

**Thaicom Public Company Limited
and its Subsidiaries
(former name: Shin Satellite Public Company Limited)**

Interim financial statements
and
Review Report of Certified Public Accountant

For the three-month and nine-month periods ended
30 September 2008

Review Report of Certified Public Accountant

To the Board of Directors of Thaicom Public Company Limited (Former name: Shin Satellite Public Company Limited)

I have reviewed the accompanying consolidated and separate balance sheets as at 30 September 2008, and the related statements of income for the three-month and nine-month periods then ended, and the related statements of changes in equity and cash flows for the nine-month period then ended of Thaicom Public Company Limited and its subsidiaries, and of Thaicom Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my reviews. The consolidated and separate statements of income for the three-month and nine-month periods ended 30 September 2007, and the related statements of changes in equity and cash flows for the nine-month period then ended of Thaicom Public Company Limited and its subsidiaries, and of Thaicom Public Company Limited, respectively, were reviewed by another auditor whose report dated 14 November 2007 stated that nothing had come to his attention that caused him to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

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

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

The consolidated and separate financial statements for the year ended 31 December 2007 of Thaicom Public Company Limited and its subsidiaries, and of Thaicom Public Company Limited, respectively, were audited by another auditor who expressed an unqualified opinion on those financial statements in his report dated 20 February 2008. The consolidated and separate balance sheets as at 31 December 2007, which are included in the accompanying financial statements for comparative purposes, are components of those financial statements.

(Winid Silamongkol)
Certified Public Accountant
Registration No. 3378

KPMG Phoomchai Audit Ltd.
Bangkok
10 November 2008

Thaicom Public Company Limited and its subsidiaries
(former name: Shin Satellite Public Company Limited)

Balance sheets

As at 30 September 2008 and 31 December 2007

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
Assets		30 September 2008 (Unaudited)	31 December 2007	30 September 2008 (Unaudited)	31 December 2007
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		1,641,643	2,428,509	996,327	2,087,157
Trade accounts receivable and accrued income	4	943,865	931,407	918,400	782,528
Amounts due from related parties	3	4,740	16,575	28,617	78,200
Short-term loans and advances to subsidiaries	3	-	-	164,537	200,255
Inventories		440,630	531,458	242,733	368,180
Prepaid insurance		91,232	150,986	87,566	149,082
Other current assets	3	351,603	254,524	228,344	214,902
Total current assets		3,473,713	4,313,459	2,666,524	3,880,304
Non-current assets					
Investments in subsidiaries, jointly controlled entities and associate	5	461,385	676,232	886,539	882,059
Long-term loan to another company	6	11,882	13,845	11,882	13,845
Property and equipment	7	4,984,025	4,504,868	1,442,584	1,595,752
Property and equipment under concession agreements	7	17,499,542	18,776,989	17,499,542	18,776,989
Deferred charges	7	16,943	51,068	14,995	16,620
Intangible assets	7	1,250,919	1,302,194	1,114,431	1,160,299
Deferred tax assets		398,506	83,659	301,156	34,497
Other non-current assets		433,905	379,164	407,567	357,268
Total non-current assets		25,057,107	25,788,019	21,678,696	22,837,329
Total assets		28,530,820	30,101,478	24,345,220	26,717,633

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

Thaicom Public Company Limited and its subsidiaries
(former name: Shin Satellite Public Company Limited)

Balance sheets

As at 30 September 2008 and 31 December 2007

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2008 (Unaudited)	31 December 2007	30 September 2008 (Unaudited)	31 December 2007
<i>(in thousand Baht)</i>					
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	8	284,159	344,833	-	-
Trade accounts payable	3	344,171	513,889	175,327	350,617
Accounts payable - property and equipment		110,415	141,159	20,469	19,812
Amounts due to related parties	3	6,749	13,740	9,733	20,568
Current portion of long-term loans	8	933,311	1,139,221	825,565	542,989
Advance receipts from customers	3	274,908	177,738	157,616	95,714
Accrued concession fee		546,260	529,795	463,784	456,360
Accrued expenses	3	221,115	226,223	130,726	164,003
Income tax payable		48,833	1,338,378	-	1,289,998
Other current liabilities		127,198	194,994	78,570	128,009
Total current liabilities		2,897,119	4,619,970	1,861,790	3,068,070
Non-current liabilities					
Long-term accounts payable - property and equipment		847,765	293,499	-	-
Long-term loans	8	7,948,199	8,360,573	7,258,529	7,711,066
Deferred tax liabilities		100,001	57,816	-	-
Other non-current liabilities	3	65,833	85,447	88,114	78,064
Total non-current liabilities		8,961,798	8,797,335	7,346,643	7,789,130
Total liabilities		11,858,917	13,417,305	9,208,433	10,857,200
Equity					
Share capital	9				
Authorised share capital		5,660,412	5,660,412	5,660,412	5,660,412
Issued and paid-up share capital		5,479,688	5,461,094	5,479,688	5,461,094
Reserves					
Share premium		4,301,990	4,297,234	4,301,990	4,297,234
Unrealised profit on dilution of investment in a subsidiary and an associate		346,225	346,225	-	-
Currency translation changes		(126,799)	(207,204)	-	-
Retained earnings					
Appropriated					
Legal reserve		413,853	413,853	413,853	413,853
Unappropriated		6,215,103	6,331,202	4,941,256	5,688,252
Total equity attributable to equity holders of the Company		16,630,060	16,642,404	15,136,787	15,860,433
Minority interests		41,843	41,769	-	-
Total equity		16,671,903	16,684,173	15,136,787	15,860,433
Total liabilities and equity		28,530,820	30,101,478	24,345,220	26,717,633

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

Thaicom Public Company Limited and its subsidiaries
(former name: Shin Satellite Public Company Limited)

Statements of income

For the three-month periods ended 30 September 2008 and 2007 (Unaudited)

	Note	Consolidated		Separate	
		2008	2007	2008	2007
		<i>(in thousand Baht)</i>			
Revenues					
Revenues from sale of goods and rendering of services	3	1,782,215	1,396,500	910,587	873,906
Gain on sales of investment	3	-	5,126,732	-	6,541,166
Other income	3	11,527	27,723	11,539	77,531
Net foreign exchange gain/(loss)		(146,116)	286,896	(117,169)	272,934
Share of profits from investments accounted for using the equity method	5	33,089	40,833	-	-
Total revenues		1,680,715	6,878,684	804,957	7,765,537
Expenses					
Cost of sale of goods and rendering of services	3	1,360,181	1,179,647	852,355	903,885
Concession fee		125,180	112,346	109,946	94,265
Selling and administrative expenses	3	336,782	308,637	201,233	219,457
Directors' remuneration	3	1,985	1,728	1,850	1,622
Total expenses		1,824,128	1,602,358	1,165,384	1,219,229
Profit (loss) before interest and income tax expenses		(143,413)	5,276,326	(360,427)	6,546,308
Interest expense	3	(102,947)	(177,382)	(86,265)	(149,127)
Income tax expense		130,527	(1,954,655)	121,749	-1,935,148
Profit (loss) for the period		(115,833)	3,144,289	(324,943)	4,462,033
Attributable to:					
Equity holders of the Company		(114,962)	3,143,444	(324,943)	4,462,033
Minority interest		-871	845	-	-
Profit (loss) for the period		(115,833)	3,144,289	(324,943)	4,462,033
Earnings (loss) per share (Baht)					
Basic	11	(0.10)	2.88	(0.30)	4.09
Diluted		(0.10)	2.87	(0.30)	4.08

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Thaicom Public Company Limited and its subsidiaries
(former name: Shin Satellite Public Company Limited)

Statements of income

For the nine-month periods ended 30 September 2008 and 2007 (Unaudited)

