

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE BOARD OF DIRECTORS
ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED**

We have reviewed the consolidated statement of financial position of Advanced Info Service Public Company Limited and its subsidiaries and the separate statement of financial position of Advanced Info Service Public Company Limited as at September 30, 2016, and the related consolidated and separate statements of profit or loss, profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2016, and the related consolidated and separate statements of changes in equity and cash flows for the nine-month period ended September 30, 2016, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

Other Matter

The consolidated statement of financial position of Advanced Info Service Public Company Limited and its subsidiaries and the separate statement of financial position of Advanced Info Service Public Company Limited as at December 31, 2015, presented herein as comparative information, was audited by other auditor, whose report thereon dated February 4, 2016 expressed an unmodified opinion on those statements. The consolidated and separate statements of profit or loss, profit or loss and other comprehensive income for the three-month and the nine-month periods ended September 30, 2015, and the related consolidated and separate statements of changes in equity and cash flows for the nine-month period ended September 30, 2015, presented herein as comparative information, was reviewed by other auditor, whose report thereon dated November 10, 2015, concluded that nothing had come to his attention that caused him to believe that such interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”.

BANGKOK
November 8, 2016

Dr. Suphamit Techamontrikul
Certified Public Accountant (Thailand)
Registration No. 3356
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2016

UNIT : THOUSAND BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		September 30,	December 31,	September 30,	December 31,
		2016	2015	2016	2015
		“Unaudited”		“Unaudited”	
ASSETS					
Current assets					
Cash and cash equivalents	17	10,868,464	9,864,913	360,025	1,153,323
Specifically-designated bank deposits	4	2,687,519	4,447,280	-	-
Current investments	5	-	304,674	-	-
Trade and other receivables	6, 17	14,246,107	16,388,529	2,343,279	5,482,137
Dividend receivables	17	-	-	-	19,944,391
Short-term loans to related parties	17	-	-	42,311,900	44,243,900
Inventories		4,330,901	5,059,252	2,309	38,633
Other current assets		1,649,173	1,942,221	1,466,197	1,329,507
Total current assets		33,782,164	38,006,869	46,483,710	72,191,891
Non-current assets					
Investments in associate	7	11,175	-	-	-
Investments in subsidiaries	8	-	-	7,660,665	7,660,665
Other long-term investments	5	58,399	58,399	46,999	46,999
Property, plant and equipment	9	112,111,037	84,291,103	378,061	499,589
Intangible assets under the Agreements for operations	9	-	-	-	-
Goodwill		34,931	34,931	-	-
Spectrum license	9	117,352,860	51,790,574	-	-
Other intangible assets	9	3,941,892	3,192,332	51,589	72,491
Swap and forward contracts receivable	18	410,700	795,449	414,425	795,449
Deferred tax assets		2,547,064	1,251,588	960,699	64,890
Other non-current assets		1,252,454	2,340,028	957,771	1,001,346
Total non-current assets		237,720,512	143,754,404	10,470,209	10,141,429
Total assets		271,502,676	181,761,273	56,953,919	82,333,320

See condensed notes to the financial statements

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2016

UNIT : THOUSAND BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		September 30,	December 31,	September 30,	December 31,
		2016	2015	2016	2015
		“Unaudited”		“Unaudited”	
LIABILITIES AND EQUITY					
Current liabilities					
Short-term loans from financial institutions	10	20,790,000	8,500,000	6,800,000	7,700,000
Trade and other payables	11, 17	29,951,420	27,750,538	4,214,828	3,475,832
Current portion of long-term liabilities	10	4,597,328	4,355,627	4,168,392	4,327,462
Short-term loans from related parties	10, 17	1,000,000	-	6,510,000	6,490,000
Accrued revenue sharing expenses		5,359,450	5,364,085	5,218,876	5,223,511
Unearned income - mobile phone service		3,019,612	2,331,763	9,303	44,592
Advanced receipts from customers		2,687,519	4,447,280	-	-
Income tax payable		1,329,474	4,761,207	-	-
Other current liabilities		44,116	22,792	273	1,817
Total current liabilities		68,778,919	57,533,292	26,921,672	27,263,214
Non-current liabilities					
Long-term liabilities	10	80,887,282	52,576,668	3,491,066	9,412,406
Employee benefit obligations		2,479,441	2,293,784	317,077	431,366
Spectrum licenses payable		81,699,770	19,902,471	-	-
Other non-current liabilities		1,432,197	962,076	16,036	16,036
Total non-current liabilities		166,498,690	75,734,999	3,824,179	9,859,808
Total liabilities		235,277,609	133,268,291	30,745,851	37,123,022

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2016

UNIT : THOUSAND BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		September 30,	December 31,	September 30,	December 31,
		2016	2015	2016	2015
		“Unaudited”		“Unaudited”	
LIABILITIES AND EQUITY (CONTINUED)					
Equity					
Share capital					
Authorized share capital					
4,997 million ordinary shares of					
Baht 1.00 each					
		4,997,460	4,997,460	4,997,460	4,997,460
Issued and paid-up share capital					
2,973 million ordinary shares of					
Baht 1.00 each					
		2,973,095	2,973,095	2,973,095	2,973,095
Additional paid-in capital					
Premium on ordinary shares					
		22,388,093	22,372,276	22,388,093	22,372,276
Retained earnings					
Appropriated					
Legal reserve					
		500,000	500,000	500,000	500,000
Unappropriated					
		10,002,941	22,313,204	280,701	19,308,357
Other components of equity					
		227,366	217,757	66,179	56,570
Equity attributable to owners					
of the Company					
		36,091,495	48,376,332	26,208,068	45,210,298
Non-controlling interests					
		133,572	116,650	-	-
Total equity					
		36,225,067	48,492,982	26,208,068	45,210,298
Total liabilities and equity					
		271,502,676	181,761,273	56,953,919	82,333,320

See condensed notes to the financial statements

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
“UNAUDITED”

UNIT : THOUSAND BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		2016	2015	2016	2015
Revenues					
Revenues from rendering of services and equipment rentals	17	32,031,840	31,412,379	30,373	6,369,960
Revenue from sale of goods	17	5,063,876	5,356,210	-	128
Construction income from the Agreements for operations		-	9,619	-	9,619
Total revenues		<u>37,095,716</u>	<u>36,778,208</u>	<u>30,373</u>	<u>6,379,707</u>
Costs					
Cost of rendering of services and equipment rentals	17	(14,881,683)	(12,784,500)	1,422	(5,698,075)
Revenue sharing expense		(9,118)	(1,653,450)	(9,118)	(1,653,450)
Cost of sale of goods		(5,877,534)	(5,951,278)	-	(128)
Construction cost from the Agreements for operations		-	(9,619)	-	(9,619)
Total costs		<u>(20,768,335)</u>	<u>(20,398,847)</u>	<u>(7,696)</u>	<u>(7,361,272)</u>
Gross profit (loss)		16,327,381	16,379,361	22,677	(981,565)
Selling and administrative expenses					
Selling expenses		(3,827,602)	(1,733,194)	(2,701)	(18,287)
Administrative expenses		(3,432,746)	(3,163,151)	(279,519)	(599,164)
Total selling and administrative expenses		<u>(7,260,348)</u>	<u>(4,896,345)</u>	<u>(282,220)</u>	<u>(617,451)</u>
Profit (loss) from services, equipment rentals and sales of goods		9,067,033	11,483,016	(259,543)	(1,599,016)
Investment income	5, 8, 17	52,840	47,428	355,093	404,727
Other operating income	17	79,470	215,367	408,838	230,219
Share of gain (loss) of associate		764	(2,978)	-	-
Net gain (loss) on foreign exchange rate		67,395	(132,171)	5,006	8,231
Management benefit expenses	17	(38,973)	(38,272)	(38,913)	(38,137)
Finance costs	17	(1,310,933)	(463,437)	(129,495)	(187,018)
Profit (loss) before income tax		7,917,596	11,108,953	340,986	(1,180,994)
Income tax (expense) income	14	(1,370,781)	(2,494,844)	(68,636)	804
Profit (loss) for the period		<u>6,546,815</u>	<u>8,614,109</u>	<u>272,350</u>	<u>(1,180,190)</u>

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

“UNAUDITED”

UNIT : THOUSAND BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2016	2015	2016	2015
Profit (loss) attributable to:					
Owners of the Company		6,529,416	8,615,533	272,350	(1,180,190)
Non-controlling interests		17,399	(1,424)	-	-
Profit (loss) for the period		<u>6,546,815</u>	<u>8,614,109</u>	<u>272,350</u>	<u>(1,180,190)</u>
Earnings (loss) per share (in Baht)	15				
Basic earnings (loss) per share		<u>2.20</u>	<u>2.90</u>	<u>0.09</u>	<u>(0.40)</u>
Diluted earnings (loss) per share		<u>2.20</u>	<u>2.90</u>	<u>0.09</u>	<u>(0.40)</u>

See condensed notes to the financial statements

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
 “UNAUDITED”

UNIT : THOUSAND BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Profit (loss) for the period	6,546,815	8,614,109	272,350	(1,180,190)
Other comprehensive income				
Item that will be reclassified subsequently to profit and loss				
Net change in fair value of available-for-sale investments	-	(7,220)	-	-
Other comprehensive income for the period, net of income tax	-	(7,220)	-	-
Total comprehensive income for the period	<u>6,546,815</u>	<u>8,606,889</u>	<u>272,350</u>	<u>(1,180,190)</u>
Total comprehensive income attributable to				
Owners of the Company	6,529,416	8,608,407	272,350	(1,180,190)
Non-controlling interests	17,399	(1,518)	-	-
Total comprehensive income for the period	<u>6,546,815</u>	<u>8,606,889</u>	<u>272,350</u>	<u>(1,180,190)</u>

See condensed notes to the financial statements

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
“UNAUDITED”

UNIT : THOUSAND BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		2016	2015	2016	2015
Revenues					
Revenues from rendering of services and equipment rentals	17	95,221,319	96,052,225	5,011,598	27,360,350
Revenue from sale of goods	17	15,609,070	19,376,313	-	185
Construction income from the Agreements for operations		-	63,591	-	63,591
Total revenues		<u>110,830,389</u>	<u>115,492,129</u>	<u>5,011,598</u>	<u>27,424,126</u>
Costs					
Cost of rendering of services and equipment rentals	17	(41,583,756)	(38,088,836)	(5,321,591)	(17,287,799)
Revenue sharing expense		(2,652)	(6,720,976)	(2,652)	(6,720,976)
Cost of sale of goods		(16,326,155)	(19,533,781)	-	(185)
Construction cost from the Agreements for operations		-	(63,591)	-	(63,591)
Total costs		<u>(57,912,563)</u>	<u>(64,407,184)</u>	<u>(5,324,243)</u>	<u>(24,072,551)</u>
Gross profit (loss)		52,917,826	51,084,945	(312,645)	3,351,575
Selling and administrative expenses					
Selling expenses		(12,024,489)	(4,692,233)	(33,837)	(112,019)
Administrative expenses		(9,790,607)	(9,756,204)	(871,131)	(2,025,306)
Total selling and administrative expenses		<u>(21,815,096)</u>	<u>(14,448,437)</u>	<u>(904,968)</u>	<u>(2,137,325)</u>
Profit (loss) from services, equipment rentals and sales of goods					
		31,102,730	36,636,508	(1,217,613)	1,214,250
Investment income	5, 8, 17	150,392	248,843	17,150,145	17,914,803
Other operating income	17	275,786	340,416	1,248,941	423,465
Share of gain (loss) of associate		11,175	(2,978)	-	-
Impairment loss on assets	8	-	-	-	(178,913)
Net gain on foreign exchange rate		271,138	32,481	14,222	20,326
Management benefit expenses	17	(109,704)	(135,592)	(109,494)	(135,137)
Finance costs	17	(2,904,664)	(1,362,145)	(500,938)	(506,345)
Profit before income tax		28,796,853	35,757,533	16,585,263	18,752,449
Income tax (expense) income	14	(4,581,323)	(7,401,184)	895,809	(603,418)
Profit for the period		<u>24,215,530</u>	<u>28,356,349</u>	<u>17,481,072</u>	<u>18,149,031</u>

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF PROFIT OR LOSS (CONTINUED)
 FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
 “UNAUDITED”

UNIT : THOUSAND BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2016	2015	2016	2015
Profit attributable to:					
Owners of the Company		24,198,465	28,361,069	17,481,072	18,149,031
Non-controlling interests		17,065	(4,720)	-	-
Profit for the period		<u>24,215,530</u>	<u>28,356,349</u>	<u>17,481,072</u>	<u>18,149,031</u>
Earnings per share (in Baht)	15				
Basic earnings per share		<u>8.14</u>	<u>9.54</u>	<u>5.88</u>	<u>6.10</u>
Diluted earnings per share		<u>8.14</u>	<u>9.54</u>	<u>5.88</u>	<u>6.10</u>

See condensed notes to the financial statements

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
 “UNAUDITED”

UNIT : THOUSAND BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Profit for the period	24,215,530	28,356,349	17,481,072	18,149,031
Other comprehensive income				
Item that will be reclassified subsequently to profit and loss				
Net change in fair value of available-for-sale investments	-	(6,435)	-	-
Other comprehensive income for the period, net of income tax	-	(6,435)	-	-
Total comprehensive income for the period	<u>24,215,530</u>	<u>28,349,914</u>	<u>17,481,072</u>	<u>18,149,031</u>
Total comprehensive income attributable to				
Owners of the Company	24,198,465	28,354,709	17,481,072	18,149,031
Non-controlling interests	17,065	(4,795)	-	-
Total comprehensive income for the period	<u>24,215,530</u>	<u>28,349,914</u>	<u>17,481,072</u>	<u>18,149,031</u>

See condensed notes to the financial statements

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	Issued and paid-up		Retained earnings		Other components of equity			Total equity		Total equity	
		share capital	Share premium	Legal reserve	Unappropriated	Reserve for share-based payment	Gain on dilution of investment	Fair value changes in available-for-sale investments	Total other components of equity	attributable to owners of the Company		Non-controlling interests
Balance as at January 1, 2015		2,973,095	22,372,276	500,000	20,710,295	25,909	161,187	7,637	194,733	46,750,399	114,356	46,864,755
Transactions with owners, recorded directly in equity												
Share-based payment transaction	12	-	-	-	-	21,825	-	-	21,825	21,825	-	21,825
Dividends	16	-	-	-	(37,042,013)	-	-	-	-	(37,042,013)	(89)	(37,042,102)
Total transactions with owners, recorded directly in equity		-	-	-	(37,042,013)	21,825	-	-	21,825	(37,020,188)	(89)	(37,020,277)
Comprehensive income for the period												
Profit		-	-	-	28,361,069	-	-	-	-	28,361,069	(4,720)	28,356,349
Other comprehensive income		-	-	-	-	-	-	(6,360)	(6,360)	(6,360)	(75)	(6,435)
Total comprehensive income for the period		-	-	-	28,361,069	-	-	(6,360)	(6,360)	28,354,709	(4,795)	28,349,914
Balance as at September 30, 2015		2,973,095	22,372,276	500,000	12,029,351	47,734	161,187	1,277	210,198	38,084,920	109,472	38,194,392

