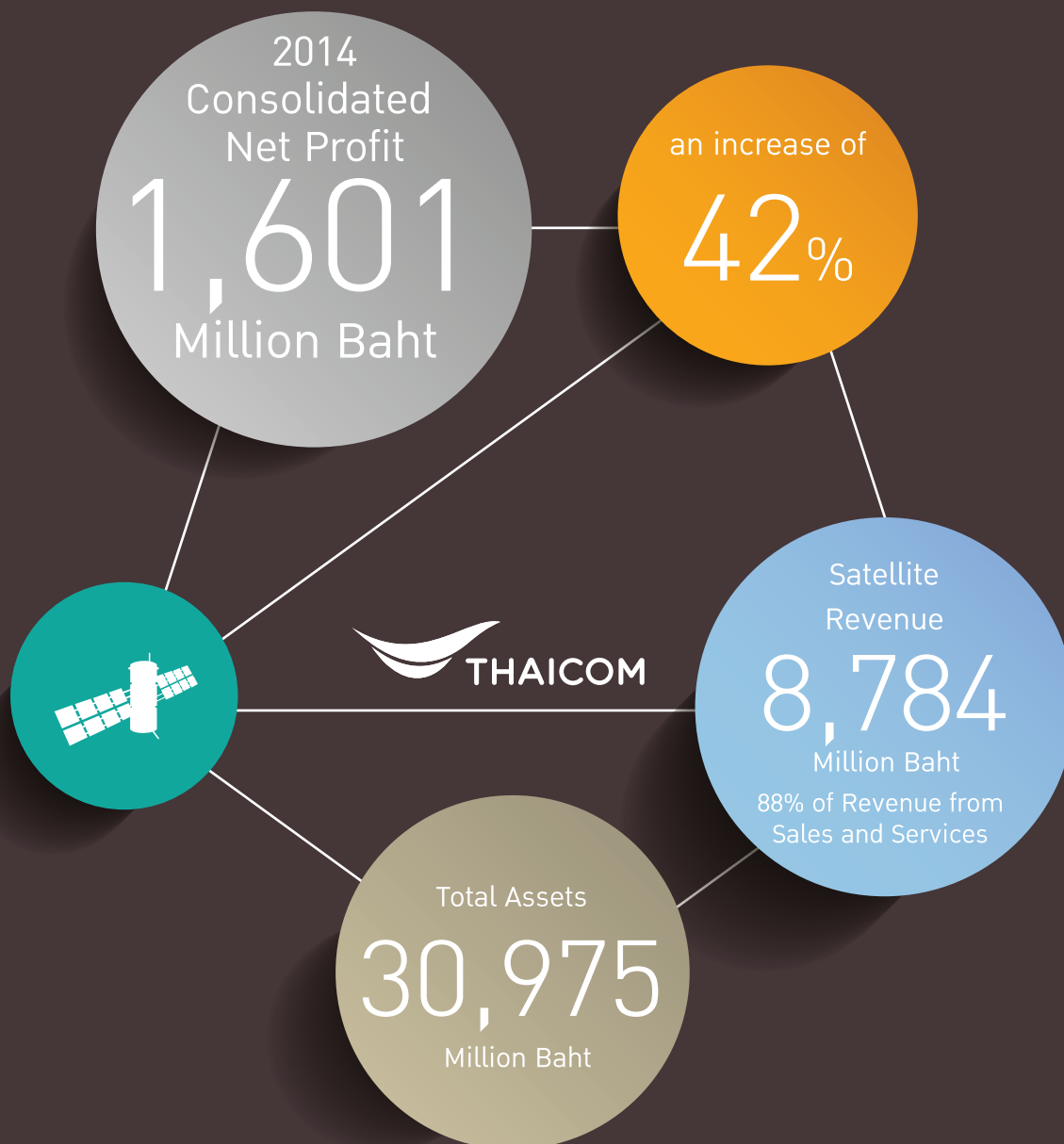


## CONNECTING TECHNOLOGY

Moving beyond the boundaries of existing technology  
to create the technologies of the future

Thaicom's goal is to be a leader in providing world-class integrated satellite services through the continual development and provision of new technologies and services, not only to meet the constantly shifting needs of communications in the future, but also to ensure the Company's primary position in the satellite industry.





# Financial Highlights (Consolidated)

Thaicom Public Company Limited

Unit : Million Baht

	2012	2013	2014
<b>Operating results</b>			
Total Revenue	8,945	9,738	10,376
Services and Sales Revenue	7,266	7,896	10,004
Gross Profit	2,782	3,201	4,152
Operating Profit (Loss)	1,334	1,662	2,295
Net Profit (Loss)	174	1,128	1,601
EBITDA	3,885	3,740	4,969
<b>Financial Position</b>			
Total Assets	25,758	27,374	30,975
Total Liabilities	11,520	11,793	14,049
Shareholders' Equity	14,239	15,581	16,926
<b>Financial Ratio</b>			
Current Ratio (Times)	1.52	0.83	1.78
Debt to Equity Ratio (Times)	0.50	0.54	0.63
Gross Profit Margin	38%	41%	42%
Operating Profit Margin	18%	20%	23%
EBITDA Margin	53%	47%	49%
Net Profit Margin	2%	14%	16%
Return on Assets	1%	4%	5%
Return on Shareholders' Equity	1%	8%	10%
Earning per share (Baht)	0.16	1.03	1.46
Book Value per Share (Baht)	12.96	14.18	15.41

As of 31 December 2014

# Corporate Social Responsibility



Responsibility of Thaicom means that the Company is nationally gaining recognition as a corporate with responsibility to the stakeholders. “Sustainable Development” is embedded by positive impact of the community’s occupational and learning skilled benefited from our products. Meanwhile, we aim to minimize negative impact both from our own operations and the social structure trouble via the use of Thaicom service through the care of human resources, maintaining of the products and services and quality of contents when operating our business.

## Human Resources

### Internal Human Resources

Our human asset, the management and employees, is valued as they are the crucial elements to efficiently drive the Company to our success. We always focus on developing our internal community. We offer training courses to develop and enhance their capability, create suitable corporate culture and provide pleasant working environment. We also work to create a culture that employees share the ownership of their organization by setting up a team who is in charge of people’s preferences and interests. There are 11 socialized clubs now available for them. Moreover, the Company also prioritizes that employees



## Average Age



## Gender



## Employee Base



## Education



are politely treated with dignity and respect at all times and our working environment must be free from bullying, harassment and discrimination as per the Human Rights concept. Our employees receive acceptable compensation and treated fairly. The human resources are managed and developed based on the 4C principles.

## External Human Resources

The external human resources such as the public, community and society are the Company's external asset as well. The Company determines to be involved with developments from the grass roots. We support the community in accessing

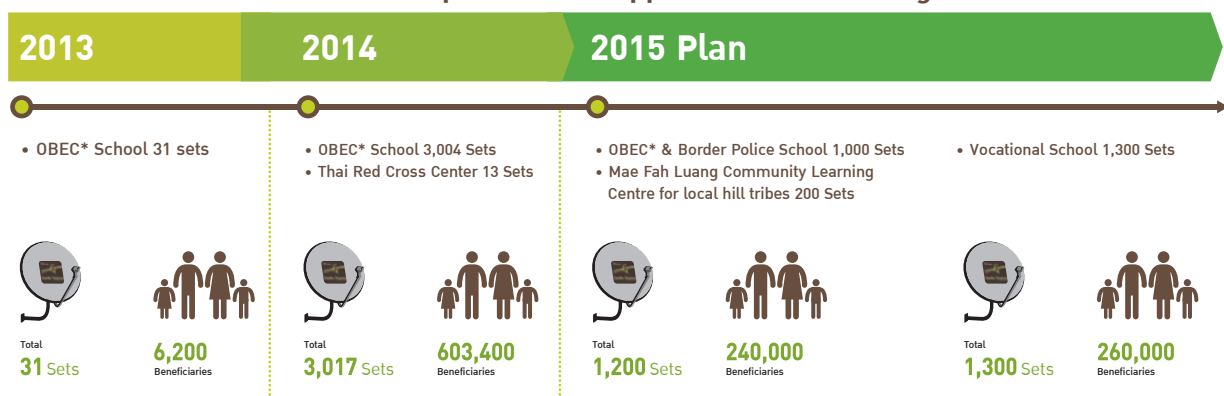
necessary information via the Company's technology for their knowledge-based education. The standard of life is therefore improved. In order to support the social development the Company has engaged the following projects intended for knowledge-based education.



### Project "Thai Kid Thaicom - Training course on how to set up satellite TV receivers for education"

We engaged with the social development through the use of our products to enhance the community's potential. The Company's products support the distance learning and minimize accessible gap so that young people in remote areas, and rural areas with teacher shortage. Thaicom satellite channels are gradually available and equally open learning opportunities to children across the country. They can develop their potential to be model citizens. In 2014, the Company delivered 3,017 sets of satellite TV receivers to desolate schools and school in need of teacher. This activity opens more opportunities to our young people to access information either in or out their classroom.

### Number of Satellite TV receivers provided to support distance learning education



Note : The number of beneficiaries are based on 200 / set

\* OBEC : Office of the Basic Education Commission





### Project “Thai Kid Thaicom - Training course on how to set up satellite TV receivers for education”

It was an activity that we trained vocational students in Wiwat Polmuang School and trainees from narcotics rehabilitation to enhance the sustainability of their occupation in the future. We expect the trainees will be able to use the knowledge and skills in engaging with the social development as well as to cascade their skills. Last year Thaicom organized 7 training courses. They were 2 trainings at Wiwat Polmuang School, 3 trainings in Technical Colleges and 3 trainings organized at for military personnel who delivered the installations to relay the opportunity at the Border Patrol Police facility.

### Project “Thai Kid, Thaicom- the Thaicom Network Schools”

The mission is to empower distance learners in our partner schools to reach their full education potential. We have fully supported the Distance Learning Foundation with our satellite TV signal receivers and television sets in all classrooms at Klai Kangwon Palace School where varied educational programs are live broadcast. The network is also available on demand for everyone's e-Learning. In 2014 Thaicom supported other



educational formats implemented more projects at 10 schools in Nonthaburi and Pathum Thani.

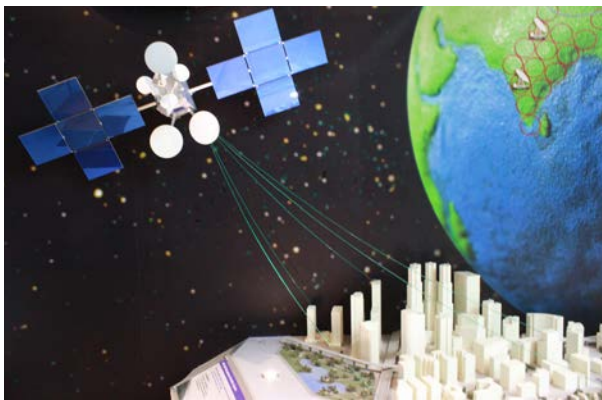
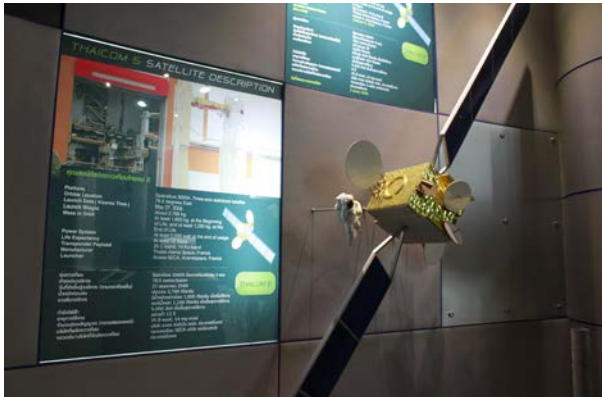
### Project “Thaicom Learning Center at Wat Chiang Khet School”

The Project was originated to construct an educational approach that encourages students in Learning by doing. Students inspired by the approach are thinkable, knowledgeable, observe and have public consciousness to help the community. They can also apply those skills with actual practices.

### Project Thaicom for Community - Chaleomsri Community Organic Vegetable Fund”

We initiated this project to promote the community strength by funding a working capital for a community. The fund was spent in knowledge-based network for organic vegetable. Their objectives were to resolve material issues, reduce cost, increase their products value, and generate more income to members and the community as a whole. The project also tightened the members' relationships. The community found reduction of chemical in farming their organic products is safe for consumption in the community as and for the market. If





the project is successful and brings the funds to balance, the community would embed more sustainable approach to healthy food and be considered applying the sufficient economics to the community.

### “Space & Satellite Pavilion”

It is the first and sole museum of Thailand initiated by Thaicom. The Museum tour guides are our engineers or experts who provide accurate information to visitors, and they take questions and answer them promptly. Children and young people can therefore access the information easily. The Museum inspires them with the space technology and invented innovation that will benefit the nation as well. Since 2014 The Company has invested in the Museum extension by size and quality. We will expand knowledge scale and get to welcome more visitors.

### A Space Exhibition, NASA- A HUMAN ADVENTURE”

The purpose is to build aspirations to the children and young people who will become the nation’s important scientists. The exhibition brings knowledge to the public. The target group is the children and young people, due to the Company’s social responsibility that we have emphasized the study in



developing the social structure to enable them easily access the information based on social sustainability. Children’s inspired by the exhibition are interested in more learning and development. The method of choosing and using right technologies creatively will enhance their potential.

### Products and Services

Maintaining reputation of products and services brings to us the customer’s confidence and satisfaction including all stakeholders. We have responsibilities in customer, community, economy and environment by maintaining the highest quality of products and providing the best service considering possible impacts including system development for any future risks.

The Company focuses maintaining high quality products and services in both internal and external working processes through the following activities:

“Customer Survey” is conducted by questioning the overall picture of the Company on sale and financial performance, including our business operations. Moreover, the interviewees are free to give their additional opinions outside the



questionnaire. In addition, we created an activity “Knowledge sharing section,” on our website to share general knowledge with the public as well as our business company profiles. The Company is recognized as “Space agent of Thailand” who operates on the ground of corporate governance. Customer feedbacks reflect how much they are confident and satisfied by the Company’s products and services. This activity is helpful for us to continually manage, improve and develop the organization.

“Service monitoring” is developed by the Company’s Information Technology Team to solve the impromptu problems in our products and services. If there is a technical situation to the service users, the system can provide a method and guidelines on the treatment to resolve such problem. It divides their roles into teams which are the in-house system and the support system to the operation team. There is also the “Service Level Agreement: SLA” between the Company and the customers in each subject. If any incident occurs the system will advise the best practice to resolve the problem. Therefore, an incident detail is therefore relayed according to the system process to identify the particular problems. Thereafter, the detail is then sent to the concerned officer in the operation who immediately notices it as soon as the problem occurs. After all they will follow the process framework. Nonetheless, if it finds the case cannot be resolved so may be labelled as a “Problem,” which there will be a problem management team to carry on further. While the entire internal process considers this problem is sent to which unit, but if it can be solved the situation is ended. The Company ensures our operation is systematic approach and always considers the customer’s income and cost, therefore we are efficiently maintaining high quality. The system can efficiently minimize negative impact to customer.

### Responsible for the Quality of Content

As a satellite services provider, we have responsibilities for stabilized products and services that always function in both normal and critical situations. The Company plays a part to prevent and supervise the quality of contents suitable for the customers, and not to create negative impact to the society. Also it is part of our supports to social development to provide useful information and knowledge to the public. Our efficiently maintain high quality of the nation’s telecommunication system helps the public to enhance their occupational skills.

The quality of content consists of 2 areas: quality of the program and the technical service.

### Quality of Program

The Company has clear guidelines in finding the method to supervise the contents of the aired programs via the satellite signal in conjunction with external agencies both the public and private sectors to have good programs with suitable content, not to impact the society negatively. The concept “Good TV channels must exist with Thaicom,” which the programs content quality of the content in the past in Thailand faced a lot of problems from the content that linked to political conflicts. At present, the Company has supervised the content of the entire programs leased on the signal by cooperation with the industrial agencies. However, the Company has succeeded in guidelines such as the compliance with the law and the public sector, both on the coordination with the National Broadcasting and Telecommunications Commission (NBTC), including coordination with the customers preventing the recurring problems. The Company has guidelines on keeping the contents from that have negative impact to social development and promote contents essentially benefit the society.

### Technical Service

The Company is committed to develop our technical quality in responding to technology and lifestyle trend. We have the guidelines on developing the TV system from the basic system to the high-definition (HD) system. Furthermore, the Company continues to release the most stable signal effectively and efficiently in order to maintain the high standard of the nation’s telecommunication system.







## Message from the Chairman of the Board of Directors



The Board of Directors promises that it will continue to oversee, audit and manage Thaicom Plc's operations carefully and consistently to ensure that the Company will continue to provide benefits for all its stakeholders.

**Dear shareholders and stakeholders,**

In 2014 there were some major changes which occurred in the television and broadcasting industries in Thailand and Asia as a result of changes in broadcasting technology and a move from standard definition (SD) broadcasts to high definition (HD) broadcasts, and the preparation for ultra-high definition Ultra-HD broadcasts in the future. Program producers must now deliver programs shot at higher definitions, and broadcast these higher quality programs to growing audiences equipped with the right reception equipment. This has led to a dramatic increase in the demand for bandwidth on satellite transponders, and even with the launch of Thaicom 6 early in the year, the transponders available to the local and regional markets are not sufficient to meet the demand. To provide sufficient bandwidth for customers, Thaicom has since launched Thaicom 7, and has already initiated construction of Thaicom 8, which is planned for launch in early 2016.

In our international markets, the Company successfully launched the Thaicom 7 satellite in September, which is mainly purposed to serve foreign customers. The Africa market is a relatively new market for the Company. Our market penetration there has not been as successful as initially forecast, mainly due to stiff competition from other operators in the region. Even so, the Company will continue to push its marketing initiatives throughout 2015 to gain a larger market share on this continent.

In terms of the Company's operating results, consolidated net profit grew 42 percent year on year, largely due to exceptional growth of 71% in the Company's satellite segment profits, while 2014 was also the first year in which the Company realized stand-alone profits of more than 1 billion Baht. These results clearly reflect that the Company is on a strong path of consistent growth, and it intends to maintain this trajectory. The results also speak for the success and efficiency of the Company's growth strategy which is regularly reviewed and updated by the Board of Directors. On each review occasion, the Board keeps in mind market conditions, social situations, the economy, and the constant and rapid changes taking place in satellite communications technology. The necessity of competing with satellite operators from abroad has also led to the Company expanding its operations in foreign markets such as Australia, and to adjusting its business plan to put more focus on its core satellite operations instead of other, less profitable activities.

In the area of business management, the frequent political changes which have occurred in the past, although not directly affecting the Company's provision of services, have led to the Company developing a Business Continuity Plan that has been approved by the Board, and is regularly reviewed to ensure the plan is still suitable to meet any challenge the Company may face.

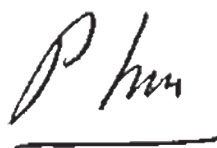
The year 2015 will be a challenging year for the Company, as over the past three years it has grown rapidly. To ensure that the Company will maintain consistent growth, the Board of Directors and the Company's Management have reviewed its policies and developed new strategies for the coming year that will focus on the establishment and strengthening of business partnerships with entities in the aerospace segment in China. The initial step was the signing of a framework agreement in November 2014, to further develop value-added services instead of focusing solely on the sale of satellite bandwidth. In other regions where the Company's operations are strong, such as Australia, this may involve additional investments in those countries. With a revision of the Company's business strategies, the Company must necessarily also look at its internal management strategies and policies covering its human resources development plans, to ensure that its personnel can meet the new challenges of operating any new business. To this end, the Company has implemented a plan to turn the Company into a 'learning' organization, and to develop the skills of a new generation of employees so that they will be ready to take over the tasks and responsibilities of the present work force.

The main duty this year will be to oversee the successful completion of the Thaicom 8 satellite, and to prepare all related elements to ensure that operations and services are provided efficiently and smoothly when the satellite is launched in 2016.

More importantly, the Company is very conscious of its duty to operate in keeping with international corporate governance best practice standards, its responsibility to all its stakeholders, and its role in developing society, particularly in the area of providing education to children in distant and under-developed areas. Beyond social responsibilities, the Company also takes very seriously its duty toward protecting the environment, and as such has included environmental awareness activities in staff training sessions that also cover the Company's Green Economy policy.

The Board of Directors has urged the Company's management to consistently apply and adhere to corporate governance best practice, and participation with government agencies in the fight against corruption. In 2013, the Company became a signatory to the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), and on 16 January, 2015, the Company was officially recognized as having met all conditions in the declaration on anti-corruption by having put in place good business principles and controls against corruption. The Board recognizes that it is the Company's responsibility to fight corruption at all levels, and as such has urged the Company to extend its activities to include the selection of business partners, suppliers and customers based on their respective anti-corruption stance.

The Board of Directors promises that it will continue to oversee, audit and manage Thaicom Plc's operations carefully and consistently to ensure that the Company will continue to provide benefits for all its stakeholders. The Company aims to gain the respect of the people, our partners, and our peers and develop a reputation of which all Thais can be proud of.



**Paron Israsena**

Chairman of the Board of Directors

## Message from the Chairman of the Executive Committee and Chief Executive Officer



It has been our mission to provide benefits and returns to all stakeholders, including society at large as well as our shareholders, so that all can be proud of a company that contributes to the society

Dear shareholders and stakeholders,

2014 was a year of which we can be proud of as Thaicom overcame many challenges on our path to new frontiers. We provided solutions and benefits to the nation and our society as we launched new satellites to expand our potential to meet the demand for more channels domestically and regionally. We expanded our markets and our businesses, developed our services and created new solutions and innovations to meet the needs of our customers. We have formed new business partnerships and proudly upheld our commitment to contribute to society and our stakeholders.

2014 was the third consecutive year in which Thaicom enjoyed profits from its operations. The Company generated normalized net profit of Baht 1,832 million, an increase of Baht 704 million or 62% from 2013. Service and Sales Revenue for 2014 totaled Baht 10,004 million, up by Baht 2,108 million or 27% over the previous year, of which 88% was contributed by the Company's core satellite operations.

Some of the most important events and some of our key achievements in 2014 included the successful launch of THAICOM 6 on 6 January, and the launch of THAICOM 7 on 7 September. These two satellites will help improve Thaicom's ability to meet the growing demand for additional channels for television broadcasting, while also expanding the Company's effectiveness in providing communications capabilities across South Asia, Southeast Asia, and Australia. Thaicom has also initiated work on our next satellite, THAICOM 8, which will be launched in the first half of 2016, and will help to reinforce our 'Hot Bird' position at the 78.5 degrees East orbital slot. This Ku-band satellite will also help us meet the growing demand for more channels to provide High Definition (HD) television broadcasts and Ultra-High Definition (Ultra-HD) broadcasts in the future.

Several other successes in 2014 include the award for Satellite Executive of the Year in Asia Pacific at the APSCC - Asia Pacific Satellite Communications Council's 10th annual APSCC awards; the launch of maritime satellite broadband services for Ocean Trans Co., Ltd., a leading Japanese maritime transport company; the launch of the MCONNECT application in cooperation with MCOT which allows for simultaneous second-screen viewing of programming, the first for Thailand; the launch of in-flight Wi-Fi services, on Thailand's domestic airlines, Nok Air, provided through Ku-band transponders on Thaicom's satellites - speeds equivalent to 3G services, the first in Asia; the issuance of bonds by Thaicom to finance present and future projects - the issue was over-subscribed, showing the trust among the investment community and shareholders in general for the Company's strong fundamentals and potential for future growth; and the leading role Thaicom took in bringing to Southeast Asia for the first time ever, "NASA - A Human Adventure Exhibition".

The success experienced by Thaicom in its operations and the Company's primary intention of providing benefits for the country, combined with the laying of a strong foundation from which to continue its growth, have created a platform from which the Company can launch its new initiatives for 2015 as it aims to expand its capabilities, services and benefits to all stakeholders by "Connecting the Future". To cope with the challenges and changes in today's world, Thaicom will develop the services to connect and engage all key stakeholders by "Connecting People" at all levels to create cooperation and joint success; "Connecting Technology" by improving its expertise in satellite communications technology to go beyond the limits; and "Connecting Opportunity" by developing its network of businesses and partnerships to explore new opportunities for expansion for a strong, good governance growth.

On behalf of Thaicom, I would like to thank all our shareholders, our management team and staff, partners, business associates and all other stakeholders, for supporting us and Thaicom's business activities. We, at Thaicom, will continue to develop new and innovative products and services for our customers. We will ensure that our growth is sustainable, and in line with best practice guidelines for good corporate governance and our responsibility to society and the environment. It has been our mission to provide benefits and returns to all stakeholders, including society at large as well as our shareholders, so that all can be proud of a company that contributes to the society and carries the good name of the country to nations far and wide. Thaicom will provide them with communications capabilities through Thai satellites which are operated to the regional and global industry where we convey our innovation and professionalism of a leading Asian satellite operator.



**Suphajee Suthumpun**

Chairman of the Executive Committee  
and Chief Executive Officer



# Audit Committee Report for the Year 2014

## To The Shareholders of THAICOM Public Company Limited

The Audit Committee of THAICOM Plc. ("the Committee") was appointed by a resolution of the Board of Directors and consists of three independent directors. Professor Hiran Radeesri was appointed as the Chairman of the Committee while Mrs. Charintorn Vongsbootorn and Associate Professor Samrieng Mekkiengkrai were appointed as members. The Secretary to the Committee is Pol. Lt Sivaraks Phinicharomna, who also serves as the Head of Internal Audit Office. The Committee undertook its significant duties by reviewing the financial statements, internal control, internal audit, risk management and regulatory compliance, fraud audit and appointment of auditor for the year 2015 as set forth in the Audit Committee Charter approved by the Board of Directors in accordance with notifications of the Stock Exchange of Thailand and good corporate governance practices. In 2014, the Committee held a total of 15 meetings. All of the Committee's members attended these meetings. The Committee reported on its performance and made recommendations to the Board of Directors for approval, consent or matters to be informed on a quarterly basis. The Committee's significant activities are summarized below:

- **To Review the Financial Statements:** The Committee reviewed the quarterly and annual financial statements of the Company and the companies in the group for the year 2014 including disclosure of information in the notes to financial statements to ensure that the reports were in compliance with the Thai Financial Reporting Standard (TFRS). The Committee discussed significant accounting policies, internal controls, estimates and judgements applied in preparing these reports with the Company's management, the external auditors as well as the internal auditor. The Committee also held a private meeting with the external auditors without the presence of the Company's management to consider the internal control system and the accuracy and reliability of the Company's financial statements, and to ensure that the external auditors had preserved their independence.
- **To Review Good Corporate Governance and Compliance with Rules and Regulations:** The Committee reviewed the Company's adherence to Good Corporate Governance principle and Code of Conduct guidelines including compliance with rules and regulations and found that the Company's directors, management and staff observed these guidelines closely. The Directors encouraged management and employees at all levels to consistently and continuously adhere to the Company's Code of Conduct as well as compliance with rules and regulations. Furthermore, the Committee also reviewed the Company's connected transactions or transactions that might lead to conflicts of interest, and has charged the responsible department to report regularly on these issues to the Committee. The Committee also reviewed the Company's adherence to relevant laws and notifications as required by Stock Exchange of Thailand and Securities and Exchange Commission of Thailand to ensure that all disclosures were correct, complete, and adequate. To ensure compliance, the Committee also performed a self-assessment to review and evaluate its performance by benchmarking it with the Audit Committee Charter and best practice guidelines. The Committee is satisfied that it has been effective in carrying out its duties and has followed the terms of reference in its charter. The results of the self-assessment were reported to the Company's Board of Directors.
- **To Review Risk Management and Internal Control Systems:** The Committee reviewed the Company's risk management systems, including actions taken to mitigate significant risk to acceptable levels in order to achieve the Company's objectives. Some of the major elements explored were risks related to changing world and regional economic conditions, risks related to foreign investments, and risks related to business slowdowns or stoppages. Reviews were done on a quarterly basis in keeping with accepted risk management practices. In 2014, the country's political situation was improved but international problems still remain, thus affecting THAICOM's operations. Despite these problems, the Company's management developed risk management systems to avert potential problems, and developed more value added services as well as introducing new technological solutions to offer services to its clients. At the same time the Company also provided sufficient training and learning experiences for its management and staff to keep abreast of global developments. All these activities meant that in 2014,

the Company's risk management systems were adequate, efficient and effective in dealing with obstacles.

- **To Review Internal Control and Internal Auditing:** The Committee reviewed the Company's Internal control system and monthly and quarterly reports from the Internal Audit Department and found that the internal control system was sufficiently effective for THAICOM's business operations. This view was reflected by the Company's External Auditor who reported that no irregularities were found in the Company's financial statements. Additionally, to improve the efficiency of the Company's internal control system, the Company further developed its preventative measures, focusing on expanding its self-control evaluation, its internal and external communications systems, and its continuous monitoring and continuous auditing system including fraud prevention in various business processes. The Committee reviewed the Company's internal audit scope; long-term and one-year audit plans previously approved, and found that the activities undertaken exceeded the Key Performance Indicators set for the year. Furthermore the Committee also reviewed the Internal Audit Department's expenditure and investment budgets, and its personnel requirements, and suggested that the Department should focus on adding further value to the Department's audits by developing and expanding the Department's proactive preventive audits, provide training for its staff in new technologies to make audits more efficient, and to move towards more self-audits at the different business function levels within the Company.
- **To Review Auditing of Fraud Complainants:** The Committee performed a quarterly auditing of fraud complaints, reviewing and testing internal controls and systems to prevent fraud practices. The review found that under the Company's "Whistle-Blower" policy, eight complaints had been made throughout the year. The complaints were duly investigated, and the Committee noted that 3 of the complaints might potentially have constituted a fraud. However, the value of the alleged offense was immaterial, and preventative action has been taken to prevent recurrence.
- **Appointment of External Auditor for the year 2015:** The Audit Committee and management considered selecting an auditor and audit fees for the year 2015 through auditors' experiences, knowledge, expertise, independence and other services including proposed fees compared with previous year including volume of work. After which, agreed to recommend the Board of Directors to propose in the Annual General Meeting of Shareholders to appoint 3 auditors which were Mr. Suphoj Singsaneh, Certified Public Accountant License No. 2826 and/or Mr. Vinid Silamongkol, Certified Public Accountant License No. 3378 and/or Mr. Charoen Phoosamritler, Certified Public Accountant License No. 4068 of KPMG Phoomchai Audit Co., Ltd., be appointed as the Company's External Auditors for the year 2015 wherein anyone is eligible to conduct audit engagement and expressed opinion to the financial reports of the Company for the year 2015. The audit fee of THAICOM would be amounted to THB 1.86 million which is equal to the last year's fee, audit fee of THAICOM's group of companies amounted to THB 7.74 million and non-audit service for the year 2015 was THB 0.5 million.

On behalf of the Audit Committee



(Prof. Hiran Radeesri)

Chairman of the Audit Committee

11 February 2015

## Board of Directors and Company Secretary



**1 Mr. Paron Israsena**  
Chairman of the Board of Directors  
and Independent Director

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

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

**4 Assoc. Prof. Samrieng Mekkiengkrai**  
Independent Director and Member of the Audit Committee

**5 Mrs. Suphajee Suthumpun**  
Director and Chairman of the Executive Committee





**6** **Mr. Somprasong Boonyachai**  
Director

**7** **Mr. Yong Lum Sung**  
Director and Member  
of the Executive Committee

**8** **Mr. Anek Pana-apichon**  
Director and Member of the Executive Committee

**9** **Mrs. Yupapan Chatsirinoppakun**  
Company Secretary and  
Vice President - Executive Office



## Management Team



**1 Mrs. Suphajee Suthumpun**  
Director, Chairman of the Executive Committee and Chief Executive Officer

**2 Mr. Paiboon Panuwattanawong**  
Chief Technical Officer and Member of the Executive Committee

**3 Mr. Vuthi Asvasermcharoen**  
Chief Financial Officer

**4 Mr. Pradeep Unni**  
Chief Commercial Officer – International Business



**5** **Mr. Patompob Suwansiri**  
Chief Marketing Officer





# Directors, Management Team and Company Secretary Profiles



## Mr. Paron Israsena

Chairman of the Board of Directors and Independent Director

Date of Appointment 4 January 1994

Age 86

Percentage of Shareholding<sup>(1)</sup>  
None

### Relationship with other Management

None

### Highest Education

- Master of Engineering (SM\_ME),  
Massachusetts Institute of Technology, USA

### IOD Training Programs

#### Other Training / Seminars

- MFM: Monitoring Fraud Management Class 4/2010
- RCC: Role of the Compensation Committee Class 1/2006
- The Characteristics of Effective Directors Year 2006
- QFR: Improving the Quality of Financial Reporting Class 3/2006
- DAP: Directors Accreditation Program Class 4/2003
- Thailand's 5<sup>th</sup> National Conference on Collective Action Against Corruption
- The 2<sup>nd</sup> National Director Conference 2013 - Board Leadership Evolution
- Thailand's 4<sup>th</sup> National Conference on Collective Action Against Corruption

### Work Experiences

1994 - Present Chairman of the Board of Directors and Independent Director, Thaicom Plc.

#### Position in other listed companies

1994 - Present Director and Chairman of the Audit Committee, Sammakorn Plc.  
Director and Member of the Audit Committee, Padaeng Industry Plc.

#### Position in other non-listed companies

2014 - Present Chairman of the Board of Directors, Mitr Technical Consultant Co., Ltd.  
2011 - Present Chairman of the Board of Directors, Thonburi Automotive Assembly Plant Co., Ltd.  
1997 - Present Director, Nai Lert Park Hotel Co., Ltd.

#### Work Experiences

2004 - 2010 Director, The National Science and Technology Development Board  
1996 - 2011 Director, Chiang Mai University Council  
1990 - 2012 Qualified Council Member, Chulalongkorn University

### Illegal Record in the past 10 years

None

Note (1) Includes shareholding by spouse and minor children

(2) Authorized Director

(3) Management as per definition of Securities and Exchange Commission

(4) Duties and Responsibilities of Company Secretary presented in Corporate Governance and Management : Company Secretary

\* Thaicom Plc., formerly known as Shain Satellite Plc., which registered the change of name at Ministry of Commerce on 10 April 2008



### Prof. Hiran Radeesri

Independent Director  
and Chairman of the Audit Committee

Date of Appointment 20 March 2001

Age 84

Percentage of Shareholding<sup>(1)</sup>  
None

#### Relationship with other Management

None

#### Highest Education

- Honorary Doctorate Degree in Accounting, Thammasat University

#### IOD Training Programs

##### Other Training / Seminar

DCP: Directors Certification Program Class 2001

- The 3<sup>rd</sup> National Director Conference 2014 - Improving Corporate Governance: Key to Advancing Thailand
- Thailand's 5<sup>th</sup> National Conference on Collective Action Against Corruption
- Satellite Conference & Exhibition 2014 in DC, USA
- APSCC 2014 Satellite Conference & Exhibition in Phuket, Thailand
- CG Forum 3/2014: Challenging as Expectations for Board Engagement on Strategic Risk Management Oversight
- AC preparation for AGM
- The 2<sup>nd</sup> National Director Conference 2013 - Board Leadership Evolution
- CG Forum 2/2013: Board Monitoring - How to Build the spirit of Good Corporate Governance
- Thailand's 4<sup>th</sup> National Conference on Collective Action Against Corruption
- CG Forum 3/2013: Conflict of Interest - Fighting Agusive RPT
- Federation of Accounting Professions: Latest Criteria of Internal Audit System (COSO's 2013)

#### Work Experiences

Present Independent Director and Chairman of the Audit Committee, Thaicom Plc.

##### Position in other listed companies

Present Independent Director and Chairman of the Audit Committee, Navakit Insurance Plc.  
Independent Director and Chairman of the Audit Committee, Dusit Thani Plc.

##### Position in other non-listed companies

Honorary Chairman of the Director, Thai Institute of Directors Association  
Chairman-Corporate Governance Centre, The Stock Exchange of Thailand  
Chairman - Tax Auditor Examination Committee, Revenue Department  
Qualified Director of University Council, Thammasat University

#### Work Experiences

Past Chairman, Price Waterhouse Co., Ltd.  
Member, the Board of Directors of The Stock Exchange of Thailand  
Chairman of the Audit Committee, The Stock Exchange of Thailand  
Director, Thailand Securities Depository Co., Ltd.  
Governor, State Railway of Thailand  
Chairman of the Board of Directors, Mass Rapid Transit Authority of Thailand  
Qualified Director, Accounting Profession Supervision Council, Federation of Accounting Professions

#### Illegal Record in the past 10 years

None



### Mrs. Charintorn Vongsbootorn

Independent Director and Member of the Audit Committee

Date of Appointment 8 December 1999

Age 68

Percentage of Shareholding<sup>(1)</sup>

None

#### Relationship with other Management

None

#### Highest Education

- Master of Business Administration, Creighton University, USA

#### IOD Training Programs, Other Training / Seminar

- SFE: Successful Formulation & Execution of Strategy Class 21/2014
- MFM: Monitoring Fraud Risk Management Class 2/2010
- ACP: Advance Audit Committee Program Class 2010
- RCC: Role of the Compensation Committee Class 6/2008
- MIA: Monitoring the Internal Audit Function Class 2/2008
- MIR: Monitoring the System of Internal Control and Risk Management Class 2/2007
- MFR: Monitoring the Quality of Financial Reporting Class 5/2007
- DCP: Refresher Class 1/2005
- ACP: Audit Committee Program Class 1/2004
- DCP: Directors Certification Program Class 8/2001
- The 3<sup>rd</sup> National Director Conference 2014 - Improving Corporate Governance: Key to Advancing Thailand
- Thailand's 5<sup>th</sup> National Conference on Collective Action Against Corruption
- Satellite Conference & Exhibition 2014 in DC, USA
- APSCC 2014 Satellite Conference & Exhibition in Phuket, Thailand
- CG Forum 2/2013: Board Monitoring - How to Build the Spirit of Good Corporate Governance
- Thailand's 4<sup>th</sup> National Conference on Collective Action Against Corruption
- CG Forum 3/2013: Conflict of Interest - Fighting Aggressive RPT

#### Work Experiences

1999 - Present Independent Director and Member of the Audit Committee, Thaicom Plc.

#### Position in other listed companies

- None -

#### Position in other non-listed companies

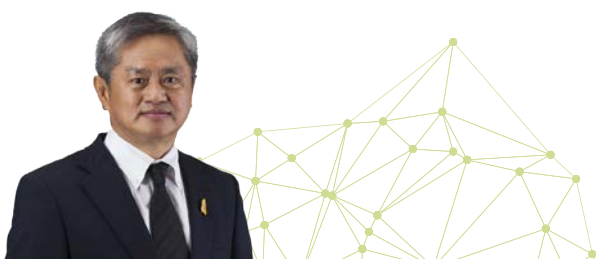
2013-Present Advisor of Chief Executive Officer, SEAMICO Securities Co., Ltd.

#### Work Experiences

2010 - 2013 Independent Director and Member of the Audit Committee, Ini3 Digital Co., Ltd.  
 2008 - 2013 Advisor of the Board of Director, Solaris Asset Management Co., Ltd.  
 2008 - 2013 Advisor of Chief Executive Officer, KT ZIMICO Securities Co., Ltd.

#### Illegal Record in the past 10 years

None



### Assoc.Prof. Samrieng Mekkiengkrai

Independent Director and Member of the Audit Committee

Date of Appointment 10 April 2007

Age 61

Percentage of Shareholding<sup>(1)</sup>

None

#### Relationship with other Management

None

#### Highest Education

- Master of Laws, University of Miami, USA
- Thai Barrister At Law, Institute of Legal Education of Thai Bar Association

#### IOD Training Programs, Other Training / Seminar

- SFE: Successful Formulation & Execution of Strategy Class 21/2014
- FSD: Financial Statement for Directors Class 9/2010
- MFM: Monitoring Fraud Risk Management Class 2/2010
- ACP: Audit Committee Program Class 20/2007
- DCP: Directors Certification Program Class 96/2007
- Thailand's 5<sup>th</sup> National Conference on Collective Action Against Corruption
- Satellite Conference & Exhibition 2014 in DC, USA
- APSCC 2014 Satellite Conference & Exhibition in Phuket, Thailand
- AC preparation for AGM
- CG Forum 2/2013: Board Monitoring - How to Build the Spirit of Good Corporate Governance

#### Work Experiences

2007 - Present Independent Director and Member of Audit Committee, Thaicom Plc.

#### Position in other listed companies

2014 - Present Independent Director, Eternal Energy Plc.

#### Position in other non-listed companies

-None-

#### Work Experiences

2012 - 2014 Independent Director, Unique Engineering and Construction Plc.  
 1990 - 2014 Researcher of Law and Organization, Chulalongkorn University.  
 1975 - 2014 Associated Professor Level 9, Faculty of Law, Chulalongkorn University

#### Illegal Record in the past 10 years

None



### Mr. Somprasong Boonyachai <sup>(2)</sup>

Director

Date of Appointment 11 August 2006

Age 59

Percentage of Shareholding <sup>(1)</sup>

None

#### Relationship with other Management

None

#### Highest Education

- Master Degree in Engineering, Asian Institute of Technology (AIT)

#### IOD Training Programs, Other Training / Seminar

- RCP : Role of the Chairman Program Class 21/2009
- DCP: Directors Certification Program Class 65/2005
- DAP: Directors Accreditation Program Class 30/2004
- Natinal Defence College of Thailand (NDC 4313)
- Graduate School of Business, Stanford University, Leading Change and Organizational Renewal
- IMD International, MIT Sloan, Leadership Dilemmas and Profitable Growth
- King Prajadhipok's Institute: Politics & Democracy for Senior Executive Class 11
- CMA: Executives Program Capital Market Academy Class 6
- Top Executive Program in Commerce and Trade (TEPCoT 4)
- Harvard Business School: Corporate Restructuring, Mergers, and Acquisitions
- The Programme for Senior Executive on Justice Administration (BATCH 17)
- Energy Literacy for Sustainable Future Class 4

#### Work Experiences

2006 - Present Director, Thaicom Plc.

#### Position in other listed companies

2010 - Present Acting-President, Intouch Holdings Plc.

2008 - Present Chairman of the Executive Committee, Intouch Holdings Plc.  
Vice Chairman of the Board of Directors, Advanced Info Service Plc.

2007 - Present Director, Intouch Holdings Plc.

2002 - Present Independent Director and Member of the Audit Committee, Power Line Engineering Plc.

#### Position in other non-listed companies

2004 - Present Director, Praram 9 Hospital Co., Ltd.

#### Work Experiences

2009 - 2011 Chairman of the Executive Committee, Thaicom Plc.

2000 - 2008 Member of the Executive Committee, Thaicom Plc.

1999 - 2008 Chairman of the Executive Committee, Advanced Info Service Plc.

1994 - 2008 Director, Advanced Info Service Plc.

#### Illegal Record in the past 10 years

None



### Mrs. Suphajee Suthumpun <sup>(2)</sup>

Director, Chairman of the Executive Committee and Chief Executive Officer

Date of Appointment 10 August 2011, 1 January 2012 and 1 August 2011, respectively

Age 50 year

Percentage of Shareholding <sup>(1)</sup>

None

#### Relationship with other Management

None

#### Highest Education

- Master Degree in Business Administration, International Finance and International Accounting, Northrop University, USA

#### IOD Training Programs, Other Training / Seminar

- DCP: Directors Certification Program Class 89/2007
- Satellite Conference & Exhibition 2014 in DC, USA
- The Programme for Senior Executive on Justice Administration (BATCH 19)
- Berkeley Executive Coaching Institute, University of California, USA
- CMA: Executives Program Capital Market Academy Class 16
- Thammasat Leadership Program Class 1

#### Work Experiences

2012 - Present Chairman of the Executive Committee, Thaicom Plc.

2011 - Present Director and Chief Executive Officer, Thaicom Plc.

#### Position in other listed companies

2011 - Present Member of the Executive Committee, Member of the Strategic and Organizational Review Committee and Chairman of the Media & New Business, Intouch Holdings Plc.  
Director, Chairman of the Executive Committee, Chairman of the Remuneration Committee, and Chairman of the Nomination and CG Committee, CS LoxInfo Plc.  
Member of the Executive Committee, Advanced Info Service Plc.

#### Position in other non-listed companies

2012 - Present Director, TC Broadcasting Co., Ltd.

#### Work Experiences

Aug. - Dec. 2011 Member of the Executive Committee, Thaicom Plc.

2010 - 2011 General Manager, Global Technology Services, IBM ASEAN

2009 - 2010 Client Advocacy Executive, Chairman's Office, IBM Headquarters

2007 - 2009 Vice President, General Business, IBM ASEAN

#### Illegal Record in the past 10 years

None





### Mr. Yong Lum Sung

Director and Member of the Executive Committee

Date of Appointment 13 May 2008

Age 65

Percentage of Shareholding<sup>(1)</sup>

None

#### Relationship with other Management

None

#### Highest Education

- Master in Electrical Engineering, University of Singapore
- Certified Diploma in Accounting and Finance, Chartered Association of Certified Accountants, UK
- Advanced Management Programme, Harvard Business School, USA

#### IOD Training Programs, Other Training / Seminar

- DCP: Directors Certificate Program Class 182/2013
- DAP: Directors Accreditation Program class 74/2008
- Satellite Conference & Exhibition 2014 in DC, USA

#### Work Experiences

2008 - Present Director and Executive Committee Member, Thaicom Plc.

##### Position in other listed companies

Strategic and Organizational Review Committee Member, Intouch Holdings Plc.

##### Position in other non-listed companies

2013 - Present Director, Care Corner Singapore Ltd.  
Chairman and Audit Committee Member, Macquaries APTT Management Pte Ltd.  
Director and Audit Committee Member, Singtex Holdings Pte Ltd.

2012 - Present Director, D-Sim Lab Technologies Pte Ltd.  
Corporate Advisor, Temasek International Advisors Pte Ltd.

2010 - Present Director, Tera-Barrier Films Pte Ltd.  
Executive Committee Member, U Mobile Sdn Bhd.

2009 - Present Consultant, Exploit Technologies Pte Ltd.

2007 - Present Director, Tianjin Binhai Convention & Exhibition Ptd Ltd.  
Director, Golden Donuts Pte Ltd.  
Director & Audit Committee Member, Singapore Cruise Centre Pte Ltd.

#### Work Experiences

2007 - 2013 Director & Audit Committee Member, Singex Venues Pte Ltd.  
Director & Audit Committee Member, Singex Exhibition Ventures Pte Ltd.  
Director & Audit Committee Member, Singex Exhibitions Pte Ltd.  
Strategy Committee Member, Star Hub Ltd.  
2009 - 2012 Director, Muvee Technologies Pte Ltd.  
2008 - 2012 Corporate Advisor, Temasek Holdings Ltd.  
2009 - 2011 Director, Singex TEDA International Pte Ltd.  
2007 - 2011 Director, Singex Global (ME) Pte Ltd.

#### Illegal Record in the past 10 years

None



#### Mr. Anek Pana-apichon

Director and Member of the Executive Committee  
 Date of Appointment 7 April 2010 and 1 April 2010, respectively  
 Age 49  
 Percentage of Shareholding<sup>(1)</sup>  
 None

#### Relationship with other Management

None

#### Highest Education

- Master Degree in Business Administration, Chulalongkorn University

#### IOD Training Programs, Other Training / Seminar

- DCP: Directors Certification Program Class 111/2008
- Satellite Conference & Exhibition 2014 in DC, USA
- APSCC 2014 Satellite Conference & Exhibition in Phuket, Thailand
- IOD Audit Committee Forum 2014
- The 2<sup>nd</sup> National Director Conference 2013 - Board Leadership Evolution
- CMA: Executives Program Capital Market Academy Class 15

#### Work Experiences

2010 - Present Director and Executive Director, Thaicom Plc.

#### Position in other listed companies

2010 - Present Executive Vice President - Finance & Accounting, Intouch Holdings Plc.

#### Position in other non-listed companies

-None-

#### Work Experiences

Feb. - Sep. 2011 Acting Chief Finance Officer, Thaicom Plc.

2004 - 2010 Vice President - Finance & Accounting, Intouch Holdings Plc.

#### Illegal Record in the past 10 years

None



#### Mr. Paiboon Panuwattanawong<sup>(3)</sup>

Chief Technical Officer and Member of the Executive Committee  
 Date of Appointment 1 July 2009 and 10 November 2011, respectively  
 Age 54  
 Percentage of Shareholding<sup>(1)</sup>  
 0.0003%

#### Relationship with other Management

None

#### Highest Education

- Master of Engineering, Carnegie Mellon University, Pittsburgh, USA

#### IOD Training Programs, Other Training / Seminar

- DCP: Director Certification Program year 2009

#### Work Experiences

Nov. 2011 - Present Member of the Executive Committee, Thaicom Plc.

2004 - Present Chief Technical Officer, Thaicom Plc.

#### Position in other listed companies

-None-

#### Position in other non-listed companies

-None-

#### Illegal Record in the past 10 years

None


**Mr. Vuthi Asvasermcharoen** <sup>(3)</sup>

Chief Financial Officer

Date of Appointment 1 October 2011

Age 47

Percentage of Shareholding<sup>(1)</sup>

None

#### Relationship with other Management

None

#### Highest Education

- Master of Business Administration, Indiana University of Pennsylvania, USA

#### IOD Training Programs, Other Training / Seminar

- DCP: Director Certification Program Class 166/2012

#### Work Experiences

Oct. 2011 - Present Chief Financial Officer, Thaicom Plc.

#### Position in other listed companies

May 2012 - Present Director and member of the Executive Committee, CS LoxInfo Plc.

#### Position in other non-listed companies

2012 - Present Director, TC Broadcasting Co., Ltd.

#### Work Experiences

Jan. 2011 - Jun. 2011 Chief Financial Officer (CFO) GMM Grammy Plc.

2004 - 2010 Deputy Chief Financial Officer Sahaviriya Steel Industries

#### Illegal Record in the past 10 years

None


**Mr. Pradeep Unni** <sup>(3)</sup>

Chief Commercial Officer - International Business

Date of Appointment 1 April 2014

Age 45

Percentage of Shareholding<sup>(1)</sup>

None

#### Relationship with other Management

None

#### Highest Education

- MBA - International Business Griffith University, Australia

#### IOD Training Programs, Other Training / Seminar

- DCP: Directors Certificate Program Class 182/2013

#### Work Experiences

Apr 2014 - Present Chief Commercial Officer - International Business

#### Position in other listed companies

-None-

#### Position in other non-listed companies

-None-

#### Work Experiences

May 2013 - Mar 2014 Executive Vice President, Marketing and Sales - India & Territory 2, Thaicom Plc.

Jan. 2012 - Apr. 2013 Senior Vice President, Marketing and Sales - India & Territory 2, Thaicom Plc.

Apr 2011 - Dec 2011 Senior Vice President, Marketing and Sales - India, Thaicom Plc.

Jul 2009 - Mar 2011 Vice President - Marketing and Sales-India, Thaicom Plc.

2007 - Jun 2009 Vice President - International Sales, Thaicom Plc.

#### Illegal Record in the past 10 years

None


**Mr. Patompob Suwansiri<sup>(3)</sup>**

Chief Marketing Officer

Date of Appointment 9 May 2014

Age 47

Percentage of Shareholding<sup>(1)</sup>

None

**Relationship with other Management**

None

**Highest Education**

- Executive Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University

**IOD Training Programs, Other Training / Seminar**

- DCP: Director Certification Program Class 185/2014

**Work Experiences**

May 2014 - Present Chief Marketing Officer, Thaicom Plc.

**Position in other listed companies**

-None-

**Position in other non-listed companies**

Nov 2013 - Present Director, DTV Service Co., Ltd.

**Work Experiences**

Apr 2013 - Apr 2014 Senior Vice President - Marketing and Business Development, Thaicom Plc.

Jan 2012 - Mar 2013 Vice President - Marketing and Business Development, Thaicom Plc.

Jul 2009 - Dec 2011 Vice President - Marketing and Sales, Thaicom Plc.

**Illegal Record in the past 10 years**

None


**Mrs. Yupapan Chatsirinoppakun**

Vice President - Executive Office and Company Secretary<sup>(4)</sup>

Date of Appointment 1 April 2014 and 12 November 2012, respectively

Age 51

Percentage of Shareholding<sup>(1)</sup>

None

**Relationship with other Management**

None

**Highest Education**

- Bachelor of Communication Art, Chulalongkorn University

**IOD Training Programs, Other Training / Seminar**

- ACPG: Anti-Corruption: The Practical Guide Class 10/2014
- DCP: Directors Certification Program Class 185/2014
- CSP: Company Secretary Program Class 48/2012
- The 3<sup>rd</sup> National Director Conference 2014 - Improving Corporate Governance: Key to Advancing Thailand
- Satellite Conference & Exhibition 2014 in DC, USA
- APSCC 2014 Satellite Conference & Exhibition in Phuket, Thailand
- EDP: TLCA Executive Development Program Class 12/2013
- AC preparation for AGM
- CG Forum 2/2013: Board Monitoring - How to Build the Spirit of Good Corporate Governance
- Thailand's 4<sup>th</sup> National Conference on Collective Action Against Corruption
- CG Forum 3/2013: Conflict of Interest - Fighting Aggressive RPT

**Work Experiences**

Apr 2014 - Present Vice President - Executive Office and Company Secretary, Thaicom Plc.

2012 - Present Company Secretary, Thaicom Plc.

**Position in other listed companies**

-None-

**Position in other non-listed companies**

-None-

**Work Experiences**

2012 - Present Assistant Vice President - Executive Office, Thaicom Plc.

1989 - 2012 Secretary to Chairman of the Executive Committee, Thaicom Plc.