	Note	Consolidated		Separate	
		2008	2007	2008	2007
		<i>(in thousand Baht)</i>			
Revenues					
Revenues from sale of goods and rendering of services	3	5,291,103	4,807,960	3,260,199	2,803,361
Gain on sales of investment	3	-	5,126,732	-	6,541,166
Dividend income	5	-	-	-	138,072
Other income	3	54,517	41,969	55,768	117,705
Net foreign exchange gain		-92,243	961,668	-78,205	901,172
Share of profits from investments accounted for using the equity method	5	80,271	88,026	-	-
Total revenues		5,333,648	11,026,355	3,237,762	10,501,476
Expenses					
Cost of sale of goods and rendering of services	3	3,924,822	3,762,568	3,015,860	2,813,062
Concession fee		355,779	363,669	312,000	300,678
Selling and administrative expenses	3	992,245	1,018,714	635,932	644,467
Directors' remuneration	3	5,517	5,497	5,123	5,070
Total expenses		5,278,363	5,150,448	3,968,915	3,763,277
Profit (loss) before interest and income tax expenses		55,285	5,875,907	(731,153)	6,738,199
Interest expense	3	(340,097)	(655,518)	(282,502)	(556,868)
Income tax expense		168,540	(2,023,330)	266,659	-1,901,304
Profit (loss) for the period		(116,272)	3,197,059	(746,996)	4,280,027
Attributable to:					
Equity holders of the Company		(116,099)	3,195,213	(746,996)	4,280,027
Minority interest		-173	1,846	-	-
Profit (loss) for the period		(116,272)	3,197,059	(746,996)	4,280,027
Earnings (loss) per share (Baht)					
	11				
Basic		(0.11)	2.92	(0.68)	3.92
Diluted		(0.11)	2.92	(0.68)	3.92

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

Thaicom Public Company Limited and its subsidiaries
(former name: Shin Satellite Public Company Limited)

Statements of changes in equity

For the nine-month periods ended 30 September 2008 and 2007 (Unaudited)

Consolidated financial statements

	<i>Note</i>	Issued and paid-up share capital	Share premium	Unrealised cumulative gain on dilution of investment in a subsidiary	Currency translation changes	Retained earnings		Total equity attributable to equity holders of the Company	Minority interests	Total equity
						Appropriated to legal reserve	Unappro- priated			
<i>(in thousand Baht)</i>										
Balance at 1 January 2007		5,455,346	4,295,763	376,225	-310,913	213,506	3,491,819	13,521,746	55,923	13,577,669
Issue of share capital		4,738	1,212	-	-	-	-	5,950	-	5,950
Translation gain relating to financial statements of foreign operations		-	-	-	101,984	-	-	101,984	(2,812)	99,172
Profit for the period		-	-	-	-	-	3,195,213	3,195,213	1,846	3,197,059
Balance at 30 September 2007		5,460,084	4,296,975	376,225	(208,929)	213,506	6,687,032	16,824,893	54,957	16,879,850
Balance at 1 January 2008		5,461,094	4,297,234	346,225	-207,204	413,853	6,331,202	16,642,404	41,769	16,684,173
Issue of share capital	9	18,594	4,756	-	-	-	-	23,350	-	23,350
Translation gain relating to financial statements of foreign operations		-	-	-	80,405	-	-	80,405	247	80,652
Loss for the period		-	-	-	-	-	(116,099)	(116,099)	(173)	(116,272)
Balance at 30 September 2008		5,479,688	4,301,990	346,225	-126,799	413,853	6,215,103	16,630,060	41,843	16,671,903

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

Thaicom Public Company Limited and its subsidiaries

(former name: Shin Satellite Public Company Limited)

Statements of changes in equity

For the nine-month periods ended 30 September 2008 and 2007 (Unaudited)

	<i>Note</i>	Separate financial statements			Total equity attributable to equity holders of the Company	
		Issued and paid-up share capital	Share premium	Retained earnings		
				Appropriated to legal reserve		Unappropriated
<i>(in thousand Baht)</i>						
Balance at 1 January 2007		5,455,346	4,295,763	213,506	1,881,648	11,846,263
Issue of share capital		4,738	1,212	-	-	5,950
Profit for the period		-	-	-	4,280,027	4,280,027
Balance at 30 September 2007		5,460,084	4,296,975	213,506	6,161,675	16,132,240
Balance at 1 January 2008		5,461,094	4,297,234	413,853	5,688,252	15,860,433
Issue of share capital	9	18,594	4,756	-	-	23,350
Loss for the period		-	-	-	(746,996)	(746,996)
Balance at 30 September 2008		5,479,688	4,301,990	413,853	4,941,256	15,136,787

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

Thaicom Public Company Limited and its subsidiaries

(former name: Shin Satellite Public Company Limited)

Statements of cash flows

For the nine-month periods ended 30 September 2008 and 2007 (Unaudited)

	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2008	2007	2008	2007
		(in thousand Baht)			
<i>Cash flows from operating activities</i>					
Profit (loss) for the period		(116,099)	3,195,213	(746,996)	4,280,027
<i>Adjustments for</i>					
Allowance for doubtful accounts		18,998	25,619	-	21,095
Write-off doubtful debt		-	6,042	-	6,042
Depreciation and amortisation		1,882,067	2,002,432	1,619,492	1,650,565
Amortisation of borrowing costs		81,943	86,444	81,943	86,444
Interest income		(47,961)	(31,816)	(44,770)	(28,876)
Interest expense		340,097	655,518	282,502	556,868
Unrealised (gain) loss on exchange rate		30,809	(339,073)	70,084	(480,584)
Realised (gain) loss on exchange rate		12,933	(338,342)	12,933	(338,342)
Minority interests		(174)	1,846	-	-
(Reversal for) defective stock		(1,228)	(4,245)	(1,352)	(358)
Gain on disposal of property and equipment		(915)	(1,361)	(915)	(41,212)
Gain on sales of long-term investment		-	(5,126,732)	-	(6,541,166)
Write-off property and equipment		19,488	1,105	123	1,052
Share of profits from investments accounted for using the equity method		(80,271)	(88,026)	-	-
Income tax		(168,540)	2,023,330	(266,659)	1,901,304
		<u>1,971,147</u>	<u>2,067,954</u>	<u>1,006,385</u>	<u>1,072,859</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable and accrued income		(31,456)	263,507	(135,872)	234,378
Amounts due from related parties		11,835	(12,369)	49,584	(27,491)
Inventories		97,423	(279,828)	132,167	(109,309)
Prepaid insurance		59,754	108,311	61,516	110,241
Dividend receivable		-	-	-	(138,072)
Other current assets		(150,137)	(310,082)	(66,537)	(99,721)
Other non-current assets		56,312	(35,223)	28,494	(36,176)
Trade accounts payable		(169,718)	114,775	(175,290)	(81,138)
Amounts due to related parties		(6,990)	(19,556)	(10,834)	(19,857)
Advance receipts from customers		97,170	129,502	61,902	56,317
Accrued concession fee		16,465	37,367	7,424	(3,122)
Accrued expenses		24,629	(31,422)	(7,804)	(61,977)
Other current liabilities		(71,407)	235,579	(49,439)	107,100
Other non-current liabilities		(9,476)	(37,957)	10,050	(67,547)
Interest received		85,729	15,713	82,575	12,125
Interest paid		(367,883)	(696,956)	(306,024)	(596,698)
Income taxes paid		(89,155)	(215,943)	-	(58,132)
Net cash provided by operating activities		<u>1,524,242</u>	<u>1,333,372</u>	<u>688,297</u>	<u>293,780</u>

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

Thaicom Public Company Limited and its subsidiaries
(former name: Shin Satellite Public Company Limited)