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	Issued and paid-up		Retained earnings		Other components of equity			Total equity		Total equity	
		share capital	Share premium	Legal reserve	Unappropriated	Reserve for share-based payment	Gain on dilution of investment	Fair value changes in available-for-sale investments	Total other components of equity	attributable to owners of the Company		Non-controlling interests
Balance as at January 1, 2016		2,973,095	22,372,276	500,000	22,313,204	56,570	161,187	-	217,757	48,376,332	116,650	48,492,982
Transactions with owners, recorded directly in equity												
Share-based payment transaction	12	-	15,817	-	-	9,609	-	-	9,609	25,426	-	25,426
Dividends	16	-	-	-	(36,508,728)	-	-	-	-	(36,508,728)	(143)	(36,508,871)
Total transactions with owners, recorded directly in equity		-	15,817	-	(36,508,728)	9,609	-	-	9,609	(36,483,302)	(143)	(36,483,445)
Comprehensive income for the period												
Profit		-	-	-	24,198,465	-	-	-	-	24,198,465	17,065	24,215,530
Total comprehensive income for the period		-	-	-	24,198,465	-	-	-	-	24,198,465	17,065	24,215,530
Balance as at September 30, 2016		2,973,095	22,388,093	500,000	10,002,941	66,179	161,187	-	227,366	36,091,495	133,572	36,225,067

See condensed notes to the financial statements

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF CHANGES IN EQUITY
 SEPARATE FINANCIAL STATEMENTS
 FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
 “UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	Issued and paid-up share capital	Share premium	Retained earnings (Deficit)		Other components of equity	Total equity
				Legal reserve	Unappropriated	Reserve for share-based payment	
Balance as at January 1, 2015		2,973,095	22,372,276	500,000	17,742,315	25,909	43,613,595
Transactions with owners, recorded directly in equity							
Share-based payment transaction	12	-	-	-	-	21,825	21,825
Dividends	16	-	-	-	(37,042,013)	-	(37,042,013)
Total transactions with owners, recorded directly in equity		-	-	-	(37,042,013)	21,825	(37,020,188)
Comprehensive income for the period							
Profit		-	-	-	18,149,031	-	18,149,031
Total comprehensive income for the period		-	-	-	18,149,031	-	18,149,031
Balance as at September 30, 2015		2,973,095	22,372,276	500,000	(1,150,667)	47,734	24,742,438

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
SEPARATE FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	Total equity
				Legal reserve	Unappropriated	Reserve for share-based payment	
Balance as at January 1, 2016		2,973,095	22,372,276	500,000	19,308,357	56,570	45,210,298
Transactions with owners, recorded directly in equity							
Share-based payment transaction	12	-	15,817	-	-	9,609	25,426
Dividends	16	-	-	-	(36,508,728)	-	(36,508,728)
Total transactions with owners, recorded directly in equity		-	15,817	-	(36,508,728)	9,609	(36,483,302)
Comprehensive income for the period							
Profit		-	-	-	17,481,072	-	17,481,072
Total comprehensive income for the period		-	-	-	17,481,072	-	17,481,072
Balance as at September 30, 2016		2,973,095	22,388,093	500,000	280,701	66,179	26,208,068

See condensed notes to the financial statements

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
“UNAUDITED”

UNIT : THOUSAND BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2016	2015	2016	2015
Cash flows from operating activities					
Profit for the period		24,215,530	28,356,349	17,481,072	18,149,031
Adjustments for					
Depreciation	9	10,787,909	7,189,211	100,405	243,070
Amortization of intangible assets	9	4,051,198	9,717,609	20,864	8,638,568
Impairment loss on assets	8	-	-	-	178,913
Investment income		(150,392)	(248,843)	(17,150,145)	(17,914,803)
Finance costs		2,904,664	1,362,145	500,938	506,345
(Reversal of) doubtful accounts and bad debts expenses	6	953,920	994,558	(2,978)	6,555
Share-based payment transaction	12	25,426	21,825	25,426	21,825
(Reversal of) allowance for obsolete, decline in value and write-off inventories		362,077	239,125	(25,328)	6,788
(Gain) loss on disposals and write-off of assets		(999)	301,748	(764)	202,901
Unrealized (gain) loss on foreign exchange rate		106,865	423,261	(7,679)	(13,773)
Share of (gain) loss of associate	7	(11,175)	2,978	-	-
Income tax expense (income)		4,581,323	7,401,184	(895,809)	603,418
Cash provided by operation before changes in operating assets and liabilities		47,826,346	55,761,150	46,002	10,628,838
Changes in operating assets and liabilities					
Specifically-designated bank deposits		1,759,761	(163,469)	-	-
Trade and other receivables		1,471,360	(1,304,876)	3,164,096	6,271,095
Inventories		366,274	(1,087,276)	61,652	(443)
Other current assets		(121,376)	(661,423)	(301,004)	(699,103)
Other non-current assets		1,087,574	(638,239)	43,575	(38,127)
Trade and other payables		(787,144)	(797,785)	726,170	(407,249)
Accrued revenue sharing expenses		(4,635)	1,582,308	(4,635)	1,582,308
Unearned income - mobile phone service		687,849	69,562	(35,289)	(509,509)
Advanced receipts from customers		(1,759,761)	163,469	-	-
Other current liabilities		21,324	(263,004)	(1,544)	(249,603)
Swap and forward contracts receivable (payable)		68,089	(314,701)	7,871	(106)
Other non-current liabilities		196,132	74,419	(122,154)	15,897
Cash generated from operating activities		50,811,793	52,420,135	3,584,740	16,593,998
Income tax paid		(9,566,582)	(7,809,567)	(262,892)	(863,618)
Net cash provided by operating activities		41,245,211	44,610,568	3,321,848	15,730,380

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
“UNAUDITED”

UNIT : THOUSAND BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		2016	2015	2016	2015
Cash flows from investing activities					
Interest received		157,410	238,887	1,472,895	1,358,897
Purchase of property, plant, equipment and intangible assets		(37,031,040)	(24,679,268)	(20,509)	(59,186)
Sale of equipment		16,904	15,033	33,579	370,096
Purchase of intangible assets under the Agreements for operations		-	(133,614)	-	(133,614)
Payment of spectrum license		(8,067,738)	-	-	-
Net (increase) decrease in short-term loans to subsidiaries and associate		-	95,000	1,932,000	(13,464,140)
Cash received from return of capital from subsidiary		-	-	-	75,000
Additional investments in subsidiary		-	(10,875)	-	(14,000)
Net decrease in current investments		304,674	1,125,936	-	-
Dividend received		-	40,000	35,860,268	16,800,110
Net cash provided by (used in) investing activities		(44,619,790)	(23,308,901)	39,278,233	4,933,163
Cash flows from financing activities					
Interest paid		(1,301,145)	(878,244)	(439,537)	(420,321)
Other finance costs paid		(168,790)	(136,991)	(1,950)	(1,183)
Finance lease payments		(33,690)	(24,786)	(10,602)	(15,342)
Net increase (decrease) in short-term loans from financial institutions		12,290,000	10,500,000	(900,000)	10,500,000
Net increase in short-term loans from related parties		1,000,000	-	20,000	5,890,000
Proceed of long-term liabilities		34,653,738	-	-	-
Repayments of long-term liabilities		(5,550,187)	(243,074)	(5,550,187)	(243,074)
Dividend paid		(36,508,871)	(37,042,102)	(36,508,728)	(37,042,013)
Net cash provided by (used in) financing activities		4,381,055	(27,825,197)	(43,391,004)	(21,331,933)
Effect of exchange rate changes on balances held in foreign currencies		(2,925)	2,281	(2,375)	-
Net increase (decrease) in cash and cash equivalents		1,003,551	(6,521,249)	(793,298)	(668,390)
Cash and cash equivalents as at January 1,		9,864,913	14,258,066	1,153,323	1,679,292
Cash and cash equivalents as at September 30,		10,868,464	7,736,817	360,025	1,010,902
Supplemental disclosures of cash flow information					
Non-cash transactions					
Outstanding debts arising from investments in capital expenditures and spectrum license		93,665,782	10,657,691	22,673	42,565

See condensed notes to the financial statements

**ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2016
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**ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2016
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1. GENERAL INFORMATION

Advanced Info Service Public Company Limited (“the Company”) is incorporated in Thailand and has its registered office at 414 AIS Tower 1, Phaholyothin Road, Phayathai, Bangkok, Thailand.

The Company was listed on the Stock Exchange of Thailand in November 1991.

Intouch Holdings Public Company Limited is a major shareholder, holding 40.45% (December 31, 2015: 40.45%) of the authorized share capital of the Company and is incorporated in Thailand. SingTel Strategic Investments Pte Ltd. is a shareholder holding 23.32% (December 31, 2015: 23.32%) of the authorized share capital of the Company and is incorporated in Singapore.

The major principal business operations of the Company and its subsidiaries (“the Group”) are summarized as follows:

- 1) The operation of a 900 MHz CELLULAR TELEPHONE SYSTEM as the operator. The Company has been granted permission from TOT Public Company Limited (“TOT”), under the Agreement for operation dated March 27, 1990, to operate and service of Cellular Mobile Telephone, either analog (NMT) or Digital GSM, 900 MHz frequency nationwide, parallel operation for 25 years since October 1, 1990, being the first commercial operating date of service. The Agreement ends on September 30, 2015. The Company is obliged to comply with various conditions and pay revenue sharing in accordance with the Agreement.

Under the Agreement, the Company shall be entitled to immediately transfer the ownership right of its tools and equipment or assets for operating the 900 MHz Cellular System to TOT when the installation has been completed and the Company shall pay TOT annual revenue sharing in accordance with the Agreement at the percentage of annual revenues and any benefit from the mobile phone service prior to deducting any expenses and any tax or the minimum annual revenue sharing stipulated in the Agreement. The Agreement does not specify a minimum cumulative amount over the term of the Agreement.

The percentages of the service revenues and minimum annual revenue sharing for each year are as follows:

Year	Percentage of revenues	Minimum annual revenue sharing (in million Baht)
1 - 5	15	13 to 147
6 - 10	20	253 to 484
11 - 15	25	677 to 965
16 - 20	30	1,236 to 1,460
21 - 25	30	1,460

**ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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The Agreement for operation of the Company was expired on September 30, 2015. Thus, on September 17, 2015, the National Broadcasting and Telecommunications Commission (“NBTC”) has announced a temporary customer protection measure after the Agreement expired (Issue no.2) to assign the operator to provide continuing services to the subscribers. The operator must comply with the rules and conditions set forth in the announcement.

On October 15, 2015, NBTC submitted a letter to the Company on determination on the end of customer protection period on 900 MHz and concluded that the Company must provide temporary continuing service until November 19, 2015.

Later, on November 2, 2015, the National Telecommunication Commission (“NTC”) decided to postpone the auction of 900 MHz license from November 12, 2015 to December 15, 2015. However, NBTC has not yet announced the extension of the end of customer protection period on 900 MHz.

On April 12, 2016, the National Council for Peace and Order (“NCPO”) issued an order no. 16/2559 on Spectrum Auction for Telecommunication Business. Such order mandates NBTC to set up 900 MHz spectrum auction on May 27, 2016, and extend the remedy period of 900 MHz to be effective until June 30, 2016 or until the official date the NBTC shall grant the spectrum license to the bidding winner, whichever comes first.

Later, on June 30, 2016, NBTC announced the ending of remedy period for customers who on 900 MHz after Advanced Wireless Network Co., Ltd. (“AWN”), a subsidiary, paid the first installment of 900 MHz license on June 28, 2016 which has been granted permission from NBTC on June 30, 2016.

- 2) The operation of a DATAKIT VIRTUAL CIRCUIT SWITCH as the operator. Advanced Datanetwork Communications Co., Ltd. (“ADC”), an indirect subsidiary, has been granted permission from TOT Public Company Limited (“TOT”), under the Agreement dated September 19, 1989, for rendering services for DATAKIT VIRTUAL CIRCUIT SWITCH in the area of the Metropolitan Telephone Exchange.

Under the Agreement, ADC shall be entitled to immediately transfer the ownership right of its tools and equipment or assets for operation of DATAKIT System to TOT when the installation has been completed and ADC shall pay TOT annual revenue sharing in accordance with the Agreement at the percentage of annual revenues and any benefit from service of DATAKIT VIRTUAL CIRCUIT SWITCH prior to deducting any expenses and any tax or the minimum annual revenue sharing stipulated in the Agreement.

**ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
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ADC and TOT have mutually agreed to amend the Agreement and signed the Supplemental Agreement on September 25, 1997 to extend the validity period from 10 years to 25 years (such validity period shall be ended on September 24, 2022) and waive the collection of annual revenue sharing under the agreements effective from September 25, 1997. ADC issued 10.75 million ordinary shares at a par value of Baht 10 (11.23% of total shares) to TOT on March 17, 1998 in consideration of such waiver. As at September 30, 2016, TOT owns 48.12% of ADC’s total shares (2015: 48.12%).

- 3) The operation of a 1800 MHz CELLULAR TELEPHONE SYSTEM as the operator. Digital Phone Company Limited (“DPC”), a subsidiary, has been granted permission from CAT Telecom Public Company Limited (“CAT”), under the Agreement for operation dated on November 19, 1996 (“the Agreement”), to operate and service Cellular Mobile Telephone: Digital PCN (PERSONAL COMMUNICATION NETWORK) 1800, frequency between 1747.9 MHz to 1760.5 MHz and 1842.9 MHz to 1855.5 MHz, nationwide. DPC started the operation commencing from May 28, 1997, ending September 15, 2013 and DPC was obliged to comply with various conditions and pay revenue sharing in accordance with the Agreement.

Under the Agreement, DPC was entitled to immediately transfer the ownership right of its machineries, all equipment and tools or assets for operation to CAT upon installation completion and DPC paid CAT the annual revenue sharing at the percentage of annual revenues and any benefit in according with the accrual basis from the mobile phone service prior to deducting any expenses and any tax and fees which the minimum revenue sharing must accumulate, over the term of the Agreement, not less than Baht 5,400 million as follows:

Year	Percentage of revenues	Minimum annual revenue sharing (in million Baht)
1	25	9
2 - 9	20	60 to 320
10 - 14	25	350 to 650
15 - 16	30	670

DPC paid the revenue sharing to CAT through the agreement period in the total amount of Baht 15,853 million.

**ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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The Agreement was expired on September 15, 2013. Thus, on August 16, 2013, the National Broadcast and Telecommunication Commission (“NBTC”) has announced a temporary customer protection measure after the Agreement expired to assign the operator to provide continuing services to the subscribers for up to a further 1 year commencing from the Agreement expiration date. The operator must comply with the rules and conditions set forth in the announcement. On July 17, 2014, the National Council for Peace and Order (“NCPO”) has announced an order No. 94/2557 “Suspension the Implementation of the Act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and Communications Services” to instruct NBTC to postpone an auction for spectrum licenses for 1 year commencing from the order date. During the postpone period, the operator has to comply with the NBTC’s announcement on August 16, 2013 to provide continuing services to the subscribers. The application of those rules and conditions has not yet to be clarified in detail by NBTC (including expenses that may be deducted in arriving at a notional profit payable to the State). Consequently, the outcome of complying with this extension on DPC is currently uncertain.

On November 24, 2015, NBTC has announced the end of a temporary customer protection period on 1800 MHz on November 26, 2015.

- 4) The operation of a 2.1 GHz CELLULAR TELEPHONE SYSTEM as the operator. Advanced Wireless Network Co., Ltd. (“AWN”), a subsidiary, has been granted permission from the Office of the National Broadcasting and Telecommunications Commission (“NBTC”), under the license certificate (“License”) dated on December 7, 2012, to operate and service Cellular Mobile Telephone, frequency between 1950 MHz to 1965 MHz and 2140 MHz to 2155 MHz, nationwide in accordance with the license certificate no. NBTC/FREQ/TEL/55/1. AWN started the operation commencing from December 7, 2012, ending December 6, 2027 and AWN is obliged to comply with various conditions and pay fees within the time period as specified in the License.

License of Spectrum for Telecommunications Service in the Frequency Band of 1800 MHz.