**Illegal Record in the past 10 years**

None



# Information of Directors and Management of Subsidiaries, Associated and Related Companies

Directors and Management	Holding Company	Company	Direct and Indirect Subsidiaries					
	INTUCH	THCOM	IPSTAR	IPA	IPN	IPI	IPG	STAR
1. Mr. Paron Israsena	-	X	-	-	-	-	-	-
2. Prof. Hiran Radeesri	-	/	-	-	-	-	-	-
3. Mrs. Charintorn Vongspootorn	-	/	-	-	-	-	-	-
4. Assoc. Prof. Samrieng Mekkiengkrai	-	/	-	-	-	-	-	-
5. Mr. Somprasong Boonyachai	/, //	/	-	-	-	-	-	-
6. Mr. Yong Lum Sung	-	/, //	-	-	-	-	-	-
7. Mrs. Suphajee Suthumpun <sup>(3)</sup>	//	/, //	/	-	-	/	/	/
8. Mr. Anek Pana-Apichon	-	/, //	-	-	-	-	-	-
9. Mr. Paiboon Panuwattanawong <sup>(3)</sup>	-	//	/	/	/	/	/	/
10. Mr. Vuthi Asvasermcharoen <sup>(3)</sup>	-	-	/	/	/	/	/	/
11. Mr. Pradeep Unni <sup>(3)</sup>	-	-	-	-	-	-	-	-
12. Mr. Patompob Suwansiri <sup>(3)</sup>	-	-	-	-	-	-	-	-
13. Mr. Mark D. Thompson	-	-	/	-	-	-	-	/
14. Mr. William L. Snell	-	-	-	-	-	-	-	/
15. Mr. York Shin Lim Voonkee	-	-	-	-	-	-	/	-
16. Mr. Tommy Lo Seen Chong	-	-	-	-	-	-	/	-
17. Dr. Nasser Marafih	-	-	-	-	-	-	-	-
18. Mr. Sio Tat Hiang	-	-	-	-	-	-	-	-
19. Ms. Ho Koon Lian Trene	-	-	-	-	-	-	-	-
20. Mrs. Naengnoi Na Ranong	-	-	-	-	-	-	-	-
21. Mr. Chutidej Prinhitipa	-	-	-	-	-	-	-	-
22. Mr. Alvin Oei Yew Kiong	-	-	-	-	-	-	-	-
23. Mr. David Poon	-	-	-	-	-	-	-	-
24. Mr. Lim Eng Tuan	-	-	-	-	-	-	-	-
25. Mr. Teh Kwang Hwee	-	-	-	-	-	/	-	-
26. Mr. Takehiko Fukuoka	-	-	-	-	-	-	-	-
27. Dr. Supoj Chinveerapan	-	-	-	/	/	-	-	-
28. Mr. Jiroj Srinamwong	-	-	-	-	-	-	-	-
29. Mr. Komson Seripapong	-	-	-	-	-	-	-	-
30. Mr. Ekachai Phakdurong	-	-	-	-	-	-	-	-
31. Mr. Salil Charuchinda	-	-	-	-	-	-	-	-
32. Mr. Pramote Boonnumsk	-	-	-	-	-	-	-	-
33. Mr. Pannee Nivasnanda	-	-	-	-	-	-	-	-

X = Chairman      / = Director      // = Executive Director

## NOTE:

- (1) OSS is an indirect subsidiary as it is 100% held by IPA as of 7 February, 2014  
 (2) ISC was officially registered according to the laws of the Mauritius, on 7 November, 2014  
 (3) Are considered management as per the definition of the Securities and Exchange Commission

## Company

Name	Company
CDN	Cambodian DTV Network Limited
CSL	CS Loxinfo Public Company Limited
DTV	DTV Services Company Limited
INTUCH	Intouch Holdings Public Company Limited
IPA	IPSTAR Australia Pty Limited
IPI	IPSTAR International Pte Limited

as of 31 December, 2014

Direct and Indirect Subsidiaries								Joint venture (Direct and Indirect)	
SPACE	DTV	CDN	TCB	SHEN	IPJ	OSS <sup>(1)</sup>	ISC <sup>(2)</sup>	CSL	LTC
-	-	-	-	-	-	-	-	-	-
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### Name Company

IPG	IPSTAR Global Services Limited
IPN	IPSTAR New Zealand Limited
IPSTAR	IPSTAR Company Limited
IPJ	IPSTAR Japan Limited
ISC	International Satellite Limited
LTC	Lao Telecommunications Company Limited

### Name Company

OSS	Orion Satellite System Pty Limited
SHEN	Shenington Investments Pte Limited
SPACE	Space Code LLC
STAR	Star Nucleus Company Limited
TCB	TC Broadcasting Company Limited
THCOM	Thaicom Public Company Limited

## Directors' Shareholding in the Company and Its Subsidiaries of the Year 2014

Directors / Position	THAICOM Plc.		DTV Service Co., Ltd.		Shenington Investments Pte Ltd.		IPSTAR Co., Ltd.		Star Nucleus Co., Ltd.		Spacecode LLC	
	Ordinary Shares <sup>1)</sup>		Ordinary Shares		Ordinary Shares		Ordinary Shares		Ordinary Shares		Ordinary Shares	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Mr. Paron Israsena Chairman of the Board of Directors and Independent Director	-	-	-	-	-	-	-	-	-	-	-	-
Prof. Hiran Radeesri Independent Director and Chairman of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. Charintorn Vongspootorn Independent Director and Member of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-
Assoc.Prof. Samrieng Mekkiengkrai Independent Director and Member of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Somprasong Boonyachai Director	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Yong Lum Sung Director	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. Suphajee Suthumpun Director	-	-	2	2	-	-	-	-	-	-	-	-
Mr. Anek Pana-apichon Director	-	-	-	-	-	-	-	-	-	-	-	-

1) Shareholding includes that of spouse and children who have not yet reached majority , as of 31 December 2014





# Major Shareholders

• 10 Largest Shareholders of Thaicom PLC as at the latest closing date on 14 July, 2014



Source: Thailand Securities Depository Company Limited

**The major shareholders whose behaviours have had a significant influence on the operational policies or management of the company.**

Thaicom Public Company Limited held by Intouch Holdings PLC in the amount of 450,870,934 shares, or 41.14% of the Company's paid-up capital (as of 31 December, 2014.) Major shareholder of Intouch Holdings PLC is as follows:

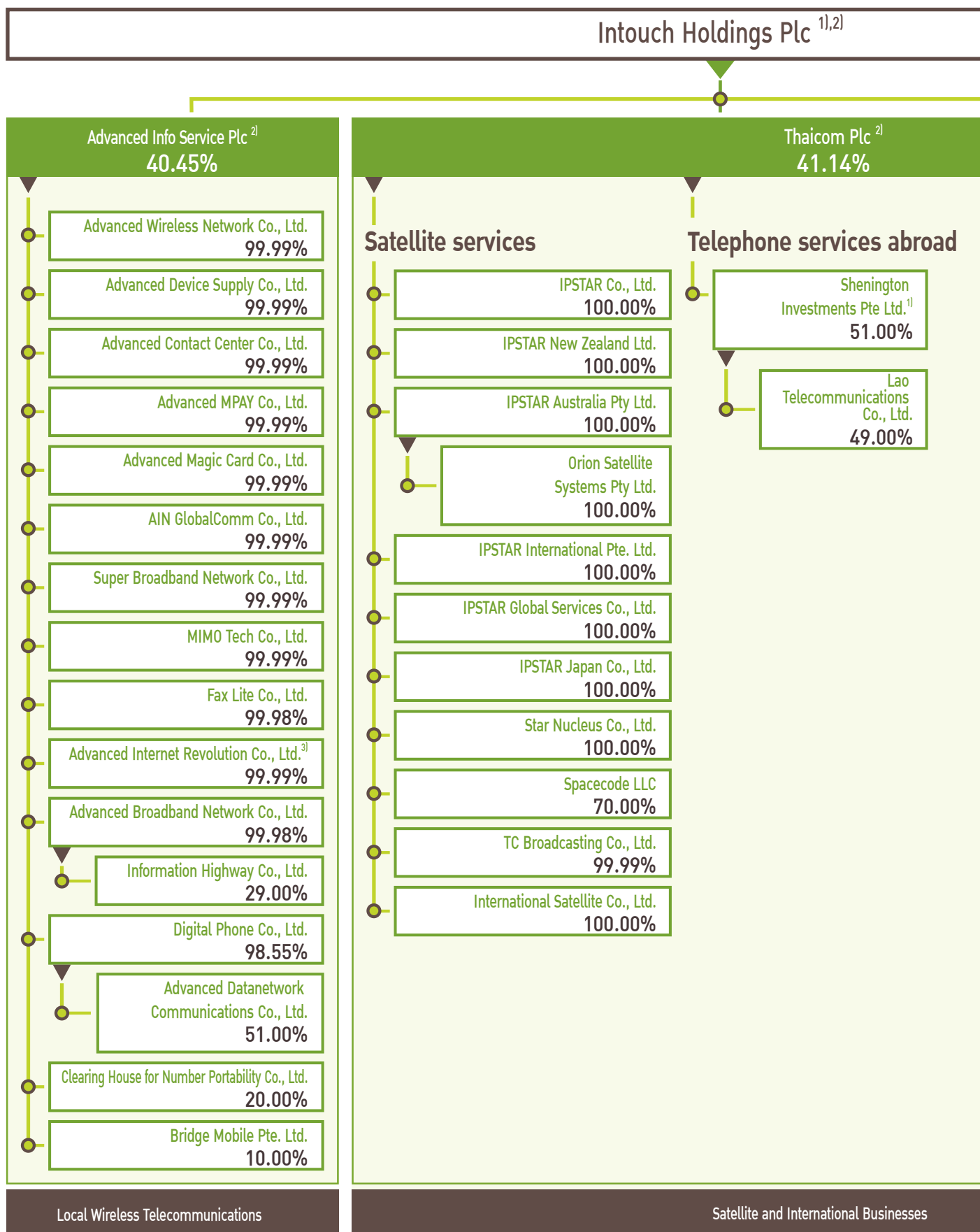
Name	No. of Shares	Percentage (%)
1. ASPEN HOLDING LTD. <sup>(1)</sup>	1,334,354,825 <sup>(2)</sup>	41.62

*Remarks:*

*(1) Information from the Business Development Office, Ministry of Commerce, on 7 January, 2015. Aspen Holding Ltd. is registered in Thailand. 99.99% of the company's shares are held by Anderton Investment Pte. Singapore*

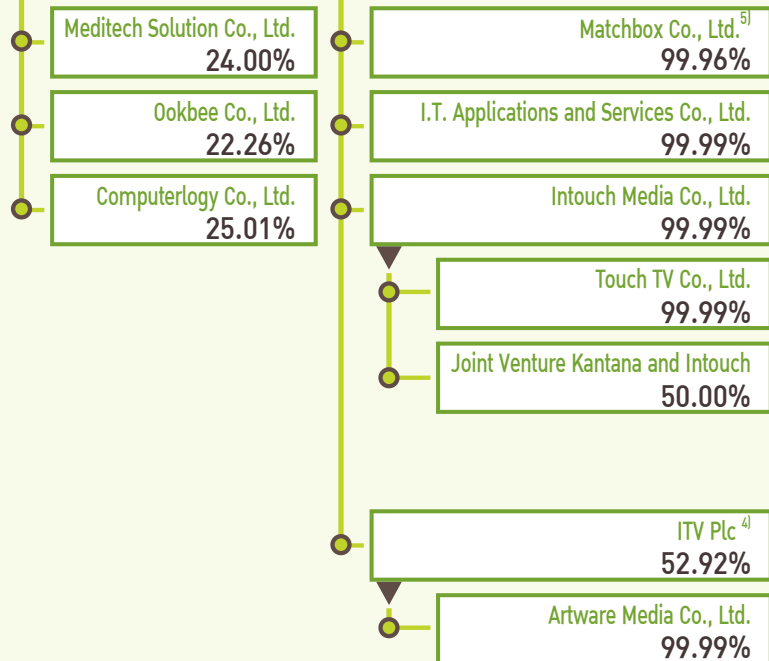
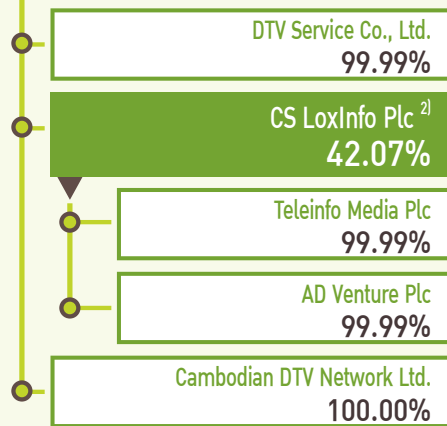
*(2) The latest register book closing date of Intouch Holdings PLC was on 27 August, 2014.*

# Investment Structure of INTOUCH Group



As of 31 December 2014

## Internet and media services



## Other Businesses

Venture Capital

Others

1/ Holding Company

2/ Listed Company on the Stock Exchange of Thailand

3/ On process of liquidation

4/ The Board of Governors of the Stock Exchange of Thailand has resolved to delist ITV's common stocks, effective 24 July 2014 onwards. ITV is involved in a legal dispute with the Prime Minister's Office, which is currently under arbitration.

5/ MB is planning to cease its operations as it has been posting continuous losses.



## General Information Of The Company, Subsidiaries And Associated Companies

Company's Name	:	Thaicom Public Company Limited
Symbol	:	THCOM
Business Sector	:	Information Communication Technology
Type of Business	:	<ul style="list-style-type: none"> <li>- Satellite Transponder Leasing and Related Services</li> <li>- Telephone Services abroad</li> <li>- Internet and Media Services</li> <li>- Publishing Telephone and Print Classified Directories Services</li> </ul>
Company's Registration Number	:	0107536000897 (formerly number Bor Mor Jor. 163)
Company's Website	:	<a href="http://www.thaicom.net">www.thaicom.net</a>
Registered Office	:	414 Phahonyothin Road, Samsen Nai sub-District, Phaya Thai District, Bangkok 10400
Branch Office 1	:	63/21 Rattanathibet Road, Bang Kraso Sub-District, Muang District, Nonthaburi 11000
Branch Office 2	:	50 Moo 1, Bor Ngern Sub-District, Lad Lum Kaew District, Pathumthani, 12140
Registered Capital (as of December 2014)	:	Baht 5,489,089,200.00 as of 31 December 2014 Consists of 1,097,817,240 ordinary shares
Paid-Up Capital (as of December 2014)	:	Baht 5,479,687,700.00 as of 31 December 2014 Consists 1,095,687,700 ordinary shares
Par Value	:	Baht 5 per share
Telephone Number	:	(66) 2596 5060
Fax	:	(66) 2591 0705

## Information of subsidiaries in which the Company held more than 10% of the fully paid-up capital

Subsidiaries' Information	Type of Business	The Company's Capital Information	Percentage of Shares Held (%)
<b>Cambodia DTV Network Limited (CDN)</b> 9A, Street 271, Tomnup Teuk, Chamkar Mon, Phnom Penh, Kingdom of Cambodia Tel (855) 023 305 990 Fax (855) 023 994 669	Sale of Satellite Receiver Sets and providing Satellite Television Platform Service in Cambodia	Registered Capital: 1,000 shares Paid-Up Capital: Riels 2,400 million (equivalent to USD 600,000) Par Value: Riels 2,400,000 per share	100
<b>DTV Service Company Limited (DTV)</b> 414 Phaholyothin Road, Samsen Nai Sub-District, Phaya Thai District, Bangkok Tel (662) 950 5005 Fax (662) 591 0708	Providing system integration consultancy service for broadband network, broadband content service, and DTV satellite dish sales service, and to operate internet access services	Registered Capital: 39,879,147 shares Paid-Up Capital: Baht 398.79 million Par Value: Baht 10 per share	99.99
<b>CS LoxInfo Public Company Limited (CSL)</b> (associate company, its shares held by DTV) 414 Phaholyothin Road, Samsen Nai Sub-District, Phaya Thai District, Bangkok Tel (66) 2263 8000 Fax (66) 2263 8132	Providing internet data centre service, internet and satellite uplink-downlink services for communication	Registered Capital: 594,514,769 shares Paid-Up Capital: Baht 148,628,692.25 Par Value: Baht 0.25 per share	42.07
<b>AD Venture Public Company Limited (ADV)</b> (subsidiary company, its shares held by CSL) 414 Phaholyothin Road, Samsen Nai Sub-District, Phaya Thai District, Bangkok Tel (66) 2262 8888 Fax (66) 2262 8899	Content provider through mobile phone and community portal services, and other business relating to internet businesses	Registered Capital: 1,074,813 shares Paid-Up Capital: Baht 10.75 million Par Value: Baht 10 per share	99.99
<b>Teleinfo Media Public Company Limited (TMC)</b> (subsidiary company, its shares held by CSL) 414 Phaholyothin Road, Samsen Nai Sub-District, Phaya Thai District, Bangkok Tel (66) 2262 8888 Fax (66) 2262 8899	Provide advertising platform through Print, Website, PC, Mobile for individual and business users	Registered Capital: 15,654,400 shares Paid-Up Capital: Baht 156.54 million Par Value: Baht 10 per share	99.99
<b>IPSTAR Company Limited (IPSTAR) <sup>(1)</sup></b> Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands	Resell bandwidth of Thaicom 4 (IPSTAR) satellite	Registered Capital: 200,000,000 shares Paid-Up Capital: USD 2 million Par Value: USD 0.01	100
<b>IPSTAR New Zealand Limited (IPN)</b> P.O. BOX 305, 356, Triton Plaza, Abany, Auckland, New Zealand Tel (649) 414 5920 Fax (649) 414 5922	Sale of user terminal of Thaicom 4 and providing Thaicom 4 (IPSTAR) transponder services in New Zealand	Registered Capital: 8,514,133 shares Paid-Up Capital: NZD 8.51 million Par Value: NZD 1 per share	100
<b>IPSTAR Australia Pty Limited (IPA)</b> 5 George Place, Artarmon, NSW 2064, Australia Tel (612) 8458 0500 Fax (612) 8006 5592	Sale of user terminal of Thaicom 4 and providing Thaicom 4 (IPSTAR) transponder services in Australia	Registered Capital: 6,950,000 shares Paid-Up Capital: AUD 6.95 million Par Value: AUD 1 per share	100

## Information of subsidiaries in which the Company held more than 10% of the fully paid-up capital

Subsidiaries' Information	Type of Business	The Company's Capital Information	Percentage of Shares Held (%)
<b>Star Nucleus Company Limited (STAR)</b> Trident Chambers, P.O. Box 146, Road Town, Tortolar, British Virgin Islands	Providing broadband technological services via Thaicom 4 (IPSTAR) satellite	Registered Capital: 50,000 shares Paid-Up Capital: USD 10 Par Value: USD 1	100
<b>Spacecode LLC</b> 8695 Zumwalt Road, Monmouth, OR 97365 USA	Providing engineering and technology and electronics development services	Paid-Up Capital: USD 4.29 million	70
<b>IPSTAR International Pte Limited (IPI)</b> 8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981 Tel (65) 6338 1888 Fax (65) 6337 5100	Resell bandwidth of Thaicom 4 (IPSTAR) satellite	Registered Capital: 20,000 shares Paid-Up Capital: SGD 20,000 Par Value: SGD 1	100
<b>IPSTAR Global Services Limited (IPG)</b> Intercontinental Trust Limited, Suite 802, St. James Court, St. Denis Street, Port Louis, Mauritius Tel (230) 213 9800 Fax (230) 210 9168	Resell bandwidth of Thaicom 4 (IPSTAR) satellite	Registered Capital: 20,000 shares Paid-Up Capital: USD 20,000 Par Value: USD 1	100
<b>IPSTAR Japan Company Limited (IPJ)</b> 1231-1 Hio, Oganomachi, Chichibu-gun, Saitama, Japan	Sale of user terminal of Thaicom 4 and providing Thaicom 4 (IPSTAR) transponder services in Japan	Registered Capital: 10,000 shares Paid-Up Capital: 100,000,000 Yen Par Value: 10,000 Yen	100
<b>International Satellite Company Limited (ISC)<sup>(2)</sup></b> Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	Sale of Thaicom Satellite Transponders	Registered Capital: 50,000 shares Paid-Up Capital: USD 50,000 Par Value: USD 1	100
<b>Orion Satellite Systems Pty Limited (OSS)</b> (subsidiary company, its shares held by IPA) Level 2, 231 Adelaide Terrace, Perth, WA 6000, Australia Tel (61) 8 9225 7800 Fax (61) 8 9225 7811	Provider of satellite communication services and business solutions	Registered Capital: 5,960,355 shares Paid-Up Capital: AUD 13,374,572	100
<b>TC Broadcasting Company Limited (TCB)</b> 414 Phaholyothin Road, Samsen Nai Sub- istrict, Phaya Thai District, Bangkok Tel (66) 2596 5060	Providing broadcasting, television and telecommunication services	Registered Capital: 100,000 shares Paid-Up Capital: Baht 0.25 million Par Value: Baht 10 per share	99.99

## Information of subsidiaries in which the Company held more than 10% of the fully paid-up capital

Subsidiaries' Information	Type of Business	The Company's Capital Information	Percentage of Shares Held (%)
<b>Shenington Investments Pte Limited (SHEN)</b> (jointly-controlled entity with shares held by Thaicom) 8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981 Tel (65) 6338 1888 Fax (65) 6337 5100	Holding company for investment in international telecommunications	Registered Capital: 14,658,000 shares Paid-Up Capital: SGD 14.66 million Par Value: SGD 1	51
<b>Lao Telecommunications Company Limited (LTC)</b> (jointly-controlled entity with shares held by SHEN) Lanexang Avenue 0100, Vientiane, Lao People's Democratic Republic Tel (856) 2121 6465-6 Fax (856) 2121 9690	Provide basic telephone, mobile telephone, public telephone, public international facilities and Internet services	Registered Capital: 96,840,000 shares Paid-Up Capital: USD 96.84 million Par Value: USD 1	49

### Remark:

- 1) The Company purchased an additional 31,220 and 50,000 shares in IPSTAR Co., Ltd., at the price of USD 1 per share, giving the Company 100% of IPSTAR Co's shares.
- 2) The Company was registered in accordance to the laws of Mauritius on 7 November 2014, with the Company holding 100% of the shares.



# Milestones



## General Background

Established on 7 November 1991 by Intouch Holdings Plc. (INTOUCH) (formerly known as Shin Corporation Plc.), the Company was granted a 30-year Domestic Communication Satellite Operating Agreement by the Ministry of Transport and Communications (currently transferred to the Ministry of Information and Communication Technology ("MICT"). The Agreement expires in 2021. The Company has the right to build, launch and operate satellites with a requirement that the Company 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. Under the Agreement, the Company must transfer ownership of the satellites, satellite control station, and all related operational equipment once the construction and installations are complete, to the MICT.

On 17 December 1991, His Majesty The King Bhumibol Adulyadej officially bestowed the name on the first of the Company's

satellites, namely "THAICOM". This name is symbolic of the linkage between Thailand and modern communications technology. Since its inception, THAICOM has launched 7 satellites, THAICOM's 1, 2 and 3 (now all de-orbited), THAICOM 4 also known as IPSTAR, THAICOM 5, THAICOM 6 (launched to orbit on 6 January 2014) and most recently THAICOM 7 (launched to orbit on 7 September 2014), and the Company also has a plan to launch THAICOM 8 satellite into orbit in 2015.

In 1997, the Company expanded its business operations to include internet services, while telephone services and DTV satellite television dish sales operations were added in 2000 and 2007 respectively.

The Company became a listed company on the Stock Exchange of Thailand on 18 January 1994. As of 31 December 2014, Intouch Holdings Plc., which is the Company's major shareholder, holds 41.14% of the Company's shares.

## Significant Change and Important Developments within the Group during the past 3 years

### Year 2015

#### January

On 16 January 2015, the Committee of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) adopted the resolution that THAICOM has been already passed the certify process as a member of CAC, and THAICOM is a certified company no.92 from overall 96 certified companies.

### Year 2014

#### January

On 6 January 2014 by local time at Cape Canaveral, Florida, USA (Early morning of 7 January 2014 of Thai local time), the Company successfully launched its THAICOM 6 satellite into orbit at 78.5 Degrees East. The satellite has a service life expectancy of around 15 years. The THAICOM 6 satellite consists of 9 Ku-band transponders which provide service coverage of Thailand and Indo-China, and 24 C-band transponders which provide service coverage of Southeast Asia and Africa. However, on 31 January 2014, the Company already transferred the right of the ownership of THAICOM 6 satellite to the Ministry of Information and Communication Technology completely.

The Stock Exchange of Thailand has announced components of the SET50 indices for the first half of the year 2014 during 1 January - 30 June. The Company is one of the new components of the SET50 Index as well.

#### February

On 7 February 2014, IPSTAR Australia Pty Company Limited (IPA), the Company's subsidiary had acquired ordinary shares of Orion Satellite Systems Pty Ltd. (OSS) from Orion Satellite Investments Ltd. in the amount of 5.96 million shares for a total price of AUD 5.96 million. As a result of this transaction, IPA held OSS shares at a ratio of 100% of the OSS's registered capital.

#### March

At the Annual General Meeting of the Shareholders of the Company held on 27 March 2014, a resolution was passed to approve the issuance of 1,197,700 ordinary shares at the par value of Baht 5 per share, in total of Baht 5,988,500 to reserve for the exercise of the warrant for the Company and subsidiaries' directors and employees. The Company registered the increased share capital with the Ministry of Commerce on 21 April 2014.

#### April

The Company started to broadcast digital satellite TV channels since the first day of the trial period. This was the initial important step of the transition of Thailand's broadcasting industry, which was in accordance with the National Broadcasting and Telecommunications Commission's Must Carry rule.

The Company stepped forward THAICOM 8 Satellite project to support the growth of the country's broadcasting industry and strengthen its competitiveness in the international market, and planned to be launched in the first half of 2016. On 29 April 2014 The Company's Board of Directors approved the investment for THAICOM 8 project which will not exceed US\$ 178.5 million. The Company signed on the agreement with the manufacturer of the satellite, and has been preparing for the ITU process to secure the additional frequency rights, and awarded a license for THAICOM 8 Satellite by the National Broadcasting and Telecommunications Commission (NBTC).

*(For further information and the progress and major developments of CS LoxInfo Plc (CSL) (associate company held its share by DTV)) please see CSL's Annual Registration Statements 2014 (Form 56-1) which is available for download at [www.sec.or.th](http://www.sec.or.th))*

**May**

IPSTAR Japan Company Limited (IPJ), a wholly-owned subsidiary of the Company, launched a maritime broadband service for vessels to Ocean Trans Co., a Tokyo-based shipping company. It selected IPSTAR broadband service to provide its crew with reliable and cost-effective access to E-mail and the Internet, thus boosting crew morale and productivity while at sea.

**June**

The Company acquired an additional 31,220 ordinary shares in IPSTAR Company Limited (IPSTAR) at USD 1 per share, equivalent to 0.02% of the paid-up share capital of IPSTAR, at a total price of USD 31,220. As a result of this acquisition, the Company owns interest in IPSTAR of 99.98%.

**July**

The Company received a perfect score of 100 on the AGM checklist 2014 from the Assessment Program in 2 consecutive years for listed Companies for the year 2014 by the Thai Investor Association.

In the results of the corporate Governance survey of Thai Listed Companies, according to the ASEAN Corporate Governance Scored guideline for 2013/2014, THAICOM was shortlisted as one of the Top 50 publicly listed companies in Thailand.

**August**

IPSTAR Australia Pty Limited (IPA), the Company's wholly owned subsidiary, was selected by National Broadband Network Company Limited (NBN Company Limited) to expand additional Australian Government's National Broadband Network (NBN) project. IPA was ready to provide additional 9,000 NBN premises in order to cover families and businesses that could not access commercial broadband services today.

The Company acquired an additional 50,000 ordinary shares in IPSTAR Company Limited (IPSTAR) at USD 1 per share, equivalent to 0.02% of the paid-up share capital of IPSTAR, at a total price of USD 50,000. As a result of this acquisition, the Company owns interest in IPSTAR of 100%.

**September**

The Company successfully launched THAICOM 7 into orbit at 120 Degrees East on 7 September 2014. THAICOM 7 is the cooperation project between the Company and Asia Satellite Telecommunications Company Limited (AsiaSat). The THAICOM 7 satellite consists of 14 C-band transponders which provide service coverage of Asia-Pacific and Australia.

On 18 September, 2014, the Board of Directors of the Company approved the establishment of International Satellite Company Limited (ISC) with a registered capital of 50,000 USD. The Company owns 100% of the shares in ISC.

Mrs. Suphajee Suthumpun, Director, Chairman of the Executive Committee and Chief Executive Officer, was awarded '2014 Satellite Executive of the Year in the Asia-Pacific' at Asia-Pacific Satellite Communications (APSCC) Council 2014 Satellite Conference and Exhibition which was the organization's tenth annual awards ceremony. Mrs. Suphajee Suthumpun turned the Company into profit for the first time in past five years since her first quarter at the company, and she has managed to continue the profitability for 12 consecutive quarters.

The Company issued 4 tranches of debentures as a debenture entered in a name, unsubordinated and unsecured which not exceeding than 4,550,000 units or equivalent to Baht 4,550,000,000 which offered to individuals and institutional investors. However, TRIS Rating Company Limited has confirmed the credit rating at "A-" with the rating outlook remains "stable". The main purposes of these debentures were for THAICOM 7's investment, following by the investment in THAICOM 8 Satellite Project.

The Company had become the first in the Asia Pacific region to provide In-Flight Wi-Fi Onboard service by using Thaicom's broadband satellite connecting with Wi-Fi. The Company and Nok Airlines Public Company Limited jointly provided Wi-Fi high speed internet via Ku-Band network to facilitated passengers in various flights.

**October** The Company received a score of "Excellent" in the Corporate Governance Report of Thai Listed Companies for the year 2014 (CGR 2014) published by the Thai Institute of Directors (IOD).

**November** The Company was shortlisted as one of 5 nominees in the Best Investor Relations category for the SET AWARDS 2014. The Company was recognized with an "Outstanding Investor Relations Awards" for a company with a market capitalization of between Baht 20-50 billion.

**December** The Company continued to establish and encourage social responsibility programs by being main sponsor of "NASA - A Human Adventure" exhibition which is the first world space exhibition in South East Asia. The Company, in co-operation with NASA, had the main purpose to create children's inspiration, imagination, and vision toward space and science.

The Company by Mrs. Suphajee Suthumpun, Director, Chairman of the Executive Committee and Chief Executive Officer has signed the syndicated loan for THAICOM 8 satellite Project together with Bangkok Bank Public Company Limited and Kasikorn Bank Public Company Limited. This is a satellite project that financed through local commercial banks and that it was structured similarly to that of Foreign Export Credit Agencies (ECA.)

The recognition of impairment loss on goodwill of investment of Teleinfo Media Public Company Limited (TMC) resulted in CS Loxinfo Public Company Limited (CSL) posting a combined loss of 172 million Baht on its balance sheet as of 30 September, 2014.

The Extraordinary General Meeting of the Shareholders No. 1/2014 of CS LoxInfo Public Company Limited (CSL) has adopted a resolution with the majority votes of the shareholders who attend the meeting and cast their votes to approve the application of the legal reserve to the amount of Baht 31 million and premium on ordinary shares to the amount of Baht 141 million, respectively, to offset the totally retained loss in the CSL's Interim Financial Statement. Following the offsetting process, the balance of the premium on ordinary shares will be Baht 321 million and the retained loss of the Company will be zero. However, this operation shall not effect to the Company.



**Year 2013****January**

The Company announced that it had reached a Framework Agreement with China Telecom Satellite (CTS) and Synertone Communication Corporation (Synertone) to proceed with the sale of IPSTAR Bandwidth in China. Under the Framework Agreement, THAICOM will sell all IPSTAR capacity available for China to Synertone, and will also be entitled to revenue sharing from bandwidth sales by Synertone in China. In addition, THAICOM will also take an equity stake in Synertone to strengthen the business partnership in the Chinese market.

THAICOM 4 (IPSTAR) became the first broadband satellite to provide commercial WIMAX backhaul services in Japan. After several months of systems testing, Japan's UQ Communications installed WIMAX Base Stations using backhaul via the IPSTAR broadband satellite and is offering a commercial WIMAX service in several areas of Japan as one cost-effective method of extending coverage to underserved areas.

**April**

TOT Public Company Limited (TOT) extended its contract period with THCOM for another 8 years (2013-2021). TOT expanded the usage to enhance its efficiency as the leadership in the broadband business in Thailand and to support the public services for government projects across the country. TOT is still the sole provider of IPSTAR capacity in Thailand.

**May**

THAICOM procured an interim satellite to provide services at the 78.5 degrees East orbital slot ahead of the launch of THAICOM 6. The satellite's technical characteristics were sufficient to provide interim broadcasting capacity to customers. The interim satellite began service in August 2013.

THAICOM entered into a Cooperation Framework Agreement with Gilat Satellite Networks Limited, the global leader in satellite networking technology from Israel, to provide integrated platform solutions using Gilat's ground system on THAICOM 4 (IPSTAR) in countries across Asia-Pacific where the system best suits customers. This cooperation is another step in THAICOM's Open Access Platform (OAP) strategy, which allows ground equipment vendors with efficient technology to access THAICOM 4 (IPSTAR), to provide customers with more choice and greater flexibility, and to better serve their requirements.

The Company's Board of Directors approved the establishment of IPSTAR Japan Company Limited (IPJ). The registered capital of IPJ is JPY100,000,000, divided into 10,000 ordinary shares valued at JPY10,000 per share, and fully paid up. The Company holds 10,000 shares, equivalent to a 100% shareholding.

**June**

The Company was recognized by FinanceAsia, a well-respected Finance and Investment magazine in Asia, as "An Outstanding Thai Company of the Year" in three categories: Best Mid-Cap (#1), Best CEO (#1), and Best CSR (#6). The survey results were based on the response of top analysts and investors throughout Asia. The report of these rankings was published in FinanceAsia magazine's June Issue.

TRIS Rating revised the rating outlook of THCOM to "positive" from "stable". The revised outlook reflected the improvement of THCOM's operating performance and the growth prospect driven by the launch of new satellite.

**August**

The Company received a perfect score of 100 on the AGM Checklist 2013 from the AGM Assessment Program for Listed Companies for the year 2013 by the Thai Investor Association.

On 8 August 2013, the Board of Directors approved THAICOM's Anti-Corruption and Bribery Policy, and also signalled its intent to join "Thailand's Private Sector Collective Action Coalition Against Corruption" (Collective Anti-Corruption: CAC), an organization which coordinates with the private sector on the development and implementation of an Anti-Corruption framework and foster participation and cooperation with civil society, the media, and international organizations to foster cleaner business practices.

**October**

The Company received a score of "Excellent" in the Corporate Governance Report of Thai Listed Companies for the year 2013 (CGR 2013) published by the Thai Institute of Directors (IOD).

THAICOM signed an MOU with Kasetsart University to collaborate on satellite communication technology research and development under the "SATCOM On The Move" Project, which is a joint research and satellite communications technologies development project based on a partnership between students, researchers and THAICOM staff.

IPSTAR started THAICOM 4 (IPSTAR) services in the People's Republic of China, since 16 October 2013 after all parties to the agreement (IPSTAR, and VastSuccess Holdings) had fulfilled their obligations under the Definitive Agreement including other relevance agreements.

**November**

The Company was awarded the "Board of the Year Award" for the year 2013 in the "Board of the Year for Distinctive Practices" category by the Thai Institute of Directors (IOD). The award honours boards of directors that perform their duties effectively in accordance with "Very Good" practices.

The Company was shortlisted as one of 5 nominees in the Best Investor Relations category for the SET AWARDS 2013. The Company was recognized with an "Outstanding Investor Relations Award" for a company with a market capitalization of between Baht 20-50 billion.

On 29 November 2013, the Company acquired additional shares in IPSTAR New Zealand Company Limited (IPN) from IPSTAR Company Limited (IPSTAR) at the par value of USD 0.78 for the total price of USD 6.60 million. As a result of this acquisition, the Company now holds a total of 8.51 million shares in IPN or equivalent to 100%. However, this acquisition has no impact on the consolidated financial statements of the Company.

**Year 2012****February**

On 23 February 2012, the Company acquired 6.95 million ordinary shares of IPSTAR Australia Pty Limited (IPA) from IPSTAR Co., Ltd., an equivalent of 100% of registered share capital of IPA, at the price of USD 4.6 per share, totaling of USD 31.97 million. This acquisition has no impact on the consolidated financial statements of the Company. IPA's status has changed from an indirect subsidiary to a direct subsidiary of the Company.

**June** The National Broadcast, Television and Telecommunication Commission (NBTC) awarded THAICOM a 20-year Type Three<sup>1</sup> Telecom Services License to operate THAICOM 7. This is the first satellite to be operated under a license.

**December** The Company's Board of Directors approved the incorporation of TC Broadcasting Company Limited (TCBC). The registered capital of TCBC is Bath 1,000,000 divided into 100,000 ordinary shares with a par value of Baht 10 per share. The paid up capital of TCBC is Baht 250,000. The Company holds 99,995 shares, equivalent to a 99.99% shareholding.

#### Year 2011

**November** The Company acquired an additional 40,000 ordinary shares in IPSTAR at USD 1 per share, an equivalent of 0.02% of the paid-up share capital of IPSTAR, at a total price of USD 40,000. As a result of this acquisition, the company has a 99.96% interest in IPSTAR.

**December** DTV Service Co., Ltd. sold all its shares in NTU (106,220 shares, or 88.52%), for the sum of Baht 0.15 million.

The Company acquired an additional 30% interest in Star Nucleus Co., Ltd. (STAR) for USD 3, increasing its ownership from 70% to 100%.

<sup>1</sup> Type Three Licence: being a licence granted to the telecommunications business operator who operates with his or her own network for telecommunications services intended for general public, or services which may cause a significant impact on free and fair competition or on public interest, or a service which requires special consumer protection.

# Nature Of Business and Income Structure



THAICOM Public Company Limited's business operations can be divided into four different main sectors as follows: satellite transponder leasing and related services, overseas telephone services, internet and media services, and telephone directory publishing. Investment in all these businesses is considered long-term. The investment decision is based mainly on the fundamentals of the business to be invested in, including future business trends. The Company's investment policy is to be the major shareholder in its investments. 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 Relating Services

The Company 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. Since its inception, the Company has launched the THAICOM 1, THAICOM 2, THAICOM 3, THAICOM 4 (IPSTAR), THAICOM 5, THAICOM 6, and THAICOM 7 satellites.

The Company was also granted licences from The National Broadcasting and Telecommunications Commission (NBTC) as follows:

- \* A 5-year Type One<sup>(1)</sup> telecom services licence, valid from 16 August 2011 to 15 August 2016.
- \* A 20-year Type Three<sup>(2)</sup> telecom services licence, valid from 26 June 2012 to 25 June 2032.

(1) Type One Licence: being a licence granted to the telecommunications business operator who operates without his or her own network for telecommunications services which are deemed appropriate to be fully liberalized. The Commission shall grant a licence once notified by a person who intends to operate such business

(2) Type Three Licence: being a licence granted to the telecommunications business operator who operates with his or her own network for telecommunications services intended for general public, or services which may cause a significant impact on free and fair competition or on public interest, or a service which requires special consumer protection



The Company established subsidiaries, associates, and joint ventures to operate and provide satellite and related services as per the following:

Name	Type of Business
IPSTAR Company Limited	Resell THAICOM 4 (IPSTAR) satellite bandwidth
Spacecode LLC	Provide engineering and development services, technology and electronics
IPSTAR International Pte Limited	Resell THAICOM 4 (IPSTAR) satellite bandwidth
IPSTAR Australia Pty Limited	Provide IPSTAR services in Australia
IPSTAR New Zealand Limited	Provide IPSTAR services in New Zealand
Star Nucleus Company Limited	Provides engineering and development services, technology and electronics
IPSTAR Global Services Company Limited	Resell THAICOM 4 (IPSTAR) satellite bandwidth
TC Broadcasting Company Limited	Provide broadcasting, television and telecommunication services under a 15-year licence granted by the NBTC, from 4 March to 3 March 2028.
IPSTAR Japan Ltd	Provide IPSTAR services in Japan
Orion Satellites Systems Pty Limited	Provide Satellite communication services and business solutions
International Satellite Company Limited <sup>(1)</sup>	Resell THAICOM satellite bandwidth
CS Loxinfo Public Company Limited	Provide satellite uplink-downlink services with a concession from the Communications Authority of Thailand (CAT) (At present it is CAT Telecom Public Company Limited), granting it an exclusive licence to provide television transponder services via satellite and internet via satellite for 22 years, expiring in 2016.

## 2. Telephone Services

The Company is a provider of telephone services through an investment in Shenington Investments Pte Ltd. (Shen), which is a holding company. Its main objective is to invest in international telecommunications. Currently, Shenington has invested in 1 company:

Name	Type of Business
Lao Telecommunications Company Limited	A joint venture company with the Government of the Lao People's Democratic Republic, this company has a 25-year licence, expiring in 2021, to provide cellular phone, 3G, fixed line telephone through the Public Switched Telephone Network (PSTN), fixed wireless telephone CDMA-450, public telephone, international roaming, international telecom (i.e. VoIP), and value added services for mobile telephones.



### 3. Internet and Media Services

The Company is a provider of internet and media services through its subsidiaries, associated companies, and joint venture companies as described below:

Name	Type of Business
DTV Service Company Ltd. (formerly, Shin Broadband Internet (Thailand) Company Limited)	<p>Provide system integration consultancy service for broadband networks, broadband content, and DTV satellite dish sales. DTV was granted a 5-year type 1<sup>(2)</sup> internet access services licence by the NBTC. The licence expires on 17 October, 2019.</p> <p>The company was also granted a 15-year network service<sup>(3)</sup> licence valid from 21 January 2013 to 20 January 2028, and a 1-year Channel Operator<sup>(4)</sup> licence valid from 28 January 2013 to 27 January 2014; however, DTV has already submitted an application to request an extension of the licence. Extensions are granted in 2-year lots, which is valid from 28 January 2014 to 27 January 2016</p>
Cambodian DTV Network Ltd.	Sale of complete Satellite Receiver Sets and provision of Satellite Television Platform Service in Cambodia
Lao Telecommunications Company Limited	Provide Internet services in Lao People's Democratic Republic.
CS LoxInfo Public Company Limited	The Company was granted a licence by the NBTC to provide commercial internet service and access services via landline and satellites. (For more information, please see CSL's Annual Registration Statements (Form 56-1) for the year 2013, available for download at <a href="http://www.sec.or.th">www.sec.or.th</a> )
AD Venture Public Company Limited	Provide mobile content and web portal services and develops programs for use on websites

## 4. Telephone Directories and Classifieds Publishing Services

Name	Type of Business
Teleinfo Media Public Company Limited	Provide media services for business through the Yellow Pages Telephone Directory and other media services; telephone subscribers' profiles, call center for general and entertainment information, Online Yellow Pages, and other web-based services

### Remark

- (1) International Satellite Company Limited was registered on 7 November 2014 in accordance with the Republic of Mauritius Laws, which the Company holds 100% shares
- (2) Type I Licence means Service Providers who give a service without their own network for telecommunications services which are deemed appropriate to be fully liberalized
- (3) A licence to operate voice or TV broadcast on networks without the use of frequency at the national level.
- (4) A licence as a channel operator which includes:
  - 1) Licence to broadcast the tv channel D-Life via satellite
  - 2) Licence to broadcast the tv channel HDTV1 VARIETY via satellite
  - 3) Licence to broadcast the tv channel HDTV2 Movie via satellite
  - 4) Licence to broadcast the tv channel Lao Star via satellite



## Revenue Structure

The revenue structure of the Company and its subsidiaries for the year 2012-2014 is as follows:

Unit: Million Baht

Type of Business	Operating Company	% share held by THCOM	2012		2013		2014	
			Revenue	%	Revenue	%	Revenue	%
Satellite and Related Services	THCOM TC Broadcasting and IPSTAR Group	-	6,309	78.96	6,964	83.62	8,784	86.62
Telephone and Internet access services *	Shenington Investments Group	51.00	729	9.12	837	10.05	1,076	10.61
Media services **	DTV Service and Cambodian DTV Network	99.99 100.00	260	3.26	192	2.31	216	2.13
Segment elimination			(32)	(0.40)	(97)	(1.16)	(72)	(0.71)
Net foreign exchange gain			20	0.25	-	-	59	0.58
Other revenues			106	1.33	196	2.35	141	1.39
Share of profit of associate			164	2.05	195	2.34	(63)	(0.62)
<b>Total revenue from Continuing operations</b>			<b>7,556</b>	<b>94.57</b>	<b>8,287</b>	<b>99.51</b>	<b>10,141</b>	<b>100.00</b>
Revenue from Discontinued operation***			434	5.43	41	0.49	-	-
<b>Total revenue (After Discontinued operation)</b>			<b>7,990</b>	<b>100.00</b>	<b>8,328</b>	<b>100.00</b>	<b>10,141</b>	<b>100.00</b>

\* Include revenue from Telephone and Internet services in Lao PDR generated by Lao Telecommunications Co., Ltd. (LTC)

\*\* Include revenue from Media services generated by DTV Service Co., Ltd. (DTV) and Cambodian DTV Network Ltd. (CDN)

\*\*\* Mfone Company Limited filed for insolvency with the Phnom Penh Court on 9 January 2013. Statements of income for the years ended 31 December 2013 and 2012 have been re-stated to show the discontinued operations separately from continuing operations

Sales and services revenues by geography for the year 2012 — 2014:

Unit: Million Baht

Country	2012	2013	2014
Thailand	3,072	3,552	4,658
Lao People's Democratic Republic	753	894	1,077
Australia	1,082	1,187	1,394
India	317	346	413
Japan	833	715	719
Myanmar	351	373	489
Others	858	829	1,254
<b>Total Continuing Operations</b>	<b>7,266</b>	<b>7,896</b>	<b>10,004</b>
Discontinued Operation	434	41	-
<b>Total</b>	<b>7,700</b>	<b>7,937</b>	<b>10,004</b>





## Nature of Business

Thaicom's business operations can be divided into the following categories:

### 1. Satellite Communications and Related Services

#### (A) Satellite Communications and Related Services by THAICOM and IPSTAR group

THAICOM's satellite fleet can be divided into 2 types as follows: Conventional Satellite and Broadband Satellite (or High Throughput Satellite, (HTS))

##### • Conventional Satellite

A conventional satellite is a Fixed Service Satellite (FSS) that provides traditional C-band and Ku-band transponder leasing services, whereby a signal is transmitted from an earth station, amplified and retransmitted down to the earth's surface in the shape of the designed coverage area (satellite's footprint). The signal can then be received by the other earth station(s) anywhere under the satellite's footprint - allowing broadcasters and telecommunication operators to benefit from the satellite's nationwide and cross-regional coverage. The Company often calls this type of satellite a broadcast satellite, as it mainly focuses on the broadcast segment.



##### • Broadband Satellite

A broadband satellite or High Throughput Satellite (HTS) is primarily designed to provide broadband Internet access services (point-to-point). By using a high level frequency re-use and spot beam technology, a HTS usually provides much more total throughput comparing to a conventional satellite for the same amount of allocated orbital spectrum thus significantly reducing cost per megabit per second (Mbps). In addition, HTS can offer services to government and enterprise markets, as well as to terrestrial cellular network operators who face growing demand for broadband backhaul solutions.

With the successful launches of THAICOM 6 on 6 January 2014 and THAICOM 7 on 7 September 2014, the Company currently operates 3 conventional satellites - THAICOM 5, THAICOM 6 and THAICOM 7 - and 1 broadband satellite - THAICOM 4 (IPSTAR). The specifications of THAICOM satellite fleet are as follows:

### Technical Specifications of THAICOM 4 (IPSTAR), THAICOM 5, THAICOM 6 and THAICOM 7

	THAICOM 4	THAICOM 5	THAICOM 6	THAICOM 7
Satellite Type	Broadband High Throughput Satellite (HTS)	Conventional	Conventional	Conventional
Orbital Slot	119.5° East	78.5° East	78.5° East	120° East
Manufacturer	Space Systems Loral (USA)	Aerospatiale (France)	Orbital Sciences Corporation (USA)	Space Systems Loral (USA)
Model	LS-1300S	Spacebus 3000	Star 2.3	LS-1300
Design Life	15 Years	14 Years	15 years	18 years
Launch Date	August 2005	May 2006	January 2014	September 2014
Capacity/ Transponder	84 Ku-Spot Beams 8 Ku-Spot Beams (Augment) 3 Ku-Shaped Beams 7 Ku-Broadcast Beams	25 C-band transponders 15 Ku-band transponders	24 C-band transponders 9 Ku-band transponders	14 C-band transponders
Coverage Area	14 countries: Australia, Cambodia, China, India, Indonesia, Japan, Malaysia, Myanmar, New Zealand, Philippines, South Korea, Taiwan, Thailand and Vietnam	C-band Thailand, Indochina and South Asia, Asia, Europe, Africa and Australia Ku-band Thailand and Indochina	C-band Southeast Asia and Africa Ku-band Southeast Asia (Mainland)	C-band Thailand, Indochina and Asia

Source: Thaicom Plc.

### A new satellite

Thaicom plans to launch a new satellite, THAICOM 8. This satellite will be located on the same orbital slot as THAICOM 5 and THAICOM 6 at 78.5 degrees East. It is aimed to provide services for Thailand and Indochina, South Asia and Africa markets, with 24 Ku-band transponders. By having THAICOM 8, the Company will strengthen its broadcast platform at 78.5 degrees East increasing number of satellite television channels and eyeballs. Presently, THAICOM 8 is under construction and is scheduled to be launched in the first half of 2016.

### Nature of Service

#### 1) Broadcast & Media

With over twenty years of experience in transponder leasing business, Thaicom has a proven track record of providing premium transponder leasing service on a full time or occasional use basis.

### Contribution & Distribution

Whether you are a broadcaster or cable operator, channel or pay TV operator, we can provide you links for original, fully contributed and post-produced content of sports, entertainment, and news-allowing customers to expand your market and reach new customers worldwide.

THAICOM satellites serve the programming distribution needs of some of the leading broadcasters in Asia and Europe, as well as in Africa and Australasia - cable head end, DTH, and global TV operators alike. Our contribution services ensure signals reach a particular uplink station or a multiplexing platform for point-to-point or point-to-multipoint transmissions for digital and analogue signals.

## 1.1 Content Delivery Network

Satellite is one of the most cost-effective platforms for the secure transmission of content independent of the location. Efficient content distribution is a key success factor for digital cinema.

Thaicom Digital Cinema Package (DCP) is a cost-effective and secure solution to facilitate cinema playout virtually anywhere in the satellite's coverage area. Content is distributed in real-time from the hub to all movie theaters in the coverage areas. Network access is independent of terrestrial infrastructures. Distribution via THAICOM satellite fleet ensures a reliable and secure file and stream reception. Heavy film files can be received and stored in just a few hours.

## 1.2 Direct-to-Home (DTH)

Thaicom provides Direct-To-Home (DTH) broadcasters and channel operators with a wide choice of content and channel options, including service tiering and packaging, pay-per-view and video-on-demand, electronic program guides and preview channels, as well as advertising and home shopping. The use of the latest digital signal compression and transmission technologies effectively reduce the video transmission cost for broadcasters and allow DTH viewers the use of small antennas.

## Teleport and DTH Center

A teleport or telecommunications port is a centralized location that provides access to advanced bandwidth services with a comprehensive range of broadcasting and telecommunications services. Certified in ISO 9002 and ISO 9001:2000, the Thaicom Teleport and DTH Center are equipped with state of the art facilities to support any requirements for domestic or international satellite broadcasting services. Thaicom bundles teleport services include obtaining the VDO and audio signals from various sources through fiber optic, microwave signal antenna or turnaround signal from another satellite etc. and forward it to digital signal compression system, and providing transponder bandwidth to offer one-stop or turnkey service for broadcasting customers in

cooperation with 2 subsidiary companies including: 1) TC Broadcasting Co.Ltd, which was granted the network license by The National Broadcasting and Telecommunications Commission (NBTC), who provides multiplexing and encoding service for Thai content channels. 2) CS Loxinfo Plc. (CSL), who provides uplink and downlink services. Furthermore, Thaicom Teleport and DTH Center can also provide additional services such as tape play out and server room rental etc.

## 2) Broadband & Data

### 2.1 IPSTAR Retail

When it comes to delivering fast data, voice, and video broadband services to subscribers in Asia-Pacific, IPSTAR is the benchmark since 2005. IPSTAR has a proven track record of providing cost-effective satellite broadband services to ISPs in the region. IPSTAR's nationwide uniform Quality of Service (QoS) regardless of location and terrain barriers paired with cost advantages lets ISPs drive expansion of their subscriber base, residential and small business users, on a nationwide scale.

The Company has expanded retail market in the Philippines and Indonesia by cooperation with a world-class satellite ground system vendor, Gilat Satellite Networks. This cooperation is another step in Thaicom's Open Access Platform (OAP) strategy, which allows technology equipment vendors to access THAICOM 4 (IPSTAR) satellite, providing customers with more choices and flexibility to better serve their requirements.

### 2.2 IPSTAR Carrier

Asia-Pacific's telecoms rely on IPSTAR for the provision of premium carrier network broadband solutions and cost-effective expansion of service coverage. IPSTAR has shown capable of providing mobile network operators with satellite-based backhaul for BTS stations of all sizes - from macro cells and micro cells, to small-cell IP-node-B's. IPSTAR Carrier can provide nationwide mobile network coverage to accommodate higher traffic loads or to cover more geographical areas quickly and economically.

