

**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 June 30, 2021, and the related consolidated and separate statements of profit or loss, profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2021, and the related consolidated and separate statements of changes in shareholders’ equity and cash flows for the six-month period ended June 30, 2021, 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”.

BANGKOK
August 3, 2021

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 JUNE 30, 2021

UNIT : THOUSAND BAHT

| | NOTES | CONSOLIDATED | | SEPARATE | |
|--|-------|----------------------|--------------------|----------------------|-------------------|
| | | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | | As at | As at | As at | As at |
| | | June 30, | December 31, | June 30, | December 31, |
| | | 2021 | 2020 | 2021 | 2020 |
| | | “Unaudited” | | “Unaudited” | |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 18 | 16,970,121 | 18,420,769 | 720,280 | 614,806 |
| Specifically-designated bank deposits | 3 | 1,433,155 | 1,909,701 | - | - |
| Restricted deposits at a financial institution | | 11,200 | 11,200 | - | - |
| Trade and other current receivables | 4, 18 | 17,461,121 | 17,781,190 | 1,794,898 | 1,753,890 |
| Contract assets | 5 | 1,397,597 | 1,448,323 | - | - |
| Short-term loans to related parties | 18 | - | - | 60,673,000 | 52,543,000 |
| Inventories | | 3,188,983 | 2,372,086 | - | - |
| Current tax assets | | 6,672 | 1,092 | - | - |
| Other current financial assets | 19 | 280,841 | - | - | - |
| Other current assets | | 438,508 | 211,038 | 4,184 | 5,291 |
| Total current assets | | 41,188,198 | 42,155,399 | 63,192,362 | 54,916,987 |
| Non-current assets | | | | | |
| Other non-current financial assets | 6 | 110,031 | 110,031 | 67,695 | 67,695 |
| Investments in subsidiaries | 7 | - | - | 35,266,158 | 33,819,366 |
| Investments in joint ventures | 8 | 693,728 | 799,044 | - | - |
| Investment in an associate | 8 | 33,728 | 31,588 | - | - |
| Property, plant and equipment | 9 | 117,184,140 | 122,517,638 | 58,474 | 56,166 |
| Right-of-use assets | 9 | 54,690,532 | 58,722,695 | 187,582 | 225,706 |
| Goodwill | | 2,881,700 | 2,881,700 | - | - |
| Other intangible assets other than goodwill | 9 | 9,315,262 | 7,122,853 | 7,593 | 6,404 |
| Spectrum licenses | 9 | 137,828,725 | 110,219,201 | - | - |
| Deferred tax assets | | 4,130,815 | 4,120,355 | 484,933 | 485,422 |
| Other non-current assets | | 1,589,154 | 1,490,073 | 304,078 | 318,805 |
| Total non-current assets | | 328,457,815 | 308,015,178 | 36,376,513 | 34,979,564 |
| Total assets | | 369,646,013 | 350,170,577 | 99,568,875 | 89,896,551 |

See condensed notes to the financial statements

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2021

UNIT : THOUSAND BAHT

| | NOTES | CONSOLIDATED | | SEPARATE | |
|---|--------|----------------------|--------------------|----------------------|-------------------|
| | | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | | As at | As at | As at | As at |
| | | June 30, | December 31, | June 30, | December 31, |
| | | 2021 | 2020 | 2021 | 2020 |
| | | “Unaudited” | | “Unaudited” | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| Current liabilities | | | | | |
| Short-term borrowings from financial institutions | 10 | - | 4,900,000 | - | - |
| Trade and other current payables | 11, 18 | 40,348,455 | 40,570,675 | 2,722,274 | 2,779,758 |
| Provision for revenue sharing | | 5,248,417 | 5,248,417 | 5,107,843 | 5,107,843 |
| Unearned income - mobile phone service | | 4,386,859 | 4,348,673 | 9,177 | 9,177 |
| Advance received from customers | | 1,433,155 | 1,909,701 | - | - |
| Current portion of long-term liabilities | 10, 18 | 12,738,399 | 13,848,369 | - | - |
| Current portion of spectrum licenses payable | 12 | 14,082,801 | 10,538,021 | - | - |
| Current portion of lease liabilities | 10, 18 | 10,497,028 | 10,212,817 | 121,586 | 116,638 |
| Short-term borrowings from related parties | 10, 18 | - | - | 5,370,000 | 5,080,000 |
| Corporate income tax payable | | 2,069,644 | 1,867,303 | 33,016 | 35,691 |
| Other current financial liabilities | 19 | - | 297,202 | - | - |
| Other current liabilities | | 65,619 | 72,246 | 93 | 93 |
| Total current liabilities | | 90,870,377 | 93,813,424 | 13,363,989 | 13,129,200 |
| Non-current liabilities | | | | | |
| Long-term liabilities | 10, 18 | 80,897,709 | 79,301,185 | 6,492,320 | - |
| Lease liabilities | 10, 18 | 44,361,338 | 48,150,497 | 75,332 | 118,716 |
| Provision for employee benefit | | 3,219,963 | 3,179,944 | 400,042 | 394,890 |
| Spectrum licenses payable | 12 | 67,985,316 | 42,911,011 | - | - |
| Unrealized adjustment value of spectrum license | 1, 20 | - | 3,283,533 | - | - |
| Other non-current financial liabilities | 19 | 937,429 | 1,225,258 | - | - |
| Other non-current liabilities | | 2,703,568 | 2,616,358 | 22,259 | 20,104 |
| Total non-current liabilities | | 200,105,323 | 180,667,786 | 6,989,953 | 533,710 |
| Total liabilities | | 290,975,700 | 274,481,210 | 20,353,942 | 13,662,910 |

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2021

UNIT : THOUSAND BAHT

| | NOTES | CONSOLIDATED | | SEPARATE | |
|--|-------|----------------------|--------------|----------------------|--------------|
| | | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | | As at | As at | As at | As at |
| | | June 30, | December 31, | June 30, | December 31, |
| | | 2021 | 2020 | 2021 | 2020 |
| | | “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 | | | | | |
| | | 2,973,926 | 2,973,554 | 2,973,926 | 2,973,554 |
| Share premium | | | | | |
| Share premium on ordinary shares | | | | | |
| | | 22,506,296 | 22,446,531 | 22,506,296 | 22,446,531 |
| 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 | | | | | |
| | | 53,625,042 | 50,882,428 | 53,625,042 | 50,882,428 |
| Other components of shareholders' equity | | | | | |
| | | (390,331) | (568,872) | (390,331) | (568,872) |
| Total shareholders' equity attributable to owners | | | | | |
| of the Company | | | | | |
| | | 78,545,276 | 75,563,984 | 79,214,933 | 76,233,641 |
| Non-controlling interests | | | | | |
| | | 125,037 | 125,383 | - | - |
| Total shareholders' equity | | | | | |
| | | 78,670,313 | 75,689,367 | 79,214,933 | 76,233,641 |
| Total liabilities and shareholders' equity | | | | | |
| | | 369,646,013 | 350,170,577 | 99,568,875 | 89,896,551 |

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 JUNE 30, 2021

“UNAUDITED”

UNIT : THOUSAND BAHT

| | NOTES | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|---|-------|--------------------------------------|---------------------|----------------------------------|------------------|
| | | 2021 | 2020 | 2021 | 2020 |
| Revenues | | | | | |
| Revenues from rendering of services and equipment rentals | 18 | 35,641,327 | 35,723,576 | 451,872 | 545,844 |
| Revenue from sale of goods | 18 | 7,115,590 | 6,532,313 | - | - |
| Total revenues | | <u>42,756,917</u> | <u>42,255,889</u> | <u>451,872</u> | <u>545,844</u> |
| Costs | | | | | |
| Cost of rendering of services and equipment rentals | 18 | (21,012,175) | (20,395,512) | (271,517) | (271,786) |
| Cost of sale of goods | | (6,923,134) | (6,371,784) | - | - |
| Total costs | | <u>(27,935,309)</u> | <u>(26,767,296)</u> | <u>(271,517)</u> | <u>(271,786)</u> |
| Gross profit | | 14,821,608 | 15,488,593 | 180,355 | 274,058 |
| Distribution costs and administrative expenses | | | | | |
| Distribution costs | | (1,237,474) | (1,600,174) | (444) | (102) |
| Administrative expenses | | (3,907,862) | (4,425,494) | (20,463) | (11,377) |
| Total distribution costs and administrative expenses | | <u>(5,145,336)</u> | <u>(6,025,668)</u> | <u>(20,907)</u> | <u>(11,479)</u> |
| Profit from operating activities | | 9,676,272 | 9,462,925 | 159,448 | 262,579 |
| Finance income | 18 | 55,935 | 102,620 | 111,865 | 101,702 |
| Other income | 18 | 568,221 | 81,410 | 18,614 | 39,211 |
| Share of profit (loss) of subsidiaries, joint ventures and an associate accounted for using equity method | 7, 8 | (32,546) | 80 | 6,854,272 | 6,717,331 |
| Net gain (loss) on foreign exchange rate | | (332,997) | 699,787 | (1,394) | 624 |
| Gain (loss) from fair value measurement of derivative assets | | 175,552 | (349,915) | - | - |
| Management benefit expenses | 18 | (37,652) | (39,847) | (37,652) | (39,837) |
| Finance costs | 18 | (1,460,442) | (1,545,804) | (32,320) | (14,727) |
| Profit before tax expense | | 8,612,343 | 8,411,256 | 7,072,833 | 7,066,883 |
| Tax expense | 15 | (1,571,088) | (1,410,710) | (32,016) | (65,769) |
| Profit for the periods | | <u>7,041,255</u> | <u>7,000,546</u> | <u>7,040,817</u> | <u>7,001,114</u> |
| Profit attributable to | | | | | |
| Owners of the Company | | 7,040,817 | 7,001,114 | 7,040,817 | 7,001,114 |
| Non-controlling interests | | 438 | (568) | - | - |
| Profit for the periods | | <u>7,041,255</u> | <u>7,000,546</u> | <u>7,040,817</u> | <u>7,001,114</u> |
| Earnings per share (in Baht) | 16 | | | | |
| Basic earnings per share | | 2.37 | 2.35 | 2.37 | 2.35 |
| Diluted earnings per share | | 2.37 | 2.35 | 2.37 | 2.35 |

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 JUNE 30, 2021
“UNAUDITED”

UNIT : THOUSAND BAHT

| | CONSOLIDATED | | SEPARATE | |
|---|----------------------|------------------|----------------------|------------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | 2021 | 2020 | 2021 | 2020 |
| Profit for the periods | 7,041,255 | 7,000,546 | 7,040,817 | 7,001,114 |
| Other comprehensive income | | | | |
| Components of other comprehensive income that | | | | |
| will be subsequently reclassified to profit or loss | | | | |
| Exchange differences on translating financial statement | 2,417 | - | - | - |
| Loss on cash flow hedges | (40,427) | (102,029) | - | - |
| Share of other comprehensive loss of subsidiaries | | | | |
| accounted for using equity method | - | - | (29,925) | (81,623) |
| Income tax relating to components of other comprehensive | | | | |
| income that will be subsequently reclassified to profit or loss | 8,085 | 20,406 | - | - |
| Other comprehensive income for the periods - net of tax | <u>(29,925)</u> | <u>(81,623)</u> | <u>(29,925)</u> | <u>(81,623)</u> |
| Total comprehensive income for the periods | <u>7,011,330</u> | <u>6,918,923</u> | <u>7,010,892</u> | <u>6,919,491</u> |
| Total comprehensive income attributable to | | | | |
| Owners of the Company | 7,010,892 | 6,919,491 | 7,010,892 | 6,919,491 |
| Non-controlling interests | 438 | (568) | - | - |
| Total comprehensive income for the periods | <u>7,011,330</u> | <u>6,918,923</u> | <u>7,010,892</u> | <u>6,919,491</u> |