On November 17, 2015, AWN has been granted permission from the Office of the National Broadcasting and Telecommunications Commission (“NBTC”), under the license certificate (“License”) dated on November 25, 2015, to operate and service Cellular Mobile Telephone, frequency between 1725 MHz to 1740 MHz and 1820 MHz to 1835 MHz, nationwide in accordance with the license certificate no. NBTC/FREQ/TEL/55/1 (Addendum no.1). AWN started the operation commencing from November 26, 2015, ending September 15, 2033 and AWN is obliged to comply with various conditions and pay fees within the time period as specified in the License.

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License of Spectrum for Telecommunications Service in the Frequency Band of 900 MHz.

On May 27, 2016, AWN has been granted permission from the Office of the National Broadcasting and Telecommunications Commission (“NBTC”), under the license certificate (“License”) dated on June 30, 2016, to operate and service Cellular Mobile Telephone, frequency between 895 MHz to 905 MHz and 940 MHz to 950 MHz, nationwide in accordance with the license certificate no. NBTC/FREQ/TEL/55/1 (Addendum no.2) dated June 30, 2016. AWN has started the operation commencing from July 1, 2016, ending June 30, 2031 and AWN is obliged to comply with various conditions and pay fees within the time period as specified in the License.

Details of the Company’s subsidiaries and associate as at September 30, 2016 and December 31, 2015 are as follows:

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			As at September 30, 2016	As at December 31, 2015
Subsidiaries				
Advanced Datanetwork Communications Co., Ltd. * (* Indirect subsidiary)	Service provider of online data communications service via telephone land line and optical fiber	Thailand	51.00	51.00
Advanced Contact Center Co., Ltd.	Service provider of call center	Thailand	99.99	99.99
Digital Phone Co., Ltd.	Service provider of digital mobile phone system	Thailand	98.55	98.55
Advanced Magic Card Co., Ltd.	Distributor of cash card business	Thailand	99.99	99.99
Advanced Mpay Co., Ltd.	Service provider of electronic payment and cash card	Thailand	99.99	99.99
AIN GlobalComm Co., Ltd.	Service provider of international telephone service/gateway	Thailand	99.99	99.99
Advanced Wireless Network Co., Ltd.	Service provider of cellular telephone network in 2.1 GHz, 900 MHz and 1800 MHz frequency, distributor of handsets and international telephone service, network operator, telecom service operator and national broadcasting network services.	Thailand	99.99	99.99
Super Broadband Network Co., Ltd.	Network operator and telecom service operator i.e. internet (ISP), international & national internet gateway, International Private Leased Circuit (IPLC), Internet Protocol Virtual Private Network (IP VPN), voice over IP, and IP Television	Thailand	99.99	99.99

**ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			As at September 30, 2016	As at December 31, 2015
Wireless Device Supply Co., Ltd.	Importer and distributor of handset and accessories	Thailand	99.99	99.99
Fax Lite Co., Ltd.	Operate in land and building rental and service, and related facilities	Thailand	99.98	99.98
MIMO Tech Co., Ltd.	Operate IT, content aggregator, and outsourcing service for billing and collection	Thailand	99.99	99.99
Advanced Broadband Network Co., Ltd.	Currently not start the operation	Thailand	99.99	99.99
Associate				
Information Highway Co., Ltd.	Transmission network provider	Thailand	29.00	29.00

2. BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

- 2.1 These interim financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 (Revised 2015) “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.
- 2.2 The consolidated and separate statements of financial position as at December 31, 2015, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been previously audited.
- 2.3 The unaudited results of operations presented in the three-month and nine-month periods ended September 30, 2016 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with Thai Financial Reporting Standards, but which is not required for interim reporting purposes, has been omitted. In addition, the interim financial statements for the three-month and nine-month periods ended September 30, 2016 should be read in conjunction with the audited financial statements for the year ended December 31, 2015.

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2.5 Judgements and estimates

The preparation of interim financial statements in conformity with Thai Financial Reporting Standards 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.

In preparing these interim financial statements, the significant judgements made by management in applying the Group’s/Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2015.

3. NEW THAI FINANCIAL REPORTING STANDARDS (“TFRSS”)

1) Adoption of new and revised Thai Financial Reporting standards

Since January 1, 2016, the Group/Company has adopted the new and revised Thai Financial Reporting Standards (“TFRSS”) issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2016 onwards, in the preparation of interim financial statements. Such TFRSS have no significant impact on the Group’s/Company’s financial statements.

2) Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions issued the Guideline on Accounting regarding Derecognition of Financial Assets and Liabilities, which will be effective for the accounting period beginning on or after January 1, 2017 onwards.

The Group’s/Company’s management has assessed the impact of this TFRS and believes that it will not have material impact on the financial statements for the period in which it is initially applied.

4. SPECIFICALLY-DESIGNATED BANK DEPOSITS

In order to comply with the Notification of the Bank of Thailand applicable to the electronic cash card business, the subsidiaries’ held deposits at call with banks equal to the subsidiaries’ outstanding balance of advance receipts from customers which cannot be used for other purposes apart from payments to service providers as at September 30, 2016 amounting to Baht 2,688 million (December 31, 2015: Baht 4,447 million).

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5. OTHER INVESTMENTS

Other investments as at September 30, 2016 and December 31, 2015 are as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	As at September 30, 2016	As at December 31, 2015	As at September 30, 2016	As at December 31, 2015
Current investments				
Available-for-sale investments	-	305	-	-
	-	305	-	-
Other long-term investments				
Fixed deposit at financial institutions - pledged	11	11	-	-
Other long-term investments	47	47	47	47
	58	58	47	47
Total	58	363	47	47

Available-for-sale investments

As at December 31, 2015, the Group has investments held through private funds, managed by independent fund manager and bear interest rate at 0.37% - 3.70% per annum (September 30, 2016 is nil).

Movements of available-for-sale investments for the nine-month periods ended September 30, 2016 and 2015 are as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2016	2015	2016	2015
Current investments				
Available-for-sale investments				
As at January 1,	305	1,542	-	-
Increase during the period	3	1,153	-	-
Decrease during the period	(308)	(2,305)	-	-
As at September 30,	-	390	-	-

Fixed deposits at financial institutions - pledged

As at September 30, 2016, the Group has fixed deposit at financial institutions in the amount of Baht 11.20 million (December 31, 2015: Baht 11.20 million), which have been pledged with a bank in respect of the contract's compliance.

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Other long-term investments

On April 24, 2015, at the annual general meeting of the Clearing House for Number Portability Co., Ltd., the shareholders approved the appropriation of dividend of Baht 10,000 per share to shareholders on July 31, 2015, amounting to Baht 40 million and Baht 20 million for the Group and the Company, respectively.

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at September 30, 2016 and December 31, 2015 are as follows:

	Note	Consolidated financial statements		Unit: Million Baht Separate financial statements	
		As at September 30, 2016	As at December 31, 2015	As at September 30, 2016	As at December 31, 2015
Trade receivables					
Related parties:	17				
Trade receivables		26	5	50	711
Accrued income		11	6	2	910
		<u>37</u>	<u>11</u>	<u>52</u>	<u>1,621</u>
Other parties:					
Trade receivables		6,460	5,973	308	842
Accrued income		5,684	6,074	1,589	1,639
		<u>12,144</u>	<u>12,047</u>	<u>1,897</u>	<u>2,481</u>
Total trade receivables		12,181	12,058	1,949	4,102
<u>Less</u> allowance for doubtful accounts		(1,355)	(1,028)	(168)	(194)
Trade receivables - net		10,826	11,030	1,781	3,908
Other receivables	17	3,420	5,358	562	1,574
Total trade and other receivables		<u>14,246</u>	<u>16,388</u>	<u>2,343</u>	<u>5,482</u>
(Reversal of) bad and doubtful debts expense for the three-month periods ended September 30,		<u>350</u>	<u>305</u>	<u>4</u>	<u>5</u>
for the nine-month periods ended September 30,		<u>954</u>	<u>995</u>	<u>(3)</u>	<u>7</u>

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Aging analyzes for trade receivables are as follows:

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	As at September 30, 2016	As at December 31, 2015	As at September 30, 2016	As at December 31, 2015
Related parties				
Current - overdue 3 months	37	11	51	1,621
Overdue 3 - 6 months	-	-	-	-
Overdue 6 - 12 months	-	-	-	-
Overdue over 12 months	-	-	1	-
	<u>37</u>	<u>11</u>	<u>52</u>	<u>1,621</u>
Other parties				
Current - overdue 3 months	9,271	9,610	30	461
Overdue 3 - 6 months	492	393	35	56
Overdue 6 - 12 months	521	131	47	88
Overdue over 12 months	1,860	1,913	1,785	1,876
	<u>12,144</u>	<u>12,047</u>	<u>1,897</u>	<u>2,481</u>
<u>Less</u> Allowance for doubtful accounts	<u>(1,355)</u>	<u>(1,028)</u>	<u>(168)</u>	<u>(194)</u>
	<u>10,789</u>	<u>11,019</u>	<u>1,729</u>	<u>2,287</u>
Trade receivables - net	<u>10,826</u>	<u>11,030</u>	<u>1,781</u>	<u>3,908</u>

The normal credit term granted by the Group and the Company ranges from 14 days to 30 days.

As at September 30, 2016, the Group and the Company have the outstanding balance of accrued income of revenue sharing in international direct dial service (IDD) of Baht 1,584 million and Baht 1,574 million, respectively (December 31, 2015: Baht 1,584 million and Baht 1,574 million, respectively). Part of that outstanding is presented in overdue 12 months of Baht 1,584 million and Baht 1,574 million, respectively (December 31, 2015: Baht 1,573 million and Baht 1,564 million, respectively).

On January 16, 2013, the Company has submitted a dispute to the Arbitration Institute demanding TOT Public Company Limited (“TOT”) to pay this receivable plus interest, the total amount of Baht 1,527 million.

On November 26, 2013, Digital Phone Company Limited, a subsidiary, has submitted a dispute to the Central Administrative Court demanding CAT Public Company Limited (“CAT”) to pay this receivable plus interest, the total amount of Baht 11 million.

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7. INVESTMENTS IN ASSOCIATE

Investments in associate for the nine-month periods ended September 30, 2016 and 2015 are as follows:

	Unit: Million Baht Consolidated financial statements	
	2016	2015
Associate		
As at January 1,	-	-
Invest in share capital	-	11
Share gain (loss) from investment in associate	11	(3)
As at September 30,	<u>11</u>	<u>8</u>

On June 9, 2014, Super Broadband Network Company Limited (“SBN”), a subsidiary, has invested in 145,000 shares of Information Highway Co., Ltd. (“IH”) by Baht 25 per share, totalling Baht 3.6 million, representing 29% of ownership.

On September 24, 2014, Advanced Broadband Network Company Limited (“ABN”), a subsidiary, has purchased investment in IH from SBN by 145,000 shares of Baht 25 per share, totalling Baht 3.6 million, representing 29% of ownership.

On July 15, 2015, ABN made an additional payment for 75% paid-up in share capital of IH of Baht 10.88 million. The purpose of additional paid-up in share capital is for future investment and ABN remains 29% of ownership.

8. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries for the nine-month periods ended September 30, 2016 and 2015 are as follows:

	Unit: Million Baht Separate financial statements	
	2016	2015
Subsidiaries		
As at January 1,	7,661	7,912
Increase in share capital of a subsidiary	-	14
Decrease in share capital of subsidiary	-	(75)
Impairment loss on investment in subsidiary	-	(179)
As at September 30,	<u>7,661</u>	<u>7,672</u>

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Increase in share capital of a subsidiary

On January 19, 2015, Advanced Broadband Network Co., Ltd. (“ABN”), a subsidiary, registered the increase in the share capital from Baht 1 million (10,000 ordinary shares, Baht 100 par value) to Baht 15 million (150,000 ordinary shares, Baht 100 par value) with the Ministry of Commerce. The purpose of the capital increase is for future investment. The Company paid for the increased shares by Baht 100 per share, totalling Baht 14 million and holds 99.99% of the issued share capital.

Decrease in share capital of a subsidiary

On January 12, 2015, the Company received return share capital of Advanced Internet Revolution Co., Ltd. (“AIR”), a subsidiary, in amount of Baht 75 million.

Loss on impairment of investment in subsidiary

The Company recorded impairment loss on investment in Advanced Internet Revolution Co., Ltd. (“AIR”), a subsidiary, for the nine-month periods ended September 30, 2015 of Baht 179 million from the review of the carrying amount of AIR. On October 19, 2015, AIR completed the process of liquidation.

The establishment of a joint venture company

At the Board of Directors’ meeting held on October 20, 2015, the Board passed the resolution to approve the establishment of a joint venture company between Advanced Broadband Network Co., Ltd. (“ABN”), a subsidiary, and Amata Corporation Public Company Limited (“AMATA”) for 60% holding or 600,000 shares, totalling Baht 60 million to build fibre optic network in Amata Nakorn industrial estate and ABN will process for its additional registered share capital.

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Investments in subsidiaries as at September 30, 2016 and December 31, 2015 are as follows:

	Separate financial statements										Unit: Million Baht	
	% of ownership interest		Paid-up capital		Cost		Impairment		Cost - net		Dividend income for nine-month periods ended	
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	September 30,	September 30,
	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,	2016	2015
Subsidiaries												
Advanced Contact Center Co., Ltd.	99.99	99.99	272	272	811	811	-	-	811	811	152	-
Digital Phone Co., Ltd.	98.55	98.55	3,655	3,655	12,493	12,493	(8,230)	(8,230)	4,263	4,263	-	-
Advanced Magic Card Co., Ltd.	99.99	99.99	250	250	250	250	-	-	250	250	-	-
Advanced Mpay Co., Ltd.	99.99	99.99	300	300	336	336	-	-	336	336	339	268
AIN GlobalComm Co., Ltd.	99.99	99.99	100	100	100	100	-	-	100	100	85	598
Advanced Wireless Network Co., Ltd.	99.99	99.99	1,350	1,350	1,485	1,485	-	-	1,485	1,485	13,541	13,662
Super Broadband Network Co., Ltd.	99.99	99.99	300	300	300	300	-	-	300	300	-	1,176
Wireless Device Supply Co., Ltd.	99.99	99.99	50	50	50	50	-	-	50	50	520	440
Fax Lite Co., Ltd.	99.98	99.98	1	1	1	1	-	-	1	1	680	417
MIMO Tech Co., Ltd.	99.99	99.99	50	50	50	50	-	-	50	50	599	219
Advanced Broadband Network Co., Ltd.	99.99	99.99	15	15	15	15	-	-	15	15	-	-
Total					<u>15,891</u>	<u>15,891</u>	<u>(8,230)</u>	<u>(8,230)</u>	<u>7,661</u>	<u>7,661</u>	<u>15,916</u>	<u>16,780</u>

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9. CAPITAL EXPENDITURES

Movement in capital expenditures for the nine-month periods ended September 30, 2016 and 2015 are as follows:

As at September 30, 2016

	Consolidated financial statements					Unit: Million Baht
	Balance as at January 1, 2016	Increase	Decrease	Transfer/ Other	Transfer to TOT	Balance as at September 30, 2016
Cost:						
Property, plant and equipment	117,841	38,695	(896)	(68)	-	155,572
Intangible assets under the agreements for operations	1,248	-	-	-	-	1,248
Spectrum licenses	55,010	69,132	-	-	-	124,142
Other intangible assets	5,886	1,163	(97)	68	-	7,020
Total	<u>179,985</u>	<u>108,990</u>	<u>(993)</u>	<u>-</u>	<u>-</u>	<u>287,982</u>
Accumulated depreciation and amortization						
Property, plant and equipment	(33,550)	(10,788)	877	-	-	(43,461)
Intangible assets under the agreements for operations	(1,248)	-	-	-	-	(1,248)
Spectrum licenses	(3,219)	(3,570)	-	-	-	(6,789)
Other intangible assets	(2,694)	(481)	97	-	-	(3,078)
Total	<u>(40,711)</u>	<u>(14,839)</u>	<u>974</u>	<u>-</u>	<u>-</u>	<u>(54,576)</u>
	<u>139,274</u>					<u>233,406</u>

