

**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 (the “Group”) and the separate statement of financial position of Advanced Info Service Public Company Limited as at September 30, 2020, 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, 2020, and the related consolidated and separate statements of changes in shareholders’ equity and cash flows for the nine-month period ended September 30, 2020, 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”.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 2.2 to the interim financial statements that Advanced Info Service Public Company Limited and its subsidiaries have adopted group of Financial Instruments Standards and Thai Financial Reporting Standard No. 16 “Leases” which become effective for fiscal years beginning on or after January 1, 2020. The Group elected to recognize the cumulative effect of initially applying such Standards as the adjustments to the beginning balances of retained earnings and other components of shareholders’ equity of the reporting period.

BANGKOK
November 5, 2020

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, 2020

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,
		2020	2019	2020	2019
		“Unaudited”		“Unaudited”	
ASSETS					
Current assets					
Cash and cash equivalents	18	16,634,143	19,636,628	1,052,059	1,975,220
Specifically-designated bank deposits	3	1,818,125	1,989,089	-	-
Restricted deposits at a financial institution		11,200	-	-	-
Trade and other current receivables	4, 18	19,028,403	18,297,896	1,707,755	1,825,358
Contract assets	5	1,379,157	1,868,738	-	-
Short-term loans to related parties	18	-	-	51,777,000	50,499,000
Inventories		2,669,384	4,828,456	-	-
Current tax assets		126,930	317,087	-	60,345
Other current financial assets	19	128,315	-	-	-
Other current assets		103,575	204,258	5,696	4,914
Total current assets		41,899,232	47,142,152	54,542,510	54,364,837
Non-current assets					
Other long-term investments	6	-	67,032	-	46,999
Other non-current financial assets	6	112,653	-	67,852	-
Investments in subsidiaries	7	-	-	26,830,599	27,928,203
Investments in joint ventures	8	863,027	635,509	-	-
Investment in an associate	8	30,207	24,613	-	-
Property, plant and equipment	9	123,755,026	125,510,307	58,225	69,709
Right-of-use assets	9	60,891,545	-	252,860	-
Goodwill		2,881,700	2,881,700	-	-
Other intangible assets other than goodwill	9	5,426,692	5,468,376	7,516	11,053
Spectrum licenses	9	112,681,059	103,074,017	-	-
Deferred tax assets		3,828,098	3,490,522	474,552	549,989
Other non-current assets		1,428,176	1,374,894	346,702	283,037
Total non-current assets		311,898,183	242,526,970	28,038,306	28,888,990
Total assets		353,797,415	289,669,122	82,580,816	83,253,827

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, 2020

UNIT : THOUSAND BAHT

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at September 30, 2020 “Unaudited”	As at December 31, 2019	As at September 30, 2020 “Unaudited”	As at December 31, 2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Short-term borrowings from financial institutions	10	3,900,000	-	-	-
Trade and other current payables	11, 18	40,719,931	41,376,820	3,259,844	2,904,666
Provision for revenue sharing		5,248,417	5,248,417	5,107,842	5,107,842
Unearned income - mobile phone service		4,191,702	4,189,025	9,177	9,177
Advance received from customers		1,818,125	1,989,089	-	-
Current portion of long-term liabilities	10, 18	24,947,383	24,871,789	-	15,327
Current portion of spectrum licenses payable	12	10,475,336	24,490,135	-	-
Current portion of lease liabilities	10, 18	10,305,928	-	116,647	-
Short-term borrowings from related parties	10, 18	-	-	4,380,000	4,920,000
Corporate income tax payable		1,094,087	2,892,324	27,959	-
Other current financial liabilities	19	117,229	140,659	-	-
Other current liabilities		70,531	57,042	93	-
Total current liabilities		102,888,669	105,255,300	12,901,562	12,957,012
Non-current liabilities					
Long-term liabilities	10, 18	76,512,979	69,171,920	-	15,423
Lease liabilities	10, 18	50,016,647	-	147,473	-
Provision for employee benefit		3,004,264	2,859,529	341,615	329,249
Spectrum licenses payable	12	45,759,291	37,298,912	-	-
Unrealized adjustment value of spectrum license	1, 12	3,283,533	3,283,533	-	-
Other non-current financial liabilities	19	1,134,591	-	-	-
Other non-current liabilities		2,570,871	2,405,758	20,817	16,387
Total non-current liabilities		182,282,176	115,019,652	509,905	361,059
Total liabilities		285,170,845	220,274,952	13,411,467	13,318,071

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, 2020

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,
		2020	2019	2020	2019
		“Unaudited”		“Unaudited”	
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
Shareholders' 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 share capital					
2,974 million ordinary shares of					
Baht 1.00 each, fully paid					
		2,973,554	2,973,178	2,973,554	2,973,178
Share premium					
Share premium on ordinary shares					
		22,446,531	22,386,070	22,446,531	22,386,070
Other deficits					
Deficits arising from change in ownership interest					
in a subsidiary					
		(669,657)	(669,657)	-	-
Retained earnings					
Appropriated					
Legal reserve					
		500,000	500,000	500,000	500,000
Unappropriated					
		43,807,890	43,725,576	43,807,890	43,725,576
Other components of shareholders' equity					
		(558,626)	350,932	(558,626)	350,932
Total shareholders' equity attributable to owners					
of the Company					
		68,499,692	69,266,099	69,169,349	69,935,756
Non-controlling interests					
		126,878	128,071	-	-
Total shareholders' equity					
		68,626,570	69,394,170	69,169,349	69,935,756
Total liabilities and shareholders' equity					
		353,797,415	289,669,122	82,580,816	83,253,827

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, 2020

“UNAUDITED”

UNIT : THOUSAND BAHT

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Revenues					
Revenues from rendering of services and equipment rentals	18	35,623,582	38,739,331	490,314	431,262
Revenue from sale of goods	18	6,091,426	5,993,584	-	-
Total revenues		<u>41,715,008</u>	<u>44,732,915</u>	<u>490,314</u>	<u>431,262</u>
Costs					
Cost of rendering of services and equipment rentals	18	(20,363,854)	(20,748,067)	(307,333)	(302,959)
Cost of sale of goods		(6,163,667)	(5,888,544)	-	-
Total costs		<u>(26,527,521)</u>	<u>(26,636,611)</u>	<u>(307,333)</u>	<u>(302,959)</u>
Gross profit		15,187,487	18,096,304	182,981	128,303
Distribution costs and administrative expenses					
Distribution costs		(1,552,313)	(1,498,531)	(529)	(70)
Administrative expenses		(4,454,172)	(4,832,783)	(25,702)	(35,037)
Total distribution costs and administrative expenses		<u>(6,006,485)</u>	<u>(6,331,314)</u>	<u>(26,231)</u>	<u>(35,107)</u>
Profit from operating activities		9,181,002	11,764,990	156,750	93,196
Finance income	18	72,231	48,824	78,730	154,890
Other income (reversal)	18	147,423	114,237	(5,920)	14,028
Share of profit (loss) of subsidiaries, joint ventures and an associate accounted for using equity method	7, 8	2,553	(25,266)	6,368,726	8,626,155
Net gain (loss) on foreign exchange rate		(360,763)	(43,537)	(2,220)	2,019
Gain from fair value measurement of derivative assets		180,080	-	-	-
Management benefit expenses	18	(43,223)	(30,034)	(43,203)	(30,034)
Finance costs	18	(1,449,234)	(1,194,741)	(11,942)	(17,797)
Profit before tax expense		7,730,069	10,634,473	6,540,921	8,842,457
Tax expense	15	(1,215,321)	(1,833,192)	(28,250)	(42,003)
Profit for the periods		<u>6,514,748</u>	<u>8,801,281</u>	<u>6,512,671</u>	<u>8,800,454</u>
Profit attributable to					
Owners of the Company		6,512,671	8,800,454	6,512,671	8,800,454
Non-controlling interests		2,077	827	-	-
Profit for the periods		<u>6,514,748</u>	<u>8,801,281</u>	<u>6,512,671</u>	<u>8,800,454</u>
Earnings per share (in Baht)					
Basic earnings per share	16	2.19	2.96	2.19	2.96
Diluted earnings per share		2.19	2.96	2.19	2.96

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, 2020
“UNAUDITED”

UNIT : THOUSAND BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Profit for the periods	6,514,748	8,801,281	6,512,671	8,800,454
Other comprehensive income				
Components of other comprehensive income that will be subsequently reclassified to profit or loss				
Gain on cash flow hedges	61,491	-	-	-
Share of other comprehensive gain of subsidiaries accounted for using equity method	-	-	49,193	-
Income tax relating to components of other comprehensive income that will be subsequently reclassified to profit or loss	(12,298)	-	-	-
Other comprehensive income for the periods - net of tax	49,193	-	49,193	-
Total comprehensive income for the periods	<u>6,563,941</u>	<u>8,801,281</u>	<u>6,561,864</u>	<u>8,800,454</u>
Total comprehensive income attributable to				
Owners of the Company	6,561,864	8,800,454	6,561,864	8,800,454
Non-controlling interests	2,077	827	-	-
Total comprehensive income for the periods	<u>6,563,941</u>	<u>8,801,281</u>	<u>6,561,864</u>	<u>8,800,454</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, 2020

“UNAUDITED”

UNIT : THOUSAND BAHT

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Revenues					
Revenues from rendering of services and equipment rentals	18	107,727,070	112,124,089	1,469,471	1,297,140
Revenue from sale of goods	18	19,089,225	19,951,931	-	-
Total revenues		<u>126,816,295</u>	<u>132,076,020</u>	<u>1,469,471</u>	<u>1,297,140</u>
Costs					
Cost of rendering of services and equipment rentals	18	(61,097,458)	(60,735,305)	(890,308)	(962,524)
Cost of sale of goods		<u>(18,954,386)</u>	<u>(19,756,134)</u>	<u>-</u>	<u>-</u>
Total costs		<u>(80,051,844)</u>	<u>(80,491,439)</u>	<u>(890,308)</u>	<u>(962,524)</u>
Gross profit		46,764,451	51,584,581	579,163	334,616
Distribution costs and administrative expenses					
Distribution costs		(4,914,320)	(5,338,347)	(1,044)	(854)
Administrative expenses		<u>(13,390,982)</u>	<u>(14,302,339)</u>	<u>(65,255)</u>	<u>(120,840)</u>
Total distribution costs and administrative expenses		<u>(18,305,302)</u>	<u>(19,640,686)</u>	<u>(66,299)</u>	<u>(121,694)</u>
Profit from operating activities		28,459,149	31,943,895	512,864	212,922
Finance income	18	266,853	135,499	325,181	462,631
Other income	18	455,697	444,026	45,818	48,662
Share of profit (loss) of subsidiaries, joint ventures and an associate accounted for using equity method	7, 8	(4,787)	(65,891)	19,689,960	23,675,485
Net gain (loss) on foreign exchange rate		(579,245)	292,583	(2,267)	2,823
Gain from fair value measurement of derivative assets		317,940	-	-	-
Management benefit expenses	18	(123,061)	(111,837)	(123,011)	(111,807)
Finance costs	18	<u>(4,559,379)</u>	<u>(3,605,310)</u>	<u>(45,213)</u>	<u>(56,041)</u>
Profit before tax expense		24,233,167	29,032,965	20,403,332	24,234,675
Tax expense	15	<u>(3,960,912)</u>	<u>(4,906,212)</u>	<u>(133,353)</u>	<u>(110,042)</u>
Profit for the periods		<u>20,272,255</u>	<u>24,126,753</u>	<u>20,269,979</u>	<u>24,124,633</u>
Profit attributable to					
Owners of the Company		20,269,979	24,124,633	20,269,979	24,124,633
Non-controlling interests		<u>2,276</u>	<u>2,120</u>	<u>-</u>	<u>-</u>
Profit for the periods		<u>20,272,255</u>	<u>24,126,753</u>	<u>20,269,979</u>	<u>24,124,633</u>
Earnings per share (in Baht)	16				
Basic earnings per share		<u>6.82</u>	<u>8.11</u>	<u>6.82</u>	<u>8.11</u>
Diluted earnings per share		<u>6.82</u>	<u>8.11</u>	<u>6.82</u>	<u>8.11</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, 2020
“UNAUDITED”

UNIT : THOUSAND BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Profit for the periods	20,272,255	24,126,753	20,269,979	24,124,633
Other comprehensive income				
Components of other comprehensive income that will be subsequently reclassified to profit or loss				
Losses on cash flow hedges	(233,376)	-	-	-
Share of other comprehensive loss of subsidiaries accounted for using equity method	-	-	(186,701)	-
Income tax relating to components of other comprehensive income that will be subsequently reclassified to profit or loss	46,675	-	-	-
Other comprehensive income for the periods - net of tax	(186,701)	-	(186,701)	-
Total comprehensive income for the periods	<u>20,085,554</u>	<u>24,126,753</u>	<u>20,083,278</u>	<u>24,124,633</u>
Total comprehensive income attributable to				
Owners of the Company	20,083,278	24,124,633	20,083,278	24,124,633
Non-controlling interests	2,276	2,120	-	-
Total comprehensive income for the periods	<u>20,085,554</u>	<u>24,126,753</u>	<u>20,083,278</u>	<u>24,124,633</u>

See condensed notes to the financial statements

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
“UNAUDITED”

UNIT : THOUSAND BAHT

		Issued and paid share capital	Share premium	Other deficits Deficits arising from change in ownership interest in subsidiaries	Retained earnings Legal reserve	Unappro- priated	Other components of shareholders' equity Reserve for share- based payment	Gain on dilution of investment	Total other components of shareholders' equity	Total shareholders' equity attributable to owners of the Company	Non- controlling interests	Total shareholders' equity
Notes												
Balance as at January 1, 2019		2,973,095	22,372,276	(668,455)	500,000	33,361,025	177,829	161,187	339,016	58,876,957	147,574	59,024,531
Transactions with owners, recorded directly in shareholders' equity												
Contributions by and distributions to owners of the Company												
Increase in share capital	13	83	13,794	-	-	-	(13,877)	-	(13,877)	-	-	-
Share-based payment transaction	13	-	-	-	-	-	19,728	-	19,728	19,728	-	19,728
Dividends paid	17	-	-	-	-	(21,048,760)	-	-	-	(21,048,760)	(1,478)	(21,050,238)
Total contributions by and distributions to owners of the Company		83	13,794	-	-	(21,048,760)	5,851	-	5,851	(21,029,032)	(1,478)	(21,030,510)
Changes in ownership interest in a subsidiary												
Change in ownership interest in a subsidiary		-	-	(1,202)	-	-	-	-	-	(1,202)	(21,099)	(22,301)
Total changes in ownership interest in a subsidiary		-	-	(1,202)	-	-	-	-	-	(1,202)	(21,099)	(22,301)
Total transactions with owners, recorded directly in shareholders' equity		83	13,794	(1,202)	-	(21,048,760)	5,851	-	5,851	(21,030,234)	(22,577)	(21,052,811)
Comprehensive income for the period												
Profit for the period		-	-	-	-	24,124,633	-	-	-	24,124,633	2,120	24,126,753
Total comprehensive income for the period		-	-	-	-	24,124,633	-	-	-	24,124,633	2,120	24,126,753
Balance as at September 30, 2019		2,973,178	22,386,070	(669,657)	500,000	36,436,898	183,680	161,187	344,867	61,971,356	127,117	62,098,473

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	Issued and paid share capital	Share premium	Other deficits	Retained earnings		Other components of shareholders' equity				Total other components of shareholders' equity	Total shareholders' equity attributable to owners of the Company	Non-controlling interests	Total shareholders' equity
				Deficits arising from change in ownership interest in subsidiaries	Legal reserve	Unappropriated	Reserve for share-based payment	Gain on dilution of investment	Hedging reserves	Fair value reserves				
Balance as at January 1, 2020 - as under previous Thai Financial Reporting Standards		2,973,178	22,386,070	(669,657)	500,000	43,725,576	189,745	161,187	-	-	350,932	69,266,099	128,071	69,394,170
Effect from adoption Thai Financial Reporting Standard No. 9	2.2	-	-	-	-	30,159	-	-	(721,882)	45,457	(676,425)	(646,266)	-	(646,266)
Balance as at January 1, 2020 - as under new Thai Financial Reporting Standards		2,973,178	22,386,070	(669,657)	500,000	43,755,735	189,745	161,187	(721,882)	45,457	(325,493)	68,619,833	128,071	68,747,904
Transactions with owners, recorded directly in shareholders' equity														
Contributions by and distributions to owners of the Company														
Increase in share capital	13	376	60,461	-	-	-	(60,837)	-	-	-	(60,837)	-	-	-
Share-based payment transaction	13	-	-	-	-	-	14,405	-	-	-	14,405	14,405	-	14,405
Dividends paid	17	-	-	-	-	(20,217,824)	-	-	-	-	-	(20,217,824)	(926)	(20,218,750)
Total contributions by and distributions to owners of the Company		376	60,461	-	-	(20,217,824)	(46,432)	-	-	-	(46,432)	(20,203,419)	(926)	(20,204,345)
Changes in ownership interests in subsidiaries														
Changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(2,543)	(2,543)
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(2,543)	(2,543)
Total transactions with owners, recorded directly in shareholders' equity		376	60,461	-	-	(20,217,824)	(46,432)	-	-	-	(46,432)	(20,203,419)	(3,469)	(20,206,888)
Comprehensive income for the period														
Profit for the period		-	-	-	-	20,269,979	-	-	(186,701)	-	(186,701)	20,083,278	2,276	20,085,554
Total comprehensive income for the period		-	-	-	-	20,269,979	-	-	(186,701)	-	(186,701)	20,083,278	2,276	20,085,554
Balance as at September 30, 2020		2,973,554	22,446,531	(669,657)	500,000	43,807,890	143,313	161,187	(908,583)	45,457	(558,626)	68,499,692	126,878	68,626,570

