



AIS
5G

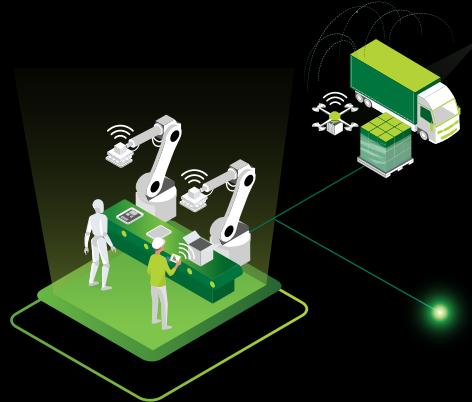
THE FUTURE IS YOURS

The logo features the AIS brand name in white capital letters above the large, bold, green 3D-style 5G text. A bright yellow swoosh graphic is positioned above the 'A' and 'I'. Below the main title, the tagline 'THE FUTURE IS YOURS' is displayed in white capital letters.

ANNUAL REPORT 2020 | ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED

5G Vertical

End-to-End Solutions & Use Cases



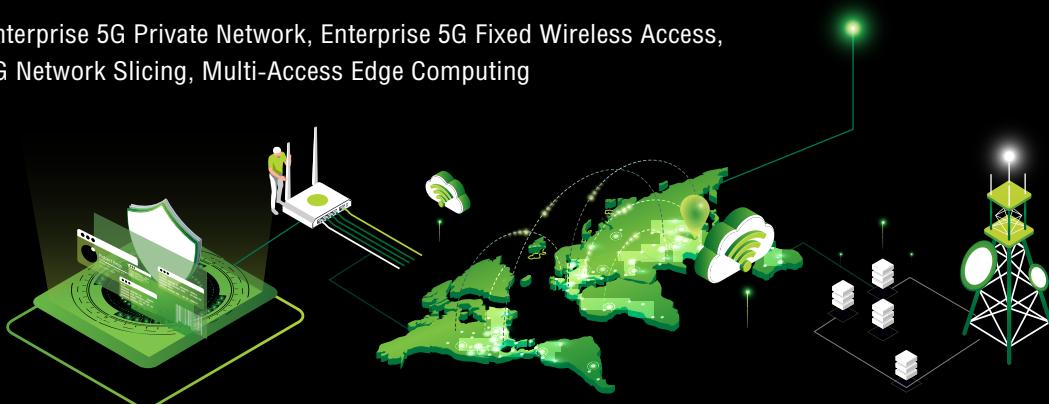
5G Horizontal

AR/VR, AI - Artificial Intelligent, Video Analytics, Robotics



5G Infrastructure

Enterprise 5G Private Network, Enterprise 5G Fixed Wireless Access, 5G Network Slicing, Multi-Access Edge Computing



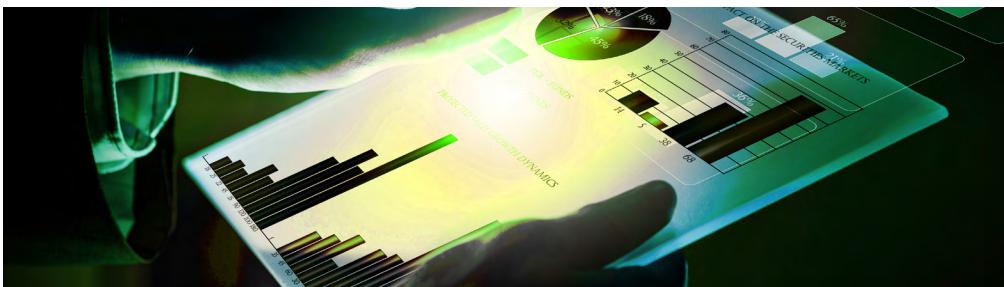
5G Mobile

5G Devices, 5G Mobile Packages



AIS 5G Digital Enterprise of the Future

from POSSIBILITY to REALITY



Business and Performance

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Operational Highlight

5G

AIS AS A DIGITAL LIFE SERVICE PROVIDER

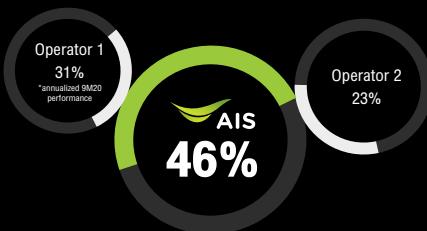
through mobile, fixed broadband and digital services

Mobile business



Maintain leadership in mobile business with a trusted band

No 1. network quality



Largest mobile operator with 41mn subscribers

Subscribers market share 46%



First 5G in Thailand
since February 2020

5G

Service coverage in strategic locations
77 provinces

Fixed broadband business

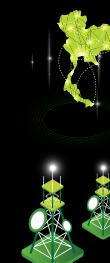


AIS Fibre

Expanding subscribers market share to **12%**

AIS Fibre

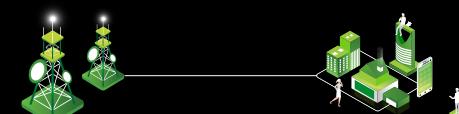
27% net additional subscribers market share with **+299,300** subscribers



Leadership in fiber optic technology

Cover 77 provinces

100% Fiber optic



Continued to grow subscriber base
over 1.3mn household



88% of AIS Fibre subscribers
are also mobile customers

Digital services

CSL

AIS Business

Cloud and data center



AIS and CSL combined to offer one-stop ICT service addressing enterprise clients' requirement.

AIS IoT

AIS jointly developed NB-IoT innovation nationwide connecting **over 935,000 devices**

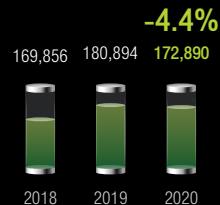


AIS PLAY

Video platform
over 3 million active users
with free and paid contents including TV, movie, music and games



Financial Highlight



Total revenue (Bt mn)

Reflecting impact of COVID-19
as well as market competition



Mobile business

As a result of prolonged weak economy, price competition
and revenue loss from traveler segment

118,082 (Bt mn)	2020	118,082
-6.5% Decrease from 2019	2019	126,341
	2018	120,787



Fixed broadband business

Driven by solid subscriber growth following
work-from-home demand

6,959 (Bt mn)	2020	6,959
+22% Increase from 2019	2019	5,722
	2018	4,436



Enterprise & Other businesses

Rising demand for enterprise non-mobile
following digitalization trend

4,552 (Bt mn)	2020	4,552
+1.0% Increase from 2019	2019	4,509
	2018	4,033

EBITDA and Margin*

(Bt mn, %)

Impact from decline in revenue offset
by cost control



Net Profit and Margin*

(Bt mn, %)

From increased D&A due to spectrum
acquisition and network investment



Dividend Payment

(Bt/share)

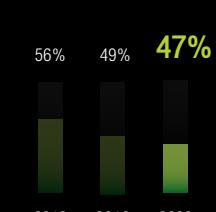
Remained payout ratio at least 70%
of consolidated net profit



Return

on Equity* (%)

Slightly decreased from
covid-19 but remained higher
than industry's average



Operating

Cash Flow ((Bt mn))

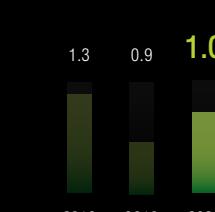
Improved mainly from
the reclassification of lease
liabilities paid



Net Debt to EBITDA*

(times)

Slightly increased from
lower EBITDA



Free Cash Flow

(Bt mn)

Decreased from network
expansion and spectrum
payment



*Based on financial performance excluding the effect from TFRS16 adoption



Business Overview

For more than three decades, AIS has been providing telecommunication infrastructure to Thai society. Starting in 1990 under collaborative contract or concessionaries, Operators were granted the right to utilize state frequencies under the 25-year Built-Transfer-Operate (BTO) agreement. In 2010, The National Broadcasting and Telecommunications Commission (NBTC), government agency in regulating broadcasting and telecommunication, was established and began permitting frequency license. The licensing scheme was a major turning point for the telecommunications industry in Thailand and supports fair competition as well as the development of new technologies.

AIS remains committed to its vision of being “**To become the most-admired Digital Life Service Provider in Thailand**” through the following missions

Deliver superior products and services to enrich people's daily lives and to improve enterprise capabilities and efficiency.

Enhance customer intimacy through the best customer experience.

Drive intrapreneurship and employees' professionalism, and promote a positive, lively and agile work culture.

Build win-win growth to all stakeholders.

AIS, the Digital Life Service Provider

We are a “Digital Life Service Provider” operating three core businesses, namely

1

Mobile Phone Services

with 5G, 4G, 3G and 2G technology under the brand “AIS”, provides monthly subscription service (AIS Postpaid) and top-up service (AIS One-2-Call) as well as international calls and roaming with network partners in over 229 nations worldwide.



2

Fixed Broadband Services

provides high-speed home internet utilizing FTTx fiber optics under the brand “AIS Fibre”

3

Digital Services

extends from mobile phone and high-speed internet services, focusing on creating value-added digital services and aiming to be new revenue source in the medium and long term in anticipation of a change in consumer behaviors and technology.

As of 31 December 2020, AIS's total assets were valued at Baht 350,171 million with a market capitalization of Baht 523,346 million, ranked 4th on the Stock Exchange of Thailand.

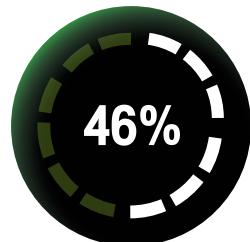
Leading the mobile business

Revenue market share in 2020



46%

Subscriber Market Share in 2020



46%

"Other operators are DTAC and True Move"

As of ending 2020, AIS remained the largest mobile operator in Thailand, with a revenue market share of 46%, and a total of 41 million subscribers nationwide. The mobile phone services revenue still accounting for more than 68% of total revenue. AIS provides quality services on 5G, 4G, 3G and 2G technology using frequency bands of 2600, 2100, 1800, 900 MHz for a total of 220 MHz (2x60 MHz on FDD technology and 100 MHz on TDD technology) which 190 MHz is under license granted by NBTC and another 2x15 MHz is under a TOT partnership agreement. Currently, AIS's mobile network covers over 98% of country's population.

Participating in the NBTC spectrum auction in Feb 2020, AIS was able to secure the largest additional bandwidth in the industry, which will shore up its leadership both in terms of service quality and capability to provide 5G. AIS has launched 5G service and is expanding the coverage across all 77 provinces of Thailand, initially emphasizing areas with high demand for data and prioritizing industrial estates as to meet the various demands of industrial customers.

Growing in the Fixed Broadband market

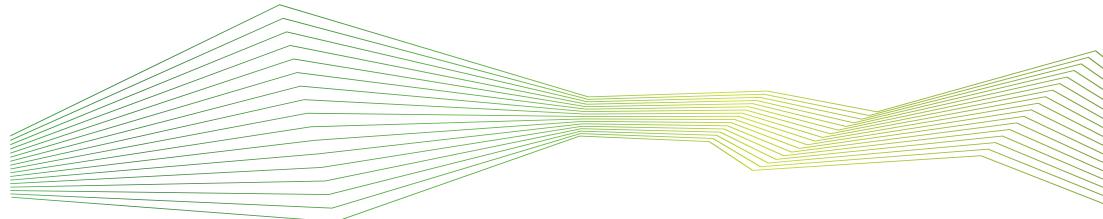
Subscriber market share in 2020



12%

**"Other fixed broadband operators
are TRUE, TOT and 3BB"**

AIS started its fixed broadband business under the brand "AIS Fibre" in 2015, with the goal of creating a new source of revenue by leveraging the established fibre network and the subscriber base from the Company's mobile business. Currently, AIS Fibre is available in 77 cities, covering 8 million households. AIS Fibre has penetrated the market using its strength in providing FTTH technology to connect households to the internet and is ready to support existing ADSL users wishing to upgrade to higher quality technology and the superior speed of up to 1 Gbps. Fixed broadband revenue in 2020 accounting for 4% of total service revenue. Currently, the total number of subscribers is 1,336,900, accounting for more than 12% of the fixed broadband subscriber market share.



Building on Core Businesses with Digital Services



Digital Services involves the development of services using digital technology in a variety of formats, including networks, service platforms and solutions, in order to create digital services for both enterprises and consumers. This is achieved via cooperation with our partners and the development of an integrated business ecosystem in which we grow and succeed together. AIS is currently focused on 5 main areas of business. These are VDO Platform, Business Cloud, Mobile Money, Internet of Things (IoT), and other digital platform services. Our digital services are an important propeller enabling AIS to access new sources of revenue in the future in addition to current mobile internet charges. It also allows AIS to be an integrated player via the convergence of products and services from our three core businesses.

Operating Under Licenses Regulated by the NBTC



The majority of AIS's businesses, particularly the mobile phone and fixed broadband businesses, operate under the regulation of the National Broadcast and Telecom Commission (NBTC), which is the regulatory authority formed in accordance with the Frequency Allocation Act 2010. AIS, through a subsidiary, was granted a telecommunications business license, such as 2600, 2100, 1800 and 900MHz spectrum licenses with an average license life of 15 years. At the end of spectrum license, NBTC will redistribute spectrum license through auction.

AIS is mandated to pay the license fee, Universal Service Obligation (USO) fees, and numbering fees to the NBTC amounting to around 4% of service revenue per year.

Key development towards sustainable growth

Product and Services to meet digital lifestyle

2018

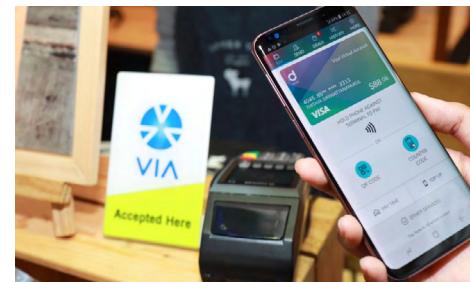
- + Launched “**NU Mobile**”, a new fully online SIM to serve digital users and to expand the customer base to teenagers preferring online service.



- + Acquired **CS Loxinfo (CSL)** to serve end-to-end digital solutions such as cloud service, data center, and managed service as well as complete digital consultancy service to enhance enterprise capability.

- + Invested in **Rabbit Line Pay (RLP)** joint venture, holding 33.33% of equity stake, a mobile payment platform to support cashless society.

- + Launched intercountry payment platform “**VIA**” by **Singtel Dash** and Rabbit LINE Pay with Collaboration with **Singtel** and **Kasikorn Bank**, to facilitate travelers to make an electronic payment without a currency exchange transaction.



rabbit LINE Pay

2019

- + Launched **AIS Insurance Service**, an online insurance service that allows customers to indicate travel information and coverage duration. The services provide by an AIS affiliate (ADD) authorized by the Office of the Insurance Commission.

- + Renewed business strategy of **CS Loxinfo** and renamed to **CSL** while introducing the 3Ss strategy; 1. Data Center & Cloud Solutions 2. Managed Services 3. System Integration for enterprise business operation.