As at September 30, 2015

	Consolidated financial statements					Unit: Million Baht
	Balance as at January 1, 2015	Increase	Decrease	Transfer/ Other	Transfer to TOT	Balance as at September 30, 2015
Cost:						
Property, plant and equipment	99,813	24,213	(15,805)	(133)	-	108,088
Intangible assets under the agreements for operations	147,306	64	(21,721)	(54)	(124,347)	1,248
Spectrum license	14,643	-	-	-	-	14,643
Other intangible assets	4,657	846	(18)	-	-	5,485
Total	<u>266,419</u>	<u>25,123</u>	<u>(37,544)</u>	<u>(187)</u>	<u>(124,347)</u>	<u>129,464</u>
Accumulated depreciation and amortization						
Property, plant and equipment	(39,110)	(7,189)	15,656	(17)	-	(30,660)
Intangible assets under the agreements for operations	(138,568)	(8,606)	21,558	21	124,347	(1,248)
Spectrum license	(2,019)	(730)	-	-	-	(2,749)
Other intangible assets	(2,152)	(382)	3	-	-	(2,531)
Total	<u>(181,849)</u>	<u>(16,907)</u>	<u>37,217</u>	<u>4</u>	<u>124,347</u>	<u>(37,188)</u>
	<u>84,570</u>					<u>92,276</u>

Depreciation and amortization for the nine-month periods ended September 30,

2016

Million Baht 14,839

2015

Million Baht 16,907

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As at September 30, 2016

Unit: Million Baht

	Balance as at January 1, 2016	Increase	Separate financial statements			Balance as at September 30, 2016
			Decrease	Transfer/ Other	Transfer to TOT	
Cost:						
Property, plant and equipment	8,021	13	(844)	-	-	7,190
Other intangible assets	480	-	(25)	-	-	455
Total	<u>8,501</u>	<u>13</u>	<u>(869)</u>	<u>-</u>	<u>-</u>	<u>7,645</u>
Accumulated depreciation and amortization						
Property, plant and equipment	(7,521)	(100)	809	-	-	(6,812)
Other intangible assets	(408)	(21)	26	-	-	(403)
Total	<u>(7,929)</u>	<u>(121)</u>	<u>835</u>	<u>-</u>	<u>-</u>	<u>(7,215)</u>
	<u>572</u>					<u>430</u>

As at September 30, 2015

Unit: Million Baht

	Balance as at January 1, 2015	Increase	Separate financial statements			Balance as at September 30, 2015
			Decrease	Transfer/ Other	Transfer to TOT	
Cost:						
Property, plant and equipment	24,291	73	(16,333)	20	-	8,051
Intangible assets under the agreements for operations	146,058	64	(21,721)	(54)	(124,347)	-
Other intangible assets	474	-	(2)	-	-	472
Total	<u>170,823</u>	<u>137</u>	<u>(38,056)</u>	<u>(34)</u>	<u>(124,347)</u>	<u>8,523</u>
Accumulated depreciation and amortization						
Property, plant and equipment	(23,188)	(243)	15,902	-	-	(7,529)
Intangible assets under the agreements for operations	(137,320)	(8,606)	21,558	21	124,347	-
Other intangible assets	(362)	(32)	-	-	-	(394)
Total	<u>(160,870)</u>	<u>(8,881)</u>	<u>37,460</u>	<u>21</u>	<u>124,347</u>	<u>(7,923)</u>
	<u>9,953</u>					<u>600</u>

Depreciation and amortization for the nine-month periods ended September 30,

2016

Million Baht 121

2015

Million Baht 8,881

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As part of assets under the Agreement for operations is 13,198 towers that the Company has transferred to TOT Public Company Limited. There are 152 towers and 115 containers that Digital Phone Company Limited, a subsidiary, has transferred to CAT Public Company Limited. The Group has an opinion that the Towers and the Containers are not the tools and equipment specified under the Agreement. Therefore, the Group shall not be obligated to transfer the Towers and the Containers. The Group has also submitted the disputes to the Dispute Reconciliation, the Court of Justice of request the Arbitral Tribunal to give an award that the said assets are not the property as stipulated in the Agreement in July 2014.

On October 16, 2012, Advanced Wireless Network Co., Ltd. (“AWN”), a subsidiary, was the auction winner for 2.1GHz license (3G) at the bid price of Baht 14,625 million. On December 7, 2012, AWN was officially granted the license to operate 2.1 GHz (3G) for 15 years from the National Broadcasting and Telecommunications Commission (“NBTC”). According to the auction terms and conditions, AWN paid 50% of the fee plus VAT, totalling Baht 7,824 million on October 19, 2012 and submitted bank guarantee to pay the remaining fee to the NBTC. Another 25% was paid in the second year on December 22, 2014, and the remaining was paid in the third year on December 22, 2015.

On November 17, 2015, AWN, a subsidiary, was the auction winner for 1800 MHz license at the bid price of Baht 40,986 million. AWN is now officially granted the license to operate 1800MHz from the National Broadcasting and Telecommunications Commission (“NBTC”). According to the auction terms and conditions, AWN paid 50% of the fee plus VAT, totalling Baht 21,928 million on November 23, 2015 and submitted bank guarantee to pay the remaining fee to the NBTC. Another 25% will be paid in the second year, and the remaining will be paid in the third year.

On May 27, 2016, AWN, a subsidiary, was the auction winner for 900 MHz license at the bid price of Baht 75,654 million. AWN is now officially granted the license to operate 900MHz from the National Broadcasting and Telecommunications Commission (“NBTC”). According to the auction terms and conditions, AWN paid the 1st installment by 11% of the fee plus VAT, totalling Baht 8,603 million on June 28, 2016 and submitted bank guarantee to pay the remaining fee to the NBTC. For the 2nd installment and the 3rd installment of 5% of the fee plus VAT each will be paid in the second year and the third year, and the remaining will be paid in the fourth year.

The cost of spectrum licenses were initial recognition by measuring at the cash equivalent price based on the present value of its acquisition cost.

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10. INTEREST-BEARING LIABILITIES

Interest-bearing liabilities as at September 30, 2016 and December 31, 2015 are as follows:

	Notes	Consolidated financial statements		Unit: Million Baht Separate financial statements	
		As at	As at	As at	As at
		September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
Current					
Short-term loans from financial institutions		20,790	8,500	6,800	7,700
Current portion of long-term liabilities					
- Current portion of long-term borrowings		4,155	4,314	4,155	4,314
- Current portion of long-term debentures		397	-	-	-
- Current portion of finance lease liabilities		45	41	13	13
		<u>4,597</u>	<u>4,355</u>	<u>4,168</u>	<u>4,327</u>
Short-term loans from related parties	17	<u>1,000</u>	<u>-</u>	<u>6,510</u>	<u>6,490</u>
		<u>26,387</u>	<u>12,855</u>	<u>17,478</u>	<u>18,517</u>
Non-current					
Long-term liabilities					
- Long-term borrowings - net		49,583	35,836	3,458	9,369
- Long-term debentures - net	17	31,167	16,580	-	-
- Finance lease liabilities		138	161	33	44
		<u>80,888</u>	<u>52,577</u>	<u>3,491</u>	<u>9,413</u>
Total		<u>107,275</u>	<u>65,432</u>	<u>20,969</u>	<u>27,930</u>

Under the terms and conditions of the long-term borrowings and debentures, the Group/Company has to comply with certain restrictions and maintain certain financial ratios.

The carrying amounts and fair values of long-term debentures (gross of issue costs) as at September 30, 2016 and December 31, 2015 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Fair values*	
	Carrying amount	Carrying amount	Fair values*	Fair values*
	As at	As at	As at	As at
	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
Long-term debentures	<u>31,600</u>	<u>16,600</u>	<u>32,905</u>	<u>17,958</u>

* Fair values for traded debentures have been determined based on quoted selling prices from The Thai Bond Market Association at the close of the business on the reporting date.

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Movement of interest-bearing liabilities for the nine-month periods ended September 30, 2016 and 2015 are as follows:

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2016	2015	financial statements	2016
As at January 1,	65,432	37,050	27,930	15,430
Additions	71,159	16,036	13,523	22,556
Borrowing cost	(5)	-	-	-
Bond issuing cost	(20)	-	-	-
Repayments	(28,784)	(5,768)	(19,964)	(6,408)
Terminate finance lease liabilities cost	-	-	-	(17)
Unrealized (gain) loss on foreign exchange	(544)	1,163	(549)	1,163
Amortization	37	20	29	17
As at September 30,	107,275	48,501	20,969	32,741

11. TRADE AND OTHER PAYABLES

Trade and other payables as at September 30, 2016 and December 31, 2015 are as follows:

	Note	Consolidated		Unit: Million Baht	
		financial statements		Separate	
		As at	As at	As at	As at
		September 30,	December 31,	September 30,	December 31,
		2016	2015	2016	2015
Trade payables					
Related parties	17	276	323	252	264
Other parties		14,436	14,035	90	279
Total		14,712	14,358	342	543
Other payables					
	17	15,239	13,393	3,873	2,933
Total trade and other payables		29,951	27,751	4,215	3,476

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12. SHARE-BASED PAYMENT

The performance share plan

Grant I

In March 2013, the Annual General Meeting of shareholders No.1/2013 approved to issue warrants to purchase the ordinary shares of the Company. The warrants are offered to employees of the Company and its subsidiaries, including the board of directors of the Company, who are qualified to the Performance share plan (“Project”). The major information is listed below:

Approved date:	March 27, 2013
Number of warrants offered:	405,800 Units
Exercise price:	206.672 Baht/share
Number of reserved shares:	405,800 Shares
Term of the Project:	5 years from the date of initial offer of the warrants
Offered price per unit:	Baht 0 (zero Baht)
Exercise ratio:	1 unit of warrant per 1 ordinary share

Grant II

In March 2014, the Annual General Meeting of shareholders No.1/2014 approved to issue warrants to purchase the ordinary shares of the Company. The warrants are offered to employees of the Company and its subsidiaries, including the board of directors of the Company, who are qualified to the Performance share plan (“Project”). The major information is listed below:

Approved date:	March 26, 2014
Number of warrants offered:	680,000 Units
Exercise price:	211.816 Baht/share
Number of reserved shares:	680,000 Shares
Term of the Project:	5 years from the date of initial offer of the warrants
Offered price per unit:	Baht 0 (zero Baht)
Exercise ratio:	1 unit of warrant per 1 ordinary share

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Grant III

In March 2015, the Annual General Meeting of shareholders No.1/2015 approved to issue warrants to purchase the ordinary shares of the Company. The warrants are offered to employees of the Company and its subsidiaries, including the board of directors of the Company, who are qualified to the Performance share plan (“Project”). The major information is listed below:

Approved date:	March 24, 2015
Number of warrants offered:	872,200 Units
Exercise price:	249.938 Baht/share
Number of reserved shares:	872,200 Shares
Term of the Project:	5 years from the date of initial offer of the warrants
Offered price per unit:	Baht 0 (zero Baht)
Exercise ratio:	1 unit of warrant per 1 ordinary share
Offer period:	Within one year from the date on which the issuance and Offer of the warrant under the program is approved by the 2015 Annual General Meeting of shareholders

Grant IV

In March 2016, the Annual General Meeting of shareholders No.1/2016 approved to issue warrants to purchase the ordinary shares of the Company. The warrants are offered to employees of the Company and its subsidiaries, including the board of directors of the Company, who are qualified to the Performance share plan (“Project”). The major information is listed below:

Approved date:	March 29, 2016
Number of warrants offered:	826,900 Units
Exercise price:	166.588 Baht/share
Number of reserved shares:	826,900 Shares
Term of the Project:	5 years from the date of initial offer of the warrants
Offered price per unit:	Baht 0 (zero Baht)
Exercise ratio:	1 unit of warrant per 1 ordinary share
Offer period:	Within one year from the date on which the issuance and offer of the warrant under the program is approved by the 2016 Annual General Meeting of shareholders

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Movements in the number of outstanding warrants are as follows:

	As at January 1,	Transaction during the period				As at September 30,
	2016 (in units)	Issued (in units)	Exercised (in units)	Forfeited (in units)	Returned (in units)	2016 (in units)
ESOP - Grant I						
- Directors	19,824	-	-	-	(19,824)	-
- Employees	352,476	-	-	-	(352,476)	-
	<u>372,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(372,300)</u>	<u>-</u>
ESOP - Grant II						
- Directors	29,816	-	-	-	-	29,816
- Employees	611,768	-	-	(33,636)	-	578,132
	<u>641,584</u>	<u>-</u>	<u>-</u>	<u>(33,636)</u>	<u>-</u>	<u>607,948</u>
ESOP - Grant III						
- Directors	51,600	-	-	-	-	51,600
- Employees	725,716	-	-	(39,366)	-	686,350
	<u>777,316</u>	<u>-</u>	<u>-</u>	<u>(39,366)</u>	<u>-</u>	<u>737,950</u>
ESOP - Grant IV						
- Directors	-	56,800	-	-	-	56,800
- Employees	-	653,900	-	(5,200)	-	648,700
	<u>-</u>	<u>710,700</u>	<u>-</u>	<u>(5,200)</u>	<u>-</u>	<u>705,500</u>
Total	<u>1,791,200</u>	<u>710,700</u>	<u>-</u>	<u>(78,202)</u>	<u>(372,300)</u>	<u>2,051,398</u>

Fair value measurement

The Group measured the expense of the Project by reference to the fair value of the equity instrument granted at the grant date using the Monte Carlo Simulation technique. The major assumptions are as below:

Grant I

Weighted average fair value at the grant date	183.499 Baht/share
Share price at the grant date	262.000 Baht/share
Exercise price	206.672 Baht/share
Expected volatility	23.51%
Expected dividend	4.16%
Risk-free interest rate	3.07%

Grant II

Weighted average fair value at the grant date	101.617 Baht/share
Share price at the grant date	240.000 Baht/share
Exercise price	211.816 Baht/share
Expected volatility	25.15%
Expected dividend	5.00%
Risk-free interest rate	3.08%

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Grant III

Weighted average fair value at the grant date	82.907 Baht/share
Share price at the grant date	236.000 Baht/share
Exercise price	249.938 Baht/share
Expected volatility	22.99%
Expected dividend	5.28%
Risk-free interest rate	2.34%

Grant IV

Weighted average fair value at the grant date	67.742 Baht/share
Share price at the grant date	165.000 Baht/share
Exercise price	166.588 Baht/share
Expected volatility	27.70%
Expected dividend	8.48%
Risk-free interest rate	1.72%

For the three-month and nine-month periods ended September 30, 2016, the Group and the Company recognized share-based payment expense at Baht 7 million and Baht 25 million, respectively, on the consolidated and separate financial statements (For the three-month and nine-month periods ended September 30, 2015: Baht 9 million and Baht 22 million, respectively).