Statements of cash flows

For the nine-month periods ended 30 September 2008 and 2007 (Unaudited)

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<i>(in thousand Baht)</i>					
<i>Cash flows from investing activities</i>					
Short-term loans and advances to subsidiaries and associate		-	19	40,764	(203,127)
Payment for short-term investment		-	(1,771,713)	-	(1,771,713)
Receipts from sale of investment		-	6,613,904	-	6,673,407
Income taxes paid from gain on sale of investment		(1,353,504)	-	(1,353,504)	-
Payments for investment in subsidiaries		-	(1,564)	(4,480)	-
Payments for property and equipment		(392,742)	(1,081,636)	(117,623)	(169,138)
Payments for deferred charges		(918)	(19,376)	-	(333)
Payments for intangible assets		(35,584)	(31,501)	(29,275)	(25,208)
Dividends received from subsidiary and associate		107,543	85,034	-	138,072
Receipts from capital reduction of associate		187,575	-	-	-
Proceeds from sales of property and equipment		1,047	1,371	1,047	138,192
Net cash provided by (used in) investing activities		(1,486,583)	3,794,538	(1,463,071)	4,780,152
<i>Cash flows from financing activities</i>					
Proceeds from issue of shares		23,349	5,950	23,349	5,950
Payments of short-term borrowings		(185,119)	(405,672)	-	-
Proceeds from short-term borrowings		130,261	496,983	-	-
Proceeds from long-term borrowings, net of financial expenses		295,796	6,581	2,389	6,581
Repayment of long-term borrowings		(1,086,694)	(4,956,287)	(339,676)	(4,776,831)
Net cash used in financing activities		(822,407)	(4,852,445)	(313,938)	(4,764,300)
Net increase (decrease) in cash and cash equivalents					
		(784,748)	275,465	(1,088,712)	309,632
Cash and cash equivalents at beginning of period		2,428,509	362,692	2,087,157	108,971
Effects of exchange rate changes on balances held in foreign currencies		(2,118)	(531)	(2,118)	(531)
Cash and cash equivalents at end of period		1,641,643	637,626	996,327	418,072
<i>Supplementary information for cash flows</i>					
Income taxes paid		1,442,659	215,943	1,353,504	58,132
<i>Non-cash transactions</i>					
Acquisition of property and equipment by issue of debt		530,313	74,355	10,717	3,091

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

Thaicom Public Company Limited and its Subsidiaries

(former name: Shin Satellite Public Company Limited)

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

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Thaicom Public Company Limited and its Subsidiaries

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Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

These notes form an integral part of the financial statements.

The interim financial statements were authorised for issue by the directors on 10 November 2008.

1 General information

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

At the Annual General Meeting of the Company shareholders, held on 9 April 2008, a resolution was passed approving the name change of the Company to “Thaicom Public Company Limited”, which was registered with the Ministry of Commerce on 10 April 2008.

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

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

The Company, its subsidiaries, associate, and jointly controlled entities (Collectively referred to as “the Group”) are primarily involved in transponder services for domestic and international communications, sale of user terminal of iPSTAR, broadband content services, sale of direct television equipment, Internet data center services, Internet services, satellite uplink-downlink services, printing and publishing of business telephone directories, banner advertising, telephone network services, mobile contents, and engineering and development services on communication technology and electronics, which are mainly operated under concession agreements.

The Group has operations in 9 countries; Thailand, Singapore, Cambodia, Lao PDR, Australia, New Zealand, the United States of America, Mauritius and the British Virgin Islands.

The Company obtained concessions 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 concession agreements have been transferred to the Ministry of Information Communication and Technology and will expire in 2021.

**Thaicom Public Company Limited and its Subsidiaries
(former name: Shin Satellite Public Company Limited)**

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

Details of the Company's subsidiaries and jointly controlled entities as at 30 September 2008 and 31 December 2007 are as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			30 September 2008	31 December 2007
			(%)	
<i>Direct subsidiaries</i>				
DTV Service Company Limited (former name : Shin Broadband Internet (Thailand) Company Limited)	Providing meeting center via internet and broadband content services and sale of direct television equipment	Thailand	100	100
iPSTAR Company Limited	Providing iPSTAR transponder services	The British Virgin Islands	99.24	99.24
Star Nucleus Company Limited	Providing broadband technological services via iPSTAR satellite	The British Virgin Islands	70	70
Spacecode LLC	Providing engineering and development services, technology and electronics	The United States of America	70	70
IPSTAR International Pte Limited	Providing iPSTAR transponder services	Singapore	100	100
IPSTAR Global Services Company Limited	Providing iPSTAR transponder service	Mauritius	100	100
Cambodian DTV Network Limited	Sales of direct television equipment	Cambodia	100	-

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Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			30 September 2008	31 December 2007
			(%)	
<i>Indirect subsidiaries</i>				
<i>Subsidiary of DTV Service Company Limited</i>				
NTU (Thailand) Company Limited	Provide organizing services related to conduct training, educational seminar and spread the various kind of knowledge.	Thailand	88.52	71.85
<i>Subsidiaries of iPSTAR Company Limited</i>				
IPSTAR Australia Pty Limited	Sale of user terminal of iPSTAR and providing iPSTAR transponder services in Australia.	Australia	100	100
IPSTAR New Zealand Company Limited	Sale of user terminal of iPSTAR and providing iPSTAR transponder services in New Zealand	New Zealand	100	100
<i>Jointly-controlled entities</i>				
Shenington Investments Pte Limited	Holding company for investment in international telecommunications	Singapore	51	51
<i>Subsidiaries of Shenington Investments Pte Limited</i>				
Cambodia Shinawatra Company Limited	Providing fixed line, mobile phone and Internet services	Cambodia	51	51
<i>Joint controlled of Shenington Investments Pte Limited</i>				
Lao Telecommunications Company Limited	Providing fixed line, mobile phone, public phone, public international facilities and Internet services	Lao PDR	24.99	24.99

Thaicom Public Company Limited and its Subsidiaries (former name: Shin Satellite Public Company Limited)

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

2 Basis of preparation of the financial statements

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

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No. 41 (revised 2007) *Interim Financial Reporting* including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand.

The interim financial statements are prepared to provide an update on the financial statement for the year ended 31 December 2007. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2007.

The interim financial statements are presented in Thai Baht, rounded to the nearest thousand unless otherwise stated.

In 2008, the Group adopted the following new and revised Thai Accounting Standards (TAS) which are relevant to its operations:

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combinations
TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

The adoption of these new and revised TAS does not have any material impact on the consolidated or separated financial statements.

Accounting policies and methods of computation applied in the interim financial statements for the three-month and nine-month periods ended 30 September 2008 are consistent with those applied in the financial statements for the year ended 31 December 2007 except for the change in accounting policy in respect of goodwill arising from business combinations.

**Thaicom Public Company Limited and its Subsidiaries
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Notes to the interim financial statements

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Changes in accounting policy

Until 31 December 2007, the Group accounted for goodwill and negative goodwill arising from a business combination at cost less accumulated amortisation and impairment losses. Amortisation was charged to the statement of income over the estimated useful life of the goodwill or negative goodwill.

During 2007, the Federation of Accounting Professions issued Thai Accounting Standard (TAS) 43 (revised 2007) "Business Combinations" which is effective for annual accounting period beginning on or after 1 January 2008. TAS 43 (revised 2007) requires that the acquirer shall, at the acquisition date, recognize goodwill acquired in a business combination as an asset at cost. After initial recognition, goodwill shall be measured at cost less any accumulated impairment losses.

TAS 43 (revised 2007) also requires that any excess of the acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost, commonly referred to as "negative goodwill", shall be recognised immediately in profit or loss.