- + Launched **AIS eBiz Shop**, an online store for AIS Business products and services to support enterprise and SME.



- + Expand electronic payment service on “**VIA**” to Japan under cooperating with **Singtel**



- + Introduced **NB-IoT Motor Tracker** solution for auto insurance with Thai Vivat Plc., the solution allows customers to control and activate auto insurance by themselves and pay premium based on actual usage.



2020

- + First operator in Thailand that officially launched **5G** using 2600MHz spectrum band.



- + Invested in Digital Gaming international PTE, in a joint venture with Singtel and SK telecom to provide aggregated gaming contents using artificial intelligence (AI) technology and provide access to esports contents.



- + Established a joint venture with **Saha Pathana** inter-Holding Public Company Limited, to provide fiber optic network, ICT infrastructure, and 5G solution to improve operational efficiency of businesses in a 7,255 rai of SPI industrial park.



- + Cooperated with **Amata Corporation** Pcl. in bringing digital infrastructure such as 5G technology and fiber optic to support Smart City in EEC area.

Network innovation

2018

- + Officially singed a **roaming agreement with TOT** on 2x15 MHz of 2100MHz spectrum, serving the proliferation of 4G and 3G data usage.



- + Acquired 2x5 MHz of **1800MHz** spectrum license resulting in 15-30% speed increase for 4G data users.



- + Expanded **AIS NEXT G** network and feature to be comestible with both Android and IOS. Also, Next G network can render upto 1Gbps of mobile internet speed.



- + Collaborated with **Nokia, Huawei, and ZTE** to test 5G technology on 26.5-27.5GHz spectrum.



- + Expanded NB-IoT network and platform across the country by collaborating with partners from various industries such as Property Perfect and Samsung to develop Smart Home solutions.



2019

- + **Tested 5G technology** at Samyan Mid Town for trial in real environment with 3D hologram technology, long distance 3D image projection, 5G VDO Calls, 5G Remote Controlled Vehicles, 5G Connected Drones, 5G Robotics and etc.



- + Launched a test of **5G in the Central Region** and ran a practical test, opening the trial to developers, educational institutes and partners in the Northeast region to co-develop 5G related technology.



- + Signed an MOU with **Huawei, Nokia** and **ZTE** to jointly study, exchange knowledge and experiment with 5G technology for industrial developments and enhancing quality of life for consumers.
- + Secured a license in the **700Mhz frequency** band (2 x 10Mhz in width) for 15 years from reception worth a total 17,584 million Baht.



2020

- + Cooperated with **SCG and Prince of Songkla University** to develop prototype unmanned forklift remotely operated with 5G. The development can also extend to employee remote control training to improve safety in the operation with high risk.



- + Signed an MOU with **U-Tapao Airport**, bringing 5G network to develop passenger management solutions and use artificial intelligence (AI) robots to provide necessary information as well as interactively response and guidance to service points for passengers.



- + Won the 5G auction with **Best-in-class 5G** spectrum including low-band: 700 MHz (2x5 MHz), mid-band: 2600 MHz (100 MHz) and high-band 26 GHz (1200 MHz) with a total price worth Bt42,060 mn.

- + Launched 5G NSA (non standalone) service on February 2020 and launched 5G SA (standalone) on July 2020 in cooperation with Huawei. AIS is the world's first operator to provide 5G service on standalone network.



Expanding opportunities through social and environment development

2018

- + Applied Smart Terminal Technology to improve transportation system in Eastern Economic Corridor (EEC). With **U-Tapao** application, U-Tapao Airport can now manage flight and airport information digitally such as using Video Analytics technology for Face recognition and Heat map analytics.



2019



- + Established the **Kaset Farm Suk** technology learning center to serve as a source of knowledge on Smart Farmer approaches and use of the IoT or Intelligent Farm (iFarm) platform to better efficiently, accurately and conveniently manage farms.

- + Worked with public and private partners to organize **“Green Paholyothin”**, a campaign on collecting e-Waste that promoted for the separation and proper disposal of E-Waste.

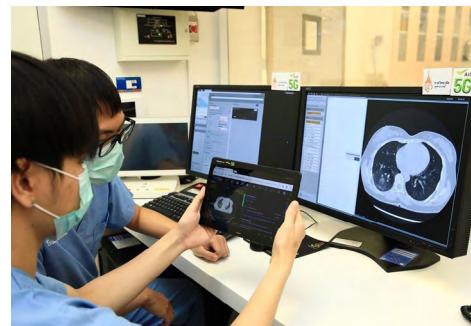


- + Organized the **“Aun Jai CYBER”** activity, inviting teachers from over 150 schools to join training to enhance 8 skills of DQ (Digital Quotient) for students.



2020

- + Developed and delivered 23 robots with 5G technology to 22 hospitals such as Chula hospital, Thai Red Cross, Rajavithi hospital, and Siriraj hospital. The robots use 5G technology to increase speed for data processing and examination as well as to reduce risk of spreading COVID-19.



- + Cooperated with Chulabhorn Royal Academy in developing 5G Total Telemedicine Solution to support medical services such as a nursing robot with AI processing on 5G, online doctor's consultancy, and Smart Class room supported by 5G.

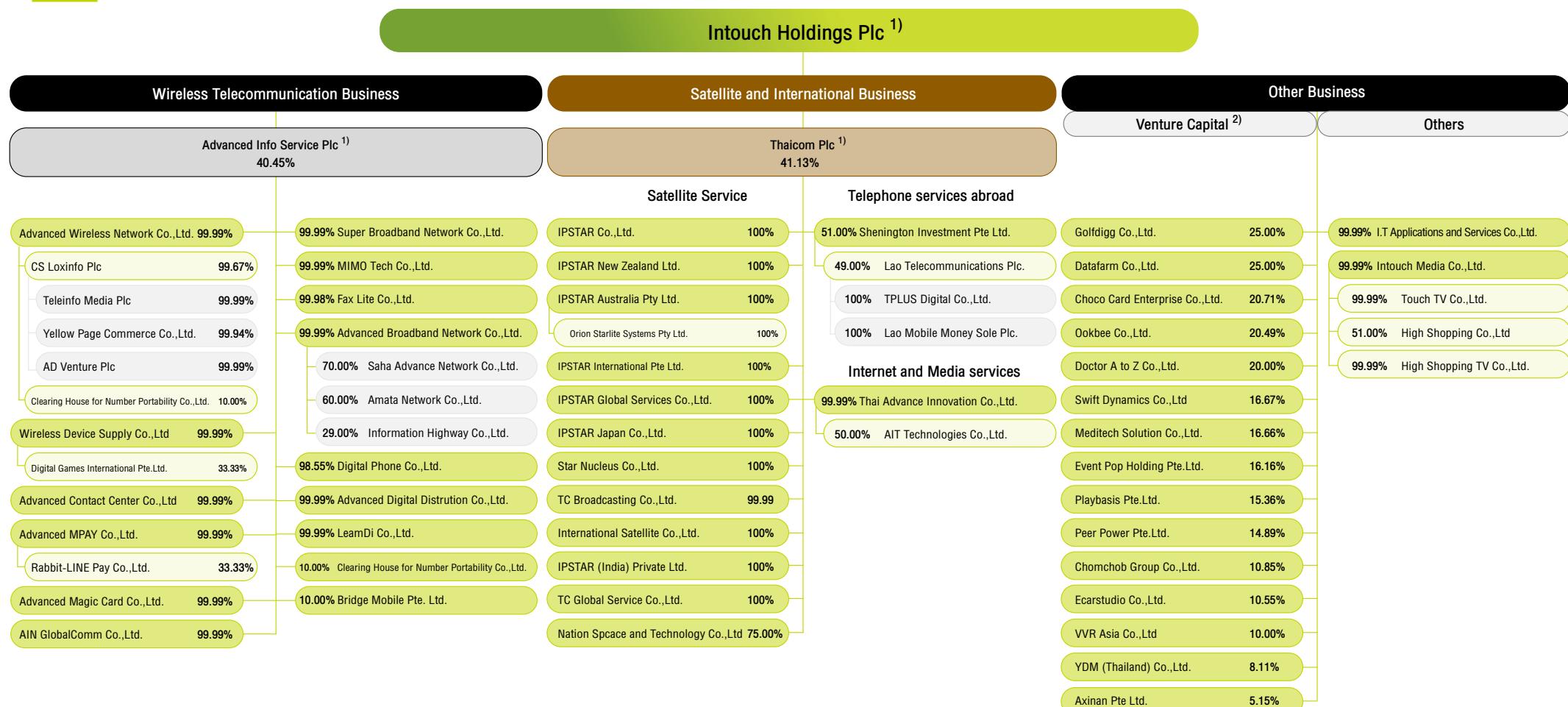
- + Collaborating with the Faculty of Medicine, Siriraj Hospital – Faculty of Engineering, Mahidol University to install 5G CPE for distributing 5G signal to enhance the efficiency of “**Siriraj Mobile Stroke Unit**”. This will increase success rate for treatment immediately and decrease loss.



- + Expanded “Green Phaholyothin” project from 2019 by growing **e-Waste** collection points to 2,000 locations nationwide. Also, expanding collaboration with government and private company such as Thailand Post, Central Group, and TRBN (Thailand Responsible Business Network) to increase collection point and disposing them properly.

Investment structure of AIS group

Investment structure of the mother company (INTUCH) as of 31 December 2020



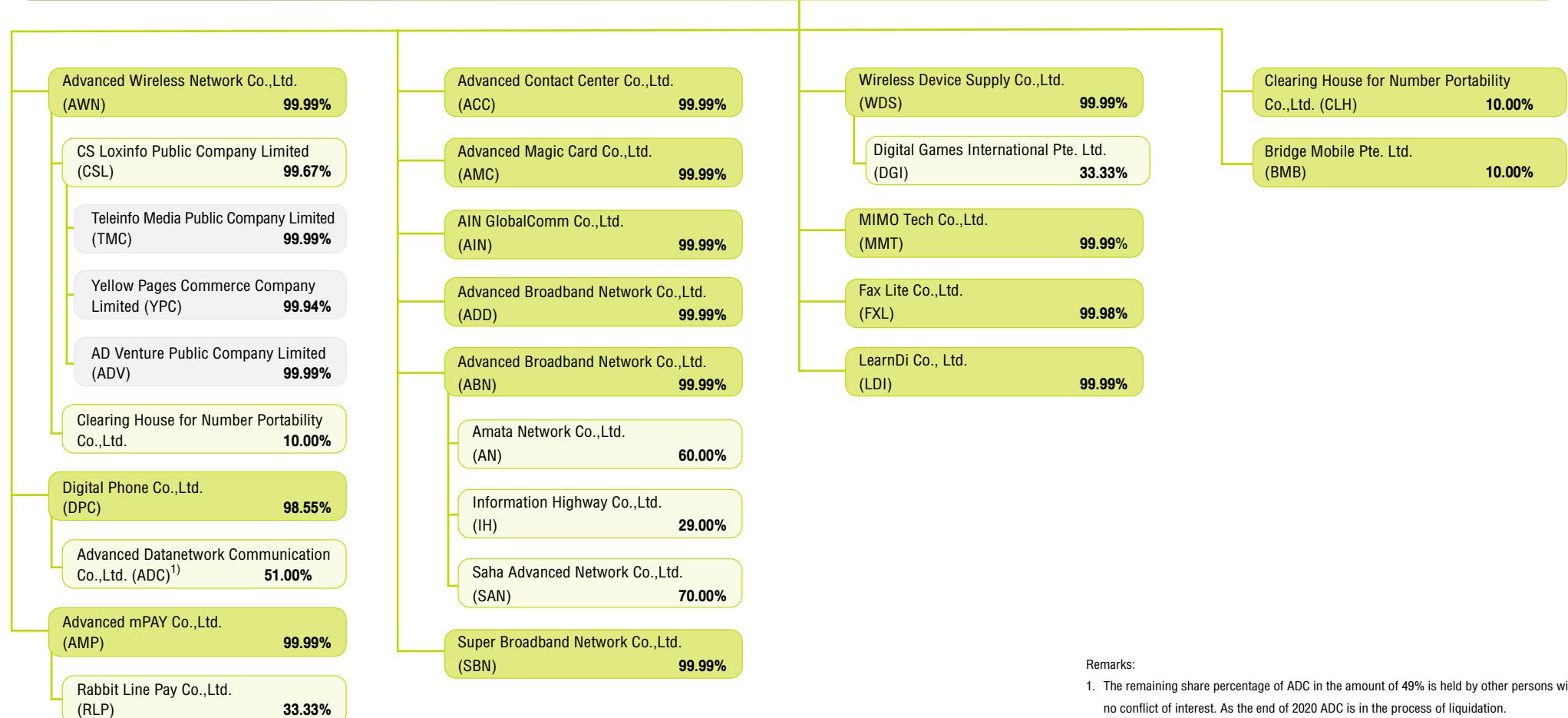
Remarks :

- 1) Listed Company on the Stock Exchange of Thailand
- 2) Excluded investment in debt security
- 3) INTUCH has a stake of 52.92% in ITV. which ceased operations, and there are ongoing disputes with the Permanent Secretary of the Office of the Prime Minister.