13. SEGMENT INFORMATION

The Group comprises the following operating segments:

Segment 1	Mobile phone and call center services
Segment 2	Mobile phone sales
Segment 3	Datanet and broadband services

Information about reportable segments

For the three-month periods ended September 30,

	Mobile phone and call center services		Mobile phone sales		Datanet and broadband services		Unit: Million Baht Total reportable segments	
	2016	2015	2016	2015	2016	2015	2016	2015
External revenue	31,467	31,164	5,069	5,362	560	252	37,096	36,778
Segment profit (loss) before income tax expense	9,354	11,784	(1,484)	(808)	48	133	7,918	11,109

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For the nine-month periods ended September 30,

	Mobile phone and call center services		Mobile phone sales		Datanet and broadband services		Unit: Million Baht Total reportable segments	
	2016	2015	2016	2015	2016	2015	2016	2015
	External revenue	93,773	95,353	15,629	19,398	1,428	741	110,830
Segment profit (loss) before income tax expense	30,969	36,960	(2,315)	(1,169)	143	(34)	28,797	35,757

As at September 30, 2016 and December 31, 2015 are as follows:

	Mobile phone and call center services		Mobile phone sales		Datanet and broadband services		Unit: Million Baht Total reportable segments	
	As at September 30, 2016	As at December 31, 2015	As at September 30, 2016	As at December 31, 2015	As at September 30, 2016	As at December 31, 2015	As at September 30, 2016	As at December 31, 2015
	Segment assets	257,241	170,199	8,527	9,892	5,735	1,670	271,503

14. INCOME TAX EXPENSE

Income tax expense is recognized based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Group’s and the Company’s consolidated effective tax rate in respect of continuing operations for the three-month and nine-month periods ended September 30, 2016 was 17.31% / 20.13% and 15.91% / (5.40%), respectively, (September 30, 2015: 22.46% / 0.07% and 20.70% / 3.22%, respectively). These changes in the separate financial statement’s effective tax rate were caused mainly by income which is not subjected to tax, especially dividend income from subsidiaries.

15. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share for the three-month and nine-month periods ended September 30, 2016 and 2015 are based on the profit for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

	(in million Baht / million shares)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Profit (loss) attributable to ordinary shareholders of the Company (basic)	6,529	8,615	272	(1,180)
Weighted average number of ordinary shares outstanding (basic)	2,973	2,973	2,973	2,973
Earnings (loss) per share (basic) (in Baht)	2.20	2.90	0.09	(0.40)

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	(in million Baht / million shares)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
For the nine-month periods ended September 30,				
Profit attributable to ordinary shareholders of the Company (basic)	24,198	28,361	17,481	18,149
Weighted average number of ordinary shares outstanding (basic)	2,973	2,973	2,973	2,973
Earnings per share (basic) (in Baht)	8.14	9.54	5.88	6.10

Diluted earnings per share

The calculation of diluted earnings per share for the three-month and nine-month periods ended September 30, 2016 and 2015 are based on the profit for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods after adjusting for the effects of all dilutive potential ordinary shares as follows:

	(in million Baht / million shares)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
For the three-month periods ended September 30,				
Profit (loss) attributable to equity holders of the Company (basic)	6,529	8,615	272	(1,180)
Profit (loss) attributable to equity holders of the Company (diluted)	6,529	8,615	272	(1,180)
Weighted average number of ordinary shares outstanding (basic)	2,973	2,973	2,973	2,973
Weighted average number of ordinary shares outstanding (diluted)	2,973	2,973	2,973	2,973
Earnings (loss) per share (diluted) (in Baht)	2.20	2.90	0.09	(0.40)

	(in million Baht / million shares)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
For the nine-month periods ended September 30,				
Profit attributable to equity holders of the Company (basic)	24,198	28,361	17,481	18,149
Profit attributable to equity holders of the Company (diluted)	24,198	28,361	17,481	18,149
Weighted average number of ordinary shares outstanding (basic)	2,973	2,973	2,973	2,973
Weighted average number of ordinary shares outstanding (diluted)	2,973	2,973	2,973	2,973
Earnings per share (diluted) (in Baht)	8.14	9.54	5.88	6.10

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16. DIVIDENDS

At the annual general meeting of the shareholders of the Company held on March 24, 2015, the shareholders approved the appropriation of dividend of Baht 12.00 per share. The Company paid an interim dividend at the rate of Baht 6.04 per share on September 2, 2014, therefore the remaining dividend to be paid is Baht 5.96 per share, amounting to Baht 17,718 million. The dividend was paid to shareholders on April 22, 2015.

At the Board of Director’s meeting held on August 3, 2015, it was approved to declare an interim dividend of Baht 6.50 per share amounting to Baht 19,324 million. The interim dividend was paid to shareholders on September 1, 2015.

At the annual general meeting of the shareholders of the Company held on March 29, 2016, the shareholders approved the appropriation of dividend of Baht 12.99 per share. The Company paid an interim dividend at the rate of Baht 6.50 per share on September 1, 2015, therefore the remaining dividend to be paid is Baht 6.49 per share, amounting to Baht 19,295 million. The dividend was paid to shareholders on April 22, 2016.

At the Board of Director’s meeting held on August 4, 2016, it was approved to declare an interim dividend of Baht 5.79 per share amounting to Baht 17,214 million. The interim dividend was paid to shareholders on September 1, 2016.

17. RELATED PARTIES

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. 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.

During the period, the Group/Company has entered into a number of transactions with related parties, the terms of which are negotiated in the ordinary course of business and according to normal trade conditions. Purchases of products and services are charged at reasonable prices and those prices are comparable to the market rate with general trading conditions. In 2015, consulting and management service fees are charged on a mutually agreed basis as a percentage of assets. While, such fees are calculated based on activities portion which the Company performs to counter parties in 2016. Then, the agreement is signed by counter parties and effective since January 1, 2016 onwards.

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Relationships with related parties that control or jointly control the Group/Company or are being controlled or jointly controlled by the Group/Company or have transactions with the Group/Company are as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Subsidiaries	Thailand	More than 50% shareholding or being controlled.
Intouch Holdings Public Company Limited and its related parties (“INTOUCH Group”)	Thailand and Laos	Intouch Holdings Public Company Limited (“INTOUCH”) is a major shareholder, 40.45% shareholding and has some joint directors.
SingTel Strategic Investments Pte Ltd. and its related parties (“SingTel Group”)	Singapore	SingTel Strategic Investments Pte Ltd. (“SingTel”) is a major shareholder, 23.32% shareholding.
Information Highway Co., Ltd.	Thailand	Associate
Other related parties	Thailand	Other parties have some joint directors and directors of related parties.

Significant transactions with related parties for the three-month and nine-month periods ended September 30, 2016 and 2015 are as follows:

For the three-month periods ended September 30,

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2016	2015	2016	2015
Service income				
Subsidiaries	-	-	-	4,651
INTOUCH Group	11	8	-	1
SingTel Group	71	114	-	6
Other related parties	30	-	-	-
Total	<u>112</u>	<u>122</u>	<u>-</u>	<u>4,658</u>
Sales of property and other assets				
Subsidiaries	-	-	-	53
Interest income				
Subsidiaries	-	-	346	396

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	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2016	2015	2016	2015
Other income				
Subsidiaries	-	-	391	81
INTOUCH Group	3	2	-	-
Total	3	2	391	81
Rental and other service expenses				
Subsidiaries	-	-	21	2,162
INTOUCH Group	132	123	-	5
SingTel Group	54	142	27	11
Associate	41	19	-	-
Total	227	284	48	2,178
Advertising expense				
INTOUCH Group	1	1	-	-
Sale promotion expense				
Subsidiaries	-	-	-	5
Commission expense				
Subsidiary	-	-	-	59
Management benefit expenses				
Short-term employee benefit	37	35	37	35
Share-based payments	2	3	2	3
Total	39	38	39	38
Purchase of property and other assets				
INTOUCH Group	14	-	-	-
Finance costs				
Subsidiaries	-	-	24	20
INTOUCH Group	-	1	-	-
Associate	1	-	-	-
Other related parties	10	-	-	-
Total	11	1	24	20
Dividend paid				
INTOUCH	6,963	7,817	6,963	7,817
SingTel	4,015	4,506	4,015	4,506
Total	10,978	12,323	10,978	12,323

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For the nine-month periods ended September 30,

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2016	2015	2016	2015
Service income				
Subsidiaries	-	-	4,593	20,901
INTOUCH Group	21	28	-	9
SingTel Group	298	460	1	71
Other related parties	90	2	-	-
Total	409	490	4,594	20,981
Sales of property and other assets				
Subsidiaries	-	-	22	364
Dividend income				
Subsidiaries	-	-	15,916	16,780
Interest income				
Subsidiaries	-	-	1,214	1,070
Associate	-	2	-	-
Total	-	2	1,214	1,070
Other income				
Subsidiaries	-	-	1,186	239
INTOUCH Group	7	7	-	1
Total	7	7	1,186	240
Rental and other service expenses				
Subsidiaries	-	-	3,677	6,816
INTOUCH Group	404	373	1	19
SingTel Group	211	703	62	58
Associate	124	19	-	-
Total	739	1,095	3,740	6,893
Advertising expense				
INTOUCH Group	1	20	-	3
Sale promotion expense				
Subsidiaries	-	-	2	11
Commission expense				
Subsidiary	-	-	12	224

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	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2016	2015	2016	2015
Management benefit expenses				
Short-term employee benefit	103	128	103	128
Share-based payments	7	7	7	7
Total	110	135	110	135
Purchase of property and other assets				
Subsidiaries	-	-	-	10
INTOUCH Group	114	-	-	-
Associate	12	-	-	-
Total	126	-	-	10
Finance costs				
Subsidiaries	-	-	68	35
INTOUCH Group	1	1	-	-
Associate	4	-	-	-
Other related parties	14	-	-	-
Total	19	1	68	35
Dividend paid				
INTOUCH	14,768	14,984	14,768	14,984
SingTel	8,514	8,638	8,514	8,638
Total	23,282	23,622	23,282	23,622

Balances with related parties as at September 30, 2016 and December 31, 2015 are as follows:

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	As at	As at	As at	As at
	September 30,	December 31,	September 30,	December 31,
	2016	2015	2016	2015
Cash and cash equivalents				
Bank deposit				
Other related parties	80	199	-	-
Trade and other receivables				
Trade receivables				
Subsidiaries	-	-	50	711
INTOUCH Group	3	4	-	-
SingTel Group	3	1	-	-
Other related parties	20	-	-	-
	26	5	50	711

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	Consolidated		Unit: Million Baht Separate	
	As at September 30, 2016	As at December 31, 2015	As at September 30, 2016	As at December 31, 2015
Accrued income				
Subsidiaries	-	-	2	910
INTOUCH Group	2	2	-	-
SingTel Group	9	4	-	-
	<u>11</u>	<u>6</u>	<u>2</u>	<u>910</u>
Total trade receivables	<u>37</u>	<u>11</u>	<u>52</u>	<u>1,621</u>
Other receivables				
- Accrued interest income				
Subsidiaries	-	-	269	508
Total other receivables	<u>-</u>	<u>-</u>	<u>269</u>	<u>508</u>
Total trade and other receivables	<u>37</u>	<u>11</u>	<u>321</u>	<u>2,129</u>
Dividend receivable				
Subsidiaries	-	-	-	19,944
Short-term loans to related parties				
Subsidiaries	-	-	42,312	44,244

As at September 30, 2016, the Company has short-term loans to subsidiaries represent promissory notes at call, bearing interest at the average rate of 3.02% per annum (December 31, 2015: average rate of 3.67% per annum).

Movements of short-term loans to related parties for the nine-month periods ended September 30, 2016 and 2015 are as follows:

	Consolidated		Unit: Million Baht Separate	
	2016	2015	2016	2015
Short-term loans to related parties				
As at January 1,	-	95	44,244	35,590
Increase	-	-	24,849	37,977
Decrease	-	(95)	(26,781)	(24,513)
As at September 30,	<u>-</u>	<u>-</u>	<u>42,312</u>	<u>49,054</u>

	Consolidated		Unit: Million Baht Separate	
	As at September 30, 2016	As at December 31, 2015	As at September 30, 2016	As at December 31, 2015
Long-term rental deposit				
Subsidiary	-	-	722	742

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	Consolidated		Unit: Million Baht Separate	
	As at September 30, 2016	As at December 31, 2015	As at September 30, 2016	As at December 31, 2015
Trade and other payables				
Trade payables				
Subsidiaries	-	-	251	195
INTOUCH Group	28	89	-	1
SingTel Group	245	229	1	68
Other related parties	-	5	-	-
Associate	3	-	-	-
Total trade payables	<u>276</u>	<u>323</u>	<u>252</u>	<u>264</u>
Other payables				
- Other payable				
Subsidiaries	-	-	-	273
	<u>-</u>	<u>-</u>	<u>-</u>	<u>273</u>
- Accrued expenses				
Subsidiaries	-	-	138	584
INTOUCH Group	46	91	-	-
SingTel Group	39	31	28	16
Associate	16	10	-	-
Other related parties	13	-	-	-
	<u>114</u>	<u>132</u>	<u>166</u>	<u>600</u>
Total other payables	<u>114</u>	<u>132</u>	<u>166</u>	<u>873</u>
Total trade and other payables	<u>390</u>	<u>455</u>	<u>418</u>	<u>1,137</u>
Financial lease liabilities				
Associate	<u>72</u>	<u>72</u>	<u>-</u>	<u>-</u>
Short-term loans from related parties				
Subsidiaries	-	-	6,510	6,490
Other related parties	1,000	-	-	-
	<u>1,000</u>	<u>-</u>	<u>6,510</u>	<u>6,490</u>

As at September 30, 2016, short-term loan from subsidiaries represent promissory notes at call, bearing interest at the rate of 1.41% per annum (December 31, 2015: 1.40% per annum).

As at September 30, 2016, short-term loan from other related party represent promissory notes at call, bearing interest at the rate of 1.85% per annum. (December 31, 2015 is nil)

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Movements of short-term loans from related parties for the nine-month periods ended September 30, 2016 and 2015 are as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2016	2015	2016	2015
Short-term loans from related parties				
As at January 1,	-	-	6,490	-
Increase	2,000	-	523	6,540
Decrease	(1,000)	-	(503)	(650)
As at September 30,	<u>1,000</u>	<u>-</u>	<u>6,510</u>	<u>5,890</u>

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	As at September 30, 2016	As at December 31, 2015	As at September 30, 2016	As at December 31, 2015
Long-term debentures				
INTOUCH Group	37	37	-	-
Other related parties	1,193	13	-	-
Total	<u>1,230</u>	<u>50</u>	<u>-</u>	<u>-</u>

Significant agreements with related parties

The Group/Company has entered into agreements with related parties and has commitment for receipts and payments according to rates and terms stipulated in the agreements. The significant agreements with related parties are as follows:

- 1) The Group has entered into interconnection and national roaming agreements among its related parties. The termination and suspension of the agreement are referred to the regulations and conditions of the National Telecommunications Commission.
- 2) The Group has entered into site share agreements among its related parties to provide site area including related facilities for installation of telecommunication equipment. The counterparty has a right to terminate the agreement by giving advance written notice not less than 60 days.
- 3) The Group has received a service of a call center from Advanced Contact Center Co., Ltd. (“ACC”), a subsidiary. ACC will provide service and required information including resolving problem for the customers of the Group.
- 4) Advanced Contact Center Co., Ltd., a subsidiary, has entered into a call center service agreement with Teleinfo Media Plc. (“TMC”), a related party. TMC will arrange the personnels and provide call center operation to execute each of incoming call service. The counterparty has a right to terminate the agreement by giving advance written notice not less than 30 days.