Due to growth in the number of mobile users with higher bandwidth consumptions, and competition in Telco business to rollout the new technology i.e. 4G/LTE, the Company expect higher demand for mobile and small-cell backhaul in the region.

### 2.3 IPSTAR Business (Enterprise)

IPSTAR enables small businesses and enterprises to deliver their competitive edge anywhere and anytime. Businesses require dependable broadband connectivity to run their operations or safeguard their operations against network failure. IPSTAR answers the call and enables nationwide broadband connectivity. Whether you are an oil and gas company with multiple locations nationwide, a large retailer in need of an uninterrupted backup for vital online business applications, or a bank that requires a reliable network for credit and debit card transactions, the IPSTAR satellite broadband system provides a reliable service regardless of the number of business sites connected to the network.

In addition, the Company's Open Access Platform (OAP) strategy provides flexibility in choosing a satellite ground system with more capabilities (more features & higher speed) in order to better serve a wide range of business customer requirements.

### 2.4 IPSTAR Government and Universal Service Obligation (USO)

Governments in Asia-Pacific can count on IPSTAR. IPSTAR lets government administrations extend their reach nationwide and enables universal access to broadband Internet and cost-effective government sector communications. Whether it is disaster recovery and emergency communications for calamity-affected areas, distance learning for schools, or reliable VPN networks for broadband Internet and e-Government services, IPSTAR is a proven solution for governments to extend communications reach on a nationwide scale.

### 2.5 Mobility

Thaicom offers a growing portfolio of mobility services to people on the move at sea, on land, and in the air. The Company's mobility platform took shape in year 2014, with the launch of In-Flight Entertainment and Connectivity (IFEC) services in Thailand. Partnered with Global Eagle Entertainment's (GEE), the Ku-band IFEC service provides broadband at 3G like speeds on Commercial flights.

On the Maritime front, Thaicom joined hands with Advanced Info Service Plc. (AIS) to provide 3G 2100 MHz via a THAICOM satellite on the Royal Thai Navy's H.T.M.S Krabi, an offshore patrol vessel, to 52 naval cadets from Royal Thai Naval Academy and 178 more related officers communicated with naval operation center and their families while they were on the mission along seaport cities of countries in Asia-Pacific.

### IPSTAR Gateway

IPSTAR gateways have been designed to facilitate a variety of applications to enable broadband communications for corporate users, Internet Service Providers (ISP) and individual subscribers. IPSTAR is capable of delivering broadband Internet, intranet networks, video conferencing, multimedia broadcasting and multicasting, online transactions, and telephony. The services are supported via a wide-band forward link from IPSTAR Gateway to the IPSTAR user terminal and a narrow-band return link from the IPSTAR user terminal to the IPSTAR Gateway. The size of IPSTAR Gateways is scalable to accommodate high capacity demand. Currently, there are 15 active IPSTAR Gateways in 11 countries.

## Marketing and Competitiveness

### (1) Broadcast and Media Industry Outlook

Northern Sky Research (NSR) expects strong bifurcation global growth of C-band and Ku-band transponders demand for the next decade, mainly from media services like Direct-to-Home (DTH) and video distribution services. DTH market will score the biggest Ku-band demand gains, primarily for carriage of new SD and HD channels as well as an emerging Ultra-HD segment, which strongest regions is Southeast Asia region. Video distribution services market is the bright spot that will continue to dominate the demand for C-band transponder, which strongest regions are South Asia, East Asia and North America respectively.

#### Asia-Pacific

In recent years, despite the increasing demand, there has been a shortage of satellite capacity in the Asia-Pacific region, especially on standard C-Band and Ku-band transponders resulting in the increase in market prices. Broadcast business remains very strong in the Asia-Pacific region. Pay-TV in Asia has reached 50% penetration of all Asian TV households. In the next few years, it is expected to see sustainable growth in demand for pay-TV services, driven by the increasing availability of satellite TV DTH platforms. In addition, High Definition (HD) and Ultra-High Definition (Ultra-HD) television will continue to boost up the demand for C-band and Ku-band transponders in Asia-Pacific.

In Thailand, National Broadcasting and Telecommunications Commission (NBTC) has announced the new regulation that satellite TV channels must have the pay TV license for broadcasting. This regulation will encourage the content provider to broadcast high quality contents and create level playing field among broadcasters which will raise the local broadcast market growth sustainably. Additionally, in April 2014, the deployment of Digital Terrestrial Television (DTT) create additional demand for the conventional satellite market due to the must carry regulation issued by NBTC, since the must carry regulation requires every household in Thailand to be able to access DTT channels.

#### Africa

Africa is an emerging market with full of potential. There are two key drivers for satellite services which are the growth of video distribution market and high demand for telecommunication applications such as cellular backhaul, internet connectivity and enterprise, and government markets.

In long term, the video distribution will be the most important market due to a trend of African content localization. Therefore, bandwidth utilization for content distribution will be significantly increasing in this continent.

The mobile telephony market is the most promising market in the region, according to the International Telecommunications Union (ITU). Growth in the market for cellular backhaul services provided by satellite is being driven as a result of the rapid roll-out by mobile operators of coverage to secondary urban and rural areas beyond the reach of terrestrial networks. VSATs in Africa connect enterprises and several vertical markets such as oil and gas, and support applications such as distance learning, internet access, telemedicine and e-government projects.

### Competition of Conventional Satellite

#### Asia-Pacific

In the Asia-Pacific region, Thaicom'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 Astra (SES, NSS) from Luxembourg and Vietnam Posts and Telecommunications (Vinasat) from Vietnam. However, as one of the established satellite operators in this region, Thaicom believes 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 THAICOM satellites. In Thailand, at present, there are approximately 16 million households (or 70% of total population) receiving satellite TV and cable TV through our satellites at 78.5 degrees East, building barriers to entry for other satellite operators. For international markets, the Company still owns a leading position in market share in Indochina and is one of the key players in South Asia.



## Africa

Many satellite operators have found interests and opportunities to expand their target markets into Africa. Some of the major players in this market include Intelsat (Intelsat) and SES Astra (SES, NSS) from Luxembourg, Arabsat (Arabsat) from Saudi Arabia and Eutelsat (Atlantic Bird, W series) from France. However, as the second largest continent in the world that has high indensity of population but low percent penetration rate of telecommunication technology, Africa is full of potential demands. Thaicom believes that the effect from competitions will be minimized by the cooperation with strategic partners and expansion of the existing customers' networks.

## Strategies in 2015

The Company will continue to strengthen our "Hot Bird" strategy for THAICOM 5 and THAICOM 6 at 78.5 degrees East as "Hot Bird" or demanded satellites based on the number of subscribers and number of channels on the platform. The number of satellite TV channels at 78.5 degrees East increased from 641 channels (567 SD and 74 HD channels) in 2013 to 702 channels (592 SD and 110 HD channels) in 2014. Scheduled to be launched in the first half of 2016, THAICOM 8 will further increase capacity at this prime orbital slot. In addition, the Company has deployed new technologies i.e. MPEG-4/DVB-S2 and HDTV to facilitate the future broadcast demands in the market. For THAICOM 7 at 120 degrees East, the Company initially focuses on the telecommunication segment and will strive to create the "Hot Bird" strategy at this new orbital slot in the medium- to long-term.

In African market, our strategy is to differentiate ourself from competitors by targeting on specific countries and segments such as mobile backhaul, VSAT, Internet trunking and video distribution, and by leveraging our more than 20 years of experience and expertise as well as strategic partnerships to provide end-to-end solutions to customers.

## (2) Broadband and Data Industry Outlook

Globally, demand for broadband satellite or high throughput satellite (HTS) is expected to grow exponentially in the next decade. Broadband access services will continue to be

the mainstay of HTS bandwidth demand. According to International Telecommunications Union (ITU), there were nearly 3 billion Internet users worldwide at the end of 2014, around 45% of which are from the Asia-Pacific region. This number represents around one-third of the population in Asia-Pacific.

The second largest growth opportunity is enterprise data, including backhaul and VSAT networking services. Broadband satellite backhaul has become a reliable solution for mobile network operators to deliver voice and data services to areas with limited access to telecommunication infrastructure, helping to bridge the digital divide for millions of people by providing them access to cellular communications, at the same time generating revenues for mobile operators from regions which had previously been inaccessible. At the end of 2014, mobile-cellular subscriptions reached almost 7 billion, more than half of these are in the Asia-Pacific region, according to ITU.

The increase of deployments in the aeronautical and maritime sectors will drive the growth of commercial mobility segment. Euroconsult's latest report forecasts that by 2023 more than 13,000 commercial aircrafts will offer In-Flight Entertainment and Connectivity (IFEC) service globally. Asia-Pacific region is expected to have the highest growth with 40% CAGR, to reach 2,500 connected aircrafts.

## Competition of Broadband Satellite

In 2014, there has been developments of global constellations of Ka-band High Throughput Satellite (HTS). The Global Ka-band HTS operators started to provide services to their customers; however, the services are still limited in few markets and segments. Regulation will be a great challenge for these new comers as they will need authorization to provide services in each country in Asia-Pacific. The other major challenge lies on the fact that the region is composed of many fragmented markets that are at different levels of economic development and that have different cultures and different needs. In regards to the technology of the HTS system, there are much greater rain fade losses at Ka-band frequencies when compared to Ku-band, thus greater chance of signal degradation.

THAICOM 4 (IPSTAR) will maintain its competitiveness as the first mover with a more reliable Ku-band HTS system. The Company has been in the broadband satellite business for almost ten years and has presence and landing rights in more than ten countries in Asia-Pacific which are the key success factors for providing broadband services in the region. In addition, the Company has maintained good relationships with customers and business partners to ensure customer satisfaction and a win-win cooperation framework.

## Strategies in 2015

In order to understand customers in different countries and satisfy their needs precisely, Thaicom clearly identifies its broadband satellite market segments into Telco Backhaul and Enterprise, Government and Mobility. The Company will focus on a particular market segment in each country and offer solutions to serve the customers' needs to drive THAICOM 4 (IPSTAR) capacity utilization in countries that still have room to grow such as India, Indonesia and Philippines. For countries that are currently fully utilized, the Company will work with customers to determine a possibility of a follow on satellite after THAICOM 4 (IPSTAR) reaches its end of life in 2021.

### • Open Access Platform (OAP)

Thaicom's Open Access Platform (OAP) strategy allows satellite technology equipment partners to access the THAICOM 4 (IPSTAR) broadband satellite to provide customers with flexibility in choosing the most appropriate solution for their specific requirements. In 2014, our OAP partner completed installation of its ground systems at IPSTAR gateways in Indonesia and Philippines, and the Company started to recognize revenue from the OAP strategy in the two countries. In 2015, with the OAP strategy, the Company will focus on expanding its services in the markets.

### • New Service Platform

In 2014, Thaicom introduced new service platforms including In-Flight Entertainment and Connectivity (IFEC), Content Delivery Network (CDN) and Broadcast & Broadband Convergence platforms. As part of the ongoing trends in the mobility segment, IFEC solution allows airlines to offer their passengers with high speed broadband internet access

on board commercial aircrafts. The solution opens up opportunities for airlines to differentiate themselves from competitors as well as to create ancillary revenues through Wi-Fi and other value added services. With competitiveness always on the rise, a cost-effective solution for content distribution will always be one of the key success factors. Thaicom's CDN platform offers simple and cost-effective solution, allowing customers to distribute their contents for entertainment industry and businesses without sacrificing quality. Lastly, Thaicom's Broadcast and Broadband Convergence platform focuses on new innovative value added services that address the changes of consumer behaviors. Nowadays, in the multi-screen world, consumers are using multiple devices during the day to consume data and video content anytime and anywhere.

In 2015, Thaicom will focus on strengthening these new service platforms in 3 areas including technical solution, regulation and business model. Then we will increase the number of customers and expand into the new markets.

## (B) Satellite Communication Services and Related Services by CS Loxinfo Public Company Limited

CS Loxinfo Public Company Limited (CSL) provides an integrated uplink/downlink service at the Lat Lum Kao Thaicom Teleport and DTH Center. Services include TV signal uplink/downlink, live broadcast, and tape playback (analog and digital). The services are provided both on a full-time basis with 24-hour operating staff, which is suitable for scheduled programming, and on an occasional basis, which is suitable for the broadcasting of live programs, news, or seasonal sports programs. The service is provided in cooperation with Thaicom Public Company Limited.

CSL has a 22-year licence agreement with CAT Telecom Public Company Limited (CAT) to provide uplink/downlink and internet via satellite services. The licence started from 9 August 1994 and will expire on 8 August 2016.



### (C) Voice and TV Broadcast Network Service without frequency use operated by TC Broadcasting Company Limited

#### Nature of Products or Services

The voice or television broadcast network services offered by TC Broadcasting will consist of gathering content from different sources and include content such as public announcements, news, programs or public service content, (multiplex) from producers of voice or TV broadcast contents, and the provision of encryption services for clients who have specific conditions for channel reception by end-users such as Conditional Access (CA), or BISS Key encryption before broadcast of the voice or TV signals to authorized satellite network broadcast reception boxes, with a coverage area for such services including all areas of Thailand served by the Satellite footprint.

#### Type of Income

1. Income from the provision of Multiplex services
2. Income from the provision of special services for clients such as Conditional Access (CA) and BISS Key encryption service.

#### Future Service Plan

TC Broadcasting Co., Ltd., has developed a business plan for radio and television broadcasting network services by preparing the new technologies in the satellite television broadcasting, which is able to offer high quality audio and video signals in both standard and high definitions, and also has a plan to develop via other network services such as internet or telephone, in order to provide audiences with enhanced quality and support the growth of Thailand's broadcasting industry.

## Business Privilege and Restrictions

TC Broadcasting Co., Ltd. was granted a license by the National Broadcasting and Telecommunications Commission (NBTC) to operate a voice or TV broadcasting network not requiring the use of frequency at the national level for a period of 15 years, commencing on 4 March 2013, and expiring on 3 March 2028. Presently, TC Broadcasting Co., Ltd. has also been permitted to provide a service for the Free Television Broadcasting via Satellite (Must-carry rules) according to the Notification of the National Broadcasting and Telecommunications Commission on criteria for television broadcasting business for general purposes.

## 2. Internet Access Services and Related Services

### (A) Internet Access Services by CS Loxinfo Public Company Limited

(For more information, please see CSL's Annual Registration Statements (Form 56-1) for the year 2014, available for download at [www.sec.or.th](http://www.sec.or.th))

### (B) Web-based Internet Software Development and Mobile Information & Entertainment Services by AD Venture Public Company Limited

AD Venture Public Company Limited (ADV) is a holding company 99.99% owned by CS Loxinfo. ADV provides web-based internet software development and mobile information and entertainment services (For further information on ADV, please see CSL's Annual Registration Statements (Form 56-1) for the year 2014, available for download at [www.sec.or.th](http://www.sec.or.th))

### (C) Internet Access and Related Services by DTV Service Company Limited (DTV)

#### Nature of Products or Services

##### (1) DTV Satellite Dish Sales

##### Nature of Product

DTV's products consist of satellite dishes and IRD boxes to receive signals from THAICOM 5 and THAICOM 6's C & KU Band transponders. Customers may buy the equipment as a set (dish and box) or opt for only the IRD box. Compact in size and relatively inexpensive, the dish offers viewers an opportunity to view a wide variety of TV channels, including free-to-air and education channels. The equipment is sold through satellite dish installation shops, electrical appliance shops, shopping malls, etc., nationwide. The sales prices might include equipment fee only or include an installation fee.

##### Type of Income

1. Income from the sale of DTV satellite dishes (full set) and/or IRD Boxes
2. Income from the sale of DTV equipment including accessories e.g. remote controls, LNB, etc.

##### Future Service Plan

The Company will continue to promote the installation of small satellite dishes in both urban and rural markets to enhance television viewing. At the same time, the Company provides access to many outstanding satellite TV channels and programs, including news, documentaries, movies, cartoons, music and several education channels. The Company will continue to develop new devices and adjust prices for competitiveness in the market, and develop new applications to expand its customer base and customer satisfaction. An example of these new developments includes an HDTV box to support High Definition TV program viewing, and a Hybrid Box which offers customers a choice of viewing TV programs via satellite or internet through the same box. As part of its market-building activities, DTV will also provide training to its dealers covering installation and benefits of new devices.

## (2) Broadband and Television Network and System Integration Services both consultant and installation services

### Nature of Service

The Company will work with a customer to analyze the customer's needs and then devise solutions that utilize satellite communications or internet media formats. Solutions provided can be divided as follows:

1. Platform Services such as: IPTV, VDO Conferencing, Data Transfer, Multimedia Online, etc.
2. System Integration to service Network and Software

#### 2.1 Broadband Network Services

For broadband networks the Company offers network and software services to meet customer demand for network connections to transfer data in different formats for both one-way and two-way transactions. The Company also arranges training as per customer requirement.

Customer Group - Business organizations or government agencies, state enterprises and private sector operations with nationwide branches, direct sales businesses, or cooperatives where in-house conferences, training or seminars are held regularly. The service can also be extended to include various industrial sectors such as tourism, hotels, news agencies, TV stations or major program producers, etc. The relationship with the customers is a service user/provider relationship, and can be either contractual or non-contractual in nature.

#### 2.2 Master Antenna TV Network Services

This service offers antenna network solutions to meet the needs of customers who live in buildings such as hotels, apartments or condominiums. DTV can provide the service on a 'one-time' investment by the building's owner or a 'monthly' rental model.

Customer Group - Owners or operators of Multi-Dwelling Units (MDU) such as apartment buildings, condominiums or hotels which want to provide an in-house TV network to serve customers in their own building.

## Type of Income

### • Broadband Network Services

1. Service charges collected for data transfer service team, broadcast service
2. Income from sales of signal receiver kits
3. Bandwidth fee (per use or monthly)
4. Software fee calculated on a 'per use' or monthly basis
5. System installation fee

### • Master Antenna TV Network Service

1. Service charges on a one-time or monthly charge basis
2. Income from sales of signal receiver kits in case of one-off sale
3. Rental fee for equipment and bandwidth charged in case of monthly service
4. Revenue from PC Server to control 'right to view' in case of a monthly agreement
5. System installation fee

## (3) Platform Service

### Nature of Service

This service includes selling and leasing of platforms or systems developed by DTV such as IPTV Channel (Internet TV channel), or Multimedia Streaming Platforms used for broadcasting video or audio content via Internet networks, for example television or radio broadcast via internet etc. The platforms and applications developed are ideal for broadband Internet application. This service also includes development of particular services to match customers' specific demands.

## Type of Income

1. Income from individual sales of IPTV Channel Platforms, Video Streaming, or the purchase of various accessories.
2. Monthly income realized from the leasing of the platform service on a monthly basis.



## Competition and Marketing

### (1) Industry Outlook and Competition

#### • DTV Satellite Dish Sales Service

A wide variety of TV receivers is available in the market, including satellite dishes, local cables and Digital TV antennas. This availability creates fierce price competition, and new low-cost alternatives enter the market frequently. Nevertheless, DTV remains competitive in respect of price.

#### • System Integration Service

Currently there are several operators providing broadband network system integration services, each with their own particular technical expertise. DTV has placed emphasis on IP file transfer technology using the IPSTAR broadband satellite for in-house education and training.

For master antenna TV network services, there are competitors in the market who provide TV channels via satellite just like DTV, while others provide TV channels via cable TV networks. DTV will focus on penetrating new buildings, especially condominiums. DTV will stress the installation of TV networks with HDTV boxes inside customers' buildings, which will present viewers with higher quality viewing than regular boxes. Additionally, DTV will also market its DTV-IP Gateway Box to local cable operators to convert existing cable TV networks from analogue to digital.

#### • Platform Service

DTV continues to provide services to its current customer group with earnings being realized from existing equipment. The customer base has not been actively expanded, as similar platform services are widely available at low cost through other vendors so customers able to choose the services or their own investment or do it by self.

### (2) Marketing and Sales

Marketing and Sales can be divided into 2 groups as follows:

1. Direct Sales Group - This group comprises system integration services where the emphasis is on direct

contact with customers to give product descriptions, gather customers' needs, or demonstrate the products. The majority of customers are organizations. This group not likely used mass media advertising.

2. Sales through Distributors or Department Stores - This group consist mainly of distributors of full DTV sets. Marketing activities are undertaken utilizing point of sale support. Mass media is occasionally applied with incentives for distributors with big sales volume. The Company provides training seminars for representative technicians when new products or new sales campaigns are launched.

#### Description of Customers and Relationship between DTV and Its Customers

• Sales of DTV satellite dish - Customers consist of distributors of electrical appliances or satellite dishes, including modern trade, end users, buildings and other organizations nationwide. Customers in this group receive such after sales services as service delivery, marketing support and technical and logistical advice, including equipment repair services.

• System Integration and Platform Services - Customers in this group include government agencies, state enterprises,



and private organizations with branches nationwide or institutions, direct sales businesses where conferences, in-house training or seminars are regularly organized, including various industrial sectors such as the tourism and hotel segments. Other potential customers include condominiums, apartment buildings, or hotels which require the design and installation of in-building TV systems whether through satellite TV or IPTV. The relationship with the customers is in the form of service user/service provider with the emphasis on direct sales leading to monthly or annual contracts or per-service contracts.

## Business Operating Rights and Restrictions

- Right to operate as an internet service provider, License for Internal Service Type 1 <sup>(1)</sup> - DTV was granted a licence by the National Broadcasting and Telecommunications Commission (NBTC) to provide Internet services Type 1 for 5 years from 18 October 2009 to 17 October 2014. DTV has already submitted an application requesting the extension of the licenses for an additional 5-year period, commencing on 18 October 2014, and expiring on 17 October 2019. If the licensee does not materially or severely breach the conditions of the licence, the NBTC will renew the licence promptly.

- Right to operate Satellite TV Services, License to Operate Network Service <sup>(2)</sup> - DTV was granted a licence by the National Broadcasting and Telecommunications Commission to operate a voice or TV broadcasting network not requiring the use of frequency. The licence was granted for a period of 15 years, commencing on 21 January, 2013, and expiring on 20 January, 2028.

- Right to operate Satellite TV Services, License as a Channel Operator <sup>(3)</sup> - DTV was granted 4 licences by the National Broadcasting and Telecommunications Commission (NBTC) to provide Satellite TV Broadcasting services as a Channel Operator for 1 year from 28 January 2013 to 27 January 2014. DTV has already submitted an application requesting the extension of the licences for an additional 2-year period, commencing on 28 January 2014, and expiring on 27 January 2016.

## (D) Sales of Satellite Receiver Sets and Related Services by Cambodian DTV Network Ltd. (CDN)

CDN sells satellite receiver sets (dishes and IRD boxes), satellite television platform services and transponder leasing services for satellite TV operators in Cambodia.

### Nature of Products or Services

#### (1) Sales of Satellite Receiver Sets

##### Nature of Service

The Company sells satellite TV reception sets (dishes and set-top boxes) to receive broadcast signals from THAICOM 4 (IPSTAR) and THAICOM 5 C-band and Ku-band. The dish is small, inexpensive and easy to install and can be sold as a complete set or just the set top box. With high satellite signal quality, customers can watch Cambodian TV channels clearly, especially Cambodia free TV and entertainment channels. CDN sells all products through an established dealer network which has many distribution outlets in Cambodia, including satellite shops, electrical appliances stores and department stores.

##### Types of Income

1. Sales of satellite receiver dishes and set-top boxes, sold separately or as complete sets
2. Sale of satellite receiver accessories or spare parts such as remote controls, LNB units etc.

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##### Remark

<sup>(1)</sup> Internet Service Type I Licence means Service Providers who give a service without their own network for telecommunications services which are deemed appropriate to be fully liberalized.

<sup>(2)</sup> The licence to operate voice or TV broadcasts in order to provide voice or TV broadcast network without the use of frequency at the national level.

<sup>(3)</sup> The licences for a Channel Operator include 1) Licence to broadcast D-Life channel via satellite 2) Licence to broadcast HDTV1 Variety channel via satellite 3) Licence to broadcast HDTV2 Movies via satellite, and 4) Licence to broadcast Lao Star channel via satellite

## (2) Satellite Television Platform Service in Cambodia

### Nature of Service

To provide satellite television platform and transponder leasing services for television broadcasting or satellite radio via THAICOM 4 (IPSTAR) and THAICOM 5 to satellite broadcasters in Cambodia.

### Types of Income

1. Income from service payments for platform and transponder rental on a per-use basis for broadcasts of irregular programs i.e. live broadcasts of events.
2. Monthly Income from the satellite television platform services and satellite transponder leasing services on a contract basis.

### Future Service Plan

CDN will continue to target households located in urban and rural areas. CDN plans to offer more channels such as news, documentaries, movies, cartoon, music and other channels to make the platform more interesting and outstanding. CDN is the first broadcast provider to offer High-Definition channel (HD) in Cambodia since 2013. In 2014, CDN has been purchasing new broadcasting system in order to support the expansion of HD broadcasting and currently already has 8 HD channels in CDN platform.

## Competition and Marketing

### (1) Industry Outlook and Competition

• Satellite Receiver Set Sales - Competition within the Cambodian market is very high, with several different receiver sets competing for customers. The TV broadcasters, including cable, satellite and terrestrial TV, are competing based on pricing and the number of channels each can provide. For this reason, CDN is trying to maintain its position as market leader.

• Satellite Television Platform Service - CDN continues to develop newer platforms to improve the quality of service. This is achieved by increasing the number of channels on THAICOM 4 in order to support the expansion of the TV business in Cambodia, especially for HD TV channels which is the key strength of CDN that no one can provide.

## (2) Marketing and Sales

The marketing and sales activities can be divided into 2 service groups in line with the following service categories:

- Satellite Receiver Set Sales - CDN distributes satellite receiver sets through its distributors who have many outlets and installation teams located in every province in Cambodia. CDN also supports marketing and sales promotions to increase sales volume. In 2015, CDN also plans to build a stronger protection to against illegal set-top box.
- Satellite Television Platform Service - CDN will focus on direct communication with TV operators, (terrestrial, satellite and cable) and also focus on new content providers who would like to broadcast their contents on our satellite, especially for operators who need to broadcast in HD system.

## Description of Customers and Relationship between CDN and its Customers

- Satellite Receiver Sets Sales - Customers comprise distributors of electrical appliance or satellite dishes including Modern Trade, end users.
- Satellite Television Platform Service - Customers are television operators in Cambodia.

## 3. Telephone Business

THAICOM offers telephone services through its investment in Shenington Investments Pte Ltd. (Shen), a holding company registered in Singapore. The two subsidiaries under Shenington are Mfone Co., Ltd. and Lao Telecommunications Co., Ltd.

### (A) Lao Telecommunications Co., Ltd. (LTC)

#### Nature of Products or Services

##### Nature of Service

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

- Digital Phone Service (GSM 900/1800, WCDMA 2100, LTE 1800 MHz)
- Public Switched Telephone Network (PSTN)
- Fixed Wireless Local Loop - GSM
- Public Telephone

- Broadband internet, HSPA, Wi-Fi Zone, Dial-up, ADSL, FTTH and leased line service
- International Roaming Service
- Value added services for mobile phones

### Types of Income

- Local and international telephone service charges
- Monthly subscription fee
- Sales of handsets (Fixed Wireless Local Loop - GSM) and SIM cards
- Monthly Internet service charge, leased line service charge, prepaid Internet cards
- International Roaming (IR) charge and International Sharing Charge (ISC)
- Value added service charge

### Competition and Marketing

#### (1) Industry Outlook and Competition

Currently, there are 3 fixed-line operators in Laos, namely LTC, ETL, and UNITEL; 4 cellular phone operators, namely LTC, ETL, BEELINE and UNITEL. LTC's market share ranks top while UNITEL ranks second and ETL ranks third and BEELINE ranks fourth. ETL is 100% Government owned, while UNITEL is a JV between the Government & Viettel. BEELINE is a private company owned by the Russian company VIMPELCOM. The six major internet service providers are LTC, ETL, Planet Online, UNITEL, BEELINE and Sky Telecom, with LTC holding 50% market share.

Telecommunication systems in the Lao PDR have developed and improved extensively over the past few years, with the introduction of state-of-the-art technology on a par with global trends. LTC is first mobile operator to provide 3G cellular phone service in the Lao P.D.R., with the network now covering all provinces of the country. In 2014, the system was improved significantly to allow for higher data usage by customers, with 21.1 Mbps service available nationwide, and 42.2 Mbps service available in the capital, Vientiane and 7 economic provinces. LTC also introduced 4G service in Vientiane and is providing coverage through 80 sites in 2014 and further expansion 60 sites in central and south area which it could be completed in first quarter of 2015. While, UNITEL, ETL and BEELING at present only

provide 3G networks. LTC has a total of 1,410,022 telephone subscribers. (Source: LTC information estimated as at end of December 2014)

The Ministry of Post, Telecommunication and Communication (MPTC) maintains strict control over tariffs on telecom services, and does not allow operators to give away free airtime to customers. However, the MPTC relaxed regulations slightly. Operators are allowed to offer half-price promotions on domestic tariffs for periods of no longer than 7 consecutive days, and cumulatively no more than 90 days in any one calendar year and its has announced that all mobile prepaid subscribers having to register for using service. The government is concerned in the competition of quality and service for beneficial of customers. LTC has continuously increased on average revenue per unit (ARPU), especially in non-voice services that there are sharply increasing in the year 2014. The total size of customers is now stands at 3 million subscribers (based on revenue generating numbers only). Approximately 95% of total mobile phone subscribers are in prepaid system.

#### (2) Marketing

As competition grew stronger in the market, LTC placed greater emphasis on network expansion to ensure nationwide coverage. At the same time, to ensure high service quality and create a relationship with Partner Relationship Management and Customer Relation Management. Customer service and Call Centres are established to facilitate customers and distributors. Consecutive sales promotion campaigns and activities are arranged for customer benefit.

LTC has focused its marketing activities on specific customer segments while promoting a single brand, MPHONE. Localized marketing campaigns offer service packages tailor-made to customer lifestyles; other activities are aimed at new target groups such as teenagers under 14 years old, entrepreneurs and organizations. LTC has also focused on increasing data service usage and the improvement of internet network services to support corporate customers who need high-speed internet and home internet services through leased line and fibre to the home (FTTH) technology. By combining these services and by implementing a business support system, including established Network Operation Center (NOC) for monitoring and fix the network problem and also starting the



Service Operation Center (SOC) to serve the customers with monitoring and overcome any trouble with shall be completed in February 2015. LTC continues to provide its customers with quality services and maintains its top rank in market share, and to achieve a quality service as an international standard and to build satisfaction to customer by set up a team unit for monitor and control a quality of network regularly. All these efforts have resulted in LTC being awarded ISO 9001-2008 certification. There are further applying process for ISO/IEC 27001: Information Security Management System (ISMS) in Q4 of the Year, there are expected the completion within the middle of 2015 and it will be the first and only one service provider in Lao.

### Description of Customers and Relationship with Customers

LTC's customers include the general public, international business organizations, general corporate users, and government organizations, and internal and oversea partnership. LTC has successfully developed its relations with customers which are included detail customers and organization and continually implementing Customer and Partner Relation Management programs.

### Business Privileges and Restrictions

LTC is a joint venture with a 25-year licence from the Joint Venture Agreement for Telecommunications Business Operation in the Lao People's Democratic Republic from 1996 to 2021. Under the joint venture contract, at the expiration of the 25-year term, Shenington Investments Pte Ltd. is required to transfer all of its shares in LTC to the Government of Laos without any charges or compensation.

In 2014, LTC announced a dividend payment of US\$ 15 million to shareholders for LTC's 2013 performance. Over the last 17 years, LTC has announced dividend payments to shareholders in the neighborhood of US\$149 million and no cash dividend payable in the year 2014.

### 4. Advertising Business via Telephone Directories and Classified Ads.

(For more information on Teleinfo Media Co., Ltd. (TMC), please see the Annual Registration Statements (Form 56-1) of CS Loxinfo, which is available for download at [www.sec.or.th](http://www.sec.or.th))



# Risk Factors



The Board of Directors realizes that its operations may face many risks, including economic, social, political, financial, innovation, technological, and climate changes. Currently, Thaicom Public Company Limited has 4 core business operations, there are (1) Satellite Transponder Leasing Services (2) Internet Services (3) Overseas Telephone Services and (4) Telephone Directory Publishing Services. There are a various risks in each operation business not only from an internal but also an external factors which shall be affected to the Company's operation.

Therefore, the Board of Directors is established a "Risk Management Committee" to manage risks which affect the Company. The Company's Risk Management shall be reviewed quarterly by the Risk Management Committee. The Committee will summarize and report all risks to the Board of Directors for its consideration, review and determine the procedure to prevent the Company's risk by quarterly.

The following information describes the significant risk factors which might affect the Company's operations, financial status or business performance. However, the Company has already prepared plans to deal with and mitigate the risks outlined below.

## Strategic Risks

### **Risk related to reservation of satellite orbital slots and permission for additional frequency and frequency coordination**

When the Company has a plan to launch a satellite into a new orbital slot, it must first file a reservation with the International Telecommunications Union ("ITU") through an Administration of ITU member state. In addition, the Company must also includes any other relevant information related to the requested slot, including a satellite license to launch the satellite and begin commercial services.

The Company has a process to acquire additional orbital positions and added frequency allocation necessary for new investments. The Company, in addition to performing frequency coordination activities, must also file for the necessary licenses with the National Broadcasting and telecommunication Commission (NBTC) or file for other necessary approvals/licenses from applicable authorities. The Company may initiate such activities ahead of schedule of the actual satellite construction, in particular in some project areas that can be realized in advance such as infrastructure related to future satellites due to each satellite construction shall be used the average time around 2-3 years, which it could not be respond the business plan in the time period.

Therefore, the Company should prepare some part of infrastructure to serve the further construction satellite of the Company.

Therefore, the Company will be able to launch satellites on time and meet set targets. This will also result in savings on investment funds, when certain elements can be completed before the completion of frequency coordination or the acquisition of applicable permissions. The Company has to be considered to negotiate carefully of the agreement conditions to decrease the risk from the licensing delay such as the condition to hand over, timetable, construction payment, extension of agreement and invalid agreement condition, etc.

## Operations Risk

### 1. Service life of satellites

Although satellites generally have no less than 15 years of service life, there are some factors that will shorten their life expectancy. These factors include the quality of the spacecraft, the sturdiness and the durability of its components, the launch vehicle, and the efficiency of the launch process, the satellites' fuel consumption and the operator's skill in controlling the satellites under different conditions. The Company might lose its customers and revenues if the Company's satellites have shorter service lives than expected and the Company cannot launch any replacement satellite in time.

Therefore, the Company's satellite engineering team regularly calculates the remaining service lives of our satellites. If a satellite nears its end of service life, the responsible department will be informed, and plans for a replacement satellite will be drawn up based on careful study of budget requirements, the source of financing, and the return on investment.

In addition, to mitigate the risk from shorter satellite service life, the Company has recruited professional staff, and implemented operating procedures to maximize asset utilization. Even so, satellite operation requires technical know-how and expertise. The Company provides a comprehensive training process of at least 6 months to 1 year to ensure that its employees have the required skills and abilities to control and operate the satellites. However,

there remains the possibility of human error. In case there is an error in sending commands to the satellites, the Company determined the procedure to overcome an engineering problem in advance.

### 2. In-Orbit failure: Risks originating from the satellite may have damages or deficiencies while in the orbit

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 services to its customers. It will degrade, temporarily or permanently, the satellite's performance to uplink and downlink 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 extent to withstand a certain amount of damage. The probability of satellites suffering severe damage to the point of complete failure is very rare. Thaicom maintains a contingency plan to minimise the adverse effects to customers in the case of severe damage to the satellites. These plans include transferring as many customers as possible to available transponders on the remaining Thaicom satellites. The Company has also discussed agreements with other satellite operators for temporary leasing of transponders until the launch of a replacement satellite. Normally, the construction period of a new satellite will take approximately 24 - 30 months depending 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 applicable for Thaicom satellites under the concession. 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. To make claim, the Company has to submit the Notice of Loss and the Proof of Loss to the insurers. After the insurers are in agreement with the

Proof of Loss, the claim under the policy will be paid.

The insured value is equal to the satellite's book value on the date the insurance takes effect. However, the insured value does not cover 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.

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.



## Financial Risks

### Risk from currency exchange rate fluctuations

THAICOM offers both domestic and international satellite communications services and international telecommunications services. Therefore, the Company may face the risk of currency

exchange fluctuations in its accounts payable and accounts receivable, as well as any foreign currency loan. These fluctuations could affect the Company's Financial Statements as well as cash flows.

Exchange rate risk arises from the foreign currency transactions that the Company performs during normal business operations related to foreign currencies, and may have an effect in terms of foreign exchange gains or losses, including gains or losses on derivatives transactions. Significant factors that affect the movement of the exchange rate are as follows:

1. Changes in the global economic situation,
2. Changes in monetary and fiscal policies.

The Company has a Hedging Policy to manage the risks by controlling the net exposure of foreign-currency-dominated transactions. That is, the risk is managed by balancing the revenue and expense structure, in other words, to maintain a currency balance to meet the operational needs. In the event of an imbalance, the Company may use several hedging approaches such as Foreign Exchange Forward, Foreign Exchange Option, Foreign Currency Deposit Account, Cross Currency Swap and Interest rate Swap etc.

## Fraud Risk

THAICOM is determined to carry on business operation with honesty, transparency and in agreement with the Corporate Governance and Anti - Corruption Policy. The Risk Management Committee, therefore, proposed to include Fraud Risk in the Company's Risks Profile to enable the management to control and manage Fraud Risk more efficiently and effectively.

In August 2014, The Company conducted Fraud Risk Assessment Workshop to the managements of all departments and arranged for Fraud Risk Assessment Tools in order to make self - assessment of all participants in concerning to various opportunities of fraud in October 2014.

Although the results of the assessment has shown that the Company has a very low possibility of fraud risk at 13.2% compared to the other public companies at 20 - 25%, but the Company took the assessment results into account in the analysis and prioritize the risks which may occurred; and

draw up a plan to mitigate the chance, prevent and detect fraud risk in top 5 prioritize as follows:

1. Conflicts of Interest; the Company focuses on how to make the Company free from conflicts of interest, which has the following measures as
  - 1.1 The employees are required to complete an annual disclosure document that includes business ownership, income, and investment information.
  - 1.2 Periodic comparisons of vendor information with employee information, such as addresses and telephone numbers.
  - 1.3 Vendors who employ former company employees will be considered strictly as a special.
2. Corruption; the assessment found that the potential corruption is the purchasing process. The Company focuses on making the purchasing process in a transparent manner and accountability. The main measures are as follows:
  - 2.1 Appoint the purchasing committee to review the purchasing list and major purchasing projects as well as the dissemination of the committee announced that all employees have been informed.
  - 2.2 Rotate the purchasing staffs periodically to prevent the corruption.
  - 2.3 Restrict communication and examine the relationship between purchasing staffs and vendors
  - 2.4 Survey vendors periodically regarding company purchasing practices.
3. Theft of Proprietary Information; the Company focuses on the protecting of proprietary information that is given to the development or acquisition whether in the documents or electronics including trade secrets, technical information, research, and the product costs. The main measures are as follows:
  - 3.1 Train employees for the Information Security Awareness.
  - 3.2 Immediately shred the confidential documents by shredder when discard.
  - 3.3 Prepare the procedure to classify the confidential / sensitive information and identify storage duration.
  - 3.4 The employees who have access to proprietary information required to sign non-compete agreements to prevent them from working for competitors within a stated period of time and location.
4. Fraudulent Financial Reports; the Company focuses on maintaining effective internal control system to prevent fraudulent financial reports. The main measures are as follows:
  - 4.1 Examine / investigate the significant changes in the nature of the organization's revenues or expenses.
  - 4.2 Examine / investigate unrealistic changes or increases in financial statement account balances.
  - 4.3 The Company provides adequate accounting staff.
5. Theft of Inventory and Equipment; the Company provides measures to prevent Theft of Inventory and Equipment as follows:
  - 5.1 Monitor and investigate unusual volumes of inventory adjustments, write-offs, or disposals.
  - 5.2 Check inventory and compared to the sales proportion.
  - 5.3 Check inventory by the organization which is independent of the purchasing, receiving, and warehousing functions physically count the inventory.

In light of this, the Company scheduled a presentation program on the progress of work plan as well as various measures for the Risk Management Committee, the Audit Committee and the Board of Directors on a regular basis every quarter.

## Risks involving changes in laws, rules, regulations and government policies

### Risk resulting from allegations of breach of the terms of the Agreement for the Operation of Domestic Communication Satellite

The Company provides satellite communication services under the Agreement for the Operation of Domestic Communication Satellite, dated 11 September 1991. The agreement is between the Ministry of Transport (presently under the supervision of the Ministry of Information and Communication Technology (MICT) and Shinawatra Computer and Communications Co., Ltd. (presently, changed name to "Intouch Holdings Public Company Limited" <sup>(1)</sup> (Intouch Holdings Plc.)). Intouch Holdings Plc. is the major shareholder of the Company.

#### Remark

(1) Intouch Holdings Public Company Limited, changed its name from Shin Corporation Public Company Limited

Therefore, risks related to allegations of breach of the terms of the Agreement for the Operation of Domestic Communication Satellite may be divided and summarized under the following 3 points:

#### **(A) The Issue of Shareholding Ratio**

As per the Agreement for the Operation of Domestic Communication Satellite, dated 11 September 1991, Clause 4, Intouch Holdings Plc. has to establish a new company (Currently is Thaicom Plc.) to operate the satellite business under the Agreement. This new company has to have a registered capital of no less than 1 billion Baht, and Intouch Holdings Plc. must hold not less than 51% of the shares in this new Company. Due to in the year 2005, it is necessity for the Company to raise capital through a Public Offering (PO) of new shares, Intouch Holdings Plc.'s proportional percentage of shareholding would be less than 51%. Before issuing the new PO, the Company consulted with the MICT and asked it to review the Agreement to decrease the shareholding ratio from 51% to at least not less than 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. Furthermore, the Cabinet had a policy to decrease the number of matters to be considered by the Cabinet, subject to the regulations of the Office of the Prime Minister section 22. Further with the regulation has not mentioned for any further proceed after the matter was rejected. As the matter was not deemed to be an issue to be considered by the Cabinet, it was returned to MICT. MICT further requested the opinion of the Juridical Council (the Council of State) on this issue twice. The Juridical Council informed the MICT that where the Secretary General of the Cabinet had informed the MICT that the matter was not required to be considered by the Cabinet, then MICT could make final decision in the case. Previously, the Juridical Council had given an opinion that the Agreement for the Operation of Domestic Communication Satellite could be amended, as per the Company's request, because regardless of the shareholding ratio, Intouch Holdings Plc. still retained the rights and duties and obligations under the Agreement. Further, although Intouch Holdings Plc.'s shareholding might be reduced, it's duties and commitments would remain in place, and the reduction in shareholding would not affect the benefits to be returned to the MICT under this Agreement.

Furthermore, the reduction of shares held by Intouch Holdings Plc. from 51% to 40% of the total number of shares issued in the publicly listed company, Thaicom, would also negate the classification of Intouch Holdings Plc. as a controlling entity according to Section 247 of the Securities and Exchange Act B.E. 2535. At the Co-ordinating Committee Meeting regarding the Agreement for the Operation of Domestic Communication Satellite (Co-ordinating Committee) in 2013, the Committee resolved that MICT will pass on the reduction of the shareholding ratio matter on to the Office of the Attorney General for clarification. The Office of Attorney General, in the middle of 2014, has replied to the Ministry and suggested that the Ministry should appoint the Committee under article 72 of Private Investment in State Undertaking Act B.E. 2556, in order to find proper solution for this issue. Recently, the Committee has been appointed and preparing for commencing the next process. The Company will coordinate with the Ministry and the Committee for further action.

#### **(B) The Issue of Back-up Satellite**

Under the Agreement for the Operation of Domestic Communication Satellite, the satellites provided under the obligation shall be agreed upon by the MICT and the Company. This agreement will include the technical specifications of the satellites. Under this agreement any subsequent satellite shall not be of lower specifications than the initial main satellite. However, the number of transponders and frequency on the satellites will depend on the consideration between the MICT and the Company.

Where the issue of Thaicom 4 (IPSTAR) is concerned, the Company performed in strict accordance to its obligations under the agreement. THAICOM 4 (IPSTAR) was approved by the MICT and launched as a subordinate or back-up satellite. There is a query whether or not the Thaicom 4 satellite should be considered a back-up satellite for THAICOM 3 since the technical specifications are not the same as THAICOM 3. In The Supreme Court's consideration of cases brought before it under the charge of Criminal Activity by Persons Holding Political Positions, there was mention of some facts related to THAICOM 4 (IPSTAR). However, the Company is not a party in the said court case, hence the final judgement of the Court is not binding and cannot be enforced on the Company.



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. MICT requested the opinion of the Co-ordinating Committee, which recommended that MICT should notify the Company to provide a back-up satellite for THAICOM 3 in compliance with the Agreement and MICT should request the Cabinet's direction on the issue of THAICOM 4 (IPSTAR) to ensure fairness for the Company and MICT. On 1 March, 2011, the Ministry notified the Company in writing that the Company is required to comply with the recommendation of the Coordinating Committee. On 14 March 2011, the Company responded in writing that the Company has complied with the terms and conditions of the Operating Agreement and every action taken by the Company received prior authorization of the Ministry. The matter of the THAICOM 4 (IPSTAR) satellite is still pending with the MICT, and the Company continues to coordinate with the MICT on this issue. To date, after the Committee under article 72 as mentioned in (A) has been appointed and preparing for commencing the next process, the Ministry will include the issue of THAICOM 4 (IPSTAR) for the consideration of this Committee as well.

### **(C) The Issue of THAICOM 3's Insurance Proceeds**

As a result of the damage of the THAICOM 3 satellite, the Company received insurance proceeds amounting to US\$33.0 million which was placed in an escrow account outside Thailand, in agreement with the MICT, and approval from the Juridical Council (the Council of State) to establish such an escrow account.

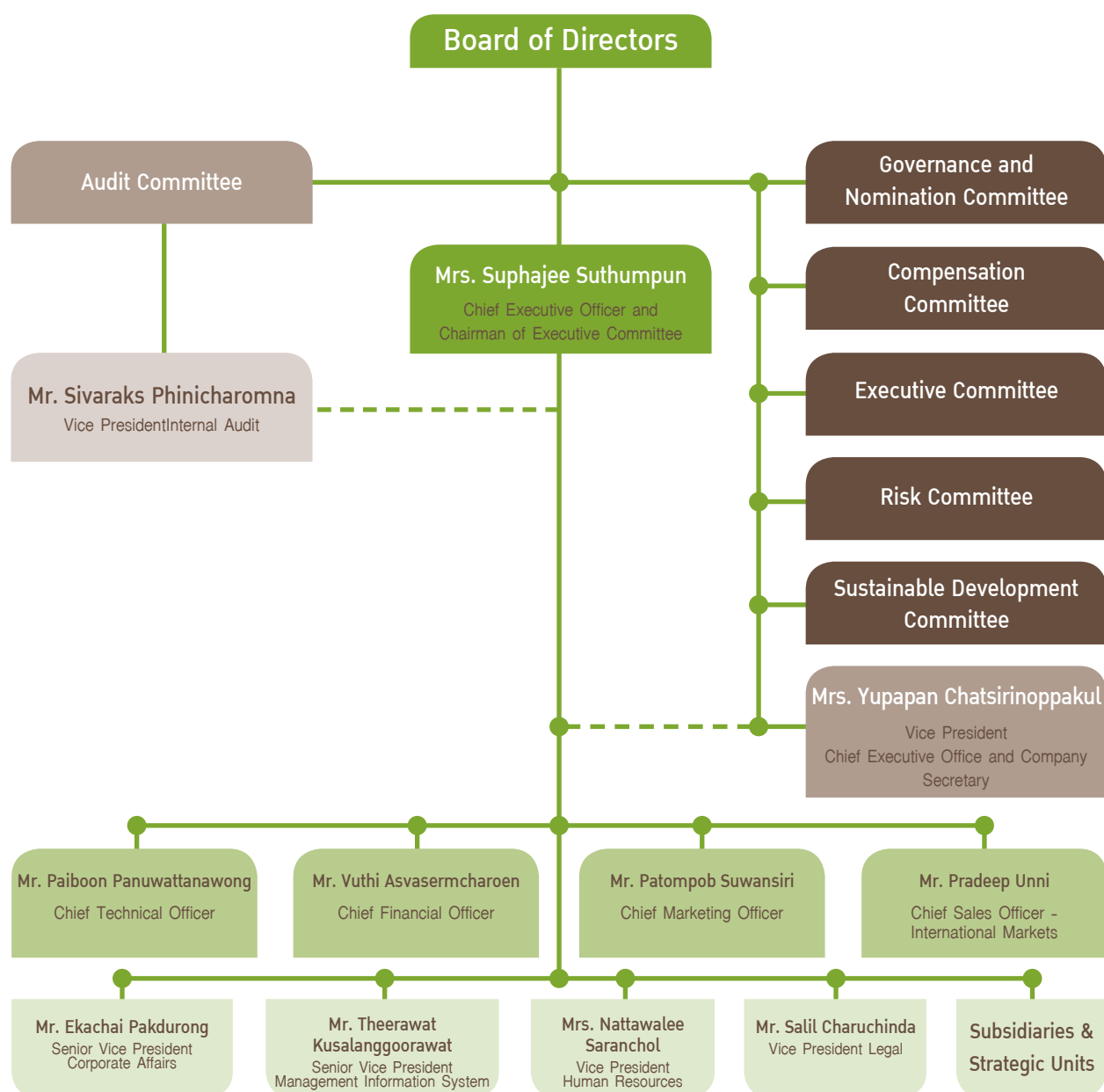
The Company used all of the insurance proceeds as partial payment for the construction and launch of THAICOM 5 and for the interim lease of transponder capacity until the launch of THAICOM 5, in keeping with the Company's objectives and obligations under its agreement with the MICT.

The MICT, however, requested the Juridical Council (the Council of State) to give an opinion on the establishment and utilization of an escrow account to deposit the insurance proceeds outside Thailand, as it was concerned that the

Company might not be acting in compliance with the provision of the Budgetary Procedures Act of 1959. The Juridical Council notified the MICT that this issue was being considered by the Supreme Court, so the Juridical Council could not give any opinion on the issue. Furthermore, the Company is not a party in a lawsuit. Therefore, the judgement could not be enforced. MICT requested the opinion of the Coordinating Committee which recommended that MICT should notify the Company to return the said insurance proceed (US\$ 6.7 million) to MICT and in case the Company would like to utilize the said amount for the acquisition of THAICOM 5 as a replacement for THAICOM 3, which had become a total loss and had already been de-orbited, the Company could submit such request to the MICT. On 1 March 2011, the Ministry notified the Company in writing that the Company should comply with the recommendation of the Coordinating Committee. On 14 March 2011, the Company responded in writing that the Company has complied with the terms and conditions of the Operating Agreement and every action taken by the Company received prior authorization of the Ministry. If MICT thought that the Company fails to comply with the Operating Agreement or the law in whatever matter, MICT should prior notice to the Company and when the Company has known, then the Company is pleased to consider together with MICT. Subsequent to this date, the Coordinating Committee resolved to consult with the Office of the Attorney General, and on 28 November 2012, the Office of the Attorney General gave an opinion that both parties had already complied with the Operating Agreement in the said issued completely. Subsequent to the opinion of the Attorney General, the matter has remained pending with the MICT, and the Company is continuing to work closely with the Ministry on this issue.

# Corporate Governance and Management

## Organization Structure Thaicom Public Company Limited



Company C-Level Executives as per definition of the Securities and Exchange Commission

## Board of Directors

The Board of Directors consists of:

Name - Surname	Title	Date of Appointment
1. Mr. Paron Israsena	Chairman and Independent Director	4 January 1994
2. Prof. Hiran Radeesri	Director, Independent Director and Chairman of the Audit Committee	20 March 2001
3. Mrs. Charintorn Vongspootorn	Director, Independent Director, Member of Audit Committee, Chairman of the Governance and Nomination Committee and Chairman of the Compensation Committee	8 December 1988
4. Assoc. Prof. Samrieng Mekkiengkrai	Director, Independent Director, Member of Audit Committee, Member of the Governance and Nomination Committee, and Member of the Compensation Committee	10 August 2007
5. Mr. Somprasong Boonyachai	Director, Member of the Governance and Nomination Committee, and Member of the Compensation Committee	11 August 2006
6. Mr. Yong Lum Sung	Director and Member of Executive Committee	13 May 2008
7. Mrs. Suphajee Suthumpun	Director, Chief Executive Officer and Chairman of Executive Committee	10 August 2011
8. Mr. Anek Pana-apichon	Director and Member of Executive Committee	7 April 2010

\* Date of Appointment means the 1st date of appointed as Director of the Company.

### Authorized Directors of the Company

The directors who are authorized to sign on behalf of the Company are Mr. Somprasong Boonyachai and Mrs. Suphajee Suthumpun co-sign with the Company's seal being affixed.

### Board of Directors and Sub-Committees' Attendance

In 2014, the Board of Directors and Sub-Committees held regular and one meeting between independent director and Chief Executive Officer.