Investment structure of AIS group 31 December 2020

Advaced Info Service Public Company Limited

Register capital Baht 4,997mn | Paid-up Baht 2,974mn



Remarks:

- The remaining share percentage of ADC in the amount of 49% is held by other persons with no conflict of interest. As the end of 2020 ADC is in the process of liquidation.
- Subsidiaries, Associated companies, Other investments

Securities Information

Registered capital

Registered Capital	: 4,997,459,800 Baht divided by Common shares 4,997,459,800 shares and par 1 Baht per share
Paid up Capital	: 2,973,554,313 Baht divided by Common shares 2,973,554,313 shares and par 1 Baht per share

(a) Top ten shareholders as of 20 August 2020, the latest book closing date for the right to receive dividend, are as follow:

Name	No. of shares held	% of shareholding
1. INTOUCH HOLDINGS PLC	1,202,712,000	40.45
2. SINGTEL STRATEGIC INVESTMENTS PTE LTD	693,359,000	23.32
3. THAI NVDR CO.,LTD. ¹⁾	205,042,850	6.90
4. SOCIAL SECURITIES OFFICE	78,504,300	2.64
5. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	74,506,231	2.51
6. STATE STREET BANK EUROPE LIMITED	54,536,602	1.83
7. GIC PRIVATE LIMITED	23,162,400	0.78
8. THE BANK OF NEW YORK MELLON	17,781,552	0.60
9. STATE STREET BANK AND TRUST COMPANY	17,438,843	0.59
10. BUALUANG LONG-TERM EQUITY FUND	13,706,700	0.46
TOTAL	2,380,750,478	80.06

Note: 1) The information of Thai NVDR Co., Ltd. Can be found the SET website (www.set.or.th). As of 20 August 2020, the shareholders of Thai NVDR are as follows:

Name	Number of NVDR units	Percentage of investment
1. STATE STREET BANK AND TRUST COMPANY	30,803,680	1.04
2. STATE STREET EUROPE LIMITED	28,225,929	0.95
3. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	28,212,019	0.95
Total	87,241,628	2.93

(b) Major shareholder whose behavior can influence when determining policy or handling operation, are

1. **Intouch Holdings Plc** holds 40.45% in AIS. Major shareholders of Intouch Holdings Plc. are as follows:

Name	Number of NVDR units	Percentage of investment
1. SINGTEL GLOBAL INVESTMENT PTE LTD ¹⁾	673,348,264	21.00
2. THAI NVDR COMPANY LIMITED ²⁾	517,091,460	16.13
3. GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED ³⁾	256,287,400	7.99 ⁴⁾
4. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	166,753,460	5.20
5. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	75,690,674	2.36
6. SOCIAL SECURITIES OFFICE	42,600,100	1.33
7. THE BANK OF NEW YORK MELLON	31,483,300	0.98
8. STATE STREET EUROPE LIMITED	31,364,584	0.98
9. MR.PERMSAK KENGMANA	30,023,100	0.94
10. KRUNGSRIV DIVIDEND STOCK LTF	26,230,400	0.82

Remarks:

1) Singtel Global Investment Pte. Ltd. is an indirect subsidiary of Singapore Telecommunications Ltd., of which Temasek Holding Pte.Ltd. holds 49.81% (Source: Singapore Telecommunication Ltd.'s Annual Report for 2020)

2) The information of Thai NVDR Co., Ltd. Can be found the SET website (www.set.or.th)

3) & 4) Gulf Energy Development Plc. (GULF) is a holding company listed on the Stock Exchange of Thailand (the SET). GULF submitted Form 246-2 to the SEC that it held 480,976,414 of the Company's ordinary shares as of 28 January 2021, representing 15% of the Company's paid-up capital.

2. **Singtel Strategic Investments Pte. Ltd.** holds 23.32% directly in AIS. The shareholder of Singtel Strategic Investments Pte Ltd is

Name	% of shareholding
Singtel Asian Investments Pte. Ltd. *	100.00

* Singtel Asian Investments Pte Ltd is 100% held by Singapore Telecommunication Limited (Source: Accounting and Corporate Regulatory Authority (ARCA), Singapore as of 31 December 2020)

(c) Agreements between major shareholders and the Company concerning topics which affect the issuance of securities or management of the Company's operations.

- None –

Relationship with the major shareholders

The major shareholders of AIS are Intouch Holdings Plc. and Singtel Strategic Investments Pte. Ltd. Intouch Holdings operates its business by investing in the telecommunications, media and technology (TMT) sector through which it acts as a holding company and a venture capital firm. Singtel Strategic is a global telecommunications investor. Both major shareholders maintain their role in setting policy and directions for AIS through the Board of Directors.

Singtel has a long history in the telecommunications industry and has been active in many markets, especially in the Asia region, which has helped broaden AIS' perspective and stay abreast of the key industry movement globally. Several businesses within Singtel also present opportunities for mutual support with AIS, they include digital services for consumers and corporate clients from cross-border electronic wallet platform

VIA as well as cyber security solutions. These services require cooperation at the regional level and thus allow for mutual strengthening and the expansion of customer bases.

Intouch Holdings' corporate venture capital is invested through the InVent program, which focuses on startups involving telecommunications, media, technology and digital services. The venture capital in some cases has supported the AIS The Startup program, an incubator that supports and advises startups and provides them the opportunity for growth abroad with aid from both Intouch and Singtel.

Dividend Policy

The Company aims to pay dividend at least 70% of consolidated net profit twice a year. The first of which shall be paid as interim as a result of operation during the first half of the year as approved by the Board of Directors and will be reported to the next general meeting of shareholders whereas the remaining thereof as annual payment which shall be approved by shareholders' meeting as a result of operation in the second half year.

As regards each subsidiary, dividend payment shall be based upon its operating results, financial conditions and other material factors. In all cases, dividend payment shall be depending on cash flow, investment plan including any other future obligations of the Company and/or subsidiaries. Such dividend shall not exceed the retained earnings of the Company financial statements nor adversely affect the Company and subsidiaries ongoing operations.

Historical Dividend in 5 consecutive years is as follows:

Historical Dividend	2016	2017	2018	2019	2020
Total Dividend Payment (Baht per share)	10.08	7.08	7.08	7.34	6.92
1. Dividend from the first-half-year operation	5.79	3.51	3.78	3.78	3.24
2. Dividend from the second-half-year operation	4.29	3.57	3.30	3.56	3.68
Earnings per share	10.31	10.12	9.98	10.49	9.23
Dividend Payout Ratio	98%	70%	71%	70%	75%

Note: 2016 information is based on former dividend policy 100% of net profit, while 2017 - 2020 dividend payout rate is based on current policy 70% of net profit.

Debenture

As of 31 December 2020, the Company has a total of seven outstanding debentures under Advanced Wireless Network Limited Company. The debentures are traded on Thai Bond Market Association with terms between 7 to 10 years, which will due between 2021 to 2027. The debentures' fix annual interest rate ranges between 2.51% to 4.94% and the outstanding amount is 32,414 million Baht, which reduced from the end of 2019 by 7,789 million Baht from repayment. The debentures received a rating of AA+(tha) from 2020 credit rating review held on 16 October 2019 by Fitch Ratings indicating high quality investment with very high credit quality and very low credit risk.

Refer to note to financial statement no.18

Bill of Exchange

There is no outstanding bill of exchange as of 31 December 2020

Executive Committee Report

The Executive Committee comprises of four (4) highly experienced members namely Mr. Allen Lew Yoong Keong as Chairman, Mr. Gerardo C. Ablaza, Jr., Mr. Somchai Lertsutiwong and Mr. Anek Pana-apichon as members.

In 2020, the Executive Committee held a total of thirteen (13) meetings and performed its duties in accordance with the authorities and responsibilities in its Charter. The summary of the Executive Committee's performance for the year 2020 are substantially as follows:

1. Reviewed and concurred with the Company's strategic direction, management structure, and annual business plan and budget and proposed to the Board of Directors for approval.
2. Monitored the financial and operational performance of the Company and reported to the Board of Directors for acknowledgement.
3. Considered, provided opinions and concurred with dividend payment and the execution of investment transactions and proposed to the Board of Directors for approval.
4. Prepared this Executive Committee Report for the year 2020 and disclosed in this report.



Mr. Allen Lew Yoong Keong
Chairman of Executive Committee

Nature of Business

Revenue structure by service type

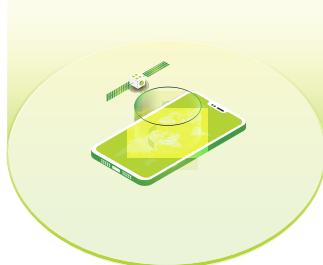
	2018*		2019		2020	
	Million Bt	Percent	Million Bt	Percent	Million Bt	Percent
1. Service revenue	144,005	84.3	150,129	83.0	143,316	82.9
1.1 Mobile phone business revenue	124,784	78.0	126,341	69.8	118,082	68.3
1.2 Fixed broadband business revenue	4,436	2.0	5,722	3.2	6,959	4.0
1.3 Other services revenue	4,208	1.6	4,509	2.5	4,552	2.6
1.4 Interconnection (IC) and equipment rental revenue	10,576	2.8	13,557	7.5	13,722	7.9
2. SIM and device sales revenue	25,851	15.7	30,765	17.0	29,574	17.1
Total revenue	169,856	100.0	180,894	100.0	172,890	100.0

*The operating performance shown in 2018 does not include the effect of TFRS15

Type of products and services

AIS is operating 3 core businesses, the key products and services of which can be summarized as follows:

Mobile Business



 5G/4G/3G/2G mobile network service on prepaid and postpaid



Mobile phone and IT related accessories sales



International roaming and international calls

Fixed Broadband Business



 Fibre broadband for households and SMEs



Digital Service Business



Video Platform



Internet of Things



Enterprise service



Other platforms



Mobile money

1. Mobile Business



AIS operates 5G/4G/3G/2G mobile services on telecommunications spectrum licenses granted by the NBTC, with a total of 220MHz spectrum bandwidth, consisting of 2600, 2100, 1800 and 900MHz. Additionally, AIS was allocated 700MHz spectrum for 30MHz capacity and expects to obtain the licenses during 1st half of 2021 while the allocated 26GHz for 1200MHz capacity is scheduled to obtain license within February 2021.

Currently, AIS's mobile network covers 98% of Thai population. In 2020, AIS launched 5G service with more than 5,700 base stations, covering 16 percent of the country's population and more than 60% population in Bangkok. AIS 5G service is available in key area of the 77 provinces in Thailand and covers more than 60% of the Eastern Economic Corridor (EEC) area which complies with 2600MHz license condition stated by NBTC.

AIS provides mobile voice and data services under both prepaid and postpaid plan. Currently, AIS has a total customer base of 41 million subscribers nationwide, with 10 million postpaid subscribers and 31 prepaid subscribers. In 2020, AIS launched a comprehensive online postpaid service under the "GOMO" brand to penetrate through young generation segment focusing on service via online channels. Additional information on GOMO can be found at <https://gomo.th>

2. Fixed Broadband Business

AIS has been offering fixed broadband service under the AIS Fibre brand since 2015 with fibre optic technology. As an extension of fibre optic networks on existing mobile networks, AIS Fibre could rapidly grow its network coverage. In 2020, AIS Fibre has expended its services area to covers over 8 million households in all 77 provinces nationwide and serving over 1.3 million subscribers. AIS Fiber continues to ensure its leading service quality and differentiate itself with new services; for example, Speed Toggle - a feature for users to alter their download and upload speeds online, and MESH WiFi devices for providing better coverage across large homes with up to eight MESH devices in a network. Apart from fiber-optic internet, AIS Fibre also provides world-class entertainment contents i.e. movies, sports and other entertainment

contents via the AIS PLAYBOX. Moreover, AIS Fibre seeks to provide convergence solution for customers with its home internet, mobile internet, content and AIS Super WiFi in a single package. For more details, please visit www.ais.co.th/fibre. AIS has also begun rolling Fixed Wireless Access (FWA) service using 5G technology, a development that allows high-speed internet service in areas previously inaccessible by fiber optic while lowering costs and installation times.



3. Digital Service Business

AIS continues to develop its digital services in response to rapid change in consumer demand and behavior, especially as the COVID-19 pandemic triggered heightened need on digital services in the New Normal. As a leader in the telecommunications industry with 5G readiness, AIS strives to become a comprehensive digital lifestyle service provider through cooperation with partners in different areas of expertise. The company's Digital Service Business focuses on the following five areas:

+ Video Platform

AIS provides TV, video distribution services, including various type of entertainment such as movies, series, music, karaoke, games and E-Sports via AIS PLAY application, available on mobile and tablet, as well as through AIS PLAYBOX for AIS Fibre, the home internet subscribers.



Through cooperation with various partners, AIS offers Over-the-Top (OTT) services encompassing a wide variety of content such as Hollywood movies and series on Netflix, Korean series and programs on ViU, NBA broadcasts and free TV channels presented both live and as Video-On-Demand. All the content is selected by AIS for its customers to view on the AIS PLAY and PLAYBOX platforms.

AIS has also expanded the variety of content on 5G technology with the AIS 5G AR/VR application, which utilizes the high-speed and low latency capability of 5G to present virtual realities for futuristic lifestyles. Four types of content are available through the application

- 1. Star Dating & music** – users get up close to their favorites celebrities
- 2. Travel** – domestic and international tourism experience
- 3. Wellness** – virtual exercise routines and
- 4. Education** – knowledge on historical attractions in Thailand.

More information on the service can be found at <http://www.ais.co.th/aisplay/> and <https://www.ais.co.th/5G>.

+ Cloud and data centers for enterprises

To enhance IT operation efficiency and consistency during COVID-19 situation and undergoing a digital transformation, AIS provides complete cloud solutions and data centers responsive to the specific needs of its enterprise clients in various industries, working with specialized world-class partners such as IBM, Cloudian and Microsoft to enhance services including:

- Cloud Managed Services – providing consultation, installation and transfer to cloud services as well as 24/7 monitoring on remote to ensure business continuity plan.



- Microsoft Licensing Solution Provider – providing digital solutions such as Modern Workplace and Azure to enhance the capabilities of businesses.

- Enterprise Object Storage – 5 or 10-year large scale off-site backup storage that reduces company maintenance costs and ensures effective care, a responsive service for the growing need for data storage in the digital era.

AIS (CSL) received the 2020 Thailand Data Center Competitive Strategy Innovation and Leadership award from Frost & Sullivan in acknowledgement of the global standard of its nationwide data centers and data center services. Further information on cloud services provided by AIS and CSL are available at <http://business.ais.co.th/cloud/index.html> and <https://www.csl.co.th/>



+ Mobile Money



In supporting the national policy on the development of national E-Payment infrastructure towards achieving a cashless society, AIS joined with both domestic and international partners to provide cross border mobile payment, allowing customers travelling abroad to transact based on local currencies, effectively eliminating concerns over exchange rates or the need to carry cash during travels.

AIS also provides the mobile money service platform for both corporate clients via mPay (B2B) and for consumers via a joint venture company, Rabbit LINE Pay (B2C). mPay provides a comprehensive mobile payment platform for corporates who seek to have a mobile electronic wallet offered to their customers, while bypassing the hassle operation of mobile payment system and operating license. More details can be found at www.ais.co.th/mPAY/gateway

+ IoT or Internet of Things



In building the IoT services, AIS focused on creating an IoT ecosystem covering equipment, networks, platforms, business solutions and developer communities from public and private alliances formed through the AIS IoT Alliance Program (AIAP) and AIS playground. This responds to the rising growth of large, medium and small enterprises transitioning to the digital era and looking to incorporate IoT capabilities into their businesses such as finance, logistics, real estate and Smart Cities.

The AIS IoT network is widely regarded for its coverage and technological diversity, which allows it to meet a range of demands and usages, from high-efficiency wireless networks like 3G and 4G to NB-IoT, which uses low energy. The number of IoT devices connected via AIS network for businesses grew to over 900,000 devices. In 2020, AIS began 5G service, sending its IoT technology network for the industrial sector to leap forward. The 5G characteristic of high speed, low latency, and allows for massive connectivity enables new use cases for the future factory in which robots, machines, vehicles and drones



can be automated or remote controlled. AIS has also developed partnerships with leading industrial estate developers such as Amata, WHA, Sahapat and Bangkadi as to jointly foster a 5G ecosystem supportive of the industrial sector in the future. AIS was awarded 2020 Thailand IoT Services Provider of the Year by Frost & Sullivan, marking the third consecutive year it received a Best Practices Award in IoT. More information about our IoT services can be found on our website <http://business.ais.co.th/iot>

⊕ Other platform

Cybersecurity

AIS has brought its experience in cybersecurity on safeguarding the data of over 40 million customers to enhance cybersecurity system for corporate clients, serving businesses with cyber-attacks risk that have grown in severity in the digital era, and to preparing to comply with the Cyber Security Act of B.E. 2562 and Personal Data Privacy Act of B.E. 2562 that came into effect in 2020.