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- 5) The Company and its related parties have entered into an agreement with Advanced Magic Card Co., Ltd. and Advanced Mpay Co., Ltd., its subsidiaries, to provide payment service for goods/service purchased through electronic payments and cash card. The counterparty has a right to terminate the agreement by giving advance written notice not less than 30 days.
- 6) Advanced Magic Card Co., Ltd. and Advanced Mpay Co., Ltd., its subsidiaries, have entered into an agreement with Wireless Device Supply Co., Ltd., a subsidiary, to distribute electronic money and cash card. The counterparty has a right to terminate the agreement by giving advance written notice not less than 15 days.
- 7) The Company and its subsidiaries have entered into an agreement with Wireless Device Supply Co., Ltd., a subsidiary, to provide card packaging. The counterparty has a right to terminate the agreement by giving advance written notice not less than 30 days.
- 8) The Company and its subsidiaries have entered into an international roaming service agreement with the SingTel Group, related parties. The counterparty has a right to terminate the agreement by giving advance written notice not less than of 60 days.
- 9) The Company and its subsidiaries have entered into an agreement with MIMO Tech Co., Ltd., a subsidiary, of providing aggregating value added services on mobile network or wireless device. The counterparty has a right to terminate the agreement by giving advance written notice not less than 30 days.
- 10) The Company and its subsidiaries have entered into an agreement with its related parties to provide or aggregating value added services on mobile network or wireless device. The counterparty has a right to terminate the agreement by giving advance written notice not less than 30 days.
- 11) Advance Wireless Network Co., Ltd. (“AWN”), has entered into a satellite transponder lease agreement with Thaicom Public Company Limited, a related party, AWN agreed to pay service fee on monthly basis according to the rate and condition specified in the agreement. The agreement is valid until November 19, 2017.
- 12) MIMO Tech Co., Ltd., a subsidiary, has entered into computer system maintenance services agreements with I.T. Applications and Services Company Limited, a related party. The agreement is valid for one year and is renewable on an annual basis. The counterparty has a right to terminate the agreement by giving advance written notice not less than 3 months.
- 13) Advanced Wireless Network Co., Ltd., a subsidiary, has entered into fibre optic system and its site facilities agreement with Information Highway Co., Ltd. (“IH”), an associate. IH will provide installation fibre optic transmission and maintenance services in specific areas. The counterparty has a right to terminate the agreement by giving the counterparty advance written notice not less than 30 days.

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- 14) Advanced Wireless Network Co., Ltd., a subsidiary, has entered into agreement with TC Broadcasting Company Limited, a related party, to receive a satellite equipment system and television signal service. The counterparty has a right to terminate the agreement by giving the counterparty advance written notice not less than 30 days.

18. FINANCIAL INSTRUMENTS

Financial instruments carried at fair value

The fair values of financial assets together with the carrying amounts in the consolidated statement of financial position are as follows:

	Carrying amount	Consolidated financial statements				Unit: Million Baht
		Fair value				Total
		Level 1	Level 2	Level 3		
As at September 30, 2016						
Current Assets						
Available-for-sale investments	-	-	-	-	-	

	Carrying amount	Consolidated financial statements				Unit: Million Baht
		Fair value				Total
		Level 1	Level 2	Level 3		
As at December 31, 2015						
Current Assets						
Available-for-sale investments	305	-	305	-	305	

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorized into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset of liability.

The Group/Company determines Level 2 fair values for available-for-sale investments using a discounted cash flow technique, which uses contractual cash flows and a market-related discount rate.

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Financial instruments not carried at fair value

As at September 30, 2016 and December 31, 2015, net swap and forward contracts receivable (payable) are as follows:

	Consolidated		Unit: Million Baht Separate	
	As at September 30, 2016	As at December 31, 2015	As at September 30, 2016	As at December 31, 2015
Swap contracts:				
- Purchasing contracts				
Swap contracts receivable	9,458	9,565	7,501	9,565
Swap contracts payable*	(8,596)	(8,159)	(6,635)	(8,159)
	<u>862</u>	<u>1,406</u>	<u>866</u>	<u>1,406</u>
- Selling contracts				
Swap contracts receivable*	1,308	-	-	-
Swap contracts payable	(1,318)	-	-	-
	<u>(10)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total swap contracts receivable	<u>852</u>	<u>1,406</u>	<u>866</u>	<u>1,406</u>
Forward contracts:				
Forward contracts receivable	7,592	8,227	117	152
Forward contracts payable*	(7,800)	(8,190)	(118)	(147)
Total forward contracts receivable/(payable)	<u>(208)</u>	<u>37</u>	<u>(1)</u>	<u>5</u>
Total swap and forward contracts:				
Swap and forward contracts receivable	18,358	17,792	7,618	9,717
Swap and forward contracts payable	(17,714)	(16,349)	(6,753)	(8,306)
Total swap and forward contracts receivable	<u>644</u>	<u>1,443</u>	<u>865</u>	<u>1,411</u>

* The nominal amount of swap and forward contracts is the value of the original contracts which the Company entered with the commercial banks and must be repaid at the maturity date.

	Consolidated		Unit: Million Baht Separate	
	As at September 30, 2016	As at December 31, 2015	As at September 30, 2016	As at December 31, 2015
Current assets				
Other current assets	233	648	451	616
Total current assets	<u>233</u>	<u>648</u>	<u>451</u>	<u>616</u>
Non-current assets				
Swap and forward contracts receivable	411	795	414	795
Total non-current assets	<u>411</u>	<u>795</u>	<u>414</u>	<u>795</u>
Total	<u>644</u>	<u>1,443</u>	<u>865</u>	<u>1,411</u>

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As at September 30, 2016 and December 31, 2015, the nominal amounts and fair values of swap and forward contracts are as follows:

	Unit: Million Baht			
	Consolidated financial statements			
	Nominal amounts**		Fair values*	
	As at September 30, 2016	As at December 31, 2015	As at September 30, 2016	As at December 31, 2015
Swap contracts				
- Purchasing contracts	8,596	8,159	9,292	9,326
- Selling contracts	1,308	-	1,300	-
Total swap contracts	<u>9,904</u>	<u>8,159</u>	<u>10,592</u>	<u>9,326</u>
Forward contracts	<u>7,800</u>	<u>8,190</u>	<u>7,650</u>	<u>8,289</u>
Total	<u>17,704</u>	<u>16,349</u>	<u>18,242</u>	<u>17,615</u>

	Unit: Million Baht			
	Separate financial statements			
	Nominal amounts**		Fair values*	
	As at September 30, 2016	As at December 31, 2015	As at September 30, 2016	As at December 31, 2015
Swap contracts				
- Purchasing contracts	6,635	8,159	7,358	9,326
Forward contracts	118	147	117	153
Total	<u>6,753</u>	<u>8,306</u>	<u>7,475</u>	<u>9,479</u>

* The fair value of swap and forward contracts is the adjusted value of the original contracts which the Company entered with the commercial banks with the market price on the reporting date in order to reflect the current value of the contracts.

** The nominal amount of swap and forward contracts is the value of the original contracts which the Company entered with the commercial banks and must be repaid at the maturity date.

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19. COMMITMENTS WITH NON-RELATED PARTIES

Commitments with non-related parties as at September 30, 2016 and December 31, 2015 are as follows:

	Consolidated financial statements		Separate financial statements		
	As at September 30, 2016	As at December 31, 2015	As at September 30, 2016	As at December 31, 2015	
Unit: Million					
Capital commitments					
Unrecognized contractual commitments					
Buildings and equipment					
Thai Baht	18,236	21,174	1	33	
United States Dollars	184	385	-	-	
Japanese Yen	-	82	-	-	
Euro	1	-	-	-	
Singapore Dollars	1	3	-	-	
Service maintenance					
Thai Baht	1,862	2,025	35	507	
United States Dollars	25	23	-	1	
Japanese Yen	-	12	-	7	
Purchase orders for goods and supplies					
Thai Baht	12,393	5,146	-	-	
United States Dollars	18	124	-	-	
Unit: Million Baht					
		Consolidated financial statements	Separate financial statements		
		As at September 30, 2016	As at December 31, 2015	As at September 30, 2016	As at December 31, 2015
Non-cancellable operating lease Commitments					
Within one year	4,102	2,099	58	221	
After one year but within five years	2,368	2,339	22	56	
After five years	59	6	-	-	
Total	6,529	4,444	80	277	
Other commitments					
Swap and forward contracts	16,396	16,349	6,753	8,306	
Bank guarantees:					
- Spectrum license payable	94,275	21,928	-	-	
- Others	1,902	1,052	251	259	
Total	112,573	39,329	7,004	8,565	

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SIGNIFICANT AGREEMENTS

- The Group has entered into lease and related service agreements for office space, cars, computers and base station for periods ranging from 1 year to 15 years with options to renew.
- The Group has entered into a service agreement with a company, for the Group to receive the services relating to network station and other general services as stated in the agreement. The Group shall pay a service fee for the services at the rate as stated in the agreement. The services will be run until terminated by either party with 90 days written notice.

20. CONTINGENT LIABILITIES

Pursuant to the letter dated January 18, 2013, the Revenue Department has challenged the Company and Digital Phone Company Limited (“DPC”), a subsidiary, to pay surcharge of Baht 128 million and Baht 6 million, respectively, regarding the withholding tax on revenue sharing payment after excise tax deduction by giving the opinion that the excise tax is a part of revenue sharing. Therefore, the Company and DPC will be liable to pay the shortage of withholding tax amount of excise tax which came from the revenue sharing payment without excise tax deduction. The Company and DPC have submitted the appeal to the Commission of Appeal. At present, these cases are pending on the consideration process of the Commission of Appeal.

21. SIGNIFICANT EVENTS, COMMERCIAL DISPUTES AND LITIGATION

The Company

- 1) The deduction of excise tax from the revenue sharing between the Company and TOT Public Company Limited (“TOT”)

On January 22, 2008, TOT submitted a dispute under the black case no. 9/2551 to the Arbitration Institute, the Alternative Dispute Resolution Office, Office of the Judiciary demanding the Company to pay additional payment of revenue sharing under the Cellular Mobile Phone Contract in the amount of Baht 31,463 million plus interest at the rate of 1.25 percent per month computing from the default date on January 10, 2007 until the full payment is made.

This amount is the same as an excise tax that the Company had delivered to the Excise Department during January 28, 2003 to February 26, 2007 and deducted it from revenue sharing according to the resolution of the Cabinet dated February 11, 2003. Thus, the Company has fully complied with the Cabinet’s resolution dated February 11, 2003 and this practice is the same as other operators in mobile phone or cellular radio telecommunication industries according to the resolution of the Cabinet. Moreover, TOT had sent letter no. Tor Sor Tor. Bor Yor. /843 dated March 10, 2003 stating that the Company has fully complied with the Cabinet’s resolution and the Company’s burden remains at the same percentage rate as specified in the contract and the submission of that excise tax return shall not affect the terms of the contract.

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On May 20, 2011, the Arbitral Tribunal has dismissed the case by giving the reason which can be summarized that the Company was not in breach of the Agreement since the Company has completely made the payment of the revenue sharing and all debt was fully paid. Therefore, TOT has no right to re-claim for the alleged deficit amount.

On September 22, 2011, TOT has submitted the black case no. 1918/2554 to the Central Administrative Court to revoke the Arbitral Tribunal’s award.

On August 11, 2016, the Central Administrative Court reached its decision to dismiss such dispute made by TOT to revoke the Arbitral Tribunal’s award.

2) Interconnection agreement in accordance with the announcement of National Telecommunication Commission (“NTC”)

According to Telecommunication Business Operation Act B.E. 2544 and the announcement of National Telecommunication Commission (“NTC”) regarding the Use and Interconnect of Telecommunication Network B.E. 2549, the Company has entered into an interconnection (“IC”) agreement with other operators approved by NTC and the effective period of the agreement is listed below:

Operators	Effective period
1) Total Access Communication PCL.	November 30, 2006 onwards
2) Truemove Company Limited	January 16, 2007 onwards
3) Digital Phone Company Limited	June 1, 2009 onwards
4) CAT Telecom Public Company Limited	April 7, 2010 onwards
5) Advanced Wireless Network Company Limited	April 1, 2013 onwards
6) dtac TriNet Company Limited	July 1, 2013 onwards
7) True Move H Universal Communication Company Limited (Formerly Real Future Company limited)	July 1, 2013 onwards

On August 31, 2007, TOT Public Company Limited (“TOT”) has filed a lawsuit against NTC to the Central Administrative Court to revoke the said announcement. On September 15, 2010, the Central Administrative Court has dismissed the case which TOT filed to revoke the announcement of NTC regarding the Use and Interconnect of Telecommunication Network B.E. 2549. TOT has appealed such dismissal to the Supreme Administrative Court. On February 4, 2008, TOT sent a letter to the Company informing that the Company should wait for the final judgment of the Court. If the Company undertake the IC agreements per the NTC announcement before the final judgment of the Court, TOT shall not recognize the Company’s related actions and the Company must be responsible for such actions.

Having considered the said TOT’s letter, related laws and the legal counsel’s opinion, the Company’s management has the opinion that non-compliance by the Company with the IC agreements shall be deemed violating the said NTC announcement. Therefore, the Company has decided to comply with the IC agreements in line with the current legal provisions.

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According to the Agreement for operations (“the Agreement”), the Company has to pay the higher of stipulated annual minimum payment or the percentage of service revenues and other benefits that the Company should be received in each year prior to deducting expenses and taxes to TOT. However, the Company had to comply with the regulation while TOT would like to wait for the final judgment of the court. As a result, the Company anticipated entering into a negotiation with TOT in relation to a calculation method of the revenue sharing. The Company calculated the revenue sharing from the net IC revenue which is similar to other operators in the telecommunication industry on a conservative basis. The revenue sharing amount to be paid to TOT is subject to the final judgment of the court in relation to revoking the announcement of NTC and a negotiation between TOT and the Company. The Company will make adjustment in the financial statement in the period when the issue has been agreed. The Company’s management is certain that it will not incur significant expense more than the revenue sharing amount which the Company has recorded.

However, after having considered the letter from TOT, the relevant laws and the legal counsel’s opinion, the management of the Company has the opinion that non-compliance with the above Interconnection Agreement would be in conflict with the announcement of NTC regarding the Use and Interconnect of Telecommunication Network. Therefore, the Company decided to comply with the said Agreements which are in line with the current legal provision in force by issuing invoices to collect the interconnection charge from the contractual parties.

On December 30, 2008, the Company has remitted the revenue sharing incurred from the interconnection of the telecommunication network since February 2007 to June 2008 in the amount of Baht 761 million based on the rate and calculation method of the Company to TOT. Later, the Company and TOT had set up the negotiation committee to seek for the conclusion but it could not be done. TOT required the Company to pay revenue sharing calculated on gross interconnection charges received by the Company at the rate specified in the Agreement without deduction of interconnection charges which the Company has to pay to other operators. Thus, on January 26, 2011, TOT sent a letter demanding the Company to pay the revenue sharing on the interconnection charges of the Agreement for operations year 17th - 20th in the amount of Baht 17,803 million plus interest at the rate of 1.25% per month. But the Company disagreed and sent a letter opposing the said claim to TOT and the Company has submitted the dispute to the Alternative Dispute Resolution Office, the Arbitration Institute ref. black case no. 19/2554 on March 9, 2011 requesting the Arbitral Tribunal to give an award that TOT has no right to claim for such revenue sharing.

On July 29, 2014, TOT has submitted a dispute no. 55/2557 demanding the Company to pay additional payment for the revenue sharing on the interconnection charges of the operation years 21st - 22nd in the amount of Baht 9,984 million plus interest at 1.25% per month on its outstanding and computing from the default date until the full payment is made. In addition, TOT has requested this case to be under the same consideration with the black case no. 19/2554 to the Arbitral Tribunal.

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On August 23, 2016, the Company has submitted the dispute to the Alternative Dispute Resolution Office, the Arbitration Institute, under the black case no. 83/2559 requesting the Arbitral Tribunal to give an award on the ground that TOT has no right to claim for such revenue sharing on the interconnection charges of the operation years 23rd - 25th in the amount of Baht 8,368 million plus interest at 1.25% per month on its outstanding amount for each year and the Company has requested this case to be under the same consideration with the black case no. 55/2557. At present, the said disputes are pending on the Arbitration process.