The Group has, accordingly, changed its accounting policy for goodwill and negative goodwill prospectively from 1 January 2008.

3 Related party transactions and balances

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

The Company is controlled by Shin Corporation Public Company Limited ("Shin") (incorporated in Thailand), which owns 41.14% (31 December 2007: 41.28%) of the Company's shares. Transactions with Shin Group, Cedar Group, Aspen Group, and Temasek Group are recognised as related party transactions.

Sales and service transactions with related parties were conducted under normal commercial terms and conditions, which were the same as for other customers. Consulting and management services were charged at an agreed percentage of assets. Transactions between the Company and Codespace, Inc. were conducted based on hourly rates plus reimbursement of actual expenses.

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Significant transactions for the three-month periods ended 30 September 2008 and 2007 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
<i>Sales and services income</i>				
Subsidiaries	-	-	126,614	189,654
Associate	-	5,491	-	5,265
Joint controlled	7,050	8,997	6,187	16,776
Related parties under common control	14,888	14,983	13,161	13,228
<i>Gain on sales of investment</i>				
Related parties under common control	-	5,126,732	-	6,541,166
<i>Other income</i>				
Subsidiaries	-	-	3,350	44,611
Joint controlled	280	4,243	572	8,659
Total	<u>22,218</u>	<u>5,160,446</u>	<u>149,884</u>	<u>6,819,359</u>
<i>Purchases of goods and services</i>				
Subsidiaries	-	-	25,458	9,824
Associate	5,934	6,726	4,469	4,644
Joint controlled	43	21	88	43
Related parties under common control	24	1,034	24	1,034
Other related party	3,605	3,876	3,605	3,876
<i>Selling and administrative expenses</i>				
Subsidiaries	-	-	43	5
Associate	814	602	723	579
Related parties under common control	6,693	3,429	4,167	2,280
<i>Directors' remuneration</i>				
Directors	1,985	1,728	1,850	1,622
<i>Interest expense</i>				
Other related party	88	-	88	-
Total	<u>19,186</u>	<u>17,416</u>	<u>40,515</u>	<u>23,907</u>

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Significant transactions for the nine-month periods ended 30 September 2008 and 2007 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
<i>Sales and services income</i>				
Subsidiaries	-	-	656,863	619,455
Associate	829	12,705	794	11,991
Joint controlled	34,426	15,774	46,627	31,107
Related parties under common control	43,339	55,149	38,349	47,809
<i>Gain on sales of investment</i>				
Related parties under common control	-	5,126,732	-	6,541,166
<i>Other income</i>				
Subsidiaries	-	-	9,903	74,644
Associate	-	2	-	2
Joint controlled	1,425	4,334	2,495	8,838
Total	80,019	5,214,696	755,031	7,335,012
<i>Purchases of goods and services</i>				
Subsidiaries	-	-	32,418	30,541
Associate	17,555	17,076	14,406	12,862
Joint controlled	121	21	247	42
Related parties under common control	818	3,039	818	3,039
Other related party	11,230	14,640	11,230	14,640
<i>Selling and administrative expenses</i>				
Parent company	-	768	-	-
Subsidiaries	-	-	1,068	254
Associate	4,230	1,828	4,057	1,738
Joint controlled	1,719	-	3,508	-
Related parties under common control	15,949	9,150	11,126	7,943
<i>Directors' remuneration</i>				
Directors	5,517	5,497	5,123	5,070
<i>Interest expense</i>				
Other related party	213	-	213	-
Total	57,352	52,019	84,214	76,129

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Balances as at 30 September 2008 and 31 December 2007 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007
	<i>(in thousand Baht)</i>			
<i>Trade accounts receivable and accrued income – related parties</i>				
<i>Trade accounts receivable from related parties</i>				
Subsidiaries	-	-	214,911	110,041
Associate	6,184	430	6,156	397
Joint controlled	24,693	20,725	36,236	36,422
Related parties under common control	2,250	4,328	-	-
Total	33,127	25,483	257,303	146,860
<i>Accrued income from related parties</i>				
Subsidiaries	-	-	105,866	64,915
Associate	-	10,346	-	10,346
Joint controlled	2,686	11,175	3,684	18,494
Related parties under common control	1,306	2,395	-	-
Total accrued income from related parties	3,992	23,916	109,550	93,755
Total	37,119	49,399	366,853	240,615
<i>Amounts due from related parties</i>				
Subsidiaries	-	-	20,337	44,648
Associate	1,127	-	1,127	-
Joint controlled	3,613	16,550	7,153	33,549
Related parties under common control	-	22	-	-
Other related party	-	3	-	3
Total	4,740	16,575	28,617	78,200

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For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 September 2008	31 December 2007	30 September 2008	31 December 2007
	<i>(in thousand Baht)</i>			
<i>Other current assets - related parties</i>				
Subsidiaries	-	-	5,492	4,079
Related parties under common control	281	281	281	281
Total	281	281	5,773	4,360
<i>Trade accounts payable - related parties</i>				
Subsidiaries	-	-	15,318	30,379
Associate	28,456	26,896	22,665	22,821
Joint controlled	249	249	332	332
Related parties under common control	6,367	649	26	551
Other related party	1,254	-	1,254	-
Total	36,326	27,794	39,595	54,083
<i>Amounts due to related parties</i>				
Subsidiaries	-	-	2,017	2,434
Associate	-	2,029	-	1,957
Joint controlled	1,983	6,223	4,048	12,699
Related parties under common control	1,705	2,546	934	536
Other related party	3,061	2,942	2,734	2,942
Total	6,749	13,740	9,733	20,568
<i>Advance receipts from customers - related parties</i>				
Related parties under common control	41,737	59,825	41,737	57,569
Total	41,737	59,825	41,737	57,569
<i>Accrued expenses - related parties</i>				
Associate	30	-	30	-
Related parties under common control	834	2,157	658	1,080
Total	864	2,157	688	1,080
<i>Other non current liabilities - related parties</i>				
Joint controlled	40	40	54	54
Related parties under common control	-	27,345	-	27,345
Total	40	27,385	54	27,399

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	Consolidated financial statements		Separate financial statements	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007
	<i>(in thousand Baht)</i>			
Short-term loans and advances				
Subsidiaries	-	-	164,537	200,255
Total	-	-	164,537	200,255

As at 30 September 2008, the short-term loan to a subsidiary bears interest at the rate of 5.14% per annum (31 December 2007: 6.52-6.58% per annum) and is repayable within three months.

Movements of short-term loans and advance to a subsidiary and an associate during the nine-month period ended 30 September 2008 and 2007 were as follows:

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
At 1 January	-	19	200,255	19
Increase	-	-	-	203,146
Decrease	-	(19)	(40,764)	(19)
Unrealised gain on exchange rate	-	-	5,046	38
At 30 September	-	-	164,537	203,184

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

Shin Corporation Public Company Limited, the parent company, issued warrants which are in registered form, are non-transferable and have no offering price, to directors who are management of the Company. The term of the warrant is not exceeding five years. As at 30 September 2008, the details were as follow:

	Issued date	Issued (units)	Exercise ratio (unit : share)	Exercise	Exercise period	
				price (Baht/share)	First	Last
ESOP - Grant I	27 March 2002	18,336,300	1 : 1.06942	16.645	Expired on 26 March 2007	
ESOP - Grant II	30 May 2003	12,222,100	1 : 1.11410	12.269	Expired on 30 May 2008	
ESOP - Grant III	31 May 2004	8,823,100	1 : 1.11410	32.681	31 May 2005	30 May 2009
ESOP - Grant IV	31 May 2005	8,329,800	1 : 1.09950	37.981	31 May 2006	30 May 2010
ESOP - Grant V	31 July 2006	7,823,000	1 : 1.06582	35.353	31 July 2007	30 July 2011

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Directors' remuneration

Directors' remuneration represents monthly compensation, annual remuneration, and meeting fees as approved by the shareholders of the Company at their Annual General Meetings.