Given its nature of business with high exposer from cyber threats, AIS operates the Cyber Security Operation Center (CSOC) with high standard that can respond to a threat immediately with expert personnel 24/7. The company also works with world-class partners specializing in cybersecurity such as

Trustwave, which allows AIS to provide extensive cybersecurity services from protection of terminal devices, networks and the cloud to assessing risk and providing consultation on cybersecurity enhancement.

Extensive cybersecurity services are provided under AIS Cyber Secure, which operates a CSOC under the same technology, personnel and processes that AIS utilizes for its own protection alongside services from specialized partners. More about AIS cybersecurity services is available at <https://business.ais.co.th/solution/security.html>

ICT Solution

COVID-19 pandemic has changed traditional work approaches and in pushing organizations to adopt the New Normal accelerated their digital transformation. CSL brings its expertise in ICT project management services to provide ICT solutions for enterprise clients, empowering business of the production, logistics and distribution as well as educational institution and state agencies to adapt to the New Normal in digital era. Focusing on solution for Digital Workplace, it provides various type of services from network infrastructure to WiFi solutions and secure connectivity, supporting work from anywhere and on an array of devices.

For businesses impacted by COVID-19 that need to slow down investment and cut costs, CSL also offers Managed Service, a complete solution to extend usage life of IT systems, covering inspection, repair and replacement of equipment, reducing the burden of IT maintenance.

CSL also elevated its partnerships to reach under Cisco Gold, Dell Platinum and Fortinet Expert as to strengthen client confidence and enhance its ability to design and deliver solutions and provide after sales service providing by international standard certified team.

Service for Small and Medium Enterprise (SME)

AIS supports small and medium enterprises (SMEs) with products and services that are responsive to their needs, providing quick and convenient services along with expert advice and support. Offerings include mobile phone services, services for online businesses, AIS Fibre for SMEs, digital marketing services, IoT solutions and business software.

AIS also offers special privileges specific to SMEs under the AIS Biz Up program, which presents privileges based on the particular lifestyles of business operators and that are supportive of business operation. Combining products and services from AIS and its partners, AIS is able to offer discounts from leading firms, free trials or special privileges and a range of knowledge for businesses.

Investors can learn about AIS services for SMEs at <http://business.ais.co.th/sme/> and Biz Up at <https://business.ais.co.th/bizup/>



Digital Marketing

In cooperation with AD Venture and Teleinfo Media (an affiliate of AIS' subsidiary CS Loxinfo), AIS utilizes AD Venture's online advertisement capabilities, and leverage upon AIS' 42 million customer base to provide digital marketing solutions for corporate clients in enhancing their accessibility to consumers in digital era. Our digital marketing platform includes location base SMS platform that allows for advertising of targeted areas, and Thailand Ads Network, or THAN, a collection of ad space on Thailand's 100 most popular websites offering a major digital marketing tool to client. The digital marketing solutions comprises of digital content creation, website & mobile application development, social media management, digital advertising media management and turnkey marketing campaign solutions.



Distribution and sale channels

AIS distribution channels are divided into 5 main categories as follows:



1. AIS Shop - Service centers operated by AIS and selected high potential distributors, in total of 201 locations. AIS Shop offers the most comprehensive range of products, services and after sales services among the different distribution channels. AIS Shop strategically locates in densely populated urban areas and focus on maintaining a superior brand image of AIS products and services.

2. Distributors - AIS cooperates with a variety of distributors to meet the needs of a wide range of customers throughout the country. "AIS Telewiz" is a high competency distributor with over 404 locations in city areas and serves under AIS brand. "AIS Buddy" accesses district and sub-district areas through more than 1,158 branches. AIS also distributes our products and services through other retail outlets and modern trade retailers such as JAYMART Group, TG Fone Group and Central Retail.

3. Wholesaler - AIS appointed Advance Distribution Partnership (ADP) wholesalers by area across the country. The ADPs facilitate efficient distribution of products such as SIM cards and mobile phones to more than 16,000 retailers across the country.

4. Direct Sales and Telesales - Focusing on postpaid customers acquisition, this channel makes products offering faster and more efficient while providing direct approach to target groups. Examples of direct sales are sales booths or activities in targeted areas. Supporting sales is the "AIS Easy App", which allows sale teams to immediately sell products and services and complete customer registration with better efficiency. In 2020, Telesales has been introduced to provide direct sale channel via the Call Center, a particularly convenient channel for customers during the COVID-19 pandemic.

5. Online Channel – Promoting customers self-service via the AIS website, AIS Online Store, myAIS application, Kiosks, Chat and Shop, Social Commerce and E-Marketplace. MyAIS has been upgraded to provide greater convenience as a one-stop application, its Express Service function provides as wide range of services as an AIS Shop while its AI assistant Aunjai provides personalized End-to-End support 24 hours a day. The myAIS application also retails SIM cards and facilitates application for AIS Fibre home internet, providing convenient channel for existing customers to take on further AIS services.

Customer Relations Management

Committed to being a leading digital service provider, AIS serves its customers with the concept “**Number 1 service from our heart for digitizing Life**”, combining understanding and care for customers with technological services presented with a human touch. Service at AIS focuses on speed, convenience, personal data privacy, self-service and personalization to deliver the best customer experience and is distinguished by technological enhancement. Customer relations management is carried out in the following five ways:

1. Serving customers with digital technology is mainly conducted through the myAIS application available for Android and iOS smartphones, which as of end 2020 was downloaded by more than 20 million users with over 8 million monthly active users. Over the course of 2020, myAIS was enhanced from its basic functions into an Everyday Lifestyle Application with a wider array of services provided under the concept “Knowing You Better, Special Every Day”. Services via the application are easier to access, convenient and come with special privileges that make daily usage worthwhile. Highlights include:



- Express Service – All the services of an AIS store made available through the myAIS application with the added functionality of Aunjai, an AI powered personal assistant providing 24-hour end-to-end service with a query accuracy rate of 84%
- Extra Personalization - Targeting customer needs using machine learning technology that analyzes each customer's behaviors to present them with the best suitable service package at the time.
- Exclusive Privileges - Quick and convenient access to privileges using the Points & Privileges function of the myAIS application. Users can access information on privileges, their AIS Points and exchange points for rewards of products and services from AIS and its partners, all in one place. Digital engagement is also developed with the user through the Coupon and Game functions, which attract users and increase their frequency of use by offering entertainment and rewards.
- 2. “AIS Privileges” is another channel for customer relations management carried out by AIS in cooperation with its partners. AIS seeks to be responsive to customer lifestyles across seven segments, Coffee Time with popular local cafe's across Thailand, Dining Time with discounts on popular restaurants, Family Time for fun with the family, Entertaining Time for screening new film releases with discounts, Shopping Time for deals at popular

department stores and shops, Traveling Time for privileges on travel and Lucky Time where only 4 points give a chance for prizes from AIS. AIS currently has 29,000 partner stores providing privileges across the country and sees 14 million privileges redeemed annually. Customers can also use their AIS Points collected from use of services for discounts on call packages and internet packages, to win prizes, Line stickers and for discounts on mobile phones among others. At present, over 17 million subscribers apply and collect AIS Points and over 61 million redemptions take place each year.

In 2020, AIS added “Well-Being” privileges in response to the New Normal lifestyle that focuses on preventative health. In cooperation with the Ministry of Public Health, leading hospitals and insurance firms and telemedicine applications, AIS connected its customers to medical services with convenience.





3. Privilege program “AIS Serenade” is presented to customers with a high spending or with long service year. The program aims to furnish premium service under the concept “Always Exclusive, Always on Top” and has been commenced by AIS for 16 years. The program focuses on 1. Attention to customer demands 2. Partnership building to respond to emerging demands and 3. Application of technology to all dimensions. Based on regular study of customer demands, AIS divides its privileges across four groups 1. Special Experiences (Serenade Club, Personal Assistant, Parking, Airport Privileges) 2. Digital Life (Discounts on smartphones, gadgets) 3. Motivation and Inspiration (Entertainment activities such as concerts and theater shows, inspirational activities for business persons) and 4. New Experiences (tourism and dining). These approaches have led to AIS having 5.5 million Serenade customers and being able to more accurately address their needs. In the 5G age, under the concept “Digital Urban Lifestyle”, AIS unveiled a Serenade Club Flagship Store that on top of providing a range of services to customers also presents them with IoT gadgets and the latest in technological lifestyle enhancements attuned to AIS Serenade members of all generations. The store is slated for expansion to major cities in every region.

4. In our striving for the best customer experience, we build-in analysis and insight of consumer behaviors into our marketing tools, an approach to build value for our customers called customer value management (CVM). Such customer data analytic allows us to customize product and service presentation to each customer and increase consumer satisfaction.
5. AIS observes customer satisfaction across numerous platforms, including rating via telephone call, surveys in our service shops, as well as questionnaires arranged by contracted external agency. These ratings refer to the quality of services from AIS, whether in our shops, at our dealerships, or through our automated service machines, as well as measuring the likelihood of our customers suggesting AIS and our services to others. These data are used to constantly develop every facet of the services we provide. From our survey, the customer satisfaction levels are as follows:

Human touch point satisfaction scores



Procurement of Products and Services

Spectrum

Currently, AIS operates mobile business with a total spectrum of 220MHz (2x60MHz on FDD technology and 100 MHz on TDD technology). 190MHz of spectrum licenses are granted by the NBTC to Advanced Wireless Network Co.Ltd. (AWN), a subsidiary, while another 30MHz is under the partnership agreement between the TOT and AWN.

Moreover, AWN had been allocated 20MHz bandwidth of 700 MHz spectrum from NBTC in June 2019 and had obtained the license on 15 Jan 2021. In February 2020, AWN had won the spectrum auction and had been allocated 10MHz bandwidth of 700MHz spectrum and 1200MHz bandwidth of 26GHz spectrum. The 700MHz license from the auction is expected to obtain within 2nd quarter of 2021, while the Company has an obligation to obtain 26GHz license within February 2021.

Detail for spectrum licenses provided in topic 4.
Assets used in operations, Part 1 Page 39

Network equipment procurement

AIS deploys “Multi-vendor policy” to avoid dependency on any single supplier. Equipment vendors and AIS work together to align plans for equipment and service development for the optimum solutions and mitigate procurement risk and ensure on time delivery of equipment. To select suppliers, AIS appoints committees to evaluate and assess the most suitable options. Many factors are taken in to account, such as investment and operating cost, technical assessment and vendors’ technological development plan, to make sure that AIS will be able to operate sustainably through evolving technology in the future. AIS selected key network equipment from the leading international vendors including Huawei, Nokia, and ZTE. Other parts in networks are supplied by CISCO, Juniper and etc.

Procurement of Mobile Phones, Equipment and Digital Services

AIS markets mobile phones spanning a range of qualities and price points in satisfaction of the varied needs of its customers. Most brands purveyed by AIS are well-known in the market and include iPhone, Vivo, Oppo, Samsung, Realme, Huawei and Xiaomi. AIS also markets other IT products, including tablets and accessories in support of digital communication and the varying lifestyles of its customers as well as to serve needs for communication devices to support Work-from-home and Learn-from-home during COVID-19 situation. Procurement of mobile phones and IT products is done through collaboration with leading manufacturers as to secure a variety of products. 5G mobile phones were also presented upon the official launch of 5G service, allowing users to access the latest technology and able to effectively utilize the AIS network.

Work under progress

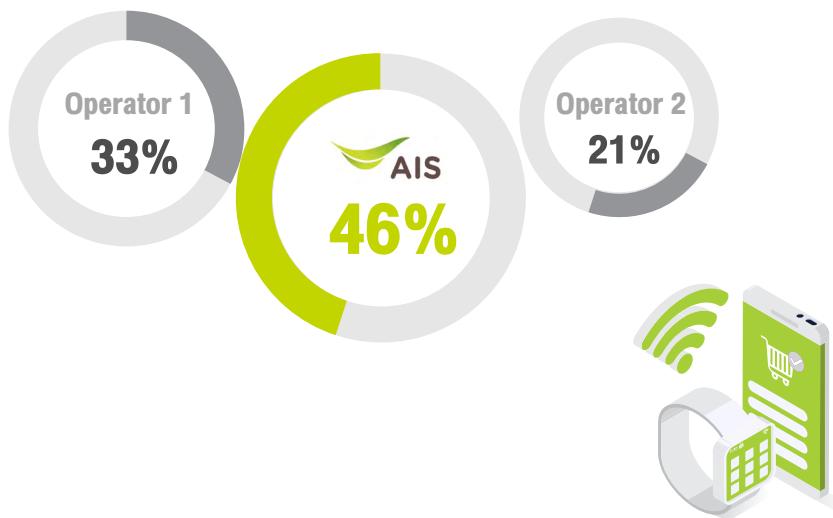
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Industry competition in 2020 and Outlook for 2021

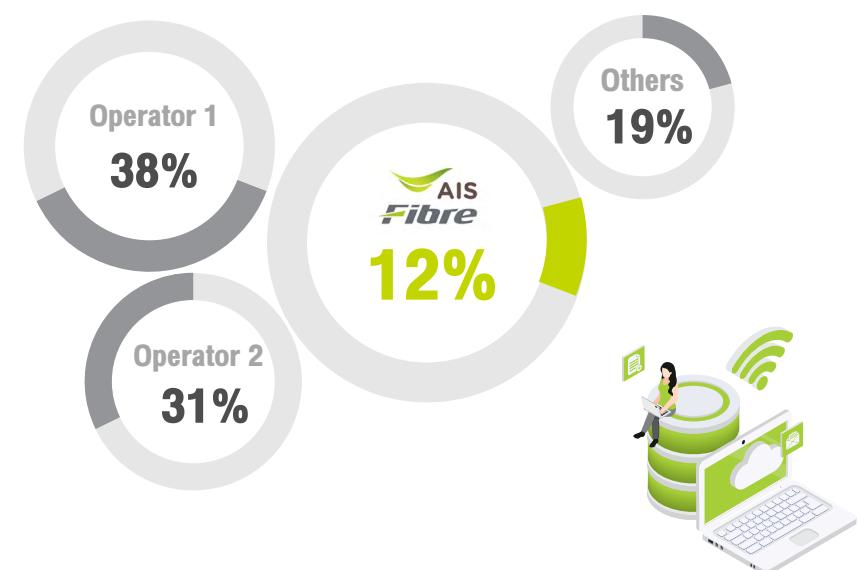
Industry competition in 2020

Subscriber market share in mobile and fixed broadband businesses

Mobile Business



Fixed Broadband Business



Mobile business pressured by slowdown economy and impacts of COVID-19

The spread of COVID-19 since February 2020 resulted in a lockdown of Thailand in 2Q20 and cross-border travel restriction measures were maintained until the end of the year, conditions that impacted the country's economy, in particular its tourism and export sectors but also the consumer spending. Overall, the Gross Domestic Product contracted by 6.1%. The telecommunications sector's revenue was also hit as mobile service shrinking due to a loss of tourists and lowered purchasing power among domestic consumers, who turned to value-for-money packages to reduce spending. Mobile phone sales also dropped, while the industry revenue contracted by 6% in 2020 compared to the previous year, which saw growth by 4%. Total mobile subscribers were 91 mn., 3% decreased due to the loss of tourists, with mobile phone penetration rates for Thailand at approximately 140% of the population. While the majority of mobile phone users continued to be on prepaid plans, comprising 72% of all subscribers, postpaid subscribers grew in line with a trend towards adoption of monthly plans to satisfy a demand for continuous data.