See condensed notes to the financial statements

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

“UNAUDITED”

UNIT : THOUSAND BAHT

| | NOTES | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|--|-------|--------------------------------------|---------------------|----------------------------------|-------------------|
| | | 2021 | 2020 | 2021 | 2020 |
| Revenues | | | | | |
| Revenues from rendering of services and equipment rentals | 18 | 71,816,465 | 72,103,488 | 903,744 | 979,157 |
| Revenue from sale of goods | 18 | 16,801,619 | 12,997,799 | - | - |
| Total revenues | | <u>88,618,084</u> | <u>85,101,287</u> | <u>903,744</u> | <u>979,157</u> |
| Costs | | | | | |
| Cost of rendering of services and equipment rentals | 18 | (42,138,414) | (40,733,604) | (584,944) | (582,975) |
| Cost of sale of goods | | (16,551,584) | (12,790,719) | - | - |
| Total costs | | <u>(58,689,998)</u> | <u>(53,524,323)</u> | <u>(584,944)</u> | <u>(582,975)</u> |
| Gross profit | | 29,928,086 | 31,576,964 | 318,800 | 396,182 |
| Distribution costs and administrative expenses | | | | | |
| Distribution costs | | (2,879,785) | (3,362,007) | (629) | (515) |
| Administrative expenses | | (7,759,398) | (8,936,809) | (47,320) | (39,553) |
| Total distribution costs and administrative expenses | | <u>(10,639,183)</u> | <u>(12,298,816)</u> | <u>(47,949)</u> | <u>(40,068)</u> |
| Profit from operating activities | | 19,288,903 | 19,278,148 | 270,851 | 356,114 |
| Finance income | 18 | 119,665 | 194,622 | 173,208 | 246,451 |
| Other income | 18 | 726,996 | 308,274 | 39,682 | 51,738 |
| Share of profit (loss) of subsidiaries, joint ventures and an associate accounted for using equity method | 7, 8 | (93,338) | (7,341) | 13,388,830 | 13,321,234 |
| Net loss on foreign exchange rate | | (893,646) | (218,481) | (1,722) | (47) |
| Gain from fair value measurement of derivative assets | | 513,283 | 137,860 | - | - |
| Management benefit expenses | 18 | (82,212) | (79,838) | (82,212) | (79,808) |
| Finance costs | 18 | (2,846,149) | (3,110,145) | (43,784) | (33,271) |
| Profit before tax expense | | 16,733,502 | 16,503,099 | 13,744,853 | 13,862,411 |
| Tax expense | 15 | (3,047,726) | (2,745,591) | (60,147) | (105,103) |
| Profit for the periods | | <u>13,685,776</u> | <u>13,757,508</u> | <u>13,684,706</u> | <u>13,757,308</u> |
| Profit attributable to | | | | | |
| Owners of the Company | | 13,684,706 | 13,757,308 | 13,684,706 | 13,757,308 |
| Non-controlling interests | | 1,070 | 200 | - | - |
| Profit for the periods | | <u>13,685,776</u> | <u>13,757,508</u> | <u>13,684,706</u> | <u>13,757,308</u> |
| Earnings per share (in Baht) | 16 | | | | |
| Basic earnings per share | | <u>4.60</u> | <u>4.63</u> | <u>4.60</u> | <u>4.63</u> |
| Diluted earnings per share | | <u>4.60</u> | <u>4.63</u> | <u>4.60</u> | <u>4.63</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 SIX-MONTH PERIOD ENDED JUNE 30, 2021

“UNAUDITED”

UNIT : THOUSAND BAHT

| | CONSOLIDATED | | SEPARATE | |
|---|----------------------|------------|----------------------|------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | 2021 | 2020 | 2021 | 2020 |
| Profit for the periods | 13,685,776 | 13,757,508 | 13,684,706 | 13,757,308 |
| Other comprehensive income | | | | |
| Components of other comprehensive income that | | | | |
| will be subsequently reclassified to profit or loss | | | | |
| Exchange differences on translating financial statement | 5,162 | - | - | - |
| Gain (loss) on cash flow hedges | 284,689 | (294,868) | - | - |
| Share of other comprehensive gain (loss) of subsidiaries | | | | |
| accounted for using equity method | - | - | 232,913 | (235,894) |
| Income tax relating to components of other comprehensive | | | | |
| income that will be subsequently reclassified to profit or loss | (56,938) | 58,974 | - | - |
| Other comprehensive income for the periods - net of tax | 232,913 | (235,894) | 232,913 | (235,894) |
| Total comprehensive income for the periods | 13,918,689 | 13,521,614 | 13,917,619 | 13,521,414 |
| Total comprehensive income attributable to | | | | |
| Owners of the Company | 13,917,619 | 13,521,414 | 13,917,619 | 13,521,414 |
| Non-controlling interests | 1,070 | 200 | - | - |
| Total comprehensive income for the periods | 13,918,689 | 13,521,614 | 13,917,619 | 13,521,414 |

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 SIX-MONTH PERIOD ENDED JUNE 30, 2021

“UNAUDITED”

UNIT : THOUSAND BAHT

| Notes | Issued and share capital | Share premium | Other deficits | Retained earnings | | 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 | Unappro- priated | Reserve for share- based payment | Gain on dilution of investment | Hedging reserves | Fair value reserves | Total other components of shareholders' equity | | | |
| Balance as at January 1, 2020 | 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 | - | - | - | - | 11,182 | - | - | - | 11,182 | 11,182 | - | 11,182 |
| Dividends paid | 17 | - | - | - | (10,583,800) | - | - | - | - | - | (10,583,800) | (432) | (10,584,232) |
| Total contributions by and distributions to owners of the Company | | 376 | 60,461 | - | (10,583,800) | (49,655) | - | - | - | (49,655) | (10,572,618) | (432) | (10,573,050) |
| Total transactions with owners, recorded directly in shareholders' equity | | 376 | 60,461 | - | (10,583,800) | (49,655) | - | - | - | (49,655) | (10,572,618) | (432) | (10,573,050) |
| Comprehensive income for the period | | | | | | | | | | | | | |
| Profit for the period | | - | - | - | - | 13,757,308 | - | - | (235,894) | (235,894) | 13,521,414 | 200 | 13,521,614 |
| Total comprehensive income for the period | | - | - | - | - | 13,757,308 | - | - | (235,894) | (235,894) | 13,521,414 | 200 | 13,521,614 |
| Balance as at June 30, 2020 | <u>2,973,554</u> | <u>22,446,531</u> | <u>(669,657)</u> | <u>500,000</u> | <u>46,929,243</u> | <u>140,090</u> | <u>161,187</u> | <u>(957,776)</u> | <u>45,457</u> | <u>(611,042)</u> | <u>71,568,629</u> | <u>127,839</u> | <u>71,696,468</u> |

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021
"UNAUDITED"

UNIT : THOUSAND BAHT

| Notes | Issued and paid share capital | Share premium | Other deficits | Retained earnings | | 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 | Currency Conversion | Hedging reserves | Fair value reserves | Total other components of shareholders' equity | | | |
| Balance as at January 1, 2021 | 2,973,554 | 22,446,531 | (669,657) | 500,000 | 50,882,428 | 146,535 | 161,187 | 2,921 | (922,874) | 43,359 | (568,872) | 75,563,984 | 125,383 | 75,689,367 |
| Transactions with owners, recorded directly in shareholders' equity | | | | | | | | | | | | | | |
| Contributions by and distributions to owners of the Company | | | | | | | | | | | | | | |
| Increase in share capital | 13 | 372 | 59,765 | - | - | (60,137) | - | - | - | - | (60,137) | - | - | - |
| Share-based payment transaction | 13 | - | - | - | - | 5,765 | - | - | - | - | 5,765 | 5,765 | - | 5,765 |
| Dividends paid | 17 | - | - | - | (10,942,092) | - | - | - | - | - | - | (10,942,092) | (536) | (10,942,628) |
| Total contributions by and distributions to owners of the Company | | 372 | 59,765 | - | (10,942,092) | (54,372) | - | - | - | - | (54,372) | (10,936,327) | (536) | (10,936,863) |
| Changes in ownership interest in a subsidiary | | | | | | | | | | | | | | |
| Change in ownership interest in a subsidiary | | - | - | - | - | - | - | - | - | - | - | - | (880) | (880) |
| Total changes in ownership interest in a subsidiary | | - | - | - | - | - | - | - | - | - | - | - | (880) | (880) |
| Total transactions with owners, recorded directly in shareholders' equity | | 372 | 59,765 | - | (10,942,092) | (54,372) | - | - | - | - | (54,372) | (10,936,327) | (1,416) | (10,937,743) |
| Comprehensive income for the period | | | | | | | | | | | | | | |
| Profit for the period | | - | - | - | 13,684,706 | - | - | 5,162 | 227,751 | - | 232,913 | 13,917,619 | 1,070 | 13,918,689 |
| Total comprehensive income for the period | | - | - | - | 13,684,706 | - | - | 5,162 | 227,751 | - | 232,913 | 13,917,619 | 1,070 | 13,918,689 |
| Balance as at June 30, 2021 | | 2,973,926 | 22,506,296 | (669,657) | 500,000 | 53,625,042 | 92,163 | 161,187 | 8,083 | (695,123) | 43,359 | 78,545,276 | 125,037 | 78,670,313 |

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 SIX-MONTH PERIOD ENDED JUNE 30, 2021
“UNAUDITED”

UNIT : THOUSAND BAHT

| | | Retained earnings | | | | Other components of shareholders' equity | | | | | |
|---|----|-------------------------------|---------------|---------------|----------------|--|--------------------------------|---------------------|---|--|----------------------------|
| | | Issued and paid share capital | Share premium | Legal reserve | Unappropriated | Reserve for share-based payment | Gain on dilution of investment | Fair value reserves | Share of other comprehensive (loss) of subsidiaries accounted for using equity method | Total other components of shareholders' equity | Total shareholders' equity |
| Notes | | | | | | | | | | | |
| Balance as at January 1, 2020 | | 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 | | | | | | | | | | | |
| Increase in share capital | 13 | 376 | 60,461 | - | - | (60,837) | - | - | - | (60,837) | - |
| Share-based payment transaction | 13 | - | - | - | - | 11,182 | - | - | - | 11,182 | 11,182 |
| Dividends paid | 17 | - | - | - | (10,583,800) | - | - | - | - | - | (10,583,800) |
| Total transactions with owners, recorded directly in shareholders' equity | | 376 | 60,461 | - | (10,583,800) | (49,655) | - | - | - | (49,655) | (10,572,618) |
| Comprehensive income for the period | | | | | | | | | | | |
| Profit for the period | | - | - | - | 13,757,308 | - | - | - | (235,894) | (235,894) | 13,521,414 |
| Total comprehensive income for the period | | - | - | - | 13,757,308 | - | - | - | (235,894) | (235,894) | 13,521,414 |
| Balance as at June 30, 2020 | | 2,973,554 | 22,446,531 | 500,000 | 46,929,243 | 140,090 | 161,187 | 16,682 | (929,001) | (611,042) | 72,238,286 |

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

SEPARATE FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

“UNAUDITED”