3) Obligations of the bank guarantees in connection with the Agreement for operations

According to the Agreement, the Company has the duties to deliver the bank guarantees to TOT Public Company Limited (“TOT”) to secure the payment of the minimum revenue sharing for each operation year and shall recover the bank guarantee of the past operation.

TOT did not return the bank guarantees which have secured the payment of the minimum revenue sharing for the operation year 17th - 21st for a total value of Baht 7,007 million by claiming that the Company had not completely paid the revenue sharing due to the deduction of the revenue sharing for the excise tax and the deduction of the Interconnection Charges. At present, the said disputes are pending on the Arbitration process.

On May 11, 2011 and October 5, 2012, the Company has submitted the disputes to the Alternative Dispute Resolution Office, the Arbitration Institute, under the black case no. 40/2554 and 119/2555 requesting the Arbitral Tribunal to award an order to TOT to return the bank guarantees to the Company because the Company has completely paid the revenue sharing for each operation year and has correctly and fully complied with the law and the relating Agreements in all respects.

On February 10, 2014, the Arbitral Tribunal has given the arbitration award to order TOT to return the bank guarantees for the operation year 17th - 21st to the Company. On May 16, 2014, TOT has submitted the black case no. 660/2557 to the Central Administrative Court to revoke the Arbitral Tribunal’s award.

On May 19, 2014, the Company has submitted the black case no. 666/2557 to the Central Administrative Court requesting TOT to return the bank guarantees for the 17th - 21st operation year to the Company according to the arbitration award and pay the bank guarantees fee of Baht 6.65 million which had been paid by the Company to the banks and plus interest at 7.5% per annum computing from the date that Company paid to the banks. Currently, this black case is in the Central Administrative Court procedure.

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4) 900 MHz subscribers migration to 3G 2100 MHz

On September 25, 2014, TOT Public Company Limited (“TOT”) has submitted a dispute under the black case no. 80/2557 to the Arbitration Institute demanding the Company to pay compensation from the 900 MHz subscribers porting to 3G 2100 MHz provided by its subsidiary in the amount of Baht 9,126 million plus interest at 7.5% per annum from September 25, 2014 until the full payment is made.

On March 29, 2016, TOT has submitted the revision to amend the compensation amount from May 2013 to September 2015, the ending of the Agreement for operations for the amount of Baht 32,813 million plus VAT and interest at 1.25% per month from June 2013 until the full payment is made.

Currently, the case is in the Arbitration process. The Company’s management believes that the Company has correctly and fully complied with the related conditions of the Agreement in all respects then the outcome of the said dispute should be settled favourably and has no considerable impact on the financial statements of the Company.

5) The claim for additional revenue from the 6th and 7th Amendments to the Agreement for operations

On September 30, 2015, the Company submitted the dispute black case no. 78/2558 to the Arbitration Institute, the Alternative Dispute Resolution Office, Court of Justice to decide regarding the 6th Amendment dated May 15, 2001 and the 7th Amendment dated September 20, 2002 to the Agreement for operations to conduct business of Cellular Mobile Telephone that the said amendments bind the Company and TOT Public Company Limited (“TOT”) to comply with the said amendments until the expiration of the Agreement for operations and that the Company has no obligation to pay for the additional revenue according to the letter claimed by TOT to the Company on September 29, 2015 regarding to request the payment of additional revenue in the amount of Baht 72,036 million which TOT has claimed that the 6th and 7th Amendments were material which caused TOT to receive lower revenue than the rate as specified in the Agreement for operations.

At present, the dispute is under the consideration of the arbitrators which the management of the Company believes that the 6th and 7th Amendments to the Agreement for operations are binding and effective until the expiration of the Agreement for operations on September 30, 2015 because the Company has fully complied with all concerned Agreements. Moreover, the Council of State opined on this matter that the amendments to the Agreement for operations between TOT and the Company, case no. 291/2550 that “...the amendment process of the Agreement for operations which is the administrative contract can be separated from such amendment attached hereto, the amendments have still been in effect as long as it is not revoked or terminated by time, or otherwise...”. Therefore, the outcome of the said dispute should be settled favourably and has no considerable impact on the financial statements of the Company.

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Later, on November 30, 2015, TOT submitted the dispute black case no. 122/2558 to the Arbitration Institute, the Alternative Dispute Resolution Office, Court of Justice to decrease the amount of the revenue claimed by TOT to Baht 62,774 million according to the percentage adjustability of revenue sharing upon the Agreement for operations. This case is the same as the dispute black case no. 78/2558.

- 6) Space rental fee for tower and equipment for service under the Agreement for operations

On September 30, 2015, TOT Public Company Limited (“TOT”) submitted the dispute black case no. 76/2558 to the Arbitration Institute, the Alternative Dispute Resolution Office Court of Justice to decide regarding the Company rents 11,883 base stations, which used for the installation of towers and telecommunication equipment to provide telecommunication services (Cellular Mobile Telephone Service), under the Agreement for operations for additional 2 years from the expiration of the Agreement for operations. In case that the Company cannot perform such rental, the Company shall pay the said rental and all expenses during additional 2 years in the amount of Baht 1,911 million or place the money to the court.

At present, the dispute is under the consideration of the arbitrators which the management of the Company believes that the Company has no obligation to pay for the space rental fee for tower and equipment related after the expiration of the Agreement for operations because the Company has rightfully conducted everything in accordance with the Agreement for operations. Therefore, the outcome of the said dispute should be settled favourably and has no considerable impact on the financial statements of the Company.

- 7) The claim for installation and connection of telecom equipment within 900 MHz frequency band on the Base Site which Digital Phone Co., Ltd. (“DPC”) has transferred the title to CAT Telecom Plc. (“CAT”) subject to the Agreement for operations regarding Cellular Telecommunication Service between CAT and DPC.

On April 29, 2016, CAT has filed a lawsuit to the Central Administrative Court as the black case no.613/2559 for the removal of installed and connected telecom equipment used in cellular telecommunication services within 900 MHz frequency band or other frequencies or other telecom equipment of Advanced Info Services Public Company Limited (“the Company”) installed in 95 base sites which DPC has transferred to CAT subject to the Agreement for operations without approval from CAT. Therefore, CAT demanded the Company to compensate for the usage of assets owned by CAT during January 2013 until April 2016 in the amount of Baht 125.52 million plus interest at the rate of 7.5% per annum from the filing date until the compensation is paid in full and to pay for damages from the filing date in the amount of Baht 2.83 million per month plus interest at the rate of 7.5% per annum of the claimed amount in each month to CAT until the removal of telecom equipment is completed.

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Presently, this said case is pending in the Central Administrative Court process. The Company’s management believes that the Company has correctly and fully complied with the related conditions of the agreement in all respects then the outcome of the said case should not be considerable impact on the financial statements of the Company.

Digital Phone Company Limited (“DPC”)

- 1) The deduction of excise tax from the revenue sharing between DPC and CAT Telecom Public Company Limited (“CAT”)

On January 9, 2008, CAT Telecom Public Company Limited (“CAT”) submitted a dispute under the black case no. 3/2551 to the Arbitration Institute, the Alternative Dispute Resolution Office, Court of Justice demanding DPC, a subsidiary, to pay additional payment of revenue sharing under the Digital Personal Communication Network Contract in the amount of Baht 2,449 million plus penalty at the rate of 1.25% per month of the unpaid amount of each year computing from the default date until the full payment is made which total penalty calculated up to December 2007 is Baht 1,500 million, totalling Baht 3,949 million.

Later, on October 1, 2008, CAT has submitted the petition to adjust the amount claimed to Baht 3,410 million which calculated from the outstanding revenue sharing up to January 2008 including penalty in amount of Baht 790 million and value added tax in amount of Baht 171 million.

This amount is the same as an excise tax that DPC had delivered to the Excise Department during September 16, 2003 to September 15, 2007 and deducted it from revenue sharing according to the resolution of the Cabinet dated February 11, 2003 and DPC has correctly and fully complied with the Cabinet’s resolution dated February 11, 2003 and this practice is the same as other operators in mobile phone or cellular radio telecommunication industries. Moreover, CAT has sent a letter No. CAT 603 (Kor Tor.) 739 notifying DPC to comply with such Cabinet’s resolution.

On March 1, 2011, the Arbitral Tribunal has dismissed the case by giving the reason which can be summarized that DPC was not in breach of the Agreement since DPC has completely made the payment of the revenue sharing and all debt was paid in full. Therefore, CAT has no right to re-claim for the alleged deficit amount, including the penalty and the value added tax.

On June 3, 2011, CAT has submitted the black case no. 1259/2554 to the Central Administrative Court to revoke the Arbitral Tribunal’s award.

On July 28, 2015, the Central Administrative Court reached its decision to dismiss such dispute made by CAT to revoke the Arbitral Tribunal’s award.

On August 25, 2015, CAT has appealed such dismissal to the Supreme Administrative Court under black case no. Or 1070/2558. At present, this case is pending for consideration of the Supreme Administrative Court.

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- 2) The deduction of access charge from revenue sharing between DPC and Telecom Public Company Limited (“CAT”)

Pursuant to the resolution of the meeting on January 14, 2004 between TOT Public Company Limited (“TOT”), CAT Telecom Public Company Limited (“CAT”), Digital Phone Company Limited (“DPC”), a subsidiary, and True Move Company Limited (“True Move”) by the Minister of the Information and Communications Technology Ministry, the Chairman, that TOT consented to reduce access charge of mobile phone from revenue sharing which TOT received from CAT in the amount of Baht 22 /number/month to DPC and True Move starting from the 6th operation year as Total Access Communication Public Company Limited (“DTAC”) had received from TOT.

On October 12, 2006, TOT sent a letter to CAT that TOT could not reduce access charge of mobile phone to DPC and True Move and demanding CAT to pay the access charge that DPC and True Move have deducted as a discount of access charge plus legal interest rate computing from the default date until the fully payment is made.

On July 29, 2008, CAT submitted a dispute under black case no. 68/2551 to the Arbitration Institute, the Alternative Dispute Resolution Office, Office of the Judiciary demanding DPC to pay access charge of mobile phone that DPC had deducted for Baht 154 million (additional consideration of the 7th -10th operation year) plus value added tax and interest at the rate 1.25 percent per month of the above principal amount starting from the default date of each year since the 7th -10th operation year until the full payment is made.

On October 15, 2009, CAT submitted a dispute under black case no. 96/2552 to the Arbitration Institute, the Alternative Dispute Resolution Office, Court of Justice demanding DPC to pay access charge of mobile phone that DPC had deducted for Baht 22 million (additional consideration of the 11th operation year) including the penalty at the rate of 1.25 percent per month which calculated up to October 15, 2009, total amount of claim is Baht 26 million.

On March 23, 2012, the Arbitral Tribunal has dismissed the said two disputes by giving the reason which can be summarized that CAT has not yet paid the discount Baht 22/number/month to TOT. Moreover, CAT cannot prove that DPC has breached the Agreement and has made the payment of revenue sharing incorrectly. Therefore, CAT has no right to re-claim for the alleged deficit amount, including the penalty and the value added tax.

On June 25, 2012, CAT has submitted the black case no. 1016/2555 to the Central Administrative Court to revoke the Arbitral Tribunal’s award, and on September 16, 2014, the Central Administrative Court has issued the dismissal order of this case. On October 15, 2014, CAT has appealed such dismissal to the Supreme Administrative Court. At present, the said case is pending for consideration of the Supreme Administrative Court.

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- 3) Claim for the access charge payment and the deduction of access charge from revenue sharing between DPC, CAT Telecom Public Company Limited (“CAT”) and TOT Public Company Limited (“TOT”)

On May 9, 2011, TOT Public Company Limited (“TOT”) has submitted the black case no. 1099/2554 to the Central Administrative Court against CAT Telecom Public Company Limited (“CAT”) as the defendant no. 1 and Digital Phone Company Limited (“DPC”) as the defendant no. 2 demanding CAT and DPC to pay the access charge amounting to Baht 2,436 million plus value added tax and interest calculated up to May 9, 2011, total amount of claim is Baht 2,954 million plus interest until the full payment is made as follows:

- 1) Part of DPC calculating on the amount of the mobile phone number which DPC had rendered the service at the rate of Baht 200/number/month, in the amount of Baht 432 million.
- 2) Part of CAT calculating on a half of the revenue sharing which CAT had received from DPC, in the amount of Baht 2,331 million.
- 3) The discount of access charge at the rate of Baht 22/number/month that DPC deducted from the revenue sharing, in the amount of Baht 191 million. Part of this demand is the same amount as CAT has claimed according to the dispute under black case no. 68/2551 mentioned above but different in terms of the calculation period and interest.

Later, on July 31, 2014, TOT has submitted a petition for revision to adjust the access charge amounting to Baht 5,454 million calculated up to September 16, 2013 which is the date of the Agreement for operation period ended plus valued add tax and interest calculated up to July 10, 2014, plus interest calculated from July 10, 2014 until full payment is made as follows.

- 1) Part of DPC calculating on the amount of the mobile phone number which DPC had rendered the service at the rate of Baht 200/number/month, in the amount of Baht 1,289 million.
- 2) Part of CAT calculating on a half of the revenue sharing which CAT had received from DPC, in the amount of Baht 3,944 million.
- 3) The discount of access charge at the rate of Baht 22/number/month that DPC deducted from the revenue sharing, in the amount of Baht 221 million.

At present, this case is pending consideration of the Central Administrative Court. The Company’s management believes that the outcome of this case shall be in favour of DPC and have no material impact on the consolidated financial statements of the Group since DPC has correctly and fully complied with the law and the relating Agreements in all respects.

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- 4) To deliver and transfer ownership of towers and equipment of power supply between DPC and CAT Telecom Public Company Limited (“CAT”)

On February 3, 2009, CAT Telecom Public Company Limited (“CAT”) has submitted a dispute under the black case no. 8/2552 to the Alternative Dispute Resolution Office, the Arbitration Institute, demanding DPC, a subsidiary, to deliver and transfer ownership of 3,343 towers including 2,653 equipment of power supply under the Digital PCN (“Personal Communication Network Agreement”). Failure to do so, DPC must reimburse Baht 2,230 million to CAT. DPC considers that all disputed assets, towers and the equipment of power supply are not the property as stipulated in the Agreement.

On July 18, 2012, the Arbitral Tribunal has given the arbitration award to dismiss the disputes under the reason that the request by CAT to demand the delivery of the assets from DPC was the premature exercise of legal claim under the contract.

On October 25, 2012, CAT has submitted the black case no. 2757/2555 to the Central Administrative Court to revoke the Arbitral Tribunal’s award. Presently, this case is pending on the Central Administrative Court process.

- 5) The reduction of roaming fee between DPC and CAT Telecom Public Company Limited (“CAT”)

Starting from July 1, 2006, CAT Telecom Public Company Limited (“CAT”) allowed Digital Phone Company Limited (“DPC”), a subsidiary, to reduce roaming fee per minute from Baht 2.10 to Baht 1.10 to be in line with the decrease of mobile phone service fee. The approval has been renewed for three-month period several times until March 31, 2007. After that, CAT did not notify DPC of any changes until on March 24, 2008, CAT had sent a letter to notify DPC to charge roaming fee at Baht 2.10 per minute starting from April 1, 2007. On May 8, 2008, DPC sent a request letter to CAT to reconsider the roaming fee adjustment. The reason for such request was based on the market environment where the prevailing mobile phone service charge to consumers in the market was significantly lower than the specified roaming fee. Such high roaming fee is therefore unreasonable for DPC to provide the roaming service to any operators. In the letter, DPC informed CAT that during the period when CAT is reconsidering the request, DPC will charge roaming fee at Baht 1.10 per minute according to the previous agreed terms and conditions. On March 31, 2009, CAT has approved DPC to charge roaming fee at Baht 1.10 per minute during January 1, 2009 - March 31, 2009. Moreover, DPC has entered into the national roaming agreement with the Company to charge roaming fee at Baht 1.10 per minute approved by National Telecommunication Commission (“NTC”) on June 16, 2009.