Competition in the mobile industry remained intense since late 2019. Operators continued to offer fixed-speed unlimited packages for prepaid and postpaid customers to acquire and maintain customer

bases. Although the industry was able to uplift the price of these packages to alleviate contracted revenue, dampened purchasing power and a loss of tourists still resulted in a lowered Average Revenue per User (ARPU) for the industry.

Officially launch 5G service for consumers

Following the spectrum license auction on 16 February 2020, operators have begun expanding their 5G networks to serve customers and corporate clients, focusing on strategic locations with a high density of demand, particularly the Eastern Economic Corridor (EEC) and the key cities that are leading economic zone. In October 2020, operators began to unveil their 5G packages alongside content based in 5G such as augmented reality/virtual reality (AR/VR), cloud gaming and high definition video streaming in order to generate additional revenue and presenting a new experience to customers. Given an early stage of 5G technology and limited number of 5G handset models with a high starting price of Bt10,000, the adoption rate for 5G subscribers in 2020 was still limited.

Robust growth in fixed broadband following demand for work and learn from home

The fixed broadband market continued to grow robustly over the past year, reaching a total value of approximately Bt61mn, up 4% from last year. The necessity to "Work from Home" and "Learn from Home" during the lockdown rapidly expanded demand for home internet and prompted all service providers to compete on price and new services responsive to new customers. By the end of 2020, the total fixed broadband subscribers exceeded 11.2mn households from 10mn in 2019, with a penetration rate increasing to 51% from 47 % in 2019.

Competition was intensified this year with service providers trying to attract customers using pricing strategies, lowering the starting price of a package to Bt299/Month for 100 Mbps from Bt599/Month a year earlier. Packages for 1 Gbps were priced from Bt590/Month, within reach of all households and now the standard price. Half price discounts were used as a strategy to attract customers from other providers and were the main reason for the decrease of the industry's ARPU. Nonetheless, service providers could add value by presenting value added services such as higher speeds, and equipment upgrades. Convergence packages including home internet, mobile phone sim cards and content were another strategy for growing and maintaining customer bases.

Outlook for 2021

Revenue from mobile business continues to be pressured by sluggish economic recovery

The COVID-19 pandemic situation this past year was a catalyst for rapid change in consumer behavior, forcing people to work and study online from home and hiking demand for data. With the COVID-19 situation still uncertain, the tourism revenue that is a major driver of the Thai economy remains hampered and has in turn hindered domestic purchasing power, slowing economic recovery. Due to these factors, competition in 2021 is expected to remain high with operators to continue to deploy pricing strategies to attract customers while fixed speed-unlimited data packages are expected to be offered for consumers with limited purchasing power. These key factors will pose a challenge to raise revenue for the telecommunication industry.

Positive factors for revenue in the telecommunication industry will include widespread access to a vaccine for COVID-19, quicker than expected economic recovery and a softening of competition in terms of price and handset discount campaigns. A lower price of smartphones that support 5G will promote 5G adoption and would allow operators to increase revenue from 5G related services.

5G network expansion to offer value-added services to consumers and penetrate enterprise clients

The trend towards 5G adoption among both general consumers and enterprise clients will be apparent in 2021 as more brands and models of smartphone begin to support 5G. Over 90 models of 5G smartphones with a starting price under Bt10,000 are expected to enter the Thai market. A more diverse array of 5G content also becomes available from leading domestic and international creators. Content will encompass travel, sports, news, concerts and online games and provide new experiences to drive demand. Providing 5G will become an important tool for attracting customers, especially those with high purchasing power and operators will compete to be the leader in providing 5G by strengthening their networks, expanding 5G coverage and enhancing 4G capacity. In 2021, operators are scheduled to receive the 700MHz and 26GHz licenses that was earlier auctioned in 2020. The 700MHz being low band provides wider coverage to support 5G and IoT devices while the 26GHz, millimeter-wave band, will support massive network capacity and allows for Gbps speed data transfer. With these combined characteristics, operators can effectively apply 5G technology to both the industrial sector i.e. engaging in industrial partnership on remote machinery control, security, Smart Home solution and more, as well as the consumers i.e. deploying Fixed Wireless Access technology for home broadband internet.

Fixed broadband expected to maintain growth in 2021

The year 2021 should see consumers further adapting to the digital lifestyle, altering their daily and work lives, and increasing demand for services using online platform, including online content and online games, leading to higher demand for home internet service. Households with fixed broadband connectivity remain at a medium level of 51 percent, so the fixed broadband sector is expected to continue delivering growth potential in 2021. 5G will bolster high-speed internet by providing Fixed Wireless Access (FWA) service in remote areas previously hindered by cost effectiveness while lowering costs and installation times.

Competition in the fixed broadband market is likely to remain high in 2021. However, service providers are expected to use value added services to grow and maintain their customer bases with the strategy to include increasing internet speeds and upgrading client equipment while selling additional services such as more routers for better home coverage or convergence packages that includes different services for higher revenue and to sustain ARPU.

Business Direction over three years

Technological advancements in the digital era have triggered a rapid change in consumer behaviors and demands while the COVID-19 pandemic caused consumers to further augment their work and lives by using digital technology to adapt to the New Normal. The business and industry sectors similarly had to undergo a digital transformation for better efficiency and had to develop their products and services to match evolving consumer demands.

The telecommunications industry serves a key infrastructure for national development and will be even more important as technology is deployed to recover the business and industries to grow in the New Normal. In particular, 5G technology will serve as a fundamental for business collaborations that will enhance efficiencies across the sectors and allow for innovative products and services.

AIS is committed to its vision of being a Digital Life Service Provider and focuses its core businesses in mobile phone service, fixed broadband internet and digital solutions. We work to build innovation and technologies that can serve both individual consumers and well as business customers, with an aim to enhance people lifestyle and capabilities, build business competitiveness for sustainable growth.

Reinforce core business and maintain leadership with quality service and operational excellence

Internet usage on mobile phones in Thailand continues to be on an uptrend with smartphone prices continuing to adjust downward leading to higher smart phone usage on mass population. The spread of COVID-19 also triggered a rapid change in consumer behavior, necessitating the need for internet to access digital platforms that circumvent the disease such as e-Banking, e-Commerce, Mobile Payment, Food Delivery, Parcel services and Video Streaming. The role of these services has grown in importance to daily life and amplified demand for internet connectivity moving forward.

AIS, as the leading telecommunications service provider in Thailand, is committed to investing and development of its network to provide service on 4G and 5G technology. The multi-band and multi-technology network equipment will support both 4G and 5G enabling efficient investment to serve increasing 4G data demand in short term and capturing the raising adoption of 5G in medium term. Moreover, AIS is determined to be a leader in bringing richer contents and entertainment, serving at a more personalized level through enhanced data analytics. AIS aims to maintain its industry's leadership with service and operational excellence as well as network quality

At the early stage of 5G, AIS has given priority to building up its technological knowledge and working with business partners in various industries to build potential use cases and commercial solutions, hence serving to develop a robust 5G ecosystem. The 5G characteristic of high speed, low latency and massive connectivity implies various potential for services to individual consumers as well as corporate clients i.e. three-dimensional video conferencing, cloud operations, industrial automation, mission critical software and Smart Cities/Smart Homes/Smart Cars. For corporate clients, in particular, AIS is prepared to develop 5G technology to enhance industrial automations and data analytics, building on AIS expertise in network knowledge to help businesses evolve and create new revenue streams.

Grow access to home broadband leveraging mobile infrastructure

Quality home internet connectivity has become an essential part of living in the digitally connected world. The growing demand of video streaming, high definition online gaming and a trend toward working from home due to the new normal triggered by COVID-19 has necessitated home internet to be ever more reliable at faster speed to support a growing data stream. AIS aims to expand the broadband internet network into urbanizing areas, building on to its mobile network infrastructure. With the capability of 5G technology, home broadband can benefit from deploying 5G as Fixed Wireless Access (FWA), which enable connectivity in areas where fiber is prohibitively expensive or where there are geographic limitations in building and maintaining the infrastructure. FWA can reduce the setup cost and time as it does not require physical fiber optics layout as last mile, but rather connected via mobile equipment.

With growing access to home, AIS aims to provide more services to family in the future being home entertainment, home security and automation, etc. Consumers tend to be more connected relentlessly and seamlessly on multiple devices. AIS believes in providing consistent service availability and quality both indoor and outdoor for customers and their families. Today, AIS continue to reach out to the existing mobile subscriber base to offer home broadband offering bundled package of mobile, home internet, AIS PLAY, which offers video contents and OTT programs.

Drive new value added digital services to customer's changing lifestyle and strengthen enterprise's competencies

While connectivity has become a necessity, platforms has become the focus of user utility. The importance will no longer be on the means to connect, but rather the destination or the services that customers need to reach. AIS aim to expand its offerings and be customer's Digital Life Service with added new services that are personalized, real-time and predictive including services like video, mobile money, IoT, Cloud, game online, digital marketing, online insurance and other services. By building strong partnership, increasing convenience and platform usability, AIS targets to grow its digital service user base. Revenue model will range from subscription base, fee base to advertising model.

For corporate clients, AIS seeks to assume a crucial role in fulfilling the demand of businesses undergoing digital transformation to adapt to the new normal. The focus will be on building new ICT services and cloud service. Working with leading ICT service providers, AIS has positioned itself to assist organizations in effectively managing their operational costs leveraging secure and solid ICT and network technology. With the potential of 5G technology, AIS will also collaborate with business partners in diverse industrial sectors to create product solutions and industry solutions that will enhance operational efficiency and business competitiveness, contributing to further economic development.

Integrating technology to improve business processes and uplift people development

AIS aims to leverage digital technologies to reinforce its competitive services. For example, deploying data analytics to create and offer targeted offerings. Technologies such as Robotic Process Automation (RPA), Artificial Intelligence (AI), and Machine Learning (ML) are being deployed to enhance customer services and internal processes by reducing time and cost to serve while responding on-demand to customers. Deployment of digital technologies will also allow AIS to achieve cost optimization. Lastly, People has been one of the key focuses in achieving long-term and sustainable success especially amid the radical changing business landscape. AIS encourages its employees to be active with growth mindset and open to rapid changes. AIS Innovation Center and digital learning platform, which gives on-demand and variety digital courses, have been introduced to shape personnel knowledge and skills. Reinforcing such programs, AIS aims for its people to be able to employ technologies and innovation in their work process and; therefore, collectively move toward its vision of being 'Digital Life Service Provider'.

Assets used in operations

The total assets used in operation of AIS business can be divided into three main groups:

- 1) Fixed assets such as network equipment, service shops, office building, and land
- 2) License to operate telecommunication service such as spectrum license and other licenses to operate telecommunication business
- 3) Commercial Agreement such as agreement with TOT and agreement with CAT

The details of significant assets are as at 31 December 2020 as follows;

1) Fixed assets of AIS and subsidiaries

	Type of Ownership	Estimated Useful Life (years)	Unit: Million Baht
Tools and equipment for providing telecommunication network and fixed broadband services	Ownership	2 - 20	244,533
Right-of-use assets	Right-of-use	1 - 12	70,503
IT equipment	Ownership	5-10	11,934
Network under construction and installation for rendering telecommunication and fixed broadband services	Ownership	-	4,266
Other fixed assets			5,774
Total			337,010
<u>Less accumulate depreciation/ amortization</u>			(155,769)
Net Book value			181,241

Fixed assets of AIS and its subsidiaries had included the financial leases recognized under right-of-use assets. The significant agreements are as follows:

- Lease and related service agreements for office space, cars, computers and base station
- Service agreement related to the national roaming service
- Telecommunication equipment rental agreement for providing telecommunication service
- Telecommunication tower rental agreement

2) License to operate telecommunication service

AIS and its subsidiaries operates 2G, 3G, 4G and 5G network service and other telecommunication services under the spectrum license granted from the NBTC which are Telecommunication business license type 1, Telecommunication business license type 2, Telecommunication business license type 3, Internet Service Provider Type 1, International Internet Gateway and Internet Exchange License Type 2 with its own network.

Moreover, the company has electronic money business license and electronic payment service license to operate mobile money services, including prepaid card sales on prepaid systems and electronic wallet.

Summary of Telecommunication Spectrum License granted by NBTC

Spectrum license	License Fee	Grant date	Grant Period	Expiration
The right to use 2.1 GHz spectrum • Bandwidth of 2x15MHz • Provide telecommunication network covering at least 50% of population within 2 years and at least 80% of population within 4 years	Pay for the license within the time period as specified by the NBTC.	7 Dec 2012	15 years	6 Dec 2027
The right to use 900 MHz spectrum • Bandwidth of 2x10MHz • Provide telecommunication network covering at least 50% of population within 4 years and at least 80% of population within 8 years		30 Jun 2016	15 years	30 Jun 2031
The right to use 1800 MHz spectrum • Bandwidth of 2x5 MHz • Provide telecommunication network covering at least 40% of population within 4 years and at least 50% of population within 8 years		25 Dec 2015	18 years	15 Sep 2033
The right to use 1800 MHz spectrum • Bandwidth of 2x5 MHz • Provide telecommunication network covering at least 40% of population within 4 years and at least 50% of population within 8 years		21 Sep 2018	15 years	15 Sep 2033
The right to use 2600MHz spectrum • Bandwidth of 100 MHz • Provide telecommunication network coverage on major economic zone of Thailand as follows; (1) At least 50% geographical coverage of the Eastern Economic Corridor (EEC) area within 1 year, (2) At least 50% population coverage of key cities area including Bangkok Metro area, Chiang Mai, Nakorn Ratchasima, Khonkaen, Songkla and Phuket within 4 years from license granted date. • Provide network based on IMT-2020 (5G) technology of at least 50% geographical coverage of the Eastern Economic Corridor area within 1 year to receive special conditions applied for extended payment term in which 2 nd – 7 th installment starts in year 5 - year 10		21 Feb 2020	15 years	20 Feb 2035
The right to use 700MHz spectrum • Bandwidth of 2x10 MHz		15 Jan 2021	15 years	14 Jan 2036
The right to use 26GHz spectrum • Bandwidth of 1200 MHz		Tentative in Feb 2021 ¹	15 years	15 years from license granted date
The right to use 700MHz spectrum • Bandwidth of 2x5 MHz		Tentative in 2Q2021 ¹	15 years	15 years from license granted date

¹⁾ The license granted date may be changed subjected to NBTC.