4 Trade accounts receivable and accrued income

		Consolidated		Separate	
	<i>Note</i>	financial statements		financial statements	
		30 September	31 December	30 September	31 December
		2008	2007	2008	2007
		<i>(in thousand Baht)</i>			
<i>Trade accounts receivable</i>					
Related parties	3	33,127	25,483	257,303	146,860
Other parties		1,213,097	1,250,474	665,682	748,361
Total		1,246,224	1,275,957	922,985	895,221
<i>Accrued income</i>					
Related parties	3	3,992	23,916	109,550	93,755
Other parties		123,878	40,835	142,181	47,939
Total		127,870	64,751	251,731	141,694
Total trade accounts receivable and accrued income		1,374,094	1,340,708	1,174,716	1,036,915
<i>Less allowance for doubtful accounts</i>		<i>(430,229)</i>	<i>(409,301)</i>	<i>(256,316)</i>	<i>(254,387)</i>
Net		943,865	931,407	918,400	782,528
		2008	2007	2008	2007
		<i>(in thousand Baht)</i>			
Bad and doubtful debts expenses for the nine-month periods ended 30 September		18,998	25,619	-	21,095

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Aging analyses for trade accounts receivable were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
Within credit terms	229,936	235,800	159,144	137,932
Overdue:				
Less than 3 months	237,999	304,261	198,469	180,488
3-6 months	158,727	149,597	73,993	98,883
6-12 months	85,039	104,374	100,727	105,714
over 12 months	534,523	481,925	390,652	372,204
Total	1,246,224	1,275,957	922,985	895,221
Less allowance for doubtful accounts	(430,229)	(409,301)	(256,316)	(254,387)
Net	815,995	866,656	666,669	640,834

The normal credit term granted by the Group/Company ranges from 30 days to 60 days.

5 Investments in subsidiaries, jointly-controlled entities and associate

	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
At 1 January	676,232	686,050	882,059	1,014,300
Acquisitions	-	-	4,480	-
Share of net profits of investments - equity method	80,271	88,026	-	-
Capital reduction	(187,575)	-	-	-
Dividend income	(107,543)	(85,034)	-	-
At 30 September	461,385	689,042	886,539	1,014,300

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Investments in subsidiaries, jointly-controlled entities and associate as at 30 September 2008 and 31 December 2007, and dividend income from those investments for the nine-month periods ended 30 September 2008 and 2007 were as follows:

Consolidated financial statements

	Ownership interest (%)		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		Dividend income for nine months ended	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007	30 September 2008	31 December 2007	30 September 2008	31 December 2007	30 September 2008	31 December 2007	30 September 2008	31 December 2007	30 September 2008	30 September 2007
<i>Associate</i>														
CS Loxinfo Public Company Limited	43.48	43.48	156.72	626.90	1,481.52	1,669.10	461.39	676.23	-	-	461.39	676.23	107.54	85.03
Total			156.72	626.90	1,481.52	1,669.10	461.39	676.23	-	-	461.39	676.23	107.54	85.03

(in million Baht)

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For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

	Separate financial statements											
	Ownership Interest (%)		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income for nine months ended	
	30	31	30	31	30	31	30	31	30	31	30	30
	September 2008	December 2007	September 2008	December 2007	September 2008	December 2007	September 2008	December 2007	September 2008	December 2007	September 2008	September 2007
	<i>(in million Baht)</i>											
<i>Subsidiaries</i>												
DTV Service Company Limited (former name : Shin Broadband Internet (Thailand) Company Limited)	100.00	100.00	947.29 Million Baht	947.29 Million Baht	947.29	947.29	(400.00)	(400.00)	547.29	547.29	-	-
Spacecode LLC	70.00	70.00	4.29 Million US\$	4.29 Million US\$	118.65	118.65	-	-	118.65	118.65	-	-
iPSTAR Company Limited	99.24	99.24	2.00 Million US\$	2.00 Million US\$	78.48	78.48	-	-	78.48	78.48	-	-
Star Nucleus Company Limited	70.00	70.00	-	-	-	-	-	-	-	-	-	-
IPSTAR International Pte Limited	100.00	100.00	20,000 SGD	-	0.45	-	-	-	0.45	-	-	-
IPSTAR Global Services Company Limited	100.00	100.00	20,000 US\$	-	0.69	-	-	-	0.69	-	-	-
Cambodian DTV Network Limited	100.00	100.00	100,000 US\$	-	3.34	-	-	-	3.34	-	-	-
<i>Jointly-controlled entities</i>												
Shenington Investments Pte Limited	51.00	51.00	14.66 Million SGD	14.66 Million SGD	137.64	137.64	-	-	137.64	137.64	-	138.07
Total					1,286.54	1,282.06	(400.00)	(400.00)	886.54	882.06	-	138.07

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Significant movements in investments in subsidiaries jointly controlled entities and associates for the nine-month period ended 30 September 2008 were as follows:

Subsidiaries

a) Cambodian DTV Network Limited

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

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

b) DTV Service Company Limited

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

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

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

On 28 August 2008, DTV Service Company Limited ("DTV") acquired an additional 19,999 ordinary shares in NTU (Thailand) Company Limited ("NTU") from Shin Corporation Public Company Limited at Baht 7 per share, equivalent to 16.67% of the paid-up share capital of NTU, at a total price of Baht 139,993. As a result of this acquisition, DTV owns interest in NTU 88.52%.

Associates

d) Acquisition of ordinary shares in Shineedotcom Company Limited

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

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

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

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of Commerce on 30 June 2008. The amount to be returned to shareholders of Baht 433,265,476.50, excluding the amount payable on treasury shares, would be paid on 10 July 2008.

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

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

f) Loxley Information Services Company Limited

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

At the extraordinary shareholders' meeting No. 3/2008, held on 26 June 2008, of Loxley Information Services Company Limited, the shareholders passed a resolution to approve the partial capital return to its shareholders of Baht 10 per share, totaling Baht 260 million, and paid this to shareholders on 27 June 2008.

Jointly-controlled entities

g) Dividend payment of Lao Telecommunications Company Limited (“LTC”)

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

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

Commitments

According to the joint venture agreement between the Group and the Government of the Lao PDR, the Group must transfer all of its shares in LTC to the Government of the Lao PDR, without any charges or compensation, on the expiration date of the joint venture agreement in 2021.

Capital expenditure commitments

As at 30 September 2008, Shenington Group has capital expenditure commitments, proportion of share held by Shenington Group, of USD 22.7 million (approximately Baht 777 million).

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6 Long-term loan to another company

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

7 Capital expenditure and commitments

	Consolidated financial statements			
	Property and equipment	Property and equipment under concession agreements	Deferred charges	Intangible assets
	<i>(in thousand Baht)</i>			
Transactions during the nine-month period ended 30 September 2008				
Opening net book value	4,504,868	18,776,989	51,068	1,302,194
Additions	907,521	-	918	35,841
Disposal, net	(71)	-	-	-
Write-offs, net	(19,550)	-	-	-
Transfers, net	(391)	4,524	(32,258)	-
Depreciation / amortisation charges	(507,860)	(1,281,971)	(2,539)	(89,697)
Foreign currency translation adjustments	99,508	-	(246)	2,581
Closing net book value	<u>4,984,025</u>	<u>17,499,542</u>	<u>16,943</u>	<u>1,250,919</u>
As at 30 September 2008				
Cost	8,396,769	26,566,514	567,049	1,560,116
Less accumulated depreciation / amortization	(3,384,152)	(9,066,972)	(550,106)	(309,197)
Less impairment loss	(28,592)	-	-	-
Net book value	<u>4,984,025</u>	<u>17,499,542</u>	<u>16,943</u>	<u>1,250,919</u>

As at 30 September 2008, the accumulated impairment loss of Baht 28.6 million (*31 December 2007: Baht 28.6 million*) comprised an impairment loss for analogue mobile telephone network of a jointly controlled entity which ceased its operation in 2005 amounting to Baht 16.2 million and an impairment loss for rural telephone network of another jointly controlled entity amounting to Baht 12.4 million.