See condensed notes to the financial statements

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

SEPARATE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	Issued and paid share capital	Share premium	Retained earnings		Other components of shareholders' equity			Total shareholders' equity
				Legal reserve	Unappropriated	Reserve for share-based payment	Gain on dilution of investment	Total other components of shareholders' equity	
Balance as at January 1, 2019		2,973,095	22,372,276	500,000	33,361,025	177,829	161,187	339,016	59,545,412
Transactions with owners, recorded directly in shareholders' equity									
Increase in share capital	13	83	13,794	-	-	(13,877)	-	(13,877)	-
Share-based payment transaction	13	-	-	-	-	19,728	-	19,728	19,728
Dividends paid	17	-	-	-	(21,048,760)	-	-	-	(21,048,760)
Total transactions with owners, recorded directly in shareholders' equity		83	13,794	-	(21,048,760)	5,851	-	5,851	(21,029,032)
Comprehensive income for the period									
Profit for the period		-	-	-	24,124,633	-	-	-	24,124,633
Total comprehensive income for the period		-	-	-	24,124,633	-	-	-	24,124,633
Balance as at September 30, 2019		2,973,178	22,386,070	500,000	36,436,898	183,680	161,187	344,867	62,641,013

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
SEPARATE FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
“UNAUDITED”

UNIT : THOUSAND BAHT

		Retained earnings				Other components of shareholders' equity					
									Share of other comprehensive loss of subsidiaries accounted for using equity method	Total other components of shareholders' equity	Total shareholders' equity
Notes	Issued and paid share capital	Share premium	Legal reserve	Unappropriated	Reserve for share-based payment	Gain on dilution of investment	Fair value reserves				
Balance as at January 1, 2020 - as under previous											
	Thai Financial Reporting Standards	2,973,178	22,386,070	500,000	43,725,576	189,745	161,187	-	-	350,932	69,935,756
2.2	Effect from adoption Thai Financial Reporting Standard No. 9	-	-	-	30,159	-	-	16,682	(693,107)	(676,425)	(646,266)
Balance as at January 1, 2020 - as under new											
	Thai Financial Reporting Standards	2,973,178	22,386,070	500,000	43,755,735	189,745	161,187	16,682	(693,107)	(325,493)	69,289,490
Transactions with owners, recorded directly in shareholders' equity											
13	Increase in share capital	376	60,461	-	-	(60,837)	-	-	-	(60,837)	-
13	Share-based payment transaction	-	-	-	-	14,405	-	-	-	14,405	14,405
17	Dividends paid	-	-	-	(20,217,824)	-	-	-	-	-	(20,217,824)
Total transactions with owners, recorded directly in shareholders' equity											
		376	60,461	-	(20,217,824)	(46,432)	-	-	-	(46,432)	(20,203,419)
Comprehensive income for the period											
	Profit for the period	-	-	-	20,269,979	-	-	-	(186,701)	(186,701)	20,083,278
Total comprehensive income for the period											
		-	-	-	20,269,979	-	-	-	(186,701)	(186,701)	20,083,278
Balance as at September 30, 2020											
		2,973,554	22,446,531	500,000	43,807,890	143,313	161,187	16,682	(879,808)	(558,626)	69,169,349

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, 2020

“UNAUDITED”

UNIT : THOUSAND BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Cash flows from operating activities					
Profit for the periods		20,272,255	24,126,753	20,269,979	24,124,633
Adjustments for					
Depreciation	9	21,145,080	20,105,697	19,296	51,632
Amortization of intangible assets and right-of-use assets	9	17,671,663	7,365,541	95,749	5,169
Finance income		(266,853)	(135,499)	(325,181)	(462,631)
Finance costs		4,559,379	3,605,310	45,213	56,041
(Reversal of) expected credit losses and bad debts expense	4	2,270,624	1,714,655	-	(200)
Share-based payment transaction	13	14,405	19,728	14,405	19,728
(Reversal of) loss for obsolete, decline in value and write-off inventories		(27,557)	61,642	-	-
Loss on unused equipment	9	523,656	517,971	-	-
Loss on terminate contract assets	5	419,777	509,891	-	-
(Gain) loss on sales and write-off of assets		28,608	137,737	(3,353)	(991)
Unrealized (gain) loss on foreign exchange rate and (gain) loss from fair value measurement of derivative assets		105,821	(529,493)	1,956	(561)
Share of (profit) loss of subsidiaries, joint ventures and an associate accounted for using equity method	7, 8	4,788	65,891	(19,689,960)	(23,675,485)
Employee benefit expense		144,145	791,013	17,054	104,047
Tax expense		3,960,912	4,906,212	133,353	110,042
Cash provided by operation before changes in operating assets and liabilities		70,826,703	63,263,049	578,511	331,424
Changes in operating assets and liabilities					
Specifically-designated bank deposits		170,964	282,781	-	-
Trade and other current receivables		(3,908,464)	(1,895,266)	(16,278)	(4,668)
Contract assets	5	69,804	(642,003)	-	-
Inventories		2,219,245	876,226	-	-
Other current assets		415,063	433,114	59,563	60,882
Other non-current assets		(299,478)	256,698	(63,665)	214,974
Trade and other current payables		(3,959,508)	(348,048)	325,575	422,534
Provision for revenue sharing		-	(113,402)	-	(113,402)
Unearned income - mobile phone service		2,677	89,452	-	-
Advance received from customers		(170,964)	(282,781)	-	-
Other current liabilities		13,489	13,404	160	(3,539)
Other financial assets (liabilities)		(94,850)	161,694	-	-
Other non-current liabilities		(20,270)	(16,520)	-	-
Cash generated from operating activities		65,264,411	62,078,398	883,866	908,205
Employee benefit paid		(50,242)	(41,567)	(10,450)	(18,418)
Tax paid		(5,979,637)	(6,100,638)	(34,128)	(46,146)
Net cash provided by operating activities		59,234,532	55,936,193	839,288	843,641

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

“UNAUDITED”

UNIT : THOUSAND BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Cash flows from investing activities					
Interest received		201,386	98,920	457,642	515,573
Purchase of property, plant, equipment and other intangible assets other than goodwill		(18,039,829)	(15,818,615)	(20,010)	(3,969)
Proceed from sale of equipment		27,067	62,585	2,387	3,362
Payment of spectrum license	12	(23,707,229)	(4,023,832)	-	-
Net increase in short-term loans to related parties	18	-	-	(1,278,000)	(2,156,000)
Increase in investments in joint ventures	8	(246,900)	-	-	-
Increase in investments in subsidiaries	7	-	-	(26,000)	(1,000)
Net increase in other long-term investments		-	(8,056)	-	-
Dividends received		9,000	7,800	19,963,915	26,373,181
Net cash provided by (used in) investing activities		(41,756,505)	(19,681,198)	19,099,934	24,731,147
Cash flows from financing activities					
Finance cost paid		(2,828,461)	(1,823,172)	(44,586)	(62,523)
Lease liabilities paid	10	(8,773,771)	(43,382)	(93,162)	(5,750)
Net increase (decrease) in short-term borrowings					
from financial institutions	10	3,900,000	(4,900,000)	-	(2,900,000)
Net increase in short-term borrowings from related parties	18	-	1,000,000	(540,000)	(500,000)
Proceeds from long-term borrowings from financial institutions	10	5,000,000	2,000,000	-	-
Repayments of long-term borrowings from financial institutions	10	(9,514,280)	(9,189,300)	-	-
Proceed of long-term borrowings from a related party	10	12,000,000	-	-	-
Proceeds from issue of ordinary shares		-	-	33,188	7,845
Cash paid for purchase of a subsidiary from non-controlling interests		(2,367)	(22,301)	-	-
Dividends paid	17	(20,218,750)	(21,050,238)	(20,217,824)	(21,048,760)
Net cash used in financing activities		(20,437,629)	(34,028,393)	(20,862,384)	(24,509,188)
Effect of exchange rate changes on balances held in foreign currencies		(42,883)	(12,669)	1	(1)
Net increase (decrease) in cash and cash equivalents		(3,002,485)	2,213,933	(923,161)	1,065,599
Cash and cash equivalents as at January 1,		19,636,628	9,066,888	1,975,220	330,502
Cash and cash equivalents as at September 30,		16,634,143	11,280,821	1,052,059	1,396,101
Supplemental disclosures of cash flow information					
Non-cash transactions					
Outstanding debts arising from investments in capital expenditures, spectrum license and lease liabilities		134,345,331	77,191,681	264,975	1,310

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, 2020
“UNAUDITED”

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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, 2020
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1. COMPANY OPERATIONS AND OTHER GENERAL INFORMATION

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

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

As at September 30, 2020, Intouch Holdings Public Company Limited is a major shareholder, holding 40.45% (As at December 31, 2019: 40.45%) of the authorized share capital of the Company and is incorporated in Thailand and Singtel Strategic Investments Pte Ltd. is a shareholder, holding 23.32% (As at December 31, 2019: 23.32%) of the authorized share capital of the Company and is incorporated in Singapore.

The major principle business operations of the Company are to provide consulting and management services to its subsidiaries and the Company and its subsidiaries (the “Group”) are summarized as follows:

- 1) 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”), 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 (the “License”) No. NBTC/FREQ/TEL/55/1, dated December 7, 2012. 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”), 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 (the “License”) No. NBTC/FREQ/TEL/55/1 (Addendum No.1), dated November 25, 2015. 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.

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”), 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 (the “License”) No. NBTC/FREQ/TEL/55/1 (Addendum No.2), dated June 30, 2016 at the bidding price of Baht 75,654 million. AWN started the operation commencing from July 1, 2016 to June 30, 2031 and AWN is obliged to comply with various conditions and pay fees within the time period as specified in the License.

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
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According to the auction terms and conditions, AWN paid the 1st installment by 11% of the fee plus VAT, totaling 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 since date of the first installment, and the remaining will be paid in the fourth year.

On April 11, 2019, the National Council for Peace and Order (“NCPO”) issued NCPO Order No. 4/2562 specified that The National Broadcasting and Telecommunications Commission (“NBTC”) shall consider dividing the total amount of auction payment which the licensee of 890-915 MHz/935-960 MHz are required to pay into ten installments, one payment per year, in equal amount. The licensee who cannot pay the spectrum auction fee according to their original payment term shall notify in writing to NBTC within 30 days from the date of the NCPO order becomes effective. However, the condition specified in NCPO order mention that the licensee is required to participate in the 700 MHz spectrum allocation which shall be allocated by NBTC.

On May 10, 2019, AWN submitted a letter to the Office of National Broadcasting and Telecommunications Commission (“Office of NBTC”) regarding the extension of the 900 MHz spectrum license payment period.

On June 19, 2019, AWN participated in the 700 MHz spectrum allocation to the Office of NBTC and has been allocated one block of 700 MHz spectrum. Subsequently, AWN received the letter from the Office of NBTC confirming that AWN has complied with the conditions determined by NCPO Order No.4/2562. As a result, AWN is entitled to divide the payment for 900 MHz spectrum into ten installments, in equal amount, as specified by NCPO Order No. 4/2562. AWN has remeasured 900 MHz spectrum license payable by determine change in payment term and participation in the 700 MHz spectrum allocation. The difference from measurement 900 MHz spectrum license payable between previous terms and conditions and new terms and conditions is recognized as unrealized adjustment value of spectrum license in the consolidated statement of financial position which will be recorded as part of the cost of spectrum license 700 MHz when AWN receives a license.

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

On August 19, 2018, AWN has been granted permission from the Office of the National Broadcasting and Telecommunications Commission (“NBTC”), to operate and service Cellular Mobile Telephone, frequency between 1740 MHz to 1745 MHz and 1835 MHz to 1840 MHz, nationwide in accordance with the license certificate (the “License”) No. NBTC/FREQ/TEL/55/1 (Addendum No.3), dated September 21, 2018. AWN started the operation commencing from September 24, 2018 to September 15, 2033 and AWN is obliged to comply with various conditions and pay fees within the time period as specified in the License.

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, 2020
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Allocation License of Spectrum for Telecommunications Service in the Frequency Band of 700 MHz

On June 19, 2019, AWN has been allocated the frequency band 700 MHz from the Office of the National Broadcasting and Telecommunications Commission (“NBTC”) frequency between 723 MHz to 733 MHz and 778 MHz to 788 MHz for 15 years from October 1, 2020 or until the NBTC will determine otherwise at the price of Baht 17,584 million according to the terms and conditions in the notification of NBTC dated June 5, 2019. AWN is obliged to comply with various conditions and pay fees within the time period as specified in the license. AWN will pay the first installment at least 15 days before the start of the license to use the 700 MHz frequency by 10% of the license price plus value added-tax, totaling Baht 1,881 million and bank guarantee will be issued for the remaining license price to the NBTC. The remaining amount will be paid in the second year to the tenth year on equal installment amount and bank guarantee will be issued for the remaining license price to the NBTC.

In case of the applicant who obtained the right to be granted the spectrum license fails to completely and correctly comply with the conditions precedent within the prescribed period, the applicant shall be deemed to have waived the right to be granted the spectrum license. As well, such applicant has to pay for penalties consisting of the preliminary damages at least of Baht 2,638 million and other damages caused by the recall of spectrum including the voiding of permission to divide the payment as specified in the NCPO Order No. 4/2562 which must be returned to pay in accordance with conditions for payment of 900 MHz spectrum and the additional spectrum auction in accordance with the regulations specified in the NBTC's announcement regarding rules and procedures for the Spectrum Licensing for Telecommunications Business in the spectrum band of 895 MHz to 905 MHz and 940 MHz to 950 MHz as prior conditions.

For the payment condition, the Office of NBTC has announced “the grant of the spectrum license frequency between 703 MHz to 733 MHz and 758 MHz to 788 MHz vol. 2” dated June 12, 2020 revised the 1st installment payment have to complete within January 13, 2021. Then this spectrum license for frequency between 723 MHz to 733 MHz and 778 MHz to 788 MHz will be effective from January 15, 2021 for the period of 15 years.

License of Spectrum for Telecommunications Service in the Frequency Band of 2600 MHz

On February 19, 2020, AWN has been granted permission from the Office of the National Broadcasting and Telecommunications Commission (“NBTC”), to operate and service Cellular Mobile Telephone, frequency between 2500 MHz to 2600 MHz, nationwide in accordance with the license certificate (the “License”) No. NBTC/FREQ/TEL/55/1 (Addendum No.4), dated February 21, 2020. AWN started the operation commencing from February 21, 2020 to February 20, 2035 and AWN is obliged to comply with various conditions and pay fees within the time period as specified in the License.

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020
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Auction License of Spectrum for Telecommunications Service in the Frequency Band of 700 MHz

On February 19, 2020, AWN has been received the announcement of the auction the frequency band 700 MHz from the Office of the National Broadcasting and Telecommunications Commission (“NBTC”) frequency 700 MHz between 733 MHz to 738 MHz and 788 MHz to 793 MHz for 15 years at the auction price Baht 17,154 million. AWN is obliged to comply with conditions before getting a license as specified in the License announcement of the Office of the National Broadcasting and Telecommunications Commission (“NBTC”) subject Rules and Procedures for License of Spectrum for Universal Telecommunications Service 700 MHz, 1800 MHz, 2600 MHz and 26 GHz.

AWN will pay the 1st installment by 10% of the license price plus value added-tax, totaling Baht 1,835 million and bank guarantee will be issued for the remaining license price to the NBTC at least 15 days before the start of the license to use the 700 MHz frequency. The remaining amount will be paid in the second year to the tenth year on equal installment amount and bank guarantee will be issued for the remaining license price to the NBTC. The announcement specifies the start date for the 700 MHz to be use on April 1, 2021 or until otherwise specified by the NBTC. The Office of the National Broadcasting and Telecommunications Commission (“NBTC”) will give a letter notifying the start date of the 700 MHz Spectrum Licensing not less than ninety days in advance.

Auction License of Spectrum for Telecommunications Service in the Frequency Band of 26 GHz

On February 19, 2020, AWN has been received the announcement of the auction the frequency band 26 GHz from the Office of the National Broadcasting and Telecommunications Commission (“NBTC”) frequency range 10 - 21, radio frequency between 25.2 GHz to 26.4 GHz for 15 years at the price Baht 5,345 million. AWN is obliged to comply with conditions before getting a license as specified in the License announcement of the Office of the National Broadcasting and Telecommunications Commission (“NBTC”) subject Rules and Procedures for License of Spectrum for Universal Telecommunications Service 700 MHz 1800 MHz 2600 MHz and 26 GHz.