3) Commercial Agreement

Commercial Agreement with TOT

1. Roaming Agreement

Company	Significant terms and condition	Benefit	Agreement Period	Expiration
AWN	TOT provide roaming service on TOT's 2100 MHz spectrum to AWN with terms and conditions as specified in the agreement.	Pay the monthly roaming fee to TOT at the rate per subscriber as specified in the agreement	7 years 5 months	3 Aug 2025

2. Telecommunication Equipment Rental Agreement

Company	Significant terms and condition	Benefit	Agreement Period	Expiration
SBN	Provide equipment rental to TOT, which allows TOT to provide mobile service on TOT's 2100 MHz spectrum	Receive rental revenue from TOT which is subjected to the rate and usage as specified in the agreement	7 years 5 months	3 Aug 2025

3. Telecommunication Tower Rental Agreement

Company	Significant terms and condition	Benefit	Agreement Period	Expiration
AWN	AWN rents the telecommunication towers from TOT while TOT agrees to use the space and maintenance services from AWN	Pay a usage base fee with an estimated total net value for 10-year period of approximately 28 billion Baht.	10 years	31 Dec 2028

Commercial Agreement with CAT

Telecommunication Tower Rental Agreement

Company	Significant terms and condition	Benefit	Agreement Period	Expiration
AWN	AWN rents the telecommunication equipment tower from CAT while CAT agreed to use the space and maintenance services from AWN	Pay the monthly fees for tower rental and other related services	5 years	15 Sep 2025

Policy to invest in subsidiaries and associate companies

AIS currently focuses on telecom service business only. We thereby invest in subsidiaries and other companies for the purpose of supporting our main business or operating other related services which is beneficial to our business. AIS has appointed directors and executives as our representative in those companies for the purpose of shareholder's benefit and value maximization. The meeting of board of directors of those companies is scheduled to convene at least on quarterly basis. The shareholders' meeting is scheduled on annual basis.

The Audit and Risk Committee Report 2020

To the Shareholders of Advanced Info Service Public Company Limited

The Audit and Risk Committee of Advanced Info Service Public Company Limited is composed of three (3) independent directors with combined skills and expertise in finance, accounting, laws, and business administration. All members possess adequate qualifications as required by the Audit and Risk Committee Charter and the regulations of the Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand (SET). Its members include:

- | | |
|-------------------------------|--|
| 1. Mr. Krairit Euchukanonchai | Chairman of the Audit and Risk Committee |
| 2. Mr. Surasak Vajasit | Member of the Audit and Risk Committee |
| 3. Mr. Prasan Chuaphanich | Member of the Audit and Risk Committee |

The Audit and Risk Committee held eighteen (18) meetings in 2020. All members of the Audit and Risk Committee attended every meeting. Mrs. Suvimon Kulaert, the Company's Chief Audit Executive, acts as Secretary to the Audit and Risk Committee. The summary of meeting attendance of the members in 2020 is shown in "Management Structure".

The Audit and Risk Committee has performed duties independently and with objectivity according to the Audit and Risk Committee Charter and the regulations of the SET, and has reviewed such matters in accordance with current situations and approval by the Company's Board of Directors every year. The Audit and Risk Committee has performed its responsibilities in auditing and reviewing to assure good corporate governance, accurate and reliable financial reports, and adequate internal control; and to assure that the Management executes its duties with integrity, accountability, and in accordance with the Company's policies. The Audit and Risk Committee's duties in the year 2020 are summarized below:

- 1. Financial Report:** The Audit and Risk Committee has reviewed accuracy, completeness and reliability of the quarterly and annual separate and consolidated financial statements of the Company and its subsidiaries for 2020, conducted in accordance with Thai Financial Reporting Standards and the International Financial Reporting Standards. The Audit and Risk Committee discussed significant matters, important accounting policies, estimates, and judgements applied in the preparation of these financial statements with the external auditor. The Audit and Risk Committee also discussed the disclosure in the notes to the financial statements with prudence

to assure that the preparation of these financial statements and the disclosure in the notes to the financial statements are reliable, transparent, and in accordance with Thai Accounting Standards and the Financial Reporting Standards.

In addition, The Audit and Risk Committee held a private meeting with the external auditor without the Management's participation for an independent discussion on important issues concerning independence in operations, significant information in the preparation of financial statements, and recommendations for the internal control over financial reporting. For the year 2020, the external auditor did not have any significant remark.

The Audit and Risk Committee concluded that the Company's accounting and financial reports were prepared in accordance with the appropriate internal control system. The external auditor performed auditing duties independently without limitation of any audit scope. This reasonably assures that the financial reports reflect the Company's financial status and operation performance accurately including adequate disclosure according to Thai Accounting Standards and the Financial Reporting Standards.

2. Connected Transactions or Any Transactions that Potentially Conflicted with the Company's Interests: The Audit and Risk Committee has quarterly reviewed, overseen, and provided opinions concerning the connected transactions or any transactions that potentially conflicted with the Company's interests based on reasonability, transparency, adequate disclosure, business normality and the best interest of the Company. The Audit and Risk Committee concluded that the Management has conducted these transactions in the interest of the Company and at arm's length basis, with general business trading conditions and reasonable prices compared to the general market price in a similar industry.

3. Legality: The Audit and Risk Committee has reviewed the Company's compliance with the Securities and Exchange Act, the regulations and requirements of the SEC, SET, National Broadcasting and Telecommunications Commission (NBTC), Bank of Thailand (BOT), and other relevant laws related to the Company's business operations as well as business obligations with third party agreements.

The Audit and Risk Committee concluded that the Company could demonstrate compliance with the aforementioned regulatory requirements in material respects. The Audit and Risk Committee and the external auditor jointly reviewed that relevant material issues under disputes, which the Management believes that such issues shall turn out to be in the Company's favor, were disclosed in the notes to the financial statements adequately.

4. Internal Control System and Internal Audit: The Audit and Risk Committee has reviewed the effectiveness and adequacy of the internal control system from the internal audit reports presented in 2020. The Audit and Risk Committee has consistently considered and monitored results pertaining to the recommendations in the internal audit and external audit reports to acknowledge root causes and provide guidelines for the Management to prevent from future potential loss. The Audit and Risk Committee has monitored and reviewed the results to ascertain that the Management performs duties in accordance with the recommended internal control system guidelines to prevent from recurrence, and has assessed AIS's internal control systems according to the evaluation form recommended by Securities and Exchange Commission (SEC). Relevant evidence for the said assessment has been prepared by the management for consideration. The Audit and Risk Committee concluded that the Company's internal control systems are effective and the Company does not have any material internal control deficiency.

The Audit and Risk Committee has encouraged Office of Internal Audit to enhance an advisory role to be Trusted Advisor. For example, several workshops on high-risk areas and significant processes were conducted to provide advisory services about adequate internal controls and to find approaches with the management for strong governance and risk prevention before unfavorable risks emerge and adversely affect the Company's business operations. In addition,

the Second Line Roles Project has been continuously carried out to promote a better understanding of internal controls according to the Three Lines Model which facilitates strong governance and risk management, as well as to underpin operations in achieving the objectives, to enhance effectiveness of internal controls, and to mitigate risks to the acceptable level in a timely manner. Apart from that, the Audit and Risk Committee has encouraged Office of Internal Audit to apply digitalization in auditing including Robotic Process Automation (RPA) and data analytics tools as well as Automated Audit Platform (AAP) to conduct audit activities in an agile and precise manner. The Risk Center system has been implemented as a supporting tool for the risk-based audit approach that could identify emerging risks and improve internal control system to prevent risks in a timely manner. Also, several workshops including Fraud Risk Awareness e-learning have been developed and made mandatory, where all executives and employees are required to take the said e-learning and the assessments to raise the understanding level of the Code of Business Ethics and Fraud Risk Awareness. Relevant knowledge and information have been shared throughout the organization via the e-learning system so as to ensure that all employees could learn and perform duties in compliance with the Code of Business Ethics and the Fraud and/or Misconduct Reporting and Whistleblower Protection Policy.

The Audit and Risk Committee has also overseen Internal Audit function; revisited Internal Audit Charter on a yearly basis; and independently held a formal exclusive meeting with Chief Audit Executive to ensure that all assurance and advisory activities concerning internal control system, risk management systems, corporate governance systems, regulatory and legal compliance, and fraud risk prevention were performed independently, effectively and efficiently, and achieved objectives in comparison with the efficiency indicators.

The Audit and Risk Committee has approved the 2021 annual audit plan, conducted in accordance with the Company's strategies and risk-based principles, emphasizing the effectiveness of the preventive key control function. The preventive control over fraud and the Management's self-assessment of control had been conducted and reviewed. Operation scope, responsibilities, adequate number of personnel, competence of personnel and growth mindset development to stay relevant in a changing business landscape in the digital era were all taken into consideration accordingly.

The Audit and Risk Committee concluded that the Company's internal audit system is appropriate, effective, independent, and in conformity with the Company's goals and key risk areas, and Office of Internal Audit thus achieved its performance targets.

5. Review and Oversight of Risk Management: The Audit and Risk Committee reviewed the appropriateness and effectiveness of the Company's risk management in five (5) meetings with participation of executives from the Risk Management Committee in 2020 in order to review the appropriateness of risk assessment, risk control, risk monitoring and risk reporting. In addition, the Audit and Risk Committee has reviewed the revision of Enterprise Risk Management Policy in accordance with COSO ERM 2017: Enterprise Risk Management Integrating with Strategy and Performance before the Risk Management Committee proposed to the Board of Directors for approval, as well as reviewed Enterprise Risk Management Manual to ensure appropriateness. In addition, risk appetite, risk capacity, and tolerance of high-risk matters have been revisited as well.

The Audit and Risk Committee concluded that the Company has the appropriate risk management system facilitating the efficient and effective business operations. The Audit and Risk Committee also suggested that new potential risks including significant changes concerning the Company and the telecommunications industry should be identified and data analytics should be applied for both internal and external matters so as to respond to risks and new challenges affecting the Company in an agile, efficient, and effective manner.

6. Review of Fraud Investigation: The Audit and Risk Committee has reviewed and overseen the Company's adherence to the Fraud and/or Misconduct Reporting and Whistleblower Protection Policy. Eleven (11) meetings with the Company's Investigation Committee were conducted in 2020 to review complaints and investigation results according to the Company's processes, including the efficiency of the whistle-blowing channels. After prudently considering, the Audit and Risk Committee concluded that complaints were managed with appropriate actions and fair treatments, and in compliance with the Company's Corporate Governance Policy and Fraud Risk Management Policy. Most complaints were due to non-compliance with the Company's Code of Business Ethics and regulations, but with no material loss. Complaints submitted were taken into consideration for future preventive measures.

7. Oversight of the Anti-Bribery and Corruption Policy and Measures: The Audit and Risk Committee has reviewed the Company's practices in terms of the anti-bribery and corruption.

The Audit and Risk Committee concluded that the Company complies with the Anti-Bribery and Corruption Policy and Measures.

8. Nomination and Appointment of the External Auditor and the Annual Audit Fee: The Audit and Risk Committee took into consideration the nomination and appointment of the external auditor and the annual audit fee for 2021 based on bidding and the assessment of qualification, competency, experience in auditing, independence in auditing according to the Code of Ethics for Professional Accountants and requirements of the SEC, and the audit fee. After careful consideration, the Audit and Risk Committee therefore proposed to the Board of Directors to seek approval to appoint the external auditor from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. as the external auditor for the year 2021 at the Shareholder Meeting. In addition, the Audit and Risk Committee has reviewed non-audit services in terms of independence provided by the said audit firm.

9. Performance Assessment: The Audit and Risk Committee's self-performance assessment has been conducted annually, as an individual and group assessment, according to the SET guidelines. The result showed that the Audit and Risk Committee has performed its duties and responsibilities, according to the Audit and Risk Committee Charter, with a commitment to accuracy, prudence, transparency, and independence. The Audit and Risk Committee has full access to all pertinent information from management, employees and associated parties. The Audit and Risk Committee has given beneficial and practical comments and recommendations benefiting all stakeholders.

10. Revision of the Audit and Risk Committee Charter: The Audit and Risk Committee has reviewed the revision of the Audit and Risk Committee Charter annually by taking into consideration best practice in accordance with the SEC's regulations and international standards.

In summary, the Audit and Risk Committee concluded that the Board of Directors, Management, and Executive Directors could perform their duties with integrity and diligence in pursuit of the Company's goals and in preparation for new challenges, and that the Company could demonstrate commitment to effective, transparent Corporate Governance including prudent risk management and internal control system.



Mr. Krairit Euchukanonchai
Chairman of the Audit and Risk Committee



Mr. Surasak Vajasit
Audit and Risk Committee Member

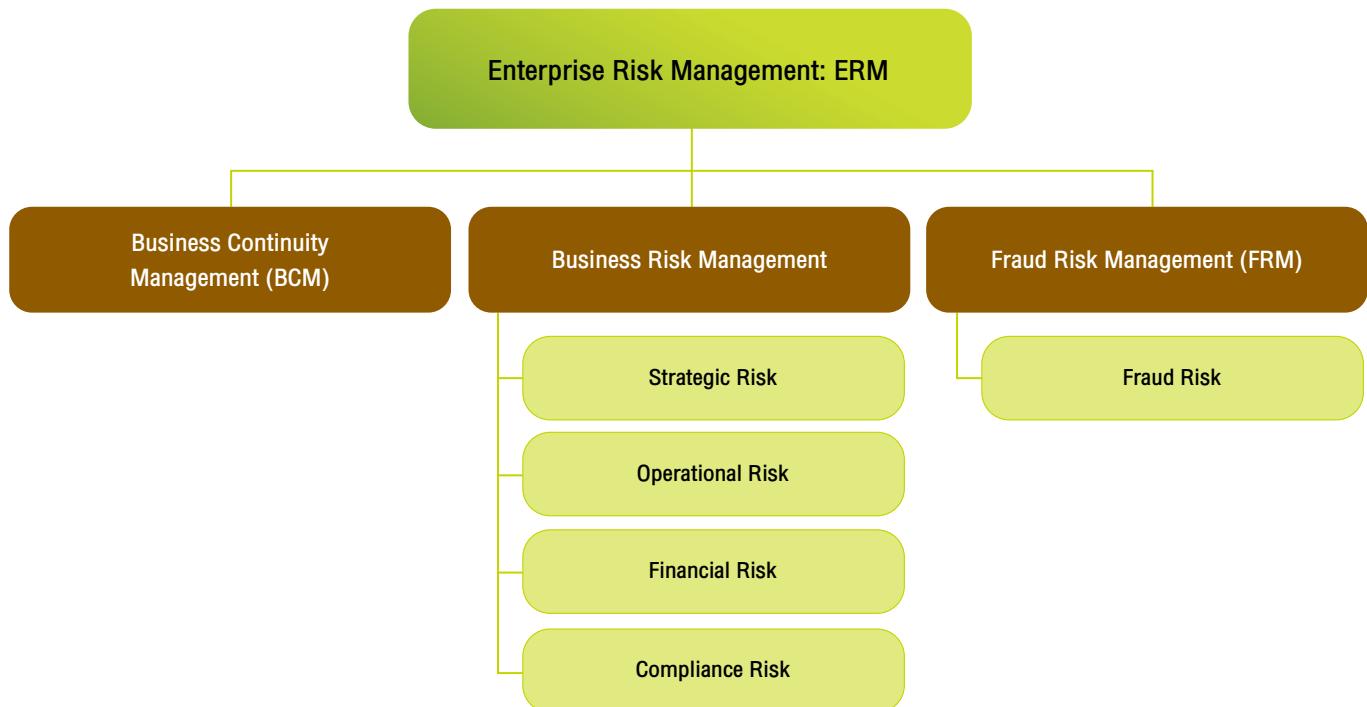


Mr. Prasan Chuaphanich
Audit and Risk Committee Member

Risk Management

Enterprise Risk Management

Risk management is an important process that helps AIS and its group companies (AIS) achieve their objectives and goals as well as respond to the expectations of various stakeholders properly. AIS has established an Enterprise Risk Management Policy and Framework applicable to the corporate and operational levels in order to manage and maintain risks at an acceptable level (Risk Appetite). The Enterprise Risk Management framework of AIS consists of the following components.