A summary of the meeting schedule and attendance of each director is shown below:

(Attendance of Meeting/Total of Meetings during 2014)

Name - Surname	AGM 2014	Board of Directors	Sub-Committee						
			Audit	Compensation	Governance and Nomination	Executive	Risk Management	Sustainable Development	ID with CEO
Directors									
1. Mr. Paron Israsena	Present	15/16							1/1
2. Prof. Hiran Radeesri	Present	15/16	15/15						1/1
3. Mrs. Charintorn Vongsbootorn	Present	15/16	15/15	6/6	4/4				1/1
4. Assoc. Prof. Samrieng Mekkiengkrai	Present	15/16	15/15	6/6	4/4				1/1
5. Mr. Somprasong Boonyachai	Present	15/16		5/6	4/4				
6. Mr. Yong Lum Sung	Present	15/16				16/17			
7. Mrs. Suphatee Suthumpun	Present	16/16				17/17	3/4	1/1	1/1
8. Mr. Anek Pana-apichon	Present	15/16				15/17			
Executive Committee / Risk Management Committee / Sustainable Development Committee									
1. Dr. Nongluck Phinainitisart <sup>(1)</sup>						5/5	1/4		
2. Mr. Paiboon Panuwattanawong						16/17	2/4	1/1	
3. Mr. Pong-amorn Nimpoonsawat <sup>(2)</sup>						8/10			
4. Mr. Vuthi Asvasermcharoen							4/4	1/1	
5. Mr. Patompob Suwansiri							4/4	1/1	
6. Mr Pradeep Unni							2/4	-	
7. Mr Wichai Kittiwittayakul							4/4		
8. Mr. Teerayuth Boonchote							4/4		
9. Mr. Teerawat Kusalangoorawat							3/4	1/1	
10. Mr Ekachai Pakdurong							4/4	1/1	
11. Mr. Pramook Chaiwongwutthikul							4/4		
12. Mr. Salil Charuchinda							4/4	-	
13. Mr. Sivarak Phinicharomna							4/4		
14. Mrs. Natthawalee Saranchol							4/4	-	
15. Mrs. Kuntima Uawithya								-	
16. Mrs. Yupapan Chatsirinoppakul							-	-	

Remark (1) Resigned as director of the Company with effect from 1 April 2014

(2) Appointed as Executive Committee Member effective from 9 May 2014

## Management

As at 31 December 2014, the Company's top 4-level management as described by the definition of the Notification of Securities and Exchange Commission consisted of the following 5 persons:

Name - Surname	Title
1. Mrs. Suphaje Suthumpun	Chief Executive Officer and Chairman of the Executive Committee
2. Mr. Paiboon Panuwattanawong	Chief Technical Officer
3. Mr. Vuthi Asvasermcharoen	Chief Financial Officer
4. Mr. Patompob Suwansiri	Chief Marketing Officer
5. Mr. Pradeep Unni	Chief Commercial Officer-International Business

- Dr. Nongluck Phinainitisart, Executive Consultant, was early retired effective from 1 August 2014.

## Company Secretary

Mrs. Yupapan Chatsirinoppakun has been Company Secretary since 12 November 2012 by the approval of the Board of Directors' Meeting. She had been training Company Secretary Program, others relevance and expert in good corporate governance, compliance and expert in secretary role with any others qualification that could be support the company secretary role

The Company Secretary reports to the Board of Directors, sub-committees and management including the Chief Executive Officer as part of her duties as related to Board meetings, shareholders meetings, and the provision of support in monitoring the Company's adherence to good corporate governance guidelines.

### The Company Secretary's responsibilities include:

1. Present any resolutions from the Board of Directors and Shareholders to Management for their acknowledgement; consult with and propose basic information to the Board of Directors and Management on Company regulations and Corporate Governance guidelines.
2. Preparation and filing of the following documents such as Directors list, Board of Directors meeting invitations, Minutes of the Board of Directors' Meetings, the Company's annual report, Shareholder meeting invitations and the minutes of the Shareholders' Meeting
3. Filing mutual benefits report which report is created by the directors or the executive and others relevance person subject to the law, keeping record of the said documents, Further with copy and submit to Chairman of the Board and Chairman of Audit Committee.
4. Organize and arrange the meetings of the Board of Directors and other Committees as established in accordance with the law, Company Articles of Association and the rules and governance guidelines of the Board of Directors and other committees
5. Disclose information and present reports related to the responsibility areas to related authorities
6. Communicate with shareholders to inform them of their rights as a shareholder
7. Serve an administrative function for the Board of Directors and co-operation with executive management to provide information and news to the Board of Directors on events related to the Company's operations.
8. Arrange the directors evaluation process of the Board of Directors and others sub-committee that shall be separate to individual evaluation with propose the evaluation result to the Board.
9. Other operations as assigned by The Securities and Exchange Commission and others relevance regulation.



## Remuneration of Directors and Management

The Company established a remuneration scheme for Directors and Executives based on the following criteria:

1. The Company has formulated a remuneration policy for the Board of Directors to ensure proper compensation for Board Members. Remuneration is compared with the results of regular surveys held by the Thai Institute of Directors (IOD), and is revised when a change occurs. The Company also takes into consideration the duties and responsibilities of Board Members and provides additional remuneration when directors carry out additional duties on Sub-Committees.
2. The remuneration of executives consists of salary, bonus, provident fund and other fringe benefits which are linked to the performance of the Company and the performance of each executive.
3. Non-Monetary remuneration: the Company has implemented a project to allocate warrants to directors and employees. This is a long-term policy which divides into 3 projects with a period of 5 years for each project. The said policy started in 2013 for a purpose of motivates employees for their performance.

### Details of Remuneration of Directors and Management consist of:

#### Financial Remuneration

#### (A) Directors' Remuneration

- At the Annual General Meeting of Shareholders for the year 2014 held on 27 March 2014, the Shareholders approve total remuneration for the Chairman of the Board of Directors, External Directors who are not employees or part of the Company's executives or shareholders in the Company for the year 2014, of no more than Baht 15 million. In 2014, the Company had been amended the remuneration policy of director's remuneration on monthly basis from Baht 25,000 per month to Baht 50,000 per month due to it would be reasonable with an increasing of their accountability according to the Company business expansion. Details are shown in the table below:

#### Directors' Remuneration Policy for the year 2014

Director	Financial Remuneration (Baht) for the year 2014		
	Monthly Allowance	Meeting Allowance	Annual Remuneration
<b>Board of Directors</b>			
Chairman	150,000	✗	✓
Directors	50,000	25,000	✓
<b>Audit Committee</b>			
Chairman	25,000	25,000	✓
Directors	✗	25,000	✓
<b>Others Committee</b>			
Chairman	10,000	25,000	✓
Directors	✗	25,000	✓

#### Remark

- Directors who are employees or executives or shareholders of the Company are not entitled to receive any allowance for their duties as Director or member of Sub-Committees.
- The Chairman of the Board of Directors is not entitled to receive an allowance for Board of Directors or Sub-Committee meetings and also is not entitled to receive a monthly allowance for duties as Chairman of Sub-Committees.

For the year 2014, the total financial remuneration for the Chairman, Independent Directors, Non-Executive Directors and a single Representative Director from the Ministry of Information and Communication Technology was Baht 13,311,505.50, consisting of monthly allowances, meeting allowances, annual remuneration and other benefits. Directors who are representatives from Intouch Holdings Plc. (formerly known as Shin Corporation Plc.), and Executive Directors of the Company shall not receive any remuneration for their duties as Company Director. The table below summarizes payments made to each individual:

Unit: Thai Baht

Member of the Board of Directors	Annual Remuneration	Monthly Allowance and Meeting Allowance						
		Board of Directors	Audit Committee	Compensation Committee	Governance and Nomination Committee	Executive Director	ID with CEO	Total Remuneration
1. Mr. Paron Israsena	530,000	1,800,000						2,330,000
2. Prof. Hiran Radeesri	900,000	900,000	675,000				25,000	2,500,000
3. Mrs. Charintorn Vongspootorn	750,000	900,000	375,000	270,000	220,000		25,000	2,540,000
4. Assoc. Prof. Samrieng Mekkiengkrai	750,000	900,000	375,000	150,000	100,000		25,000	2,300,000
5. Mr. Yong Lum Sung	530,000	900,000				400,000		1,830,000
Total								11,500,000

• Chairman of the Board of Directors has received other benefits which includes office car with driver and health care cost for the total amount of Baht 1,811,505.50

## (B) Management Remuneration

In 2014, the total remuneration for 6 members of the Company's management (including management who resigned during the year 2014) was Baht 45.61 million which consisted of salary, and bonus, which is based on the Company's operations and performance and the performance of each individual.

### Other Remuneration for Directors and Management

(A) Warrant program to purchase the Company's ordinary shares for directors and employees of the Company and/or its Subsidiaries ("Warrants Program")

In 2013, the Company issued and offered warrants to purchase the Company's ordinary shares to directors and employees of the Company and its Subsidiaries as part of a Performance Share Plan to motivate employees and to retain valuable personnel to ensure continued benefits to the Company and its Subsidiaries for sustainable growth. The program allows only certain members of the Company management and staff to allocate a certain amount of their annual bonus to request warrants for the Company's shares. Warrants are allocated on pre-set criteria, as are bonus payments to employees, depending on the conditions and criteria and targets set by the Company.

Summary of Directors and Employees who are entitled to receive warrants as per the Warrant Program (ESOP: Grant VII). Approved by AGM for the 2014 as of 27 March 2014

Name List of Director-Employee	Number of Allocated Warrants (Units)	Percentage of Total Allocated Warrants(percent)
1. Mrs. Suphaje Suthumpun	Not exceeding 167,900	Not exceeding 14.02
2. Mr. Paiboon Panuwattanawong	Not exceeding 139,700	Not exceeding 11.66
3. Dr. Nongluck Phinainitisart <sup>(1)</sup>	Not exceeding 139,700	Not exceeding 11.66
4. Mr. Vuthi Asvasermcharoen	Not exceeding 139,700	Not exceeding 11.66
5. Mr. Pradeep Unni	Not exceeding 139,700	Not exceeding 11.66
6. Mr. Patompob Suwansiri	Not exceeding 116,400	Not exceeding 9.72
7. Mr. Pramook Chaiwongwuthikul	Not exceeding 63,600	Not exceeding 5.31
8. Mr. Ekachai Phakdurong	Not exceeding 53,000	Not exceeding 4.43
9. Mr. Salil Charuchinda	Not exceeding 30,400	Not exceeding 2.54
10. Mrs. Pannee Nivasnanda	Not exceeding 30,400	Not exceeding 2.54
11. Mr. Jiroj Srinamwong	Not exceeding 30,400	Not exceeding 2.54
12. Dr. Supoj Chinveeraphan	Not exceeding 30,400	Not exceeding 2.54
13. Mr. Komson Seripapong	Not exceeding 30,400	Not exceeding 2.54

Remark

<sup>(1)</sup> Early retired effective from 1 August 2014

#### (B) Provident Fund

The Company has implemented a Provident Fund, In 2014 the Company paid a total of Baht 1.87 million into the provident fund for 6 executives (include executives who resigned during the year 2014)

Remark

The Management, herein, means the Company's Management according to the definition of Notification of Securities and Exchange Commission (based on the organization structure as of 31 December 2014, i.e. Chief Executive Officer and Chief Management Officer)

## Personnel

As of 31 December 2014, the Company and its affiliated companies had a total of 3,172 employees divided by type of business as follows:

Type of Business	Number of Employees (persons)
Internet and Media Services	61
Satellite Transponder Services	679
Telephone Services	2,432
Total	3,172

The remuneration for employees of the Company and its subsidiaries includes salary, pension fund, and other benefits. In 2014, the compensation paid to the Company's employees was Baht 1,366 million.

## Human Resources Development Policy

The Company considers its employees as a valuable resource, and as such, the Company aims to maintain and develop employees systematically and continuously in order to improve their abilities and boost their work morale. The Company's HR policy can be summed up as follows:

1. Recruit and select qualified professionals conform to core value to work with the Company according to demand and suitability of each department
2. The Company is implementing the safety, health and environment in the workplace to comply with laws, regulations and other requirements related to business operations of the company. It also encourages the work practice to prevent any action that could be harmful to the body, mind and health with regulatory monitoring regulation and efficiency plan to evaluate performance. In addition to the prevention and control of risks that could cause a loss due to accident, injury or illness caused by work not properly and other errors that may occur. There are provided alarm systems and security systems that it is effective in sufficient quantity and quality in the office and workplace. Further with the public communication to create the awareness information all staff and the person who had the conflict of interest. And also the arrangement for any crisis that could be incurred in any kind of business interrupts or any may cause damage to the reputation and image of the Company. The year 2014 no accidents reported by the employee from both station: Thaicom Satellite Karai station and Thaicom Satellite Lardlumkeaw station.
3. The Company has guideline for wages salary and benefits are provided with the fair rate which equal to leading companies with suitable structure wages rate with reasonable payment and could be comparing with the same rate of industrial segment. In additional of any welfare with the regardless of culture, race and linguistic and region for propose of their ability to compete in the labor market, both domestic and foreign with anti-Corruption in any forms.

Apart from salary, bonuses and providence fund for the employees. The Company has a strategic Policies and incentives to employees in the form of money and non-monetary benefits such as Flexible Benefit for the opportunity to select the appropriate welfare, providing scholarship for education for children of employees, and also sport club arrangement such as such yoga, badminton club football and photography clubs, etc.

#### 4. Develop the potential of employees

The Company would like to promote and develop the skill of employee in line with their position to higher level. To planning, development and training start by finding the need for training, which mainly considers the needs of the various data sources.

**The organization requirement** - based on the strategic direction of policy performance in the enterprise with an opinion of the management as a strategic plan , man power plan for the Cultivating Cultural Organization (EPIC) with Good Corporate Government Policy.

**The capabilities required in tasks (Competency)** - to serve as a guideline for developing the ability to employees in accordance with the job responsibilities.

**Data from the annual performance evaluation** - review by supervisors to comments on the strengths and weakness of the employees with any comments on the development of individual employees.

To balance of work and the capability development, the Company has integrated development model in many model that shall be suitable for learning styles of each group. It could be divided in to two types as follows;

1. Learning through others such as training, seminars, coaching and delegation, Training Workshops (On the job training) as well as site visit, etc.
2. The self-learning, such as reading a book. Learning through E-learning KM Portal

Furthermore, even the short-term training; the Company also supports the upgrading of knowledge by providing scholarships for master's degrees in both domestic and foreign to the employees.

**Executive development** - Executive had an importance roles in the organization to achieve the goals. Therefore, the Company plans to support and executives' leadership development programs both internal and abroad. They also arrange to get new knowledge management for increasing the management ideas. As well as build network relationships with others executive from both public and private sectors.

**Talent Development Group employees and the successor** - the company has carried out a systematic procedure to define the framework and objectives of selection, individual development plans for availability of succession every year.

In the Year 2014, the Company provided training to staffs continued throughout the year. The number of training hours is an average of 24.88 hour per person.

5. The Company had a Policy on Respect of Law and Principle of Human Right. The policy addressed that staffs have to clearly and sticky obey the law relating to one's own duties and responsibility if in doubt, seek advice from Legal Department or Legal adviser. Avoid acting base on one's own interpretation. When working aboard, staffs should study the law, custom, traditions and culture of that country before undertaking any activities. The Company is promoted and respects the protection of human rights and ensures that the Company's business is in line with human rights concerning forced labor or child labor. In further with respect and provide fair treatment to all stakeholders based on fairness, human dignity, non-discrimination of origin, race, gender , age, skin, religion, physical state, status , or birth and promote compliance with human rights within the Company and encourage subsidiary companies, investors, business partner and all stakeholders to observe the international standard of the principle of human right. In additional with protect the rights of stakeholders affected by the violation of their rights as result of the Company's operation by considering compensation no lower than the rate stipulated law.



## Corporate Governance

### Corporate Governance Policy

The Board of Directors realizes the importance of the Principle of Good Corporate Governance as a crucial factor in the company's sustainable growth and, as it firmly believes the maximization of value and returns to shareholders and all stakeholders in a long-term. The Board of Directors therefore prescribed and approved the Company's Corporate Governance Policy to promote transparency in the management of business affairs, and to protect the rights of minority shareholders and other stakeholders, while also encouraging them to participate in the supervision of the management of the Company's affairs. The Policy also aims to ensure proper management of risks to ensure the stability and security of the Company's business. At the same time, the Policy describes the Company's business philosophy and ethics, and takes into account the Company's social responsibility in the conduct of its business.

The Company's first Corporate Governance Policy is established according to the principles for good governance, and the latest revision was issued on 8 August 2014. The policy is reviewed and revised on an annual basis to ensure that it is in accordance with the rapidly changing social, economic, political and environmental conditions of today's world, and to ensure that it is in line with the Corporate Governance guidelines and CG principle of the Stock Exchange of Thailand and Thai Institute of Directors. This year ear the Company also issued a CG Handbook of best practices for all persons who have a direct interest in the management and operations of the Company, including the Board of Directors, Management, and staff. The CG handbook also contains a Code of Conduct for all mentioned. The Company encourages its directors, management and staff to operate and perform the Company's business in an open and transparent manner in accordance with the law and the code of conduct to avoid conflicts of interest, and to serve as an example for others.

However, the CG Policy is to be reviewed by annual basis to ensure that it is cover all best practice and response to a changing of social and the Shareholders' expectation, investor, and stakeholders of the Company. The Board of Directors is committed to ensuring that the Company will strictly comply with corporate governance policies and best practice guidelines. The Board will continue to focus on developing and improving corporate governance to ensure international compliance, particularly the Corporate Governance requirements of the ASEAN Region. This compliance will also ensure that the Company can maintain its goal of sustainable growth and contributions to its shareholders and stakeholders in all sectors focusing on maintaining standards and improve governance, as well as promoting good governance as the corporate culture by taking these following actions:

- Created and published a guideline to good corporate governance and code of business conduct and ethics for employees to read and pledge to follow. This has continued since 2013 and is helpful in allowing new employees to develop a better understanding of the company and pledge to follow the code.
- Arranged a new employee orientation to provide advice and information on corporate culture and governance, as well as the code of business conduct and the purpose of the company's anti-corruption policy.
- Published leaflets introducing anti-corruption policy for the executives and employees to read and better understand the guidelines.
- Developed E-learning courses for the executives and employees in order to provide them with access to and education on good governance, anti-corruption policy and code of conduct and other topics. This aimed to encourage the executives and employees to understand the importance of the good corporate governance and proper conduct to strengthen the corporate culture and maintain sustainable growth.
- Adopted partners' guidelines to ensure equality and good practices, as well as to promote proper conduct in business operations.
- Promoted corporate values (EPIC) as the company always did, and in doing so, it organized activities such as E-day to promote excellence in technology under the topic 'Watch and Learn' and organized the 'Grate C-Day 2014 : Boost up your C' to apply knowledge and virtue into work.

### Corporate Governance Awards

In 2014 the Company was recognized for its excellence in Corporate Governance as follows:

- In the results of the corporate Governance survey of Thai Listed Companies, according to the ASEAN Corporate Governance Scored guideline for 2013/2014, THAICOM was shortlisted as one of the Top 50 publicly listed companies in Thailand
- The Company's 2014 Annual General Meeting of Shareholders was evaluated under the AGM Assessment Program by the Thai Investor Association, and was awarded a perfect score of 100
- The Thai Institute of Directors (IOD) awarded the Company a score of "Excellent" for the Company's Corporate Governance for the Year 2014 (CGR 2014)

### Adherence to Corporate Governance Best Practice Policy

A review of the corporate governance policy in 2014 by the Board of Directors showed the strict compliance with the relevant policy and guidelines. However, some principles held by the company are different from the Principles of Good Corporate Governance for Listed Companies 2012 by the Stock Exchange of Thailand. The differences are detailed as follows:

Principles/guidelines from Stock Exchange of Thailand	Company statement
The Company has limited the term of office of independent directors to a maximum of 3 consecutive 3 terms or 9 years. If the Board of Directors sees it necessary that certain independent directors, who have served the board for 3 consecutive terms or 9 years, should continue the hold the position, the Board of Directors has the right to extend the term of offices of said independent directors.	Due to satellite business has to be special expertise. Directors have to clearly understand the Company business operation and administration and to management of an investment that have to invest in surficial fund, including the business operation aboard which it is different from geosocial. The Company believes that long cooperation would be support to all directors' responsibilities. Furthermore, the Company have the directors evaluation process every year and in the year 2016, the Company will be used professional search firm for directors evaluation process to confirm that there have no any conflict of interest and also the directors selection process has been consider and approve by the Governance and Nomination Committee.
Corporate Governance Committee and Nomination Committee should be comprised entirely of independent directors.	On December 31, 2014, the corporate governance and nomination committee accounted for 66.7% of all independent directors. The Board of Directors believed that was the appropriate portion for the business and the company's structure.
The Board should appoint an external consultant to facilitate a board assessment at least once every three years	The Board of Directors was committed to self-assessment on a regular basis. The assessment process was efficiently and sufficiently carried out. However, the Board of Directors considered appointing a professional search firm to facilitate a board assessment to ensure corporate transparency.

The Board of Directors closely adhered to Good Corporate Governance guidelines for listed companies in performing its various duties to ensure maximum benefits and returns to the Company's shareholders and other stakeholders. The Board also supported a number of activities to promote the implementation and adherence to good corporate governance practices within the Company, including the establishment of a Corporate Governance Committee, dissemination of Corporate Governance best practice through a CG day, and the publication of a CG policy and Code of Conduct handbook periodically and preparation of E-learning materials to provide employees insights to the corporate governance policy. The activities undertaken can be divided into the following 5 categories:

### **Section 1 Rights of Shareholders**

The Company and the Board of the Directors have a policy that facilitates and promotes shareholders and institutional investors to involving in business and advise the Company's operational. Hence, the Company has a policy to involve shareholders in the governance of the Company's operations and to promote their principal rights as outlined below:

- Right to attend shareholders' meetings, express his/her opinions, give recommendations, and be involved in decision making for significant changes, the right to query in the meeting of shareholders and to receive sufficient information in advance.
- Right to obtain accurate and sufficient information to keep track of important activities. The company has no policy to prevent or create barriers to any communication between shareholders.
- Right to appoint and remove the directors at shareholders meetings
- Right to appoint Auditors of the Company and fix their remuneration.
- Right to receive a share of profits in the form of a dividend at a ratio in keeping with the shareholding percentage of that individual.
- Right to receive the share certificates, transfer shares, share repurchase equally.
- The right to attend the meeting and vote by proxy
- Right to specify or amend the Company's Article of Association and Memorandum of Association
- Other rights as prescribed by law and the Company's Articles of Association

### **Shareholders' Meeting**

In 2014, the Company's Annual General Meeting of shareholders was held on 27 March, 2014. At the AGM, shareholders participated in the decision making process on the following items:

1. Give opportunity for shareholders and institutional investors to propose no less than 3 months in advance of the AGM, items for inclusion on the meeting's agenda. Invitations and notifications with guidelines and procedures on the methodology to propose agenda items and nominate directors were delivered to shareholders through the Stock Exchange of Thailand's news portal as well as the Company's own website at: [www.thaicom.net](http://www.thaicom.net)
2. In the Shareholders meeting, every shareholder and institutional investor has equal rights to acknowledge the information, give opinions, and make queries in relation to the relevant agenda items under discussion. The Chairman of the meeting shall allocate an appropriate period of time for discussion and promote the expression of opinions within the meeting. Shareholders will receive the necessary information and the Meeting Agenda in advance, both by post and via the Company's website.
3. The Company will send invitation letters to attend the AGM to shareholders no less than 21 days in advance of the proposed meeting date. The invitation letters will include information on the date, time, place, and any other relevant information required. The invitation and related information will also be posted on the Company's web-site: [www.thaicom.net](http://www.thaicom.net) in both Thai and English 30 days in advance of the AGM. This will provide shareholders enough time to acknowledge and study the information and to present any questions they may have in advance of the meeting date.
4. The Company, in sending out its AGM invitation letter, also encloses a Proxy Form (A), Proxy Form (B) and Proxy Form

(C) which may be used by shareholders who are unable to attend the meeting in person. The Proxy Form contains all necessary agenda items requiring a vote by shareholders by following the terms and conditions specified in the proxy forms in accordance with the common law. Shareholders may complete this form and authorize an Independent Director, appointed by the Company as a Proxy for Shareholders, or another representative if they so choose, to submit their votes on the day of the meeting. The proxies shall be addressed via the Company website. In the event that the shareholders cannot attend the meeting in person, they can vote by proxy or mail the proxy forms to The Corporate Secretary Office and/or the regulators at Thaicom Public Co., Ltd. as another convenient option.

5. The Company has a policy to conduct shareholders meetings according to the laws and guidelines prepared by regulatory authorities and in compliance with good corporate governance. In 2013, the Company arranged 1 (one) Annual General Meeting of Shareholders, which was held at the Viphavadee Ballroom, Lobby Floor, Centara Grand Central Plaza Hotel, Lad Prao, Bangkok, 1695 Paholyothin Road, Jatuchak, Bangkok where there are convenience for shareholders to attend the Meeting, and surrounded by convenient transportation that shareholders can take to get to the meeting.

The Company ensures that sufficient staff and the necessary technology are available for the convenience of shareholders in checking their relevant documents when registering to attend the meeting. The Company utilizes a barcode system to count the votes for each agenda item. The barcode system is supplied and operated by the Thailand Securities Depository Co., Ltd. including the representatives from a private law firm that was appointed to monitor the voting process and count votes.

6. The Company also provides opportunities for shareholders to submit their questions in advance to an independent Director. These questions will be forwarded to the Company's management, or the office responsible for organizing the meeting, so that the necessary information may be gathered to answer the questions. The questions asked and the answers are duly recorded in the minutes of the shareholders meeting and can be checked by shareholders if they so desire.
7. After the Meeting, the Company will post the agenda and outcome of the voting on each agenda item on the Stock Exchange of Thailand's website as well as the Company's website.
8. The Minutes of the AGM will be posted on the Company's website within 14 days after the AGM, and shareholders will be informed of the availability of the Minutes through the SET's website as well as the Company's website after the meeting. The company will disclose the information to the Stock Exchange of Thailand and on the Company's website at [www.thaicom.net](http://www.thaicom.net)

## Section 2 The Equitable Treatment of Shareholders

The Company respects the rights that shareholders and institutional investors have according to the law, and the Company's Articles of Association. The Company has a duty to protect the benefits of every shareholder equitably; regardless of whether they are a retail, foreign, institutional, or wholesale investor.

1. Every shareholder shall have the right to propose items for inclusion on the agenda of the annual general meeting of shareholders, as well as the right to propose suitable candidates for selection as Directors at least 3 months in advance of the AGM. Invitations and notifications with guidelines and procedures on how to propose directors for nomination and to propose agenda items were delivered to shareholders through the Stock Exchange of Thailand's news portal as well as the Company's own website at [www.thaicom.net](http://www.thaicom.net).
2. At the AGM, the Company informs shareholders of the regulations and methodologies that will be applied throughout the meeting as well as in the voting process, and the rights of shareholders in casting their votes. Documents relevant to the AGM, including information necessary to inform shareholders and proxy forms are all provided to shareholders well in advance of the AGM and provided in both Thai and English versions to ensure that both Thai and foreign investors have access to the necessary information.
3. The Company will not add items to the meeting agenda or change significant information without prior notice to the shareholders.

4. The Company will provide the opportunity to shareholders and institutional investors to vote for and appointment Directors individually. The Company will also support the use of ballots to ensure transparency and the possibility of vote verification.
5. The Company has a disclosure policy including practice guidelines on the use of internal information to prevent members of the Board, Management, and employee from using such information for personal or third party gain and to prevent conflicts of interest and insider trading, the company should avoid and refrain from stock trading a month prior to the disclosure of information to the public.
6. The Board of Directors and executives must disclose conflict of interest information as well as information about related persons to ensure transparency in the consideration of the Company's business transactions. Directors and executives holding stakes in the transactions must not take part in the decision making process of these transactions. All transactions will proceed according to the Company's approval process for related transactions.
7. The Company has a policy regarding securities trading of the Company's stock by Directors and executives which requires that all directors and executives report their trading activities in accordance with the rules and regulations of the Securities and Exchange Commission (SEC) to the Board.

The Compliance Office will publish a report on the directors and executives' ownership of the company's shares for presentation and inspection, with a signature and the detail stating the number of shares in each quarter. The Compliance Office will summarize the data and present it to the secretary who will report to the board of directors quarterly. At the end of the accounting period, the Compliance Office will deliver a stakeholders report and profiles of the directors and executives (Form 89/14) to the Board of Directors for review and collection. The company secretary will present the report to the Board of Directors and send a copy of the report to the chairman of the board for review. Any changes done to the stakeholders report and profiles of the directors and executives (Form 89/14), the company secretary will make a report to the Board of Directors and send a copy to the chairman of the board for review within 7 business days since the day the report arrived.

### **Section 3 The Rights and Equitable Treatment of Stakeholders**

The Company and the Board of the Directors takes into account the rights of other stakeholders which complied with the corporate governance policy and code of conduct as well as other related policies and also considers the importance of the stakeholders' support in creating the Company's competitiveness and profitability and in building the Company's long term business success. This concern covers, although not exclusively, the Board of Directors, Management, employees, shareholders, customers, business partners, competitors, creditors, communities in which we operate and society as a whole, and the environment.

The Board of the Directors has approved the issuance of an ethics manual (Code of Conduct: Thaicom Best Business Practice), and distributed this manual to directors, executives and employees for their acknowledgment and to strictly adhere to the guidelines published in this manual. The Company has also developed a punishment framework in case of violation or misconduct. The ethics manual is available for public scrutiny and may be downloaded from the Company's website. The manual, upon distribution to the Board of Directors, management and staff, was duly acknowledged and signed by each recipient. The Company has also authorized the Internal Audit Department, Human Resources Department and the Code of Conduct Committee or Audit Committee to report any infractions or non-compliance with the ethics guidelines.

In addition, the Company Secretary Department and the Compliance Office arranged the orientation and activities for the new employees were also organized and support activities to promote awareness and understanding of Good Corporate Governance and the Code of Conduct among the Board of Directors, management and employee. These activities and others aim to build a strong culture of good corporate governance within the organization regularly and consistently.



The Corporate Governance Policy, Code of Conduct and other related policies are covers the following areas:

#### **Policy and Procedure to shareholders**

The Company treats all shareholders equally based on the corporate governance and code of conduct to ensure the greatest shareholder satisfaction. This includes long-term growth in the Company's value, consistent returns, and transparent and trustworthy disclosure of data to shareholders, any treatment of the shareholders are disclosed in this report.

#### **Policy and Procedure to customers**

The Company has a quality policy and quality management system of ISO 9001:2008 that aims to achieve customers' maximum satisfaction with regard to product quality and world-class services. The Company is dedicated to creating customer satisfaction and trust that they are receiving high quality products and services at reasonable prices. Maintaining good customer relations is of great importance to the Company, and in compliant with the corporate governance policy and the need to provide accurate and comprehensive information on the products and services as well as the confidentiality of the customer information. The directors, executives and employees are responsible for maintaining the confidentiality of the customer information and not to disclose it without permission, unless the information has already been made known to the public or approved by the authorities for disclosure. The guidelines for the practice are posted on the company website at [www.thaicom.net](http://www.thaicom.net).

#### **Policy and Procedure to business partners and creditors**

Any business transaction with a partner must, by no means, damage the Company's reputation or violate any laws. All transactions must be based on equality and mutual benefit. The selection of business partners must be fair. The Company regards partners as a critical factor in creating value for customers. The selection of partners was defined in the corporate social responsibility policy under the section "treatment for suppliers and business partners" detailed at [www.thaicom.net](http://www.thaicom.net). The company ensures fair treatment to all the suppliers and partners through companionship and mutual commitment to social responsibility and growth of the business by upholding and complying with contracts and agreements made between all the parties. The company also has a policy that ensures fair selection of suppliers and partners, as well as the transparent and fair procurement, to maintain lasting relationship with the suppliers and partners.

Moreover, the company has established supplier charter as essential guidelines by which the selection and evaluation of suppliers and partners are directed based on the following principles:

- Code of conduct and ethics associated with social responsibility. suppliers are expected to conduct their business in an ethical manner and act with integrity
- Human Rights and Labor
- Safety, Environment and Quality

As for creditors, institutions and account payables, the Company has a procedure to comply with the contracts and conditions to ensure the punctual payment of the principal and interest and avoid late payment, while maintaining the company's credibility in the eyes of the creditors and financial institutions and any security. There is a fair and responsible policy that should be implemented in line the corporate governance and best practices to ensure fair treatment towards creditors.

#### **Policy and procedure to society and environment**

As a Thai business entity, the Company realizes that it has certain duties and responsibilities toward the country. The Company is an integral part of the country's business and social fabric, and as such must help and lend support to local activities in the communities where the Company has business operations. The company has a policy and guidelines regarding social and environmental responsibility as followed:

- Social Responsibility Policy
- Energy Conservation Policy
- Safety and Occupational Health Policy

In terms of society and communities, the company believes in the idea of creating a shared value between the business and social sectors and implements it as a guideline for business conduct to maintain sustainable growth of the two sectors. The company also has a policy that intends to build a relationship and collaboration with the communities surrounded the company's location and in other areas. It aims to raise the quality of lives in the communities by meeting their needs and engaging in their activities. The company has a policy to provide products, services, personnel and resources in the promotion of education for the children of the local communities and society. For example, the company educated schools in the remote areas on the installation of satellite dishes for distance learning and provided assistance for other learning resources in the communities to develop higher quality of lives and sustainable growth.

For the environment, there is an operational policy which emphasize on environment preservation and to encourage using a natural resource for the highest benefit. The Company also emphasizes on company's culture and promotes activity to preserve the environment for internal and external, and to prevent and control any operation which is affected ecological. These are includes using radio signal equipment safely for the Company's staffs and communities around the Company. Moreover, the Company provides yearly checks on the weather and environment in the vicinity of both satellite station to ensure no harms caused by the tools and equipment were done to the environment and nearby communities. In addition, activities such as charity events at the local orphanages and nursing homes were organized.

Furthermore, the Company has initiated for a product selection. Its green product and procurement projects help promote pollution reduction. The company intends to go green in every product including office supplies, such as recycled paper, energy saving light bulbs and other products, to encourage practicality and show examples by beginning with small products. A policy for green suppliers was also initiated and taken into consideration when choosing suppliers. Moreover, the company operates on a policy concerning efficient uses of resources to encourage directors, executives and employees to strive for maximum productivity.

However, the Company has issue a Sustainability Development Report separate from its Annual Report. This report will be available online on the Company's website: [www.thaicom.net](http://www.thaicom.net)

### **Policy and Procedure to Employee**

The board of directors regards employees as the company's main resources and has designed a policy and guidelines for treatments of employees in various aspects to demonstrate the company's prioritization of its employees due to our employees are our most valuable asset, and they represent an important factor in the Company's success. The Company has complied the policies with the employee such as corporate social responsibility which specifies treatments of employees as follows:

- The company regards its employees as the most valuable assets
- The company promotes and cultivates a corporate culture based on the company's values and vision while maintaining Thai identity and root.
- The company encourages employees to express their full potential and advance in their careers through trainings and development of skills. It focuses on employees' engagement, performance and reasonable payment.
- The company creates wellbeing in the workplace. It attempts to strike a balance between work and personal life, creating safe and sanitary work conditions by providing health benefits and maintaining strict compliance with Labor Protection Law.

There are policies to determine the remuneration and others benefit by the Remuneration Committee which are authorize by Board of Directors. The Committee will consider the fairness benefit base on standard measurement that is appropriate and in consistent with the company short-term and long-term performance, as well as the payment of remuneration in the same industry and further propose to the Board to consider and approve accordingly. The company also provides other benefits such as provident funds, as long-term benefits, the annual physical checkup, etc.

There is an environmental policy, which includes caring for work environment, involve the Big Cleaning Day where the cooperated cleaning of wasted paper and other unused items is held at least twice a year to support the 5S policy. The fire drill and safety alarm testing. The Company also promotes team-work, respects their individuality and privacy, and

creates equal opportunities for all. Occupational health and safety are of prime concern, and the Company aims to create a safe and suitable work environment. The Company constantly monitors industry standards for remuneration and benefits and implements such changes when necessary. Regulations and laws governing working hours, freedom of association and bargaining rights, no forced labor and no child labor are stringently upheld by the Company.

To ensure safety, the Company invented a policy concerning safety, occupational health & work environment as specified below:

- Practices for safety, occupational health and work conditions must be aligned with the company's regulation and other requirements.
- The Company ensures safe operations for personnel, minimizing threats and risks to physical and mental health, while evaluating and keeping track of the performance for safety, occupational health and work condition regularly. For instance, the Company has its own ward, with patient beds, nurses and doctors who pay visit twice every week, to accommodate sick employees. The annual physical examination is also provided to employees for the same purpose.
- The Company's safety and security systems are effective, sufficient and suitable for offices and establishments under the company's supervision.
- Public relations are established to educate and spread information on occupational health and work conditions to employees.
- The Company has prepared actions in case of emergency that might cause business disruption or damage to the company's image. The guidelines are published on the company website at [www.thaicom.net](http://www.thaicom.net).

### **Policy and Procedure of Human Rights**

The Company supports and respects human rights and there is a policy to respect the laws and human rights.

- Employees must understand laws directly related to their duties and responsibilities thoroughly and comply with them strictly. If in doubt, employees can consult with the legal department or counsels. Unguided actions are prohibited.
- Employees who need to work abroad are advised to study laws, customs, traditions and culture of the country before taking any actions that concern the company's business. This is to avoid violation of the local laws, customs, traditions and culture of that country.
- The company respects and supports human rights, and prohibits involvement in the violation of such rights as forced labor and child labor.
- The company respects the stakeholders and treats them accordingly with dignity and indiscriminately, embracing people of different backgrounds, races, gender, religions, physical appearances, status and bloodlines.
- The company always ensures compliance with human rights and encourages its subsidiaries, joint venture partners, suppliers and every stakeholder to abide by the rights to meet international standards.
- The company is responsible for any damage or loss resulting from its misconduct to the stakeholders. The compensation will not be less than the rate specified by law.

Furthermore, The Company will operate its business based on the principles and intention of the Universal Declaration of Human Rights under the auspices of the United Nations. Under no circumstance will the Company take part in any action which is against the principles of human rights, and the policy against human rights violation.

### **Policy and Procedure of Competition in business**

The Company's guidelines for trade competition are stated in the code of conduct which also has a policy to support and promote free and fair competition in business. It has no policy to resort to competition in business in any form in order to acquire information from competitors which is not lawful and which is against ethics.

### **Policy and Procedure of Anti-corruption practices**

The company is aware that fraud is a serious threat to free trade competition. Therefore, the company and the board of directors are committed to run the business with integrity, transparency and principles for corporate governance for the following purposes:

- To demonstrate the company's position against fraud of all kinds
- To set up rules and guidelines that prevent the company and employees to violate anti-corruption law
- To establish procedures for monitoring and determining compliance with the policy
- To encourage employees to observe and report any fraud through secure communication channels.

This policy applies to the board of directors and employees of the company group, as well as their spouses and son/daughters. They are prohibited to be involved in any kinds of fraud, both directly and indirectly, including actions that might allow them or other people to gain benefits from the company's business. These people include customers, suppliers, creditors, business brokers or any stakeholders that hold the company's name.

According to this policy, fraud refers to the abuses of power acquired through their position and any act of giving, accepting, receiving, authorizing, etc, assets or benefits to and from government officials, state agencies, private officials and private agencies to allow them to seek personal gain from Thaicom, unless they are not prohibited by the provisions of laws, customs or traditions. Fraud also refers to bribery and corruption.

Fraud, including bribery and/or corruption, comes in many forms such as:

- (1) Support of political activities
- (2) Charity and/or sponsorship
- (3) Bribes
- (4) Expenses for gifts, recreation and entertainment

The Company is against all forms of corruption with zero tolerance and abides by all laws against corruption in Thailand. The policy also applies to its subsidiaries abroad.

In 2013, the Company are agreed to sign a declaration of Thailand's Private Sector Collection Action against Corruption ("CAC") with Thai Institute of Directors (IOD) according to realize on the transparency of business operation that there are regulatory audited. Afterwards, the company implemented the policy strictly. The board of directors assigned audit committee to the anti-corruption policy to ensure the company's compliance with the laws and code of conduct. The ethics committee takes priority in implementing the policy and also follows up the outcome. All of the directors need to ensure their subordinates understand the policy. The company has also set guidelines for disbursement procedures to comply with Anti-Corruption policy. The employees must fill out the following application forms through the request system:

- (1) Charity and/or sponsorship
- (2) Recreation or entertainment
- (3) Giving or receiving gifts

The employees must provide details such as names of donation recipients or sponsors, recreation participants, gift receivers and business relationship. Once the forms are filled, the system will send it to the authorities for authorization in compliant with the anti-corruption policy. The system also compiles the data into a report to serve as guidelines for the follow-up evaluation and delivers it to the board of directors for review, consideration or improvement in compliant with the anti-corruption policy.

The Company also provides training for employees to educate them on combating corruption, starting with new employees. The E-learning materials are also provided to communicate with directors, executives and employees to gain a better understanding of the subject. Tests are also given to assess the understanding of the content and the guidelines. The company also conducts fraud risk assessment by the risk management committee, where employees will be asked to assess the risks of fraud in the organization online. The results will be concluded into a summary report on fraud risk that will be presented to the risk management committee for review and on to the board of directors for review and approval. The report is to be included in the company's risk management plan.

Moreover, the meeting on December 17, 2014, by the board of directors called for the submission of self-evaluation form. The board of directors had reviewed the data and participated in the verification of the alliance members of the private sector in an attempt to combat fraud in the fourth quarter of 2014.

### **Policy and Procedure of Observance of the law, rules and regulations**

The Company has a policy to implement and encourage its directors, executives and staff must operate the business in agreement with the Company's Articles of Association, applicable laws, rules, and regulations, and also to comply with the respect of laws and principles of the human rights policy. The directors, executives and employees must understand the laws regarding to their duties and responsibilities thoroughly and comply with them strictly. If in doubt, they can consult with the legal department or advisors. Unguided actions are prohibited. When working overseas, employees are expected to educate themselves on the laws, customs, traditions and culture of the country before taking any actions that concern the company's business to avoid violation laws, customs, traditions and culture of the country including they must under no circumstances knowingly participate in or take any action that is in violation of these regulations.

### **Policy and Procedure of Political activities**

The Board of Directors has a policy and procedure for the directors, executives and employees to comply with Anti-Corruption Policy. The company has the political neutrality policy that prohibits any support of political parties or politicians. However, employees have personal freedom to participate in political activities under the provisions of the relevant legislation to exercise their political rights such as voting in the election. The employees must not claim the status as an employee in using any of the company's assets, tools or equipment for political advantage. For political participation, employees must avoid any action that might mislead anyone to think that the company supports, or is in favor of any particular political party. Political participation is expected to be kept private under the risks of personal expenses.

### **Policy and Procedure of Conflict of interest**

The Company is realize and support on good corporate .Working for the Company can lead to situations whereby personal interests of Directors, executives and staff are in conflict with the Company's interests and also lack of an independence operation which will be effected on partners, stakeholders and any others who has conflict of interest. The Company has specified in the code of conduct under the topic Conflicts of Interests which addressed on the Company website [www.thaicom.net](http://www.thaicom.net).

Such conflicts may arise in many forms. The company, thereby, has established guidelines of Code of Conduct which must be followed by everyone:

#### **1. Taking money or other forms of payment**

Directors, executives and staff must not take money or any other form of payment in private from the customers or business partners of the company or any person as a result of working for the company.

Directors, executives and staff must not lend or borrow or solicit money or any object from customers or those who conduct business with the Company with the exception that the borrowing is from a commercial bank or financial institution as customers of such bank or institution.

#### **2. Conducting other businesses outside the company**

Conducting private business by directors, executives and staff must not affect them in performing their duties and working hours. Conducting business or taking part in business which competes with the business of the Company is prohibited, regardless of directors, executives or staff receiving direct or indirect benefits from such activities.

#### **3. Conducting any businesses with companies in the Group**

Conducting any business with companies within the Group, whether in own name, the name of the family or any juristic person where executives or staff stand to gain or lose requires the disclosure of the potential conflict of interest in conducting the business.

Directors, executives and staff with a conflict of interest are prohibited from approving any transaction agreement or taking any action on behalf of the company.



A person who performs a transaction on behalf of the company has the duty to check whether or not there is a relationship between the business partner and any directors, executives or staff prior to completing the transaction in order to prevent any possible conflict of interests from arising. The definition of 'relationship' is to be in agreement with the principles on 'Disclosure of Data and Operation of Registered Companies in Relevant Transaction' which is distributed by the Security Exchange of Thailand Committee.

#### 4. Holding directorships in other companies

The company has no policy to release executives to be directors in other companies. Company executives must receive approval from an authorized person before assuming a directorship in another company except non benefit organization, however, the appointment will not against any law or any regulation that are relevance with the Company and exploit from the current position. The improvement levels are presented in below table;

Position	Approve by
Executive Level PG 13-15	Chairman of Executive Committee
Executive Level UC up	Executive Committee
Executive holding company directorship	Executive Committee

#### 5. Accepting gifts and attending business receptions

Directors, executives and staff should refrain from accepting gifts whether in the form of cash or not from business partners or persons relevant to the company's business. The exception is in the acceptance of seasonal or traditional gifts, but the value of such gifts must not exceed 3,000 baht and in compliant with Anti-Corruption Policy. The request will be recorded online to await approval from the authorities in compliant with the procedures and guidelines in the anti-corruption policy

Directors, executives and staff can attend business receptions for the benefit of the company's business, but should refrain from attending receptions whose nature is beyond a normal business relationship between persons related to the company or its business activities.

#### 6. Attendance of seminars and study tours

Directors, executives and staff may accept invitations to attend training, seminars and study tours, the expenses for which are paid by the customer/supplier of the Company, provided that it is strictly for the Company's business interest and approved by the superior and there is no other money or gifts given.

#### Policy and Procedure of Protecting and looking after company assets

The directors created a policy and guidelines for protection of the company assets, and emphasize the Company's directors, executives and staff at every level have a duty and responsibility to safeguard the Company's assets and not use them for personal benefit or that of others. The company has a policy to prepare business documents, record financial and accounting data and prepare financial reports in keeping with internationally accepted accounting standards, in a timely manner, reporting information fully, correctly and honestly.

Directors, executives and staff must appropriately control confidential data and sensitive information that they may possess or become aware of as part of their responsibilities, and must not communicate such information to other work units or outsiders. They also have a duty to exert their best effort in protecting such confidential data, and in filing the confidential documents.

The Company has a policy concerning responsibility for company assets as the board realizes the importance of the employees' responsibilities.

- Employees must keep the company assets in good condition and available at appropriate times in consistent with the lifetime of the assets, as well as prevent them from any damage and loss.
- Employees must use the company assets in a sparing and appreciative manner to optimize the benefits for the company, while showing concerns for the environment and energy conservation.

### Policy and Procedure of Intellectual property rights

The Board of Directors has a policy and guidelines concerning intellectual property in the company's code of conduct which are the intellectual property rights of the company include various copyrights, patents, trademarks and trade secrets which are essential in maintaining the Company's competitive advantage.

Directors, executives and staff have a duty to protect, keep and defend the Company's intellectual property rights. Directors, executives and staff must also respect the lawful rights on intellectual properties of others.

### Policy and Procedure of Use of inside Information and trading of the Company's securities

Directors, executives and staff must not use, for the benefit of their own or others, important or undisclosed inside information of the Company.

Directors, executives and staff of the company have freedom in trading the securities of the Company, but to prevent conflicts of interest from happening, directors, executives, and staff should refrain from or stop trading the securities of the Company for a period of 1 month before the disclosure of quarterly financial performance information to the public in compliant with the corporate governance, code of conduct and disclosure policy. The guidelines created by the Compliance Office will be sent via E-mail to give advance notice to the directors, executives and employees to suspend or avoid stock trading 1 month prior to the disclosure of financial statements to the public

### Giving information or interviews to the press or the public

Any information about the company to be supplied to outside sources must be factual and accurate, and presented with care. Unless specifically authorized due to position or appointed to do so, no executive, director or staff may provide information or give an interview to the press or public in relation to the Company's activities. However, the guidelines comply with the company's code of conduct and disclosure policy.

In 2014, the Company held a press conference and activities for shareholders as follows:

Meeting with Shareholders and Analysts	Frequency (per year)
Analyst Meeting	4
Opportunity Day	4
Road Show	9
Company Visit	40
Shareholder Visit	1

### Transactions between related companies

In case of transactions between related companies, a strict approval process is following in compliant with guidelines for related parties transactions. The Board of Directors will consider and approve the transactions through rules and procedures that ensure the company's best interests. The process will be fair, at arm's length basis and compliant with statements, rules and regulations of The Securities and Exchange Commission, Capital Market Supervisory Board and good corporate governance.

### Reporting of misconduct and fraud policy and guidelines

The Board of Directors place great importance in reporting of misconduct and fraud and has implemented a policy concerning reporting of misconduct and fraud, as well as investigation and whistleblower protection. The policy applies to all employees and provides channels for reporting clues on any misconduct or fraud in the company. This encourages employees to report their concerns without being threatened and coerced to change job position, workplace, to be fired or tolerate any forms of injustice. The policy also sets guidelines for the fair and transparent investigation of misconduct and fraud.

### Report of Non-Compliance with Code of Conduct

The Board of Directors provides channels for stakeholders of all parties to report or make a complaint about any action that might damage the company or lead to infringement of individual rights in compliant with the code of conduct. The procedures and guidelines involve:

- Stakeholders of all parties in the company
- Directors, executive and employees

In case finding a case or to be pressure/force to do any kind of violent the code of conduct or any other actions that might damage the company and/or the board of directors

For employees, report can be sent to the supervisors, senior executives, internal audit department, human resource department, ethics committee or audit committee depending on the case. This can also be done through the Ethics Hotline system via intranet on the company's website.

For stakeholders, e.g., shareholders, suppliers, customers and creditors, report can be sent using Ethics Hotline system on the company's website or to the company secretary, as detailed in the section of communication channels with the board of directors and secretary.

The Board of the Directors has approved to issue the Reporting and Investigation of Misconduct and or Fraud and Whistleblower Protection Policy and Thaicom Whistle Blower Policy. The policy determine duties and responsibilities further with investigation process and Whistle Blower Protection mechanism to prevent, detect, and reduce fraud and misconduct within the organization.

### Contacting the Company's Board of Directors or Company Secretary

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 a report or complaint in writing and sending it to any one or more independent directors of the Company, or the Company Secretary at:

#### Company Secretary

THAICOM Public Company Limited  
63/21 Rattana Thibet Road,  
Bang Kraso Sub-District, Mueang Nonthaburi District,  
Nonthaburi Province 11000

Furthermore, the stakeholders outside the organization could be communicated through the Company's website, by telephone or e-mail to the Investor Relations Department at [ir@thaicom.net](mailto:ir@thaicom.net), and the Company Secretary at [comsec@thaicom.net](mailto:comsec@thaicom.net), including internal auditors department.

The Company also makes available to stakeholders inside the organization, channels of communication through Ethic Hotline on internet system of the Company. Information will pass through Head of Internal Auditor and Human Resource Department as well as Company Secretary Office.

## Section 4 Information Disclosure and Transparency

The Company's disclosure policy involves the disclosure of information that is accurate, complete, transparent, on time and reliable through accessible channels. The governance policy ensures equality among stakeholders in compliant with the company's disclosure policy and rules and regulations of The Securities and Exchange Commission of Thailand whether a disclosure of financial, operational, and other relevant information and other relevant information for investors and concerned persons to use in investment decisions. The Company discloses information regularly through several procedures and channels to shareholders and stakeholders all together. The information is provided in both Thai and English through various channels such as company website and information dissemination system of the Stock Exchange of Thailand. The executives who can disclose the company's important information include Chairman of the Executive Committee or Chief Executive Officer, which are authorized to provide important information according to the disclosure policy.

The disclosed information is transparent and provided on a regular basis in both Thai and English in accordance with the company's policy and guidelines, as well as the regulations of The Securities and Exchange Commission of Thailand outlined as follows:

1. To disclose of information in accordance with the laws such as the company's overall performance together with a commentary and analysis from the executives, as well as supporting documentation for analysts and investors. The Company arranges the meeting to inform its operational performance on a regular basis at least 4 times per year to investors, analysts and other interested parties at scheduled meetings that are attended by the Company's management. The meetings are intended to provide an opportunity for participants to raise questions about the Company's performance, and for the Company to provide detailed explanations on its operational performance. For people interested in receiving additional information, the Company's Investor Relations Department can be contacted by telephone, or by visiting the Company's website at: [www.thaicom.net](http://www.thaicom.net) under Topic Investor Relations
2. Presentations of the Company's fully audited financial results on a timely basis to the Securities and Exchange Commission and the Stock Exchange of Thailand. The Financial statement which auditors had audited with on any concern opinion as well as others financial information such as quarterly MD&A report and Form 56-1
3. Significant information
  - Company information such as vision, nature of business, company structure and major shareholders
  - Board of Directors and Executive names
  - Annual Registration Statements ( Form 56-1), Annual Report, Financial Statement and MD&A with any other relevant documents
  - Any documents relating to Shareholders Meetings, Articles of Association
  - Corporate Governance Policy, Anti-Corruption Policy including other policies of the Company with relating to CG Policy and Code of Conduct of THAICOM Group
  - Charters of Sub-Committees
4. The Company's Investor Relations Department acts as a portal for access to the Company's performance results. The Department is 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. The Department also presents Company information at road shows, both domestically and abroad, to interested parties. For people who would like more information on the Company's operations, please contact the Assistant Vice President for Investor Relations (Ms. Metinee Isarachinda) via telephone: 02-596-5072-3, or email at: [metinee@thaicom.net](mailto:metinee@thaicom.net), or

Investor Relations  
 THAICOM Public Company Limited  
 63/21 Rattanathibet Road,  
 Bang Kraso Sub-District, Mueang Nonthaburi District,  
 Nonthaburi Province 11000.