AWN will pay total amount of auction payment for the license plus value added-tax, totaling Baht 5,719 million within 1 year from the date of February 19, 2020, which is the date that the announcement of the auction from NBTC.

- 2) Super Broadband Network Co., Ltd. (“SBN”), a subsidiary, has been granted permission from the Office of the National Broadcasting and Telecommunications Commission (“NBTC”) under the broadcasting network license for non - frequency business at national. The license certificate (the “License”) No. B1-N21331-0001-60 dated on March 20, 2017 and will be expired on March 19, 2032. In addition, SBN has been granted licenses from NBTC for the operation of television broadcasting service several channels the period of 1 - 4 years each. SBN is obliged to comply with various conditions and pay fee within the time period as specified in the License.

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, 2020
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- 3) CS Loxinfo Public Company Limited (“CSL”), an indirect subsidiary, has been granted permission from the Office of the National Broadcasting and Telecommunications Commission (“NBTC”) under the Internet Operation License type I, type II, Telecom Operation License type I, and type III to operate and service internet data centre, internet and satellite uplink-downlink services for domestic and international communications and distribute internet equipment.

According to the conditions specified by NBTC, provided that the authorized licenses is not in significant violation of the conditions specified in the license, NBTC will consider renewing the license as normal procedure.

Details of subsidiaries, an associate and joint ventures as at September 30, 2020 and December 31, 2019 are as follows:

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			As at September 30, 2020	As at December 31, 2019
Subsidiaries				
Advanced Contact Center Company Limited	Service provider of call center	Thailand	99.99	99.99
Digital Phone Company Limited	Ceased mobile phone operation	Thailand	98.55	98.55
Advanced Magic Card Company Limited	Service provider of electronic payment network	Thailand	99.99	99.99
Advanced Mpay Company Limited	Service provider of electronic payment and cash card	Thailand	99.99	99.99
AIN GlobalComm Company Limited	Service provider of international telephone service/gateway	Thailand	99.99	99.99
Advanced Wireless Network Company Limited	Service provider of cellular telephone network in 2.1 GHz, 900 MHz, 1800 MHz and 2600 MHz frequency, distributor of handsets and international telephone service, network operator, telecommunication service operator and internet	Thailand	99.99	99.99
Super Broadband Network Company Limited	Network operator and telecom service operator, including as service provider of broadcasting network and television broadcasting service several channels	Thailand	99.99	99.99
Wireless Device Supply Company Limited	Importer and distributor of handset and accessories	Thailand	99.99	99.99
Fax Lite Company Limited	Service provider of operation in space, land and building services, and related facilities	Thailand	99.98	99.98
MIMO Tech Company Limited	Developer of IT systems service provider of content aggregator and outsourcing service for billing and collection	Thailand	99.99	99.99
Advanced Broadband Network Company Limited	Service provider of training within the Group	Thailand	99.99	99.99
Advanced Digital Distribution Company Limited	Service provider of insurance broker	Thailand	99.99	99.99
LearnDi Company Limited	Not started operation	Thailand	99.99	-

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, 2020
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Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			As at September 30, 2020	As at December 31, 2019
Indirect Subsidiaries				
Advanced Datanetwork Communications Company Limited	Registered for Liquidation on September 1, 2020	Thailand	51.00 ^{1, 2}	51.00 ¹
CS LoxInfo Public Company Limited	Service provider of internet data center services, internet and satellite uplink-downlink services for domestic and international communications and distribute internet equipment.	Thailand	99.63 ^{1, 3}	99.58 ¹
Teleinfo Media Public Company Limited	Service provider of publishing and advertising telephone directories	Thailand	99.99 ¹	99.99 ¹
AD Venture Public Company Limited	Service provider of mobile contents	Thailand	99.99 ¹	99.99 ¹
Yellow Pages Commerce Company Limited	Service provider of online advertising business	Thailand	99.94 ¹	99.94 ¹
Associate				
Information Highway Company Limited	Service provider of transmission network	Thailand	29.00 ¹	29.00 ¹
Joint Ventures				
Amata Network Company Limited	Service provider of infrastructure developer of fibre optic network	Thailand	60.00 ¹	60.00 ¹
Rabbit - Line Pay Company Limited	Service provider of electronic money and electronic payment service business	Thailand	33.33 ¹	33.33 ¹
Digital Games International Private Limited	Not started operation	Singapore	33.33 ¹	-
Saha Advance Network Company Limited	Not started operation	Thailand	70.00 ¹	-

¹ % ownership interest in indirect subsidiaries, an associate and joint ventures are presented by ownership interest hold by subsidiaries.

² On September 1, 2020, Advanced Datanetwork Communications Company Limited (“ADC”) registered for liquidation on Ministry of Commerce. On September 30, 2020, ADC has Cash and cash equivalent of Baht 103 million presented in cash and cash equivalent of consolidated financial statement and the other items are not significant to consolidated financial statement .

³ For the three-month and nine-month periods ended September 30, 2020, AWN purchased additional ordinary share of 289,000 ordinary shares of CSL at the price of Baht 8.80 per shares, totaling Baht 3 million representing 0.05% of total issued and paid ordinary share of CSL. Then AWN hold 592,287,224 ordinary shares of CSL or equivalent owned 99.63% of total issued and paid-up shares of CSL.

The Group and the Company have extensive transactions and relationships with the related parties. Accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred if the Group and the Company had operated without such affiliation.

Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Group’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

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, 2020
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2. BASIS OF PREPARATION AND PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 “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 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

The Group and the Company has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any material impact on the Group’s and the Company’s financial statements except for the following Thai Financial Reporting Standards (“TFRSs”).

2.2.1 Thai Financial Reporting Standards No. 9 “Financial instrument” (“TFRS 9”)

Group of Financial Instruments Standards

On September 21, 2018, the Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards that are relevant to financial instruments, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The Group’s management has adopted these Financial Instruments Standards by recognizing the cumulative effect of initially adopting of these TFRSs as the adjustments to the opening balances of retained earnings and other component of shareholders’ equity of the reporting period.

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Group of Financial Instruments Standards introduce new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities,
- 2) Impairment of financial assets, and
- 3) General hedge accounting.

Details of these new requirements as well as their impact on the Group’s financial statements are described below.

1) Classification and measurement of financial instruments

TFRS 9 requires financial assets to be classified into three measurement categories: amortized cost, fair value through other comprehensive income (“FVOCI”) and fair value through profit or loss (“FVTPL”). The classification depends on the Group’s business model for managing its financial instruments and the contractual cash flow characteristics of the instruments.

Financial liabilities are generally subsequently measured at amortized cost. With regard to the measurement of financial liabilities designated as FVTPL, TFRS 9 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability’s credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognized.

2) Impairment

In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

Specifically, TFRS 9 requires the Group to recognize a loss allowance for expected credit losses on:

- (1) Debt investments measured subsequently at amortized cost or at FVTOCI;
- (2) Lease receivables;
- (3) Trade receivables and contract assets; and
- (4) Financial guarantee contracts to which the impairment requirement of TFRS 9 apply.

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In particular, TFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group are required to measure the loss allowance for that financial instrument at an amount equal to 12-month ECL. TFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables and contract assets in certain circumstances.

3) General hedge accounting

The general hedge accounting requirements the three types of hedge accounting. In addition, the effectiveness test has been assessed. Disclosure requirements about the Group’s risk management activities have also been introduced.

The Group has applied the TFRS 9 hedge accounting requirements prospectively from the date of initial application on January 1, 2020. The Group’s qualifying hedging relationships in place as at January 1, 2020 also qualify for hedge accounting in accordance with TFRS 9 and were therefore regarded as continuing hedging relationships. No rebalancing of any of the hedging relationships was necessary on January 1, 2020. As the critical terms of the hedging instruments match those of their corresponding hedged items, all hedging relationships continue to be effective under TFRS 9’s effectiveness assessment requirements.

TFRS 9 requires hedging gains and losses to be recognized as an adjustment to the initial carrying amount of non-financial hedged items (basis adjustment). In addition, transfers from the hedging reserve to the initial carrying amount of the hedged item are not reclassification adjustments under TAS 1 “Presentation of Financial Statements” and hence they do not affect other comprehensive income. Hedging gains and losses subject to basis adjustments are categorized as amounts that will not be subsequently reclassified to profit or loss in other comprehensive income.

When an interest rate swap contracts are used in a cash flow hedge or fair value hedge relationship, the Group has designated the change in fair value of the entire interest rate swap as the hedging instrument.

The application of the TFRS 9 hedge accounting requirements has had no other impact on the results and financial position of the Group for the current year.

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Transition

The change in accounting of the group of Financial Instruments Standards has been applied in accordance with the relevant transitional provisions set out in TFRS 9 in which the Group has adopted these Financial Instruments Standards by recognizing the cumulative effect of initially adopting of these TFRSs as an adjustment to the opening balance of retained earnings and other component of shareholders’ equity of the reporting period. Comparative periods have not been restated in accordance with the relevant transitional provisions set out in TFRSs. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption will be recognized in retained earnings and other components of shareholders’ equity as at January 1, 2020. Cumulative effects of such change to the Group’s financial statements are summarized as follows:

The table below sets out the impact of adopting TFRS 9 on the Group’s financial position.

Unit: Million Baht					
Presentation	Consolidated financial statements				
	Recognized and remeasurement as under previous TFRSs	Recognized and remeasurement as under new TFRSs	Balance as at January 1, 2020 as under previous TFRSs	Effect from adoption TFRS 9	Balance as at January 1, 2020 as under new TFRSs
Assets					
Trade and other current receivables	Cost less impairment	Amortized Cost	18,298	(12)	18,286
Other current financial assets	Accrual basis	FVTPL	-	1	1
Other long-term investment	Cost less impairment	-	67	(67)	-
	Amortized Cost				
Other non-current financial assets	-	FVTOCI	-	124	124
Deferred tax assets	Accrual basis	Amortized Cost			
		Accrual basis	3,491	195	3,686
Liabilities					
Trade and other current payables	Accrual basis	Amortized Cost	41,377	(47)	41,330
Other current financial liabilities	Accrual basis	FVTPL	141	120	261
		FVTOCI			
Other non-current financial liabilities	Accrual basis	FVTOCI	-	814	814
Shareholders’ equity					
Retained earnings - Unappropriated			43,726	30	43,756
Other components of shareholders’ equity			351	(676)	(325)

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Unit: Million Baht					
Presentation	Separate financial statements				
	Recognized and remeasurement as under previous TFRSs	Recognized and remeasurement as under new TFRSs	Balance as at January 1, 2020 as under previous TFRSs	Effect from adoption TFRS 9	Balance as at January 1, 2020 as under new TFRSs
Assets					
Investments in subsidiaries	Equity method	Equity method	27,928	(663)	27,265
Other long-term investment	Cost less impairment	-	47	(47)	-
Other non-current financial assets	-	FVTOCI	-	68	68
Deferred tax assets	Accrual basis	Accrual basis	550	(4)	546
Shareholders' equity					
Retained earnings - Unappropriated			43,726	30	43,756
Other components of shareholders' equity			351	(676)	(325)

2.2.2 Thai Financial Reporting Standard No. 16 “Leases” (“TFRS 16”)

The Group has applied TFRS 16 using the cumulative catch-up approach which:

- Requires the Group to recognize the cumulative effect of initially applying TFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.
- Does not restate the comparative information and continue to present comparative information under TAS 17 and TFRIC 4.

a) Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. TFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on “risk and rewards” in TAS 17 and TFRIC 4.

The Group applies the definition of a lease and related guidance set out in TFRS 16 to all lease contracts entered into or changed on or after January 1, 2020 (whether it is a lessor or a lease in the lease contract). In preparation for the first-time application TFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in TFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group.

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b) Impact on Lessee Accounting

Former operating leases

TFRS 16 changes how the Group account for lease previously classified as operating leases under TAS 17, which were off balance sheet.

Applying TFRS 16, for all leases (except as noted below), the Group:

- 1) Recognizes right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with TFRS 16.
- 2) Recognizes depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss.
- 3) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.

Lease incentives (e.g. rent free period) are recognized as part of the measurement of the right-of-use assets and lease liabilities whereas under TAS 17 they resulted in the recognition of a lease incentive, amortized as a reduction of rental expenses on a straight line basis.

Under TFRS 16, right-of-use assets are tested for impairment in accordance with TAS 36.

The Group has used the following practical expedients when applying the leases previously classified as operating leases applying TAS 17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has adjusted the right-of-use asset at the date of initial application by the amount of provision for onerous leases recognized under TAS 37 in the statement of financial position immediately before the date of initial application as an alternative to performing an impairment review.
- The Group has elected not to recognize right-of-use assets and lease liabilities to leases for which the lease term end within 12 months of the date of initial application.
- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

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Former finance leases

For leases that were classified as finance leases applying TAS 17, the carrying amount of the leased assets and obligations under finance leases measured applying TAS 17 immediately before the date of initial application is reclassified to right-of-use assets and lease liabilities respectively without any adjustments.

The right-of-use asset and the lease liability are accounted for applying TFRS 16 from January 1, 2020.

c) Impact on Lessor Accounting

TFRS 16 does not change substantially how a lessor accounts for leases. Under TFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, TFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

Under TFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head.

Because of this change, the Group has reclassified certain of its operating sublease agreements as finance leases and accounted for them as new finance leases entered into at the date of initial application. As required by TFRS 9, an allowance for expected credit losses has been recognized on the finance lease receivables.

Financial impact of the initial application of TFRS 16

The Group and the Company recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. The average lessees incremental borrowing rate applied to lease liabilities recognized in the consolidated and separate statements of financial position on January 1, 2020 are 2.06% and 2.35%, respectively, according to period of contract.

The following table shows the operating lease commitments disclosed applying TAS 17 at December 31, 2019, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

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Consolidated statement of financial position as at January 1, 2020

Unit: Million Baht			
Consolidated financial statements			
	Balance as at January 1, 2020 as under previous TFRSs	Effect from adoption TFRS 16	Balance as at January 1, 2020 as under new TFRSs
Assets			
Trade and other receivables	18,298	(990)	17,308
Property, plant and equipment	125,510	(101)	125,409
Right-of-use assets	-	66,758	66,758
Other non-current assets	1,375	(318)	1,057
Liabilities			
Current portion of long-term liabilities	24,872	(53)	24,819
Current portion of lease liabilities	-	10,443	10,443
Long-term liabilities	69,172	(28)	69,144
Long-term lease liabilities	-	54,987	54,987

Separate statement of financial position as at January 1, 2020

Unit: Million Baht			
Separate financial statements			
	Balance as at January 1, 2020 as under previous TFRSs	Effect from adoption TFRS 16	Balance as at January 1, 2020 as under new TFRSs
Assets			
Trade and other receivables	1,825	(1)	1,824
Property, plant and equipment	70	(17)	53
Right-of-use assets	-	37	37
Liabilities			
Current portion of long-term liabilities	15,327	(15)	15,312
Current portion of lease liabilities	-	27	27
Long-term liabilities	15,423	(16)	15,407
Long-term lease liabilities	-	23	23

For leases previously classified as finance leases applying TAS 17, the Group and the Company recognized the carrying amount of the lease asset and lease liability immediately before adoption of TFRS 16 as the carrying amount of the right-of-use asset and the lease liability at the date of initial application.

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	Consolidated financial statement	Unit: Million Baht Separate financial statement
Operating lease commitments as at December 31, 2019	49,453	278
Adjustment for		
<u>Add</u> Finance lease liabilities recognized under TAS 17		
as at December 31, 2019	81	31
<u>Add (Less)</u> Effect from adoption TFRS 16	23,063	(257)
	72,597	52
<u>Less</u> Deferred interest	(5,859)	(1)
Discounted lease liabilities as at January 1, 2020	66,738	51
<u>Less</u> Prepaid expenses	(990)	(1)
<u>Less</u> Deferred expenses	(318)	-
Lease liabilities as at January 1, 2020	65,430	50

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The Group has elected to apply not to account for any reduction in lease payments by lessors as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognized in each period reversed in proportion to the reduction, with any differences then recognized in profit or loss.

However, the impact of the accounting treatment guidance does not have a significant impact on the consolidated and separate financial statement.

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

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Definition of Business

The revised Thai Financial Reporting Standard No.3 “Business Combinations” clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No.1 “Presentation of Financial Statements” and Thai Accounting Standards No.8 “Accounting Policies, Changes in Accounting Estimates and Errors”, including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No.9 “Financial Instruments” and Thai Financial Reporting Standard No.7 “Financial Instruments: Disclosures”.

The Group’s management will adopt such TFRSs in the preparation of the Group’s financial statements when it becomes effective. The Group’s management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any significant impact on the financial statements of the Group in the period of initial application.