UNIT : THOUSAND BAHT

| | | Retained earnings | | | | Other components of shareholders' equity | | | | | |
|-------|--|-------------------------------|---------------|---------------|----------------|--|--------------------------------|---------------------|--|--|----------------------------|
| | | Issued and paid share capital | Share premium | Legal reserve | Unappropriated | Reserve for share-based payment | Gain on dilution of investment | Fair value reserves | Share of other comprehensive gain (loss) of subsidiaries accounted for using equity method | Total other components of shareholders' equity | Total shareholders' equity |
| Notes | | share capital | premium | reserve | Unappropriated | payment | investment | reserves | | equity | equity |
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See condensed notes to the financial statements

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

“UNAUDITED”

UNIT : THOUSAND BAHT

| | NOTES | CONSOLIDATED | | SEPARATE | |
|--|-------|----------------------|-------------------|----------------------|----------------|
| | | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | | 2021 | 2020 | 2021 | 2020 |
| Cash flows from operating activities | | | | | |
| Profit for the periods | | 13,685,776 | 13,757,508 | 13,684,706 | 13,757,308 |
| Adjustments for | | | | | |
| Depreciation and Amortization | 9 | 26,385,915 | 25,868,567 | 68,144 | 77,167 |
| Finance income | | (119,665) | (194,622) | (173,208) | (246,451) |
| Finance costs | | 2,846,149 | 3,110,145 | 43,784 | 33,271 |
| Expected credit losses | | 1,003,171 | 1,621,602 | - | - |
| Share-based payment transaction | 13 | 5,765 | 11,182 | 5,765 | 11,182 |
| (Reversal of) loss for obsolete, decline in value and write-off inventories | | 24,659 | (78,830) | - | - |
| Loss on unused equipment | 9 | 310,084 | 372,802 | - | - |
| Loss on terminate contract assets | | 52,361 | 330,820 | - | - |
| (Gain) loss on sales and write-off of assets | | 7,687 | 15,521 | (1,413) | (3,171) |
| Net unrealized (gain) loss on foreign exchange rate and fair value measurement of derivative assets | | 223,687 | (81,090) | 1,683 | (70) |
| Share of (profit) loss of subsidiaries, joint ventures and an associate accounted for using equity method | 7, 8 | 93,338 | 7,341 | (13,388,830) | (13,321,234) |
| Employee benefit expense | | 102,483 | 96,356 | 25,632 | 10,958 |
| Tax expense | | 3,047,726 | 2,745,591 | 60,147 | 105,103 |
| Cash provided by operation before changes in operating assets and liabilities | | 47,669,136 | 47,582,893 | 326,410 | 424,063 |
| Changes in operating assets and liabilities | | | | | |
| Specifically-designated bank deposits | | 476,546 | 257,382 | - | - |
| Trade and other current receivables | | (673,711) | (3,195,101) | (10,639) | (34,722) |
| Contract assets | | (1,635) | (74,785) | - | - |
| Inventories | | (841,556) | 1,755,545 | - | - |
| Other current assets | | (226,604) | 214,648 | 1,107 | 61,020 |
| Other non-current assets | | (151,343) | (343,466) | 14,727 | (58,792) |
| Trade and other current payables | | (1,504,341) | (2,875,131) | (110,139) | (93,689) |
| Unearned income - mobile phone service | | 38,186 | 198,149 | - | - |
| Advance received from customers | | (476,546) | (257,382) | - | - |
| Other current liabilities | | (6,616) | 18,453 | - | 149 |
| Other financial liabilities | | (3,141) | (107,536) | - | - |
| Other non-current liabilities | | (17,106) | (10,620) | - | - |
| Cash generated from operating activities | | 44,281,269 | 43,163,049 | 221,466 | 298,029 |
| Employee benefit paid | | (92,566) | (49,156) | (24,044) | (10,450) |
| Tax paid | | (2,919,228) | (788,657) | (62,332) | (18,720) |
| Net cash provided by operating activities | | 41,269,475 | 42,325,236 | 135,090 | 268,859 |

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

“UNAUDITED”

UNIT : THOUSAND BAHT

| | NOTES | CONSOLIDATED | | SEPARATE | |
|--|--------|----------------------|---------------------|----------------------|---------------------|
| | | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | | 2021 | 2020 | 2021 | 2020 |
| Cash flows from investing activities | | | | | |
| Interest received | | 119,949 | 196,681 | 142,839 | 345,477 |
| Purchase of property, plant, equipment and other intangible assets other than goodwill | | (10,993,326) | (12,660,501) | (14,963) | (15,640) |
| Proceed from sale of equipment | | 32,298 | 8,938 | 6,407 | 946 |
| Payment of spectrum license | 12 | (8,818,800) | (1,960,229) | - | - |
| Net increase in short-term loans to related parties | 18 | - | - | (8,130,000) | (1,176,000) |
| Increase in investments in joint ventures | 8 | - | (225,900) | - | - |
| Increase in investments in subsidiaries | | - | - | - | (25,000) |
| Dividends received | | 15,000 | 9,000 | 12,174,950 | 9,607,864 |
| Net cash provided by (used in) investing activities | | (19,644,879) | (14,632,011) | 4,179,233 | 8,737,647 |
| Cash flows from financing activities | | | | | |
| Finance costs paid | | (1,875,503) | (2,210,872) | (35,027) | (40,572) |
| Lease liabilities paid | 10 | (5,860,175) | (5,591,778) | (56,817) | (63,672) |
| Net decrease in short-term borrowings from financial institutions | 10 | (4,900,000) | - | - | - |
| Net increase in short-term borrowings from related parties | 10, 18 | - | - | 290,000 | 300,000 |
| Proceeds from long-term borrowings | 10 | 8,000,000 | 5,000,000 | 6,500,000 | - |
| Repayments of long-term liabilities | 10 | (7,490,580) | (8,114,280) | - | - |
| Proceeds from issue of ordinary shares | | - | - | 35,087 | 33,188 |
| Cash paid for purchase of a subsidiary from non-controlling interest | | (880) | - | - | - |
| Dividends paid | 17 | (10,942,628) | (10,584,232) | (10,942,092) | (10,583,800) |
| Net cash used in financing activities | | (23,069,766) | (21,501,162) | (4,208,849) | (10,354,856) |
| Effect of exchange rate changes on balances held in foreign currencies | | (5,478) | (2,200) | - | - |
| Net increase (decrease) in cash and cash equivalents | | (1,450,648) | 6,189,863 | 105,474 | (1,348,350) |
| Cash and cash equivalents as at January 1, | | 18,420,769 | 19,636,628 | 614,806 | 1,975,220 |
| Cash and cash equivalents as at June 30, | | 16,970,121 | 25,826,491 | 720,280 | 626,870 |
| Supplemental disclosures of cash flow information | | | | | |
| Non-cash transactions | | | | | |
| Outstanding debts arising from investments in capital expenditures, spectrum license and lease liabilities | | 153,203,077 | 155,816,087 | 201,102 | 297,655 |

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 SIX-MONTH PERIODS ENDED JUNE 30, 2021
“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 SIX-MONTH PERIODS ENDED JUNE 30, 2021
“UNAUDITED”

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 June 30, 2021, Intouch Holdings Public Company Limited is a major shareholder, holding 40.44% (As at December 31, 2020: 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 23.31% (As at December 31, 2020: 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
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2021
“UNAUDITED”

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 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.

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 January 15, 2021 to January 14, 2036 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.

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2021
“UNAUDITED”

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.

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

On February 18, 2021, 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 25.2 GHz to 26.4 GHz, nationwide in accordance with the license certificate (the “License”) No. FREQ/TEL/001, dated February 18, 2021. AWN started the operation commencing from February 18, 2021, ending February 17, 2036 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 700 MHz

On April 1, 2021, AWN has been granted permission from the Office of the National Broadcasting and Telecommunications Commission (“ NBTC”), to operate and service Cellular Mobile Telephone, frequency 700 MHz between 733 MHz to 738 MHz and 788 MHz to 793 MHz, nationwide in accordance with the license certificate (the “ License”) No. FREQ/TEL/001, dated April 1, 2021. AWN started the operation commencing from April 1, 2021, ending March 31, 2036 and AWN is obliged to comply with various conditions and pay fees within the time period as specified in the License.

- 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 - 8 years each. SBN is obliged to comply with various conditions and pay fee within the time period as specified in the License.
- 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 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.

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2021
“UNAUDITED”

Details of subsidiaries, an associate and joint ventures as at June 30, 2021 and December 31, 2020 are as follows:

| Name of the entities | Type of business | Country of incorporation | Ownership interest (%) | |
|---|---|--------------------------|------------------------|-------------------------|
| | | | As at June 30, 2021 | As at December 31, 2020 |
| 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, 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 | Service provider of training | Thailand | 99.99 | 99.99 |
| Indirect Subsidiaries | | | | |
| Advanced Datanetwork Communications Company Limited | Under liquidation process | Thailand | 51.00 ^{1, 2} | 51.00 ^{1, 2} |
| 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 | 99.68 ^{1, 3} | 99.67 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 |

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| Name of the entities | Type of business | Country of incorporation | Ownership interest (%) | |
|---|--|--------------------------|------------------------|-------------------------|
| | | | As at June 30, 2021 | As at December 31, 2020 |
| 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 | Service provider of games online | Singapore | 33.33 ¹ | 33.33 ¹ |
| Saha Advance Network Company Limited | Service provider of infrastructure developer of fibre optic network | Thailand | 70.00 ¹ | 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 June 30, 2021, ADC has Cash and cash equivalent of Baht 89 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 six-months period ended June 30, 2021, AWN purchased additional ordinary share of 100,000 ordinary shares of CSL at the price of Baht 8.80 per shares, totaling Baht 1 million representing 0.01% of total issued and paid ordinary share of CSL. Then AWN hold 592,624,524 ordinary shares of CSL or equivalent owned 99.68% 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.

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 The consolidated and separate statements of financial position as at December 31, 2020, 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.

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- 2.3 The unaudited results of operations presented in the three-month and six-month periods ended June 30, 2021 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with Thai Financial Reporting Standards, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and six-month periods ended June 30, 2021 should be read in conjunction with the audited financial statements for the year ended December 31, 2020.
- 2.5 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 six-month periods ended June 30, 2021 have included the subsidiaries' interim financial statements for the three-month and six-month periods ended June 30, 2021 which were reviewed.
- 2.6 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Group and the Company has adopted the revised financial reporting standards and the Conceptual Framework for Financial Reporting issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2021. 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, the amendment for definition of business, the amendment for definition of materiality and accounting requirements for interest rate reform. The adoption of these financial reporting standards does not have any significant impact on the Group and the Company's interim financial statements.

The Rent Concessions related to COVID-19

The Group elected to adopt the amendments to TFRS 16 Leases relating to COVID-19 related Rent Concessions. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. Any reduction in lease payments affects only payments originally due on or before June 30, 2022 and there is no substantive change to other terms and conditions of the lease.

The Group's management adopted the practical expedient regarding COVID-19 related rent concessions of this TFRS16 in the preparation of the financial statements for the three-month and six-month periods ended June 30, 2021. However, the application of such practical expedient did not have significant impact to the Group's interim financial statements.

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

The Amendment to Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”) added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

In addition, the Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards that are relevant to Interest Rate Benchmark Reform Phase 2 amendments, which have been announced in the Royal Gazette on June 28, 2021 and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards with earlier application permitted, as follow:

Thai Financial Reporting Standards (“TFRS”)

| | |
|--------|------------------------------------|
| TFRS 4 | Insurance Contracts |
| TFRS 7 | Financial Instruments: Disclosures |
| TFRS 9 | Financial Instruments |

These amendments enables the Group and the Company to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as ‘risk free rates’ or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements.