### Section 5 Duties and Responsibilities of the Board of Directors

The company attaches great importance in the Board of Directors' roles, duties and responsibilities to protect the interests of all shareholders and stakeholders and maintain sustainable growth. The board's responsibilities include:

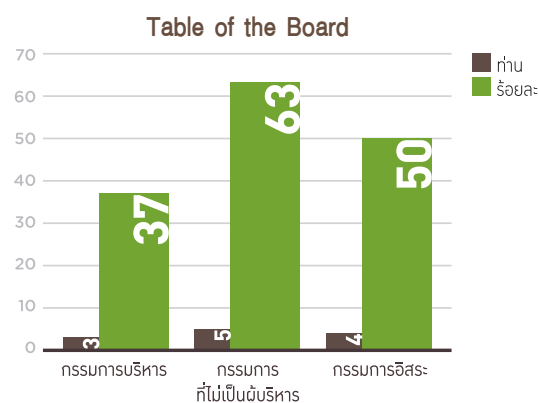
#### 1. Structure and Composition of the Board of Directors

- The Board of directors consists of individuals with considerable knowledge, competence and experience in the related fields. The directors possess the qualifications specified by law and company's regulations. The Corporate Governance and Nomination Committee are responsible for recruiting the board of directors, taken into consideration the knowledge, competence, experience and expertise of the individuals in business execution and management.
- The company has a Board Diversity policy that is demonstrated through the directors who possess skills, knowledge and specialization in a diverse range of academic fields such as engineering, accountancy, law, humanity or other specific qualifications. The board also supports all genders, as shown by female independent directors. However, each director needs to have sufficient time to work for the company.
- The board of directors should comprise a minimum of 5 individuals, adjusted to suit the business size, including Chairman and directors that are strictly independent from the executive, have no business ties or any other forms of relationship that might influence their freedom of judgment.
- Non-executive directors should not be less than one third of all directors, with a minimum of 3 individuals, and not less than half of all the directors to maintain the balanced portion between non-executive and executive directors.

The Chairman of the Board has assigned the Governance and Nomination Committee (hereinafter in the corporate governance policy called "Nomination Committee") to perform the duty of recruiting and nominating Directors for the Board to meet with Corporate Governance and Nomination Committee Charter, for which final nominations and approvals will be determined at the Company's Annual General Meeting of Shareholders.

As at 31 December 2014, the Board of Directors as per affidavit of the Company consisted of the following 8 people; includes 4 Independent Directors or 50% of the entire the Board of Directors which can divide into Executive Directors and Non-Executive Directors as under:

- 5 Non-Executive Directors
- 3 Executive Directors





The Company has defined independence of the Board to mean that the Board of Directors is unaffiliated from the Company managements and shareholders of subject to their duties. Each directors could propose any question or has independent ideals or do any against incase that there have any conflict of interest which could be affect to shareholders benefits.

### Qualifications of Independent Directors

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 conflicts of interest 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. Holds no more than 0.1% 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.
2. Is not or has never 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. The above restrictions do not apply to the appointment of an independent director who was a Government official or civil servant or consultant to a Government entity which was a major shareholder in the Company or which had a control over the Company.
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.
4. Does not have 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 a manner that may interfere with his independent judgment, or is not or has never 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 prior to 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 year prior to the date on which the business relationship with the person commences.

5. Is not or has never 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 prior to appointment as independent director.
6. Is not or has never been any professional advisor including legal or financial advisor who receives an annual service fee exceeding Baht 2 million 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.

7. Does not represent the Company's or its major shareholder's board member or a shareholder who is related to the Company's major shareholder.
8. Is not an entrepreneur in any business similar to or materially 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 more than 1% of total voting stocks of the company similar to or materially competing with the Company or its subsidiaries.
9. Has no characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business.

Later to be appointed as an Independence Directors as follow clause 1 to 9, there could be authorize from Board of Directors to make any decisions of the Company business operation and its subsidiaries or major shareholders or controlling person which had been authorize as collective decision only .

However, the Company may appoint a person who has or used to have business dealings with the Company, if the Board agrees that an appointment of such person has no effect on performing their duty and expressing an independent opinion. This information shall be disclosed in the invitation letter for the AGM in the agenda item related to the appointment of Independent Directors, and contain the following:

- Characteristics of the person's business affairs or professional services which might cause the disqualification of such a person.
- Reason and necessity for maintaining or appointing such person as Independent Director.
- Opinion of the BOD on nominating such person as Independent Director.

## 2. Term of Office

In accordance with the Company's Articles of Association, in each AGM, one-third (1/3) of Directors shall be retired by rotation. The Directors with the longest term shall be retired by rotation but may be re-elected.

In case a position of Director becomes vacant through reason other than by rotation, the Directors shall resolve with a minimum of three-fourths of the remaining Directors to select a qualified person who does not possess any of the prohibited characteristics as stipulated in Section 68 of the Public Limited Companies Act 2535 B.E. as a replacement. This person shall act as a Director in the next BOD's meeting, unless the remaining term of such a Director is less than two months. The replacement director shall only act as a Director for the remainder of the term of the Director whom he or she has replaced. The Company's Governance and Nomination Committee will proceed with finding and nominating a new Director at the next AGM.

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, in which case the Board can extend the term by one year each time.

According to the Company doing special business which there is necessary to clearly understand of business operation. Therefore, independence directors who are eligible person to be ours independence directors as well as the previous operation are outstanding and accept event working period are more than 9 years. Then, the Board of Directors could propose to shareholders to consider and re-appoint as independence directors.

## 3. Directorships in Other Companies

Directors can hold the position of board member in no more than 5 listed companies simultaneously, provided that these appointments do not interfere or cause conflicts of interest with their performance and duties for the Company.

#### 4. The Segregation of Duties between the Chairman of the Board and the Chief Executive Officer

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

Currently as the Chairman of the Board and an independent director, Mr. Paron Isarasena shows independence, transparency and accountability in compliant with good corporate governance and practice guidelines. Mrs. Suphajee Suthumpun, on the other hand, holds the position of Chief Executive Officer.

##### Roles, Duties and responsibilities of the Chairman of the Board

- Chairman of the Board serves as the leader of the Board of Directors and oversees the Executive Committee's management and ensures its success.
- Chairman of the Board organizes and preside over the board meetings and shareholders' meetings.
- Chairman of the Board performs tasks specified by law, especially those that need to be done by the Chairman only.

##### Roles, Duties and Responsibilities of the Chief Executive Officers

- The Chief Executive Officer is the head of management who is responsible for the company's business management to achieve planned goals.
- The Chief Executive Officer reports the performance on the company's business management to Executive Committee or board of directors depending on the case. The procedures are within the power and responsibilities assigned from the board of directors.

##### Roles, Duties and Responsibilities of the Board of Directors

The Company places great importance in the roles, duties and responsibilities of the board of directors to protect the interests of all stakeholders and shareholders equally while maintaining sustainable growth. The board responsibilities include:

- The Board of Directors works independently under the company's laws, objectives and regulations, as well as Annual General Meeting resolutions. However, this excludes anything that requires approval from shareholders in advance such as any matter that needs to be resolved before the Annual General Meeting related transactions, receiving or selling significant assets under the regulations of The Securities and Exchange Commission of Thailand or other government agencies.
- The Board of directors determines directions for the policies and operations of the Company, and also considers and reviews the company's vision and mission annually and readjusts them to keep pace with the current economic and social conditions. The board also shapes the company's management to ensure that the executives and employees are working towards to same goal.
- The Board of Directors monitors and supervises the management division, carry out any task s or responsibilities assigned by the company's shareholders and freely express their opinions.
- The Board of Directors makes sure that the executives and employees comply with the corporate governance policy, code of conduct, anti-corruption policy and other policies to promote good governance. The board of directors must encourage practical implementation of the policy, while monitoring and ensuring that it is done in an appropriate, fair, legal, transparent and ethical manner.

#### 5. The Meeting of the Board of the Directors

The Board of Directors performs their duties through the Board of Directors' Meeting which are as follow:

1. The meeting schedule is determined in advance through the year and also informs each directors early of the year so the directors shall prepare their timetable to attend the meeting,
2. With meetings to be held six times in a year. Additional meetings may be held as required.

3. At the meeting, the Chairman of the Board will allocate sufficient time for management to provide documents and information for discussion on significant issues. All directors are open to discuss and provide opinions and initiate meeting agenda items.
4. The Company Secretary is responsible for making arrangements for the meetings, preparing the required documents and information to be attached to the meeting invitation, and to send such materials to the directors at least seven days in advance. This will allow the directors to have sufficient time to inform themselves about the various agenda items for discussion. The minutes of the meeting will be recorded by the Company Secretary, and records of those minutes, duly approved, will be kept at hand for future reference, including any other materials presented as part of the Agenda items of the meeting.
5. Directors who have a personal interest in specific agenda items and transactions cannot be in attendance when such items are discussed.
6. It is the Company's policy that the non-executive directors shall hold meetings at least once a year to discuss matters related to the Company's business or issues of common interest without the presence of executive directors.

#### 6. Evaluation of the Board of Directors Performance

The Company shall evaluate the performance of the Board of Directors and the committees, including the following:

- Board of Directors
- Audit Committee
- Compensation Committee
- Governance and Nominations Committee
- Executive Committee
- Risk Management Committee
- Sustainable Development Committee

The Company evaluates the performance of the board of directors, subcommittees, and each individual director to provide guidelines for the company's management. The company regards self-evaluation as an essential step to the best practices and development of good cooperate governance.

The Company organizes the performance evaluation once a year to allow the directors to review the previous performance and see whether there has been sufficient supervision and monitoring under the power and responsibilities assigned by the charter, or whether sufficient advice and suggestions on practice guidelines were given to the executives to allow them to improve the board performance. The evaluation criteria and process include

1. Governance and Nomination Committee review and evaluate the performance every year through the presentation by the company secretary. The evaluation forms for the board and individual directors must be ensured of accuracy and compliance with the proper regulations. For the self-assessment forms, the company uses the performance evaluation form by the Stock Exchange of Thailand as a guideline and improves the form as suggested by the Governance and Nomination Committee to suit the company's nature of business. The forms are provided into three following types
  - A. The entire board performance evaluation form
  - B. The Sub-Committee performance evaluation form
  - C. The individual self-evaluation form
2. The Company secretary will collect all the performance evaluation forms, calculate scores and present to the Governance and Nomination Committee.
3. The Governance and Nomination Committee will present the complete evaluation to the board of directors for review and use as guidelines in improving the board management and potential for individual directors.

In 2104, the company secretary has reported the performance evaluation to the directors including the performance of the entire board, subcommittees and individual directors. The criteria and results are detailed as follows:

Type of Committee and Type of Evaluation Form	Evaluation Result
<b>Board of Directors</b>	
<b>Entire committee evaluation</b> Criteria of the evaluation consist of 7 topics (1) Director's Policy (2) Structure and Qualification of the Board (3) Roles Duties and Responsibilities of the Board (4) The Board of Directors' Meeting (5) Performance of the Board (6) Relationship with Management (7) Self-development of Directors and Executives	3.76/4.00
<b>Individual self-evaluation</b> Criteria of the evaluation consist of 5 topics (1) Background of the Board's Duty (2) The Organization Knowledge (3) The Boards' Meeting (4) Relationship with Management / Executive (5) Individual Personal Performance as a Board Member	3.74/4.00
<b>Audit Committee</b>	
<b>Entire committee evaluation</b> Criteria of the evaluation consist of 2 topics (1) Overall Performance of the Audit Committee (2) Specification Performance of the Audit Committee	2.92/3.00
<b>Individual self-evaluation</b> Criteria of the evaluation consist of 19 topics (1) Well support from IA Dept. on working objective of the Audit Committee (2) Immediately support from IA Dept. both formal and informal requests (3) IA personnel provide services efficiently and willingly (4) IA personnel have knowledge and skills on related services (5) Duration and frequency of the meeting (6) Location of the meeting (7) Documents of the meeting (8) Facilities of the meeting (9) Overall benefits from the meeting (10) Overall satisfaction from participation in the meeting (11) Review the Company's financial statements (12) Review internal control system (13) Internal auditing have performed under audit standards and ethics (14) Review risk management (15) Review connected transaction (16) Review fraud control guidelines (17) Coordinate with external auditor (18) Review laws, accounting standards and company procedures (19) Assigned job by the Audit Committee	4.59/5.00
<b>Compensation Committee</b>	
<b>Entire committee evaluation</b> Criteria of the evaluation consist of 5 topics (1) Preparation of the Compensation Committee (2) Determination and Consideration of Procedure (3) Monitoring and Evaluation (4) The Meeting of the Compensation Committee (5) Roles Duties and Responsibilities of the Compensation Committee	2.83/3.00
<b>Individual self-evaluation</b> Criteria of the evaluation consist of 11 topics (1) Overall satisfaction of the performance (2) Understanding of the Committee's roles duties and responsibilities as specified in the charter (3) Clearly defined in the Committee's role and responsibilities (4) Relationship among the Committee (5) Appropriate for good procedure to consider the remuneration prior to propose the Shareholders (6) Appropriate for evaluation the Chief Executive Officer (7) Spend sufficient time on considering the criteria of remuneration and appropriate for the consideration process (8) Spend sufficient time on considering in problem-solving in case of non-comply with any regulation (9) Preparation before the meeting (10) Independently to express opinion without bias (11) Chairman has given the opportunity and encourage all member to express opinion independently	4.61/5.00



Type of Committee and Type of Evaluation Form	Evaluation Result
<b>Governance and Nominations Committee</b>	
<b>Entire committee evaluation</b> Criteria of the evaluation consist of 5 topics (1) Preparation of the Governance and Nominations Committee (2) Determination and Consideration of Procedure (3) Monitoring and Evaluation (4) The Meeting of the Governance and Nominations Committee (5) Roles Duties and Responsibilities of the Governance and Nominations Committee	3.00/3.00
<b>Individual self-evaluation</b> Criteria of the evaluation consist of 10 topics (1) Overall satisfaction of the performance (2) Understanding of the Committee's roles duties and responsibilities as specified in the charter (3) Clearly defined of the Committee's role and responsibilities (4) Relationship among the Committee (5) Procedure for consideration, election and appointment for the nomination of directors are comply with rules and regulations and expectation of the Company (6) Consider and Review CG policy and other policies with relating to the Company's operational (7) Spend sufficient time on considering the policy and criteria of corporate governance practice (8) Preparation before the meeting (9) Independently to express opinion without bias (10) Chairman has given the opportunity and encourage all member to express opinion independently	4.67/5.00
<b>Executive Committee</b>	
<b>Entire committee evaluation</b> Criteria of the evaluation consist of 6 topics (1) Preparation of the Executive Committee (2) Determination and Consideration of the Company's Strategy (3) Risk Management and Internal Control (4) Monitoring the Financial Performance Report and Operation Result (5) The Meeting of the Executive Committee (6) Roles Duties and Responsibilities of the Executive Committee	2.71/3.00
<b>Individual self-evaluation</b> Criteria of the evaluation consist of 13 topics (1) Overall satisfaction of the performance (2) Satisfaction the process of problem-solving (3) Understanding of the Committee's roles duties and responsibilities as specified in the charter (4) Understanding the Company's Strategy (5) Relationship among the Committee (6) Clearly defined of the Committee's role and responsibilities (7) Appropriate for the criteria of performance evaluation (8) Spend sufficient time on considering the policy and direction of the company appropriately (9) Spend sufficient time on considering the company's operational appropriately (10) Spend sufficient time on considering in direction of problem-solving if undefined with determined direction appropriately (11) Preparation before the meeting (12) Independently to express opinion without bias (13) Chairman has given the opportunity and encourage all member to express opinion independently	4.10/5.00
<b>Risk Management Committee</b>	
<b>Entire committee evaluation</b> Criteria of the evaluation consist of 5 topics (1) Composition and Quality (2) Understanding the business and associated risks (3) Process and Procedure (4) Monitoring Activities (5) Communication Activities	3.03/4.00
<b>Individual self-evaluation</b> Criteria of the evaluation consist of 14 topics (1) Overall satisfaction of the performance (2) Satisfaction the process of problem-solving (3) Understanding of the Committee's roles duties and responsibilities as specified in the charter (4) Relationship among the Committee (6) Clearly defined of the Committee's role and responsibilities (7) Appropriate for the criteria of performance evaluation (8) Spend sufficient time on considering the risk assessment of the company appropriately (9) Spend sufficient time on considering the company's risk, treatment plan appropriately (10) Spend sufficient time on considering in direction of problem-solving if undefined with determined direction appropriately (11) Preparation before the meeting (12) Independently to express opinion freely (13) Independently to express opinion without bias (14) Chairman has given the opportunity and encourage all member to express opinion independently	3.65/5.00

Type of Committee and Type of Evaluation Form	Evaluation Result
<b>Sustainable Development Committee</b>	
<b>Entire committee evaluation</b> Criteria of the evaluation consist of 6 topics (1) Preparation of the Sustainable Development Committee (2) Determination and Consideration of the Company's Strategy (3) Risk Management (4) Sustainable Development Framework (5) The Meeting of the Sustainable Development Committee (6) Roles Duties and Responsibilities of the Chairman of the Sustainable Development Committee	2.32/3.00
<b>Individual self-evaluation</b> Criteria of the evaluation consist of 14 topics (1) Overall satisfaction of the performance (2) Satisfaction the process of problem-solving (3) Understanding of the Committee's roles duties and responsibilities as specified in the charter (4) Understanding of the Sustainable Development strategy (5) Relationship among the Committee (6) Clearly defined of the Committee's role and responsibilities (7) Appropriate for the criteria of performance evaluation (8) Spend sufficient time on considering the policy and direction of the company's sustainable development appropriately (9) Spend sufficient time on considering the sustainable development report and other performance results appropriately (10) Spend sufficient time on considering in direction of problem-solving if undefined with determined direction appropriately (11) Preparation before the meeting (12) Independently to express opinion freely (13) Independently to express opinion without bias (14) Chairman has given the opportunity and encourage all member to express opinion independently	3.71/5.00

## 7. Remuneration for Directors and Management

The Company has developed a clear Remuneration Policy for its Directors and Management, and the Compensation Committee is in charge of reviewing and presenting Director and Management remuneration proposals to the Board of Directors for approval by the Board and the Company's Shareholders at the general meeting of shareholders. However, the remuneration of Directors and Management shall be divided into a financial remuneration and other remuneration. The Board of Directors and/or the Shareholders' Meeting shall consider and approve the remuneration yearly. Compensation for the Company's Directors is in line with the duties, responsibilities and capabilities of said persons, and is based on comparisons with compensation paid by companies in the same industry. Compensation is sufficient and attractive enough to retain the Company's Directors.

## 8. The Orientation and Development of Knowledge for Executives and Directors

For newly appointed directors and executives, the Company also provides an introduction session to the Company, regulations, its operations and the businesses of its subsidiaries as well as manuals for the company's code of conduct, corporate governance policy, anti-corruption policy or any other policies. The directors and executives are required to attend the orientation program.

In addition, The Company has a policy to promote continuous development of knowledge through both indoor and outdoor training among the directors, executives, secretaries, Internal Audit Office and Compliance Office, particularly those seminars and training sessions organized by Stock Exchange of Thailand and Thai Institute of Directors to support the Directors to perform their duties with good practice of corporate governance efficiently.

In 2014, Directors and Management applied and participated in the following courses provided by Thailand institute of Directors:

Director / Management	IOD Course
1. Mrs. Charintorn Vongspootorn (Independent Director)	SFE: Successful Formulation & Execution of Strategy Class 21/2014
2. Assoc Prof Samriang Mekkiangkai (Independent Director)	SFE: Successful Formulation & Execution of Strategy Class 21/2014

#### 9. Evaluation of the Chief Executive Officer

The BOD, excluding executive directors or members of the Compensation Committee, should assess the performance of the Managing Director or Chief Executive Officer annually in keeping with pre-agreed standards and performance criteria covering the Company's financial performance as well as other strategic objectives.

The evaluation of CEO every year by the Board of Directors will authorize nomination committee to precede the evaluation. The evaluation results will be kept confidential at the Human Resources Department.

The evaluation criteria are divided into 7 parts:

1. Leadership
2. Financial Management
3. Skills and Attitudes
4. CEO's major accomplishments over the past 12 months
5. Critical Decisions in the past 12 months
6. The Company's major challenges in future and CEO's preparation / skills
7. Other comments

The results of the evaluation will be used to formulate a compensation package for the CEO for the following year, and will be presented before the Board of Directors for approval.

#### 10. Contact with Management

The BOD supports the participation of executives in meetings of the BOD when such persons are responsible for giving a presentation on a specific agenda item for that meeting. Such participation will allow members of the Board to learn about specific elements of the Company's operations, and the executive to learn of the Board's point of view on specific topics and issues. Members of the Board should be able to contact executives directly if necessary, but such contact should not interfere with the work of the Executive or create conflicts with the work of the Executives.

#### 11. Management Succession

The Board of Directors realizes that human resources management is a major factor in ensuring the success of an organization. Therefore, the Board of Directors authorized the Nomination and Remuneration Committee to annually review and study the management succession plan for the Company. The Committee is responsible for considering the succession of all personnel from VP level up reporting directly to the CEO. Within the Company this consists of 8 individual positions. In 2014, the Committee reviewed and revised the plans twice, not only with the Board of Directors, but also in a meeting with Independent Directors to ensure transparency in the process.

Consideration of potential successors to a higher position is based on the regulations and guidelines issued by the Nomination and Remuneration Committee. In considering successions, the criterion used can be divided into 3 levels: those ready to assume a higher role immediately; those who will be ready to assume a higher position in 2 - 3 years, and those who will be ready for promotion in a next 5 years. The succession plan includes both domestic and international training, including leadership coaching.

## Sub-Committee

According to the company's operational structure, the Board of Directors also approved 6 more sub-committees including Audit Committee, Compensation Committee, Governance and Nomination Committee, Executive Committee, Risk Management Committee and Sustainable Development Committee. Subcommittees' roles and responsibilities are detailed as follows:

### Board of Directors

The Board of Directors as a representative 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 and loyalty, and meticulously takes care of shareholders' interest including other stakeholders. To conduct their duties, the Board of Directors participates in the review process of vision, mission, strategies, target setting, business plan and budget of the Company. The Board of Directors has agreed and clearly identified the segregation of duties and responsibilities among the Board of Directors, the Audit Committee, the sub-committees and management. In addition, the Board of Directors has mechanisms to oversee and follow up management operations and control in an appropriate and timely fashion in keeping with a written Corporate Governance Policy that is reviewed annually. The Company's Corporate Governance policy is available on the Company intranet, website, or in the form of a printed CG Handbook. This handbook has also been distributed to all employees, management and members of the Board of Directors. Distribution and maintenance of this publication is done by the Company Secretary and Legal Department, Compliance Office.

### Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors has the following duties and responsibilities:

- To establish the policies and assign the business direction for the Company and its subsidiaries including exercising authority over management to assure operating efficiency and effectiveness in order to maximize benefit to shareholders and continuous improvement;
- To consider and decide on significant issues related to the business operations of the Company and subsidiaries, such as business policies, business plans, asset acquisition and disposal, project investments, levels of authority and other issues as required by law;
- To monitor the performance of management in terms of efficiency for the best interest of the Company and its subsidiaries by establishing accounting systems, reliable financial reporting and auditing, including evaluation processes for effectiveness and efficiency of internal control systems, risk management and appropriate follow up procedures. Moreover, the Company arranged "CG Day" by invited lecture Corporate Governance Center to acknowledge both management and staffs and also has a question and answer part to make sure that there are clearly understand about Best Practice of Good Corporate Governance.
- To ensure no conflicts of interest among stakeholders occurs, and to review related party transactions.
- To ensure business operations are in accordance with good corporate governance and ethics guidelines.
- To review the corporate governance policy and evaluate compliance with the corporate governance policy at least once a year;
- To have the Board of Directors conduct an annual performance self-evaluation at least 1 time per year.
- The Board of Directors 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 conflicts 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 cases which are in compliance with the policy or the criteria approved by the Board of Directors.

In addition, the Board of Directors determined that directors and management executives have to inform the Securities Exchange Commission of Thailand (SEC), of any shareholdings they or their spouse or minor children may have in the Company, in both the Form 56-1 and 56-2 reports as per the SEC's announcement No. Sor. Jor. 12/2552

### Audit Committee

The Audit Committee consists of 3 independent directors who all meet the criteria set out by the Securities and Exchange Commission or the Stock Exchange of Thailand. The term for directors serving on the Audit Committee is three years, with the possibility for reappointment, but not exceeding three consecutive terms, unless the Board views that it is necessary to retain a person as a member of the Committee. The duties and authority of the Audit Committee are included in the Audit Committee Charter. At present, the Audit Committee consists of 3 members, all of whom are Independent Directors:

Name - Surname	Position
1. Prof. Hiran Radeesri	Chairman of the Audit Committee
2. Mrs. Charintorn Vongsbootorn	Member of the Audit Committee
3. Assoc. Prof. Samrieng Mekkiengkrai	Member of the Audit Committee

• Professor Hiran Radeesri and Mrs. Charintorn Vongsbootorn have the prerequisite knowledge and experience to review and audit the Company's financial

The Audit Committee shall meet not less than 8 times per year, and not less than half of all the audits appointed by the Board must be present at the meeting. In 2014, the Committee met 15 times and presented subsequent proposals to the Board of Directors.

### Roles, Duties and Responsibilities of the Audit Committee

The Audit Committee performs its duties in accordance with the regularly reviewed Audit Committee Charter presented below:

- To ensure that the company has accurate, complete and credible financial reports.
- To ensure that the Company has appropriate and effective internal control systems and internal auditing activities, and the Internal Audit Office's performance will also be evaluated to meet the international standard regarding budget sufficiency, personnel, independence and approval for appointing, transferring, crediting, dismissing the Chief of the Internal Audit or other offices in charge of the internal audit.
- The Internal Audit Office has a protective system to ensure higher performance efficiency and effectiveness.
- To ensure that the Company complies with the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) as well as all rules and regulations related to the Company's business.
- The Internal Audit Committee tests the accuracy and effectiveness of the information technology system used in financial reporting and complying with the law.
- To select and propose independent persons who will be the Company's external auditor and propose his or her compensation, the Audit Committee also conducts meetings with the external auditor without management attending at least once a year.
- The Internal Audit Committee ensures the independence of the auditors and considers other alternative services rather than auditing from the same audit office, as well as coordinates between the auditors and the Internal Audit Office
- To consider connected transactions or transactions that may lead to conflicts of interest whether it complies with all rules and regulations of the SET and SEC and ensure the transactions are appropriate and provide the best interest to the Company.
- To consider the acquisition and disposal of the assets comply with the laws and regulations subject to the Securities and Exchange Act and to consider to disclose information in relevance with the connected transactions or any conflict of interest transaction, including the acquisition and disposal of the assets
- To assure that the company has appropriate and effective risk management processes.
- Implement a process to receive information from employees on illegal activities or questionable entries in the Company's balance sheets and accounts. Review the summary report on investigation of fraud and establish internal preventive measures.

- Reviews and has overview of improvement of internal control systems on the preparation of the Company's financial reports to ensure accuracy.
- To prepare the Audit Committee's report and disclosure in the Company's annual report. The report must be signed by the Chairman of the Audit Committee and include at least the following comments.
  1. Accuracy, completeness and credibility of the Company's Financial Report
  2. Adequacy of the Company's internal control system
  3. Compliance with the laws of SEC, SET and regulations and other laws relevant to the Company's business
  4. Suitability of the external auditor
  5. Transactions that may cause conflicts of interest and fraud
  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 of Directors.
- To report activities of the Audit Committee to the Board of Directors at least 4 times a year.
- To review scope, authority and responsibility and conduct self-evaluation on an annual basis.
- In carrying out the Audit Committee duties and responsibilities, if there are unusual transactions or the following activities which may have material impact on the financial position and operating results of the Company, the Audit Committee must report to the Board of Directors to take corrective action within a reasonable period of time.
- Conflict of interest transactions
- Fraud or unusual transactions or significant deficiency in the internal control system
- Violations under the laws of the SEC or SET, or regulations or other laws relevant to the Company's business.
- If the Board of Directors has not taken corrective actions within the period of time specified in the first paragraph, any member of the Internal Audit Committee might report that there was an action specified in the first paragraph to the Securities and Exchange Commission or the Stock Exchange of Thailand.
- In case the auditor discovers any suspicious activities or irregularities performed by a director, manager or any person responsible for the operation of the Company, the Auditor will report to the Audit Committee and the Audit Committee will investigate such activities without delay. The Audit Committee shall report the preliminary inspection results to the SEC office and the auditor within 30 days from the notification date of the auditor. The circumstances that shall be reported and the procedures for acquiring the facts related to such circumstances shall comply with the notifications of the Capital Market Supervisory Board.
- The Internal Audit Committee should receive regular and continuous training and knowledge development on the Committee's tasks and duties.
- To carry out any assignment by the Board of Directors that is agreed upon by the Audit Committee.
- The Audit Committee has the authority to hold discussion among executives, supervisors or employees, or query them, as well as to appoint external consultants to provide advice and counseling if necessary according to the company's regulations.
- The Audit Committee works under the authority and responsibilities assigned by the board of directors, which is directly responsible for the company's performance towards the shareholders, stakeholders and common individuals

### Compensation Committee

The Compensation Committee shall consist of three members, including the Committee Chairman and two additional committee members. The quorum of the committee consist of three persons, and other two member are an independent directors which equal to 67% while one member of the committee shall not be a member of the Company's management. The term of the Compensation Committee is three years and members may be reappointed, but not exceeding three consecutive terms, unless the Board views that it is necessary to retain a person as member. The duties and authority of the Compensation Committee are included in the Compensation Committee Charter. The Compensation Committee consists of the following 3 members:



Name - Surname	Position
1. Mrs. Charintorn Vongspootorn	Chairman of the Compensation Committee
2. Assoc. Prof. Samrieng Mekkiengkrai	Member of the Compensation Committee
3. Mr. Somprasong Boonyachai	Member of the Compensation Committee

The Compensation Committee shall meet not less than 1 time per year. In 2014 the Committee met 6 times and presented results to the Board of Directors.

#### **Roles, Duties and Responsibilities of the Compensation Committee**

The Compensation Committee performs its duties in accordance to the Compensation Committee Charter which had been regularly reviewed by the Board of Directors. The Charter is presented below:

- Fix appropriate remuneration both monetary and non-monetary in order to be an incentive for members of the Board of Directors, the Committee and high level executives to remain with the Company
- Consider and approve the EV Bonus Plan (Economic Value Bonus Plan) and prescribe criteria for implementation of the EV Bonus Plan including consideration and the allocation of annual EV Bonus to the Company's executives and submit its recommendations to the Board of Directors for approval;
- Supervise the implementation of the EV Bonus Plan and to give final determination in case there are problems or controversies in the implementation of the 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;
- Should there be a proposal to sell new shares (or Company Warrants) to members of the Board, Management or employees of the Company, the Compensation Committee should review the guidelines for such a scheme to ensure that they are suitable and sufficiently attractive to serve as an incentive for management and employees to do their best to create added value for the Company's shareholders over the long-term, and to ensure that the scheme is of sufficient interest to entice top performers to remain with the Company, while at the same time, the scheme must be fair for shareholders. Additionally, should a member of the management team or a Company employee be awarded more than 5% of the total number of shares or warrants to be made available, the Compensation Committee must judge as to whether such an award is justified and must agree with the decision. In any case, no member of the Compensation Committee may vote on the issue if such member stands to gain more than 5% of the allotted warrants or shares.
- Prescribe criteria and policy for determining the remuneration of the Board for the Board of Directors' and/or the Shareholders' consideration, as the case may be;
- The Compensation Committee is responsible for setting compensation for the board of directors and providing advice and answers on the compensation of the board of directors in the general 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 consultants or independent persons to give opinions 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 of Directors if any change or amendment is needed;
- Report the performance of important tasks to the Board of Directors on a regular basis and important issues for the Board of Directors' knowledge;
- Report on the work performed over the past year in accordance with this policy to the Company's shareholders in the Company's annual report, or answer questions from shareholders at the annual general shareholders meeting
- Require the management, executives or concerned persons to give opinions, information or to participate in meetings;
- Carry out any other duties assigned by the Board of Directors.

### Governance and Nomination Committee

The Governance and Nomination Committee is composed of three members. The quorum of the committee consist of three persons, and other two member are an independent directors which equal to 67% while one member of the committee shall not be a member of the Company's Management team. The term of office is three years, with the possibility for a reappointment, but not exceeding three consecutive terms, unless the BOD views that it is necessary to retain a person as member. The duties and authority of the Governance and Nomination Committee are presented in the Charter of the Governance and Nomination Committee. The members of the Committee are as follows:

Name - Surname	Position
1. Mrs. Charintorn Vongspootorn	Chairman of the Governance and Nomination Committee
2. Assoc. Prof. Samrieng Mekkiengkrai	Member of the Governance and Nomination Committee
3. Mr. Somprasong Boonyacha	Member of the Governance and Nomination Committee

The Governance and Nomination Committee shall meet not less than 2 times per year. In 2014 the Committee met 4 times and made subsequent presentations to the Board of Directors.

### Roles, Duties and Responsibilities of the Governance and Nomination Committee

The Committee shall have the following authorities, duties and responsibilities:

#### Consideration and Selection

- To establish the criteria and policy for Board membership including Board membership of subsidiaries.
- To evaluate and propose to the Board of Directors and the shareholders proposals for elections of candidates for Board membership as well as their re-election or removal. The GNC may use professional or recruiter service and/or search from the IOD chartered director.
- Consider the qualify candidate to be Chairman of Executive Committee and Chief Executive Officer (CEO) in regarding vacancy position and further the Board's consideration and appointment.
- Nominate qualified persons to be directors and chairman of sub-committee for the Board's consideration;
- Nominate qualified persons to be appointed as directors of the subsidiaries, affiliates and joint ventures for the Board's consideration.
- The Committee shall be disclosed the policy and selection procedure in annual report.

#### Corporate Governance

- Set 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.
- Arrange an orientation for New Director and encourage all directors to attend seminar to develop their skills to increase capability of their duties efficiency.
- Consider and specify the criteria of the succession plan of an Executive Management count from Chief (UC Level) that directly inform to Chief Executive Officer (CEO) and further propose to the Board considers and approve annually.
- 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.
- Carry out the annual evaluation of Chief Executive Officer (CEO) annually with further inform 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 this charter 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.
- To perform such other duties and responsibilities enumerated in and consistent with this Charter.

### Executive Committee

The Company's Executive Committee consists of five members including: Chairman of the Executive Committee, and four Executive Directors, all of whom have the necessary qualifications as set out by the Company's Board of Directors. The Executive Committee is responsible for setting business operation direction to meet targets set by the Board of Directors. The Committee reports to the Board of Directors. The Executive Committee consists of the following members:

Name - Surname	Position
1. Mrs. Suphajee Suthumpun	Chairman of the Executive Committee and Chief Executive Officer
2. Mr. Yong Lum Sung	Executive Director
3. Mr. Paiboon Panuwattanawong	Executive Director
4. Mr. Anek Pana-apichon	Executive Director
5. Mr. Pong-amorn Nimpoonsawat	Executive Director

• Dr. Nongluck Phinainitisart has resigned from Executive Director which effected from 1 April 2014

• Mr. Pong-amorn Nimpoonsawat was appointed as Executive Director effective from 9 May 2014

The Executive Committee shall meet not less than 1 time per year. In 2014 the Committee met 17 times and made subsequent presentations to the Board of Directors.

### Roles, Duties and Responsibilities of the Executive Committee

The Executive Committee performs its duties in accordance with the Executive Committee Charter which is regularly reviewed by Board of Directors. The Charter is presented below:

- Consider and sets goals for the company's plans and budget and ensures that the business complies with the company's vision, mission, strategies and policies, as well as the company's laws, conditions, rules and regulations.
- Consider and sets guidelines for the company's performance, development and expansion in line with the company's vision, mission, strategies and policies.
- 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 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 of Directors 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 transactions related to the Company's business within the limits of authority granted by the Board of Directors;
- Appoint the executive position of the company in its executive power that will be responsible for all aspects of the company. The Committee also selects and appoints Upper Class Executives (UC) to request approval from the Board of Directors.
- Review matters that require the Board of Directors' 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 of Directors on a monthly basis regarding the material actions taken by the Committee under the Chief Executive Committee 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;
- 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 of Directors.

### Risk Management Committee

The Risk Management Committees include 14 members: 1 chairman and 13 committees. Their roles are to set principles, policies, and procedures in assessing and managing risks that may affect the Company, as well as revise sufficientness of the policies and risk management system annually. Policy establishment, risk management strategies, and risk management practices are carried out under the policies approved by the Board of Directors.

Name - Surname	Position
1. Mrs. Suphajee Suthumpun	Chairman of the Risk Management Committee
2. Mr. Paiboon Panuwattanawong	Member of the Risk Management Committee
3. Mr. Vuthi Asvasermcharoen	Member of the Risk Management Committee
4. Mr. Patompob Suwansiri	Member of the Risk Management Committee
5. Mr. Pradeep Unni	Member of the Risk Management Committee
6. Mr. Wichai Kittiwittayakul	Member of the Risk Management Committee
7. Mr. Teerayuth Boonchote	Member of the Risk Management Committee
8. Mr. Teerawat Kusalanggoorawat	Member of the Risk Management Committee
9. Mr. Ekachai Pakdurong	Member of the Risk Management Committee
10. Mr. Salil Charuchinda	Member of the Risk Management Committee
11. Mr. Suvarak Phinicharomna	Member of the Risk Management Committee
12. Mrs. Natthawalee Saranchol	Member of the Risk Management Committee
13. Mr. Pramook Chaiwongwutthikul	Member of the Risk Management Committee
14. Mrs. Yupapan Chatsirinoppakun	Member of the Risk Management Committee

In 2014, there were 4 meetings in total and the reports were presented to the Board of Directors.

### Roles, Duties and Responsibilities of the Risk Management Committees

- The Risk Management Committees' scope of duties is set in writing under the Command of the Risk Committee Appointment, approved by the Board of Directors as follows:
- Develop principles, policies, and procedures in assessing and managing risks that may affect the Company, as well as revising sufficientness of policies and risk management system annually;
- Carry out identifying events, assessing risks, arranging the order of risks and setting the guidelines and risk management strategies to keep the risks in the acceptable level under the adequate expenses;
- Oversee and monitor the execution of risk management policies under the guidelines and policies approved by the Board of Directors;

- Encourage the executives and employees to understand and realize their own duties in managing risks of the Company; and
- Regulatory report to the Board of the Directors, Audit Committee, and Executive Committee for the operational and risk status of the Company including any change or improvement of the operation to be in line with policies and strategies
- Consider the scope of authority and responsibilities annually and
- Propose the Board of Directors for changes.

### Sustainable Development Committee

The Sustainable Development Committee includes 11 members: 1 chairman and 10 committees. Their roles are to set guidelines and operation strategies for sustainability consistent to the Company's visions and business operation directions, as well as revise sufficiency of the policies and operation directions for the Company's sustainable targets annually under the Company's guideline and consistent to SET's scope of operation.

Name - Surname	Position
1. Mrs. Suphajee Suthumpun	Chairman of the Sustainable Development Committee
2. Mr. Paiboon Panuwattanawong	Member of the Sustainable Development Committee
3. Mr. Vuthi Asvasermcharoen	Member of the Sustainable Development Committee
4. Mr. Pradeep Unni	Member of the Sustainable Development Committee
5. Mr. Patompob Suwansiri	Member of the Sustainable Development Committee
6. Mr. Teerawat Kusalanggoorawat	Member of the Sustainable Development Committee
7. Mr. Salil Charuchinda	Member of the Sustainable Development Committee
8. Mrs. Natthawalee Saranchol	Member of the Sustainable Development Committee
9. Mr. Ekachai Pakdurong	Member of the Sustainable Development Committee
10. Mrs. Kuntima Uawithya	Member of the Sustainable Development Committee
11. Mrs. Yupapan Chatsirinoppakun	Member of the Sustainable Development Committee

In 2014, there were 1 meeting in total and the reports were presented to the Board of Directors.

### Roles, Duties and Responsibilities of the Sustainable Development Committees

- The Sustainable Development Committees' scope of duties is set in writing under the Command of the Sustainable Development Committee Appointment, approved by the Board of Directors as follows:
- Develop principles for sustainable development and consider the annual budget;
- Develop strategies and targets for sustainable development consistent to the Company's visions and business operation directions;
- Identify important issues for the Company's sustainable development and propose the Board of Directors for approval;
- Inspect the Company's sustainable development operation under the policies and strategies to achieve targets;
- Advise and assign the related parties to perform actions under the policies, aiming for the operation targets and sustainable development strategies;
- Report the operation results of sustainable development to the Board of Directors;
- Consider and approve the sustainable development report under SET's guideline;
- Perform other duties assigned by the Board of Directors;
- Continuously set systems of policies, strategies, innovations and sustainable development guidelines; and
- Appoint the SD working group.

## The Selection of Directors and Management Executives

### The Selection of Independent Directors

The criteria to propose and to elect independent directors and the qualifications required for such directors can be found in Section 5: The Role and Responsibility of the Board of Directors > Structure and Composition of the Board of Directors

### The Selection of Directors and Management

#### The Selection of Directors

The Board of Directors has appointed the Governance and Nomination Committee which consists mainly of independent directors, to select and filter the nominated applicants for the selection and appointment in the position of committees under the Company's committee selection policy. In the selection stage; ration, numbers, diversity and elements of the proper committees in various area, including skills and specific expertise needed. The committees should be prepared to dedicate their time to fully perform in the role of committees and not contain the illegal characteristics. Good corporate governance for registered companies consists of selection policies and committee selection procedures as follows:

- 1 **Principle establishment** - Use the Director Pool and the director's required qualification (skill matrix) prepared in the form of table named THCOM: Director & Executive Skill Matrix as a criterion to consider the needed qualifications of the committees especially the skills lacked in the Board of Directors

Name	Science & Technology	Information Technology	International Commerce	Marketing & Sale	Legal	Financial & Accounting	General Business Management	Communication Art	Political Science	Corporate Governance	Compensation & Human Resource	Safety & Environmental
1. Mr. Paron Israsena	✓		✓	✓							✓	
2. Prof. Hiran Radeesri						✓				✓		
3. Mrs. Charintorn Vongspootorn						✓	✓			✓	✓	
4. Assoc. Prof. Samrieng Mekkiengkrai					✓					✓	✓	
5. Mr. Somprasong Boonyachai	✓						✓				✓	
6. Mr. Yong LumSung			✓			✓						
7. Mrs. Suphajee Suthumpun		✓		✓		✓		✓				
8. Mr. Anek Pana-apichon						✓	✓					
9. Mr. Paiboon Panuwanttanawong	✓											
10. Mr. Vuthi Asavasemcharoen						✓	✓					
11. Mr. Pathompob Suwansiri	✓		✓	✓			✓					
12. Mr. Pradeep Unni			✓	✓								



**2. Selection procedures** - The committees are selected by

- The Directors may propose a candidate
- Allow minority shareholders to propose a qualified person through the Company's website prior to the AGM pursuant to the rules specified by the Company.

On 16 January 2015, the Company notified the Stock Exchange of Thailand that at the expiration of the period for proposing directors by minority shareholders, no proposals had been received from shareholders.

- Use an external professional search firm may be used to pre-select qualified candidates
- The Company Secretary will present the list of qualified candidates as per the qualifications identified by the Securities and Exchange Commission, the Stock Exchange of Thailand and the Thai Institute of Directors (IOD) Chartered Directors guidelines

**3. Selection** - the Governance and Nomination Committees will assess the initial qualifications of the nominated applicants and select the ones considered as appropriate.

**4. Appointment** - the Governance and Nomination Committees will propose the list of the appropriate persons in the Board of Directors' meeting for agreement, and then in the Shareholders' meeting to vote for each individual, in case of appointing the new committees in place of the expired ones.

In case that the committee seat is vacant because of reasons other than expiration, the agenda should be proposed in the Board of Directors' meeting for re-appointment.

In keeping with the rules and regulations specified in the Articles of Association of the Company as follows:

1. According to the Articles of Association, the term of one third of the directors shall end at every Annual General Meeting of Shareholders. The longest serving directors shall be due first, and may be re-elected to resume duty.
2. At the Annual General Meeting of Shareholders, Directors should be chosen in the following manners:
  - 2.1 Each shareholder shall have a number of votes equal to the number of shares held.
  - 2.2 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 allocate his/her votes in different numbers to different persons.
  - 2.3 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 directorships are filled. When there is a tie in the votes cast for candidates in descending order, which would otherwise cause the number of directors to exceed the limit, the Chairman is entitled to casting the deciding vote.
3. In case of vacancy or vacancies due to other reasons, the Board of Directors, by a vote in which three fourths of its members agree, shall elect someone who has the prerequisite qualifications and is not subject to prohibited conditions according to clause 68 of the Public Companies Act, B.E. 2535 (1992). The Board of Directors can thereby appoint him/her as 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 Selection of Management**

The selection of management is disclosed in section 5, Role and Responsibility of the Board of Directors, Clause 11 Management Succession

## Corporate Management and the Management of Subsidiaries

The Board of Directors uses its authority to oversee and manage the Company's subsidiaries and joint venture companies according to the Company's objectives and Articles of Association, as well as in compliance to any resolutions passed at shareholder meetings. This management and oversight is performed through the appointment of management executives, or by authorizing a sub-committee or any other persons if necessary, to perform the business operations in compliance with the directions set by the Board of Directors to ensure good corporate governance and maximum benefits for the Company.

The Company will authorize directors and/or management to be its representatives in subsidiaries or joint venture companies. The authorization of such persons shall be approved by the Company's Board of Directors. The Board of Directors will authorize the Nomination Committee to select eligible persons for such positions, and propose them to the Board of Directors for consideration and approval.

The nominated person shall operate and/or oversee the activities of the subsidiary or joint-venture company in keeping with the Company's policies and in line with Corporate Governance Best Practices as outlined by the Securities and Exchange Commission and the Stock Exchange of Thailand, and the Company's own Code of Conduct to ensure to maximum profit to shareholders.

## Internal Control Information

The Company is committed to carrying out its business with customers, partners and shareholders in an ethical manner with integrity and honesty. A Code of Conduct has been developed and issued to all employees to guide corporate behavior at all levels. 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 may subject them to the highest disciplinary action.

In addition, the Company prohibits employees and management who work in a department or business unit that has access to inside information from buying or selling the Company's marketable securities for a period of one month prior to the disclosure of financial statements to the public.

The Company also educates directors and management on their duties to report, his or her as well as their spouse or minor children's holdings or changes in holdings of the Company's securities to the Securities Exchange Commission (SEC) in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992), Issued No.4 amended B.E. 2551 (2008) and the SET regulations. Regarding the sharing of supporting data or documents within the group of companies, data rules have been issued to prevent the leak of information. These rules include requesting a letter of confidentiality or non-disclosure agreement, and the prohibition on making photo copies without permission.

On 4 October, 2010, the Company issued guidelines on the protection of Company Information, and access to Company information including the policy of IT security, in force on 8 August 2013, and in 2014, the Audit Committee and the Board of Directors considered and approved a Disclosure Policy proposed by the Investor Relations Department.

## Auditors Fee

In the Year 2014 the Company and its subsidiaries paid Auditors fees as detailed below:

### (1) Audit Fees

The Company and its subsidiaries paid a total amount of Baht 2.25 million for Auditor fees, and other relevant fees at the amount of Baht 5.93 million

### (2) Non-Audit Fees

The Company and its subsidiaries for Auditor fees, and others relevant fees at the amount of Baht 1.13 million

## Internal Control and Risk Management

### Summary of the Board of Directors' Opinion towards the Internal Control System of the Company.

For 2014, the Board of Directors has evaluated the effectiveness of internal control systems through the Evaluation Form developed by The Office of the Securities and Exchange Commission (SEC) under the concept of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) Framework, May 2013 revision. The Board has concluded that the internal control was adequately undertaken and risk management measures were appropriately developed.

### Internal Control and Internal Auditing

The Company has established the internal control systems according to the standards set by SEC and the Stock Exchange of Thailand in conformance to the Committee of Sponsoring Organizations of the Treadway Commission or COSO Internal Control Integrated Framework. The Internal Control Framework has five components, which are as follows:

1. **Control Environment:** The Company has set up internal control systems in the areas of finance and accounting, operations, organization, and human resources, including approval authority and financial authority by adopting Good Corporate Governance principle according to the Company's Corporate Governance policy and Code of Conduct which was determined on the basis of integrity and ethics.
2. **Risk Assessment:** The Company has formed a Risk Management Committee and developed a risk management system based on the Enterprise Risk Management Integrated Framework of COSO, by customizing to align with the Company's business, assessed risk and managed risk continuously.
3. **Control Activities:** The Company has developed control mechanisms for management and executives by adopting the Quality Management System of the ISO for the effectiveness and efficiency of operations and other control activities which emphasized the reliability and security of information, safeguarding of assets and compliance with rules and regulations internally and externally.
4. **Information and Communication:** The Company upholds the importance of its information system and the distribution of information both internally and externally through its internal and external website for stakeholders in case of reporting suspicion of fraud and corruption. Moreover, a culture of openness is promoted to emphasize communication at all levels.
5. **Monitoring:** Management has followed up the performance according to the plan approved by the Board of Directors and reported on a quarterly basis. Internal Auditing Office conducted the audit plan based on company's risk and report to the Audit Committee on a quarterly basis as well. In case of any fraud indicators suspected with a total value of more than Baht one million, the internal auditor has to report immediately.

In the Board of Directors' meeting on February 11, 2015, along with the presence of the Audit Committee, the effectiveness of internal control system was evaluated using five various measures which composed of, control environment, risk assessment, control activities, information systems and communication, and monitoring including its 17 principles substantiated by reasons and explanations as well as reporting from internal and external auditors, thus, concluded that the Company has sufficient and effective control system, particularly the management control system to safeguard Company's assets from improper usage and unauthorized sales or disposal, and undertake transactions in accordance with approval authority and recorded properly to ensure reliability and accuracy of financial statements. The Company maintained documentary systems for information to be readily available for auditing processes by external auditors and regulatory authorities.

Furthermore, to assure the internal control system and important document filing is effective and developed continuously, the Company has established an independent Internal Auditing Office with an approved charter from the Audit Committee and Chairman of the Executive Committee and Chief Executive Officer. The Internal Audit Charter specifies duties and responsibilities of Internal Audit Office clearly and is reviewed annually. The Internal Auditors were certified by internationally accepted internal auditing institutions or associations such as Certified Internal Auditors (CIA), Certified Fraud Examiners (CFE) and Certified Public Accountant (CPA). The Internal Auditing Office has unlimited access to information, personnel and all

departments to achieve auditing activities, and report its results to the Audit Committee, Board of Directors and CHM&CEO for corrective and preventive actions, as well as continuous improvement on a timely manner.

In 2014, the Internal Auditing Office combined result of risk management from management and internal auditing assessment as a basis of information to prepare its risk-based audit plan for 2014-2018, which covered the reliability of accounting and finance information, operational efficiency and effectiveness, regulatory compliance, development of information technology and communication, anti-corruption and fraud. Moreover, Internal Audit Office provided consultancy service for the development of accounting system and information system that management could implement to improve efficiency and effectiveness in achieving the business objective. For an instance, system development under ISO requirements for subsidiaries, software development, risk assessment software development, corporate governance, anti-corruption and anti-fraud activities. In addition, the Internal Auditing Office encouraged and trained internal auditors to continuously obtain more qualifications in line with the Institute of Internal Auditors standards. The result of internal auditing performance, thus, indicated that more than 80% of audit issues raised by internal and external auditors have been corrected and improved due to the cooperation of management.

The Internal Audit Office and KPMG Phoomchai Audit Co., Ltd., the auditor who certified the Company's Financial Statements for the Year 2014, found no deficiencies and weaknesses in the control of Company documents or internal control. The Auditor found that the Company had sufficient and effective internal control systems.

### **Risk Management**

The Company has adopted the INTOUCH Group's Risk Management Policy to correspond with the Company's environment by communicating to all employees at all levels and conducted trainings and workshops, as well as established Risk Management Committee which is composed of executives and management from different levels. The Risk Management Committee designed risk management guidelines in line with COSO Framework, the Securities and Exchange Commission and the Stock Exchange of Thailand, and the Company's business operations. The risk management policy was applied in defining the Company's vision by analyzing internal and external factors affecting the company's vision, determining its mission and objectives, formulating strategies and key performance indicator of operations at all levels, analyzing potential risk and significance of impact, planning of risk mitigation and internal control improvement; for the management to control and manage the risk effectively and efficiently, and monitoring process to report with the Audit Committee and Board of Directors. In conclusion, the Company's risk management process has been supported continuously by all levels.

In 2014, the Risk Management Committee reviewed the risk management policy, risk management manual, scope and criteria for risk assessment, including monitoring risk status on a quarterly basis. In addition, the company hired outsourcing specialist to establish Business Continuation Plan (BCP) and conducted a pre-testing to assure that the company continues to operate the business in case of unexpected and uncontrollable disruptions.

### **Internal Audit and Auditors Opinion**

The Internal Audit Office and KPMG Phoomchai Audit Co., Ltd., the auditor who certified the Company's Financial Statements for the Year 2014, found no deficiencies and weaknesses in the control of Company documents or internal control. The Auditors found that the Company had sufficient and effective internal control systems.