AIS fully considered different significant business risks in line with its risk management guidelines, namely Strategic Risk (S), Operational Risk (O) Financial Risk (F) and Compliance Risk (C), whereby the Company has clearly identified the details under consideration of

various risks; for example, Environment, Social and Governance Risk (ESG) as well as sustainability, which is an important topic that the Company considers part of operational risks.

AIS Enterprise Risk Management Framework & Processes

The AIS Enterprise Risk Management framework and process are aligned with the integrated framework of the COSO ERM 2017: Enterprise Risk Management Integrating with Strategy and Performance and is applied to business risk management and fraud risk management.

The 7 steps in the risk management process are:



- 1. Set objectives at both corporate and functional levels**, with alignment to the AIS corporate strategy and are within its risk appetite as approved by the Board of Directors and reviewed annually.
- 2. Identify the events that could have a negative impact (risks)** on AIS's ability to achieve its goals and targets considering internal factors such as operational processes and human resources, and external factors such as customers, the economy, politics, and regulations.
- 3. Assess the identified risks** by considering the likelihood of the risk occurring and the potential impact if the risk were to occur; in addition, the correlation between the impact of any risk and how it could affect another risk.
- 4. Prioritize Risks** with consideration to each risk's degree of importance and the potential damage to the Company.
- 5. Plan risk response measures** with consideration to the level of risk involved and corresponding cost and benefit.
- 6. Establish control activities** to help ensure that the desired risk responses are implemented as intended and are carried out effectively.
- 7. Monitor and report** the status of risks and the effectiveness of the risk management process. Reports should be forwarded to the Audit and Risk Committee, the Executive Committee and the Board of Directors regularly.

Roles and responsibilities of AIS Risk Management



Board of Directors

The Board of Directors is responsible for overseeing overall risk management in accordance with business strategies and objectives by establishing the Company's risk management policy, risk appetite and tolerance, considering key risks and mitigation plans and fostering a risk management culture within the Company.

Audit and Risk Committee

The Audit and Risk Committee, appointed by the Board of Directors, is responsible for performing risk oversight to ensure accordance with the Company's risk management framework and guidelines. The Audit and Risk Committee is also responsible for reviewing the appropriateness and effectiveness of the Company's business processes and risk management process.

Executive Committee

The Executive Committee is responsible for ensuring that management manages risks properly at both the corporate level and operational level, as well as overseeing and monitoring the status of the Company's key risks.

Risk Management Committee

The Risk Management Committee is chaired by the Chief Executive Officer and comprises heads of business units. The Risk Management Committee holds quarterly meetings in order to identify and assess new risks and correlations with other identified risks as well as to review and follow up on the accomplishments of its risk management strategy by comparing action plans against their measured results.

The Risk Management Committee reports the results of its risk management to the Audit and Risk Committee, the Executive Committee, and the Board of Directors on a quarterly basis to ensure that the Company's key risks are closely monitored and managed to an acceptable level and that the Company is able to accomplish its goals and objectives. In 2020, AIS incorporated risk analysis and assessment together with the development of business strategies and objectives in order to enhance awareness and understanding of risk management.

Risk Management Section

The Risk Management Section is responsible for providing advice to management and employees on implementing the risk management process in accordance with the established framework. It is also responsible for integrating the risk management process with the strategic planning process and preparing and presenting a work plan to the Risk Management Committee at least once a year.

Chief Executive Officer

The Chief Executive Officer is responsible for determining key operational strategies, taking into account the Company's risk appetite. The CEO is the ultimate owner of all risk issues of the Company and is responsible for promoting a risk management culture at all levels of employees.

Heads of business units

Heads of business units are responsible for complying with the risk management policy and framework, as well as communicating it to employees within their line of work to ensure understanding.

They are responsible for identifying, assessing and managing risks associated with their work line in accordance with the Company's established framework and delivering information to the Risk Management Section, as well as implementing internal control systems to manage risk to an acceptable level.

Employees

Employees are responsible for learning and having awareness of risk management and applying the risk management policy and framework to their daily operations.

Fraud Risk Management

AIS maintains a Fraud Risk Management policy to prevent, investigate, report and manage fraud matters. The policy established the following three practical guidelines:

1. Prevention – proactively identify, assess, review and respond to all possible fraud in the organization and communicate such issues to employees at all levels to build awareness and an understanding of the importance of fraud, corruption and misconduct reporting.
2. Detection – check or investigate any misconduct or fraud case where there is reasonable suspicion.
3. Response – perform investigation processes through to punishment.

The Company's objective is that directors, executives and employees are aware of fraud risk and notify the Company of any action possibly leading to fraud immediately while being ready to fully cooperate in any investigation relating thereto. The Company appointed

a Fraud Risk Management Committee (FRMC) to oversee the policy and fraud risk management process as well as support other functions relevant to developing fraud risk management, including self-management and systematic risk control.

Building an organizational culture of Enterprise Risk Management

In addition to the Risk Management framework and roles and responsibilities of all employees, AIS also promotes and cultivates a Risk Management culture to build awareness and understanding of the risks present in working to achieve Company objectives and goals. AIS works to foster an organizational culture of Risk Management by doing the following:

- Providing Risk Management policy manuals and procedures and publishing them on the intranet so employees may understand their roles and the risk management framework.
- Developing Risk Management plans at both the corporate and functional levels covering efficient internal control processes and internal auditing.
- Communicating through semi-annual performance reviews to ensure employees at all levels have the same understanding and acknowledge the direction and obstacles/challenges of the company's business operations in the short-term and long-term.
- Providing knowledge of Risk Management principles to employees via user-friendly presentations published on the intranet.
- Emphasizing the importance of the integration of risk management processes and strategic planning. When a new strategy

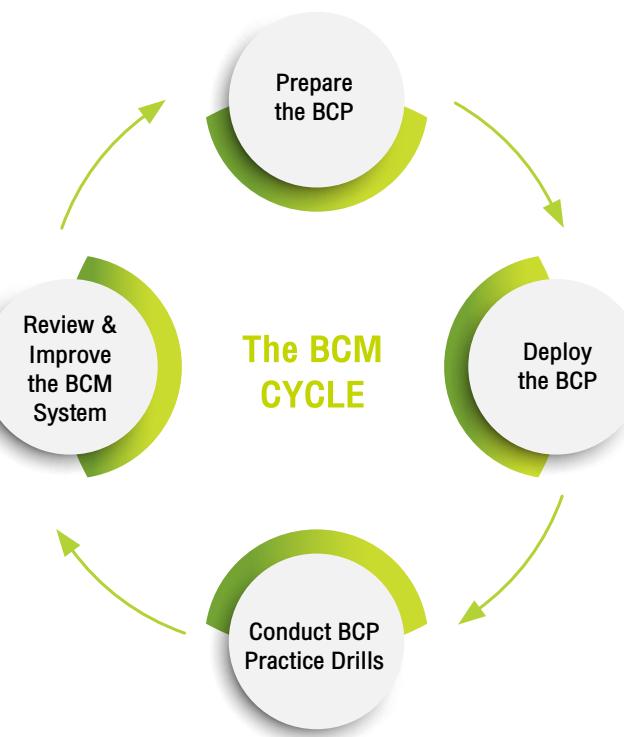
is being developed, relevant personnel must analyze related activities against any potential risks that may occur and report results to the Head of their Business Unit, so that responsible persons can develop measures to prevent or reduce risks to an acceptable level and enhance the possibility to achieve goals. The Company plans to integrate risk management into its business plan approval process and performance appraisal.

Business Continuity Management

The Company has set in place a business continuity management system in accordance with international standards. The objective is to continue operations in the event of natural disaster or any other situation beyond the Company's control with the potential to cause an interruption to its core operating system and a loss of company property and personnel at both central and regional levels, including AIS group and subsidiary companies.

In support of this system, the Company established the Business Continuity Management policy and manual and appointed the Crisis Management Committee, comprising top executives from each business unit and chaired by the Chief Executive Officer. The Crisis Management Committee was given the responsibility and authority to make decisions during times of crisis, including incident response and overseeing necessary internal and external communication in an efficient and timely manner to ensure the effectiveness and sustainability of the Company's business.

The business continuity management (BCM) process comprises 4 main steps



1. Prepare business continuity plan:

A business continuity plan must be prepared to direct coping in the event of a disaster with accordance to the objectives of business continuity management. The plan is based on consideration of both a business impact analysis and risk assessment to determine the critical business process of each unit and must define the period of time after which outages of the business process become unacceptable.

2. Deploy business continuity plan:

The approved business continuity plan is to be distributed and communicated to all related parties and understanding must be ensured. This step includes the preparation of resources, both internal and external, that are necessary to implement the business continuity plan.

3. Conduct business continuity plan practice drills:

Arrange to conduct business continuity plan practice drills according to a defined schedule and targets. Update the plan to make it current and report results of practice drills to the commander accountable for the business continuity plan; gain acknowledgment from the Crisis Management Committee.

4. Review & improve business continuity management system:

Review and improve the business continuity management system to ensure its effectiveness and alignment with the risk level currently faced by the organization.

Overview Business Continuity Management Framework

Put in place enterprise and departmental BCP: AIS has in place a Business Continuity Management System comprised of an Enterprise Business Continuity Plan (Enterprise BCP) and Departmental Business Continuity Plan (Departmental BCP). Risk assessment of any threat to the Company must assess both the likelihood of that threat occurring and its impact in order to prepare the Enterprise BCP for coping with the crisis or any emergencies which could adversely affect or damage working facilities or staff.

Based on the findings of the business impact analysis, Departmental BCPs are also in place to manage the situation in the event that any department is not able to perform any process that could directly impact the company's products or services.

A Disaster Recovery Plan (DRP) of IT systems has also been established to provide a strategy and working process to recover all information technology systems that support critical processes. This includes all of the resources required to ensure business continuity within an acceptable recovery time and to an acceptable operational level.

BCP for critical business process: The AIS Business Continuity Management Committee has assigned senior executives and the heads of related parties to prepare the business continuity plan to ensure continuation of critical business processes that have a direct

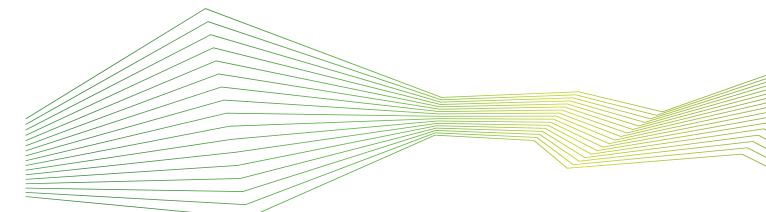
impact on the Company's ability to deliver its Critical Services. It is the responsibility of all management and staff to support the activities related to business continuity management, such as the preparation of the business continuity plan; the allocation of resources according to the business continuity plan, to carry out practice drills and to review the plan to ensure the effectiveness of business continuity management.

Performance results in 2020 and goals for 2021

For its Business Continuity Management System (BCMS), AIS received ISO 22301:2012 Business Continuity Management System certifications for Cloud service and Co-Location service, certifying it as a company that developed a complete business continuity management system to cope with crisis or disaster and further enhancing its sustainability. AIS has continued to conduct business continuity practice drills for the continuation of critical business processes. In 2020, the drill scenario was a ransomware and Denial-of-Service or DOS attack at the Company's main data center resulting in an interruption to the AIS network and services to test responsiveness of the business continuity plan in ensuring the continuity of service. In 2021, The Company has proposed to apply the ISO 22301:2012 framework to all business processes and ensure that AIS is ready and able to respond to and manage a variety of situations in times of crisis.

For its Risk Management System, AIS established a risk management process and reported results regularly, with a focus on emerging risks. The Risk Management Committee presented information relevant to business operations to the Board of Directors, the Executive Committee, and the Audit and Risk Committee on a regular basis. Other relevant departments also received the information so that they may manage risks in a timely manner.

In addition, the Company focused on providing education and raising awareness on the risk management framework for directors, management and employees on a regular basis, to ensure that risk management practices are up to date and in line with current circumstances.



Risk factors

Towards identifying risks with the potential to impact the business objectives, goals and opportunities of AIS and AIS group companies, AIS considers the following factors:

1. Internal and external factors such as human resources, changes in technology and regulations, customer behaviors and the business environment.
2. Extreme events or ongoing conditions that have adverse effects on the Company's work practices or business competitiveness including floods, fires, natural disasters or pandemics.
3. Past events, current exposures and future trends which may effect AIS and its group's business operations.
4. Significant movements in the economy, society and environment in both the short term and long term.
5. The causes of potentially adverse events which may effect AIS and its group's business operations.
6. New initiatives or new products and services that AIS is seeking to develop.
7. Opportunities to identify new value adding activities.

1. Risk identification process



Significant risk factors that arise from the changing environment can be classified as follows:

2. Significant risk factors

Risks from Industry Regulation and Government Policies

1. Risk from changes in government policies, rules, regulations and orders of regulators

AIS operates under the supervision of government agencies such as NBTC, the organization responsible for regulating operators under granted license in the telecommunications industry and with the legal authority to issue rules, regulations and orders to regulate licensees. Rules, regulations, and orders issued in the future, such as those that relate to amending tariff structures and service fees or measures for consumer protection, have the potential to affect the Company's business operations, reduce the Company's ability to generate profit and/or increase the cost of services.