The Group and the Company’s management will adopt such TFRSs in the preparation of the Group and the Company’s financial statements when it becomes effective. The Group and the Company’s management is in the process to assess the impact of these TFRSs on the financial statements of the Group and the Company in the period of initial application.

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, 2020.

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, 2020.

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3. SPECIFICALLY-DESIGNATED BANK DEPOSITS

In order to comply with the Notification of the Bank of Thailand applicable to the electronic cash card business, the subsidiaries held deposits at call with banks not less than the subsidiaries' outstanding balance of advance received from customers which cannot be used for other purposes apart from payments to service providers in the consolidated financial statements as at June 30, 2021 amounting to Baht 1,433 million (As at December 31, 2020: Baht 1,910 million).

4. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at June 30, 2021 and December 31, 2020 are as follows:

| | Note | Consolidated financial statements | | Unit: Million Baht Separate financial statements | |
|---|------|--------------------------------------|-------------------------------|--|-------------------------------|
| | | As at June 30, 2021 | As at December 31, 2020 | As at June 30, 2021 | As at December 31, 2020 |
| Trade receivables | | | | | |
| Related parties: | 18 | | | | |
| Trade receivables | | 120 | 37 | 25 | 15 |
| Accrued income | | 49 | 16 | 6 | - |
| | | <u>169</u> | <u>53</u> | <u>31</u> | <u>15</u> |
| Other parties: | | | | | |
| Trade receivables | | 9,593 | 10,668 | 179 | 179 |
| Accrued income | | 7,976 | 7,727 | 1,574 | 1,574 |
| | | <u>17,569</u> | <u>18,395</u> | <u>1,753</u> | <u>1,753</u> |
| Total trade receivables | | <u>17,738</u> | <u>18,448</u> | <u>1,784</u> | <u>1,768</u> |
| <u>Less</u> Allowance for expected credit losses | | <u>(1,565)</u> | <u>(1,869)</u> | <u>(97)</u> | <u>(97)</u> |
| Trade receivables - net | | <u>16,173</u> | <u>16,579</u> | <u>1,687</u> | <u>1,671</u> |
| Other receivables | 18 | | | | |
| Prepaid expense | | 1,127 | 1,028 | 9 | 21 |
| Account receivable - cash card/ refill on mobile | | 46 | 74 | - | - |
| Value-added tax receivable | | 40 | 49 | - | - |
| Others | | 75 | 51 | 99 | 62 |
| | | <u>1,288</u> | <u>1,202</u> | <u>108</u> | <u>83</u> |
| Total other receivables | | <u>1,288</u> | <u>1,202</u> | <u>108</u> | <u>83</u> |
| Total trade and other current receivables | | <u>17,461</u> | <u>17,781</u> | <u>1,795</u> | <u>1,754</u> |
| | | | | | |
| | | Consolidated financial statements | | Unit: Million Baht Separate financial statements | |
| | | 2021 | 2020 | 2021 | 2020 |
| (Reversal of) Expected credit loss | | | | | |
| for the three-month periods ended June 30, | | 421 | 843 | (2) | - |
| for the six-month periods ended June 30, | | <u>891</u> | <u>1,622</u> | <u>(5)</u> | <u>-</u> |

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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 |
| | June 30, | December 31, | June 30, | December 31, |
| | 2021 | 2020 | 2021 | 2020 |
| Related parties | | | | |
| Current - overdue 3 months | 158 | 43 | 30 | 15 |
| Overdue 3 - 6 months | 6 | 3 | - | - |
| Overdue 6 - 12 months | 4 | 3 | 1 | - |
| Overdue over 12 months | 1 | 4 | - | - |
| | <u>169</u> | <u>53</u> | <u>31</u> | <u>15</u> |
| Other parties | | | | |
| Current - overdue 3 months | 14,835 | 14,450 | 74 | 1 |
| Overdue 3 - 6 months | 702 | 729 | - | - |
| Overdue 6 - 12 months | 200 | 1,325 | - | - |
| Overdue over 12 months | 1,832 | 1,891 | 1,679 | 1,752 |
| | <u>17,569</u> | <u>18,395</u> | <u>1,753</u> | <u>1,753</u> |
| <u>Less</u> Allowance for expected credit losses | <u>(1,565)</u> | <u>(1,869)</u> | <u>(97)</u> | <u>(97)</u> |
| | <u>16,004</u> | <u>16,526</u> | <u>1,656</u> | <u>1,656</u> |
| Trade receivables - net | <u>16,173</u> | <u>16,579</u> | <u>1,687</u> | <u>1,671</u> |

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

As at June 30, 2021, 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, 2020: 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.

On January 22, 2021, the Central Administrative Court has resolved to dismiss TOT’s petition, resulting in TOT shall pay the revenue share of international direct dialing service to the Company in accordance with the Arbitration ruling.

Subsequently, on February 18, 2021, TOT filed an appeal a Black case No.Or 107/2564 to the Supreme Administrative Court.

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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 June 30, 2021 and December 31, 2020 are as follows: (Separate financial statements: Nil)

| | Unit: Million Baht | |
|--|-----------------------------|---------------------|
| | Consolidated | |
| | financial statements | |
| | As at | As at |
| | June 30, | December 31, |
| | 2021 | 2020 |
| Current assets | | |
| Sales of device and monthly service contract | 1,610 | 1,715 |
| <u>Less</u> Allowance for expected credit losses | (212) | (267) |
| Contract assets - net | 1,398 | 1,448 |

| | Unit: Million Baht | |
|--|-----------------------------|-------------|
| | Consolidated | |
| | financial statements | |
| | 2021 | 2020 |
| Loss on terminate contract assets | | |
| for the three-month periods ended June 30, | 6 | 124 |
| for the six-month periods ended June 30, | 9 | 331 |

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

Other non-current financial assets as at June 30, 2021 and December 31, 2020 are as follows:

| | Consolidated financial statements | | Unit: Million Baht Separate financial statements | |
|--|--------------------------------------|-------------------------------|--|-------------------------------|
| | As at June 30, 2021 | As at December 31, 2020 | As at June 30, 2021 | As at December 31, 2020 |
| Investment in equity securities measured at fair value through other comprehensive income | 110 | 110 | 68 | 68 |
| Total | <u>110</u> | <u>110</u> | <u>68</u> | <u>68</u> |

7. INVESTMENTS IN SUBSIDIARIES

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

| | Unit: Million Baht Separate financial statements | |
|---|--|---------------|
| | 2021 | 2020 |
| Subsidiaries | | |
| Balance as at January 1, | 33,819 | 27,265 |
| Dividends received during the periods | (12,175) | (9,608) |
| Share of profit of subsidiaries accounted for using equity method | 13,389 | 13,321 |
| Share of gain (loss) of other comprehensive income in subsidiaries accounted for using equity method | 233 | (236) |
| Invested in share capital of a subsidiary | - | 25 |
| As at June 30, | <u>35,266</u> | <u>30,767</u> |

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Investments in subsidiaries as at June 30, 2021 and December 31, 2020 and dividend received for the six-month period ended June 30, are as follows:

| | Unit: Million Baht | | | | | | | | | |
|---|--------------------|----------------------|------------------|----------------------|--------------------------------------|----------------------|-----------------------------|----------------------|--------------------------------|--------------|
| | Ownership interest | | Paid-up capital | | Separate financial statement Cost | | Investment as equity method | | Dividend received | |
| | As at | As at | As at | As at | As at | As at | As at | As at | for the six-month | |
| | June 30, 2021 | December 31, 2020 | June 30, 2021 | December 31, 2020 | June 30, 2021 | December 31, 2020 | June 30, 2021 | December 31, 2020 | periods ended June 30, 2021 | 2020 |
| | % | % | | | | | | | | |
| Subsidiaries | | | | | | | | | | |
| Advanced Contact Center Co., Ltd. | 99.99 | 99.99 | 272 | 272 | 811 | 811 | 437 | 447 | 126 | 46 |
| Digital Phone Co., Ltd. | 98.55 | 98.55 | 914 | 914 | 10,226 | 10,226 | 4,166 | 4,173 | - | - |
| Advanced Magic Card Co., Ltd. | 99.99 | 99.99 | 250 | 250 | 250 | 250 | 277 | 277 | - | - |
| Advanced Mpay Co., Ltd. | 99.99 | 99.99 | 300 | 300 | 336 | 336 | 1,150 | 931 | 364 | 276 |
| AIN GlobalComm Co., Ltd. | 99.99 | 99.99 | 100 | 100 | 100 | 100 | 261 | 130 | 8 | 22 |
| Advanced Wireless Network Co., Ltd. | 99.99 | 99.99 | 1,350 | 1,350 | 1,485 | 1,485 | 22,760 | 20,990 | 5,473 | 5,535 |
| Super Broadband Network Co., Ltd. | 99.99 | 99.99 | 300 | 300 | 300 | 300 | 2,435 | 2,095 | 1,762 | 1,158 |
| Wireless Device Supply Co., Ltd. | 99.99 | 99.99 | 50 | 50 | 50 | 50 | 3 | 68 | 63 | 156 |
| Fax Lite Co., Ltd. | 99.98 | 99.98 | 1 | 1 | 1 | 1 | 2,548 | 2,640 | 2,633 | 2,142 |
| MIMO Tech Co., Ltd. | 99.99 | 99.99 | 50 | 50 | 50 | 50 | 1,015 | 1,883 | 1,746 | 252 |
| Advanced Broadband Network Co., Ltd. | 99.99 | 99.99 | 100 | 100 | 100 | 100 | 198 | 176 | - | 21 |
| Advanced Digital Distribution Co., Ltd. | 99.99 | 99.99 | 5 | 5 | 5 | 5 | 12 | 8 | - | - |
| LearnDi Co., Ltd. | 99.99 | 99.99 | 1 | 1 | 1 | 1 | 4 | 1 | - | - |
| Total | | | | | <u>13,715</u> | <u>13,715</u> | <u>35,266</u> | <u>33,819</u> | <u>12,175</u> | <u>9,608</u> |

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8. INVESTMENTS IN JOINT VENTURES AND AN ASSOCIATE

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

| | Unit: Million Baht | |
|---|-----------------------------|-------------|
| | Consolidated | |
| | financial statements | |
| | 2021 | 2020 |
| As at January 1, | 799 | 636 |
| Additional investments | - | 226 |
| Dividend paid | (15) | - |
| Currency conversion | 5 | (9) |
| Share of loss of joint ventures accounted for using equity method | (95) | (8) |
| As at June 30, | 694 | 845 |

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

| | Unit: Million Baht | |
|---|-----------------------------|-------------|
| | Consolidated | |
| | financial statements | |
| | 2021 | 2020 |
| As at January 1, | 32 | 25 |
| Share of profit of an associate accounted for using equity method | 2 | - |
| As at June 30, | 34 | 25 |

For the three-month and six-month periods ended June 30, 2021 and 2020, the Group has no purchase and sale transactions of investment in an associate.