### **Information on the Head of Internal Audit and Head of Compliance**

- (1) The Head of the Internal Audit Office is Mr. Sivaraks Phinicharomna, whose official position is Vice President of Internal Audit. The Head of the Compliance Office is Mr. Salil Charuchinda, whose official position is Vice President of Legal.
- (2) On 19 July 2013, at its seventh meeting for 2013 (7/2556), the Audit Committee resolved to approve and appoint Pol. Lt. Sivaraks Phinicharomna as Vice President of Internal Audit effective as of 1 July 2013. The Committee considers Pol. Lt. Sivaraks Phinicharomna an eligible person with the proper education and skill qualifications to perform the duties required of this position.
- (3) The Audit Committee Charter addresses the proper procedure for appointments, removals, transfers or evaluations of personnel. Guidelines are also included on the removal of people from specific positions, including the Head of Internal Audit by the Audit Committee. The Audit Committee Charter shall be reviewed annually to ensure relevance.

## Related Transactions

During the year 2014, the Company and its subsidiaries have the following lists of related transactions as stated in the Notes to the Financial Statements by the Auditor:

Related Companies/ Relationship	Transaction	Value of Related Transactions at December 31, 2014 (Million Baht)	Reason and Necessity of Transaction
		Consolidated	
Intouch Holdings Public Company Limited (INTOUCH) / The major shareholder holds 41.14% shares of the Company with joint directors.  - A Holding company acquiring the controlling interest in various companies.	1. Other receivable	0.14	The Company paid an advance for the maintenance and consultancy service of consolidated accounting program.
	2. Other accounts payable	0.21	INTOUCH claimed the Company for the actual advance paid.
Advance Info Service Public Company Limited (AIS) / INTOUCH holds 40.45% shares with joint directors  - Provides mobile phone service business	1. Revenues - The Company leased transponders on THAICOM satellite.	50.66	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.
	- International Roaming service	0.14	LTC, the jointly-controlled entity offered International Roaming Service in Laos under ordinary course of business. Service fee was charged based on market price on an arm's length basis.
	- Service income - Advertising	1.20	DTV, a subsidiary, offered Advertising service under ordinary course of business. Service fee was charged on an arm's length basis.
	2. Expenses - The Company paid for mobile phone expenses, seminar and training expenses of its executives and employees.	0.78	The Company Group used mobile phone services to support the ordinary course of business. AIS network covered overall service areas. In addition, The Company Group attended seminar and training course arranged by AIS. Service fee was based on market price on an arm's length basis.
	- International Roaming expenses	0.54	AIS offered International Roaming Service in Thailand under ordinary course of business. Service fee was charged based on market price on an arm's length basis.
	- Leased area for IPSTAR equipment	0.03	
	3. Trade accounts receivable and accrued income	1.62	
	4. Trade accounts payable, advance receipts and accrued expenses	0.15	
	5. Other current liabilities	0.16	

Related Companies/ Relationship	Transaction	Value of Related Transactions at December 31, 2014 (Million Baht)	Reason and Necessity of Transaction
		Consolidated	
<p>CS LoxInfo Public Company Limited (CSL) / The Company's subsidiary holds 42.07% shares (after deducting treasury stock) with joint directors</p> <p>-Provides Internet and TV signal uplink/downlink services</p>	1. Revenues		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.
	- The Company leased transponders on THAICOM satellite, provided TV signal uplink services and sold IPSTAR user terminals	10.08	
	- Interest income	2.82	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.
	2. Expenses		
	- The Company paid for uplink and Internet service charges	37.05	
	3. Trade accounts receivable and accrued income	34.43	
	4. Trade accounts payable and accrued expenses	11.61	
<p>Matchbox Co., Ltd. (MB) / INTOUCH holds 99.96% shares.</p> <p>- Conducts advertising broker, agency business through all advertising media.</p>	1. Expenses		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.
	- The Company hired Matchbox for advertising and public relations services such as printed and advertising media.	3.39	
	2. Trade accounts payable	3.60	
<p>IT Applications and Services Co., Ltd. (ITAS) / INTOUCH holds 100% shares.</p> <p>- Provides management software package with related software and consultancy services.</p>	1. Expenses		The Company used software programs for accounting data processing and consultancy service, which supported the ordinary course of business. Service fee was charged at prices close to those of other companies that conduct the same nature of business. The transaction is considered a medium-size transaction which must be disclosed to the Stock Exchange of Thailand.
	- The Company used accounting software and consultancy service	5.70	
	2. Other accounts payable	0.02	
	3. Accrued expenses	0.57	
<p>Codespace Inc./The Company and Codespace Inc jointly hold shares in SpacecodeLLC at 70%: 30%.</p> <p>- Provides engineering and development services on communication technology and electronics.</p>	1. Expenses		Such transactions supported the ordinary course of business. Service fee was charged at an hourly rate plus actual expenses.
	- The Company hired Codespace to develop products for IPSTAR project	14.89	
	2. Other receivables	35.70	
	3. Accrued expenses	1.13	



Related Companies/ Relationship	Transaction	Value of Related Transactions at December 31, 2014 (Million Baht)	Reason and Necessity of Transaction
		Consolidated	
<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	4.18	<p>This is the Company's supervision policy on subsidiaries to enable maximum benefits over the supervision.</p> <p>The company provided financial support in the form of Shareholder Loan. The interest rate was charged at the actual cost of financing plus margin on an arm's length basis.</p>
	- Interest income	4.30	
	2. Short term loan	142.66	
	3. Other receivables	17.35	
<p>Mfone Co., Ltd. (Mfone)/ SHEN holds 100% shares.</p> <p>- Provides telecom services in Cambodia. (Mfone is proceeding the liquidation under the laws of Cambodia)</p>	1. Trade accounts payable and other accounts payable	7.76	LTC, the jointly-controlled entity paid for gateway operating fee and maintenance service fee for IPSTAR gateway in Cambodia. The service was under ordinary course of business and charged under normal contracts and trade conditions on an arm's length basis.
<p>Lao Telecommunication Co., Ltd (LTC) / SHEN and Lao People's Democratic Republic jointly hold shares at 49%: 51%.</p> <p>- Provides telecom services in Lao People's Democratic Republic.</p>	1. Expenses - Gateway operation and maintenance service fee	0.74	<p>IPN, a subsidiary, paid for gateway operating fee and maintenance service fee for IPSTAR gateway in Lao. The service was under ordinary course of business and charged under normal contracts and trade conditions on an arm's length basis.</p>
	2. Trade accounts payable	0.25	
	3. Accrued expenses	0.75	
<p>Asia Mobile Holdings Pte Ltd. (AMH) and the Group / Major shareholders jointly hold the Company's shares.</p>	1. Expenses - Interest expenses	3.95	<p>SHEN, the jointly-controlled entities, received financial support in the form of Shareholder Loan from AMH. The interest was charged at the actual cost of financing plus margin on an arm's length basis.</p>
	2. Short term loan	143.31	
	3. Other accounts payable	0.64	
	4. Accrued expenses	13.09	

Related Companies/ Relationship	Transaction	Value of Related Transactions at December 31, 2014 (Million Baht)	Reason and Necessity of Transaction
		Consolidated	
Other related parties	1. Revenues		
	- The Company sold 3G Mobile Vehicle	8.12	The Company is the distributor of Satellite equipment. Price was charged under normal contract and conditions on an arm's length basis.
	-The Company sold Trunkey project	2.52	
	- International Roaming service	2.52	LTC, the jointly-controlled entity offered International Roaming service in Laos under ordinary course of business. Service fee was charged based on market price on an arm's length basis.
	- The Company leased transponders on THAICOM satellite	4.80	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.
	- Advertising service and other services	0.04	DTV, a subsidiary, offered Advertising service under ordinary course of business. Service fee was charged on an arm's length basis.
	2. Expenses		
	- The Company paid for mobile phone expenses of its executives and employees.	2.45	The Company Group used mobile phone services to support the ordinary course of business. Service fee was based on market price on an arm's length basis.
	- International Roaming expenses	1.92	AIS Group offered International Roaming Service in Thailand under ordinary course of business. Service fee was charged based on market price on an arm's length basis.
	- Advertising expenses	0.06	CSL Group offered advertising services under ordinary course of business. Service fee was charged on an arm's length basis.
	3. Trade accounts receivable and accrued income	13.30	
	4. Trade accounts payable and accrued expenses	0.75	
	5. Other accounts payable	0.03	



### Necessity and Justification of Transactions

In 2014, Thaicom Plc. and its subsidiaries (“the Company”) had related transactions as shown in Note 6 of the 2014 audited financial statements. The auditor’s remarks on related transactions stated that those transactions which the Company had undertaken with INTOUCH group and Temasek Group e.g. its subsidiaries, associated companies, jointly-controlled entities, executives and other businesses on which INTOUCH 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 proceeds with 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 24 (revised 2012) 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.

# Sustainable Development Report



Thaicom aims to be a leader in sustainable satellite business. The company, therefore, has set up a sustainable development framework (SD framework) as guidelines for managing the organization. By the process of giving and sharing opinions of all units, it has set a sustainable development working group, who works for the sustainable development committee, a sub-committee of the board of directors in order to bring Thaicom's SD framework which is composed of

## 1. Corporate Governance

The company is entirely aware that the good governance is the important basis of organizational development. The management deliberately cascades the good governance practices, for example, transparency, accountability, equality and anti-corruption to all working procedures, which comply with the organization's value and culture.

## 2. Accessibility

The company is committed to creating convenient accessibility to the necessary products and services, which are able to better the people's livelihood. Accessibility will help developing growth on the knowledge, occupation

and economic status in parallel with the growth of the company.

## 3. Innovation

To be a leader of satellite business, the company aims to create and learn new technologies continuously so that we are capable of responding to a rapid change of variable lifestyle with environmental friendly products and services.

## 4. Responsibility

In term of responsibility, the company seeks for the acceptance that our business is deliberately operated in accordance with caring about all stakeholders. Regarding sustainable development, we attempt to bring about positive impacts through occupational skill and learning stimulation by our products. Meanwhile, we aim to reduce negative impact either arising from our business operations or social structure problems as of our services. We, consequently, pay attention to our quality in human resources, products and services, and contents as well as social responsibility so that reliable performance can be accomplished.



## Thaicom Sustainable Development Strategies

1. Developing SD structure to manage for the corporate sustainability. We have obviously appointed SD structure, which are SD committee, SD department and working group as well as their duties and responsibilities.
2. Identifying issues for Thaicom's SD
  - Identified significant issues (materiality).
  - Identified risks and direction.
  - Arranged the forms to engage our stakeholders and gotten the issues in which they have been interested.
3. Communicating the company's SD more effectively
  - Developed internal communication practices for our employees.
  - Developed external communication practices for other stakeholders to ensure their understanding and cooperation.

Thaicom PLC's vision is to be the leader of communications satellite business which creates the opportunities to access and to use the benefit from the satellites for the sustainable growth of the business and the society. In 2014 is the significant progress of Thaicom PLC for the management of sustainable development. We took the major step of establishing directions for sustainable growth that are both focused and effective. This was resulted in the establishment of the Thaicom PLC Sustainable Development Committee. The Committee is chaired by the Chairman of the Executive Committee and the Chief Executive Officer, and its members are high-level executives who are responsible for determining relevant policies, strategies and plans, as well as monitoring related activities.

We also set up a working committee called "SD Working Group", consisted of executives and working groups from various departments to push forward the concept of sustainable development within our organization. The committee identifies operational plans for sustainable growth that are consistent with Thaicom PLC's vision and

business direction. The committee is also responsible for reporting on the company's sustainable development in the economic, social and environmental spheres.

In contribution of plans laid in 2014, Thaicom PLC has established the following corporate social responsibility policy which cover economic, social, and environmental issues and take into all of our stakeholders:

### 1. Corporate Governance

Thaicom PLC practices good governance through monitoring, transparent management and responsibility. All stakeholders are treated in an equal and appropriate manner. Aware of our reputation and the confidence placed in us by the public, we are committed to being a good corporate citizen in each of the countries and regions where we do the business.

### 2. Business Practices

Thaicom PLC operates in a moral and ethical manner, with sincerity and integrity. We respect the law, support free trade, and avoid any action that might create conflict among our stakeholders. We are against all forms of corruption, maintain political neutrality at all times, and respect the traditions and culture of the societies in which we work.

### 3. Human Rights

Thaicom PLC conducts business with respect for personal rights and freedoms. We promote equality and are against all forms of discrimination or segregation according to







gender, ethnicity, and social classes. We do not use child labour and will not participate in any activities that violate human rights.

#### 4. Employee

- Employees are our most valuable asset.
- We foster an organizational culture derived from the core values of our company while still upholding our Thai identity.
- We encourage all employees to fulfil their full potential through workshops, training and knowledge acquisition, as well as performance appraisals and benefits.
- We operate in strict accordance with labour laws and aim to create an environment in which our employees have a happy work-life balance and a safe and sanitary workplace, with full access to health welfare.
- We enable and encourage our employees to volunteer and become involved in social activities that contribute to betterment of society.

#### 5. Customer Relations

Thaicom PLC offers quality products and services that are safe and reliable. We aim for maximum customer

satisfaction by focusing on product performance and excellent services that respond directly to our customer's needs. We aim to build a long-lasting relationship with our customers and are committed to responding wholeheartedly to any demands and problems they may have.

#### 6. Partners

In the interest of shared benefit and growth, Thaicom PLC aims to create long-lasting mutually supportive relationships with our business partners and alliances. We treat all partners equally, and strictly adhere to all contractual and operational agreements, and follow transparent and fair selection policies for partnerships, procurement, and hiring.

#### 7. Innovation

Thaicom PLC believes that the ability to innovate is critical to our business and that it will lead to the sustainable growth of our industry and benefit society as a whole. Our employees are encouraged to take an innovative approach to technology, work processes, and business models through the development of the products and services we offer in response to customer's needs and by building cooperative relationships with our business partners and alliances.

## 8. Community Relations

Thaicom PLC is committed to create shared values for business and society in all of our transactions in order to foster sustainable growth for business, community, and society.

- Thaicom PLC has a policy to build relationships with local communities in the areas we do the business, to establish their needs and collaborate in projects that will improve their quality of life.
- Thaicom PLC believes that education is a significant foundation for the development of the country, society, communities, as well as businesses. To this end, we have a policy to utilize our products, services and human and other resources to support the development of the community educational outlets to improve quality of life and ensure sustainable growth.

- Thaicom believes that it is our duty to provide communications services when disasters strike in the areas we work. We will work with our clients, business partners, and other organizations, to assist the disaster-affected population as quickly as possible.

## 9. Environment

Thaicom PLC's policies emphasize environmental protection and the efficient and maximum use of resources. We focus on building an organizational culture of environmental awareness and supporting environmental projects, both within the Company and beyond. Our employees take every precaution to prevent our business operations from having a negative or damaging effect on the environment.

*(For more detail please visit and download for 2014 Sustainability Report at the Company website: [www.thaicom.net](http://www.thaicom.net))*



# Management's Discussion and Analysis

## 1. Overview

Thaicom Public Company Limited (the Company)'s revenue from sale of goods and rendering of services for 2014 totaled Baht 10,004 million, up by Baht 2,108 million or 26.7% from Baht 7,896 million for 2013. The revenue growth mainly contributed from revenues from the satellite business, telephone and Internet businesses in Lao PDR, and the media business, together with the efficiency of cost control. As a result, an operating profit (EBIT) for 2014 was Baht 2,295 million, up by Baht 633 million or 38.1% from Baht 1,662 million in 2013, and total cost accounted for 58.5% of total sales and service income for 2014, down from 59.5% in 2013.

The Company generated a normalized net profit of Baht 1,832 million or Baht 1.67 per share in 2014, an increase of Baht 704 million or 62.4% from Baht 1,128 million or Baht 1.03 per share in 2013, as a result of the revenue growth and the efficiency of cost control. However, in Q3/2014, CS Loxinfo Public Company Limited (CSL) recognized impairment loss for goodwill of Teleinfo Media Public Company Limited (TMC), CSL's subsidiary, amounting to Baht 550 million due to a decline of voice info services and mobile content business. CSL decided to realize full amount of loss in TMC investment, of which the Company recognized the loss of Baht 231 million proportionately. As a result, the Company had a net profit of Baht 1,601 million or Baht 1.46 per share for 2014, up by Baht 473 million or 41.9% from 2013.

In the separate financial statements, the Company had revenue from sale of goods and rendering of services for 2014 of Baht 6,990 million, an increase of Baht 1,247 million or 21.7%, compared to Baht 5,734 million in 2013. The Company had a net profit of Baht 1,018 million or Baht 0.93 per share, up by Baht 216 million or 26.9%, compared to Baht 802 million or Baht 0.73 per share in 2013.

At the Annual General Meeting of the shareholders of Lao Telecommunications Company Limited (LTC) held on 9 February 2015, the shareholders approved the appropriation of dividend from 2014 operation amounting to USD 18 million.

At the meeting of the Board of Directors of CSL held on 10 February 2015, the directors approved the appropriation of dividend from operation of Baht 0.57 per share, amounting



to Baht 339 million. CSL has paid an interim dividend of Baht 0.41 per share or a total of about Baht 244 Million, the remaining dividend for 2014 is Baht 0.16 per share or a total of about Baht 95 Million. However, the proposed dividend must be approved by the shareholders at their meeting.

At the Board of directors' meeting of the Company held on 11 February 2015, the directors passed a resolution to approve the appropriation of dividend of Baht 0.65 per share, amounting to Baht 712 million. The proposed dividend must be approved by the shareholders at their meeting.

## 2. Business Summary

### Transponder leasing and related business

In 2014, the Company successfully launched 2 satellites into orbit. The THAICOM 6 satellite was launched at the 78.5 degrees East on 6 January 2014 (Local Time, USA), carrying the Ku-band payload's 24 transponders which cover Thailand and Indochina and 9 C-band transponders which cover Southeast Asia Indochina and Africa Region. The THAICOM 7 satellite was launched at the 120 degrees East on 7 September 2014. The THAICOM 7 satellite, with its 14 C-band transponders, provides services via its regional beam in South Asia, Indochina, Australia and New Zealand, and started to generate revenue in November 2014.

For the THAICOM 8 satellite, the Company plans to launch into the orbit at the 78.5 degrees East within 1H/2016. This satellite is beneficial for Thailand in the future in terms of supporting adequate capacity to serve demand for satellite services, the Ultra-HD technology, and the growth of Thailand's broadcasting industry, with its 24 Ku-band transponders to cover Thailand, South Asia and Africa.



On 29 September 2014, the Company issued Senior Debentures of 5-year, coupon rate of 4.28% per annum, and 7-year, coupon rate of 4.68% per annum, in the total amount of Baht 4,550 million. The main purposes of these debentures were for the Thaicom 7 satellite's investment, following by the investment in the Thaicom 8 Satellite Project. Tris Rating Co., Ltd. had confirmed the company's credit rating at "A-", with "stable" outlook. On 11 December 2014, the Company led by Mrs. Suphatee Suthumpun, the Chairman of the Executive Committee and CEO, had signed the syndicated loan with Bangkok Bank Public Company Limited and Kasikorn Bank Public Company Limited for the THAICOM 8 Satellite Project. This is the second satellite project to be financed by local commercial banks structured similarly to that of foreign Export Credit Agencies (ECA). Thaicom 6 satellite was the first project success in 2012, that was beneficial for Thai economy.

In 2014, the Company successfully launched the broadband services as the "End-to-End Solutions" strategy under the concept "Mobility Service" to cover for all air, land, and sea vehicles. IPSTAR Japan Company Limited ("IPJ"), a wholly-owned subsidiary of the Company, launched a maritime broadband service for vessels to Ocean Trans Co., Ltd, one of a leading shipping company. IPJ served IPSTAR broadband service to provide email and Internet connection while at sea. In addition, the Company and Nok Airlines Public Company Limited jointly operated commercial In-Flight Connectivity services to provide high-speed broadband Internet service in the airplane, which was the first time in the Asia Pacific.

IPSTAR Australia Pty Limited (IPA), a Company's subsidiary and an Australia's broadband satellite services provider, has continuously grown during 2014 as a result from acquiring Orion Satellite Systems Pty Limited (OSS) on 7 February 2014, in order to expand the investment and opportunity to the business. IPA also continued to operate and expand under Australian Government's National Broadband Network (NBN) Scheme.

#### Telephone and Internet access businesses

In 2014, LTC has maintained its satisfactorily service quality and telephone network, and also continued to promote marketing activities. These, together with the growth in telephone and Internet access businesses in Lao PDR,

resulting in the mobile phone subscribers of 1,712,506 at the end of 2014, increased from 1,487,256 at the end of 2013. Among 4 mobile operators in Lao PDR, LTC still ranks No.1 with 46.93% market share, increased from 42.45% from that of previous year. In addition, LTC's Internet subscribers, especially HSPA and CDMA Fixed Wireless, have continuously increased.

In 2014, ICT Business has continuously grown from previous year especially in Internet Data Center (IDC) service, ICT Solution services, and Cloud Computing. CSL has invested in a new Internet Data Center Building, namely THE CLOUD DATA CENTER. It is fully equipped with state-of-the-art technology and safety systems that meet international standards and are designed to serve state organizations, commercial banks, online content providers, media and telecommunications companies as well as the industrial sector. The Cloud Data Center was officially launched in 3Q/2014 and gain a good response from customers.

#### Media business

The total DTV satellite television dish sets sold by DTV Service Co., Ltd. (DTV) up until the end of 2014 was 1,581,648 sets, increasing by 115,532 sets from 1,466,116 sets as of the end of 2013. This increase was resulted from the collaboration with True Visions and the growth of Thailand's broadcasting industry toward High Definition technology. Price competition in satellite receivers business caused the price's drop significantly. DTV accordingly adjusted sale price and developed new products to serve customer's satisfaction.

### 3. Consolidated Operating Results

#### Selected financial information on THAICOM

Unit: Bath Million	จำนวน		Change YoY [%]
	2014	2013 (Restated)	
Revenue from sale of goods and rendering of services	10,004	7,896	26.7%
Cost of sale of goods and rendering of services	5,852	4,695	24.6%
SG&A expenses	1,857	1,539	20.7%
EBIT from continuing operations*	2,295	1,662	38.1%
EBITDA from continuing operations **	4,969	3,740	32.9%
Share of profits of associate	(63)	195	(132.3%)
Reversal of impairment (impairment losses) on non-current assets held for sale	-	-	
Profit (loss) from continuing operations	1,601	1,179	35.8%
Profit (Loss) from discontinued operation, net of income tax	-	(51)	
Net profit (loss)	1,601	1,128	41.9%
EPS (Baht)	1.46	1.03	41.7%
Normalized net profit (loss)***	1,832	1,128	62.4%
Normalized net profit (loss) per share	1.67	1.03	62.3%

\* EBIT = Sales and service income - Cost of sales and service - SG&A

\*\* EBITDA = EBIT + Depreciation and Amortization

\*\*\* Normalized net profit (loss) = Net profit (loss) + impairment loss for goodwill from TMC amount Baht 231million

#### Revenue from sale of goods and rendering of services

Consolidated revenue from sale of goods and rendering of services in 2014 was Baht 10,004 million, an increase of Baht 2,108 million or 26.7% compared to Baht 7,896 million in 2013 due to increases in revenue from its satellite business, telephone and Internet businesses in Lao PDR, and media business.

Revenue from sale of goods and rendering of services	2014	2013 (Restated)	%YoY
Satellite and related services	8,784	6,964	26.1%
Telephone and Internet access services*	1,076	837	28.6%
Media services**	216	192	12.5%
Consolidation eliminations	(72)	(97)	(25.8%)
Total	10,004	7,896	26.7%

\* Include revenue from Telephone and Internet services in Lao PDR generated by Lao Telecommunications Co., Ltd. (LTC)

\*\* Include revenue from Media services generated by DTV Service Co., Ltd. (DTV) and Cambodian DTV Network Ltd. (CDN)

#### Satellite transponder leasing and related services

Satellite and related services	2014	2013 (Restated)	%YoY
Conventional*	4,473	3,394	31.8%
IPSTAR	4,311	3,570	20.8%
Sales	391	243	60.9%
Services	3,920	3,327	17.8%
Total	8,784	6,964	26.1%

\* Include the THAICOM 5 6 and 7 satellites and the interim satellite acquired by the Company to provide services ahead of the launch of the THAICOM 6 satellite

Revenue from satellite transponders and related services in 2014 was Baht 8,784 million, a rise of Baht 1,820 million or 26.1% compared to Baht 6,964 million in 2013, contributed by THAICOM conventional satellite service and IPSTAR bandwidth leasing service.

- Revenue from the Thaicom conventional satellite business for 2014 was Baht 4,473 million, up by Baht 1,079 million or 31.8% from Baht 3,394 million in 2013, due mainly to:
  - Revenue growth from satellite transponder leasing service following the growing demands of Thailand's broadcasters especially the THAICOM 6's leasing service which commenced broadcasting services since February 2014, and also the THAICOM 7's revenue recognition starting in December 2014. The growth number of satellite TV channels at 78.5 degrees East as at the end of 2014 was 702 channels (592 SD and 110 HD channels), increased from 641 channels (567 SD and 74 HD channels) as at the end of 2013,
  - Revenue growth from value-added services e.g. teleport services including tape playout and digital signal compression.
- Revenue from the THAICOM 4 (IPSTAR) satellite business was Baht 4,311 million in 2014, up by Baht 741 million or 20.8% from Baht 3,570 million in 2013. This was contributed by:
  - Service revenue growth of Baht 593 million or 17.8%, mainly driven by bandwidth leasing service in most countries, e.g. Thailand, China, India, Malaysia, New Zealand, Philippine, and Indonesia, together with share of service revenue from China and service revenue from OSS, and
  - Sales revenue up of Baht 148 million or 60.9%, due mainly to sales of equipment for installation of satellite application network to a telecommunications service provider in Japan, an increase in user terminal (UT) sale in Australia, together with the installation revenue for in-flight connectivity services with Nok Airlines Public Company Limited in Thailand.

### Telephone and Internet access services

The Company's revenue from telephone and Internet services in Lao PDR in 2014 was Baht 1,076 million, up by Baht 239 million or 28.6% compared to Baht 837 million in 2013. The revenue growth was mainly contributed by increases in

- Revenue from prepaid and postpaid mobile phone services, resulting from higher mobile phone subscriber base of both services and higher average revenue per subscriber (ARPU) of prepaid service,

- Revenue from sale of SIM card and fixed wireless handset,
- Revenue from CDMA fixed wireless service, following an significant increase in subscriber base and higher average revenue per subscriber (ARPU), and
- Revenue from Internet access services, following an increase in the number of subscribers and higher average revenue per subscriber (ARPU).

### Media services

Revenue from media services in 2014 was Baht 216 million, up by Baht 24 million or 12.5% from Baht 192 million in 2013. This was due mainly to revenue increase in sale of DTV satellite dish sets and HD boxes, following higher sales volume in Thailand and Cambodia.

### Cost of sale of goods and rendering of services

The Company reported consolidated cost of sale of goods and rendering of services for 2014 of Baht 5,852 million, an increase of Baht 1,157 million or 24.6% compared to Baht 4,695 million in 2013, due to increases in cost from its satellite business, telephone and Internet businesses in Lao PDR, and media business. Total cost accounted for 58.5% of total sales and service income for 2014, down from 59.5% in 2013.

Cost of sale of goods and rendering of services	2014	2013 (Restated)	%YoY
Satellite and related services	5,140	4,050	26.9%
Telephone and Internet access services*	552	518	6.6%
Media services**	205	175	17.1%
Consolidation eliminations	(45)	(48)	(6.3%)
Total	5,852	4,695	24.6%

\* Include cost from Telephone and Internet services in Lao PDR generated by Lao Telecommunications Co., Ltd. (LTC)

\*\* Include cost from Media services generated by DTV Service Co., Ltd. (DTV) and Cambodian DTV Network Ltd. (CDN)



### Cost of satellite transponder leasing and related services

Cost relating to transponder leasing and related services in 2014 was Baht 5,140 million, an increase of Baht 1,090 million or 26.9% from Baht 4,050 million in 2013, due to an increase in both cost relating to conventional satellite business and IPSTAR business.

Satellite and related services	2014	2013 (Restated)	%YoY
Conventional*	2,348	1,524	54.1%
IPSTAR	2,792	2,526	10.5%
Total	5,140	4,050	26.9%

\* Include the Thaicom 5 6 and 7 satellites and the interim satellite acquired by the Company to provide services ahead of the launch of the Thaicom 6 satellite

- Cost relating to the conventional satellite business for 2014 was Baht 2,348 million, up by Baht 824 million or 54.1% from Baht 1,524 million in 2013 which accounted for 52.5% of revenue from conventional satellite business, up from 44.9% in 2013, mainly caused by:
  - Higher operating fee under Agreement for Operation of Domestic Communication Satellites (concession agreement) to Ministry of Information and Communication Technology following the revenue growth from the THAICOM 5 and 6 satellites, and operating fee under Telecom Operation License to the National Broadcasting and Telecommunications Commission following the revenue from the THAICOM 7 satellites, and
  - Depreciation cost for an increase in assets of the THAICOM 6 and 7 satellites, net with a decrease in existing depreciation cost and transponder rental from acquiring an interim satellite to provide services at 78.5 degrees East orbital slot ahead of the launch of the THAICOM 6 satellite.
- Cost relating to the THAICOM 4 (IPSTAR) satellite was Baht 2,792 million, up by Baht 266 million or 10.5% from Baht 2,526 million in 2013, primarily due to
  - Higher operating fee under Agreement for Operation of Domestic Communication Satellites (concession agreement) to Ministry of Information and Communication Technology following the IPSTAR bandwidth revenue

growth,

- Cost relating to OSS's satellite communication services and higher cost of user terminal (UT) sales growth in Australia, and
- Cost relating to installation for in-flight connectivity with Nok Airlines Public Company Limited.

### Cost of telephone and Internet access services

Cost relating to the telephone and Internet businesses in Lao PDR for 2014 amounted to Baht 552 million, an increase of Baht 34 million or 6.6% from Baht 518 million in 2013, due mainly to increases in:

- Cost of interconnection charge and international sharing charge following the revenue growth, and
- Cost of sale of SIM card and fixed wireless handset following the sale growth.

### Cost of media services

Cost relating to media business in 2014 was Baht 205 million, up by Baht 30 million or 17.1% from Baht 175 million in 2013, which was due to an increase in cost of sales of DTV satellite dish sets and IRD boxes following the revenue increase, and a decrease of selling price to be in line with the market price.

### Selling and administrative expenses

SG&A expenses, including directors and management benefit expenses, totaled Baht 1,857 million in 2014, an increase of Baht 318 million or 20.7% from Baht 1,539 million in 2013, due mainly to:

- An increase in staff expenses following the business expansion
- An increase in marketing expenses for the telephone and Internet businesses in Lao PDR and media business ,
- An increase in provision for obsolete inventory for the media business, Offset by
- A decrease in provision for doubtful debts for the satellite business.

### Gain (Loss) on exchange rate

In 2014, the Company reported a gain on foreign exchange of Baht 59 million. This was impacted by the revaluation of borrowings for the THAICOM 6 project and revenues from subsidiaries in term of foreign currency as a result of the appreciation of the Thai Baht against the US dollar compared to 2013.

### Finance costs

Finance costs totaled Baht 381 million in 2014, up by Baht 116 million, or 43.8%, compared with Baht 265 million in 2013. This was because of interests on long term loans for the THAICOM 6 and 8 satellites and the debentures for the THAICOM 7 satellite and partially for the THAICOM 8 satellite.

### Share of loss of associates

Share of loss of associates in 2014 was Baht 63 million, down by Baht 258 million or 132.3% from a profit of Baht 195 million in 2013, due mainly to:

- TMC, CSL's subsidiary, impairment loss for goodwill amounting to Baht 550 million caused sharing of Baht 231 million to the Company,
- Lower profit from continuing operation from voice info services and mobile content business, and
- An extraordinary gain (net of corporate income tax) of Baht 23 million recognized in 2013 resulting from the settlement of old promotion/discount for the internet network rental fee from its supplier, while there was not such transaction in 2014 (Please see details in the Management's Discussion and Analysis disclosed by CSL).

### Income tax expense

In 2014, the Company reported income tax expense of Baht 450 million, up by Baht 111 million or 32.7% from Baht 339 million in 2013.

### Profit (loss) from normalized operation

The Company reported a normalized net profit of Baht 1,832 million (Baht 1.67 per share), up by Baht 704 million or 62.4% from Baht 1,128 million (Baht 1.03 per share) in 2013, due to higher revenue and cost management.

### Net profit (loss)

In 3Q/2014, the Company recognized share of TMC impairment loss of Baht 231 million proportionately. As a result, the Company's net profit for 2014 amounted to Baht 1,601 million (Baht 1.46 per share) which still increased of Baht 473 million or 41.9% from 2013.

## 4. Financial Position

At the end of 2014, the Company reported total assets of Baht 30,975 million, an increase of Baht 3,601 million or 13.2% from Baht 27,374 million at the end of 2013. This was mainly because of:

- Higher cash and cash equivalents, current investments which were short-term deposits at financial institutions, cash received from new debentures amounted to Baht 4,550 million, offset with the debentures redemption amounted to Baht 3,700 million,
- Additional PP&E mostly for the satellite business and the telephone business in Lao PDR, investment in the Thaicom 6 7 and 8 projects, Offset with
- A decrease in investments in associate due to TMC impairment loss.

### THCOM's asset components

Assets	December 31, 2014		December 31, 2013 (Restated)	
	Amount (Bt mn)	% of Total assets	Amount (Bt mn)	% of Total assets
Current assets	6,362	20.5	5,481	20.0
Investment in associates	234	0.8	487	1.8
PP&E, net	9,093	29.4	3,163	11.6
Intangible assets under operating agreement	13,249	42.8	1,042	54.9

### Trade and other accounts receivable

As of 31 December 2014, the Company had net trade accounts receivable and accrued income of Baht 1,368 million (2013: Baht 1,195 million), accounting for 4.4% of total assets, comprising of receivable from other parties and related parties which represented 93% and 7% of total trade accounts receivable and accrued income, respectively. The average collection period was 46 days in 2014, lower than 51 days in 2013 (normal collection period of the Company was 30-60 days). As of 31 December 2014 the Company had an allowance for doubtful accounts of Baht 201 million (2013: Baht 201 million) or 18.6% of total trade accounts receivable, slightly increased from 18.4% as of 31 December 2013.

### Liquidity

As at the end of 2014, the Company had a current ratio of 1.78x, up from 0.83x as at the end of 2013 due mainly to a decrease in current portion of long-term loans from the debentures redemption, long-term borrowings and interests for the THAICOM 6 satellite, increases in cash and cash equivalents, current investments, and net trade accounts receivable and accrued income.

### Investments in associate

As at the end of 2014, the Company's investment in CSL totaled Baht 234 million, a decrease of Baht 253 million or 52.0% from Baht 487 million as at the end of 2013, reflecting a proportionate recognition of CSL's net profit for 2014 amounting to Baht 63 million, offset by a dividend income from CSL of Baht 190 million.

### Property, plant and equipment

Property, Plant and Equipment (PP&E) at the end of 2014 was Baht 9,093 million, an increase of Baht 5,930 million or 187.5% from Baht 3,163 million at the end of 2013, due mainly to

- An increase in PP&E from THAICOM 6 and 7 satellites,
  - An increase in PP&E under construction from the THAICOM 8 Satellite Project,
  - Additional assets for the satellite business and the telephone business in Lao PDR,
- Offset by
- Accumulated depreciation and amortization of PP&E in 2014.

### Intangible assets under operating agreement

PP&E under operating agreement at the end of 2014 was Baht 13,249 million, a decrease of Baht 1,793 million or 11.9% from Baht 15,042 million at the end of 2013 due to depreciation expenses in 2014.

### Borrowings and Shareholders' equity

The Company's net borrowings at the end of 2014 were Baht 10,656 million, an increase of Baht 2,284 million or 27.3% from Baht 8,372 million at the end of 2013, mainly attributable to:

- Debentures for the THAICOM 7 satellite and partially for the THAICOM 8 satellite,
  - Short-term loans from financial institutions for the Thaicom 8 satellite project,
- Offset by
- Scheduled repayment of long-term borrowings for the THAICOM 6 satellite and debentures redemption

The Company's shareholders' equity as at the end of 2014 was Baht 16,926 million, an increase of Baht 1,345 million or 8.6% from Baht 15,581 million as at the end of 2013, reflecting:

- Net profit for 2014 of Baht 1,601 million,

Offset by

- Dividends to owners of the Company of Baht 493 million.
- With higher net borrowings and shareholders' equity for the year ended 31 December 2014, the ratio of net borrowings to equity at the end of 2014 was 0.63x, up from 0.54x as at the end of 2013.

### Cash flow

Net cash flow from operating activities for 2014 was Baht 4,876 million, up by Baht 952 million or 24.3% from Baht 3,924 million in 2013, due mainly to:

- The significant growth in profit from operation for 2014.
- Net cash flow from investing activities for 2014 was Baht 5,908 million, an increase by Baht 1,847 million from Baht 4,061 million in 2013, most of which were:
- Investment in asset of the Thaicom 6, 7, 8 satellites, and
- Payments for property and equipment for the telephone business in Lao PDR.

Net cash flow provided by financing activities for 2014 was Baht 1,440 million mainly comprising of:

- Debentures for the Thaicom 7 satellite and partially for the Thaicom 8 satellite,
  - Short-term loans from financial institutions for the Thaicom 8 satellite project,
- Offset by
- Scheduled repayment of long-term borrowings for the Thaicom 6 satellite and debentures redemption.

For 2013, net cash flow provided by financing activities was Baht 225 million.

The Company had ending cash of Baht 2,565 million as at 31 December 2014.

*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.*

## Board of Directors' responsibility for financial reporting

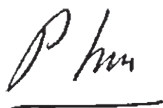
The Board of Directors is responsible for Thaicom Public Company Limited's financial statements and Thaicom Public Company Limited and its subsidiaries' consolidated financial statements, including the financial information presented in this annual report. The aforementioned financial statements are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

The Board of Directors has provided and maintained a risk management system and appropriate and efficient internal controls to ensure that accounting records are accurate, reliable and adequate to protect its assets and uncover any weaknesses that may be presented in order to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed an Audit Committee to be responsible for reviewing the accounting policy, financial reports, internal controls, internal audit and risk management system. The Audit Committee has also reviewed a disclosure of related party transactions. All their 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 the Company and its subsidiaries have been examined by an external auditor, KPMG Phoomchai Audit Co., Ltd. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, the auditor was provided with all of the Company's records and related data as requested. 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 Thaicom Public Company Limited and its subsidiaries' consolidated financial statements for the year ended 31 December 2014. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.



(Mr. Paron Israsena)  
Chairman of the Board



(Mrs. Suphajee Suthumpun)  
Chairman of the Executive Committee  
and Chief Executive Officer

# Independent Auditor's Report

## To the shareholders of Thaicom Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Thaicom Public Company Limited and its subsidiaries (the "Group"), and of Thaicom Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2014, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated and Separate Financial Statements

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

### Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2014 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

*P. Dimghanam L.*

(Supot Singhasaneh)  
Certified Public Accountant  
Registration No. 2826

KPMG Phoomchai Audit Ltd.  
Bangkok  
11 February 2015

# Financial Statements

## Statements of financial position

Thaicom Public Company Limited and its Subsidiaries  
For the year ended 31 December 2014 and 2013

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
	Note	2014	2013 (Restated)	2014	2013 (Restated)
(in Baht)					
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	2,564,934,182	2,152,258,274	443,266,569	740,069,890
Current investments	8	1,736,196,182	1,305,171,495	800,000,000	1,305,171,495
Trade and other accounts receivable	9	1,589,960,149	1,568,487,907	1,124,232,044	1,159,865,656
Amounts due from related parties	6	53,185,122	28,647,137	141,707,165	218,389,075
Short-term loan to a jointly-controlled entity	6	142,660,494	142,073,554	291,143,866	289,946,028
Inventories	10	225,273,587	251,541,126	155,493,915	135,682,536
Other current assets	6	49,349,401	33,158,842	16,096,089	21,932,173
<b>Total current assets</b>		<b>6,361,559,117</b>	<b>5,481,338,335</b>	<b>2,971,939,648</b>	<b>3,871,056,853</b>
<b>Non-current assets</b>					
Long-term loans to subsidiaries	6	-	-	9,843,840	13,026,176
Available-for-sale investments	8	-	699,839,569	-	-
Investments in subsidiaries	11	-	-	1,913,540,009	1,909,291,039
Investments in jointly - controlled entity	11	-	-	137,638,749	137,638,749
Investments in associate	11	234,339,332	487,493,281	-	-
Property and equipment	12	9,093,305,414	3,163,136,055	7,346,224,811	1,536,803,561
Intangible assets under operating agreement	13	13,249,340,670	15,041,927,574	13,249,340,669	15,041,927,574
Deferred charges	13	44,362,996	34,637,322	44,691,030	34,900,479
Intangible assets	13	889,671,045	840,934,097	615,260,720	705,131,115
Deferred tax assets	14	254,416,596	503,842,539	121,229,144	361,067,091
Other non-current assets	15	848,229,037	1,120,903,728	844,082,477	1,116,536,597
<b>Total non-current assets</b>		<b>24,613,665,090</b>	<b>21,892,714,165</b>	<b>24,281,851,449</b>	<b>20,856,322,381</b>
<b>Total assets</b>		<b>30,975,224,207</b>	<b>27,374,052,500</b>	<b>27,253,791,097</b>	<b>24,727,379,234</b>

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



## Statements of financial position

Thaicom Public Company Limited and its Subsidiaries  
For the year ended 31 December 2014 and 2013

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
	Note	2014	2013 (Restated)	2014	2013 (Restated)
(in Baht)					
<b>Liabilities and equity</b>					
<b>Current liabilities</b>	16	641,104,665	-	641,104,665	-
Short-term loans from financial institutions	17	791,215,541	719,628,119	497,917,964	474,605,293
Trade and other accounts payable		293,623,192	112,776,636	157,851,361	89,290,205
Accounts payable - property and equipment	6	759,171	2,797,258	32,819,230	322,698,298
Amounts due to related parties	6	143,313,169	142,664,417	-	-
Short-term loan from other related party	16	579,669,764	4,343,758,832	577,777,039	4,269,098,495
Current portion of long-term loans		646,367,717	931,770,029	689,883,475	822,680,651
Advance receipts from customers		646,367,717	265,274,094	285,698,929	265,274,094
Accrued operating agreement fee		285,698,929	35,752,760	-	-
Income tax payable	18	129,619,142	70,546,794	70,952,531	62,224,738
Other current liabilities		<b>3,570,937,376</b>	<b>6,624,968,939</b>	<b>2,954,005,194</b>	<b>6,305,871,774</b>
<b>Total current liabilities</b>					
<b>Non-current liabilities</b>					
Long-term accounts payable		307,952,760	434,932,080	307,952,760	434,932,080
- property and equipment	16	307,952,760	4,028,344,884	9,426,066,748	3,966,805,198
Long - term loans	19	367,309,847	335,618,873	199,066,920	181,460,677
Employee benefits obligations	20	367,565,713	368,724,619	354,835,789	358,496,008
Other non - current liabilities		<b>10,478,358,694</b>	<b>5,167,620,456</b>	<b>10,287,922,217</b>	<b>4,941,693,963</b>
<b>Total non - current liabilities</b>					
		<b>14,049,296,070</b>	<b>11,792,589,395</b>	<b>13,241,927,411</b>	<b>11,247,565,737</b>
<b>Total liabilities</b>					

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

## Statements of financial position

Thaicom Public Company Limited and its Subsidiaries  
For the year ended 31 December 2014 and 2013

		Consolidated financial statements 31 December		Separate financial statements 31 December	
	Note	2014	2013 (Restated)	2014	2013 (Restated)
(in Baht)					
<b>Liabilities and equity</b>					
<b>Equity</b>	21	5,489,086,200	5,483,097,700	5,489,086,200	5,483,097,700
Share capital		5,479,687,700	5,479,687,700	5,479,687,700	5,479,687,700
Authorised share capital		4,301,989,672	4,301,989,672	4,301,989,672	4,301,989,672
Issued and paid-up share capital	21				
Premium on ordinary shares					
Retained earnings		544,154,995	493,237,236	544,154,995	493,237,236
Appropriated	22	9,298,469	2,431,567	9,298,469	2,431,567
Legal reserve	21	5,469,863,284	4,413,069,092	3,676,732,850	3,202,467,322
Share-based payment transactions		1,082,367,759	852,656,376	-	-
Unappropriated					
Other components of equity	1,082,367,759	16,887,361,879	15,543,071,643	14,011,863,686	13,479,813,497
<b>Equity attributable to owners of the Company</b>		38,566,258	38,391,462	-	-
		16,925,928,137	15,581,463,105	14,011,863,686	13,479,813,497
Non - controlling interests					
<b>Total equity</b>		30,975,224,207	27,374,052,500	27,253,791,097	24,727,379,234
<b>Total liabilities and equity</b>					

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

## Statements of income

Thaicom Public Company Limited and its Subsidiaries

For the year ended 31 December 2014 and 2013

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2014	2013 (Restated)	2014	2013 (Restated)
(in Baht)					
<b>Continuing operations</b>					
<b>Income</b>	6				
Revenues from sale of goods and rendering of services	25	10,004,056,170	7,895,857,673	6,989,624,431	5,743,113,161
Construction revenue under operating agreement		172,270,278	1,646,026,113	172,270,278	1,646,026,113
Net foreign exchange gain		59,262,517	-	-	-
Other income	26	140,366,847	195,759,011	438,956,134	654,250,367
<b>Total income</b>		<b>10,375,955,812</b>	<b>9,737,642,797</b>	<b>7,600,850,843</b>	<b>8,043,389,641</b>
<b>Expenses</b>	6				
Cost of sale of goods and rendering of services		4,866,411,451	3,868,470,193	3,727,668,083	3,021,663,557
Construction cost under operating agreement		172,270,278	1,646,026,113	172,270,278	1,646,026,113
Operating agreements fee		985,260,005	826,536,780	985,260,005	826,506,920
Selling expenses		289,013,318	200,463,144	211,823,594	187,060,190
Administrative expenses		1,492,917,497	1,261,873,189	799,304,797	751,791,734
Directors and management benefit expenses		74,936,839	76,184,355	74,936,839	76,184,355
Net foreign exchange loss		-	269,837,375	9,085,775	313,332,337
Finance costs		381,205,840	265,143,348	362,308,345	242,448,494
<b>Total expenses</b>		<b>8,262,015,228</b>	<b>8,414,534,497</b>	<b>6,342,657,716</b>	<b>7,065,013,700</b>
Share of profits (loss) of associate	11	(63,077,956)	194,509,288	-	-
<b>Profit before income tax expense</b>					
<b>from continuing operations</b>		<b>2,050,862,628</b>	<b>1,517,617,588</b>	<b>1,258,193,127</b>	<b>978,375,941</b>
Income tax expense	29	(449,978,784)	(338,854,456)	(239,837,947)	(176,687,634)
<b>Profit from continuing operations</b>		<b>1,600,883,844</b>	<b>1,178,763,132</b>	<b>1,018,355,180</b>	<b>801,688,307</b>
<b>Discontinued operation</b>					
Loss from discontinued operation, net of income tax		-	(51,141,526)	-	-
<b>Profit for the year</b>		<b>1,600,883,844</b>	<b>1,127,621,606</b>	<b>1,018,355,180</b>	<b>801,688,307</b>
Profit attributable to:					
Owner of the Company		1,600,883,844	1,127,621,606	1,018,355,180	801,688,307
Non-controlling interest		-	-	-	-
<b>Profit for the year</b>		<b>1,600,883,844</b>	<b>1,127,621,606</b>	<b>1,018,355,180</b>	<b>801,688,307</b>
<b>Earnings per share</b>	31				
Basic		1.46	1.03	0.93	0.73
Diluted		1.46	1.03	0.93	0.73
<b>Earnings per share - continuing operations</b>	31				
Basic		1.46	1.08	0.93	0.73
Diluted		1.46	1.08	0.93	0.73

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

## Statements of comprehensive income

Thaicom Public Company Limited and its Subsidiaries  
For the year ended 31 December 2014 and 2013

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2014	2013 (Restated)	2014	2013 (Restated)
(in Baht)					
<b>Profit for the year</b>					
<b>Other comprehensive income</b>	23	<b>1,600,883,844</b>	<b>1,127,621,606</b>	<b>1,018,355,180</b>	<b>801,688,307</b>
Foreign currency translation differences for foreign operations					
Unrealised loss from increase in shareholding in a subsidiary		(2,612,055)	87,606,979	-	-
Changes in fair value of available-for-sale investments		(2,612,055)	-	-	-
<b>Other comprehensive income for the year, net of income tax</b>		<b>235,736,603</b>	<b>563,663,129</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>229,886,179</b>	<b>651,270,108</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to:</b>		<b>1,830,770,023</b>	<b>1,778,891,714</b>	<b>1,018,355,180</b>	<b>801,688,307</b>
Owners of the Company	1,830,595,227				
Non-controlling interests					
<b>Total comprehensive income for the year</b>		<b>1,830,595,227</b>	<b>1,776,338,799</b>	<b>1,018,355,180</b>	<b>801,688,307</b>
		<b>174,796</b>	<b>2,552,915</b>	<b>-</b>	<b>-</b>
		<b>1,830,770,023</b>	<b>1,778,891,714</b>	<b>1,018,355,180</b>	<b>801,688,307</b>

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



## Statements of changes in equity

Thaicom Public Company Limited and its Subsidiaries

For the year ended 31 December 2014 and 2013

Consolidated financial statements													
Retained earnings					Other components of equity								
	Issued and paid-up share capital	Share premium	Legal reserve	Other reserve for share-based payment transactions	Unappropriated	Cumulative gain on dilution of investment in a subsidiary and an associate	Currency translation differences	Changes in fair value of available-for-sale investments	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity	
Note													
(in Baht)													
Year ended 31 December 2014													
Balance at 1 January 2014	5,479,687,700	4,301,989,672	493,237,236	2,431,567	4,413,069,092	331,456,927	(42,463,680)	563,663,129	852,656,376	15,543,071,643	38,391,462	15,581,463,105	
Transactions with owners, recorded directly in equity													
Share-based payment transactions	-	-	-	6,866,902	-	-	-	-	-	6,866,902	-	6,866,902	
Dividends to owners of the Company	-	-	-	-	(493,171,893)	-	-	-	-	(493,171,893)	-	(493,171,893)	
Net income recognised directly in equity	-	-	-	6,866,902	(493,171,893)	-	-	-	-	(486,304,991)	-	(486,304,991)	
Comprehensive income for the year													
Profit	-	-	-	-	1,600,883,844	-	-	-	-	1,600,883,844	-	1,600,883,844	
Other comprehensive income	-	-	-	-	-	(2,612,055)	(3,413,165)	235,736,603	229,711,383	229,711,383	174,796	229,886,179	
Total comprehensive income for the year	-	-	-	-	1,600,883,844	(2,612,055)	(3,413,165)	235,736,603	229,711,383	1,830,595,227	174,796	1,830,770,023	
Transfer to legal reserve	-	-	50,917,759	-	(50,917,759)	-	-	-	-	-	-	-	
Balance at 31 December 2014	5,479,687,700	4,301,989,672	544,154,995	9,298,469	5,469,863,284	328,844,872	(45,876,845)	799,399,732	1,082,367,759	16,887,361,879	38,566,258	16,925,928,137	

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



## Statements of changes in equity

Thaicom Public Company Limited and its Subsidiaries

For the year ended 31 December 2014 and 2013

Separate financial statements						
Note	Issued and paid-up share capital	Share premium	Retained earnings			Total equity
			Legal reserve	Other reserve for share-based payment transactions	Unappropriated	
(in Baht)						
Year ended 31 December 2013						
Balance at 1 January 2013	5,479,687,700	4,301,989,672	453,152,821	-	2,879,238,447	13,114,068,640
Transactions with owners, recorded directly in equity						
Share-based payment transactions	-	-	-	2,431,567	-	2,431,567
Dividends to owners of the Company	-	-	-	-	(438,375,017)	(438,375,017)
Net income recognised directly in equity	-	-	-	2,431,567	(438,375,017)	(435,943,450)
Comprehensive income for the year						
Profit	-	-	-	-	801,688,307	801,688,307
Total comprehensive income for the year	-	-	-	-	801,688,307	801,688,307
Transfer to legal reserve	-	-	40,084,415	-	(40,084,415)	-
Balance at 31 December 2013	5,479,687,700	4,301,989,672	493,237,236	2,431,567	3,202,467,322	13,479,813,497
Year ended 31 December 2014						
Balance at 1 January 2014	5,479,687,700	4,301,989,672	493,237,236	2,431,567	3,202,467,322	13,479,813,497
Transactions with owners, recorded directly in equity						
Share-based payment transactions	-	-	-	6,866,902	-	6,866,902
Dividends to owners of the Company	-	-	-	-	(493,171,893)	(493,171,893)
Net income recognised directly in equity	-	-	-	6,866,902	(493,171,893)	(486,304,991)
Comprehensive income for the year						
Profit	-	-	-	-	1,018,355,180	1,018,355,180
Total comprehensive income for the year	-	-	-	-	1,018,355,180	1,018,355,180
Transfer to legal reserve	-	-	50,917,759	-	(50,917,759)	-
Balance at 31 December 2014	5,479,687,700	4,301,989,672	544,154,995	9,298,469	3,676,732,850	14,011,863,686

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

## Statements of cash flows

Thaicom Public Company Limited and its Subsidiaries  
For the year ended 31 December 2014 and 2013

		Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	Note	2014	2013	2014	2013
(in Baht)					
<b>Cash flows from operating activities</b>					
Profit for the year		1,600,883,844	1,127,621,606	1,018,355,180	801,688,307
<b>Adjustments for</b>					
Depreciation of property and equipment	12,27	589,184,334	603,879,989	245,763,190	226,135,669
Amortisation of intangible assets under operating agreement	13	1,964,857,184	1,352,708,096	1,964,857,184	1,352,708,096
Amortisation of deferred charges	13	10,450,741	17,314,235	10,385,865	16,838,635
Amortisation of intangible assets	13	109,397,236	103,758,258	96,171,219	92,017,433
Impairment loss on assets		52,959,906	6,731,366	36,252,820	6,731,366
Investments income		(68,686,033)	(41,310,114)	(296,074,760)	(422,688,051)
Share-based payment transactions		6,866,902	2,431,567	6,866,902	2,431,567
Finance cost		381,205,840	265,143,348	362,308,345	242,448,494
(Gain) loss on exchange rate		(35,331,309)	325,779,944	(11,453,783)	295,110,270
Amortisation of borrowing costs	16,27	2,363,082	2,477,440	2,363,082	2,477,440
(Reversal of) allowance for doubtful accounts	9	1,192,249	(10,879,185)	(13,339,090)	(5,807,692)
(Reversal of) allowance for obsolete inventory		30,767,196	15,106,647	(10,472,693)	(4,049,200)
(Gain) loss on disposal of property and equipment	26	24,780	(2,607,811)	(3,217,565)	(8,015,500)
Write-off property and equipment	12	18,097,079	8,999,958	17,460,392	6,042,350
Write-off intangible assets		446,498	-	-	-
Share of (profit) loss of associate	11	63,077,956	(194,509,287)	-	-
Income tax expense	29	449,978,784	338,851,844	239,837,947	176,687,634
		5,177,736,269	3,921,497,901	3,666,064,235	2,780,756,818
<b>Changes in operating assets and liabilities</b>					
Trade and other accounts receivable		(26,336,503)	(298,107,132)	48,801,281	(213,391,205)
Amounts due from related parties		(24,537,986)	(15,122,216)	(20,955,889)	(50,473,608)
Inventories		74,432,411	85,302,594	2,487,451	59,045,159
Other current assets		32,583,057	40,092,942	7,119,948	34,363,697
Other non-current assets		920,521	(339,045,781)	336,721	(338,461,980)
Trade and other accounts payable		94,894,131	332,304,498	(46,085,165)	437,840,654
Amounts due to related parties		(2,038,087)	78,601	(281,536,850)	(2,336,549)
Advance receipts from customers		(290,037,825)	405,511,078	(132,797,176)	452,787,187
Accrued operating agreement fee		20,424,834	50,299,202	20,424,834	50,299,202
Other current liabilities		55,217,111	11,489,531	8,833,192	5,044,035
Other non-current liabilities		2,265,131	(25,586,064)	10,612,018	(25,007,189)
Employee benefit obligations		19,326,857	37,762,512	(236,179)	26,017,651
Income tax paid		(258,432,754)	(282,091,009)	(78,449,097)	(37,165,827)
<b>Net cash from operating activities</b>		<b>4,876,417,167</b>	<b>3,924,386,657</b>	<b>3,204,619,324</b>	<b>3,179,318,045</b>

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

## Statements of cash flows

Thaicom Public Company Limited and its Subsidiaries

For the year ended 31 December 2014 and 2013

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2014	2013	2014	2013
(in Baht)					
<b>Cash flows from investing activities</b>					
Interest received		66,509,405	32,252,225	59,676,719	21,944,109
Dividends received	11	190,075,992	162,564,994	327,831,870	380,119,759
Current investment		505,171,495	(1,094,959,933)	505,171,495	(1,094,959,933)
Purchase of available-for-sale investments	8	-	(129,014,370)	-	-
Payment of property and equipment		(6,477,108,112)	(3,014,058,655)	(5,947,966,153)	(2,740,958,367)
Proceeds from sale of property and equipment		8,097,440	4,477,991	4,738,801	4,594,470
Long-term loan to subsidiaries	6	-	-	3,222,836	5,763,480
Payments for deferred charges		(20,176,416)	(1,672,319)	(20,176,416)	(2,212,014)
Purchase of intangible assets		(6,541,707)	(20,239,167)	(6,300,825)	(14,068,363)
Net cash outflow on acquisition of subsidiaries		-	-	(1,590,405)	(32,733,218)
Net cash outflow on acquisition of indirect subsidiaries	5	(174,240,846)	-	-	-
<b>Net cash used in investing activities</b>		<b>(5,908,212,749)</b>	<b>(4,060,649,234)</b>	<b>(5,075,392,078)</b>	<b>(3,472,510,077)</b>
<b>Cash flows from financing activities</b>					
Dividends paid to owner of the company	32	(493,171,893)	(438,375,017)	(493,171,893)	(438,375,017)
Proceeds from short-term borrowings	16	1,844,029,743	48,000,000	1,844,029,743	-
Repayment of short-term borrowings	16	(1,202,925,078)	(48,000,000)	(1,202,925,078)	-
Proceeds from long-term borrowings	16	6,007,641,623	1,043,766,549	6,007,641,624	1,043,766,548
Repayments of long-term borrowings	16	(4,368,936,617)	(128,761,056)	(4,246,160,740)	(6,891,262)
Interest paid		(346,731,206)	(251,600,397)	(337,941,312)	(231,698,757)
<b>Net cash from financing activities</b>		<b>1,439,906,572</b>	<b>225,030,079</b>	<b>1,571,472,344</b>	<b>366,801,512</b>
<b>Net increase (decrease) in cash and cash equivalents</b>					
		<b>408,110,990</b>	<b>88,767,502</b>	<b>(299,300,410)</b>	<b>73,609,480</b>
Cash and cash equivalents at beginning of year		2,152,258,274	2,057,409,741	740,069,890	660,379,379
Effect of acquisition of indirect subsidiary		2,067,829	-	-	-
Effects of exchange rate changes on balances held in foreign currencies		2,497,089	6,081,031	2,497,089	6,081,031
<b>Cash and cash equivalents at end of year</b>	7	<b>2,564,934,182</b>	<b>2,152,258,274</b>	<b>443,266,569</b>	<b>740,069,890</b>
<b>Non-cash transactions</b>					
Acquisition of property and equipment by issue of debt		49,512,224	536,037,968	37,006,234	531,692,329

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

# Notes to the financial statements

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English translations of the financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 11 February 2015.