- 2.4** The consolidated and separate statements of financial position as at December 31, 2019, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Group and the Company for the year then ended which had been previously audited.
- 2.5** The unaudited results of operations presented in the three-month and nine-month periods ended September 30, 2020 are not necessarily an indication nor anticipation of the operating results for the full year.

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- 2.6 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. Therefore, the interim financial statements for the three-month and nine-month periods ended September 30, 2020 should be read in conjunction with the audited financial statements for the year ended December 31, 2019.
- 2.7 Material intercompany transactions between the Company and its subsidiaries have been eliminated from these interim consolidated financial statements. The interim consolidated financial statements for the three-month and nine-month periods ended September 30, 2020 have included the subsidiaries' interim financial statements for the three-month and nine-month periods ended September 30, 2020 which were reviewed.
- 2.8 Judgments and estimates

The preparation of interim financial statements in conformity with Thai Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expense during the period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgments made by management in applying the Group's and the 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, 2019.

- 2.9 Significant accounting policies

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2019 except for the change in the accounting policies due to the adoption of TFRS 9 “Financial instrument” and TFRS 16 “Leases”, as described in Note 2.2.

Financial instrument

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, or amortized cost. The classification is derived by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets which is equity instruments are measured at fair value through other comprehensive income, which is presented under other non-current financial assets.

Financial liabilities are classified and measured at amortized cost. The Group has elected to measure liabilities at fair value through profit or loss when stipulated conditions are met.

Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied to the derivative contracts.

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Impairment of financial assets

The Group recognize an allowance for expected credit losses on its financial assets which measured at amortized cost and lease receivable, without requiring a credit - impaired event to have occurred prior to the recognition. The Group accounts for changes in credit risk losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables or contract asset that do not contain a significant financing component and lease receivable, the Group applies a simplified approach to determine the lifetime expected credit losses.

Hedge accounting

The Group considered hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges - the change in the fair value of a hedging instrument and the hedged item attributable to the risk are recognized in profit or loss.

Cash flow hedges - the effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income, while any ineffective portion is recognized immediately in profit or loss.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. The full fair value of a hedging derivative is classified as a non-current asset or non-current liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or current liability when the remaining maturity of the hedged item is not over than 12 months. Trading derivatives are classified as a current asset or current liability.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within other gains (losses).

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity are immediately reclassified to profit or loss.

Leases

The Group has applied TFRS 16 which comparative information has not been restated and is presented under TAS 17. The details of accounting policies under both TAS 17 and TFRS 16 are presented separately below.

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The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

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The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

3. SPECIFICALLY-DESIGNATED BANK DEPOSITS UTION

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 not less than the subsidiaries' outstanding balance of advance receipts from customers which cannot be used for other purposes apart from payments to service providers in the consolidated financial statements as at September 30, 2020 amounting to Baht 1,818 million (As at December 31, 2019: Baht 1,989 million).

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4. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at September 30, 2020 and December 31, 2019 are as follows:

		Unit: Million Baht	
Note	Consolidated financial statements		Separate financial statements
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020 As at December 31, 2019
Trade receivables			
Related parties:	18		
Trade receivables	48	39	18
Accrued income	4	25	2
	52	64	20
Other parties:			
Trade receivables	10,462	9,993	180
Accrued income	8,114	7,985	1,574
	18,576	17,978	1,754
Total trade receivables	18,628	18,042	1,774
<u>Less</u> Allowance for expected credit losses	(1,860)	(1,765)	(98)
Trade receivables - net	16,768	16,277	1,676
Other receivables	18		
Prepaid expense	1,253	1,817	8
Account receivable - cash card/ refill on mobile	94	94	-
Value-added tax receivable	784	51	-
Others	129	59	24
Total other receivables	2,260	2,021	32
Total trade and other current receivables	19,028	18,298	1,708

		Unit: Million Baht	
	Consolidated financial statements		Separate financial statements
	2020	2019	2020 2019
Expected credit loss and bad debts expense			
for the three-month periods ended September 30,	649	602	-
for the nine-month periods ended September 30,	2,271	1,715	-

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Aging analysis for trade receivables 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,
	2020	2019	2020	2019
Related parties				
Current - overdue 3 months	44	58	18	10
Overdue 3 - 6 months	2	4	1	-
Overdue 6 - 12 months	4	-	-	-
Overdue over 12 months	2	2	1	-
	<u>52</u>	<u>64</u>	<u>20</u>	<u>10</u>
Other parties				
Current - overdue 3 months	14,614	15,051	1	-
Overdue 3 - 6 months	1,783	767	-	-
Overdue 6 - 12 months	287	175	-	-
Overdue over 12 months	1,892	1,985	1,753	1,754
	<u>18,576</u>	<u>17,978</u>	<u>1,754</u>	<u>1,754</u>
<u>Less</u> Allowance for expected credit losses	<u>(1,860)</u>	<u>(1,765)</u>	<u>(98)</u>	<u>(98)</u>
	<u>16,716</u>	<u>16,213</u>	<u>1,656</u>	<u>1,656</u>
Trade receivables - net	<u>16,768</u>	<u>16,277</u>	<u>1,676</u>	<u>1,666</u>

The normal credit term granted by the Group and the Company ranges from 14 days to 120 days.

As at September 30, 2020, the Group and the Company have the outstanding balance of accrued income of revenue sharing in international direct dial service (“IDD”) which is presented in overdue 12 months of Baht 1,584 million and Baht 1,574 million, respectively (As at December 31, 2019: Baht 1,584 million and Baht 1,574 million, respectively).

On January 16, 2013, the Company has submitted a dispute to the Arbitration Institute demanding TOT Public Company Limited (“TOT”) to pay such receivable plus interest, the total amount of Baht 1,526 million.

On May 1, 2017, the Arbitral Tribunal gave the arbitration award to order TOT to pay the revenue sharing of IDD from November 2008 to September 2012 to the Company in the amount of Baht 1,355 million plus interest since date of the arbitration award until fully repayment date at 7.5% per annum of the principal amount. Moreover, TOT has to pay the revenue sharing of IDD from October 2012 to the ending of the Agreement for operation on September 30, 2015, or until the agreement is amended or renewed.

On September 7, 2017, the Company received a Black case No.1148/2560 dated July 17, 2017, which TOT has filed to revoke the Arbitral Tribunal’s award ordering TOT to pay the revenue sharing of IDD as mention above. Currently, the dispute has been in the process of consideration by the Central Administrative Court process.

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On November 26, 2013, Digital Phone Company Limited (“DPC”), a subsidiary, has submitted a dispute to the Central Administrative Court demanding CAT Public Company Limited (“CAT”) to pay the revenue sharing of IDD of Baht 9 million plus interest rate at 7.5% per annum until the date of dispute submission, the total amount of Baht 11 million.

On May 31, 2018, the Central Administrative Court gave the decision and order CAT to pay for the revenue sharing of IDD to DPC of Baht 2.56 million plus interest rate at 7.5% per annum of principal amount from the date of dispute submission until full payment which shall be paid within 60 days from the date that the case was decided.

On June 29, 2018, DPC has appealed to the Supreme Administrative Court under the disagreement with the Central Administrative Court’s decision ordering CAT to pay for the revenue sharing of IDD from the remuneration rate of usage and connection in accordance with the National Telecommunication Commission Order No. 11/2553 regarding “the Notification of Inter Connection charge on Telecommunication” which such rate was not the mutually agreed rate between DPC and CAT from revenue share agreement. Currently, the case has been in the process of consideration by the Supreme Administrative Court process.

5. CONTRACT ASSETS

Contract assets as at September 30, 2020 and December 31, 2019 are as follows: (Separate financial statements: Nil)

	Unit: Million Baht	
	Consolidated	
	financial statements	
	As at	As at
	September 30,	December 31,
	2020	2019
Current assets		
Sales of device and monthly service contract	1,638	2,219
<u>Less</u> Allowance for terminate contract or expected to be terminated before end of customer contract period	<u>(259)</u>	<u>(350)</u>
Contract assets - net	<u>1,379</u>	<u>1,869</u>

	Unit: Million Baht	
	Consolidated	
	financial statements	
	2020	2019
Loss on terminate contract assets		
for the three-month periods ended September 30,	<u>89</u>	<u>196</u>
for the nine-month periods ended September 30,	<u>420</u>	<u>510</u>

Contract assets are from sales of device and monthly service contract with customers. The contract assets are from price allocation to device sales which are recognized revenues at point in time, when the Group transferred control of device to customers. Contract asset will decrease relative to monthly service in each month. Monthly network service are recognized revenues at over time and percentage of completion.

Contract assets which are terminated or expected to be terminated before end of contract period are reduced and recognized as loss from terminate contract.

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6. OTHER NON-CURRENT FINANCIAL ASSETS AND OTHER LONG-TERM INVESTMENTS

Other non-current financial and other-long term investments assets as at September 30, 2020 and December 31, 2019 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,
	2020	2019	2020	2019
Fixed deposit at a financial institutions - pledged	-	11	-	-
Other long-term investments	-	56	-	47
Investment in equity securities measured at fair value through other comprehensive income*	113	-	68	-
Total	113	67	68	47

* Under Thai Financial Reporting Standards 9 “Financial instruments”, the Group and the Company recognized investment in equity securities measured at fair value through other comprehensive income to eliminate or significantly reduce a recognition inconsistency.

Investment in equity securities

National Digital ID Co., Ltd.

On August 16, 2019, Advanced Mpay Co., Ltd. (“AMP”), a subsidiary, had additional investment in NDID by 80,560 shares by Baht 100 per share, totaling Baht 8.06 million, then new holding representing 2.47% of authorized share capital.

Pracharath Rak Samakkee Social Enterprise Co., Ltd.

The Group and the Company recognized a loss from impairment of investment in 2019 of Baht 1 million from assess the carrying amount of investment in Pracharath Rak Samakkee Social Enterprise Co., Ltd. (“PRS”) by comparing carrying amount of investment in PRS with the recoverable amount of such investment is taken to approximate the fair value.

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7. INVESTMENTS IN SUBSIDIARIES

Movements in investments in subsidiaries for the nine-month periods ended September 30, are as follows:

	Unit: Million Baht	
	Separate	
	financial statements	
	2020	2019
Subsidiaries		
Balance as at January 1, as under previous TFRSs	27,928	23,515
Effect from adoption TFRS 9	(663)	-
Balance as at January 1, as under new TFRSs	27,265	23,515
Dividends received during the periods	(19,964)	(26,373)
Share of profit of subsidiaries accounted for using equity method	19,690	23,675
Share of loss of other comprehensive income in subsidiaries accounted for using equity method	(186)	-
Invested in share capital of a subsidiary	26	1
As at September 30,	26,831	20,818

Investments in share capital of subsidiaries

Advanced Digital Distribution Co., Ltd.

On April 26, 2019, Advanced Digital Distribution Co., Ltd. (“ADD”), a subsidiary, registered to increase in the share capital from Baht 4 million which is 40,000 ordinary shares at Baht 100 each to Baht 5 million which is 50,000 ordinary shares at Baht 100 each with the Ministry of Commerce. The purpose of increasing in share capital is to comply with conditions of Office of Insurance Commission (“OIC”). The Company paid additional investment in such subsidiary for the increased 10,000 ordinary shares at Baht 100 each, totaling Baht 1 million, representing 99.99% of authorized share capital.

Advanced Broadband Network Co., Ltd.

On May 7, 2020, the Company’s Board of Directors’ meeting approved Advanced Broadband Network Co.,Ltd. (ABN), a subsidiary, increased in the share capital totaling Baht 25 million. Subsequently, on June 23, 2020, ABN registered to increase in the share capital from Baht 75 million which is 750,000 ordinary shares at Baht 100 each to Baht 100 million which is 1,000,000 ordinary shares at Baht 100 each with the Ministry of Commerce.

LearnDi Co., Ltd.

On May 7, 2020, the Company’s Board of Directors’ meeting approved a resolution to approve the establishment of a company named LearnDi Company Limited (“LearnDi”) as a subsidiary to provide training and seminar through online and e-learning platform. LearnDi have authorized share capital of Baht 1 million, consisting of 100,000 ordinary shares at par value of Baht 10 each. LearnDi called for full share subscription and established with the Department of Business Development, Ministry of Commerce on July 3, 2020. The Company invested in LearnDi 99,997 shares at Baht 10 each, totaling Baht 1 million, representing 99.99% of authorized share capital of LearnDi.

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Investments in subsidiaries as at September 30, 2020 and December 31, 2019 and dividend received for the nine-month period ended September 30, are as follows:

	Unit: Million Baht									
	Ownership interest		Paid-up capital		Separate financial statement Cost		Investment as equity method		Dividend received for the nine-month period ended September 30,	
	As at September 30, 2020 %	As at December 31, 2019 %	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019	2020	2019
Subsidiaries										
Advanced Contact Center Co., Ltd.	99.99	99.99	272	272	811	811	399	367	200	111
Digital Phone Co., Ltd.	98.55	98.55	914	914	10,226	10,226	4,173	4,155	-	-
Advanced Magic Card Co., Ltd.	99.99	99.99	250	250	250	250	277	276	-	17
Advanced Mpay Co., Ltd.	99.99	99.99	300	300	336	336	736	841	621	487
AIN GlobalComm Co., Ltd.	99.99	99.99	100	100	100	100	127	143	35	41
Advanced Wireless Network Co., Ltd.	99.99	99.99	1,350	1,350	1,485	1,485	18,066	17,751	10,955	16,936
Super Broadband Network Co., Ltd.	99.99	99.99	300	300	300	300	1,163	1,491	2,550	2,397
Wireless Device Supply Co., Ltd.	99.99	99.99	50	50	50	50	84	215	221	273
Fax Lite Co., Ltd.	99.98	99.98	1	1	1	1	1,256	2,144	4,595	4,427
MIMO Tech Co., Ltd.	99.99	99.99	50	50	50	50	400	402	766	1,631
Advanced Broadband Network Co., Ltd.	99.99	99.99	100	75	100	75	153	141	21	53
Advanced Digital Distribution Co., Ltd.	99.99	99.99	5	5	5	5	(4)	2	-	-
LearnDi Co., Ltd.	99.99	-	1	-	1	-	1	-	-	-
Total					<u>13,715</u>	<u>13,689</u>	<u>26,831</u>	<u>27,928</u>	<u>19,964</u>	<u>26,373</u>

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8. INVESTMENTS IN JOINT VENTURES AND ASSOCIATE

Movements in investment in an associate in the consolidated financial statements for the nine-month period ended September 30, are as follows: (Separate financial statements: Nil)

	Unit: Million Baht	
	Consolidated	
	financial statements	
	2020	2019
As at January 1,	25	18
Share of profit of an associate accounted for using equity method	5	5
As at September 30,	30	23

For the three-month and nine-month periods ended September 30, 2020 and 2019, the Group has no purchase and sale transactions of investment in an associate.

Movements in investments in joint ventures in the consolidated financial statements for the nine-month period ended September 30, are as follows: (Separate financial statements: Nil)

	Unit: Million Baht	
	Consolidated	
	financial statements	
	2020	2019
As at January 1,	636	736
Additional investments	247	-
Dividends received during the period	(9)	(8)
Share of loss of joint ventures accounted for using equity method	(11)	(71)
As at September 30,	863	657

Investments in joint ventures

Digital Games International Pte Ltd. (“DGI”)

On February 13, 2020, the Company’s Board of Directors’ meeting approved a resolution to invest in Digital Games International Pte Ltd. (“DGI”), Singapore. Subsequently, on March 24, 2020, Wireless Device Supply Co., Ltd. (“WDS”), a subsidiary, has entered into the joint venture agreement with SK Telecom Co., Ltd. (“SKT”), South Korea and Digital Gaming Investment Pte Ltd., Singapore for investing 33.33% holding or 10,000,000 shares of DGI at Singapore Dollar 1, totaling Singapore Dollar 10 million or Baht 226 million to expand into online gaming market.

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Saha Advance Network Co., Ltd.

On May 7, 2020, the Company’s Board of Directors’ meeting approved Advanced Broadband Network Co., Ltd. (ABN), a subsidiary, has entered into the shareholders agreement with Saha Pathana Inter Holding Plc. to invest in Saha Advance Network Co., Ltd. (SAN). The business purpose is to provide fiber optic network in the industrial park of Sahapat Group. SAN have authorized share capital of Baht 30 million, consisting of 300,000 ordinary shares at par value of Baht 100 each. SAN called for full share subscription and established with the Department of Business Development, Ministry of Commerce on July 13, 2020. ABN invested in SAN 209,998 shares at Baht 100 each, totaling Baht 21 million, representing 70% of authorized share capital of SAN.