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On July 15, 2010, CAT has submitted a dispute under black case no. 62/2553 to the Alternative Dispute Resolution Office, the Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of 10th - 12th operation year that DPC reduced roaming fee per minute from Baht 2.10 to Baht 1.10 during April 1, 2007 - December 31, 2008 in amount of Baht 1,636 million plus penalty computing up to March 2010 of Baht 364 million, totalling Baht 2,000 million and penalty at the rate of 1.25 percent per month from April 2010 until the full payment is made by alleging that CAT had approved the said roaming fee reduction up to March 31, 2007 only.

On September 12, 2011, CAT has submitted a dispute to the Alternative Dispute Resolution Office, the Arbitration Institute; black case no. 89/2554 demanding DPC to make additional payment of revenue sharing of 12th operation year which DPC reduced roaming fee from Baht 2.10 per minute to Baht 1.10 per minute during April 1, 2009 - June 15, 2009 in the amount of Baht 113 million plus penalty at the rate of 1.25% per month from April 1, 2009 until full payment is made.

At present, this dispute is pending on the Arbitration process. The Company's management believes that the outcome of this dispute shall have no material impact on the consolidated financial statements of the Group since DPC has correctly and fully complied with the law and the relating Agreements in all respects.

6) The damage arisen from uncollectible international call service charges between DPC and CAT Telecom Public Company Limited (“CAT”)

On April 8, 2011, CAT Telecom Public Company Limited (“CAT”) submitted a dispute under black case no. 32/2554 to the Arbitration Institute, the Alternative Dispute Resolution Office, Office of the Judiciary demanding DPC to pay Baht 33 million including interest at the rate of 15% per annum of the claimed amount, total amount of claim Baht 35 million by alleging that DPC has committed a breach of the Digital PCN (Personal Communication Network) Service Agreement due to subscriber fraud on the Digital PCN Service Agreement between DPC and subscribers for 1,209 numbers during 1997 - 2003 causing damages to CAT where CAT was unable to collect the international call service charges occurred from the use of such numbers.

On May 28, 2013, the Arbitral Tribunal reached its decision to dismiss such dispute by stating that it is not about breach of the agreement but whether there has been a wrongful act. Therefore, the dispute is not within the Jurisdiction of the Arbitral Tribunal.

On September 6, 2013, CAT has submitted the black case no. 1767/2556 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, this case is pending on the Central Administrative Court process.

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7) Revenue sharing on interconnection charge between DPC and CAT Telecom Public Company Limited (“CAT”)

On August 24, 2012, CAT has submitted a dispute under black case no. 110/2555 to the Alternative Dispute Resolution Office, The Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of the 10th - 14th operation year amounting to Baht 183 million and penalty at the rate of 1.25 percent per month of the above principal amount starting from the default date of each year until the full payment is made.

On April 1, 2014, CAT has submitted a dispute under black case no. 26/2557 to the Alternative Dispute Resolution Office, The Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of 15th operation year amounting to Baht 141 million and penalty at the rate of 1.25 percent per month of the above principal amount starting from the default date of each year until the full payment is made. Such amount represents the revenue sharing which CAT calculated on gross interconnection charge received by DPC from other operators at the percentage rate specified in the Agreement without deduction of interconnection charge which DPC has to pay to other operators.

At present, this dispute is pending on the Arbitration procedures. The Company’s management believes that the outcome of this dispute shall be settled favourably and has no material impact on the consolidated financial statements of the Company since DPC has correctly and fully complied with the law and the related conditions of the Agreement in all respects.

8) Obligations of the bank guarantees in connection with the Agreements for Operations

According to the Agreement, Digital Phone Company Limited (“DPC”) has the duties to deliver the bank guarantees to CAT Telecom Public Company Limited (“CAT”) to secure the payment of the minimum revenue sharing for each operation year and shall recover the bank guarantee of the previous operating year.

CAT did not return the bank guarantees which have secured the payment of the minimum revenue sharing for the operation year 10th - 14th for a total value of Baht 2,606 million by claiming that DPC had not completely paid the revenue sharing due to the deduction of the revenue sharing for the Excise Tax and the deduction of the Interconnection Charges, the discount of Access Charges and the reduction of the rate of roaming charge where the disputes of which have been pending the consideration of the Arbitral Tribunal.

On October 8, 2012, DPC has submitted a dispute to the Alternative Dispute Resolution Office, the Arbitration Institute, black case no. 120/2555 requesting the Arbitral Tribunal to award an order to CAT to return the bank guarantees to DPC because DPC has completely paid the revenue sharing for each operation year and has correctly and fully complied with the law and the relating Agreements in all respects.

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On May 28, 2015, the Arbitral Tribunal reached its decision to award an order to CAT to return the bank guarantees and its bank fees to DPC. Later, on September 15, 2015, CAT has submitted the black case no. 1671/2558 to the Central Administrative Court to revoke the Arbitral Tribunal’s award. Presently, this case is under consideration from the Central Administrative Court.

- 9) The claim for the usage/revenue arising from the use of telecommunication equipment and telecommunication network during the temporary customer protection period after the Concession ended

On May 20, 2015, CAT Telecom Public Company Limited (“CAT”) has filed a lawsuit against the National Broadcasting and Telecommunication Committee Office (“NBTC Office”), National Telecommunication Committee (“NTC”), National Broadcasting and Telecommunication Committee (“NBTC”), Truemove Company Limited (“True Move”), and Digital Phone Company Limited (“DPC”) to the Central Administrative Court black case no.918/2558 to pay for the fees and revenue from the usage of telecommunication equipment and telecommunication network of CAT during the temporary customer protection period, subject to the announcement of NBTC regarding the Temporary Customer Protection Plan Following the Expiration of the Agreement for operations or Telecommunication Service Agreement, calculated from September 16, 2013 to September 15, 2014. The total amounts are as follows:

- 1) NBTC Office, NTC and NBTC in the amount of Baht 24,117 million including interest at the rate of 7.5 per annum.
- 2) True Move jointly with NBTC Office, NTC and NBTC in the amount of Baht 18,025 million including interest at the rate of 7.5 per annum.
- 3) DPC jointly with NBTC Office, NTC and NBTC in the amount of Baht 6,083 million including interest in the rate of 7.5 per annum.

On September 11, 2015, CAT has filed a lawsuit to the Central Administrative Court black case no. 1651/2558 claimed for the usage fees and revenue from the usage of telecommunication equipment and telecommunication network of CAT calculated from September 16, 2014 to July 17, 2015, total amounts are as follows:

- 1) NBTC Office, NTC and NBTC in the amount of Baht 6,521 million including interest at the rate of 7.5 per annum.
- 2) True Move jointly with NBTC Office, NTC and NBTC in the amount of Baht 4,991 million including interest at the rate of 7.5 per annum.
- 3) DPC jointly with NBTC Office, NTC and NBTC in the amount of Baht 1,635 million including interest in the rate of 7.5 per annum.

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On May 27, 2016, CAT has filed a lawsuit to the Central Administrative Court black case no. 741/2559 claimed for the usage fees and revenue from the usage of telecommunication equipment and telecommunication network of CAT calculated from July 18, 2015 to November 25, 2015, total amounts are as follows:

- 1) NBTC Office, NTC and NBTC in the amount of Baht 2,857 million including interest at the rate of 7.5 per annum.
- 2) True Move jointly with NBTC Office, NTC and NBTC in the amount of Baht 2,184 million including interest at the rate of 7.5 per annum.
- 3) DPC jointly with NBTC Office, NTC and NBTC in the amount of Baht 673 million including interest in the rate of 7.5 per annum.

At present, the dispute is under the consideration of the Central Administrative Court which the management of the Company believes that DPC has no obligation to pay for the usage fees and revenue from the usage of telecommunication equipment and telecommunication network as claimed by CAT as to DPC has rightfully complied in accordance with the announcement of NBTC. Therefore, the outcome of the said dispute should be settled favourably and has no considerable impact on the consolidated financial statements of the Group.

10) The claim to the Central Administrative Court for revocation of the NTC order regarding to revenue incurred from the temporary service for customer protection period after the Concession end.

On November 16, 2015, Digital Phone Company Limited (“DPC”), has filed a lawsuit against the National Broadcasting and Telecommunication Committee (“NBTC”) to the Central Administrative Court under case no. 1997/2558 for revoke NTC resolution which office of the NBTC has demanded DPC to deliver revenue at remedy period starting from September 16, 2013 to July 17, 2014 in the amount of Baht 628 million.

In the same case, on September 16, 2016, NBTC and the National Broadcasting and Telecommunication Committee office (“NBTC office”) have filed a complaint to the Central Administrative Court as the Black Case No. 1441/2559 requesting DPC to submit the revenue sharing during remedy period starting from September 16, 2013 to July 17, 2014 in the amount of Baht 680 million (including interest up to submitted date by Baht 52 million) plus interest at the rate of 7.5% per annum of the claim amount from the next day of the submit date until DPC deliver all revenue sharing in full.

The Company’s management believes that DPC has complied with NBTC announcement regarding the Temporary Customer Protection Plan Following the Expiration of the Agreement for operations or Telecommunication Service Agreement 2012, and the Company has obliged to submit the revenue after deducting any expenses to NBTC but DPC has the expenses more than the revenue incurred from the service. Thus, DPC has no revenue remaining in order to submit to NBTC as stipulated in the announcement.

Presently the said case is in the process of the Central Administrative Court.

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11) The claim for providing of telecom equipment and the telecommunication networks under the Agreement for operations regarding cellular telecommunication services (“the Agreement”) between CAT Telecom Public Company Limited (“CAT”) and Digital Phone Company Limited (“DPC”) to other operator to use.

On June 30, 2016, CAT has submitted a dispute under black case no. 57/2559 to the Alternative Dispute Resolution Office, The Arbitration Institute, demanding DPC to remove telecom equipment and the telecommunication networks used in cellular telecommunication services under 2100 MHz and the other telecom equipment owned by Advanced Wireless Network Company Limited (“AWN”) and under 900 MHz owned by Advanced Info Service Public Company Limited (“the Company”) which is installed in 97 base stations subject to the Agreement operated by DPC without the approval from CAT.

In case that DPC does not agree to remove such disputes assets for whatsoever reasons, CAT shall demand DPC to pay in the amount of Baht 4.84 million per month plus interest at the rate of 7.5% per annum from the next day of the submit date of such dispute until the completion date of such removal of telecom equipment and to pay for damages for the consent for AWN and the Company to use its disputed assets which owned by CAT in 97 base stations during January 2013 until June 2016 in the total of Baht 175.19 million plus interest at the rate of 7.5% per annum of the claimed amount and also prohibited DPC to provide such disputed assets to other operator without written consent from CAT.

Presently, this said dispute is pending in the Alternative arbitration process. The Company’s management believes that DPC has correctly and fully complied with the related conditions of such Agreement in all respects then the outcome of the said dispute should not be considerable impact on the consolidated financial statements of the Group.

AIN Globalcomm Company Limited (“AIN”)

The international direct dialling service by using the symbol “+” between AIN and CAT Telecom Public Company Limited (“CAT”)

On June 7, 2008, CAT Telecom Public Company Limited (“CAT”) has submitted the black case no. 1245/2551 to the Civil Court against Advanced Info Service Public Company Limited (“the Company”) as the defendant no. 1 and AIN Globalcomm Company Limited, a subsidiary, as the defendant no. 2 requesting the Company and the subsidiary to pay compensation with interest rate at 7.5% per annum for damage up to the date of case submission equalling to Baht 130 million. The reason is traffic changing of the international direct dialling service by the Company and the subsidiary during March 1-27, 2007 through the Company subscriber by using the symbol “+” dialling from no. 005 of the subsidiary, instead of no. 001 of CAT without the prior notification to subscriber. On September 4, 2008, CAT submitted a petition revision to adjust compensation for Baht 583 million (including interest) because CAT was damaged consecutively until March 7, 2008.

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On November 19, 2008, CAT submitted the request for the order of provisional remedial measure before delivery of judgment to cease the Company and the subsidiary to transfer the traffic 001 or symbol “+” of CAT to traffic 005 of the subsidiary. On February 26, 2009, the Civil Court dismissed the CAT’s request and on March 20, 2009, CAT has appealed the dismissal. On August 16, 2012, the Court of Appeal has issued an order confirming the dismissal order of the Civil Court and CAT has submitted the petition to the Supreme Court on October 19, 2012. On February 3, 2015, the Supreme Court has issued an order confirming the dismissal order of the Appeal Court.

On December 17, 2009, the Civil Court has dismissed the case as the facts cannot be proved that CAT has either an exclusive right to use the symbol “+” or the right to prohibit the Company and AIN to use the symbol “+” and it cannot also be proved that the changing of the connection setting of the international direct dialing service from using the symbol “+” for the code 001 of CAT to “+” for the code 005 of AIN has caused the subscribers who use international direct dialing service to believe that they are using the code 001 of CAT, therefore, the acts of the Company have not infringed any right of CAT and also of AIN which CAT alleged to jointly commit the wrongful act against the Company and have not infringed the right of CAT as well. CAT has appealed to the Court of Appeal on March 10, 2010. Subsequently, on June 27, 2013, the Court of Appeal has issued an order confirming the dismissal order of the Civil Court by CAT has submitted the petition to the Supreme Court on September 16, 2013.

On May 24, 2016, the Supreme Court has issued an order confirming the dismissal order of the Appeal Court. The Supreme Court’s judgment was read by the Civil Court on September 13, 2016.

Advanced Wireless Network Company Limited (“AWN”)

The claim for installation and connection of 2100 MHz frequency band telecom equipment of AWN on the Base Site which Digital Phone Co., Ltd. (“DPC”) already transferred the title to CAT Telecom Plc. (“CAT”) subject to the Agreement for Operations regarding Cellular Telecommunication Service between CAT and DPC (“the Agreement”).

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On June 30, 2016, CAT has filed a lawsuit to the Central Administrative Court as the black case No.1039/2559 against Advanced Wireless Network Company Limited (“AWN”) for the removal of such installed and connected telecom equipment used in cellular telecommunication services within 2100 MHz frequency band or other frequencies or other telecom equipment of AWN installed in 67 base stations which DPC has transferred to CAT subject to the Agreement for Operations without the approval from CAT. Therefore, CAT demanded AWN to pay the damages for the usage of such assets owned by CAT during January 2013 until June 2016 in the amount of Baht 57.53 million including interest at the rate of 7.5% per annum from the filing date until the compensation is paid in full and to pay for damages from the filing date in the amount of Baht 2 million per month plus interest at the rate of 7.5% per annum of the claimed amount regarding damages in each month to CAT until the removal of telecom equipment is completed and also prohibited AWN to install and connect its telecom equipment used in cellular telecommunication services in 2100 MHz frequency band or other frequencies or other telecom equipment of AWN on base sites owned by CAT under the Agreement between CAT and DPC without written consent from CAT.

Presently, this said case is pending in the Central Administrative Court process. The Company’s management believes that AWN has correctly and fully complied with the related conditions of the Agreement in all respects then the outcome of the said case should not be considerable impact on the consolidated financial statements of the Group.

22. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issue by the Board of Directors on November 8, 2016.