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9. CAPITAL EXPENDITURES

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

As at June 30, 2021

| | Consolidated financial statements | | | | Unit: Million Baht |
|---|-------------------------------------|----------|----------|----------|-----------------------------------|
| | Balance as at January 1, 2021 | Increase | Decrease | Transfer | Balance as at June 30, 2021 |
| Cost: | | | | | |
| Property, plant and equipment | 269,653 | 8,526 | (338) | (7) | 277,834 |
| Right-of-use assets | 70,503 | 2,365 | (1,024) | - | 71,844 |
| Other intangible assets other than goodwill | 14,963 | 3,066 | (3) | 7 | 18,033 |
| Spectrum licenses | 153,227 | 33,232 | - | - | 186,459 |
| Total | 508,346 | 47,189 | (1,365) | - | 554,170 |
| Accumulated depreciation, amortization and allowance for unused equipment: | | | | | |
| Plant and equipment | (147,135) | (13,825) | 310 | - | (160,650) |
| Right-of-use assets | (11,780) | (6,385) | 1,012 | - | (17,153) |
| Other intangible assets other than goodwill | (7,840) | (878) | - | - | (8,718) |
| Spectrum licenses | (43,008) | (5,622) | - | - | (48,630) |
| Total | (209,763) | (26,710) | 1,322 | - | (235,151) |
| Net book value: | | | | | |
| Property, plant and equipment | 122,518 | | | | 117,184 |
| Right-of-use assets | 58,723 | | | | 54,691 |
| Other intangible assets other than goodwill | 7,123 | | | | 9,315 |
| Spectrum licenses | 110,219 | | | | 137,829 |
| Total | 298,583 | | | | 319,019 |

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As at June 30, 2020

| | | | | Unit: Million Baht |
|---|-------------------------------------|-----------------------------------|----------|-----------------------------------|
| | Balance as at January 1, 2020 | Consolidated financial statements | | Balance as at June 30, 2020 |
| | | Increase | Decrease | |
| Cost: | | | | |
| Property, plant and equipment | 244,132 | 13,043 | (308) | 256,867 |
| Right-of-use assets | 66,884 | 2,495 | (193) | 69,186 |
| Other intangible assets other than goodwill | 11,914 | 736 | (41) | 12,609 |
| Spectrum licenses | 136,444 | 16,783 | - | 153,227 |
| Total | 459,374 | 33,057 | (542) | 491,889 |
| Accumulated depreciation, amortization and allowance for unused equipment: | | | | |
| Plant and equipment | (118,723) | (14,574) | 271 | (133,026) |
| Right-of-use assets | (126) | (6,310) | 184 | (6,252) |
| Other intangible assets other than goodwill | (6,446) | (693) | 5 | (7,134) |
| Spectrum licenses | (33,370) | (4,714) | - | (38,084) |
| Total | (158,665) | (26,291) | 460 | (184,496) |
| Net book value: | | | | |
| Property, plant and equipment | 125,409 | | | 123,841 |
| Right-of-use assets | 66,758 | | | 62,934 |
| Other intangible assets other than goodwill | 5,468 | | | 5,475 |
| Spectrum licenses | 103,074 | | | 115,143 |
| Total | 300,709 | | | 307,393 |
| Depreciation, amortization and allowance for unused equipment for the six-month periods ended June 30, | | | | |
| 2021 | | Million Baht | | 26,696* |
| 2020 | | Million Baht | | 26,241* |

* During the period, the Group has received reduction in lease payments by lessors from the impacts from COVID - 19 outbreak in amount of Baht 14 million and Baht 50 million for the six-month period ended June 30, 2021 and 2020, respectively. 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 June 30, 2021

Unit: Million Baht

| | Balance as at January 1, 2021 | Separate financial statements Increase | Decrease | Balance as at June 30, 2021 |
|---|--|---|-----------------|--|
| Cost: | | | | |
| Property, plant and equipment | 1,042 | 17 | (21) | 1,038 |
| Right-of use assets | 346 | 18 | (4) | 360 |
| Other intangible assets other than goodwill | 323 | 4 | - | 327 |
| Total | 1,711 | 39 | (25) | 1,725 |
| Accumulated depreciation and amortization: | | | | |
| Plant and equipment | (986) | (10) | 16 | (980) |
| Right-of use assets | (120) | (56) | 4 | (172) |
| Other intangible assets other than goodwill | (317) | (2) | - | (319) |
| Total | (1,423) | (68) | 20 | (1,471) |
| Net book value: | | | | |
| Property, plant and equipment | 56 | | | 58 |
| Right-of use assets | 226 | | | 188 |
| Other intangible assets other than goodwill | 6 | | | 8 |
| Total | 288 | | | 254 |

As at June 30, 2020

Unit: Million Baht

| | Balance as at January 1, 2020 | Separate financial statements Increase | Decrease | Balance as at June 30, 2020 |
|---|--|---|-----------------|--|
| Cost: | | | | |
| Property, plant and equipment | 1,050 | 26 | (14) | 1,062 |
| Right-of use assets | 65 | 308 | (11) | 362 |
| Other intangible assets other than goodwill | 323 | - | - | 323 |
| Total | 1,438 | 334 | (25) | 1,747 |
| Accumulated depreciation and amortization: | | | | |
| Plant and equipment | (997) | (13) | 12 | (998) |
| Right-of use assets | (28) | (62) | 11 | (79) |
| Other intangible assets other than goodwill | (312) | (2) | - | (314) |
| Total | (1,337) | (77) | 23 | (1,391) |
| Net book value: | | | | |
| Property, plant and equipment | 53 | | | 64 |
| Right-of use assets | 37 | | | 283 |
| Other intangible assets other than goodwill | 11 | | | 9 |
| Total | 101 | | | 356 |

**Depreciation and amortization for the six-month
periods ended June 30,**

| | | |
|------|---------------------|-----------|
| 2021 | Million Baht | 68 |
| 2020 | Million Baht | 77 |

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On allocation license of spectrum for telecommunications service in 700 MHz by Advanced Wireless Network Company Limited (“AWN”), a subsidiary, is at the price of Baht 17,584 million. According to the terms and conditions, AWN paid 1st installment by 10% of the fee plus VAT, totalling Baht 1,881 million on January 13, 2021 and submitted bank guarantee to pay the remaining fee to the NBTC. For the 2nd instalment to 10th instalment of 10% of the fee plus VAT each will be paid annually since date of the first instalment. Later on, January 15, 2021, AWN is now officially granted the license to operate 700 MHz from the National Broadcasting and Telecommunications Commission (“NBTC”). AWN recognized unrealized adjustment value of spectrum license for spectrum license 900 MHz (see Note 1) of Baht 3,284 million with the cost of spectrum license 700 MHz.

On February 18, 2021, Advanced Wireless Network Company Limited (“AWN”), a subsidiary, is the auction winner for 26 GHz license at the bidding price of Baht 5,345 million. AWN is now officially granted the license to operate 26 GHz from the National Broadcasting and Telecommunications Commission (“NBTC”). According to the auction terms and conditions, AWN paid full amount of the fee plus VAT, totalling Baht 5,719 million on February 18, 2021.

On April 1, 2021, Advanced Wireless Network Company Limited (“AWN”), a subsidiary, is the auction winner for 700 MHz license at the bidding price of Baht 17,154 million. AWN is now officially granted the license to operate 700MHz from the National Broadcasting and Telecommunications Commission (“NBTC”). According to the auction terms and conditions, AWN paid 1st installment by 10% of the license price plus VAT, totalling Baht 1,835 million on March 16, 2021 and submitted bank guarantee to pay the remaining fee to the NBTC. For the 2nd instalment to 10th instalment of 10% of the fee plus VAT each will be paid annually since date of the first instalment.

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

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10. INTEREST-BEARING LIABILITIES

Interest-bearing liabilities as at June 30, 2021 and December 31, 2020 are as follows:

| | Note | Consolidated | | Unit: Million Baht | |
|--|------|----------------------|--------------|--------------------|--------------|
| | | financial statements | | Separate | |
| | | As at | As at | As at | As at |
| | | June 30, | December 31, | June 30, | December 31, |
| | | 2021 | 2020 | 2021 | 2020 |
| Current | | | | | |
| Short-term borrowings from financial institution | | - | 4,900 | - | - |
| Current portion of long-term liabilities | | | | | |
| - Current portion of long-term borrowings from financial institution | | 12,364 | 12,072 | - | - |
| - Current portion of long-term borrowings from a related party - net | 18 | 374 | - | - | - |
| - Current portion of long-term debentures | 18 | - | 1,776 | - | - |
| Total current portion of long-term liabilities | | 12,738 | 13,848 | - | - |
| Current portion of lease liabilities | 18 | 10,497 | 10,213 | 122 | 116 |
| Short-term borrowings from related parties | 18 | - | - | 5,370 | 5,080 |
| Total current | | 23,235 | 28,961 | 5,492 | 5,196 |
| Non-current | | | | | |
| Long-term liabilities | | | | | |
| - Long-term borrowings from financial institution - net | | 29,162 | 33,685 | - | - |
| - Long-term borrowing from a related party - net | 18 | 14,625 | 14,999 | - | - |
| - Long-term debentures - net | 18 | 37,111 | 30,617 | 6,492 | - |
| Total long-term liabilities | | 80,898 | 79,301 | 6,492 | - |
| Lease liabilities - net | 18 | 44,361 | 48,151 | 75 | 119 |
| Total non-current | | 125,259 | 127,452 | 6,567 | 119 |
| Total | | 148,494 | 156,413 | 12,059 | 5,315 |

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

As at June 30, 2021, the Group had undrawn long-term borrowing credit facilities amounting to Baht 15,200 million (As at December 31, 2020 : Baht 30,500 million).

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The carrying amounts and fair values of long-term debentures (gross of issue costs) as at June 30, 2021 and December 31, 2020 are as follows:

| | Unit: Million Baht | | | |
|----------------------|-----------------------------------|-------------------------------|---------------------------|-------------------------------|
| | Consolidated financial statements | | | |
| | Carrying amount | | Fair values* | |
| | As at June 30, 2021 | As at December 31, 2020 | As at June 30, 2021 | As at December 31, 2020 |
| Long-term debentures | 37,138 | 32,414 | 39,658 | 34,623 |

| | Unit: Million Baht | | | |
|----------------------|-------------------------------|-------------------------------|---------------------------|-------------------------------|
| | Separate financial statements | | | |
| | Carrying amount | | Fair values* | |
| | As at June 30, 2021 | As at December 31, 2020 | As at June 30, 2021 | As at December 31, 2020 |
| Long-term debentures | 6,500 | - | 6,597 | - |

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

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Long-term debentures

The Group and the Company issued long-term debentures that represent unsubordinated and unsecured debentures with debenture holder's representative with a par value of Baht 1,000 each. The details as at June 30, 2021 and December 31, 2020 in the consolidated financial statements and separate financial statements are as follows:

| Issue date | No. of units (Million) | Amount | Interest rate (per annum) | Term of interest payment | Principal payment term | Unit: Million Baht | | | |
|--|---------------------------|--------|------------------------------|--------------------------------|--|---------------------------|-------------------------------|---------------------------|-------------------------------|
| | | | | | | Consolidated | | Separate | |
| | | | | | | financial statements | | financial statements | |
| | | | | | | As at June 30, 2021 | As at December 31, 2020 | As at June 30, 2021 | As at December 31, 2020 |
| Advanced Info Service PCL. | | | | | | | | | |
| May 7, 2021 | 1.00 | 1,000 | Fixed interest rate of 1.58% | Semi-annual | Entirely redeemed on May 7, 2026 | 1,000 | - | 1,000 | - |
| May 7, 2021 | 2.50 | 2,500 | Fixed interest rate of 2.14% | Semi-annual | Entirely redeemed on May 7, 2028 | 2,500 | - | 2,500 | - |
| May 7, 2021 | 3.00 | 3,000 | Fixed interest rate of 2.69% | Semi-annual | Entirely redeemed on May 7, 2031 | 3,000 | - | 3,000 | - |
| Advanced Wireless Network Co., Ltd. | | | | | | | | | |
| April 11, 2014 | 1.78 | 1,776 | Fixed interest rate of 4.56% | Semi-annual | Entirely redeemed on April 11, 2021 | - | 1,776 | - | - |
| April 11, 2014 | 6.64 | 6,638 | Fixed interest rate of 4.94% | Semi-annual | Entirely redeemed on April 11, 2024 | 6,638 | 6,638 | - | - |
| May 11, 2016 | 7.82 | 7,820 | Fixed interest rate of 2.51% | Semi-annual | Entirely redeemed on May 11, 2023 | 7,820 | 7,820 | - | - |
| May 11, 2016 | 7.18 | 7,180 | Fixed interest rate of 2.78% | Semi-annual | Entirely redeemed on May 11, 2026 | 7,180 | 7,180 | - | - |
| November 30, 2017 | 9.00 | 9,000 | Fixed interest rate of 3.35% | Semi-annual | Entirely redeemed on November 30, 2027 | 9,000 | 9,000 | - | - |
| Total debentures | | | | | | 37,138 | 32,414 | 6,500 | - |
| Less bond issuing cost | | | | | | (27) | (21) | (8) | - |
| Long-term debentures | | | | | | 37,111 | 32,393 | 6,492 | - |