9. CAPITAL EXPENDITURES

Movements in capital expenditures for the nine-month periods ended September 30, are as follows:

As at September 30, 2020

Unit: Million Baht						
Consolidated financial statements						
	Balance as at January 1, 2020 as under previous TFRSs	Effect from adoption TFRS 16	Balance as at January 1, 2020 as under new TFRSs	Increase	Decrease	Balance as at September 30, 2020
Cost:						
Property, plant and equipment	244,359	(227)	244,132	20,063	(422)	263,773
Right-of-use assets	-	66,884	66,884	3,717	(515)	70,086
Other intangible assets other than goodwill	11,914	-	11,914	1,030	(43)	12,901
Spectrum licenses	136,444	-	136,444	16,783	-	153,227
Total	392,717	66,657	459,374	41,593	(980)	499,987
Accumulated depreciation, amortization and allowance for unused equipment:						
Plant and equipment	(118,849)	126	(118,723)	(21,669)	374	(140,018)
Right-of-use assets	-	(126)	(126)	(9,532)	464	(9,194)
Other intangible assets other than goodwill	(6,446)	-	(6,446)	(1,035)	7	(7,474)
Spectrum licenses	(33,370)	-	(33,370)	(7,176)	-	(40,546)
Total	(158,665)	-	(158,665)	(39,412)	845	(197,232)
Net book value:						
Property, plant and equipment	125,510					123,755
Right-of-use assets	-					60,892
Other intangible assets other than goodwill	5,468					5,427
Spectrum licenses	103,074					112,681
Total	234,052					302,755

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As at September 30, 2019

Unit: Million Baht

	Consolidated financial statements			
	Balance as at January 1, 2019	Increase	Decrease	Balance as at September 30, 2019
Cost:				
Property, plant and equipment	223,215	17,938	(573)	240,580
Spectrum licenses	136,445	3	-	136,448
Other intangible assets	10,329	1,078	(4)	11,403
Total	369,989	19,019	(577)	388,431
Accumulated depreciation, amortization and allowance for unused equipment:				
Plant and equipment	(93,003)	(20,624)	358	(113,269)
Spectrum licenses	(24,696)	(6,488)	-	(31,184)
Other intangible assets	(5,237)	(877)	2	(6,112)
Total	(122,936)	(27,989)	360	(150,565)
Net book value:				
Property, plant and equipment	130,212			127,311
Spectrum licenses	111,749			105,264
Other intangible assets	5,092			5,291
Total	247,053			237,866

**Depreciation, amortization and allowance for unused
equipment for the nine-month periods ended September 30,**

2020	Million Baht	<u>39,340</u>
2019	Million Baht	<u>27,989</u>

* During the period, the Group has elected to apply Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak” which the Group has received reduction in lease payments by lessors in amount of Baht 72 million. The Group reversed depreciation of right-of-use assets and interest on lease liabilities recognized in each period in proportion to the reduction, with any differences then recognized in profit or loss.

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As at September 30, 2020

Unit: Million Baht

	Balance as at January 1, 2020 as under previous TFRSs	Effect from adoption TFRS 16	Separate financial statements Balance as at January 1, 2020 as under new TFRSs	Increase	Decrease	Balance as at September 30, 2020
Cost:						
Property, plant and equipment	1,095	(45)	1,050	29	(30)	1,049
Right-of use assets	-	65	65	308	(14)	359
Other intangible assets other than goodwill	323	-	323	-	-	323
Total	1,418	20	1,438	337	(44)	1,731
Accumulated depreciation and amortization:						
Plant and equipment	(1,025)	28	(997)	(20)	26	(991)
Right-of use assets	-	(28)	(28)	(92)	14	(106)
Other intangible assets other than goodwill	(312)	-	(312)	(3)	-	(315)
Total	(1,337)	-	(1,337)	(115)	40	(1,412)
Net book value:						
Property, plant and equipment	70					58
Right-of use assets	-					253
Other intangible assets other than goodwill	11					8
Total	81					319

As at September 30, 2019

Unit: Million Baht

	Balance as at January 1, 2019	Increase	Decrease	Balance as at September 30, 2019
Cost:				
Property, plant and equipment	4,697	5	(25)	4,677
Other intangible assets	323	-	-	323
Total	5,020	5	(25)	5,000
Accumulated depreciation and amortization:				
Plant and equipment	(4,480)	(52)	22	(4,510)
Other intangible assets	(306)	(5)	-	(311)
Total	(4,786)	(57)	22	(4,821)
Net book value:				
Property, plant and equipment	217			167
Other intangible assets	17			12
Total	234			179

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

2020	Million Baht	115
2019	Million Baht	57

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On February 19, 2020, Advanced Wireless Network Company Limited (“AWN”), a subsidiary, is the auction winner for 2600 MHz license at the bidding price of Baht 19,561 million. AWN is now officially granted the license to operate 2600 MHz from the National Broadcasting and Telecommunications Commission (“NBTC”). According to the auction terms and conditions, AWN paid 1st installment by 10% of the fee plus VAT, totalling Baht 2,093 million on February 21, 2020 and submitted bank guarantee to pay the remaining fee to the NBTC. For 2nd installment to 7th installment of 15% of the fee plus VAT each will be paid in the five year to the ten year since the date of first installment.

The costs of spectrum licenses are initially recognized by measuring at the cash equivalent price based on the present value of its acquisition cost.

10. INTEREST-BEARING LIABILITIES

Interest-bearing liabilities as at September 30, 2020 and December 31, 2019 are as follows:

	Note	Unit: Million Baht			
		Consolidated financial statements		Separate financial statements	
		As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Current					
Short-term borrowings from financial institution		3,900	-	-	-
Current portion of long-term liabilities					
- Current portion of long-term borrowings from financial institution		23,171	24,819	-	-
- Current portion of long-term debentures	18	1,776	-	-	-
- Current portion of finance lease liabilities	18	-	53	-	15
Total current portion of long-term liabilities		24,947	24,872	-	15
Current portion of lease liabilities	18	10,306	-	117	-
Short-term borrowings from related parties	18	-	-	4,380	4,920
Total current		39,153	24,872	4,497	4,935
Non-current					
Long-term liabilities					
- Long-term borrowings from financial institution - net		30,899	33,757	-	-
- Long-term borrowing from a related party - net	18	14,999	2,999	-	-
- Long-term debentures - net	18	30,615	32,388	-	-
- Finance lease liabilities - net	18	-	28	-	16
Total long-term liabilities		76,513	69,172	-	16
Lease liabilities - net	18	50,017	-	147	-
Total non-current		126,530	69,172	147	16
Total		165,683	94,044	4,644	4,951

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

As at September 30, 2020, the Group had undrawn long-term borrowing credit facilities amounting to Baht 6,500 million (As at December 31, 2019 : Baht 15,000 million) and during October 2020, the Group entered into long-term borrowing credit facilities from financial institutions amounting to Baht 20,000 million. The Group has not used such long-term borrowing credit facilities.

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The carrying amounts and fair values of long-term debentures (gross of issue costs) as at September 30, 2020 and December 31, 2019 are as follows:

	Unit: Million Baht			
	Consolidated financial statements			
	Carrying amount		Fair values*	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Long-term debentures	32,414	32,414	33,995	34,388

* 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.

Movements of interest-bearing liabilities for the nine-month periods ended September 30, are as follows:

	Unit: Million Baht							
	Consolidated financial statements							
	Short-term borrowings from financial institutions	Short-term borrowings from a related party	Long-term borrowings from financial institutions	Long-term borrowing from a related party	Long-term debentures	Finance lease liabilities	Lease liabilities	Total
As at January 1, 2020	-	-	58,576	2,999	32,388	81	-	94,044
Effect from adoption TFRS 16	-	-	-	-	-	(81)	65,430	65,349
Cash flows items:								
Addition	6,900	2,100	5,000	12,000	-	-	-	26,000
Repayments	(3,000)	(2,100)	(9,514)	-	-	-	(8,774)	(23,388)
Total cash flows items	3,900	-	(4,514)	12,000	-	-	(8,774)	2,612
Non-cash changes items:								
Addition	-	-	-	-	-	-	3,670	3,670
Unrealized gain on foreign exchange rate	-	-	-	-	-	-	(3)	(3)
Amortization as expenses	-	-	8	-	3	-	-	11
Total non-cash changes items	-	-	8	-	3	-	3,667	3,678
As at September 30, 2020	3,900	-	54,070	14,999	32,391	-	60,323	165,683

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	Unit: Million Baht					
	Consolidated financial statements					
	Short-term borrowings from financial institutions	Short-term borrowings from a related party	Long-term borrowings from financial institutions	Long-term borrowing from a related party	Long-term debentures	Finance lease liabilities
As at January 1, 2019	5,900	-	59,929	2,999	40,170	135
Cash flows items:						
Additions	4,500	4,000	2,000	-	-	-
Repayments	(9,400)	(3,000)	(1,400)	-	(7,789)	(44)
Total cash flows items	<u>(4,900)</u>	<u>1,000</u>	<u>600</u>	<u>-</u>	<u>(7,789)</u>	<u>(44)</u>
Non-cash changes items:						
Amortization as expense	-	-	9	-	5	-
Total non-cash changes items	<u>-</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>5</u>	<u>-</u>
As at September 30, 2019	<u>1,000</u>	<u>1,000</u>	<u>60,538</u>	<u>2,999</u>	<u>32,386</u>	<u>91</u>

	Unit: Million Baht			
	Separate financial statements			
	Short-term borrowings from related parties	Finance lease liabilities	Lease liabilities	Total
As at January 1, 2020	4,920	31	-	4,951
Effect from adoption TFRS 16	-	(31)	50	19
Cash flows items:				
Addition	800	-	-	800
Repayments	(1,340)	-	(93)	(1,433)
Total cash flows items	<u>(540)</u>	<u>-</u>	<u>(93)</u>	<u>(633)</u>
Non-cash changes items:				
Addition	-	-	307	307
Total non-cash changes items	<u>-</u>	<u>-</u>	<u>307</u>	<u>307</u>
As at September 30, 2020	<u>4,380</u>	<u>-</u>	<u>264</u>	<u>4,644</u>

	Unit: Million Baht			
	Separate financial statements			
	Short-term borrowings from financial institutions	Short-term borrowings from related parties	Finance lease liabilities	Total
As at January 1, 2019	2,900	4,920	37	7,857
Cash flows items:				
Additions	-	300	-	300
Repayments	(2,900)	(800)	(6)	(3,706)
Total cash flows items	<u>(2,900)</u>	<u>(500)</u>	<u>(6)</u>	<u>(3,406)</u>
As at September 30, 2019	<u>-</u>	<u>4,420</u>	<u>31</u>	<u>4,451</u>

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11. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at September 30, 2020 and December 31, 2019 are as follows:

	Note	Consolidated financial statements		Unit: Million Baht Separate financial statements	
		As at	As at	As at	As at
		September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Trade payables					
Related parties	18	124	63	64	14
Other parties		23,104	21,974	32	29
Total		<u>23,228</u>	<u>22,037</u>	<u>96</u>	<u>43</u>
Other payables	18	17,492	19,340	3,164	2,862
Total trade and other current payables		<u>40,720</u>	<u>41,377</u>	<u>3,260</u>	<u>2,905</u>

12. SPECTRUM LICENSES PAYABLE

Spectrum licenses payable in the consolidated financial statements as at September 30, 2020 and December 31, 2019 are as follows: (Separate financial statements: Nil)

	Note	Unit: Million Baht Consolidated financial statements	
		As at	As at
		September 30, 2020	December 31, 2019
Spectrum licenses payable			
License certificate no. NBTC/FREQ/TEL/55/1 (Addendum no.2)	1	34,972	55,642
License certificate no. NBTC/FREQ/TEL/55/1 (Addendum no.3)		6,212	6,147
License certificate no. NBTC/FREQ/TEL/55/1 (Addendum no.4)		15,050	-
		<u>56,234</u>	<u>61,789</u>
<u>Less current portion of spectrum licenses payable</u>		<u>(10,475)</u>	<u>(24,490)</u>
Spectrum licenses payable		<u>45,759</u>	<u>37,299</u>

Movements in spectrum licenses payable in the consolidated financial statements for the nine-month periods ended September 30, are as follows: (Separate financial statements: Nil)

	Unit: Million Baht Consolidated financial statements	
	2020	2019
As at January 1,	61,789	67,488
Addition	16,783	-
Payments	(23,707)	(4,020)
Amortization of deferred interest expense	1,369	1,196
Remeasurement spectrum license payable	-	(3,284)
As at September 30,	<u>56,234</u>	<u>61,380</u>

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13. SHARE-BASED PAYMENT

The performance share plan

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 (“ESOP-Grant III”). 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

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 (“ESOP-Grant IV”). 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

Grant V

In March 2017, the Annual General Meeting of Shareholders No.1/2017 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 (“ESOP-Grant V”). The major information is listed below:

Approved date:	March 30, 2017
Number of warrants offered:	1,410,500 Units
Exercise price:	160.434 Baht/share
Number of reserved shares:	1,410,500 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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Movements in the number of outstanding warrants for the nine-month period ended September 30, 2020 are as follows:

	As at January 1, 2020	Transaction during the period			Unit: Thousand units As at September 30, 2020
		Issued	Exercised	Expired	
ESOP - Grant III					
- Directors	51	-	-	(51)	-
- Employees	726	-	-	(726)	-
	<u>777</u>	<u>-</u>	<u>-</u>	<u>(777)</u>	<u>-</u>
ESOP - Grant IV					
- Directors	50	-	(7)	-	43
- Employees	578	-	(85)	-	493
	<u>628</u>	<u>-</u>	<u>(92)</u>	<u>-</u>	<u>536</u>
ESOP - Grant V					
- Directors	89	-	(25)	-	64
- Employees	964	-	(259)	-	705
	<u>1,053</u>	<u>-</u>	<u>(284)</u>	<u>-</u>	<u>769</u>
Total	<u>2,458</u>	<u>-</u>	<u>(376)</u>	<u>(777)</u>	<u>1,305</u>

* Above ESOP including ESOP of employees or executives who cannot exercise their rights under the items and conditions specified.

Fair value measurement

The Group and the Company 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 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%

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Grant V

Weighted average fair value at the grant date	111.857 Baht/share
Share price at the grant date	172.500 Baht/share
Exercise price	160.434 Baht/share
Expected volatility	27.22%
Expected dividend	5.55%
Risk-free interest rate	2.01%

For the three-month and nine-month periods ended September 30, 2020, the Group and the Company recognized share-based payment expense amounting to Baht 3 million and Baht 14 million, respectively, in the consolidated and separate financial statements (For the three-month and nine-month periods ended September 30, 2019: Baht 6 million and Baht 20 million, respectively).

On June 5, 2019, the Company has registered the increase in share capital with the Department of Business Development, Ministry of Commerce for 83,302 ordinary shares at a par value of Baht 1 each that results from the exercise of the warrant offered to directors and employees of the Group and the Company for 83,302 units which the exercise price on the warrant is Baht 166.588 per share. The increasing in share capital results to increase in paid-up share capital and share premium of Baht 83,302 and Baht 13 million, respectively.

On June 2, 2020, the Company has registered the increase in share capital with the Department of Business Development, Ministry of Commerce for 375,681 ordinary shares at a par value of Baht 1 each that results from the exercise of the warrant offered to directors and employees of the Group and the Company for 91,794 units and 283,887 units which the exercise price on the warrant is Baht 166.588 and Baht 160.434 per share, respectively. The increasing in share capital results to increase in paid-up share capital and share premium of Baht 375,681 and Baht 60 million, respectively.

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14. SEGMENT FINANCIAL INFORMATION AND DISAGGREGATION OF REVENUE

The Group comprises the following operating segments:

Segment 1	Mobile phone services
Segment 2	Mobile phone and equipment sales
Segment 3	Datanet and broadband services

Information about reportable segments

Performance for the three-month periods ended September 30,

	Mobile phone services		Mobile phone and equipment sales		Datanet and broadband services		Total reportable segments	
	2020	2019	2020	2019	2020	2019	2020	2019
	Unit: Million Baht							
External revenue	33,159	36,532	5,893	5,748	2,663	2,453	41,715	44,733
Segment profit (loss)								
before income								
tax expense	7,511	10,356	(432)	(180)	651	459	7,730	10,635

Performance for the nine-month periods ended September 30,

	Mobile phone services		Mobile phone and equipment sales		Datanet and broadband services		Total reportable segments	
	2020	2019	2020	2019	2020	2019	2020	2019
	Unit: Million Baht							
External revenue	100,638	105,759	18,485	19,333	7,693	6,984	126,816	132,076
Segment profit (loss)								
before income								
tax expense	23,766	29,442	(1,279)	(1,588)	1,746	1,179	24,233	29,033

Reportable assets as at September 30, 2020 and December 31, 2019, are as follows:

	Mobile phone services		Mobile phone and equipment sales		Datanet and broadband services		Total reportable segments	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
	Unit: Million Baht							
Segment assets	338,369	271,628	5,162	7,664	10,266	10,377	353,797	289,669

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Revenue

Disaggregation of revenue

The Group has recognized revenue from sale of goods and rendering of services to customer at a point in time and overtime by type of goods or main services according to the disclosure of segment financial information and disaggregation of revenue for the three-month and nine-month periods ended September 30, are as follows:

For the three-month periods ended September 30,

		2020	Unit: Million Baht 2019
External revenue			
Segment 1	- Mobile phone services	33,159	36,532
Segment 2	- Mobile phone and equipment sales	5,893	5,748
Segment 3	- Datanet and broadband services	2,663	2,453
Total		41,715	44,733

Timing of revenue recognition

Point in time

Segment 2	- Mobile phone and equipment sales	5,893	5,748
Segment 3	- Datanet and broadband services	198	245
		6,091	5,993

Overtime

Segment 1	- Mobile phone services	33,159	36,532
Segment 3	- Datanet and broadband services	2,465	2,208
		35,624	38,740
Total		41,715	44,733

For the nine-month periods ended September 30,

		2020	Unit: Million Baht 2019
External revenue			
Segment 1	- Mobile phone services	100,638	105,759
Segment 2	- Mobile phone and equipment sales	18,485	19,333
Segment 3	- Datanet and broadband services	7,693	6,984
Total		126,816	132,076

Timing of revenue recognition

Point in time

Segment 2	- Mobile phone and equipment sales	18,485	19,333
Segment 3	- Datanet and broadband services	604	619
		19,089	19,952

Overtime

Segment 1	- Mobile phone services	100,638	105,759
Segment 3	- Datanet and broadband services	7,089	6,365
		107,727	112,124
Total		126,816	132,076

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15. TAX EXPENSE

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 effective tax rates in respect of operations for the three-month and nine-month periods ended September 30, 2020 for the Group are 15.72% and 16.35%, respectively, and the Company are 0.43% and 0.65%, respectively (For the three-month and nine-month periods ended September 30, 2019 : the Group were 17.24% and 16.90%, respectively, and the Company were 0.48% and 0.45%, respectively). These changes in the separate financial statement’s effective tax rate were caused mainly by income which is not subjected to tax.