Property and equipment includes property and equipment under concession agreements of a jointly controlled entity, Cambodia Shinawatra Company Limited (“CAM”), of approximately Baht 1,455 million (*31 December 2007: Baht 1,611 million*). According to the concession agreement, CAM must transfer its ownership of the property and equipment to the government of Cambodia on the expiration date of the concession agreement, on 4 March 2028.

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	Property and equipment	Property and equipment under concession agreements <i>(in thousand Baht)</i>	Deferred charges	Intangible assets
Transactions during the nine-month period ended 30 September 2008				
Opening net book value	1,595,752	18,776,989	16,620	1,160,299
Additions	118,034	-	-	29,522
Disposal, net	(71)	-	-	-
Write-offs, net	(5,258)	-	-	-
Transfers, net	(5,367)	4,524	-	-
Depreciation / amortisation charges	(260,506)	(1,281,971)	(1,625)	(75,390)
Closing net book value	1,442,584	17,499,542	14,995	1,114,431
As at 30 September 2008				
Cost	3,519,328	26,566,514	22,161	1,398,070
Less accumulated depreciation / amortisation	(2,076,744)	(9,066,972)	(7,166)	(283,639)
Net book value	1,442,584	17,499,542	14,995	1,114,431

Capital expenditure commitments

Capital expenditure contracted but not provided for at the balance sheet date was as follows:

	Currency	Consolidated financial statements		Separate financial statements	
		30 September 2008	31 December 2007	30 September 2008	31 December 2007
<i>(in thousand)</i>					
IPSTAR Project	USD	693	844	693	844
	AUD	2	2	-	-
Telephone network	USD	22,733	35,818	-	-
Total	USD	23,426	36,662	693	844
	AUD	2	2	-	-
Total equivalent to Thai Baht		800,655	1,242,286	23,687	28,611

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8 Borrowings

	Consolidated financial statements		Separate financial statements	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007
	<i>(in thousand Baht)</i>			
Short-term borrowings				
Loans from financial institutions	284,159	285,252	-	-
Trust Receipts	-	59,581	-	-
Total short-term borrowings	284,159	344,833	-	-
Current portion of long-term borrowings				
Loans from financial institutions	908,327	1,095,322	823,530	541,139
Loans from others	24,984	43,899	2,035	1,850
Total current portion of long-term borrowings	933,311	1,139,221	825,565	542,989
Long-term borrowings				
Loans from financial institutions	7,844,924	8,235,665	7,252,093	7,704,837
Loans from others	103,275	124,908	6,436	6,229
Total long-term borrowings	7,948,199	8,360,573	7,258,529	7,711,066
Total borrowings	9,165,669	9,844,627	8,084,094	8,254,055

The movements in the borrowings can be analysed as follows:

For the nine-month period Ended 30 September 2008	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Opening net book value	9,844,627	8,254,055
Proceeds from short-term borrowings	130,261	-
Proceeds from long-term borrowings, net of financial expenses	295,796	2,389
Repayments of short-term borrowings	(185,119)	-
Repayments of long-term borrowings	(1,086,694)	(339,676)
Amortisation of finance costs	81,943	81,943
Unrealised loss on exchange rate	72,450	72,450
Realised loss on exchange rate	12,933	12,933
Foreign currency translation adjustments	(528)	-
Closing net book value	9,165,669	8,084,094

Credit facilities

As at 30 September 2008, available credit facilities for loans from local and oversea banks were Baht 1,344 million and USD 19 million (31 December 2007: Baht 1,199 million and USD 6.5 million).

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The negotiation on the rescheduling of loan repayments on long-term loans for the iPSTAR satellite and Thaicom 5 satellite projects

The terms and conditions of the restructuring of the iPSTAR and Thaicom 5 facilities were agreed between the borrower and the lenders under agreements dated 28 March 2008. The repayment terms for the principal were extended from monthly repayments on the 15th of each month to semi annual repayment and interest payment was extended from monthly repayments on the 15th of each month to quarterly repayment. The first repayment of principal and interest is due on May 2008. The final repayment for iPSTAR satellite and Thaicom 5 projects is as follow:

	Principal (million USD)	Principal repayment terms	Final principal repayment due
As at 30 September 2008			
iPSTAR satellite project			
- US Ex-IM Bank Facility Agreement	107.54	Semi-annual	November 2013
- COFACE Facility Agreement	47.68	Semi-annual	November 2013
- Commercial Loan Facility Agreement	35.01	Semi-annual	May 2010
Thaicom 5 satellite project			
- COFACE Facility Agreement	<u>61.32</u>	Semi-annual	May 2015
Total	<u>251.55</u>		

The loans under each loan credit agreement bear interest at various rates ranging from 2.58% to 5.50% per annum. These rates are based on margins over the London Inter-Bank Offer Rate (“LIBOR”) for a period of six months and fixed rates.

9 Share capital and warrants

	<i>Par value per share (Baht)</i>	2008		2007	
		Number	Amount	Number	Amount
<i>Issued and paid up</i>					
At 1 January					
ordinary shares	5	1,092,219	5,461,094	1,091,069	5,455,346
Issue of new shares	5	<u>3,719</u>	<u>18,594</u>	<u>948</u>	<u>4,738</u>
At 30 September					
ordinary shares	5	<u>1,095,938</u>	<u>5,479,688</u>	<u>1,092,017</u>	<u>5,460,084</u>

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Warrants

As at 30 September 2008, the Company had five ESOP schemes for the directors and employees of the Company and its subsidiaries. The warrants are in registered form and are non-transferable. The terms of the warrants do not exceed five years and there is no offering price. The exercise price and period are detailed below:

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

Movements in the number of warrants outstanding for the nine-month period ended 30 September 2008 were as follows:

	Opening balance	Issue during the period	Exercise during the period	Expired during the period	Closing balance
	<i>(in thousand unit)</i>				
ESOP - Grant II					
Directors	637	-	-	(637)	-
Employees	1,282	-	(699)	(583)	-
Total	1,919	-	(699)	(1,220)	-
ESOP - Grant III					
Directors	1,754	-	-	-	1,754
Employees	4,140	-	-	-	4,140
Total	5,894	-	-	-	5,894
ESOP - Grant IV					
Directors	1,430	-	-	-	1,430
Employees	6,132	-	-	-	6,132
Total	7,562	-	-	-	7,562
ESOP - Grant V					
Directors	2,000	-	-	-	2,000
Employees	8,033	-	-	-	8,033
Total	10,033	-	-	-	10,033
Grand Total	25,408	-	(699)	(1,220)	23,489

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10 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 Cambodia and the Lao People's Democratic Republic.
Segment 4	Printing and publishing of business telephone directories

Geographic segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographic location of customers.

The areas of operation in Thailand are principally satellite business services, internet and media services and printing and publishing of business telephone directories services. Cambodia and Lao PDRs' main activities are sales and services relating to telephone network business and satellite business services. Australia main activities are sales and services relating to satellite business.