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

| | Consolidated financial statements | | | | | Unit: Million Baht |
|--|---|--|--|----------------------|-------------------|--------------------|
| | Short-term borrowings from financial institutions | Long-term borrowings from financial institutions | Long-term borrowing from a related party | Long-term debentures | Lease liabilities | Total |
| As at January 1, 2021 | 4,900 | 45,757 | 14,999 | 32,393 | 58,364 | 156,413 |
| Cash flows items: | | | | | | |
| Addition | 2,000 | 1,500 | - | 6,500 | - | 10,000 |
| Repayments | (6,900) | (5,714) | - | (1,776) | (5,861) | (20,251) |
| Borrowing cost | - | (23) | - | (8) | - | (31) |
| Total cash flows items | <u>(4,900)</u> | <u>(4,237)</u> | <u>-</u> | <u>4,716</u> | <u>(5,861)</u> | <u>(10,282)</u> |
| Non-cash changes items: | | | | | | |
| Addition | - | - | - | - | 2,356 | 2,356 |
| Terminate | - | - | - | - | (7) | (7) |
| Unrealized loss on foreign exchange rate | - | - | - | - | 6 | 6 |
| Amortization as expenses | - | 6 | - | 2 | - | 8 |
| Total non-cash changes items | <u>-</u> | <u>6</u> | <u>-</u> | <u>2</u> | <u>2,355</u> | <u>2,363</u> |
| As at June 30, 2021 | <u>-</u> | <u>41,526</u> | <u>14,999</u> | <u>37,111</u> | <u>54,858</u> | <u>148,494</u> |

| | Unit: Million Baht | | | | |
|--|--|--|----------------------|-------------------|----------|
| | Consolidated financial statements | | | | |
| | Long-term borrowings from financial institutions | Long-term borrowing from a related party | Long-term debentures | Lease liabilities | Total |
| As at January 1, 2020 | 58,576 | 2,999 | 32,388 | 65,430 | 159,393 |
| Cash flows items: | | | | | |
| Addition | 5,000 | - | - | - | 5,000 |
| Repayments | (8,114) | - | - | (5,592) | (13,706) |
| Total cash flows items | (3,114) | - | - | (5,592) | (8,706) |
| Non-cash changes items: | | | | | |
| Addition | - | - | - | 2,448 | 2,448 |
| Unrealized gain on foreign exchange rate | - | - | - | (3) | (3) |
| Amortization as expenses | 5 | - | 2 | - | 7 |
| Total non-cash changes items | 5 | - | 2 | 2,445 | 2,452 |
| As at June 30, 2020 | 55,467 | 2,999 | 32,390 | 62,283 | 153,139 |

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| | Unit: Million Baht | | | |
|------------------------------|--|--|-------------------|---------|
| | Short-term borrowings from related parties | Separate financial statements Long-term debentures | Lease liabilities | Total |
| As at January 1, 2021 | 5,080 | - | 235 | 5,315 |
| Cash flows items: | | | | |
| Addition | 1,390 | 6,500 | - | 7,890 |
| Repayments | (1,100) | - | (56) | (1,156) |
| Borrowing cost | - | (8) | - | (8) |
| Total cash flows items | 290 | 6,492 | (56) | 6,726 |
| Non-cash changes items: | | | | |
| Addition | - | - | 18 | 18 |
| Total non-cash changes items | - | - | 18 | 18 |
| As at June 30, 2021 | 5,370 | 6,492 | 197 | 12,059 |

| | Unit: Million Baht | | |
|-------------------------------------|--|--|------------|
| | Short-term borrowings from related parties | Separate financial statements Lease liabilities | Total |
| As at January 1, 2020 | 4,920 | 50 | 4,970 |
| Cash flows items: | | | |
| Addition | 800 | - | 800 |
| Repayments | (500) | (63) | (563) |
| Total cash flows items | 300 | (63) | 237 |
| Non-cash changes items: | | | |
| Addition | - | 307 | 307 |
| Total non-cash changes items | - | 307 | 307 |
| As at June 30, 2020 | 5,220 | 294 | 5,514 |

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11. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at June 30, 2021 and December 31, 2020 are as follows:

| | Note | Consolidated | | Unit: Million Baht Separate | |
|---|------|---------------------------|-------------------------------|--------------------------------|-------------------------------|
| | | financial statements | | financial statements | |
| | | As at June 30, 2021 | As at December 31, 2020 | As at June 30, 2021 | As at December 31, 2020 |
| Trade payables | | | | | |
| Related parties | 18 | 92 | 80 | 40 | 14 |
| Other parties | | 22,408 | 22,302 | 27 | 43 |
| Total | | <u>22,500</u> | <u>22,382</u> | <u>67</u> | <u>57</u> |
| Other payables | 18 | 17,848 | 18,189 | 2,655 | 2,723 |
| Total trade and other current payables | | <u>40,348</u> | <u>40,571</u> | <u>2,722</u> | <u>2,780</u> |

12. SPECTRUM LICENSES PAYABLE

Spectrum licenses payable in the consolidated financial statements as at June 30, 2021 and December 31, 2020 are as follows: (Separate financial statements: Nil)

| | Note | Unit: Million Baht Consolidated | |
|--|------|------------------------------------|-------------------------------|
| | | financial statements | |
| | | As at June 30, 2021 | As at December 31, 2020 |
| Spectrum licenses payable | | | |
| License certificate no. NBTC/FREQ/TEL/55/1 (Addendum no.2) | 1 | 35,714 | 35,218 |
| License certificate no. NBTC/FREQ/TEL/55/1 (Addendum no.3) | 1 | 3,117 | 3,095 |
| License certificate no. NBTC/FREQ/TEL/55/1 (Addendum no.4) | 1 | 15,309 | 15,136 |
| License certificate no. FREQ/TEL/001 (700 MHz) (Allocation License) | 1 | 14,075 | - |
| License certificate no. FREQ/TEL/001 (700 MHz) (Auction License) | 1 | 13,853 | - |
| | | <u>82,068</u> | <u>53,449</u> |
| <u>Less current portion of spectrum licenses payable</u> | | <u>(14,083)</u> | <u>(10,538)</u> |
| Spectrum licenses payable | | <u>67,985</u> | <u>42,911</u> |

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

| | Unit: Million Baht | |
|---|-----------------------------|---------------|
| | Consolidated | |
| | financial statements | |
| | 2021 | 2020 |
| As at January 1, | 53,449 | 61,789 |
| Addition | 36,486 | 16,783 |
| Payments | (8,819) | (1,960) |
| Amortization of deferred interest expense | 952 | 968 |
| As at June 30, | 82,068 | 77,580 |

13. SHARE-BASED PAYMENT

The performance share plan

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 six-month period ended June 30, 2021 are as follows:

| | As at January 1, 2021 | Transaction during the period | | | Unit: Thousand units As at June 30, 2021 |
|------------------------|--------------------------|-------------------------------|--------------|--------------|--|
| | | Issued | Exercised | Expired | |
| ESOP - Grant IV | | | | | |
| - Directors | 43 | - | (8) | (35) | - |
| - Employees | 493 | - | (80) | (413) | - |
| | <u>536</u> | <u>-</u> | <u>(88)</u> | <u>(448)</u> | <u>-</u> |
| ESOP - Grant V | | | | | |
| - Directors | 64 | - | (25) | - | 39 |
| - Employees | 705 | - | (259) | - | 446 |
| | <u>769</u> | <u>-</u> | <u>(284)</u> | <u>-</u> | <u>485</u> |
| Total | <u>1,305</u> | <u>-</u> | <u>(372)</u> | <u>(448)</u> | <u>485</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 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% |

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 six-month periods ended June 30, 2021, the Group and the Company recognized share-based payment expense amounting to Baht 3 million and Baht 6 million, respectively, in the consolidated and separate financial statements (For the three-month and six-month periods ended June 30, 2020: Baht 5 million and Baht 11 million, respectively).

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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 375,681 units which the exercise price on the warrant is Baht 166.588 and Baht 160.434 per share. 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.

On June 2, 2021, the Company has registered the increase in share capital with the Department of Business Development, Ministry of Commerce for 371,478 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 371,478 units which the exercise price on the warrant is Baht 166.588 and Baht 160.434 per share. The increasing in share capital results to increase in paid-up share capital and share premium of Baht 371,478 and Baht 60 million, respectively.

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 June 30,

| | Mobile phone services | | Mobile phone and equipment sales | | Datanet and broadband services | | Unit: Million Baht Total reportable segments | |
|---|-----------------------|--------|----------------------------------|-------|--------------------------------|-------|---|--------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | | | | | | | | |
| External revenue | 32,802 | 33,383 | 6,918 | 6,309 | 3,037 | 2,564 | 42,757 | 42,256 |
| Segment profit (loss) before income tax expense | 8,015 | 8,314 | (22) | (426) | 619 | 523 | 8,612 | 8,411 |

Performance for the six-month periods ended June 30,

| | Mobile phone services | | Mobile phone and equipment sales | | Datanet and broadband services | | Unit: Million Baht Total reportable segments | |
|---|-----------------------|--------|----------------------------------|--------|--------------------------------|-------|---|--------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | | | | | | | | |
| External revenue | 66,353 | 67,479 | 16,402 | 12,592 | 5,863 | 5,030 | 88,618 | 85,101 |
| Segment profit (loss) before income tax expense | 15,905 | 16,255 | (623) | (847) | 1,452 | 1,095 | 16,734 | 16,503 |

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Reportable assets as at June 30, 2021 and December 31, 2020, are as follows:

| | Mobile phone services | | Mobile phone and equipment sales | | Datanet and broadband services | | Unit: Million Baht Total reportable segments | |
|----------------|-----------------------|--------------|----------------------------------|--------------|--------------------------------|--------------|---|--------------|
| | As at | As at | As at | As at | As at | As at | As at | As at |
| | June 30, | December 31, | June 30, | December 31, | June 30, | December 31, | June 30, | December 31, |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Segment assets | 350,690 | 334,214 | 6,999 | 5,459 | 11,957 | 10,498 | 369,646 | 350,171 |

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 six-month periods ended June 30, are as follows:

For the three-month periods ended June 30,

| | | Unit: Million Baht | |
|--------------------------------------|------------------------------------|--------------------|---------------|
| | | 2021 | 2020 |
| External revenue | | | |
| Segment 1 | - Mobile phone services | 32,802 | 33,383 |
| Segment 2 | - Mobile phone and equipment sales | 6,918 | 6,309 |
| Segment 3 | - Datanet and broadband services | 3,037 | 2,564 |
| Total | | <u>42,757</u> | <u>42,256</u> |
| Timing of revenue recognition | | | |
| Point in time | | | |
| Segment 2 | - Mobile phone and equipment sales | 6,918 | 6,309 |
| Segment 3 | - Datanet and broadband services | 198 | 223 |
| | | <u>7,116</u> | <u>6,532</u> |
| Overtime | | | |
| Segment 1 | - Mobile phone services | 32,802 | 33,383 |
| Segment 3 | - Datanet and broadband services | 2,839 | 2,341 |
| | | <u>35,641</u> | <u>35,724</u> |
| Total | | <u>42,757</u> | <u>42,256</u> |

For the six-month periods ended June 30,

| | | Unit: Million Baht | |
|-------------------------|------------------------------------|--------------------|---------------|
| | | 2021 | 2020 |
| External revenue | | | |
| Segment 1 | - Mobile phone services | 66,353 | 67,479 |
| Segment 2 | - Mobile phone and equipment sales | 16,402 | 12,592 |
| Segment 3 | - Datanet and broadband services | 5,863 | 5,030 |
| Total | | <u>88,618</u> | <u>85,101</u> |

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| | | Unit: Million Baht | |
|--------------------------------------|------------------------------------|----------------------|----------------------|
| | | 2021 | 2020 |
| Timing of revenue recognition | | | |
| Point in time | | | |
| Segment 2 | - Mobile phone and equipment sales | 16,402 | 12,592 |
| Segment 3 | - Datanet and broadband services | 400 | 406 |
| | | <u>16,802</u> | <u>12,998</u> |
| Overtime | | | |
| Segment 1 | - Mobile phone services | 66,353 | 67,479 |
| Segment 3 | - Datanet and broadband services | 5,463 | 4,624 |
| | | <u>71,816</u> | <u>72,103</u> |
| Total | | <u><u>88,618</u></u> | <u><u>85,101</u></u> |

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 six-month periods ended June 30, 2021 for the Group are 18.24% and 18.21%, respectively, and the Company are 0.45% and 0.44% respectively (For the three-month and six-month periods ended June 30, 2020 : the Group were 16.77% and 16.64%, respectively, and the Company were 0.93% and 0.76%, 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 six-month periods ended June 30, 2021 and 2020 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 June 30,

| | (in million Baht / million shares) | | | |
|--|--------------------------------------|--------------|----------------------------------|--------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Profit attributable to ordinary shareholders of the Company (basic) | <u>7,041</u> | <u>7,001</u> | <u>7,041</u> | <u>7,001</u> |
| Weighted average number of ordinary shares outstanding (basic) | <u>2,974</u> | <u>2,973</u> | <u>2,974</u> | <u>2,973</u> |
| Earnings per share (basic) (in Baht) | <u>2.37</u> | <u>2.35</u> | <u>2.37</u> | <u>2.35</u> |

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For the six-month periods ended June 30,

| | (in million Baht / million shares) | | | |
|---|--------------------------------------|--------|----------------------------------|--------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Profit attributable to ordinary shareholders of the Company (basic) | 13,685 | 13,757 | 13,685 | 13,757 |
| Weighted average number of ordinary shares outstanding (basic) | 2,974 | 2,973 | 2,974 | 2,973 |
| Earnings per share (basic) (in Baht) | 4.60 | 4.63 | 4.60 | 4.63 |

Diluted earnings per share

The calculation of diluted earnings per share for the three-month and six-month periods ended June 30, 2021 and 2020 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 June 30,

| | (in million Baht / million shares) | | | |
|--|--------------------------------------|-------|----------------------------------|-------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Profit attributable to equity holders of the Company (basic) | 7,041 | 7,001 | 7,041 | 7,001 |
| Profit attributable to equity holders of the Company (diluted) | 7,041 | 7,001 | 7,041 | 7,001 |
| 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) | 2.37 | 2.35 | 2.37 | 2.35 |

For the six-month periods ended June 30,

| | (in million Baht / million shares) | | | |
|--|--------------------------------------|--------|----------------------------------|--------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Profit attributable to equity holders of the Company (basic) | 13,685 | 13,757 | 13,685 | 13,757 |
| Profit attributable to equity holders of the Company (diluted) | 13,685 | 13,757 | 13,685 | 13,757 |
| 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) | 4.60 | 4.63 | 4.60 | 4.63 |

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17. DIVIDENDS

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.

At the Annual General Meeting of the Shareholders of the Company held on March 29, 2021, the shareholders approved the appropriation of dividend of Baht 6.92 per share. The Company paid an interim dividend at the rate of Baht 3.24 per share on September 3, 2020, therefore the remaining dividend to be paid is Baht 3.68 per share, amounting to Baht 10,942 million. The dividend was paid to shareholders on April 20, 2021.

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.

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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. |
| 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 six-month periods ended June 30, are as follows:

For the three-month periods ended June 30,

| | Consolidated financial statements | | Unit: Million Baht Separate financial statements | |
|---|--|-------------|---|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| Revenue from rendering of services and equipment rentals | | | | |
| Subsidiaries | - | - | 452 | 545 |
| INTOUCH Group | 6 | 10 | 1 | 1 |
| Singtel Group | 4 | 3 | - | - |
| Joint Ventures | 1 | 1 | - | - |
| Other related parties | 59 | 24 | - | - |
| Total | 70 | 38 | 453 | 546 |
| Dividend received from | | | | |
| Joint Ventures | 15 | 9 | - | - |
| Finance income | | | | |
| Subsidiaries | - | - | 110 | 100 |
| Other income | | | | |
| Subsidiaries | - | - | 17 | 34 |
| INTOUCH Group | - | 5 | - | - |
| Joint Ventures | 2 | 2 | - | - |
| Total | 2 | 7 | 17 | 34 |

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| | Consolidated financial statements | | Unit: Million Baht Separate financial statements | |
|--|--------------------------------------|------------|--|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| Rental and other service expenses | | | | |
| Subsidiaries | - | - | 11 | 10 |
| INTOUCH Group | 13 | 47 | 1 | 2 |
| Singtel Group | 55 | 44 | - | - |
| Associate | 18 | 19 | - | - |
| Joint Ventures | 14 | 17 | - | - |
| Other related parties | 2 | 19 | - | - |
| Total | 102 | 146 | 12 | 12 |
| Advertising expense | | | | |
| INTOUCH Group | - | 1 | - | - |
| Management benefit expenses | | | | |
| Short-term employee benefit | 37 | 39 | 37 | 39 |
| Share-based payment | - | 1 | - | 1 |
| Total | 37 | 40 | 37 | 40 |
| Purchase of property and other assets | | | | |
| INTOUCH Group | 2 | 5 | - | - |
| Finance costs | | | | |
| Subsidiaries | - | - | 6 | 10 |
| INTOUCH Group | 1 | 1 | - | - |
| Associate | 2 | 3 | - | - |
| Other related parties | 76 | 40 | - | - |
| Total | 79 | 44 | 6 | 10 |

For the six-month periods ended June 30,

| | Consolidated financial statements | | Unit: Million Baht Separate financial statements | |
|---|--------------------------------------|-----------|--|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| Revenue from rendering of services and equipment rentals | | | | |
| Subsidiaries | - | - | 903 | 978 |
| INTOUCH Group | 15 | 20 | 1 | 1 |
| Singtel Group | 8 | 10 | - | - |
| Joint Ventures | 1 | 1 | - | - |
| Other related parties | 116 | 47 | - | - |
| Total | 140 | 78 | 904 | 979 |
| Dividend received from | | | | |
| Subsidiaries | - | - | 12,175 | 9,608 |
| Joint Ventures | 15 | 9 | - | - |
| | 15 | 9 | 12,175 | 9,608 |

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| | Consolidated financial statements | | Unit: Million Baht Separate financial statements | |
|--|--------------------------------------|--------------|--|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| Interest income | | | | |
| Subsidiaries | - | - | 171 | 242 |
| Other income | | | | |
| Subsidiaries | - | - | 32 | 36 |
| INTOUCH Group | 12 | 5 | - | - |
| Singtel Group | - | 3 | - | - |
| Joint Ventures | 4 | 3 | - | - |
| Total | 16 | 11 | 32 | 36 |
| Rental and other service expenses | | | | |
| Subsidiaries | - | - | 20 | 20 |
| INTOUCH Group | 38 | 75 | 2 | 3 |
| Singtel Group | 110 | 184 | - | - |
| Associate | 36 | 42 | - | - |
| Joint Ventures | 30 | 32 | - | - |
| Other related parties | 3 | 38 | - | - |
| Total | 217 | 371 | 22 | 23 |
| Advertising expense | | | | |
| INTOUCH Group | - | 9 | - | - |
| Management benefit expenses | | | | |
| Short-term employee benefit | 81 | 78 | 81 | 78 |
| Share-based payment | 1 | 2 | 1 | 2 |
| Total | 82 | 80 | 82 | 80 |
| Purchase of property and other assets | | | | |
| INTOUCH Group | 5 | 12 | 3 | - |
| Finance costs | | | | |
| Subsidiaries | - | - | 13 | 24 |
| INTOUCH Group | 1 | 1 | - | - |
| Associate | 5 | 7 | - | - |
| Other related parties | 153 | 73 | - | - |
| Total | 159 | 81 | 13 | 24 |
| Dividend paid to | | | | |
| INTOUCH | 4,426 | 4,282 | 4,426 | 4,282 |
| Singtel | 2,552 | 2,468 | 2,552 | 2,468 |
| Total | 6,978 | 6,750 | 6,978 | 6,750 |

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Balances with related parties as at June 30, 2021 and December 31, 2020 are as follows:

| | Consolidated financial statements | | Unit: Million Baht Separate financial statements | |
|--|--|--|---|--|
| | As at June 30, 2021 | As at December 31, 2020 | As at June 30, 2021 | As at December 31, 2020 |
| Cash and cash equivalents | | | | |
| - Bank deposit | | | | |
| Other related parties | 122 | 137 | - | 1 |
| Trade and other current receivables | | | | |
| Trade receivables | | | | |
| Subsidiaries | - | - | 24 | 14 |
| INTOUCH Group | 11 | 9 | - | - |
| Singtel Group | 12 | 11 | 1 | 1 |
| Joint Ventures | 1 | 1 | - | - |
| Other related parties | 96 | 16 | - | - |
| | 120 | 37 | 25 | 15 |
| Accrued income | | | | |
| Subsidiaries | - | - | 6 | - |
| INTOUCH Group | 1 | 2 | - | - |
| Singtel Group | 39 | 5 | - | - |
| Other related parties | 9 | 9 | - | - |
| | 49 | 16 | 6 | - |
| Total trade receivables | 169 | 53 | 31 | 15 |
| Other receivables | | | | |
| - Accrued interest income | | | | |
| Subsidiaries | - | - | 93 | 62 |
| Total other receivables | - | - | 93 | 62 |
| Total trade and other current receivables | 169 | 53 | 124 | 77 |
| Right-of-use assets | | | | |
| INTOUCH Group | 18 | - | - | - |
| Singtel Group | 3 | 12 | - | - |
| Associate | 423 | 447 | - | - |
| Joint Ventures | 4 | 7 | - | - |
| Total | 448 | 466 | - | - |
| Short-term loans to related parties | | | | |
| Subsidiaries | - | - | 60,673 | 52,543 |

As at June 30, 2021, the Company has short-term loans to related parties represent promissory notes at call, bearing interest at the average rate of 1.17% per annum (As at December 31, 2020: average rate of 0.47% per annum).