16. 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, 2020 and 2019 are based on the profit for the periods attributable to ordinary shareholders of the Group and the Company and the weighted average number of ordinary shares outstanding during the periods are as follows:

For the three-month periods ended September 30,

	(in million Baht / million shares)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit attributable to ordinary shareholders of the Company (basic)	6,513	8,800	6,513	8,800
Weighted average number of ordinary shares outstanding (basic)	2,974	2,973	2,974	2,973
Earnings per share (basic) (in Baht)	2.19	2.96	2.19	2.96

For the nine-month periods ended September 30,

	(in million Baht / million shares)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit attributable to ordinary shareholders of the Company (basic)	20,270	24,125	20,270	24,125
Weighted average number of ordinary shares outstanding (basic)	2,973	2,973	2,973	2,973
Earnings per share (basic) (in Baht)	6.82	8.11	6.82	8.11

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Diluted earnings per share

The calculation of diluted earnings per share for the three-month and nine-month periods ended September 30, 2020 and 2019 are based on the profit for the periods attributable to ordinary shareholders of the Group and 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 are as follows:

For the three-month periods ended September 30,

	(in million Baht / million shares)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit attributable to equity holders of the Company (basic)	6,513	8,800	6,513	8,800
Profit attributable to equity holders of the Company (diluted)	6,513	8,800	6,513	8,800
Weighted average number of ordinary shares outstanding (basic)	2,974	2,973	2,974	2,973
Weighted average number of ordinary shares outstanding (diluted)	2,974	2,973	2,974	2,973
Earnings per share (diluted) (in Baht)	2.19	2.96	2.19	2.96

For the nine-month periods ended September 30,

	(in million Baht / million shares)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit attributable to equity holders of the Company (basic)	20,270	24,125	20,270	24,125
Profit attributable to equity holders of the Company (diluted)	20,270	24,125	20,270	24,125
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)	6.82	8.11	6.82	8.11

17. DIVIDENDS

At the Annual General Meeting of the Shareholders of the Company held on March 28, 2019, the shareholders approved the appropriation of dividend of Baht 7.08 per share. The Company paid an interim dividend at the rate of Baht 3.78 per share on August 29, 2018, therefore the remaining dividend to be paid is Baht 3.30 per share, amounting to Baht 9,811 million. The dividend was paid to shareholders on April 18, 2019.

At the Board of Directors' Meeting held on August 5, 2019, the Board approved to declare an interim dividend of Baht 3.78 per share, amounting to Baht 11,238 million. The interim dividend was paid to shareholders on September 3, 2019.

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On February 6, 2020, the Board of Directors’ Meeting passed a resolution proposing the payment of dividends for the year 2019, at the rate of Baht 7.34 per share, Baht 3.78 each of which was paid as an interim dividend on September 3, 2019.

Later, at the Board of Director’s Meeting held on March 25, 2020, the Board approved to declare an interim dividend of Baht 3.56 per share, amounting to Baht 10,584 million. The interim dividend was paid to shareholders on April 22, 2020. At the Annual General Meeting of the Shareholders of the Company held on July 23, 2020, the shareholders acknowledged the interim dividend payments in 2019 at the rate of Baht 7.34 per share, amounting to Baht 21,823 million. The dividend was equivalent to 70% of net profit for the year based on consolidated financial statements in accordance with the Company’s dividend policy and no further dividend payment shall be made from the fiscal year 2019 operation.

On August 6, 2020, the Board of Director’s meeting approved to declare an interim dividend for Baht 3.24 per share, amounting to Baht 9,634 million. The interim dividend was paid to the shareholders on September 3, 2020.

18. 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 and the Company have 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. Consulting and management service fees are charged on a mutually agreed basis which calculated based on activities portion which the Company performs to counter parties in each year.

Relationships between the Group and the Company with related parties are as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Subsidiaries	Thailand	Subsidiaries are entities controlled by the Group.
Intouch Holdings Public Company Limited (“INTOUCH”) and its related parties (“INTOUCH Group”)	Thailand and Laos	INTOUCH is a shareholder who has significant influence over the Company and has some joint directors.
Singtel Strategic Investments Pte Ltd. (“Singtel”) and its related parties (“Singtel Group”)	Singapore	Singtel is a shareholder who has significant influence over the Company and has some joint directors.
Information Highway Co., Ltd.	Thailand	Information Highway Co., Ltd. is an associate.
Amata Network Co., Ltd.	Thailand	Amata Network Co., Ltd. is a joint venture.
Rabbit - Line Pay Company Limited	Thailand	Rabbit - Line Pay Company Limited is a joint venture.

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Name of entities	Country of incorporation/ nationality	Nature of relationships
SAHA Advanced Network Co.,Ltd.	Thailand	SAHA Advanced Network Co., Ltd. is a joint venture
Digital Games International PTE.	Singapore	Digital Games International PTE.is a joint venture
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, are as follows:

For the three-month periods ended September 30,

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2020	2019	2020	2019
Revenue from rendering of services and equipment rentals				
Subsidiaries	-	-	490	431
INTOUCH Group	8	9	-	-
Singtel Group	3	15	-	-
Other related parties	22	24	-	-
Total	33	48	490	431
Dividend received from				
Subsidiaries	-	-	10,356	14,457
Interest income				
Subsidiaries	-	-	78	151
Other related parties	-	15	-	-
Total	-	15	78	151
Other income				
Subsidiaries	-	-	8	10
Singtel Group	2	3	-	-
Joint Ventures	3	1	-	-
Total	5	4	8	10
Rental and other service expenses				
Subsidiaries	-	-	31	20
INTOUCH Group	20	47	2	1
Singtel Group	25	64	-	-
Associate	13	20	-	-
Joint Ventures	16	13	-	-
Other related parties	3	17	-	-
Total	77	161	33	21
Advertising expense				
INTOUCH Group	2	1	-	-
Other related parties	-	1	-	-
Total	2	2	-	-

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	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2020	2019	2020	2019
Management benefit expenses				
Short-term employee benefit	43	29	43	29
Share-based payment	-	1	-	1
Total	<u>43</u>	<u>30</u>	<u>43</u>	<u>30</u>
Purchase of property and other assets				
INTOUCH Group	<u>25</u>	<u>1</u>	<u>-</u>	<u>-</u>
Finance costs				
Subsidiaries	-	-	7	14
INTOUCH Group	-	1	-	-
Associate	3	-	-	-
Other related parties	<u>60</u>	<u>47</u>	<u>-</u>	<u>-</u>
Total	<u>63</u>	<u>48</u>	<u>7</u>	<u>14</u>
Dividend paid to				
INTOUCH	3,896	4,546	3,896	4,546
Singtel	<u>2,247</u>	<u>2,621</u>	<u>2,247</u>	<u>2,621</u>
Total	<u>6,143</u>	<u>7,167</u>	<u>6,143</u>	<u>7,167</u>

For the nine-month periods ended September 30,

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2020	2019	2020	2019
Revenue from rendering of services and equipment rentals				
Subsidiaries	-	-	1,468	1,296
INTOUCH Group	28	37	1	1
Singtel Group	13	72	-	-
Joint Ventures	1	5	-	-
Other related parties	<u>68</u>	<u>70</u>	<u>-</u>	<u>-</u>
Total	<u>110</u>	<u>184</u>	<u>1,469</u>	<u>1,297</u>
Dividend received from				
Subsidiaries	-	-	19,964	26,373
Joint Ventures	<u>9</u>	<u>8</u>	<u>-</u>	<u>-</u>
Total	<u>9</u>	<u>8</u>	<u>19,964</u>	<u>26,373</u>
Interest income				
Subsidiaries	-	-	320	447
Other related parties	<u>-</u>	<u>45</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>45</u>	<u>320</u>	<u>447</u>

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	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2020	2019	2020	2019
Other income				
Subsidiaries	-	-	44	33
INTOUCH Group	5	-	-	-
Singtel Group	5	3	-	-
Joint Ventures	6	4	-	-
Total	<u>16</u>	<u>7</u>	<u>44</u>	<u>33</u>
Rental and other service expenses				
Subsidiaries	-	-	51	46
INTOUCH Group	96	141	5	3
Singtel Group	209	197	-	-
Associate	56	60	-	-
Joint Ventures	48	37	-	-
Other related parties	5	48	-	-
Total	<u>414</u>	<u>483</u>	<u>56</u>	<u>49</u>
Advertising expense				
INTOUCH Group	11	8	-	-
Singtel Group	-	2	-	-
Other related parties	-	1	-	-
Total	<u>11</u>	<u>11</u>	<u>-</u>	<u>-</u>
Management benefit expenses				
Short-term employee benefit	121	109	121	109
Share-based payment	2	3	2	3
Total	<u>123</u>	<u>112</u>	<u>123</u>	<u>112</u>
Purchase of property and other assets				
INTOUCH Group	<u>37</u>	<u>5</u>	<u>-</u>	<u>-</u>
Finance costs				
Subsidiaries	-	-	31	41
INTOUCH Group	2	2	-	-
Associate	10	2	-	-
Other related parties	131	134	-	-
Total	<u>143</u>	<u>138</u>	<u>31</u>	<u>41</u>
Dividend paid to				
INTOUCH	8,178	8,515	8,178	8,515
Singtel	4,715	4,909	4,715	4,909
Total	<u>12,893</u>	<u>13,424</u>	<u>12,893</u>	<u>13,424</u>

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Balances with related parties as at September 30, 2020 and December 31, 2019 are as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Cash and cash equivalents				
- Bank deposit				
Other related parties	97	113	1	1
Trade and other current receivables				
Trade receivables				
Subsidiaries	-	-	17	9
INTOUCH Group	7	10	-	1
Singtel Group	25	18	1	-
Joint Ventures	2	2	-	-
Other related parties	14	9	-	-
	48	39	18	10
Accrued income				
Subsidiaries	-	-	2	-
INTOUCH Group	-	1	-	-
Singtel Group	1	22	-	-
Joint Ventures	1	1	-	-
Other related parties	2	1	-	-
	4	25	2	-
Total trade receivables	52	64	20	10
Other receivables				
- Accrued interest income				
Subsidiaries	-	-	15	148
Total other receivables	-	-	15	148
Total trade and other current receivables	52	64	35	158
Right-of-use assets				
INTOUCH Group	6	-	-	-
Singtel Group	28	-	-	-
Associate	464	-	-	-
Joint Ventures	8	-	-	-
Total	506	-	-	-
Short-term loans to related parties				
Subsidiaries	-	-	51,777	50,499

As at September 30, 2020, the Company has short-term loans to related parties represent promissory notes at call, bearing interest at the average rate of 0.47% per annum (As at December 31, 2019: average rate of 1.14% per annum).

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

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2020	2019	2020	2019
Short-term loans to related parties				
As at January 1,	-	-	50,499	48,669
Increase	-	-	12,835	11,956
Decrease	-	-	(11,557)	(9,800)
As at September 30,	-	-	51,777	50,825

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	As at	As at	As at	As at
	September 30,	December 31,	September 30,	December 31,
	2020	2019	2020	2019
Trade and other current payables				
Trade payables				
Subsidiaries	-	-	3	4
INTOUCH Group	7	15	-	1
Singtel Group	104	31	61	9
Associate	6	7	-	-
Joint Ventures	6	8	-	-
Other related parties	1	2	-	-
Total trade payables	124	63	64	14
Other payables				
- Accrued expenses				
Subsidiaries	-	-	14	18
INTOUCH Group	37	52	1	-
Singtel Group	3	2	-	-
Associate	2	3	-	-
Joint ventures	7	5	-	-
Other related parties	23	49	-	-
Total other payables	72	111	15	18
Total trade and other current payables	196	174	79	32
Finance lease liabilities				
Associate	-	29	-	-
Lease liabilities				
INTOUCH Group	6	-	-	-
Singtel Group	30	-	-	-
Associate	479	-	-	-
Joint Ventures	7	-	-	-
Total	522	-	-	-

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	Consolidated		Unit: Million Baht Separate	
	financial statements		financial statements	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Short-term borrowings from related parties				
Subsidiaries	-	-	4,380	4,920
Total	-	-	4,380	4,920

As at September 30, 2020, short-term borrowings from related parties of the Company represent promissory notes at call, bearing interest at the average rate of 0.60% per annum, and unsecured (As at December 31, 2019 : average rate of 1.12% per annum).

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

	Consolidated		Unit: Million Baht Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term borrowings from related parties				
As at January 1,	-	-	4,920	4,920
Increase	-	4,000	800	300
Decrease	-	(3,000)	(1,340)	(800)
As at September 30,	-	1,000	4,380	4,420

	Consolidated		Unit: Million Baht Separate	
	financial statements		financial statements	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Long-term borrowing from a related party				
Other related party	14,999	2,999	-	-
Total	14,999	2,999	-	-

As at September 30, 2020 and December 31, 2019, the Group has long-term borrowing from a related party, bearing interest at the rate of 6MTHBFX plus margin and semi-annual interest payments with 14 principal installments starting from 2022 to 2028.

Movements of Long-term borrowings from related parties for the nine-month periods ended September 30, are as follows:

	Consolidated		Unit: Million Baht Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Long-term borrowings from related parties				
As at January 1,	2,999	2,999	-	-
Increase	12,000	-	-	-
As at September 30,	14,999	2,999	-	-

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	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	As at	As at	As at	As at
	September 30,	December 31,	September 30,	December 31,
	2020	2019	2020	2019
Long-term debentures				
INTOUCH Group	52	52	-	-
Other related parties	44	24	-	-
Total	96	76	-	-

Significant agreements with related parties

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

- 1) The Group has entered into interconnection 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 subsidiaries have 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, and High Shopping Co., Ltd., a related party have entered into a call center service agreement with Teleinfo Media Plc. (“TMC”), a related party. TMC will arrange the personnel 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.
- 5) The Group has 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 30 days.
- 7) The Group has 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 Group has 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.

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- 9) The Group has entered into an agreement with MIMO Tech Co., Ltd. and AD venture Public Co., Ltd., its subsidiaries, of providing aggregating value added services on mobile network or wireless device (Content Aggregator). The counterparty has a right to terminate the agreement by giving advance written notice not less than 30 days.
- 10) Advanced Wireless Network Co., Ltd. (“AWN”), a subsidiary, 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, 2020.
- 11) 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.
- 12) 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.
- 13) 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.
- 14) Super Broadband Network Co., Ltd., a subsidiary, has entered into agreement with Advanced Wireless Network Co., Ltd. (“AWN”), a subsidiary, to rent the telecommunication equipment. The counterparty has a right to terminate the agreement by giving the counterparty advance written notice not less than 30 days.
- 15) Advanced Wireless Network Co., Ltd., a subsidiary and CS Loxinfo Public Company Limited, its subsidiary, have entered into an agreement to develop the infrastructure of fibre optic network with Amata Network Co., Ltd., a joint venture. The counterparty has a right to terminate the agreement by giving the counterparty advance written notice not less than 30 days.
- 16) Advanced Mpay Co., Ltd., its subsidiary, has entered into agreement with Rabbit-Line Pay Co., Ltd., a joint venture, to receive electronic money and electronic payment service. The counterparty has a right to terminate the agreement by giving the counterparty advance written notice not less than 30 days.
- 17) Advanced Wireless Network Co., Ltd. (“AWN”), a subsidiary hired MIMO Tech Co., Ltd. (“MMT”), a subsidiary to operate point management and arranging activities to exchange products or services for the AWN's customers. 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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19. FINANCIAL INSTRUMENTS

Classification of forward contracts and interest rate swap as at September 30, 2020 and December 31, 2019 in the consolidated financial statements are as follows: (Separate financial statements: Nil)

	As at September 30, 2020 *	Unit: Million Baht As at December 31, 2019
Current assets		
Other current financial assets		
Forward contracts	128	-
Total current assets	128	-
Current liabilities		
Other current financial liabilities		
Forward contracts	(39)	(141)
Interest rate swap	(78)	-
Total current liabilities	(117)	(141)
Non-current liabilities		
Other non-current financial liabilities		
Interest rate swap	(1,135)	-
Total non-current liabilities	(1,135)	-
Total	(1,124)	(141)

* Under Thai Financial Reporting Standards 9 “Financial instruments”, the Group adjusted the fair value of forward contracts and interest rate swap through profit and loss and other comprehensive income, respectively.