## 1 General information

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

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

The Company’s parent company during the period was Intouch Holdings Public Company Limited (formerly named Shin Corporation Public Company Limited) (41.14% shareholding) which is incorporated in Thailand.

The Company, its subsidiaries, jointly controlled entity and associate (collectively referred to as “the Group”) are primarily involved in transponder services for domestic and international communications, sale of user terminal of iPSTAR, broadband content services, sale of direct television equipment, Internet data center services, Internet services, satellite uplink-downlink services, broadcasting television service, telecommunication, 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.

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

Details of the Company's subsidiaries and jointly controlled entities as at 31 December 2014 and 2013 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
<b><i>Direct subsidiaries</i></b>				
DTV Service Company Limited	Sale of direct television equipment, providing system integration consultancy service for broadband networks and broadband content	Thailand	99.99	99.99
iPSTAR Company Limited	Providing Thaicom 4 transponder services	The British Virgin Islands	100	99.96
Star Nucleus Company Limited	Providing engineering and development services, technology and electronics	The British Virgin Islands	100	100
Spacecode LLC	Providing engineering and development services, technology and electronics	The United States of America	70	70
IPSTAR International Pte Limited	Providing Thaicom 4 transponder services and sale of satellite equipment	Singapore	100	100
IPSTAR Global Services Company Limited	Providing Thaicom 4 transponder services	Mauritius	100	100
Cambodian DTV Network Limited	Sale of direct television equipment	Cambodia	100	100
IPSTAR Australia Pty Limited	Providing Thaicom 4 transponder services and sale of user terminal of Thaicom 4 in Australia.	Australia	100	100
TC Broadcasting Company Limited	Providing broadcasting, television and telecommunication	Thailand	99.99	99.99
IPSTAR Japan Company Limited	Providing Thaicom 4 transponder services and sale of user terminal of Thaicom 4 in Japan.	Japan	100	100
IPSTAR New Zealand Company Limited	Providing Thaicom 4 transponder services and sale of user terminal of Thaicom 4 in New Zealand	New Zealand	100	100



Name of the entity	Type of business	Country of incorporation	Ownership Interest (%)	
			2014	2013
International Satellite Company Limited	Providing Thaicom 7 and Thaicom 8 transponder services	Mauritius	100	-
<b><i>Indirect subsidiary</i></b> Orion Satellite Systems Pty Limited	Providing satellite communication services and business solutions	Australia	100	-
<b><i>Jointly-controlled entity</i></b> Shenington Investments Pte Limited	Holding company for investment in international telecommunications	Singapore	51	51
<b><i>Jointly - controlled entity of Shenington Investments Pte Limited</i></b> Lao Telecommunications Company Limited	Providing fixed line, mobile phone, public phone, public international facilities and Internet services	Lao PDR	24.99	24.99
<b><i>Associate</i></b> CS Loxinfo Public Company Limited	Providing internet data centre service, internet and satellite uplink-downlink services	Thailand	42.07	42.07

## 2 Basis of preparation of the financial statements

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### (a) *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The accounting policies and methods of computation applied in these financial statements are consistent with those applied in the financial statements for the year ended 31 December 2013 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2014. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group or the Company except as disclosed in note 3.

### (b) *Functional and presentation currency*

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

### (c) *Use of estimates and judgements*

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

#### *Estimates*

##### *Measurement of defined benefit obligations*

The calculation of the defined benefit obligation is sensitive to the assumptions on mortality and future salary rates as set out in note 19.

##### *Measurement of share-based payments*

The calculation of the share-base payment is sensitive to the assumptions on fair value at grant date, share price at grant date, exercise price, expected volatility, expected dividend and risk-free interest rate as set out in note 21.

#### *Allowance*

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

#### *Utilisation of assets*

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

### 3 Changes in accounting policies

From 1 January 2014, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has changed its accounting policies having a material effect on the Group's financial statements in the area of Accounting for Service Concession Arrangements. A description of the nature and effect of this change in accounting policies as follow:

TFRIC 12 gives guidance on the accounting by operators for public-to-private service concession agreements under which the grantor controls and regulates the services provided; to whom they are provided; and at what price; and also controls any significant residual interest in the related infrastructure at the end of the agreement term. The operator recognises its interest in the concession as either a financial asset or an intangible asset arising from the concession agreement, depending on criteria set out in TFRIC 12, and not as property, plant and equipment. The Group's accounting policy for service concession agreements is as follows:

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value upon initial recognition. Subsequent to initial recognition the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses.

Revenue relating to construction or upgrade services under a service concession arrangement is recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts. Operation or service revenue is recognised in the period in which the services are provided by the Group. When the Group provides more than one service in a service concession arrangement, the consideration received is allocated by reference to the relative fair values of the services delivered.

The Group has recognized no profit margin on such revenues because the (i) model of Agreements for operation is not designed to generate profits from the infrastructure construction, but from the service rendered; (ii) the way the Group manages the construction is highly based on outsourced services and; (iii) there are no forecasted margins on these operations in the Group business plans. Management so believes that any gains on these operations are irrelevant and, accordingly, no amount in addition to the effective costs has been considered as a part of revenues. Therefore, construction revenues and costs are presented in the statements of income in the same amounts.

The Group adopted TFRIC 12 - Service Concession Arrangements. The effects of the change are recognised retrospectively in the financial statements. The impact of the change on the financial statements is as follows:

	Consolidated financial statements			Separate financial statements		
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
<i>(in thousand Baht)</i>						
<b>Statements of financial position as at 1 January 2013</b>						
<b>Assets</b>						
<b>Non - current assets</b>						
Property and equipment	5,646,546	(3,266,966)	2,379,580	3,969,936	(3,266,966)	702,970
Property and equipment under operating agreement	11,481,853	(11,481,853)	-	11,481,853	(11,481,853)	-
Intangible assets under operating agreement	-	14,748,819	14,748,819	-	14,748,819	14,748,819
<b>Total non - current assets</b>		<b>-</b>			<b>-</b>	

	Consolidated financial statements			Separate financial statements		
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
<i>(in thousand Baht)</i>						
<b>Statements of financial position as at 31 December 2013</b>						
<b>Assets</b>						
<b>Non - current assets</b>						
Property and equipment	8,074,396	(4,911,260)	3,163,136	6,448,063	(4,911,260)	1,536,803
Property and equipment under operating agreement	10,130,668	(10,130,668)	-	10,130,668	(10,130,668)	-
Intangible assets under operating agreement	-	15,041,928	15,041,928	-	15,041,928	15,041,928
<b>Total non - current assets</b>		<u>-</u>			<u>-</u>	

	Consolidated financial statements			Separate financial statements		
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
<i>(in thousand Baht)</i>						
<b>Statements of income for the year ended 31 December 2013</b>						
Construction revenue under operating agreement	-	1,646,026	1,646,026	-	1,646,026	1,646,026
Construction cost under operating agreement	-	(1,646,026)	(1,646,026)	-	(1,646,026)	(1,646,026)
<b>Profit for the year</b>		<u>-</u>			<u>-</u>	

The changes in the financial statements for the year ended 31 December 2014 (current period), which are impacted from applying the new accounting policy.

	Consolidated financial statements			Separate financial statements		
	Before adoption	Adopted	After adoption	Before adoption	Adopted	After adoption
<i>(in thousand Baht)</i>						
<b>Statements of financial position as at 31 December 2014</b>						
<b>Assets</b>						
<b>Non-current assets</b>						
Property and equipment under operating agreement	13,249,341	(13,249,341)	-	13,249,341	(13,249,341)	-
Intangible assets under operating agreement	-	13,249,341	13,249,341	-	13,249,341	13,249,341
<b>Total non-current assets</b>		<u>-</u>			<u>-</u>	

	Consolidated financial statements			Separate financial statements		
	Before adoption	Adopted	After adoption	Before adoption	Adopted	After adoption
<i>(in thousand Baht)</i>						
<b>Statements of income for the year ended 31 December 2014</b>						
Construction revenue under operating agreement	-	172,270	172,270	-	172,270	172,270
Construction cost under operating agreement	-	(172,270)	(172,270)	-	(172,270)	(172,270)
<b>Profit for the year</b>		<u>-</u>			<u>-</u>	

## 4 Significant accounting policies

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

### (a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries and jointly-controlled entities and the Group's interests in associates.

#### *Business combinations*

The Group applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

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

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

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

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

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

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

### *Acquisitions from entities under common control*

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

### *Subsidiaries*

Subsidiaries are entities controlled by the Group. 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 policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

### *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.

### *Loss of control*

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

### *Associates*

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the Group, 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.

Investments in associates are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.



*Transactions eliminated on consolidation*

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

**(b) Foreign currencies***Foreign currency transactions*

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

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

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

*Foreign entities*

The assets and liabilities of foreign operations are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

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

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

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

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

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

**(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, net of deposit from customers. Bad debts are written off when incurred.

**(f) Inventories**

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

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

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

**(g) Investments***Investments in subsidiaries, jointly-controlled entity and associate*

Investments in subsidiaries, jointly-controlled entity and associate 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.

*Investments in other debt and equity securities*

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

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

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

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

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

#### *Disposal of investments*

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

### **(h) Property and equipment**

#### *Owned assets*

Property and equipment are stated at cost less accumulated depreciation and impairment losses.

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

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

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

#### *Subsequent costs*

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

#### *Depreciation*

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

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

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

No depreciation is provided on assets under construction.

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

**(i) *Intangible assets under operating agreement***

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

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

**(j) *Deferred charges***

Deferred charges principally represent bond issuing and long-term borrowing costs and are amortised on the straight-line basis over the period of time to maturity of the bond or long-term loan agreement.

**(k) *Intangible assets***

*Goodwill*

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

*Research and development*

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

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

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

*Other intangible assets*

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

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

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

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

**(l) Impairment**

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

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

*Calculation of recoverable amount*

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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

*Reversals of impairment*

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

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

**(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 Statements of financial position. 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.

**(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 profit or loss over the period of the borrowings on an effective interest basis.

**(o) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**(p) Employee Benefit**

*Defined contribution plans*

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

*Post-employment benefits and other long-term employee benefits*

The Group's liability for post-employment benefits and other long-term employee benefit obligations is recognised in the financial statements based on calculations performed at least once in three years by a qualified actuary using the projected unit credit method. Previously, this liability was recognised as and when payments were made.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

*Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.



*Share-based payments*

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expenses in profit or loss.

**(q) Provisions**

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

*Warranties*

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

**(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 profit or loss 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.

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.

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

*Dividend income*

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

*Interest income*

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

**(s) Finance costs**

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

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

**(t) Lease payment**

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

*Determining whether an arrangement contains a lease*

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

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

**(u) Income tax**

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

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

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

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

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

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

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

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

## 5 Acquisition of indirect subsidiary

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On 7 February 2014, IPA had acquired 5.96 million ordinary shares (representing 100% share holding) of Orion Satellite System Pty Limited “OSS”, provide of satellite communication services and business solution.

Acquiring OSS will enable the Group to increase distribution channel of transponder services and user terminal from OSS’s customer base. The acquisition is expected to provide the Group with an increased share of the satellite market through access to the acquiree’s customer base.

For the 11 months period to 31 December 2014, OSS contributed revenue of Baht 137 million and loss of Baht 4 million to the Group’s results.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

*Consideration transferred*

	<b>Consolidated financial statement Fair value</b>
	<i>(in thousand Baht)</i>
Cash	174,241
<b>Total consideration transferred</b>	<b>174,241</b>

*Identifiable assets acquired and liabilities assumed*

	<b>Consolidated financial statement Fair value</b>
	<i>(in thousand Baht)</i>
Cash and cash equivalents	2,068
Trade and other receivables	16,614
Inventories	4,307
Other current assets	7,034
Property, plant and equipment	12,366
Intangible assets	52,345
Trade and other payables	(6,214)
Advance received from customers	(4,635)
Accrued expenses	(8,007)
Other current liabilities	(1,171)
<b>Total identifiable net assets</b>	<b>74,707</b>

The fair values of intangible assets of Baht 52.27 million (Brand and customer relationships) have been determined by an independent valuation and are included in intangible assets

*Goodwill*

Goodwill was recognised as a result of the acquisition as follows:

	<b>Consolidated financial statement Fair value</b>
	<i>(in thousand Baht)</i>
Total consideration transferred	174,241
Fair value of identifiable net assets	(74,707)
<b>Goodwill</b>	<b>99,534</b>

*Acquisition-related costs*

The Group incurred acquisition-related costs of Baht 11.83 million, which include external legal fees and due diligence costs. The legal fees and due diligence costs are included in administrative expenses in the Group's consolidated statement of income.

## 6 Related parties

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

The Company is controlled by Intouch Holdings Public Company Limited (formerly named Shin Corporation Public Company Limited) (“Intouch”) (incorporated in Thailand), which owns 41.14% (2013: 41.14%) of the Company’s shares. Transactions with Intouch Group and shareholders of the Intouch Group are recognised as related party transactions of the Group.

Sales and service transactions with related parties were conducted under normal commercial terms and conditions, which were the same as for other customers. Consulting and management services were charged at an agreed percentage of assets. Transactions between the Company and Codespace, Inc.; an other related company, were conducted based on hourly rates plus reimbursement of actual expenses.

Significant transactions for the years ended 31 December 2014 and 2013 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
<b>Revenues</b>				
<i>Revenues from sale of goods and rendering of services</i>				
Subsidiaries	-	-	1,766,875	1,569,528
Jointly-controlled entities	-	17	-	-
Associate	10,110	51,837	10,080	51,630
Related parties under common control	69,950	58,758	66,090	56,974
Other related party	-	43	-	-
<i>Other income</i>				
Subsidiaries	-	-	350,423	469,003
Jointly-controlled entities	8,474	13,464	17,294	27,478
Associate	2,823	2,023	2,823	2,023
Related parties under common control	13	-	13	-
<b>Total revenue</b>	<b>91,370</b>	<b>126,142</b>	<b>2,213,598</b>	<b>2,176,636</b>
<b>Expenses</b>				
<i>Purchases of goods and services</i>				
Subsidiaries	-	-	69,822	82,353
Jointly-controlled entities	745	-	-	-
Associate	35,643	25,052	35,574	24,722
Related parties under common control	2,483	1,092	26	399
Other related parties	14,886	10,988	14,886	10,982
<i>Selling and administrative expenses</i>				
Subsidiaries	-	-	9,265	50,174
Associates	1,463	2,557	1,133	2,536
Related parties under common control	12,326	14,325	11,240	13,709
Other related parties	-	1,040	-	-
Directors and management benefit expenses	75,528	76,681	75,528	76,681
<i>Other expenses</i>				
Other related party	3,950	4,245	-	-
<b>Total expenses</b>	<b>147,024</b>	<b>135,980</b>	<b>217,474</b>	<b>261,556</b>



Balance as at 31 December 2014 and 2013 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b>Trade accounts receivable and accrued income</b>				
<i>Trade accounts receivable</i>				
Subsidiaries	-	-	62,852	126,048
Associate	902	907	899	899
Related parties under common control	510	10,732	-	10,393
Other related party	55,015	54,516	2,672	2,661
<b>Total</b>	<b>56,427</b>	<b>66,155</b>	<b>66,423</b>	<b>140,001</b>
<i>Accrued income</i>				
Subsidiaries	-	-	48,330	1,176
Associate	33,527	35,729	33,527	35,729
Related parties under common control	14,409	4,559	14,409	4,459
<b>Total</b>	<b>47,936</b>	<b>40,288</b>	<b>96,266</b>	<b>41,364</b>
<b>Total trade accounts receivable and accrued income</b>	<b>104,363</b>	<b>106,443</b>	<b>162,689</b>	<b>181,365</b>
<i>Less allowance for doubtful accounts</i>	<i>(55,015)</i>	<i>(54,515)</i>	<i>(2,672)</i>	<i>(2,661)</i>
<b>Net</b>	<b>49,348</b>	<b>51,928</b>	<b>160,017</b>	<b>178,704</b>
<b>Other receivables</b>				
Parent	138	-	138	-
Subsidiaries	-	-	106,179	114,594
Jointly-controlled entities	17,348	17,294	35,390	103,762
Associate	-	33	-	33
Other related party	35,699	11,320	-	-
<b>Total</b>	<b>53,185</b>	<b>28,647</b>	<b>141,707</b>	<b>218,389</b>
<b>Short-term loan to a jointly-controlled entity</b>	<b>142,660</b>	<b>142,074</b>	<b>291,144</b>	<b>289,946</b>

As at 31 December 2014, the short-term loan to a jointly-controlled entity bears interest at the rate of 2.75% - 3.11% per annum (2013: 2.74% - 3.10% per annum) and is repayable upon request.

Movements for the year ended 31 December 2014 and 2013 of short-term loan to a jointly-controlled entity were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
At 1 January	142,074	132,543	289,946	270,496
Unrealised gain on exchange rate	586	9,531	1,198	19,450
<b>At 31 December</b>	<b>142,660</b>	<b>142,074</b>	<b>291,144</b>	<b>289,946</b>

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b>Other current assets</b>				
Subsidiaries	-	-	560	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>560</u>	<u>-</u>
 <b>Long term loan to a subsidiary</b>	 <u>-</u>	 <u>-</u>	 <u>9,844</u>	 <u>13,026</u>

As at 31 December 2014, the long-term loan to a subsidiary bears interest at the rate of 4.35% per annum (2013: 4.84% per annum).

Movements of long-term loan to a subsidiary for the years ended 31 December 2014 and 2013 were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
At 1 January	-	-	13,026	18,249
Decrease	-	-	(3,223)	(5,763)
Net foreign exchange gain	-	-	41	540
<b>At 31 December</b>	<u>-</u>	<u>-</u>	<u>9,844</u>	<u>13,026</u>

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b>Trade accounts payable</b>				
Parent	206	-	206	-
Subsidiary	-	-	21,172	49,153
Jointly-controlled entity	250	249	333	332
Associate	11,612	4,003	11,564	3,954
Related parties under common control	4,331	673	3,607	50
Other related party	8,824	8,875	1,125	1,252
<b>Total</b>	<u>25,223</u>	<u>13,800</u>	<u>38,007</u>	<u>54,741</u>
 <b>Other payables</b>				
Subsidiaries	-	-	32,789	322,322
Associate	30	-	30	-
Related parties under common control	20	857	-	376
Other related parties	709	1,940	-	-
<b>Total</b>	<u>759</u>	<u>2,797</u>	<u>32,819</u>	<u>322,698</u>
 <b>Advances receipts from customers</b>				
Subsidiaries	-	-	385,612	511,945
Related party under common control	6	6	-	-
<b>Total</b>	<u>6</u>	<u>6</u>	<u>385,612</u>	<u>511,945</u>

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b>Accrued expenses</b>				
Subsidiary	-	-	5,717	-
Associate	-	1,978	-	1,978
Jointly-controlled entity	748	-	-	-
Related parties under common control	733	48	465	43
Other related parties	13,094	8,697	-	-
<b>Total</b>	<b>14,575</b>	<b>10,723</b>	<b>6,182</b>	<b>2,021</b>
<b>Other current liabilities</b>				
Subsidiary	-	-	12,695	2,466
Related parties under common control	160	160	160	160
<b>Total</b>	<b>160</b>	<b>160</b>	<b>12,855</b>	<b>2,626</b>
<b>Short-term loan from other related party</b>	<b>143,313</b>	<b>142,664</b>	<b>-</b>	<b>-</b>

As at 31 December 2014, the short-term loan from other related party bears interest at the rate of 2.75% - 3.11% per annum (2013: 2.74% - 3.10% per annum) and is repayable upon request.

Movements for the year ended 31 December 2014 and 2013 of short-term loan from other related party were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
At 1 January	142,664	133,177	-	-
Unrealised loss on exchange rate	649	9,487	-	-
<b>At 31 December</b>	<b>143,313</b>	<b>142,664</b>	<b>-</b>	<b>-</b>

#### **Key management personnel compensation**

Key management personnel compensation comprised:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b>For the year ended 31 December</b>				
Short-term benefits	68,463	72,883	68,463	72,883
Other long-term benefits				
- Current service costs, included in administrative expenses	2,013	1,938	2,013	1,938
- Interest on obligation, included in finance costs	591	497	591	497
- Share-based payment	4,461	1,363	4,461	1,363
<b>Total</b>	<b>75,528</b>	<b>76,681</b>	<b>75,528</b>	<b>76,681</b>

From time to time directors of the Group, or their related entities, may purchase goods from the Group. These purchases are on the same terms and conditions as those entered into by the Group with employees or customers.

### *Directors' remuneration*

The directors' remuneration represent monthly compensation, annual remuneration, and meeting fees. The directors' remuneration was approved by the shareholders of the Company at their annual general meetings. The directors' remuneration was presented as part of directors and management benefit expenses presented in the statement of income.

### *Significant agreements with related parties*

- a. The Company entered into an agreement with an associate, 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 17.80 million (2013: approximately Baht 29.67 million).
- b. The Company and subsidiary entered into agreements with subsidiaries, under which the Company and subsidiaries were committed to pay royalty fee at 1% of revenue from sale or lease of IPSTAR gateway, 1% of revenue from sale or lease of IPSTAR User terminal and 3% of revenue from sale or service of IPSTAR bandwidth.
- c. The Company entered into agreements with subsidiaries and associate, under which the Company was committed to provide transponder service, IPSTAR bandwidth service and advisory service. Subsidiaries and associate were committed to pay the Company for the service of the agreements at approximately USD 65.01 million and Baht 23.75 million (2013: approximately USD 81.16 million and Baht 31.25 million). The service fees of contracts vary to the actual used or number of installed user terminal at the rate stated in the contract.
- d. The Company had entered into agreements with a related party, under which the related party was committed to maintain accounting program service for a period of one year with an option to renew. The company was committed to pay for the service in respect of the agreements at approximately Baht 4.75 million (2013: approximately Baht 13.58 million).
- e. The Company entered into an agreement with an associate, under which the Company was committed to provide satellite uplink equipment. The associate was committed to pay for rental fee in respect of the agreements at approximately Baht 22.66 million. (2013: approximately Baht 37.76 million)
- f. The Company had entered into agreements with a subsidiary, under which a subsidiary was committed to provide broadcasting, television and telecommunication service. The company was committed to pay for the service in respect of the agreements at approximately USD 6,480 per channel/ per year.

## 7 Cash and Cash equivalents

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			
Cash on hand	24,128	31,312	627	1,675
Current accounts and saving deposits	1,247,790	1,269,305	442,640	340,183
Highly liquid short-term investments	1,293,016	851,641	-	398,212
<b>Total</b>	<b>2,564,934</b>	<b>2,152,258</b>	<b>443,267</b>	<b>740,070</b>
The weighted average interest rate of saving deposits and fixed deposits	<b>0.61%</b>	<b>0.83%</b>	<b>0.44%</b>	<b>0.41%</b>

## 8 Other investments

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
<b>Current investments</b>				
Short-term deposits at financial institutions	800,000	1,305,171	800,000	1,305,171
Equity securities available for sale	936,196	-	-	-
	<b>1,736,196</b>	<b>1,305,171</b>	<b>800,000</b>	<b>1,305,171</b>
<b>Other long-term investments</b>				
Equity securities available for sale	-	699,840	-	-
	-	<b>699,840</b>	-	-
<b>Total</b>	<b>1,736,196</b>	<b>2,005,011</b>	<b>800,000</b>	<b>1,305,171</b>

As of 31 December 2014, current investments have interest rates of 2.85% to 3.00% (2013: 0.30% to 3.45%) and mature within 1 year.

At the extra ordinary general meeting of Synertone held on 10 February 2014, the Shareholders passed a resolution to approve the bonus issue of shares on the basis of four bonus shares for every one existing share. IPSTAR International Company Limited got the bonus issue of 256 million shares.

At the annual general meeting of the shareholders of Synertone held on 21 August 2014, the shareholders passed a resolution to approve the final dividend of 0.16 cents per ordinary share for the year ended 31 March 2014. IPSTAR International Company Limited received the dividend amounting to HKD 0.51 million.

For the investment in Synertone of 64 million shares, the Company had agreed a lock-up period, in which the Company will not sell, transfer or enter into any agreement to transfer the shares, for the period of one year, starting from 16 October 2013 to 15 October 2014.

Movements during the years ended 31 December 2014 and 2013 of marketable equity securities available for sale was as follow:

	Consolidated financial statements	
	2014	2013
<i>(in thousand Baht)</i>		
<b>Other long-term investments</b>		
<b>Available-for-sale securities</b>		
At 1 January	699,840	-
Purchases during the year	-	129,014
Valuation adjustment	235,736	563,663
Unrealised gain on exchange rate	620	7,163
<b>At 31 December</b>	<b>936,196</b>	<b>699,840</b>

## 9 Trade and other accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
<i>Trade accounts receivable</i>					
Related parties	6	56,427	66,155	66,423	140,001
Other parties		1,020,422	1,027,753	542,734	548,965
<b>Total</b>		<b>1,076,849</b>	<b>1,093,908</b>	<b>609,157</b>	<b>688,966</b>
<i>Accrued income</i>					
Related parties	6	47,936	40,288	96,266	41,364
Other parties		444,017	261,856	414,213	257,994
<b>Total</b>		<b>491,953</b>	<b>302,144</b>	<b>510,479</b>	<b>299,358</b>
<i>Other accounts receivable</i>					
Prepaid expenses		115,282	219,573	45,216	160,687
Advance payments		54,572	145,641	25,463	92,062
Others		52,021	8,449	5,179	6,042
<b>Total</b>		<b>221,875</b>	<b>373,663</b>	<b>75,858</b>	<b>258,791</b>
<b>Total trade accounts receivable accrued income and other accounts receivable</b>		<b>1,790,677</b>	<b>1,769,715</b>	<b>1,195,494</b>	<b>1,247,115</b>
<i>Less allowance for doubtful accounts</i>		<i>(200,717)</i>	<i>(201,227)</i>	<i>(71,262)</i>	<i>(87,249)</i>
<b>Net</b>		<b>1,589,960</b>	<b>1,568,488</b>	<b>1,124,232</b>	<b>1,159,866</b>
<b>(Reversal of) bad and doubtful debts expenses for the year</b>		<b>1,192</b>	<b>(10,879)</b>	<b>(13,339)</b>	<b>(5,808)</b>

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Within credit terms	277,613	303,506	172,960	207,149
Overdue:				
Less than 3 months	409,916	401,126	245,369	251,943
3 - 6 months	162,268	174,595	62,971	71,486
6 - 12 months	46,679	21,039	27,037	27,909
Over 12 months	180,373	193,642	100,820	130,479
	<b>1,076,849</b>	<b>1,093,908</b>	<b>609,157</b>	<b>688,966</b>
<i>Less allowance for doubtful accounts</i>	<i>(200,717)</i>	<i>(201,227)</i>	<i>(71,262)</i>	<i>(87,249)</i>
<b>Net</b>	<b>876,132</b>	<b>892,681</b>	<b>537,895</b>	<b>601,717</b>

The normal credit terms granted by the Group range from 30 days to 60 days.



## 10 Inventories

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Raw material and supplies	66,088	63,328	51,039	48,223
Work in process	3,183	2,176	-	-
Finished goods	275,608	280,040	137,707	138,547
Goods in transit	9,984	2,765	9,983	2,765
	<b>354,863</b>	<b>348,309</b>	<b>198,729</b>	<b>189,535</b>
Less allowance for diminution in value	(129,589)	(96,768)	(43,235)	(53,852)
<b>Net</b>	<b>225,274</b>	<b>251,541</b>	<b>155,494</b>	<b>135,683</b>

## 11 Investments in subsidiaries, jointly-controlled entity and associate

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
At 1 January		487,493	455,549	2,046,930	1,803,272
Acquisition	11 c), f)	-	-	4,249	243,658
Share of net profits of equity - accounted associate		(63,078)	194,509	-	-
Dividend income	11 h)	(190,076)	(162,565)	-	-
<b>At 31 December</b>		<b>234,339</b>	<b>487,493</b>	<b>2,051,179</b>	<b>2,046,930</b>

Investments in subsidiaries, jointly-controlled entity and associate as at 31 December 2014 and 2013 and dividend income from those investments for the years ended 31 December 2014 and 2013 were as follows:

Consolidated financial statements										
	Ownership interest		Paid-up capital		Cost		Equity		Fair value of	Dividend
	2014	2013	2014	2013	2014	2013	2014	2013	listed securities	income
									2014	2013
	(in million Baht)									
Associates										
CS Loxinfo Public Company Limited	42.07	42.07	148	148	1,482	1,482	234	487	4,578	6,005
					<u>1,482</u>	<u>1,482</u>	<u>234</u>	<u>487</u>		
									190	163
									<u>190</u>	<u>163</u>

Separate financial statements												
	Ownership interest		Paid-up capital		Cost		Impairment		Cost - net of impairment		Dividend income	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
(in million Baht)												
<i>Subsidiaries</i>												
DTV Service Company Limited	99.99	99.99	Baht 399 million	Baht 399 million	399	399	-	-	399	399	-	-
Spacecode LLC	70.00	70.00	USD 4 million	USD 4 million	118	118	-	-	118	118	-	-
iPSTAR Company Limited	100.00	99.96	USD 2 million	USD 2 million	157	154	-	-	157	154	-	158
Star Nucleus Company Limited	100.00	100.00	-	-	-	-	-	-	-	-	-	-
IPSTAR International Pte Limited	100.00	100.00	SGD 20,000	SGD 20,000	1	1	-	-	1	1	-	-
IPSTAR Global Services Company Limited	100.00	100.00	USD 20,000	USD 20,000	1	1	-	-	1	1	91	-
Cambodian DTV Network Limited	100.00	100.00	USD 600,000	USD 600,000	21	21	-	-	21	21	-	-
IPSTAR Australia Pty Limited	100.00	100.00	AUD 6.95 million	AUD 6.95 million	971	971	-	-	971	971	114	229
TC Broadcasting Company Limited	99.99	99.99	Baht 0.25 million	Baht 0.25 million	-	-	-	-	-	-	-	-
IPSTAR Japan Company Limited	100.00	100.00	JPY 100 million	JPY 100 million	33	33	-	-	33	33	-	-
IPSTAR New Zealand Company Limited	100.00	100.00	NZD 8.51 million	NZD 8.51 million	211	211	-	-	211	211	25	-
International Satellite Company Limited	100.00	-	USD 50,000	-	2	-	-	-	2	-	-	-
<b>Total</b>					<b>1,914</b>	<b>1,909</b>	<b>-</b>	<b>-</b>	<b>1,914</b>	<b>1,909</b>	<b>230</b>	<b>387</b>
<i>Jointly-controlled entity</i>												
Shenington Investments Pte Limited	51.00	51.00	SGD 15 million	SGD 15 million	<b>138</b>	<b>138</b>	<b>-</b>	<b>-</b>	<b>138</b>	<b>138</b>	<b>-</b>	<b>-</b>

The following summarised financial information on associate company which has been accounted for using the equity method is not adjusted for the percentage of ownership held by the Group:

	Reporting date	Ownership (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Net profit (loss)
<i>(in million Baht)</i>											
<b>2014</b>											
CS Loxinfo Public Company Limited	31 December	42.07	921	974	1,895	(954)	(329)	(1,283)	3,045	(3,093)	(150)
<b>Total</b>			<b>921</b>	<b>974</b>	<b>1,895</b>	<b>(954)</b>	<b>(329)</b>	<b>(1,283)</b>	<b>3,045</b>	<b>(3,093)</b>	<b>(150)</b>
<b>2013</b>											
CS Loxinfo Public Company Limited	31 December	42.07	897	1,321	2,218	(773)	(231)	(1,004)	3,051	(2,466)	462
<b>Total</b>			<b>897</b>	<b>1,321</b>	<b>2,218</b>	<b>(773)</b>	<b>(231)</b>	<b>(1,004)</b>	<b>3,051</b>	<b>(2,466)</b>	<b>462</b>

The following summarised financial information on interests in jointly-controlled entity which has been proportionately consolidated in the consolidated financial statements represents the Group's share of 51% of the Shenington group.

	Reporting date	Ownership (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Net profit
<i>(in million Baht)</i>											
<b>2014</b>											
Group of Shenington Investments Pte Limited	31 December	51	310	1,685	1,995	(374)	(475)	(849)	1,082	(857)	154
<b>Total</b>			<b>310</b>	<b>1,685</b>	<b>1,995</b>	<b>(374)</b>	<b>(475)</b>	<b>(849)</b>	<b>1,082</b>	<b>(857)</b>	<b>154</b>
<b>2013</b>											
Group of Shenington Investments Pte Limited	31 December	51	268	1,565	1,833	(337)	(512)	(849)	882	(818)	24
<b>Total</b>			<b>268</b>	<b>1,565</b>	<b>1,833</b>	<b>(337)</b>	<b>(512)</b>	<b>(849)</b>	<b>882</b>	<b>(818)</b>	<b>24</b>

Significant movements in investments in subsidiaries, jointly controlled entity and an associate for the year ended 31 December 2014 were as follows:

### ***Subsidiaries***

- a) Acquisition of ordinary shares in Orion Satellite Systems Pty Limited (“OSS”) by IPSTAR Australia Pty Limited (“IPA”), a subsidiary of the Company*

On 7 February 2014, IPA had acquired 5.96 million ordinary shares of OSS from Orion Satellite Investment Limited, equivalent to 100% of registered share capital of OSS, totalling AUD 5.96 million.

- b) Dividend payment of IPSTAR Australia Pty Limited (“IPA”)*

At the Board of Directors’ meeting of IPA, on 31 March 2014, the Directors approved the appropriation of dividends from retained earnings as at 31 December 2013 of AUD 2 million. The dividend was paid to shareholder in April 2014.

At the Board of Directors’ meeting of IPA, on 5 December 2014, the directors approved the appropriation of interim dividend of AUD 2 million. The dividend was paid to shareholder in December 2014.

- c) Acquisition of additional ordinary shares in iPSTAR Company Limited (“IPST”)*

In June 2014, the Company acquired an additional 31,220 ordinary shares in IPST at USD 1 per share, equivalent to 0.02% of the paid-up share capital of IPST, at a total price of USD 31,220. As a result of this acquisition, the Company owns interest in IPST of 99.98%.

In August 2014, the Company acquired an additional 50,000 ordinary shares in IPST at USD 1 per share, equivalent to 0.02% of the paid-up share capital of IPST, at a total price of USD 50,000. As a result of this acquisition, the Company owns interest in IPST of 100%.

- d) Dividend payment of IPSTAR New Zealand Company Limited (“IPN”)*

At the Board of Directors’ meeting of IPN, on 10 November 2014, the Directors approved the appropriation of dividends from retained earnings as at 31 December 2013 of NZD 1 million. The dividend was paid to shareholder in December 2014.

- e) Dividend payment of IPSTAR Global Services Company Limited (“IPGS”)*

At the Board of Directors’ meeting of IPGS, on 5 November 2014, the Directors approved the appropriation of dividend of USD 2.8 million. The dividend was paid to shareholder in December 2014.

- f) The incorporation of International Satellite Company Limited (“ISC”)*

At the Board of Director’s meeting of the Company, on 18 September 2014, the Directors approved the incorporation of International Satellite Company Limited. The authorised share capital of ISC is USD 50,000, divided into 50,000 ordinary shares of USD 1 par value. The capital is fully paid up. The Company holds 50,000 shares, equivalent to 100% shareholding.

***Jointly-controlled entity******g) Dividend payment of Lao Telecommunications Company Limited (“LTC”)***

At the Annual General Meeting of the shareholders of LTC held on 29 January 2014, the shareholders approved the appropriation of dividend from 2013 operation of USD 15 million.

***Associate******h) Proposed dividend payment of CS Loxinfo Public Company Limited (“CSL”)***

At the annual general meeting of the shareholders of CSL held on 27 March 2014, the shareholders approved the appropriation of dividend of Baht 0.35 per share, amounting to Baht 208 million. The dividend was paid to shareholders on 22 April 2014.

At the meeting of the Board of Directors of CSL held on 7 August 2014, the directors approved the appropriation of interim dividend of Baht 0.41 per share, amounting to Baht 244 million. The dividend was paid to shareholders on 4 September 2014.

***i) Recognition impairment loss on goodwill of investment of Teleinfo Media Public Company Limited (“TMC”)***

The significantly declining trend of the print advertising industry has affected the operating results of Teleinfo Media Public Company Limited (“TMC”). As a consequence, CSL has assessed and recorded the impairment of goodwill in TMC in the expense of Baht 550 million for the year ended 31 December 2014.

Significant movements in investments in subsidiaries, jointly-controlled entity and an associate for the year ended 31 December 2013 were as follows:

***Subsidiaries******a) The incorporation of IPSTAR Japan Company Limited (“IPJ”)***

At the Board of Director’s meeting of the Company, on 10 May 2013, the Directors approved the incorporation of IPSTAR Japan Company Limited. The authorised share capital of IPJ is JPY 100,000,000, divided into 10,000 ordinary shares of JPY 10,000 par value. The capital is fully paid up. The Company holds 10,000 shares, equivalent to 100% shareholding.

***b) Dividend payment of IPSTAR Australia Pty Limited (“IPA”)***

At the Board of Directors’ meeting of IPA, on 28 June 2013, the Directors approved the appropriation of dividends from retained earnings as at 31 December 2012 of AUD 6 million. The dividend was paid to shareholder in October 2013.

At the Board of Directors’ meeting of IPA, on 30 September 2013, the Directors approved the appropriation of interim dividends totalling of AUD 1 million. The dividend was paid to shareholder in October 2013.

At the Board of Directors’ meeting of IPA, on 30 December 2013, the Directors approved the appropriation of interim dividends totalling of AUD 1 million.



c) *Dividend payment of IPSTAR Company Limited (“IPST”)*

At the Board of Directors’ meeting of IPST, on 2 September 2013, the Directors approved the appropriation of dividends from 2012 operation of USD 3 million. The dividend was paid to shareholder in September 2013

At the Board of Directors’ meeting of IPST, on 1 October 2013, the Directors approved the appropriation of dividends from 2012 operation of USD 2 million. The dividend was paid to shareholder in October 2013

d) *Acquisition of additional ordinary shares in IPSTAR New Zealand Company Limited (“IPNZ”)*

On 29 November 2013, the Company acquired 8.51 million ordinary shares of IPNZ from iPSTAR Co., Ltd., equivalent to 100% of registered share capital of IPNZ, at the price of USD 0.78 per share, totaling of USD 6.60 million. This acquisition has no impact on the consolidated financial statements of the Company. IPNZ has changed the status from an indirect subsidiary to a direct subsidiary of the Company.

***Jointly-controlled entity***

e) *Dividend payment of Lao Telecommunications Company Limited (“LTC”)*

At the annual general meeting of the shareholders of LTC, on 4 February 2013, the shareholders approved the appropriation of dividend from 2012 operation of USD 15 million. The dividend was paid to shareholders in the amount of USD 7.5 million.

***Associate***

f) *Proposed dividend payment of CS Loxinfo Public Company Limited (“CSL”)*

At the annual general meeting of the shareholders of CSL, on 28 March 2013, the shareholders approved the appropriation of dividend of Baht 0.30 per share, amounting to Baht 178 million. The dividend was paid to shareholders in April 2013.

At the Board of Directors’ meeting of CSL, on 8 August 2013, the directors passed a resolution to approve the interim dividends of Baht 0.35 per share, totaling Baht 208 million. The dividend was paid to shareholders in September 2013.

g) *Reduction of share capital of CS Loxinfo Public Company Limited (“CSL”)*

At the annual general meeting of the shareholders of CSL, on 28 March 2013, the shareholders approved a reduction of ordinary shares because the warrant of CSL for ESOP-Grant V expired on 30 May 2012, in number of 2,494,374 shares, equivalent to 0.42% of the total issued and paid-up share capital of CSL. CSL has registered the decreased share capital to the Ministry of Commerce on 11 April 2013.

***Commitments***

According to the joint venture agreement between the Group and the Government of the Lao People’s Democratic Republic, the Group must transfer all of LTC’s shares to the Government of the Lao People’s Democratic Republic, without any charges or compensation, on the expiration date of the joint venture agreement in 2021 (Note 34 b)).

## 12 Property and equipment

Consolidated financial statements					
	Leasehold land & building	Equipment	Motor vehicles & office equipment	Assets under construction	Total
<i>(in thousand Baht)</i>					
<b>Transactions during the year ended 31 December 2013</b>					
Opening net book value	288,327	1,892,831	133,812	64,610	2,379,580
Additions	18,171	289,142	47,202	2,658,020	3,012,535
Disposals, net	-	(997)	(873)	-	(1,870)
Write-offs, net	(1,359)	(7,564)	(77)	-	(9,000)
Transfers, net	3,880	81,902	5,074	(1,759,301)	(1,668,445)
Depreciation charges	(52,554)	(501,310)	(50,015)	-	(603,879)
Impairment loss	-	(6,731)	-	-	(6,731)
Foreign currency translation adjustment	(3,609)	54,999	2,349	7,207	60,946
<b>Closing net book value</b>	<b>252,856</b>	<b>1,802,272</b>	<b>137,472</b>	<b>970,536</b>	<b>3,163,136</b>
<b>As at 31 December 2013</b>					
Cost	561,169	5,860,232	461,785	970,536	7,853,722
Less accumulated depreciation	(308,313)	(4,038,875)	(324,313)	-	(4,671,501)
Less cumulative impairment loss	-	(19,085)	-	-	(19,085)
<b>Net book value</b>	<b>252,856</b>	<b>1,802,272</b>	<b>137,472</b>	<b>970,536</b>	<b>3,163,136</b>
<b>Transactions during the year ended 31 December 2014</b>					
Opening net book value	252,856	1,802,272	137,472	970,536	3,163,136
Additions	33,335	2,977,296	80,440	3,386,037	6,477,108
Acquisitions through business combinations	11,296	405	665	-	12,366
Disposals, net	-	(1,076)	(2,063)	-	(3,139)
Write-offs, net	(556)	(17,225)	(316)	-	(18,097)
Transfers, net	1,763	255,776	2,712	(160,598)	99,653
Depreciation charges	(57,543)	(478,655)	(52,986)	-	(589,184)
Impairment loss	-	(36,253)	-	-	(36,253)
Foreign currency translation adjustment	(6,162)	(6,535)	(573)	985	(12,285)
<b>Closing net book value</b>	<b>234,989</b>	<b>4,496,005</b>	<b>165,351</b>	<b>4,196,960</b>	<b>9,093,305</b>
<b>As at 31 December 2014</b>					
Cost	582,736	8,750,002	506,536	4,196,960	14,036,234
Less accumulated depreciation	(347,747)	(4,198,659)	(341,185)	-	(4,887,591)
Less cumulative impairment loss	-	(55,338)	-	-	(55,338)
<b>Net book value</b>	<b>234,989</b>	<b>4,496,005</b>	<b>165,351</b>	<b>4,196,960</b>	<b>9,093,305</b>

Consolidated financial statements					
	Leasehold land & building	Equipment	Motor vehicles & office equipment	Assets under construction	Total
<i>(in thousand Baht)</i>					
<b>Net book value</b>					
<b>At 1 January 2013</b>					
Owned assets	288,327	1,892,831	112,765	64,610	2,358,533
Assets under finance leases	-	-	21,047	-	21,047
	<b>288,327</b>	<b>1,892,831</b>	<b>133,812</b>	<b>64,610</b>	<b>2,379,580</b>
<b>At 31 December 2013 and 1 January 2014</b>					
Owned assets	252,856	1,802,272	113,338	970,536	3,139,002
Assets under finance leases	-	-	24,134	-	24,134
	<b>252,856</b>	<b>1,802,272</b>	<b>137,472</b>	<b>970,536</b>	<b>3,163,136</b>
<b>At 31 December 2014</b>					
Owned assets	234,989	4,496,005	138,010	4,196,960	9,065,964
Assets under finance leases	-	-	27,341	-	27,341
	<b>234,989</b>	<b>4,496,005</b>	<b>165,351</b>	<b>4,196,960</b>	<b>9,093,305</b>

The gross amount of the Group's fully depreciated property, and equipment that was still in use as at 31 December 2014 amounted to Baht 2,265.12 million (2013: Baht 2,193.00 million).

As at 31 December 2014 the accumulated impairment loss of Baht 55.34 million (2013: Baht 19.1 million) comprised an impairment loss for IPSTAR ground system of the Company amounting to Baht 42.94 million and an impairment loss for rural telephone network of another jointly-controlled entity amounting to Baht 12.4 million.

Separate financial statements					
	Leasehold land & building	Equipment	Motor vehicles & office equipment	Assets under construction	Total
<i>(in thousand Baht)</i>					
<b>Transactions during the year ended 31 December 2013</b>					
Opening net book value	27,905	621,908	53,157	-	702,970
Additions	11,420	271,779	27,422	2,428,814	2,739,435
Disposals, net	-	(15,258)	(445)	-	(15,703)
Write-offs, net	(5)	(6,002)	(36)	-	(6,043)
Transfers, net	-	(6,696)	-	(1,644,294)	(1,650,990)
Depreciation charges	(6,102)	(195,385)	(24,648)	-	(226,135)
Impairment loss	-	(6,731)	-	-	(6,731)
<b>Closing net book value</b>	<b>33,218</b>	<b>663,615</b>	<b>55,450</b>	<b>784,520</b>	<b>1,536,803</b>
<b>As at 31 December 2013</b>					
Cost	97,011	2,530,752	218,114	784,520	3,630,397
Less accumulated depreciation	(63,793)	(1,860,406)	(162,664)	-	(2,086,863)
Less cumulative impairment	-	(6,731)	-	-	(6,731)
<b>Net book value</b>	<b>33,218</b>	<b>663,615</b>	<b>55,450</b>	<b>784,520</b>	<b>1,536,803</b>

Separate financial statements					
	Leasehold land & building	Equipment	Motor vehicles & office equipment	Assets under construction	Total
<i>(in thousand Baht)</i>					
<b>Transactions during the year ended 31 December 2014</b>					
Opening net book value	33,218	663,615	55,450	784,520	1,536,803
Additions	25,609	2,887,922	26,819	3,007,616	5,947,666
Disposals, net	-	(218)	(1,303)	-	(1,521)
Write-offs, net	(194)	(17,224)	(42)	-	(17,460)
Transfers, net	-	(95,465)	-	257,918	162,453
Depreciation charges	(7,850)	(212,738)	(25,175)	-	(245,763)
Impairment loss	-	(36,253)	-	-	(36,253)
<b>Closing net book value</b>	<b>50,783</b>	<b>3,189,639</b>	<b>55,749</b>	<b>4,050,054</b>	<b>7,346,225</b>
<b>As at 31 December 2014</b>					
Cost	116,444	4,979,235	220,099	4,050,054	9,365,832
Less accumulated depreciation	(65,661)	(1,746,612)	(164,350)	-	(1,976,623)
Less cumulative impairment loss	-	(42,984)	-	-	(42,984)
<b>Net book value</b>	<b>50,783</b>	<b>3,189,639</b>	<b>55,749</b>	<b>4,050,054</b>	<b>7,346,225</b>
<b>Net book value At 1 January 2013</b>					
Owned assets	27,905	621,908	32,110	-	681,923
Assets under finance leases	-	-	21,047	-	21,047
	<b>27,905</b>	<b>621,908</b>	<b>53,157</b>	<b>-</b>	<b>702,970</b>
<b>At 31 December 2013 and 1 January 2014</b>					
Owned assets	33,218	663,615	31,316	784,520	1,512,669
Assets under finance leases	-	-	24,134	-	24,134
	<b>33,218</b>	<b>663,615</b>	<b>55,450</b>	<b>784,520</b>	<b>1,536,803</b>
<b>At 31 December 2014</b>					
Owned assets	50,783	3,189,639	28,408	4,050,054	7,318,884
Assets under finance leases	-	-	27,341	-	27,341
	<b>50,783</b>	<b>3,189,639</b>	<b>55,749</b>	<b>4,050,054</b>	<b>7,346,225</b>

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2014 amounted to Baht 1,274.39 million (2013: Baht 1,516.48 million).