The following are the main geographical locations:

Segment 1	Thailand
Segment 2	Cambodia
Segment 3	Lao PDR
Segment 4	Australia
Segment 5	Others

Revenue and results, based on business segments, in the consolidated financial statements for the three-month and nine-month periods ended 30 September 2008 and 2007 were as follows:

	Three-month periods ended 30 September		Nine-month periods ended 30 September	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
Segment revenue				
Satellite business services	1,163,628	879,031	3,599,846	3,040,120
Internet services	149,465	62,199	386,866	143,327
Telephone network	484,647	469,543	1,363,081	1,808,948
Share of profit from associated company	33,089	40,833	80,271	88,026
Eliminations	(15,525)	(14,273)	(58,690)	(184,435)
Total	1,815,304	1,437,333	5,371,374	4,895,986

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For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

	Three-month periods ended 30 September		Nine-month periods ended 30 September	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
Segment results				
Satellite business services	(187,084)	(426,196)	(449,636)	(981,140)
Internet services	16,545	41,149	79,179	82,084
Telephone network	142,904	220,803	502,719	633,364
Other segments	(16,684)	(9,510)	(44,395)	(12,746)
Eliminations	35,495	8,729	5,144	23,976
Total	(8,824)	(165,025)	93,011	(254,462)

Revenue and results, based on geographical segments, in the consolidated financial statements for the three-month and nine-month periods ended 30 September 2008 and 2007 were as follows:

	Three-month periods ended 30 September		Nine-month periods ended 30 September	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
Segment revenue				
Thailand	688,842	487,435	2,177,027	1,645,534
Cambodia	385,527	296,256	1,049,022	1,099,184
Lao PDR	157,544	223,566	514,039	857,301
Australia	307,359	242,127	905,064	663,510
Others	276,032	187,949	726,222	630,457
Total	1,815,304	1,437,333	5,371,374	4,895,986
Segment results				
Thailand	(179,642)	(121,272)	(697,666)	(661,695)
Cambodia	141,943	(4,969)	427,083	176,715
Lao PDR	20,492	181,629	120,141	421,342
Australia	768	(139,319)	191,394	(83,036)
Others	7,615	(81,094)	52,059	(107,788)
Total	(8,824)	(165,025)	93,011	(254,462)

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11 Earnings (loss) per share

Basic earnings (loss) per share

The calculation of basic earnings (loss) per share for the three-month and nine-month periods ended 30 September 2008 and 2007 was based on the profit (loss) for the period attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the period as follows:

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Three-month period ended 30 September	<i>(in thousand Baht/thousand shares)</i>			
Profit (loss) for the period	(114,962)	3,143,444	(324,943)	4,462,000
Profit (loss) attributable to equity holders of the Company (basic)	(114,962)	3,143,444	(324,943)	4,462,000
Number of ordinary shares outstanding at 1 July	1,095,938	1,091,069	1,095,938	1,091,069
Effect of shares issued during the period	-	927	-	927
Weighted average number of ordinary shares outstanding (basic)	1,095,938	1,091,996	1,095,938	1,091,996
Earnings (loss) per share (basic) (in Baht)	(0.1)	2.88	(0.3)	4.0

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Nine-month period ended 30 September	<i>(in thousand Baht/thousand shares)</i>			
Profit (loss) for the period	(116,099)	3,195,213	(746,996)	4,280,020
Profit (loss) attributable to equity holders of the Company (basic)	(116,099)	3,195,213	(746,996)	4,280,020
Number of ordinary shares outstanding at 1 January	1,092,219	1,091,069	1,092,219	1,091,069
Effect of shares issued during the period	2,125	313	2,125	313
Weighted average number of ordinary shares (basic)	1,094,344	1,091,382	1,094,344	1,091,382
Earnings (loss) per share (basic) (in Baht)	(0.1)	2.92	(0.7)	3.9

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Diluted earnings (loss) per share

The calculation of diluted earnings (loss) per share for the three-month and nine-month periods ended 30 September 2008 and 2007 was based on the profit (loss) for the period attributable to equity holders of the Company and the weighted average number of shares outstanding during the period after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Three-month period ended 30 September	<i>(in thousand Baht/thousand shares)</i>			
Profit (loss) attributable to equity holders of the Company (diluted)	<u>(114,962)</u>	<u>3,143,444</u>	<u>(324,943)</u>	<u>4,462,033</u>
Weighted average number of ordinary shares outstanding (basic)	1,095,938	1,091,996	1,095,938	1,091,996
Effect of shares warrants on issue	-	1,761	-	1,761
Weighted average number of ordinary shares outstanding (diluted)	<u>1,095,938</u>	<u>1,093,757</u>	<u>1,095,938</u>	<u>1,093,757</u>
Earnings (loss) per share (diluted) (in Baht)	<u>(0.10)</u>	<u>2.8</u>	<u>(0.30)</u>	<u>4.08</u>

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Nine-month period ended 30 September	<i>(in thousand Baht/thousand shares)</i>			
Profit (loss) attributable to equity holders of the Company (diluted)	<u>(116,099)</u>	<u>3,195,213</u>	<u>(746,996)</u>	<u>4,280,027</u>
Weighted average number of ordinary shares outstanding (basic)	1,094,344	1,091,382	1,094,344	1,091,382
Effect of shares warrants on issue	-	1,208	-	1,208
Weighted average number of ordinary shares outstanding (diluted)	<u>1,094,344</u>	<u>1,092,590</u>	<u>1,094,344</u>	<u>1,092,590</u>
Earnings (loss) per share (diluted) (in Baht)	<u>(0.11)</u>	<u>2.92</u>	<u>(0.68)</u>	<u>3.92</u>

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12 Commitments with non-related parties

a) Agreement for operation of domestic communication satellite

The Company was permitted by the Ministry of Transport and Communications, under an agreement dated 11 September 1991 and an amendment thereto dated 22 March 1992, to operate and administer certain satellite projects and to render transponder services for domestic and international communications as well as the right to collect, for a thirty-year period, service charges from users of the transponders. The concession agreement has been transferred to the Ministry of Information Communication and Technology (“MICT”).

Under the aforementioned agreement, the Company must pay an annual fee to MICT based on a percentage of certain service incomes or at the minimum level specified in the agreement, whichever is higher. In addition, the Company, according to the aforementioned agreement, must transfer its ownership of all satellites, and monitoring stations and other operating equipments to MICT on the date of completion of construction and installation.

b) Assets transfer commitment under telephone network agreement in Cambodia

Cambodia Shinawatra Company Limited, a joint venture in Cambodia, has obtained a concession from the Directorate of Posts and Telecommunications of Cambodia to operate a domestic telephone network under an agreement dated 4 March 1993 and an amendment thereto dated 4 March 1997, for a period of 35 years. Under the agreement, Cambodia Shinawatra Company Limited will transfer its ownership of all fixed assets to the Government of Cambodia on the expiration date of the agreement, in 2028.

c) Shareholder agreement

Lao Telecommunications Company Limited (“LTC”) was established under the terms of a Joint Venture Contract dated 8 October 1996, signed by the Government of the Lao People’s Democratic Republic and Shinawatra Computer and Communications Public Company Limited, the former name of Shin Corporation Public Company Limited. According to the aforementioned Joint Venture Contract, LTC has the right to provide telecommunication services - fixed line phone, mobile phone, international facilities, Internet and paging - within the Lao PDR for 25 years. Currently, Shenington Investments Pte Company Limited, which is a joint venture of the Company, owns 49% of LTC’s registered shares. At the end of the 25th year, in 2021, the Group has to transfer all of LTC’s shares to the Government of the Lao People’s Democratic Republic without any charges (Note 5). According to the shareholder agreement, LTC is required to invest at least USD 400 million in the projects specified in the agreement within 25 years. As at 30 June 2008, LTC has remaining additional investment of approximately USD 156 million.

d) Concession contracts of a subsidiary company and associated companies for the satellite uplink-downlink and Internet services

CS Loxinfo Public Company Limited (“CSL”), which is an associate of the Company, entered into concession agreements 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.