Movement of forward contracts and interest rate swap for the nine-month period ended September 30, 2020 in the consolidated financial statements are as follows: (Separate financial statements: Nil).

	Balance as at January 1, 2020 as under previous TFRSs	Effect from adoption TFRS 9	Balance as at January 1, 2020 as under new TFRSs	Change in fair value during the period	Unit: Million Baht Balance as at September 30, 2020
Current assets					
Other current financial assets					
Forward contracts	-	1	1	127	128
Current liabilities					
Other current financial liabilities					
Forward contracts	(141)	12	(129)	90	(39)
Interest rate swap	-	(132)	(132)	54	(78)
Non-current liabilities					
Other non-current financial liabilities					
Interest rate swap	-	(814)	(814)	(321)	(1,135)
Total	(141)	(933)	(1,074)	(50)	(1,124)

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20. COMMITMENTS WITH NON-RELATED PARTIES

Commitments with non-related parties as at September 30, 2020 and December 31, 2019 are as follows:

		Unit: Million			
	Note	Consolidated financial statements		Separate financial statements	
		As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Capital commitments					
Unrecognized contractual commitments					
Buildings and equipment					
Thai Baht (THB)		5,581	6,464	2	11
US Dollar (USD)		187	163	-	-
Spectrum licenses					
Thai Baht (THB)	1	40,083*	17,584*	-	-
Service and maintenance					
Thai Baht (THB)		1,910	1,926	50	49
US Dollar (USD)		27	26	-	-
Purchase orders for goods and supplies					
Thai Baht (THB)		3,545	4,942	3	-
US Dollar (USD)		7	11	-	-

* The difference from measurement 900 MHz spectrum license payable between previous terms and conditions and new terms and conditions by Baht 3,284 million will be adjusted the cost of spectrum license 700 MHz when Advanced Wireless Network Co., Ltd., a subsidiary, receives a license

	Unit: Million			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Other commitments				
Thai Baht				
Forward contracts	7,919	5,536	-	-
Bank guarantees:				
- Spectrum licenses payable	70,031	71,318	-	-
- Others	2,984	3,053	173	176
Total	80,934	79,907	173	176
US Dollar				
Others	3	3	-	-
Total	3	3	-	-

As at December 31, 2019, the Group and the Company had the outstanding balance of non-cancellable commitments with non-related parties from lease agreements which were previously classified as operating lease according to TAS 17 of Baht 49,453 million and Baht 278 million, respectively. Later on January 1, 2020, TFRS 16 was become effective. Therefore, those lease agreements were considered as right-of-use assets as described in Note 2.2.

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Significant agreements

- The Group has entered into the 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. Such agreement will be terminated when a party submits advance written notice not less than 90 days.
- On January 5, 2018, Advanced Wireless Network Co., Ltd. (“AWN”), a subsidiary, has entered into service agreement with TOT Public Co., Ltd. (“TOT”) to receive the service relating to the national roaming service for the period from March 1, 2018 to August 3, 2025. AWN has letter of irrecoverable guarantee from domestic commercial banks of Baht 720 million used as collateral for the throughout the period of agreement.
- On January 5, 2018, Super Broadband Network Co., Ltd. (“SBN”), a subsidiary, has entered into rental agreement with TOT Public Co., Ltd. (“TOT”) to provide the telecommunication equipment rental for the period from March 1, 2018 to August 3, 2025. SBN has letter of irrecoverable guarantee from domestic commercial banks of Baht 525 million used as collateral for the throughout the period of agreement.
- On September 4, 2019, the Group has mutually agreed with TOT Public Co., Ltd. (“TOT”) entering into a Dispute Resolution Agreement and Providing the Telecommunication Equipment Tower Service and receive rental service of the telecommunication equipment tower from TOT for the period from January 1, 2019 to December 31, 2028. The Group has letter of irrecoverable guarantee from domestic commercial banks of Baht 434 million used as collateral for the throughout the period of agreement.
- On August 17, 2020, the Group has mutually agreed with CAT Public Co., Ltd. (“CAT”) entering into a “Dispute Resolution Agreement and Providing the Telecommunication Equipment Tower Service” and rent the telecommunication equipment tower from CAT while CAT agreed to use the space and maintenance service from the Group for the period from July 1, 2020 to September 15, 2025.

21. PROVISION ON WITHHOLDING TAX

Pursuant to the letter dated January 18, 2013, the Revenue Department demanded the Company to pay surcharge of Baht 128 million 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 had paid the shortage of withholding tax amount of excise tax which came from the revenue sharing payment without excise tax deduction. The Company has submitted the appeal to the Commission of Appeal. The Commission of Appeal predicate that the Company has to submit the said surcharge.

On November 10, 2016, the Company has filed the case to Central Tax Court to appeal for the revocation of the decision by the Commission of Appeal.

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On September 29, 2017, the Central Tax Court has decided to dismiss the cases by the Company, based on the same reason that the excise tax is a part of revenue sharing which the Company should pay to the concession granter in accordance with the concession agreement. Therefore, the Company has the obligations to pay for the withholding taxes incurred to the Revenue Department, failure in such conduct has resulted in the penalty to pay surcharge at the rate of 1.5% per month, aggregately the total amount of Baht 128 million.

On July 20, 2018, the Company has filed an appeal for the decision of the Central Tax Court.

On March 11, 2019, the Central Tax Court read the decision of the Court of Appeal to dismiss the cases.

On July 10, 2019, the Company has filed a petition to the Supreme Court.

The Company has already recorded provision of liabilities in amount of Baht 128 million in the consolidated and separate financial statements as at September 30, 2020.

22. SIGNIFICANT EVENTS, COMMERCIAL DISPUTES AND LITIGATIONS

The Company

- 1) 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 Public Company Limited	November 30, 2006 onwards
2) True Move 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”) filed a lawsuit against NTC to the Central Administrative Court to revoke the announcement. On September 15, 2010, the Central Administrative Court 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.

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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 has 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 revoke 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 believes 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 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 had to pay to other operators. Thus, on January 26, 2011, TOT sent a letter demanding the Company had 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 claim to TOT and the Company submitted the dispute to the Alternative Dispute Resolution Office, the Arbitration Institute, under the 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 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 amount is paid. In addition, TOT requested this case to be under the same consideration with the Black case No. 19/2554 to the Arbitral Tribunal.

On August 23, 2016, the Company 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 had no right to claim for such revenue sharing on the interconnection charges of the operational year 23rd - 25th in the amount of Baht 8,368 million plus interest at 1.25% per month on its outstanding amount for each year subject to the request by TOT.

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On August 17, 2018, the Arbitration Institute had an award for the Black case No. 19/2554 to dismiss TOT demanding to claim the Company for 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, ascribe that TOT had no right to claim for such amount, and prohibit TOT from claiming for operational bank guarantee in accordance with the agreement and minimum payment guarantee for operational year 17th - 20th. Moreover, the Arbitration Institute had dismissed a dispute No. 55/2557 and had ordered TOT to pay the Company for overpayment in revenue sharing on the interconnection charges by Baht 110 million within 60 days from receiving such award together with additional interest payment at 7.5% per annum if TOT made payment after due date. TOT has filed a petition to revoke the Arbitral Tribunal's award to the Central Administrative Court and under the process of consideration.

On April 30, 2019, the majority of arbitrators decided the Company for the Black case No. 83/2559 to pay the net revenue sharing amount of Baht 224 million with interest, which the Company agreed to pay to TOT by using the revenue sharing of interconnection charges in dispute 55/2557 amount of Baht 111 million and the remaining interest must be paid Baht 144 million. However, TOT did not accept, the Company therefore put the money on the property office on May 22, 2019.

On August 6, 2019, the Company received TOT's revocation the Arbitration's resolution by the Black case No. 1713/2562 dated July 25, 2019 which TOT has submitted to the Central Administrative Court to revoke the above Arbitration's resolution. Currently, the case is in the process of the Central Administrative Court.

The Company's management believes that it will not incur significant expense more than the recorded amount.

2) Obligations of the bank guarantees in connection with the Agreement for operations (“the Agreement”)

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. Currently, the dispute has been considered by the Arbitration process.

On May 11, 2011 and October 5, 2012, the Company 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 had completely paid the revenue sharing for each operation year and had correctly complied with the law and the relating Agreements in all respects.

On February 10, 2014, the Arbitral Tribunal gave 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 submitted the Black case No. 660/2557 to the Central Administrative Court to revoke the Arbitral Tribunal's award.

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On May 19, 2014, the Company 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.

On September 21, 2020, the Central Administrative Court reached its decision to dismiss such dispute made by TOT and ordered TOT to return the bank guarantees for the operation year 17th - 21st to the Company according to the arbitration award and to return total court fees to the Company.

On October 19, 2020, TOT has appealed to dismiss such decision of the Central Administrative Court.

Currently the Appeal petition is under the consideration of Central Administrative Court.

3) 900 MHz subscribers migration to 3G 2100 MHz

On September 25, 2014, TOT Public Company Limited (“TOT”) submitted a dispute under the Black case No. 80/2557 to the Arbitration Institute demanding the Company to pay compensation from the breach of Concession Agreement between the Company and TOT in relation to 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 amount is paid.

On March 29, 2016, TOT 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 amount is paid.

On February 14, 2019, the Arbitration Institute dismissed the said dispute by giving the reason which the Company was not in breach of the Agreement.

On May 15, 2019, TOT has submitted the Black case No. 951/2562 to the Central Administrative Court to revoke the Arbitration’s resolution. Currently, the said case is in the process of the Central Administrative Court.

The Company’s management believes that the outcome of the dispute should be settled favourably and has no considerable impact on the financial statements of the Company.

4) The claim for additional revenue from the 6th and 7th Amendments to the Agreement for operations (“the Agreement”)

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 amendments bind the Company and TOT Public Company Limited (“TOT”) to comply with the amendments until the expiration of the Agreement for operations and 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.

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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 adjustment of revenue sharing upon the Agreement for operations. This case is the same as the dispute Black case No. 78/2558. The Arbitral Tribunal has merged the two cases together.

The Company received the award from the Arbitral Tribunal dated January 23, 2020 with a majority vote. The Tribunal ordered the Company to pay additional remuneration in the amount of Baht 31,076 million with interest of 1.25 percent per month after November 30, 2015 to TOT until the payment is complete.

The Company disagreed with the decision and on April 22, 2020, the Company has already filed a request for revocation of the award to the Central Administrative Court. (Black case No. 1165/2563)

Later, on April 23, 2020, TOT has submitted to request for the revocation of the decision from Arbitration Tribunal to the Central Administrative Court only regarding the issue that Arbitration Tribunal decided that the TOT's claim for the remuneration from the 11th year to 19th year (Baht 31,698 million) was submitted beyond the expiration of the claimed period. (Black case No. 1171/2563)

According to the dispute has not yet been finalized and the Company's management considers that the result of the above ruling should not be considerable impact on the financial statements of the Company.

- 5) 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 filed a lawsuit against the Company 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 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 to 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.

On March 19, 2018, the Central Administrative Court had an order this said case transferred to be under the Civil Court by the Black case No. 1681/2561.

On August 21, 2020, CAT submitted to revoke the dispute because both parties entered into the dispute settlement agreement on August 17, 2020. The Court authorized to withdraw the lawsuit and dismiss the case from the court.

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- 6) The Company submitted the claim to the Central Administrative Court for revocation of the National Telecommunication Commission order regarding revenue incurred from the temporary service for 900 MHz customer protection period after the Concession end

On May 1, 2017, the Company filed a lawsuit against office of the National Broadcasting and Telecommunication Committee (“NBTC office”), the National Telecommunication Committee (“NTC”), the National Broadcasting and Telecommunication Committee (“NBTC”) and other 5 persons to the Central Administrative Court under the Black case No. 736/2560 to revoke NBTC office’s letter and NTC resolution of the NBTC office to demanded the Company to pay revenue at remedy period from October 1, 2015 to June 30, 2016 in the amount of Baht 7,221 million plus interest.

On June 15, 2017, the Company received the indictment dated April 21, 2017 by the NBTC and the NBTC office which filed a lawsuit against the Company for the same amount to the Central Administrative Court as Black case No. 661/2560 demanded the Company to pay revenue at remedy period.

The Company’s management has considered that the Company has complied with NBTC announcement regarding the Temporary Customer Protection Plan Following the Expiration of the Agreement for operations or Telecommunication Service Agreement and the Company has obliged to submit the revenue after deducting any expenses to NBTC office but the Company has expenses which incurred from the service greater than the revenue. Therefore, the Company has no remaining revenue to submit to NBTC Office as stipulated in the announcement.

On June 12, 2020, the Central Administrative Court has revoked the NBTC’s order on ground that during the remedy period of 900 MHz, the Company has expenses which incurred from the service greater than the revenues generated.

On July 8, 2020 and July 17, 2020, the NBTC and the Office of NBTC appealed to the Supreme Administrative Court.

- 7) Claim for the additional revenue sharing from the rental charge for providing transmission services

TOT Public Company Limited (“TOT”) has submitted the dispute No. A1/2017 dated December 15, 2017 to the Arbitration Institute, Ministry of Justice by Thailand Arbitration Center (“THAC”) to claim for the payment regarding the additional revenue sharing from the rental charges for providing transmission services from January 2011 to September 2012 for the total amount of Baht 19.54 million and No. A1/2018 dated January 12, 2018 to claim for the payment regarding the additional revenue sharing from the rental charges for providing transmission services from October 2012 to September 2015 in the total amount of Baht 1,121.92 million (included VAT) including default interest rate at the rate 1.25% per month according to TOT views that the Company shall collect the rental charges for providing transmission services as the rate specified by TOT which is higher than the rental rate charged to the tenant.

On February 8, 2018, the Company has submitted the Black case No. Kor.1/2561 to the Central Administrative Court to revoke the THAC’s order for consideration the dispute No. A1/2017.

On March 2, 2018, the Central Administrative Court has dismissed the Black case No. Kor.1/2561.

On March 5, 2018, the Company has submitted the Black case No. Kor.2/2561 to the Central Administrative Court to revoke the THAC’s order for consideration the dispute No. A1/2018.

On March 16, 2018, the Central Administrative Court has dismissed the Black case No. Kor.2/2561.

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Subsequently, on April 5, 2018 and April 11, 2018, the Company had appealed the dismissal the Black case No. Kor.1/2561 and the Black case No. Kor. 2/2561, respectively.

On February 13, 2020, THAC has decided with a majority vote to revoke TOT's dispute No. A1/2017.

On February 19, 2020, the Company issued notification letter to TOT to comply with the decision from Arbitration Tribunal.

On May 14, 2020, TOT submitted a petition to the Central Administrative Court under Black case No. 1362/2563 to request dismissal of such award.

Currently, the case is in the process of the Central Administrative Court.

The Company's management believes that the rental rate charged at the reasonable market price by the Company and also approved by NBTC.

- 8) Claim for the usage of co-location, site facilities and its related equipment rental for asset under Cellular Mobile Telephone providing during the temporary customer protection period after the Concession ended of Cellular Mobile Telephone

On February 15, 2018, TOT Public Company Limited (“TOT”) has submitted the dispute No. A3/2018 to the Arbitration Institute, Ministry of Justice by Thailand Arbitration Center (“THAC”) to claim for the payment regarding the usage of co-location, site facilities and its related equipment rental for asset under Cellular Mobile Telephone providing during the temporary customer protection period after the Concession ended in the total amount of Baht 183.44 million (included VAT) plus default interest rate at 1.25% per month.

On April 5, 2018, the Company has submitted the Black case No. Kor.3/2561 to the Central Administrative Court to revoke the THAC's order for consideration the dispute No. A3/2018.

On April 25, 2018, the Central Administrative Court has dismissed the Black case No. Kor.3/2561.

Subsequently, on May 21, 2018, the Company had appealed the dismissal the Black case No. Kor.3/2561.

On October 29, 2019, TOT has filed a petition to withdraw the dispute from THAC and further submitted to the Central Administrative Court.

On February 13, 2020, the Arbitrators had ordered allowing TOT submitted a petition to the arbitrators to request the removal of the above dispute.

On August 13, 2020, the Company received a copy the Black case No. 1746/2563 dated June 30, 2020.

Currently, the case is in the process of the Central Administrative Court.

The Company's management believes that the Company has correctly complied with the relating conditions of the Agreement and the announcement of the National Broadcasting and Telecommunication Committee in all respects then the outcome of the dispute should be settled favourably and has not considered to materially impact on the financial statements of the Company.