Borrowing costs for the year ended 31 December 2014 in the amount of Baht 35.63 million, arising on financing specifically entered into for assets under construction.

As at 31 December 2014, property and equipment included a project in progress of Baht 4,050.05 million, relating to the Thaicom 8 project. The Company provides telecommunication services under licenses granted by the National Broadcasting and Telecommunications Commission (“NBTC”). The Thaicom 8 project will be expected to complete within 2016.

***Capital expenditure commitments***

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

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>Currency</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<i>(in thousand)</i>					
THAICOM 4 Project	USD	-	26	-	26
THAICOM 6 Project	USD	-	2,380	-	2,380
120°E Project	USD	-	81,757	-	81,757
THAICOM 8 Project	USD	30,777	-	30,777	-
Telephone network	USD	4,788	3,473	-	-
Total	USD	<u>35,565</u>	<u>87,636</u>	<u>30,777</u>	<u>84,163</u>
<b>Total equivalent to Thai Baht</b>		<b><u>1,176,949</u></b>	<b><u>2,887,541</u></b>	<b><u>1,019,125</u></b>	<b><u>2,773,113</u></b>

The Company signed a cooperation agreement to preserve the orbital location of 120 degrees East by cooperating investment with Asia Satellite Telecommunications Company Limited in the total amount of USD 82 million.

### 13 Intangible assets under operating agreement, deferred charges, and intangible assets

Consolidated financial statements					
	Intangible asset under operating agreement	Deferred charges	Goodwill	Other intangible assets	Total intangible assets
<i>(in thousand Baht)</i>					
<b>Transactions during the year ended 31 December 2013</b>					
Opening net book value	14,748,819	50,279	57,822	861,780	919,602
Additions	-	1,672	-	20,239	20,239
Transfers, net	1,645,817	-	-	-	-
Amortisation charges for the year	(1,352,708)	(17,314)	-	(103,758)	(103,758)
Foreign currency translation adjustment	-	-	-	4,851	4,851
<b>Closing net book value</b>	<b>15,041,928</b>	<b>34,637</b>	<b>57,822</b>	<b>783,112</b>	<b>840,934</b>
<b>As at 31 December 2013</b>					
Cost	26,059,991	654,352	57,822	1,596,107	1,653,929
Less accumulated amortisation	(11,018,063)	(619,715)	-	(812,995)	(812,995)
<b>Net book value</b>	<b>15,041,928</b>	<b>34,637</b>	<b>57,822</b>	<b>783,112</b>	<b>840,934</b>
<b>Transactions during the year ended 31 December 2014</b>					
Opening net book value	15,041,928	34,637	57,822	783,112	840,934
Additions	-	20,177	-	6,542	6,542
Acquisitions through business combinations	-	-	99,534	52,345	151,879
Write-offs, net	-	-	-	(456)	(456)
Transfers, net	172,270	-	-	-	-
Amortisation charges for the Year	(1,964,857)	(10,451)	-	(109,397)	(109,397)
Foreign currency translation adjustment	-	-	-	169	169
<b>Closing net book value</b>	<b>13,249,341</b>	<b>44,363</b>	<b>157,356</b>	<b>732,315</b>	<b>889,671</b>
<b>As at 31 December 2014</b>					
Cost	26,232,261	673,776	157,356	1,629,881	1,787,237
Less accumulated amortisation	(12,982,920)	(629,413)	-	(897,566)	(897,566)
<b>Net book value</b>	<b>13,249,341</b>	<b>44,363</b>	<b>157,356</b>	<b>732,315</b>	<b>889,671</b>
<b>Net book value</b>					
At 1 January 2013	14,748,819	50,279	57,822	861,780	919,602
At 31 December 2013 and 1 January 2014	15,041,928	34,637	57,822	783,112	840,934
At 31 December 2014	13,249,341	44,363	157,356	732,315	889,671



Separate financial statements			
	Intangible asset under operating agreement	Deferred charges	Intangible assets
<i>(in thousand Baht)</i>			
<b>Transactions during the year ended 31 December 2013</b>			
Opening net book value	14,748,819	49,527	783,132
Additions	-	2,212	14,068
Disposals, net	-	-	(52)
Transfers, net	1,645,817	-	-
Amortisation charges for the year	(1,352,708)	(16,839)	(92,017)
<b>Closing net book value</b>	<b>15,041,928</b>	<b>34,900</b>	<b>705,131</b>
<b>As at 31 December 2013</b>			
Cost	26,059,991	654,139	1,429,775
<i>Less</i> accumulated amortisation	(11,018,063)	(619,239)	(724,644)
<b>Net book value</b>	<b>15,041,928</b>	<b>34,900</b>	<b>705,131</b>
<b>Transactions during the year ended 31 December 2014</b>			
Opening net book value	15,041,928	34,900	705,131
Additions	-	20,177	6,509
Disposals, net	-	-	(208)
Transfers, net	172,270	-	-
Amortisation charges for the year	(1,964,857)	(10,386)	(96,171)
<b>Closing net book value</b>	<b>13,249,341</b>	<b>44,691</b>	<b>615,261</b>
<b>As at 31 December 2014</b>			
Cost	26,232,261	674,316	1,436,076
<i>Less</i> accumulated amortisation	(12,982,920)	(629,625)	(820,815)
<b>Net book value</b>	<b>13,249,341</b>	<b>44,691</b>	<b>615,261</b>
<i>Net book value</i>			
<b>At 1 January 2013</b>	<b>14,748,819</b>	<b>49,527</b>	<b>783,132</b>
<b>At 31 December 2013 and 1 January 2014</b>	<b>15,041,928</b>	<b>34,900</b>	<b>705,131</b>
<b>At 31 December 2014</b>	<b>13,249,341</b>	<b>44,691</b>	<b>615,261</b>

## 14 Deferred tax

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Deferred tax assets	254,417	503,843	121,229	361,067
<b>Net</b>	<b>254,417</b>	<b>503,843</b>	<b>121,229</b>	<b>361,067</b>

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 losses carried forward to offset future taxable income, which are not recognised in the consolidated financial statements as follows:

	2014	2013
	<i>(in thousand Baht)</i>	
<b>Year expired</b>		
2015	9,128	9,128
2016	24,369	24,369
2017	86,534	86,534
2018	36,603	-
<b>Total</b>	<b>156,634</b>	<b>120,031</b>

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

Consolidated financial statements (Charged)/credited to:					
	At 1 January 2014	Profit or loss (Note 29)	Other comprehensive income	Equity	At 31 December 2014
	<i>(in thousand Baht)</i>				
<b>Deferred tax assets</b>					
Loss carry forward	262,451	(238,551)	-	-	23,900
Allowance for doubtful accounts	4,979	646	(7)	-	5,618
Allowance for obsolete inventory	13,135	(1,947)	(89)	-	11,099
Deposits	41,964	1,002	-	-	42,966
Advance receipts from customers	136,620	(58,533)	(7,881)	-	70,206
Employee benefit	61,130	6,681	(728)	-	67,083
Others	(16,436)	47,881	2,100	-	33,545
<b>Total</b>	<b>503,843</b>	<b>(242,821)</b>	<b>(6,605)</b>	<b>-</b>	<b>254,417</b>

Consolidated financial statements					
(Charged)/credited to:					
	At 1 January 2013	Profit or loss (Note 29)	Other comprehensive income	Equity	At 31 December 2013
(in thousand Baht)					
<b>Deferred tax assets</b>					
Loss carry forward	460,434	(197,983)	-	-	262,451
Allowance for doubtful accounts	4,502	117	-	360	4,979
Allowance for obsolete inventory	13,375	(255)	-	15	13,135
Deposits	32,078	9,886	-	-	41,964
Advance receipts from customers	138,460	5,670	-	(7,510)	136,620
Employee benefit	53,221	7,529	-	380	61,130
Others	(25,027)	3,988	-	4,603	(16,436)
<b>Total</b>	<b>677,043</b>	<b>(171,048)</b>	<b>-</b>	<b>(2,152)</b>	<b>503,843</b>
Separate financial statements					
(Charged)/credited to:					
	At 1 January 2014	Profit or loss (Note 29)	Other comprehensive income	Equity	At 31 December 2014
(in thousand Baht)					
<b>Deferred tax assets</b>					
Loss carry forward	262,451	(238,551)	-	-	23,900
Allowance for obsolete inventory	10,770	(2,123)	-	-	8,647
Deposits	41,964	1,002	-	-	42,966
Employee benefit	36,293	3,521	-	-	39,814
Others	9,589	(3,687)	-	-	5,902
<b>Total</b>	<b>361,067</b>	<b>(239,838)</b>	<b>-</b>	<b>-</b>	<b>121,229</b>
Separate financial statements					
(Charged)/credited to:					
	At 1 January 2013	Profit or loss (Note 29)	Other comprehensive income	Equity	At 31 December 2013
(in thousand Baht)					
<b>Deferred tax assets</b>					
Loss carry forward	460,434	(197,983)	-	-	262,451
Allowance for obsolete inventory	11,580	(810)	-	-	10,770
Deposits	32,078	9,886	-	-	41,964
Employee benefit	31,089	5,204	-	-	36,293
Others	2,574	7,015	-	-	9,589
<b>Total</b>	<b>537,755</b>	<b>(176,688)</b>	<b>-</b>	<b>-</b>	<b>361,067</b>

## 15 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Withholding taxes receivable	655,202	575,461	651,056	571,678
Tax assessment's deposits	213,943	219,080	213,943	219,080
Others deposit	15,579	18,743	15,579	18,159
Advance payment for equipment	2,434	346,549	2,434	346,549
	887,158	1,159,833	883,012	1,155,466
Less accumulated impairment loss	(38,929)	(38,929)	(38,929)	(38,929)
<b>Total</b>	<b>848,229</b>	<b>1,120,904</b>	<b>844,083</b>	<b>1,116,537</b>

## 16 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b>Current</b>				
<i>Short-term loans</i>				
Short-term loans from financial institution	641,105	-	641,105	-
Total short-term loans	641,105	-	641,105	-
<i>Current portion of long-term borrowings</i>				
Loans from financial institutions	566,236	633,537	566,236	563,435
Loans from others	13,434	12,319	11,541	7,761
Total current portion of long-term borrowings	579,670	645,856	577,777	571,196
Current portion of long-term debentures	-	3,697,903	-	3,697,903
Total current interest –bearing liabilities	1,220,775	4,343,759	1,218,882	4,269,099
<b>Non-current</b>				
<i>Long-term borrowings</i>				
Loans from financial institutions	4,861,150	3,994,248	4,861,150	3,944,043
Loans from others	30,332	34,097	20,868	22,762
Total long-term borrowings	4,891,482	4,028,345	4,882,018	3,966,805
Long-term debentures	4,544,048	-	4,544,048	-
Total non-current interest –bearing liabilities	9,435,530	4,028,345	9,426,066	3,966,805
<b>Total</b>	<b>10,656,305</b>	<b>8,372,104</b>	<b>10,644,948</b>	<b>8,235,904</b>

### Long-term debentures

As at 31 December 2014, the Company has two tranches of Baht 2,275 million, with a par value of Baht 1,000 each, unsubordinated and unsecured with having registered and bond holders representative debentures as 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 2014 (in million Baht)
29 September 2014	2,275	2,275	4.28%	Semiannually	Entirely redeemed on 2 October 2019	2,275
29 September 2014	2,275	2,275	4.68%	Semiannually	Entirely redeemed on 2 October 2021	2,275
Total debentures						4,550
Less bond issuing cost						(6)
<b>Net</b>						<b>4,544</b>

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

The movements in the borrowing can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
<i>Note</i>	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
<b>For the year ended 31 December</b>				
Opening net book value	8,372,104	7,161,116	8,235,904	6,912,160
Proceeds from short-term borrowings	1,844,030	48,000	1,844,030	-
Proceeds from long-term borrowings, net of financial costs	6,007,642	1,043,767	6,007,642	1,043,767
Repayment of short-term borrowings	(1,202,925)	(48,000)	(1,202,925)	-
Repayment of long-term borrowings	(4,368,937)	(128,761)	(4,246,161)	(6,891)
Amortisation of finance costs	27 2,363	2,477	2,363	2,477
Loss on exchange rate	2,028	293,505	4,095	284,391
<b>Closing net book value</b>	<b>10,656,305</b>	<b>8,372,104</b>	<b>10,644,948</b>	<b>8,235,904</b>

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

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
Total borrowings:				
- at fixed rates	4,587,814	3,744,318	4,576,458	3,728,426
- at floating rates	6,068,491	4,627,786	6,068,490	4,507,478
<b>Total</b>	<b>10,656,305</b>	<b>8,372,104</b>	<b>10,644,948</b>	<b>8,235,904</b>

Weighted average interest rates:

- Loans	2.79%	2.85%	2.78%	2.83%
- Debentures	4.48%	6.15%	4.48%	6.15%

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 2014				
Loans	5,741,152	5,496,909	5,459,796	5,485,574
Debentures	4,544,048	4,693,457	4,544,048	4,693,457
As at 31 December 2013				
Loans	4,674,201	4,763,168	4,538,001	4,570,162
Debentures	3,697,903	3,733,532	3,697,903	3,733,532

The fair value of 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	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Later than 1 year but not later than 2 years	572,964	626,399	571,072	574,305
Later than 2 years but not later than 5 years	4,541,365	1,707,864	4,535,687	1,702,196
Later than 5 years	4,321,201	1,694,082	4,319,307	1,690,304
<b>Total</b>	<b>9,435,530</b>	<b>4,028,345</b>	<b>9,426,066</b>	<b>3,966,805</b>

### Credit facilities

As at 31 December 2014 available credit facilities for loans from local and overseas banks are Baht 1,703 million and USD 20.10 million (2013: Baht 1,718 million and USD 20 million).

### Facility agreement in relation to the financing of the Thaicom 6 and Thaicom 8 satellite project

The Company entered into a Loan Agreement with a local bank on 29 August 2011 for USD 137 million, for the purpose of the Thaicom 6 satellite project. The term of the loan is 10 years with the interest rate based on margins over the London Inter-Bank Offer Rate ("LIBOR"). The Company must comply with the conditions in the Loan Agreement in respect of maintaining certain financial ratios, guarantee, sale or transfer of assets and investment. In addition, the Company has the arrangement with local banks to refinance for adjust the condition in loan agreement within March 2016.

The Company entered into a Loan Agreement with local banks on 20 October 2014 for USD 105 million, for the purpose of the Thaicom 8 satellite project. The term of the loan is 10 years with the interest rate based on margins over the London Inter-Bank Offer Rate ("LIBOR"). The Company must comply with the conditions in the Loan Agreement in respect of maintaining certain financial ratios, guarantee, sale or transfer of assets and investment.

## 17 Trade and other accounts payable

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
<b>Trade accounts payable</b>					
- Related parties	6	25,223	13,800	38,007	54,741
- Other parties		268,314	203,243	115,028	114,346
<b>Total</b>		<b>293,537</b>	<b>217,043</b>	<b>153,035</b>	<b>169,087</b>
<b>Other accounts payable</b>					
- Accrued expenses		390,648	363,808	253,019	218,983
- Forward contracts		-	40,374	-	32,515
- Others		107,031	98,403	91,864	54,020
<b>Total</b>		<b>497,679</b>	<b>502,585</b>	<b>344,883</b>	<b>305,518</b>
<b>Total trade and other accounts payable</b>		<b>791,216</b>	<b>719,628</b>	<b>497,918</b>	<b>474,605</b>

## 18 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Short-term deposits from customers	24,935	19,839	25,082	20,920
Other taxes	103,914	49,992	45,840	41,285
Others	770	716	31	20
<b>Total</b>	<b>129,619</b>	<b>70,547</b>	<b>70,953</b>	<b>62,225</b>

## 19 Employee benefit obligation

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Present value of unfunded obligations	367,310	335,619	199,067	181,461
<b>Statement of financial position obligation</b>	<b>367,310</b>	<b>335,619</b>	<b>199,067</b>	<b>181,461</b>

Movement in the present value of the employee benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Employee benefit obligations at 1 January	335,619	287,320	181,461	155,443
Benefits paid by the plan	(12,786)	(2,542)	(9,966)	(151)
Current service costs and interest	44,722	42,490	27,339	25,933
Past service costs	243	248	233	236
Curtailment gain	-	(2,434)	-	-
(Gain) loss on exchange rate	(488)	10,537	-	-
<b>Employee benefit obligations at 31 December</b>	<b>367,310</b>	<b>335,619</b>	<b>199,067</b>	<b>181,461</b>

Expense recognised in profit or loss:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Current service costs of employee	31,870	31,131	20,345	19,907
Past service costs	243	248	233	236
Interest on obligation	12,852	11,359	6,994	6,026
<b>Total</b>	<b>44,965</b>	<b>42,738</b>	<b>27,572</b>	<b>26,169</b>

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(%)			
Discount rate	3.90	3.90	3.90	3.90
Future salary increases	8.00-15.00	8.00-15.00	8.00	8.00

## 20 Other non-current liabilities

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			
Long-term deposits from customers	237,739	235,474	225,009	225,245
Others	129,827	133,251	129,827	133,251
<b>Total</b>	<b>367,566</b>	<b>368,725</b>	<b>354,836</b>	<b>358,496</b>

## 21 Share capital and warrants

		2014		2013	
	<i>Par value</i>				
	<i>per share</i>	Number	Amount	Number	Amount
	<i>(Baht)</i>	<i>(thousand shares / thousand Baht)</i>			
<b>Authorised</b>					
At 1 January					
- ordinary shares	5	1,096,619	5,483,098	1,132,082	5,660,412
Reduction of shares	5	-	-	(36,145)	(180,724)
Increase of new shares	5	1,198	5,988	682	3,410
<b>At 31 December</b>					
- ordinary shares	5	<b>1,097,817</b>	<b>5,489,086</b>	<b>1,096,619</b>	<b>5,483,098</b>
<b>Issued and paid-up</b>					
At 1 January					
- ordinary shares	5	1,095,938	5,479,688	1,095,938	5,479,688
<b>At 31 December</b>					
- ordinary shares	5	<b>1,095,938</b>	<b>5,479,688</b>	<b>1,095,938</b>	<b>5,479,688</b>

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

### Issue of ordinary shares

At the annual general meeting of the shareholders of the Company held on 27 March 2014, a resolution was passed to approve the issuance of 1,197,700 ordinary shares at the par value of Baht 5 per share, in total of Baht 5,988,500 to reserve for the exercise of the warrant. The Company registered the increased share capital with the Ministry of Commerce on 21 April 2014.

### Share-based payment

#### a) Information of project

The issuance and offering of warrants to purchase ordinary shares to directors and employees of the Company and its subsidiaries. The warrants are offered directly to full-time employees who have qualifications according to the plan.

	Project I	Project II
Issued date:	28 March 2013	27 March 2014
Issued:	682,000 units	1,197,700 units
Exercise price:	23.266 Baht/Share	38.265 Baht/Share
Number of reserved shares:	682,000 shares	1,197,700 shares
Offer period:	5 years after first time to offered the warrant	5 years after first time to offered the warrant
Offer price per unit:	Baht 0 (zero Baht)	Baht 0 (zero Baht)
Exercise ratio:	One unit of warrant per one ordinary share	One unit of warrant per one ordinary share

Movements in the number of warrants outstanding are as follows:

	Opening balance 1 January 2014	Issue during the period	Return during the period	Transfer during the period	Closing Balance 31 December 2014
<i>(in thousand unit)</i>					
<b>ESOP - Grant I</b>					
Directors	382	-	-	(270)	112
Employees	300	-	(56)	270	514
<b>Total</b>	<b>682</b>	<b>-</b>	<b>(56)</b>	<b>-</b>	<b>626</b>
<b>ESOP - Grant II</b>					
Directors	-	167	-	-	167
Employees	-	976	-	-	976
<b>Total</b>	<b>-</b>	<b>1,143</b>	<b>-</b>	<b>-</b>	<b>1,143</b>
<b>Grand Total</b>	<b>682</b>	<b>1,143</b>	<b>(56)</b>	<b>-</b>	<b>1,769</b>

#### b) Fair value measurement

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

	Project I	Project II
Fair value at grant date	Baht 35.037	Baht 27.864
Share price at grant date	Baht 35.750	Baht 40.500
Exercise price	Baht 23.266	Baht 38.265
Expected volatility	55.392%	41.562%
Expected dividend	1.119%	1.111%
Risk-free interest rate	3.074%	3.082%

**Reconciliation of other reserve-shared-base payment:**

	<b>Consolidate financial statements</b>		<b>Separate financial statements</b>	
<i>For the year ended 31 December</i>	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
At 1 January	2,432	-	2,432	-
Total expense recognised during period in statement of income	7,037	2,432	7,037	2,432
Decrease during period	(171)	-	(171)	-
<b>At 31 December</b>	<b>9,298</b>	<b>2,432</b>	<b>9,298</b>	<b>2,432</b>

**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.

## 22 Reserves

Reserves comprise:

***Appropriations of profit and/or retained earnings*****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.

***Other components of equity*****Currency translation differences**

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

**Fair value changes in available-for-sale investments**

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

## 23 Other comprehensive income

The components of other comprehensive income are as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b><i>For the year ended 31 December</i></b>				
Foreign currency translation differences				
for foreign operations	(3,238)	87,607	-	-
Unrealised loss from increase in shareholding in a subsidiary	(2,612)	-	-	-
Net change in fair value of available-for sale investments	235,736	563,663	-	-
<b>Total other comprehensive income, net of tax</b>	<b>229,886</b>	<b>651,270</b>	<b>-</b>	<b>-</b>

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

Consolidated financial statements						
	Amount before tax	2014 Tax income (expense)	Net of tax	Amount before tax	2013 Tax income (expense)	Net of tax
(in thousand Baht)						
<b>For the year ended 31 December</b>						
Foreign currency translation differences for foreign operations	(3,238)	-	(3,238)	87,607	-	87,607
Unrealised loss from increase in shareholding in a subsidiary	(2,612)	-	(2,612)	-	-	-
Net change in fair value of available-for sale investments	235,736	-	235,736	563,663	-	563,663
<b>Total other comprehensive income</b>	<b>229,886</b>	<b>-</b>	<b>229,886</b>	<b>651,270</b>	<b>-</b>	<b>651,270</b>



## 24 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.

### ***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 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. Lao PDRs' main activities are sales and services relating to telephone network business and satellite business services. Australia, China, India and Japan activities are sales and services relating to satellite business.

The Group comprises the following main geographic segments:

- Segment 1 Thailand
- Segment 2 The Lao People's Democratic Republic.
- Segment 3 Australia
- Segment 4 India
- Segment 5 Japan
- Segment 6 Myanmar
- Segment 7 Others

	Satellite business services		Internet services and media		Telephone network		Consolidation eliminations		Total continuing operations		Discontinued operation		Consolidated financial statements	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	<i>(in million Bahr)</i>													
Revenues	8,784	6,964	216	204	1,076	825	(72)	(97)	10,004	7,896	-	41	10,004	7,937
Construction revenue under operating agreement	172	1,646	-	-	-	-	-	-	172	1,646	-	-	172	1,646
Shares of profits (loss) from associate	-	-	(63)	195	-	-	-	-	(63)	195	-	-	(63)	195
Cost of sales and services	(5,140)	(4,050)	(205)	(184)	(552)	(509)	45	48	(5,852)	(4,695)	-	(36)	(5,852)	(4,731)
Construction cost under operating agreement	(172)	(1,646)	-	-	-	-	-	-	(172)	(1,646)	-	-	(172)	(1,646)
Selling and administrative expenses	(1,462)	(1,338)	(139)	(69)	(291)	(247)	36	64	(1,856)	(1,590)	-	(55)	(1,856)	(1,645)
Segment results	2,182	1,576	(191)	146	233	69	9	15	2,233	1,806	-	(50)	2,233	1,756
Other income									140	196	-	-	140	196
Gain (loss) on foreign exchange									59	(270)	-	-	59	(270)
Reversal of loss from impairment asset									-	51	-	-	-	51
Profit (loss) before finance cost and income tax									2,432	1,783	-	(50)	2,432	1,733
Finance costs									(381)	(265)	-	(1)	(381)	(266)
Operating profit (loss)									2,051	1,518	-	(51)	2,051	1,467
Income tax									(450)	(339)	-	-	(450)	(339)
Non-controlling interests									-	-	-	-	-	-
<b>Net Profit (loss)</b>									<b>1,601</b>	<b>1,179</b>	<b>-</b>	<b>(51)</b>	<b>1,601</b>	<b>1,128</b>

	Satellite business services		Internet services and media		Telephone network		Consolidation eliminations		Consolidated financial statements	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<i>(in million Baht)</i>										
Segment assets	28,748	25,142	209	232	1,913	1,749	(272)	(378)	30,598	26,745
Loan to other related party	301	303	-	-	-	-	(158)	(161)	143	142
Associate	-	-	234	487	-	-	-	-	234	487
<b>Total assets</b>									<b>30,975</b>	<b>27,374</b>
Segment liabilities	2,707	2,870	115	154	527	381	(99)	(127)	3,250	3,278
Loan from other related party	-	-	-	-	292	291	(149)	(148)	143	143
Borrowings	10,645	8,236	-	45	11	91	-	-	10,656	8,372
<b>Total liabilities</b>									<b>14,049</b>	<b>11,793</b>

Revenue and results, based on geographical segments, in the consolidated financial statements for the years ended 31 December 2014 and 2013 were as follows:

	2014	2013
	<i>(in thousand Baht)</i>	
<b>Segment revenue</b>		
Thailand	4,657,641	3,551,941
Lao PDR	1,076,644	893,576
Australia	1,393,602	1,187,015
India	413,484	345,939
Japan	718,948	714,777
Myanmar	489,449	373,189
Others	1,254,288	829,421
<b>Total continuing operations</b>	<b>10,004,056</b>	<b>7,895,858</b>
Discontinued operation	-	41,166
<b>Total</b>	<b>10,004,056</b>	<b>7,937,024</b>

#### Major customer

For the year ended 31 December 2014 and 2013, the Group has no revenue transactions with a single external customer amount to 10 percent or more of the Group's revenues.

	2014	2013
	<i>(in thousand Baht)</i>	
<b>Segment results</b>		
Thailand	1,820,079	1,707,858
Lao PDR	266,568	142,227
Australia	603,694	281,681
India	(141,816)	(115,653)
Japan	368,421	339,663
Myanmar	102,043	114,706
Others	(786,550)	(664,778)
<b>Total continuing operations</b>	<b>2,232,439</b>	<b>1,805,704</b>
Discontinued operation	-	(49,314)
<b>Total</b>	<b>2,232,439</b>	<b>1,756,390</b>

Other non-current assets based on geographical segments in the consolidated financial statements as at 31 December 2014 and 2013 were as follows:

	2014	2013
	<i>(in thousand Baht)</i>	
<b>Other non-current assets</b>		
Thailand	22,273,890	18,780,602
Lao PDR	1,592,026	1,420,887
Australia	245,254	143,084
India	56,622	110,201
Japan	44,007	53,257
Myanmar	660	776
Others	146,789	880,065
<b>Total</b>	<b>24,359,248</b>	<b>21,388,872</b>

## 25 Revenues from sale of goods and rendering of services

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
<b>Continuing operation</b>				
Revenues from sale of goods	456,664	415,873	239,884	281,949
Revenues from rendering of services	9,547,392	7,479,985	6,749,740	5,461,164
<b>Total revenue from continuing operation</b>	<b>10,004,056</b>	<b>7,895,858</b>	<b>6,989,624</b>	<b>5,743,113</b>
Discontinued operation	-	41,166	-	-
<b>Total</b>	<b>10,004,056</b>	<b>7,937,024</b>	<b>6,989,624</b>	<b>5,743,113</b>

## 26 Other income

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
<i>(in thousand Baht)</i>					
<b>Continuing operation</b>					
Consulting and management fees		-	-	128,010	103,789
Dividend income	11 b), d), e)	-	-	230,351	387,081
Interest income		70,817	41,310	65,724	33,583
Gain (loss) on sale of equipment		(25)	2,608	3,218	8,016
Compensation from customers		31,419	104,429	-	104,429
Others		38,156	47,412	11,653	17,352
<b>Total other income from continuing operation</b>		<b>140,367</b>	<b>195,759</b>	<b>438,956</b>	<b>654,250</b>
Discontinued operation		-	62	-	-
<b>Total</b>		<b>140,367</b>	<b>195,821</b>	<b>438,956</b>	<b>654,250</b>

## 27 Expenses by nature

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
<b>Continued operation</b>				
Depreciation of property and equipment	589,184	603,880	245,763	226,136
Amortisation of intangible assets under the agreements for operations, deferred charges and intangible assets	2,084,705	1,473,781	2,071,414	1,461,564
Amortisation of finance costs	2,363	2,477	2,363	2,477
Staff costs	1,366,509	1,247,093	892,331	856,143
<b>Discontinued operation</b>				
Staff costs	-	8,459	-	-

## 28 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.

## 29 Income tax expense

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2014	2013	2014	2013
<i>(in thousand Baht)</i>					
<b>Income tax expense from continuing</b>					
<b>Current tax expense</b>		(207,158)	(167,806)	-	-
<b>Deferred tax expense</b>					
Movement in temporary differences	<i>14</i>	(242,821)	(171,048)	(239,838)	(176,688)
<b>Total</b>		<b>(449,979)</b>	<b>(338,854)</b>	<b>(239,838)</b>	<b>(176,688)</b>
<b>Total income tax expense from continuing operations</b>					
		<b>(449,979)</b>	<b>(338,854)</b>	<b>(239,838)</b>	<b>(176,688)</b>
Income tax from discontinued operation		-	(176)	-	-
<b>Total income tax expense</b>		<b>(449,979)</b>	<b>(339,030)</b>	<b>(239,838)</b>	<b>(176,688)</b>

### Reconciliation of effective tax rate

	Consolidated financial statements			
	2014		2013	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit for the year		1,600,884		1,178,763
Total income tax expense		449,979		338,854
Profit before total income tax expense		2,050,863		1,517,617
Income tax using the Thai corporation tax rate	20	(410,173)	20	(303,523)
Income tax reduction - deferred		(3,612)		-
Effect of different tax rates in foreign jurisdictions		(32,982)		(75,403)
Income not subject to tax		84,099		78,319
Effect of the income recognised in different periods for account and tax purposes		(1,002)		(9,886)
Expenses not deductible for tax purposes and expense recognised in different periods for accounting and tax purposes		(67,613)		(37,664)
Recognition of previously unrecognised tax losses		(4,978)		16,392
Current year losses for which no deferred tax asset was recognised		(13,718)		(7,089)
<b>Total</b>	<b>22</b>	<b>(449,979)</b>	<b>22</b>	<b>(338,854)</b>



	Separate financial statements			
	2014		2013	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit for the year		1,018,355		801,688
Total income tax expense		239,838		176,688
Profit before total income tax expense		1,258,193		978,376
Income tax using the Thai corporation tax rate	20	(251,638)	20	(195,675)
Income tax reduction - deferred		2,515		-
Income not subject to tax		46,083		45,805
Effect of the income recognised in different periods for account and tax purposes		(1,002)		(9,886)
Effect of the non-deductible tax expense and expense recognised in different periods for accounting and tax purposes		(35,796)		(16,932)
<b>Total</b>	<b>19</b>	<b>(239,838)</b>	<b>18</b>	<b>(176,688)</b>

#### *Income tax reduction*

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants an order to maintain the corporate income tax rate at 20% for the accounting period which begins on or after 1 January 2015 until 31 December 2015.

Referred to FAP's clarification on changing of corporate income taxes rate, FAP had view that substantial enacted of corporate income tax for the period later than 2012 was 20%.

## 30 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 THAICOM 4 satellite project to customers outside Thailand. Promotion privileges include exemption from corporate income tax for a period of 8 years, 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 2014 the Company has revenue from promoted business of Baht 1,517 million (2013: Baht 1,494 million).

### 31 Earnings per share

**Basic earnings per share**

The calculations of basic earnings per share for the years ended 31 December 2014 and 2013 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements			Separate financial statements								
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total			
	<i>(in thousand Baht /thousand shares)</i>											
Profit (loss) for the year	1,600,884	-	1,600,884	1,178,763	(51,141)	1,127,622	1,018,355	-	1,018,355	801,688	-	801,688
Profit (loss) attributable to ordinary shareholders of the Company (basic)	1,600,884	-	1,600,884	1,178,763	(51,141)	1,127,622	1,018,355	-	1,018,355	801,688	-	801,688
Number of ordinary shares outstanding	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938
Earnings (loss) per share (basic) <i>(in Baht)</i>	1.46	-	1.46	1.08	(0.05)	1.03	0.93	-	0.93	0.73	-	0.73

*Diluted earnings per share*

The calculations of diluted earnings per share for the years ended 31 December 2014 and 2013 were based on the profit for the years attributable to ordinary shareholders of the Company and the 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						
	Continuing operations	2014 Discontinued operation	Total	Continuing operations	2013 Discontinued operation	Total	Continuing operations	2014 Discontinued operation	Total	Continuing operations	2013 Discontinued operation	Total
						(in thousand Baht /thousand shares)						
Profit (loss) for the period	1,600,884	-	1,600,884	1,178,763	(51,141)	1,127,622	1,018,355	-	1,018,355	801,688	-	801,688
Profit (loss) attributable to ordinary shareholders of the Company (diluted)	<u>1,600,884</u>	-	<u>1,600,884</u>	<u>1,178,763</u>	<u>(51,141)</u>	<u>1,127,622</u>	<u>1,018,355</u>	-	<u>1,018,355</u>	<u>801,688</u>	-	<u>801,688</u>
Weighted average number of ordinary shares outstanding (basic)	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938
Effect of exercise of shares options	285	285	285	231	231	231	285	285	285	231	231	231
Weighted average number of ordinary shares outstanding (diluted)	<u>1,096,223</u>	<u>1,096,223</u>	<u>1,096,223</u>	<u>1,096,169</u>	<u>1,096,169</u>	<u>1,096,169</u>	<u>1,096,223</u>	<u>1,096,223</u>	<u>1,096,223</u>	<u>1,096,169</u>	<u>1,096,169</u>	<u>1,096,169</u>
Earnings (loss) per share (diluted) (in Baht)	1.46	-	1.46	1.08	(0.05)	1.03	0.93	-	0.93	0.73	-	0.73

## 32 Dividends

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At the annual general meeting of the shareholders of the Company held on 27 March 2014, the shareholders approved the appropriation of dividend of Baht 0.45 per share, amounting to Baht 493 million. The dividend was paid to shareholders on 23 April 2014.

At the annual general meeting of the shareholders of the Company held on 28 March 2013, the shareholders approved the appropriation of dividend of Baht 0.40 per share, amounting to Baht 438 million. The dividend was paid to shareholders on 24 April 2013.

## 33 Financial instruments

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### *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.

### *Capital management*

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

### *Foreign currency risk*

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

At 31 December 2014 and 2013, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

<b>Consolidated financial statements</b>				
	<b>2014</b>		<b>2013</b>	
	Foreign currency	Baht	Foreign currency	Baht
	<i>(in million)</i>			
<b>Assets</b>				
US Dollars	21.79	715.52	35.45	1,152.02
India Rupee	429.47	207.48	427.91	211.81
Japanese Yen	-	-	114.57	35.87
New Zealand Dollars	1.96	50.67	1.78	47.93
Total		973.67		1,447.63
<b>Liabilities</b>				
US Dollars	209.94	6,951.34	166.26	5,477.15
Singapore Dollars	0.06	1.60	0.03	0.72
India Rupee	239.36	131.31	236.33	133.08
New Zealand Dollars	0.59	15.28	0.28	7.66
Total		7,099.53		5,618.61

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, including finding short term credit facility from various banks for reserve in case of necessary and to mitigate the effects of fluctuations in cash flows.

### ***Determination of 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 16.

## 34 Commitments with non-related parties

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### 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 and Communication 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 2014, the remaining minimum fee is Baht 550 million (2013: Baht 618 million). In addition, the Company, according to the aforementioned agreement, must transfer its ownership of all satellites, and monitoring stations and other operating equipments to MICT on the date of completion of construction and installation.

### b) Shareholder agreement

Lao Telecommunications Company Limited (“LTC”) is a joint venture, which was established under the terms of a Joint Venture Contract dated 8 October 1996, signed by the Government of the Lao People’s Democratic Republic and Shin Corporation Public Company Limited.(formerly named Shinawatra Computer and Communications Public Company Limited), According to the aforementioned Joint Venture Contract, LTC has the right to provide telecommunication services - fixed line phone, mobile phone, international facilities, internet and paging - within the Lao PDR for 25 years. Currently, Shenington Investments Pte Company Limited, which is a jointly-controlled entity of the Company, owns 49% of LTC’s registered shares. After the end of the 20th year, in 2016, the Government of the Lao People’s Democratic Republic (LAOGOV) shall have the right to consider purchasing all LTC’s shares at a market price. And after the end of 23rd year, in 2019, the Group has a right to submit a proposal to LAOGOV to consider the extension of the term of agreement. Otherwise at the end of the 25th year, in 2021, the Group has to transfer all of LTC’s shares to the Government of the Lao People’s Democratic Republic without any charges (Note 11). 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 2014, LTC has remaining additional investment of approximately USD 36.79 million (31 December 2013: USD 71.54 million).

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

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



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

Type of license	Issued Date	Period
<b>License of the Company</b>		
Telecom Operation License Type I	16 August 2011	5 years
Telecom Operation License Type III	26 June 2012	20 years
<b>License of DTV Service Company Limited</b>		
Broadcasting Operation License	21 January 2013	15 years
Broadcasting Operation License (Lao Star)	28 January 2014	2 years
Broadcasting Operation License (D-Channel)	28 January 2014	2 years
Broadcasting Operation License (TV Lao)	24 November 2014	1 year
<b>License of TC Broadcasting Company Limited</b>		
Broadcasting Operation License	4 March 2013	15 years
<b>Licenses of CS Loxinfo Public Company Limited</b>		
Internet Operation License Type I	8 September 2014	5 years
Telecom Operation License Type I	11 October 2014	5 years
Internet Operation License Type II	26 April 2012	5 years
Telecom Operation License Type III	20 December 2007	15 years

#### Revenue of the Company under the NBTC’s regulation

Revenue from rendering of services and equipment rentals of the Company for the year ended 31 December 2014 and 2013 was classified as follows:

	Separate financial statements	
	2014	2013
	<i>(in thousand Baht)</i>	
Telecom Operation License Type I	-	1,196
Telecom Operation License Type III	6,398	-
Other service income	6,983,226	5,741,917
<b>Total</b>	<b>6,989,624</b>	<b>5,743,113</b>

#### d) Obligation under “Financing and Project Agreement”

Lao Telecommunications Company Limited (“LTC”) entered into a “Financing and Project Agreement” with the government of the Lao People’s Democratic Republic (“government”) and an organisation in Germany (KfW, Frankfurt am Main) on 25 October 2004 of an amount not exceeding Euro 6.5 million (approximately Baht 260.34 million) for the procurement and installation of Phase IV, V and VI of a rural telecommunication network. Under the agreement, the ownership of network assets will be transferred to LTC through loan at 30% of the network assets’ value excluding consulting services project and interest rate of loan 1% to 4% per annum, respectively. As at 31 December 2014 and 31 December 2013, LTC has recognised the network assets relating to Phase IV, V and VI and the related portion of the loan in the amount of Kip 57.85 billion (approximately Baht 237.20 million) and has paid loan repayment for the loan in the amount of Kip 46.79 billion (approximately Baht 191.84 million).

e) **Obligation from shares buy back options**

On 23 October 2003, the Company and Codespace Inc. entered into a “Memorandum of Agreement”, which provides Codespace Inc. an option to sell 2.2 million shares of iPSTAR Co., Ltd. to the Company, with the condition that the Company has the first option to purchase these shares. If the offered price per share is greater than the higher of USD 1 or fair market value at offering date, the Company has the right to refuse. If the offered price per share is equal to the higher of USD 1 or fair market value at offering date, the Company has to purchase those shares from Codespace Inc. As of 31 December 2014, The Company has no obligation to purchase those shares back from Codespace Inc. because they were purchased in fully amount (2013: remaining amount 0.08 million shares).

f) **Operating lease commitments**

As at 31 December 2014 and 2013, the Group has future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		Consolidated financial statements		Separate financial statements	
Currency		2014	2013	2014	2013
<i>(in thousands)</i>					
Within one year	THB	18,690	21,919	18,690	21,919
	YEN	5,443	5,717	-	-
	USD	5,008	7,342	4,999	7,307
	Rupee	4,170	801	4,170	801
	Rupiah	39,461	56,461	39,461	56,461
	Ringgit	70	132	70	132
	PHP	306	1,194	306	1,194
	CNY	183	733	183	733
	KIP	620,419	301,480	-	-
	AUD	149	307	-	-
	NZD	307	164	-	-
Total equivalent Baht		204,798	286,582	188,491	269,526
After one year but within five years	THB	28,090	30,185	28,090	30,185
	YEN	4,564	13,448	-	-
	USD	7,820	12,076	7,820	12,043
	Rupee	4,865	-	4,865	-
	Ringgit	-	66	-	66
	PHP	-	60	-	60
	CNY	-	183	-	183
	KIP	496,824	432,636	-	-
	AUD	123	331	-	-
	NZD	204	819	-	-
Total equivalent Baht		301,653	467,023	289,689	428,631
After five years	THB	5,933	5,933	5,933	5,933
	USD	914	2,183	914	2,183
	YEN	-	2,000	-	-
	KIP	272,639	302,513	-	-
Total equivalent Baht		37,287	79,728	36,196	77,856
<b>Grand total equivalent Baht</b>		<b>543,738</b>	<b>833,333</b>	<b>514,376</b>	<b>776,013</b>

**g) Other commitments**

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

	Currency	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
(in thousands)					
Minimum operating agreement fee payable to Ministry of Information Communication and Technology	THB	47,333	44,667	47,333	44,667
IPSTAR equipment sales	USD	152	144	152	144
	THB	1,009	860	1,009	860
Satellite space leasing by customers	USD	3,617	2,249	3,617	2,249
	THB	448,861	433,750	448,861	433,750
	AUD	5,000	5,000	-	-
Others	THB	3,322	3,332	3,322	3,322

## 35 Contingent liabilities

### Assessment for income tax in India

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

The Tax Authority still insists on its consideration and has raised the tax demand including surcharge, education excess and interest aggregating to Rs. 829.2 million (approximately Baht 428 million) against the said payment received by it from the customers and also levied penalty of Rs. 566.1 million (approximately Baht 292 million) for the Assessment Year ('AY') 1998-1999 to 2010-2011 (1 April 1997 to 30 March 2010).

So far, the Company had received Withholding Tax Certificates ('WTC') from its customers until Assessment Year ('AY') 2009-2010 net amounting to Rs. 498.4 million (approximately Baht 257 million), in which part of the amount is substituted and paid by the customer on behalf of the Company. The Company had also deposited Rs. 460.2 million (approximately Baht 237 million). The deposit is presented as non-current assets in the statements of financial position.

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

As the consequence, the Company does not have to pay interest and penalty imposed by the Revenue Department of India, and ITAT also decided that the demand for penalty for the assessment year 1998-1999, 1999-2000, 2000-2001, 2001-2002 and 2002-2003 made by the Revenue Department of India against the Company be cancelled. The Revenue Department of India did not appeal against the ITAT's decision on penalty for the said assessment years to the High Court of Delhi and the ITAT's decision on penalty was final. On 30 December 2011, the Tax authority notified the partial return of deposit placed by the Company against the penalty for the Assessment Year ('AY') 1998-1999 to 2001-2002 and interest, aggregating to Rs. 162.4 million (approximately Baht 84 million.)

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

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

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

## 36 Other events

- a) According to the judgment of the Supreme Court, Criminal Division for Persons Holding Political Positions rendered on 26 February 2010, concerns the Company and its affiliated companies in many aspects. The Company is of the opinion that the consequence of the judgment is limited to the holding that some property of the person holding political position was improperly acquired by an abuse of power while being in a political position. The judgment does not contain any order indicating that the Company or its affiliated companies shall take any actions as the Company is not involved to the case. The Company and its affiliated companies have been operating to the best of its ability in accordance with the law and the agreements and in good faith. The Company and its affiliated companies have every right available under the law and agreements to provide the facts to prove its innocence and good faith in any proceeding which may be initiated by the relevant government agencies in accordance with the law and justice.
- b) On 19 April 2007, Mr. Supong Limthanakul brought legal actions against the National Telecommunications Commission ("NTC"), the office of the NTC and the Ministry of Information and Communication Technology ("MICT") in the Central Administrative Court ("CAC") on the ground that the three state agencies neglected to perform their duties in overseeing whether the Company has been carrying on its telecommunications business lawfully after the sale of Shin Corporation Public Company Limited's shares to the new shareholder.

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

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

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.

### 37 Events after the reporting period

#### a) *Proposed dividend payment of the Company*

At the Board of directors' meeting of the Company held on 11 February 2015, the directors passed a resolution to approve the appropriation of dividend of Baht 0.65 per share, amounting to Baht 712 million. The proposed dividends must be approved by the shareholders at their meeting.

#### b) *Dividend declaration of Lao Telecommunications Company Limited ('LTC')*

At the annual general meeting of the shareholders of LTC held on 9 February 2015, the shareholders approved the appropriation of dividend from 2014 operation of USD 18 million.

#### c) *Proposed dividend payment of CS Loxinfo Public Company Limited ('CSL')*

At the meeting of the Board of Directors of CSL held on 10 February 2015, the directors approved the appropriation of dividend of Baht 0.16 per share, amounting to Baht 95.12 million. The proposed dividend must be approved by the shareholders at their meeting.

### 38 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the new and revised TFRS as of the reporting date but are not yet effective. Those interpretations that may be applicable to the Group, which become effective for the financial report on or after 1 January 2015 are as follows:

<b>TFRS</b>	<b>Topic</b>
TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventory
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events After The Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue Recognition
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings Per Share
TAS 34 (revised 2014)	Interim Financial Reports

<b>TFRS</b>	<b>Topic</b>
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 4 (revised 2014)	Insurance Contracts
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
TSIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases - Incentives
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs
TFRIC 1(revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

The Group has made a preliminary assessment of the potential impact on the financial statements of those interpretations issued in the period of initial application. Those new and revised TFRS are as follows:

#### ***TFRS 10 Consolidated Financial Statements***

TFRS 10 introduces a single control model to determine whether an investee should be consolidated. As a result, the Group may need to change its consolidation conclusion in respect of its investees, which may lead to changes in the current accounting for these investees.

The Group will adopt TFRS 10 with effect from 1 January 2015. The effects of the change will be recognised retrospectively in the financial statements. The impact to the Group regarding to a single control model is under assessment.

### ***TFRS 11 Joint Arrangements***

Under TFRS 11, once the arrangement has been determined to be a joint venture, the Group must recognise an investment and account for it using the equity method. Note that the previous option under TAS 31 (Revised 2012) *Interests in Joint Ventures* to proportionately consolidate the investee is no longer available.

The Group will adopt TFRS 11 with effect from 1 January 2015. The effects of the change will be recognised retrospectively in the financial statements. The impact to the Group regarding to a change in recognition and accounting for is under assessment.

### ***TFRS 12 Disclosure of Interests in Other Entities***

TFRS 12 brings all the disclosure requirements about the Group's interests in its subsidiaries, joint arrangements, associates and unconsolidated structured companies together into a single standard. TFRS 12 requires the disclosure of information about the nature, risks and financial effects of these interests.

The Group will adopt TFRS 12 with effect from 1 January 2015 onwards.

## **39 Reclassification of accounts**

Certain accounts in the 2013 financial statements have been reclassified to conform to the presentation in the 2014 financial statements.

	2013					
	Consolidated financial statements			Separate financial statements		
	Before reclass	Reclass	After reclass	Before reclass	Reclass	After reclass
<i>(in thousand Baht)</i>						
<b><i>Statement of financial position</i></b>						
Trade and other accounts receivable	1,421,956	146,532	1,568,488	1,025,435	134,431	1,159,866
Amount due from related parties	20,033	8,614	28,647	200,736	17,653	218,389
Prepaid insurance	97,887	(97,887)	-	94,825	(94,825)	-
Deferred charges	91,896	(57,259)	34,637	92,159	(57,259)	34,900
Accounts payable - property and equipment	547,709	(434,932)	112,777	542,222	(434,932)	89,290
Long-term accounts payable - property and equipment	-	434,932	434,932	-	434,932	434,932
		<u>-</u>			<u>-</u>	



	2013					
	Consolidated financial statements			Separate financial statements		
	Before reclass	Reclass	After reclass	Before reclass	Reclass	After reclass
	<i>(in thousand Baht)</i>					
<b>Statements of cash flows</b>						
Amortisation of deferred charges	27,421	(10,107)	17,314	26,945	(10,106)	16,839
Prepaid insurance	(60,821)	60,821	-	(61,405)	61,405	-
Trade and other accounts receivable	(219,437)	(78,670)	(298,107)	(134,137)	(79,254)	(213,391)
<b>Cash flows from operating activities</b>	<b>3,952,342</b>	<b>(27,955)</b>	<b>3,924,387</b>	<b>3,207,274</b>	<b>(27,956)</b>	<b>3,179,318</b>
Payments for deferred charges	(29,628)	27,956	(1,672)	(30,168)	27,956	(2,212)
<b>Cash flows from investing activities</b>	<b>(4,088,605)</b>	<b>27,956</b>	<b>(4,060,649)</b>	<b>(3,500,466)</b>	<b>27,956</b>	<b>(3,472,510)</b>

# 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 stand-alone net profits, and shall not exceed the retained earnings as shown in the Company's Financial Statement. However, the dividend payment shall not materially affect our investment plans and operations, and depends on cash flows as well as any other future obligations of Company and subsidiaries and any obligations with the financial institutions.

## b. Dividend policy of the subsidiaries and associated companies

The company's subsidiaries and associated companies have dividend policies in line with that of the company. The Board of Directors of the Company and those of its subsidiaries and associated companies will consider and propose dividend payments to shareholders for approval, subject to their investment plans and financial needs or unless the payment of dividends would materially affect their operations.

# Glossary

## 3G

Third-generation, up-and-coming digital wireless technology delivers high-speed data, voice, audio, and video through cellular networks.

## 4G

Fourth-generation, up-and-coming digital wireless technology delivers higher-speed (4-10 times of 3G) data, voice, audio, and video through cellular networks.

## Analog

A variable signal continuous in both time and amplitude.

## Backhaul

Transporting traffic between distributed sites (typically access points) and more centralized points of presence.

## 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.

## 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.

## 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.

## CCTV

Closed-circuit television

## Code Division Multiple Access (CDMA)

A digital cellular technology that uses spread-spectrum techniques. Individual conversations are encoded with a pseudo-random digital sequence. CDMA allows more subscribers to connect at any given time.

## 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.

## 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.

## 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".

## Femto Cell

A device used to improve mobile network coverage in small areas. Femto cells connect locally to mobile phones and similar devices through their normal GSM, CDMA, or UMTS connections, and then route the connections over a broadband internet connection back to the carrier, bypassing the normal cell towers that are arrayed across the countryside.

### Fiber Optics

A technology that uses glass (or plastic) threads (fibers) to transmit data.

### Free-to-Air

A term used to describe television (TV) and radio broadcasts which are broadcast unencrypted and may therefore be picked up via any suitable receiver.

### 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).

### 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.

### High Throughput Satellite (HTS)

Broadband satellite

### 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.

### 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.

### Ka-band

The frequency range from 18-31 GHz covers a very small footprint. 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.

### 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.

### 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.

### 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 open 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.

### 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.

### Universal Service Obligation (USO)

The practice of providing a baseline level of telecommunication services to every resident of a country.

### Uplink

The act of transmitting a signal up to a satellite. The communications satellite is act as a repeater to a ground station.

### 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.

### WiFi

A broadband transmission system that transmits over the air at frequencies of 2.4 GHz or 5GHz. 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. WiMAX may reach three miles or more. With new chips WiMAX may be accessed by cell phones and laptops.

## Other Reference Persons

### Ordinary Share Registrar

**Thailand Securities Depository Company Limited (TSD)**

The Stock Exchange of Thailand Building  
62 Ratchadapisek Road, Khlong Toei District,  
Bangkok 10110 , Thailand  
Tel : (66) 2229 2800  
Fax : (66) 2359 1259  
[www.tsd.co.th](http://www.tsd.co.th)

### Debenture Registrar

**TMB Bank Public Company Limited**

3000 Phahonyothin Road, Chatuchak District,  
Bangkok 10900, Thailand  
Tel : (66) 2299 1111  
Fax : (66) 2617 9111  
[www.tmbbank.com](http://www.tmbbank.com)

### Auditor

**Mr. Supot Singhasaneh**

Certified Public Accountant Registration Number 2826

**KPMG Phoomchai Audit Limited**

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# Investor Information

Investors should contact the Investor Relations Department to request information about THAICOM or its subsidiaries and associate companies:

## Investor Relations,

THAICOM Public Company Limited

63/21 Rattanathibet Road, Nonthaburi 11000

Tel : (66) 2596 5073  
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Website : [www.thaicom.net](http://www.thaicom.net)  
Social Network : Facebook : Thaicom PLC.

## THAICOM is listed on the Stock Exchange of Thailand (SET)

SET ticker : THCOM  
Reuters : THCOM.BK  
Bloomberg : THCOM TB

Foreign limit : 40%  
Fiscal year ends : December 31  
External Auditor : KPMG Phoomchai Audit Ltd.







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