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Currently, the National Telecommunications Commission (“NTC”) is responsible for granting licenses to provide internet access services in Thailand. DTV Service Company Limited (former name: Shin Broadband Internet (Thailand) Company Limited), a company’s subsidiary, and CSL operate the business to provide internet and telecommunication services under licenses granted by NTC as follow:

Type of license	Issued Date	Period
License of DTV Service Company Limited (former name: Shin Broadband Internet (Thailand) Company Limited)		
Internet Operation License Type I	18 October 2008	1 year
Licenses of CSL		
Internet Operation License Type II	26 April 2007	5 years
Internet Operation License Type I	8 September 2008	1 year
Telecom Operation License Type I	11 October 2008	1 year
Telecom Operation License Type III	20 December 2007	15 years

e) Obligation under “Financing and Project Agreement”

Lao Telecommunications Company Limited (“LTC”) entered into a “Financing and Project Agreement” with the government of the Lao People’s Democratic Republic (“government”) and an organisation in Germany (KfW, Frankfurt am Main) on 25 October 2004 of an amount not exceeding Euro 6.5 million (approximately Baht 322.5 million) for the procurement and installation and consultant of Phase VI of a rural telecommunication network. Under the agreement, the ownership of network assets will be transferred to LTC through a loan arrangement at 30% of the network assets’ value excluding consulting services project. However, LTC has not yet recognised the network assets relating to Phase VI and the related portion of the loan in these financial statements because the project has not commenced yet.

f) 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 is obligated to purchase those shares from Codespace Inc. The Company believes that Codespace Inc. will not exercise the option because according to the result of the financial analysis of the Company, the value per share of iPSTAR Co., Ltd.’s shares is higher than USD 1. Therefore, the Company does not recognise this obligation as its liabilities in these financial statements. As of 30 September 2008, the remaining share option was 1.49 million shares (31 December 2007: 1.49 million shares).

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g) Non- cancellable operating lease commitments

As at 30 September 2008 and 31 December 2007, the Group had future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Currency	Consolidated financial statements		Separate financial statements	
		30 September 2008	31 December 2007	30 September 2008	31 December 2007
<i>(in thousand)</i>					
Within one year	THB	34,434	36,557	34,434	36,557
	USD	4,232	4,090	3,198	3,318
	KIP	14,043	-	-	-
Total equivalent Baht		<u>179,104</u>	<u>175,146</u>	<u>135,552</u>	<u>148,975</u>
After one year but within five years	THB	32,508	43,161	32,508	43,161
	USD	10,191	8,579	6,199	5,466
	KIP	44,557	-	-	-
Total equivalent Baht		<u>380,980</u>	<u>333,845</u>	<u>228,548</u>	<u>228,373</u>
After five years	THB	24,500	25,858	24,500	25,858
	USD	2,387	1,805	-	-
	KIP	198,747	-	-	-
Total equivalent Baht		<u>106,871</u>	<u>87,022</u>	<u>24,500</u>	<u>25,858</u>
Grand total equivalent Baht		<u>666,955</u>	<u>596,013</u>	<u>388,600</u>	<u>403,206</u>

h) Bank guarantees and letters of credit

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

	Currency	Consolidated financial statements		Separate financial statements	
		30 September 2008	31 December 2007	30 September 2008	31 December 2007
<i>(in thousand)</i>					
Minimum concession fee payable to Ministry of Information Communication and Technology	THB	106,000	102,000	106,000	102,000
IPSTAR equipment sales	THB	27,482	39,799	27,482	39,799
Satellite space leasing by customers	USD	312	300	312	300
	THB	487,000	487,000	487,000	487,000
	PKR	-	5,000	-	5,000
IPSTAR Gateway	USD	379	379	379	379
Standby letters of credit	USD	43,079	43,000	43,079	43,000
Letters of credit	USD	-	250	-	-
Others	THB	3,322	4,048	3,322	3,322
	AUD	-	29	-	-

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13 Contingent liabilities

Assessment for income tax in India

The Tax Authority in India ('the said Authority') has held that the payments received by the Company for providing Transponder Services ('TPS') to its Indian Customers and non-resident customers targeting Indian audience ('the Customer') was Royalty under both the Indian Income Tax Act ('the Act'), and the Double Taxation Avoidance Agreement between Thailand and India ('the DTAA') and subject to withholding tax at the rate of 15% on gross basis. The Company did not agree with the decision of the said Authority and followed the appeal process as provided under the Act.

In view of the above, the said Authority has raised the tax demand including surcharge and education cess aggregating to Rs.612.1 million (approximately Baht 479 million) exclusive of interest amounting to Rs 92.7 million (approximately Baht 73 million) against the said payment received by it from the customers for the Assessment Year ('AY') 1998-99 to 2005-06 (1 April 1997 to 31 March 2005). Further, the said Authority has also levied penalty of Rs.324.9 million (approximately Baht 254 million) for AY 1998-99 to 2001-02.

From Authority's letter dated 22 August 2008, the Authority had asked for payment the demand above including interest for late payment amounting to Rs. 83.2 million (approximately Baht 65 million) (calculated up to the ended of August 2008).

The Company had received Withholding Tax Certificates ('WTC') from its Customers until AY 2007-08 net amounting to Rs.487.9 million (approximately Baht 382 million). The Company had also deposited Rs.301 million (approximately Baht 236 million). In October 2008, the Company paid additional deposit Rs.104 million. As the result, deposit is totally Rs. 405 million (approximately Baht 317 million). The Company put the deposit as non-current assets in the Balance Sheet.

Since the Tax Advisor in India is of the opinion that the income from the TPS is not subject to Tax in India, the Company did not make any provision for the liability against the balance amount of Rs.220 million (approximately Baht 172 million), payable to the said Authority.

If the Company receives favorable Order from the Appellate Authority (ies), the entire amount which includes withholding tax together with its interest and deposits with interests shall be refunded and if the Company can show that there is no concealment of income, the penalty imposed by the Authority for the AY 1998-99 to 2001-02 would be set aside. Similarly, in case of adverse Order, the Company will be liable to pay the balance amount, with interest at the highest rates of which is not exceeding 1% per month starting from the last day specified for making payment in the notice till date of tax payment. However, even if the Appellate Authority (ies) decides that the income from TPS is a royalty but the Company did not conceal any income or intentionally declare incorrect income in its income tax returns, the Appellate Authority (ies) may decide to set aside the penalty imposed by the Authority on the Company.

Thaicom Public Company Limited and its Subsidiaries

(former name: Shin Satellite Public Company Limited)

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

Legal Disputes

On 30 May 2008, IPSTAR Australia Pty Ltd (“IPA”), a Company’s subsidiary, sent the Notice of Termination of the Definitive Agreement dated 30 October 2007 to ETT Limited (“ETT”), the National Service Operator (NSO) of the iPSTAR service in Australia, effective on 7 June 2008. ETT argued that the notice of termination was invalid and filed an application for interlocutory relief to the Supreme Court of New South Wales. The Court granted interlocutory relief to ETT for the notice of termination and issued an order that the dispute between IPA and ETT will be referred to arbitration. On 11 August 2008, IPA and ETT reached an agreement to settle their dispute relating to the Definitive Agreement under which obligations under the Agreement were terminated. In addition ETT agreed to return to IPA User Terminals currently in its warehouse. In return, IPA agreed to pay the repurchase fee to ETT.

14 Reclassification of accounts

Certain accounts in the 2007 interim financial statements have been reclassified to conform to the presentation in the 2008 interim financial statements.