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9) Claim for the revenue sharing from provision of roaming services

On September 27, 2018, TOT Public Company Limited (“TOT”) has submitted the dispute as Black case No. 67/2561 to the Arbitration Institute, the Alternative Dispute Resolution Office Court of Justice to claim from the Company for the additional revenue sharing from provision of roaming services from the discount of service fees without prior consent from TOT since July 2013 - September 2015 in the total amount of Baht 16,252.66 million, value added-tax plus default interest rate at 1.25% per month.

The Company received the decision from the Arbitration Tribunal dated February 4, 2020 with a majority vote dismissed the case of TOT.

On May 8, 2020, TOT submitted a petition to the Central Administrative Court under Black case No. 1309/2563 to request dismissal of such award.

The Company’s management believes that the Company has correctly and complied with the relating conditions of the Agreement in all respects, therefore the outcome of the dispute should not materially impact 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 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, totaling Baht 3,949 million.

Later, on October 1, 2008, CAT 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. DPC has correctly complied with such Cabinet’s resolution 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 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 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.

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On August 25, 2015, CAT appealed such dismissal to the Supreme Administrative Court under Black case No. Or 1070/2558. Currently, this case has been considered by the Supreme Administrative Court.

- 2) 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 submitted the Black case No. 1099/2554 to the Central Administrative Court against CAT as the defendant no. 1 and 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 submitted a petition for revision to the Administrative Court 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.

On May 31, 2019, the Central Administrative Court revoke the Black case No. 1099/2554 for the reason that the access charge is not in accordance with the law and the Notifications of National Telecommunication Commission regarding the Use and Interconnect of Telecommunication Network by calculating from the access charge according to such notifications.

TOT and DPC did not appeal to the Supreme Administrative Court so the case was terminated. TOT and DPC are reviewing historical data in order to calculate network connection fees to be paid for such judgment. Currently, both parties are not able to assess that transaction value which that data has mutually agreed.

The Company’s management believes that the outcome of this negotiation shall be in favour of DPC and have no material impact on the consolidated financial statement of the Group.

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

CAT allowed 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 for 3 months started from July 1, 2006, onwards. DPC obtained the approval from CAT to 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 approved DPC to charge roaming fee at Baht 1.10 per minute during January 1, 2009 - March 31, 2009. Moreover, DPC 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.

On July 15, 2010, CAT 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, totaling Baht 2,000 million and penalty at the rate of 1.25% per month from April 2010 until the full amount is paid by alleging that CAT approved the said roaming fee reduction up to March 31, 2007 only.

On September 12, 2011, CAT submitted a dispute to the Alternative Dispute Resolution Office, the Arbitration Institute under 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 the full amount is paid.

On April 5, 2019, DPC received the Arbitration Institute’s decision dated March 28, 2019 of all the aforementioned disputes which the majority had made decision that the agreement regarding the revenue sharing of Roaming fees (at the rate of Baht 2.10) is legitimate and the reduction of Roaming fees is CAT’s rights and authority who may or may not give approval. Therefore, DPC has to pay additional payment of revenue sharing of 10th - 12th operation year totalling amount of Baht 1,749 million plus penalty in the amount of Baht 364 million at the rate of 1.25% per month of the principle amount from April 2010 until the full amount is paid.

On July 3, 2019, DPC submitted a petition to the Central Administrative Court under Black case No. 1582/2562 to request dismissal of such award.

Currently, this case has been considered by the Central Administrative Court process which the management of the Company believes that the outcome of this dispute shall have no material impact on the consolidated financial statements of the Group.

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

On April 8, 2011, 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 submitted the Black case No. 1767/2556 to the Central Administrative Court to revoke the Arbitral Tribunal’s award.

On April 9, 2020, the Central Administrative Court issued an order to dismiss the request for revocation of the decision by Arbitration Tribunal. In this regard, CAT has the right to appeal within 30 days from the decision.

The management of the Company believes that the outcome of this dispute shall have no material impact on the consolidated financial statements of the Group.

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

On August 24, 2012, CAT 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 totaling Baht 183 million and penalty at the rate of 1.25% per month of the above principal amount starting from the default date of each year until the full amount is paid.

On April 1, 2014, CAT 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 - 16th operation year totaling Baht 203 million plus default interest at the rate of 7.5% per annum and penalty at the rate of 1.25% 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.

On September 30, 2019, DPC received the decision for Black case No. 26/2557 by the arbitration committee dated September 26, 2019, and on October 11, 2019, DPC received the decision for Black case No. 110/2555 by the Arbitration committee dated October 10, 2019, with major votes to dismiss CAT’s two disputes.

On December 17, 2019, CAT has filed by Black case No. 2754/2562 to revoke the Arbitral Tribunal’s award in Black case No. 110/2555 to the Central Administrative Court.

On December 25, 2019, CAT has filed by Black case No. 2908/2562 to revoke the Arbitral Tribunal’s award in Black case No. 26/2557 to the Central Administrative Court.

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Currently, the two said cases are under the consideration of the Central Administrative Court.

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 Group since DPC has correctly and fully complied with the law and the related conditions of the Agreement in all respects.

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

According to the Agreement for Operations, 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 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 complied with the law and the relating Agreements in all respects.

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.

Later on September 13, 2018, the Central Administrative Court has dismissed the CAT’s Black case No. 1671/2558 that revoke the Arbitral Tribunal’s award, on the reason that the award is correct and in compliance with law. The award by Arbitral Tribunal did not affect public interests and good morals, therefore such award by Tribunal Arbitral is perfectly effective. However, CAT has appealed to the Supreme Administrative Court. Currently, it is under the consideration of the Supreme Administrative Court.

The Group’s management believes that the outcome of this dispute shall be settled favourably since DPC has correctly complied with the related conditions of the Agreement in all respects as the Arbitral tribunal’s and the Central Administration Court’s decision.

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- 7) 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”) filed a lawsuit against office of the National Broadcasting and Telecommunication Committee (“NBTC Office”), National Telecommunication Committee (“NTC”), National Broadcasting and Telecommunication Committee (“NBTC”), True Move Company Limited (“True Move”), and 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, total amounts are as follows:

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

On September 11, 2015, CAT 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 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 plus interest at the rate of 7.5% per annum.
- 2) True Move, NBTC Office, NTC and NBTC in the amount of Baht 4,991 million plus interest at the rate of 7.5% per annum.
- 3) DPC, NBTC Office, NTC and NBTC in the amount of Baht 1,635 million plus interest at the rate of 7.5% per annum.

On May 27, 2016, CAT 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 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 plus interest at the rate of 7.5% per annum.
- 2) True Move, NBTC Office, NTC and NBTC in the amount of Baht 2,184 million plus interest at the rate of 7.5% per annum.
- 3) DPC, NBTC Office, NTC and NBTC in the amount of Baht 673 million plus interest at the rate of 7.5% per annum.

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During December, 2019, DPC received a request to amend the petition filed by CAT dated September 24, 2019 from the Central Administrative Court to revise the claim amount to be as follows:

Black case No. 918/2558

- 1) NBTC Office, NTC and NBTC in the amount of Baht 5,109 million plus interest at the rate of 7.5% per annum.
- 2) True Move, NBTC Office, NTC and NBTC in the amount of Baht 3,651 million plus interest at the rate of 7.5% per annum.
- 3) DPC, NBTC Office, NTC and NBTC in the amount of Baht 1,457 million plus interest at the rate of 7.5% per annum.

Black case No. 1651/2558

- 1) NBTC Office, NTC and NBTC in the amount of Baht 4,169 million plus interest at the rate of 7.5% per annum.
- 2) True Move, NBTC Office, NTC and NBTC in the amount of Baht 2,946 million plus interest at the rate of 7.5% per annum.
- 3) DPC, NBTC Office, NTC and NBTC in the amount of Baht 1,223 million plus interest at the rate of 7.5% per annum.

Black case No. 741/2559

- 1) NBTC Office, NTC and NBTC in the amount of Baht 1,858 million plus interest at the rate of 7.5% per annum.
- 2) True Move, NBTC Office, NTC and NBTC in the amount of Baht 1,336 million plus interest at the rate of 7.5% per annum.
- 3) DPC, NBTC Office, NTC and NBTC in the amount of Baht 522 million plus interest at the rate of 7.5% per annum.

On February 19, 2020, DPC submitted an objection of the request to amend the claim amount for Black case No. 741/2559.

On March 11, 2020, DPC submitted an objection of the request to amend the claim amount for Black case No. 918/2558 and 1651/2558.

Currently, the dispute has been considered by 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 due to DPC has 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.

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- 8) The claim for revocation of the National Telecommunication Committee (“NTC”) order regarding to revenue incurred from the temporary service for customer protection period after the Concession end.

On November 16, 2015, DPC, filed a lawsuit against the National Broadcasting and Telecommunication Committee (“NBTC”) to the Central Administrative Court under case No. 1997/2558 to revoke NTC resolution which office of the NBTC has demanded DPC to deliver revenue at consumer protection 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 office of the National Broadcasting and Telecommunication Committee (“NBTC office”) filed a complaint to the Central Administrative Court as the Black case No. 1441/2559 requesting DPC to submit the revenue sharing during consumer protection period, 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.

On September 7, 2018, the NBTC office issued a letter informing the resolution of the NBTC to allow DPC to send money from the service income during the protection of all subscribers, totaling Baht 869 million and when the NBTC had ever the order for DPC to send money for the first period until the amount of Baht 628 million, the remaining amount to be paid is Baht 241 million. On December 7, 2018, DPC filed a lawsuit with the Central Administrative Court to revoke such resolution of NTC.

On August 19, 2019, the Central Administrative Court ordered to merge the two cases together.

The Company’s management has considered 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 2013, and the Company has obliged to submit the revenue after deducting any expenses to NBTC but DPC has expenses which incurred from the service greater than the revenue. Therefore, DPC has no revenue remaining in order to submit to NBTC as stipulated in the announcement.

Currently, the said case is in the process of the Central Administrative Court.

- 9) 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 DPC to other operators to use.

On June 30, 2016, CAT 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 and other MHz included device or other telecom equipment 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.

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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 of damage which DPC has not pay to CAT 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.

On August 21, 2020, CAT submitted to revoke the dispute due to both parties entered into dispute settlement agreement between them on August 17, 2020.

On August 26, 2020, Alternative arbitration has ordered to withdraw the lawsuit and dismiss the case from the Court.

- 10) The claim for transferring telecom equipment under the Agreement for operations regarding cellular telecommunication services (“the Agreement”) between CAT Telecom Public Company Limited (“CAT”) and DPC.

On March 28, 2018, DPC received a Black Dispute No. 6/2561 dated January 31, 2018, which CAT submitted it to the Alternative Dispute Resolution Office, the Arbitration Institute, Court of Justice, to claim for transferring telecom equipment under the Agreement such as Tower, Container, Power Supply, Mobile Number Portability Enable and Call Center System including opportunity cost totaling Baht 13,431 million plus default interest rate at 7.5% per annum on principle amount or payment by the same amount instead of transfers such disputed equipment.

Currently, the dispute is in the arbitration process. The Company’s managements believe 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 significant impact on the consolidated financial statements of the Group.

- 11) The claim for transferring towers and containers under the Agreement for operations regarding cellular telecommunication services (“the Agreement”) between CAT Telecom Public Company Limited (“CAT”) and DPC.

On July 15, 2014, DPC submitted the disputes no. 49/2557 to the Thai Arbitration Institute, Dispute Resolution Bureau Office of the Judiciary to request the Arbitral Tribunal to give an award that transferred by 152 towers and 115 containers to CAT are not the telecommunication equipment which DPC have the duty to transfer to CAT as stipulated in the Agreement and requested for revenue sharing from that said asset by Baht 2 million.

On November 14, 2018, DPC received a Black case No. 76/2561 dated October 31, 2018 which CAT submitted it to the Thai Arbitration Institute, Dispute Resolution Bureau Office of the Judiciary in order to have a decision for DPC to deliver 155 towers (telecommunication towers), if DPC unable to deliver, DPC will have to pay damages in the amount of Baht 72 million as well as business opportunity cost for the use of poles and use of containers including interest totaling Baht 284 million and Baht 145 million, respectively. The total amount is Baht 501 million.

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DPC received the copy of decision from Arbitration Tribunal dated April 8, 2020 which the Arbitration Tribunal decided by majority vote to dismiss DPC's dispute which DPC reserves the rights to request for the revocation of such decision within 90 days from the receipt date of such decision.

On May 14, 2020, the Arbitration Tribunal ordered for a revision of errors in the decision. Therefore, the submission period of request to revoke the Arbitration Tribunal's decision was changed to August 12, 2020 instead.

On August 11, 2020, DPC submitted to revoke the decision by Arbitration Tribunal to the Central Administrative Court.

On August 21, 2020, CAT submitted to revoke the dispute because both parties entered into dispute settlement agreement between them on August 17, 2020.

On August 26, 2020, the Central Administrative Court authorized for the withdrawal of lawsuit and dismiss the case from the Court.

Advanced Wireless Network Company Limited (“AWN”)

- 1) 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 Public Company Limited. (“CAT”) subject to the Agreement for Operations regarding Cellular Telecommunication Service between CAT and DPC (“the Agreement”)

On June 30, 2016, CAT filed a lawsuit to the Central Administrative Court as the Black case No.1039/2559 against 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 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 million per month plus interest at the rate of 7.5% per annum of the accrued 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.

On March 19, 2018, the Central Administrative Court had an order this said case transferred to be under the Civil Court by Black case No. 1680/2561. Currently, the case is in consideration process of the Civil Court.

On August 21, 2020, CAT submitted to revoke the dispute because both parties entered into dispute settlement agreement between them on August 17, 2020.

On August 26, 2020, the court authorized for the withdrawal of the lawsuit and dismiss the case from the court.

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- 2) The claim of payment for usage in telecom equipment and networks, internal building transmission and electricity co-usage under the Agreement for operations between Advanced Info Service Public Company Limited (“AIS”) and TOT Public Company Limited (“TOT”)

On February 11, 2017, AWN received the Complaint Civil Black case No. 454/2560 dated January 31, 2017 which TOT filed a lawsuit against AWN to pay usage regarding telecom equipment and networks, internal building transmission and electricity co-usage which AWN has use of such assets during October 1, 2015 until June 30, 2016 in the amount of Baht 559.62 million and interest of Baht 15.87 million from the default date. Total principal and interest amount are Baht 575.49 million plus interest of 7.5% per annum of principal amount Baht 559.62 million, counting from the date of filing until the payment has been made in full.

On May 31, 2018, the Civil Court gave the decision and order AWN to pay for usage regarding telecom equipment and networks, internal building transmission and electricity co-usage including interest to TOT.

On November 19, 2018, AWN had appealed such decision of the Civil Court to the Court of Appeal.

On September 25, 2019, TOT and AWN entered into the dispute resolution agreement which AWN paid for usage of telecommunication equipment fees including interest to TOT as the Civil Court’s judgment.

On October 2, 2019, AWN filed for revocation of its appeal to the Court of Appeal and TOT did not object such revocation.

On April 20, 2020, AWN was informed that the Civil Court announced the judgment by the Court of Appeal, the Court of Appeal issued an order to revoke the appeal and dismiss the case from the Court of Appeal's system on January 23, 2020. The case was terminated.

- 3) The claim for revocation of the NBTC’s order regarding to Mobile Number Portability (MNP)

During 2015 - 2020, AWN received the administrative order (“Order”) from the Office of NBTC to pay administrative fines regarding the mobile number portability issue in the amount of Baht 221 million and Baht 605 million, respectively. AWN submitted for the revocation of Order to the Central Administrative Court under the Black case no. 1357/2560 and the Black case no. 2212/2563, respectively. On August 26, 2020, the Central Administrative Court provided decision under the Black case no. 1357/2560 to revoke the Order determining administrative fines exceeding Baht 20,000 per day, as a result the administrative fines were decreased to Baht 0.82 million instead. On September 25, 2020, AWN appealed to the Supreme Administrative Court to revoke all the Order regarding administrative fines. Currently the case is under the consideration of the Supreme Administrative Court.

As for the Black case no. 2212/2563, it is under the consideration of the Central Administrative Court.

The Company's management believes that AWN conducted everything correctly, therefore the outcome of this case should not be significant impact on the consolidated financial statement of the Group.

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MIMO Tech Company Limited (“MMT”)

The claim for the compensation amount from MMT for the termination of printing contract with Paper Mate (Thailand) Co., Ltd.

On February 26, 2019, Paper Mate (Thailand) Co., Ltd. filed a lawsuit to the Civil Court under the Black case No. 1016/2562 for the compensation amount from MMT for the termination of printing contract, the claiming amount of damages and lack of revenue is Baht 280 million in total.

Currently, the case is under the consideration of Civil Court.

The Groups management believes that MMT has correctly and fully complied with the related conditions of the contract in all respects then the outcome of the said case should not be considerable impact on the consolidated financial statements of the Group.

23. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issue by the Board of Directors on November 5, 2020.