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

| | Consolidated | | Unit: Million Baht | |
|--|-----------------------------|-------------|---------------------------|---------------|
| | financial statements | | Separate | |
| | 2021 | 2020 | 2021 | 2020 |
| Short-term loans to related parties | | | | |
| As at January 1, | - | - | 52,543 | 50,499 |
| Increase | - | - | 13,960 | 9,933 |
| Decrease | - | - | (5,830) | (8,757) |
| As at June 30, | - | - | 60,673 | 51,675 |

| | Consolidated | | Unit: Million Baht | |
|---|-----------------------------|---------------------|---------------------------|---------------------|
| | financial statements | | Separate | |
| | As at | As at | As at | As at |
| | June 30, | December 31, | June 30, | December 31, |
| | 2021 | 2020 | 2021 | 2020 |
| Trade and other current payables | | | | |
| Trade payables | | | | |
| Subsidiaries | - | - | 1 | 5 |
| INTOUCH Group | 4 | 28 | 1 | 1 |
| Singtel Group | 76 | 43 | 38 | 8 |
| Associate | 5 | 6 | - | - |
| Joint Ventures | 7 | 2 | - | - |
| Other related parties | - | 1 | - | - |
| Total trade payables | 92 | 80 | 40 | 14 |
| Other payables | | | | |
| - Accrued expenses | | | | |
| Subsidiaries | - | - | 11 | 20 |
| INTOUCH Group | 3 | 17 | - | 1 |
| Singtel Group | 3 | 3 | - | - |
| Associate | 1 | 1 | - | - |
| Joint Ventures | 7 | 10 | - | - |
| Other related parties | 81 | 85 | - | - |
| Total other payables | 95 | 116 | 11 | 21 |
| Total trade and other current payables | 187 | 196 | 51 | 35 |

| | | | | |
|--------------------------|------------|------------|----------|----------|
| Lease liabilities | | | | |
| INTOUCH Group | 19 | 13 | - | - |
| Singtel Group | 4 | 7 | - | - |
| Associate | 433 | 459 | - | - |
| Joint Ventures | 5 | 1 | - | - |
| Total | 461 | 480 | - | - |

| | | | | |
|---|---|---|-------|-------|
| Short-term borrowings from related parties | | | | |
| Subsidiaries | - | - | 5,370 | 5,080 |

As at June 30, 2021, short-term borrowings from related parties of the Company represent promissory notes at call, bearing interest at the average rate of 0.43% per annum, and unsecured (As at December 31, 2020 : average rate of 0.58% per annum).

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

| | Consolidated | | Unit: Million Baht | |
|---|-----------------------------|-------------|---------------------------|--------------|
| | financial statements | | Separate | |
| | 2021 | 2020 | 2021 | 2020 |
| Short-term borrowings from related parties | | | | |
| As at January 1, | - | - | 5,080 | 4,920 |
| Increase | - | - | 1,390 | 800 |
| Decrease | - | - | (1,100) | (500) |
| As at June 30, | - | - | 5,370 | 5,220 |

| | Consolidated | | Unit: Million Baht | |
|---|-----------------------------|---------------------|---------------------------|---------------------|
| | financial statements | | Separate | |
| | As at | As at | As at | As at |
| | June 30, | December 31, | June 30, | December 31, |
| | 2021 | 2020 | 2021 | 2020 |
| Current portion of long-term borrowings from a related party | | | | |
| Other related party | 374 | - | - | - |
| Long-term borrowing from a related party | | | | |
| Other related party | 14,625 | 14,999 | - | - |
| Total | 14,999 | 14,999 | - | - |

As at June 30, 2021 and December 31, 2020, the Group has long-term borrowing from a related party, bearing interest at the rate of 6MTHBFIX plus margin and semi-annual interest payments with 14 principal installments starting from 2022 to 2028. Such long-term borrowing is unsecured.

| | Consolidated | | Unit: Million Baht | |
|-----------------------------|-----------------------------|---------------------|---------------------------|---------------------|
| | financial statements | | Separate | |
| | As at | As at | As at | As at |
| | June 30, | December 31, | June 30, | December 31, |
| | 2021 | 2020 | 2021 | 2020 |
| Long-term debentures | | | | |
| INTOUCH Group | 73 | 15 | 73 | - |
| Other related parties | 35 | 44 | 15 | - |
| Total | 108 | 59 | 88 | - |

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.

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- 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 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.
- 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, 2022.
- 11) Advanced Wireless Network Co., Ltd., a subsidiary, has entered into fibre optic system and its site facilities agreement with Information Highway Co., Ltd. (“IH”), an associate. IH will provide installation fibre optic transmission and maintenance services in specific areas. The counterparty has a right to terminate the agreement by giving the counterparty advance written notice not less than 30 days.

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- 12) 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.
- 13) 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.
- 14) 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.
- 15) 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.
- 16) 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.

19. FINANCIAL INSTRUMENTS

Classification of forward contracts and interest rate swap as at June 30, 2021 and December 31, 2020 in the consolidated financial statements are as follows: (Separate financial statements: Nil)

| | As at June 30, 2021 | Unit: Million Baht As at December 31, 2020 |
|---|------------------------------------|---|
| Current assets | | |
| Other current financial assets | | |
| Forward contracts | 281 | - |
| Total current assets | 281 | - |
| Total assets | 281 | - |
| Current liabilities | | |
| Other current financial liabilities | | |
| Forward contracts | - | (297) |
| Total current liabilities | - | (297) |
| Non-current liabilities | | |
| Other non-current financial liabilities | | |
| Interest rate swap | (937) | (1,225) |
| Total non-current liabilities | (937) | (1,225) |
| Total liabilities | (937) | (1,522) |
| Total | (656) | (1,522) |

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

| | Balance as at January 1, 2021 | Change in fair value during the period | Unit: Million Baht Balance as at June 30, 2021 |
|---|--|---|---|
| Current assets | | | |
| Other current financial assets | | | |
| Forward contracts | - | 281 | 281 |
| Current liabilities | | | |
| Other current financial liabilities | | | |
| Forward contracts | (297) | 297 | - |
| Non-current liabilities | | | |
| Other non-current financial liabilities | | | |
| Interest rate swap | (1,225) | 288 | (937) |
| Total | <u>(1,522)</u> | <u>866</u> | <u>(656)</u> |

| | Balance as at January 1, 2020 | Change in fair value during the period | Unit: Million Baht Balance as at June 30, 2020 |
|---|--|---|---|
| Current assets | | | |
| Other current financial assets | | | |
| Forward contracts | 1 | 50 | 51 |
| Current liabilities | | | |
| Other current financial liabilities | | | |
| Forward contracts | (129) | 21 | (108) |
| Interest rate swap | (132) | 54 | (78) |
| Non-current liabilities | | | |
| Other non-current financial liabilities | | | |
| Interest rate swap | (814) | (369) | (1,183) |
| Total | <u>(1,074)</u> | <u>(244)</u> | <u>(1,318)</u> |

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20. COMMITMENTS WITH NON-RELATED PARTIES

Commitments with non-related parties as at June 30, 2021 and December 31, 2020 are as follows:

| | | Unit: Million | | | |
|---|------|--------------------------------------|-------------------------------|----------------------------------|-------------------------------|
| | Note | Consolidated financial statements | | Separate financial statements | |
| | | As at June 30, 2021 | As at December 31, 2020 | As at June 30, 2021 | As at December 31, 2020 |
| Capital commitments | | | | | |
| Unrecognized contractual commitments | | | | | |
| Buildings and equipment | | | | | |
| Thai Baht (THB) | | 5,299 | 5,059 | 11 | 8 |
| US Dollar (USD) | | 231 | 145 | - | - |
| Spectrum licenses | | | | | |
| Thai Baht (THB) | 1, 9 | - | 40,083* | - | - |
| Service and maintenance | | | | | |
| Thai Baht (THB) | | 2,190 | 1,763 | 45 | 39 |
| US Dollar (USD) | | 47 | 20 | - | - |
| Purchase orders for goods and supplies | | | | | |
| Thai Baht (THB) | | 10,718 | 13,396 | - | - |
| US Dollar (USD) | | 17 | 7 | - | - |

* The difference from measurement 900 MHz spectrum license payable between previous terms and conditions and new terms and conditions by Baht 3,284 million was adjusted to the cost of spectrum license 700 MHz when Advanced Wireless Network Co., Ltd., a subsidiary, received a license on January 15, 2021.

| | Unit: Million | | | |
|-----------------------------|--------------------------------------|-------------------------------|----------------------------------|-------------------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | As at June 30, 2021 | As at December 31, 2020 | As at June 30, 2021 | As at December 31, 2020 |
| Other commitments | | | | |
| Thai Baht | | | | |
| Forward contracts | 8,054 | 7,950 | - | - |
| Bank guarantees: | | | | |
| - Spectrum licenses payable | 96,112 | 66,684 | - | - |
| - Others | 2,556 | 2,741 | 38 | 169 |
| Total | 106,722 | 77,375 | 38 | 169 |
| US Dollar | | | | |
| Others | - | 1 | - | - |
| Total | - | 1 | - | - |

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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 and CAT agreed to use the space and maintenance service from the Group for the period from July 1, 2020 to September 15, 2025

21. SIGNIFICANT EVENTS, COMMERCIAL DISPUTES AND LITIGATIONS

On January 7, 2021, TOT Public Company Limited (“TOT”) and CAT Telecom Public Company Limited (“CAT”) were merged into one company named National Telecom Public Company Limited (“NT”)

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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.

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.

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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.

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.

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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.

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.

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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.

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.

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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 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 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.

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6) 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.

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.

7) 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.

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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.

8) 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.

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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.

On August 25, 2015, CAT appealed such dismissal to the Supreme Administrative Court under Black case No. Or 1070/2558.

On June 30, 2021, the Supreme Administrative Court resolved to dismiss the CAT’s claim, which aligns to the resolution of the Central Administrative Court. As a result, the legal dispute is considered final and DPC has no duty to make any additional payment nor penalty as claimed by CAT.

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- 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.

On May 27, 2020, CAT has submitted an appeal to the Supreme Administrative Court.

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.

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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.

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 as the Black case No. 2399/2561 to revoke such resolution of NTC.

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

On June 2, 2021, the Central Administrative Court ordered to merge the three 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 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.

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On January 11, 2021, DPC has received the Arbitration Committee resolution which resolved to dismiss the CAT’s dispute. As a result, DPC is not obliged to transfer telecom equipment nor make payment for any claim by CAT.

On July 14, 2021, DPC received CAT’s revocation the Arbitration’s resolution by the Black case No. 514/2564 dated March 26, 2021 which CAT 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 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.

Advanced Wireless Network Company Limited (“AWN”)

1) 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.

MIMO Tech Company Limited (“MMT”)

1) 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.

On January 28, 2021, the Civil Court has decided to dismiss the cases by Paper Mate (Thailand) Co., Ltd. because Paper Mate (Thailand) Co., Ltd. breached the contract. Therefore, there is no right to claim for the compensation in this case.

On June 28, 2021, Paper Mate (Thailand) Co., Ltd. appealed to the Appeal Court.

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The Group’s 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.

22. EVENT AFTER THE REPORTING PERIOD

Interim dividend

On August 3, 2021, the Board of Director’s meeting approved to declare an interim dividend for Baht 3.45 per share, amounting to Baht 10,260 million. The interim dividend will be paid to the shareholders on September 1, 2021.

23. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issue by the Board of Directors on August 3, 2021.