For any work directly related to government agencies, AIS has a dedicated unit which is responsible for regularly monitoring the issuance and change of regulations and reporting such changes to management and coordinating with relevant departments to ensure they are informed promptly and are ready to respond. The unit's role includes acting as an intermediary to coordinate with government agencies and ensuring that it is given all the necessary information on the business impact of regulations. Through this unit, the Company also has the opportunity to make comments or suggestions and/or raise concerns or opposition to the enactment of laws, rules, regulations and/or orders in the event that they are deemed likely to have a serious impact on the Company's

operations, or to have been unlawfully conducted. Furthermore, the Company, as a service provider which is a direct stakeholder, would be invited to provide opinions and comments on drafts of laws, rules, regulations and/or orders which will be issued for enforcement in the future.

The Potential Impact of Risks	Risk Movement from 2019
Business operations, revenue and cost, company's reputation	No significant change

2. Risks Arising from Disputes with Government Agencies

In the past, AIS operated a business providing telecommunications services under license or concession agreement with State Enterprises. This required the transfer of assets in which the Company had invested for use in its business operations to government contracting parties as well as the implementation of revenue sharing models at specified rates. Formerly, AIS encountered a number of disputes arising from disagreement in the interpretation of Agreements such as the amount of revenue to be shared. In some cases, NBTC announcements, regulations or orders resulted in an impact to AIS business operations or concerns for compliance to an extent that it could affect business operation or operating income and/or increase service costs. In many cases, AIS exercised its right under the law to sue the NBTC in a court of law in order to contest the legitimacy of the actions undertaken by the NBTC. (Information and additional details are shown under the topic Legal Disputes)

AIS established a department that is directly responsible for coordinating with government agencies so that the Company as a contract party can conduct its business correctly and in complete compliance with relevant contracts. In the event of a conflict, the Company would enter into negotiations with the aim of seeking a prompt settlement. In the event that the issue could not be resolved through negotiation, the dispute would be entered into the dispute resolution process by the arbitral tribunal as specified in the Agreement. In addition, the matter would be taken before a court with the jurisdiction to rule a final decision.

The Potential Impact of Risks	Risk Movement from 2019
Financial status and company reputation	No significant change

Operational Risks

1. Risk to Information Security and Threats from Cyber-attack

The Company has rapidly developed a variety of products and services to serve customers' needs and increase their convenience. While technology is essential in developing and improving these products and services, the application of advanced technology also comes with the risks inherent to information technology. Such risks result from the complexity of the technology itself, gaps in the skill and knowledge levels of Company employees, the potential deficiency of the Company's own systems, and external threats or cyber-attacks.

- If an information security system is insufficient or incomplete, it can have a serious impact on the company, especially if important data such as the personal data of customers is compromised.
- Cyber-attacks, e.g. DDoS attacks, website phishing, malware/viruses, etc, may cause severe business disruption.

Ensuring the effectiveness of the Company's information security, AIS regularly reviews and revises the security policy of the Company's IT system in the following ways:

- Applying suitable international standards and alignment with the Cybersecurity Act and Personal Data Protection Act.
- Extending and expanding security tools to cover significant systems.
- Enhancing information security measures, e.g., by reviewing the access control procedure; maintaining a closed working environment; and building IT awareness across the entire Company.
- Enhancing staff competencies related to Cybersecurity.

The Potential Impact of Risks	Risk Movement from 2019
Financial revenue, business or IT systems disruption and company reputation	Increasing in likelihood

2. Risk from Intensive Competition in the Market

Faced with the intense competition of the telecommunication industry, operators have continued to expand their networks to satisfy customer needs, including the provision of mobile packages bundled with various mobile devices and more prevalently, introducing

unlimited data packages to attract customers. These developments have resulted in aggressive price competition.

AIS has thus incorporated the following steps into its risk management plan:

- Strive to gain innovation leadership in providing products and services.
- Introduce Fixed Mobile Convergence (FMC) products by continually expanding the Company's Fixed Broadband network to enhance network quality and coverage.
- Enhance the quality of after sales services to maintain the customer base and attract new customers, in particular through the Serenade Privileges program. Strategies to develop the benefits of Serenade members include expanding the Serenade Club, focusing on Serenade device offerings and expanding privileges from Top-Trend partners such as dining, travel, and entertainment.
- Enhance the quality of customer services via self-service channels and the myAIS application, enabling customers to carry out various transactions by themselves. At the same time, enhancing the AIS points program so that customers can fully enjoy benefits.
- Develop strategies for maintaining the customer base and offering products and services that meet the needs of customers by using Advanced Analytics Tools.

The Potential Impact of Risks	Risk Movement from 2019
Financial revenue, market share and company reputation	No significant change

3. Risk from Changes in Customer Behavior from Technological Developments

Changes and advances in technology, especially digital technology, have enabled service providers to launch new products under new business models and more digital and online channels have been employed to access customers. New business models have lower cost structures compared with traditional models. These developments have also changed consumer behavior as they have more choice from new services in the digital world. In light of this, the Company has found it necessary to adapt and develop its business plan to tackle these challenges, to maintain its existing customer base, generate revenue growth, and ensure long-term sustainability.

AIS has thus incorporated the following steps into its risk management plan:

- Define key strategies, both short-term and long-term, to respond to changing customer behavior and technologies.
- Enhance the digital customer service system, e.g., increase engagement with customers via a fully online system, build AI/Chatbot capabilities and implement Robotic Process Automation for customer services.
- Bundle product and service offerings of mobile, fixed broadband and digital content in a new model that provides added value, reduces complexity and creates cost savings for customers, while also attracting new customers.
- Improve customer insight acquisition using Data Analytics to provide customers with products and services according to their needs and at the right price.

- Develop the network infrastructure, customer service systems and support systems by incorporating new technology such as cloud technology.
- Grow the corporate business and content business, e.g., by expanding the IoT business and creating and driving a complete Cloud Business Ecosystem.
- Transform the organizational structure and develop the competency of employees to support the key strategies of the Company.
- Invest in research and development of innovation by seeking trends and changing direction of the relevant technology world. Build partnerships with external organizations and business partners to research and develop innovation.

The Potential Impact of Risks	Risk Movement from 2019
Financial revenue, market share and company reputation	Emerging risk

4. Risk from Equipment Adaptability for Digital Capacity

Due to rapidly changing technology and customer behaviors, telecommunications service providers have had to improve their service capabilities in order to be able to respond quickly to customer needs. If the Company cannot develop the necessary skills or capabilities in a timely manner, its business advantage both in current businesses and new businesses in the future will be impacted.

AIS has thus incorporated the following steps into its risk management plan:

- Recruit employees with new abilities that meet the needs of the Company and develop necessary skills or capabilities that can be applied in new businesses in the future.
- Collaborate with world-class institutions that have specific expertise to lay the foundations for developing the requisite knowledge and prepare high-potential employees for the digital business age including the implementation of a succession plan and a culture transformation to ensure readiness for emerging risks in the digital era.

The Potential Impact of Risks	Risk Movement from 2019
Company reputation and market share	No significant change

5. Supply Chain Risk

The Company purchases network and base station equipment including maintenance services from a small number of vendors/suppliers which have the relevant technology. If those vendors/suppliers are unable to deliver the products or services, it may affect business operations.

Moreover, in the past year, trade disputes between the People's Republic of China and the United States of America intensified and now pose the possibility of impact on the Company's operations as a number of AIS business partners are private companies in China. These business partners may not be able to deliver products and services to AIS as agreed.

AIS has thus incorporated the following steps into its risk management plan:

- Apply a multi-vendor purchasing policy for major equipment and services.
- Establish an approved vendor/supplier list of vendors/suppliers that pass the Company's quality standards (Multi-vendor).
- Maintain the equipment and spare parts inventory at a suitable level in order to avoid shortages.

The Potential Impact of Risks	Risk Movement from 2019
Financial revenue, business or IT system disruption, and company reputation	No significant change

6. Economic and Political Risk

Changes in economic and political circumstances create both business risks and opportunities for AIS. Such changes could cause adverse effect to demand and supply and to the purchasing power of customers. However, as communication via voice or data service is now a common part of daily life and is at an affordable price, impacts from economic and political shifts to The Company remain at an acceptable level.

The Potential Impact of Risks	Risk Movement from 2019
Cost and /or revenue	No significant change

7. Risk from Major network Failure or Interruption to Important Systems

Telecommunications services are part of the basic infrastructure for consumers and enterprises. An uncontrollable disaster, natural disaster, or crisis event could potentially lead to the interruption of the Company's network primary operating systems and business activities, directly affecting the continuity of service delivery and Company revenue.

Towards ensuring the Company's continuity in delivering services to customer, AIS has set up redundancy for several key operating systems required to provide service. The Company also adopted an infrastructure design that reduces the potential impact from disasters e.g. applying the EIA-222C standard to telecom towers to support higher wind speeds than in recorded Thai history, raising the height of base stations based on the level of heavy flooding in the year 2011. AIS applies a Business Continuity Management (BCM) policy at both the corporate and departmental levels and conducts an Annual Review and carries out exercises to practice and test the Business Continuity Plan.

Moreover, AIS received ISO 22301:2012 Business Continuity Management System certification in recognition of the completion and implementation of the Company's Business Continuity Management System to cope with crisis situations.

The Potential Impact of Risks	Risk Movement from 2019
Financial revenue, company reputation and unachieved operations	No significant change

8. Climate Change Risk

Climate change is a global issue with the potential to impact AIS business operations, infrastructure and supply chain, including through economic and social impact, as changes in global temperatures affect living conditions, food and agriculture systems. In addition, world government's are pushing for the adaptation of businesses to achieve a decarbonized society, which creates a transition risk that affects both the cost of doing business and the value of property.

Towards reducing long-term impacts, the Company is incorporating the following steps into its risk management plan:

- Reduce greenhouse gas (GHG) emissions by setting direct and indirect business operations greenhouse gas emissions targets.
- Select and upgrade various equipment to improve energy efficiency and reduce electricity expenses.
- Increase the proportion of renewable energy usage e.g. using solar energy at data centers and base stations.
- Eliminate obsolete network equipment and recycle in a sustainable manner; manage electronic waste from customers and enter their discarded devices into the recycling process.
- Encourage customers to use electronic services e.g. e-statement, e-payment, e-top up and e-receipt.

The Potential Impact of Risks	Risk Movement from 2019
Business disruption, maintenance cost, cost of doing business in the long term	Emerging risk

9. Risk from the COVID-19 pandemic

The 2019 Coronavirus (COVID-19) epidemic resulted in widespread changes in economic and social conditions in Thailand. The "New Normal" way of life resulted in a decrease in consumer spending but increased demand for communication and information applications. AIS sought new formats of products and services to be offered to consumer and as a result saw its financial revenue directly affected. In addition, the COVID-19 outbreak had a direct impact on the Company's operations, which had to be changed in line with the new lifestyle. While the safety of employees is the main priority, it is necessary for AIS to maintain the quality of products and services in order to provide customers with maximum satisfaction.

AIS has thus incorporated the following steps into its risk management plan:

- Provide full digital service to customers, e.g., increase engagement with customers via a fully online system, build AI/Chatbot capabilities, and implement Robotic Process Automation for customer services.
- Bundle product and service offerings of mobile, fixed broadband and digital content in a new model that provides added value, reduces complexity and creates cost savings for customers, while also attracting new customers.
- Offer new formats of products and services that serve the new lifestyle of both mass and corporate customers, such as Work-From-Home, online learning/teaching.
- Improve the signal network system to accommodate the growing demand for data usage.

- Establish a COVID-19 notification center for the Company to monitor the situation, receive incident reports and coordinate with relevant parties.
- Set standard measures to prevent and respond to COVID-19 infection e.g. body temperature screening before entry to Company premises, sanitation guidelines in public areas, procedures for visitors, etc.
- Establish guidelines for employees to work from home during outbreaks to ensure employee safety while continuing to maintain service quality.

The Potential Impact of Risks	Risk Movement from 2019
Financial revenue, business interruption and employee safety	New risk in 2020

10. Risks from substitution of products and services

The rapid growth of data transmission via text, voice or video (Over the Top: OTT), where no investment is required has resulted in lower cost for service providers and has also enabled consumers to enjoy more alternative services from OTT services with low fees

or in some cases for free. Moreover, there has been an increase in new services that may substitute services currently provided by the Company, such as internet service via satellite. These trends directly affect the business operations of the Company, requiring it to continue to invest in and improve its network while developing and offering products and services that generate revenue and respond to customer needs, even as the Company incurs higher cost compared to OTT and/or new service providers.

AIS has thus incorporated the following steps into its risk management plan:

- Define key strategies, both short-term and long-term, to respond to changing customer behavior and technologies.
- Develop the network infrastructure, customer service systems, and support systems by incorporating new technology such as cloud technology.
- Grow the corporate business and content business, e.g., by expanding the IoT business and creating and driving a complete Cloud Business Ecosystem.
- Transform the organizational structure and develop the competency of employees to support key strategies of the Company.
- Study new business investment guidelines to create new sources of revenue for the Company.

The Potential Impact of Risks	Risk Movement from 2019
Financial revenue and competitiveness	Emerging risk

11. Risk of Data Privacy

The Company provides services to a large number of customers, both individuals and enterprises, making it essential to secure personal data and prevent risks arising from the leakage of customer personal data. In addition, risks may occur from the violation of human rights when the Company discloses such information upon request. The Company is also subject to comply with relevant laws and regulations; for example, the Personal Data Protection Act (PDPA) and the General Data Protection Regulation (GDPR).

AIS has thus incorporated the following steps into its risk management plan

- Set up the Data Protection Office (DPO) to monitor and coordinate with other relevant parties and ensure that the Company has proper processes with respect to the collection, use and disclosure of personal data.

- Develop a Privacy Policy in accordance with relevant laws, regulations and announcements from the government.
- Develop procedures to access and manage personal data in a secure manner. Ensure proper internal controls are in place and subject to regular review.
- In case the Company has to disclose personal data to government bodies upon request, the Company will verify the legal authority of the requestor, determine the scope of the data as prescribed by law, and ensure that there is no violation of personal rights.
- In case of data leakage, undergo processes in place to handle customer complaints, including how to respond and mitigating actions.

The Potential Impact of Risks	Risk Movement from 2019
Company reputation and penalty from regulatory bodies	New risk in 2020

Financial Risks

Risk from Exchange Rate Fluctuation

The Company is exposed to the risks of foreign exchange rate fluctuation due to International Roaming revenue and expenditures in foreign currencies with certain network expenditures also in foreign currencies.

AIS has thus incorporated the following steps into its risk management plan:

- Use Forward Contracts that specify the exchange rate at the time of the contract date will apply to the future delivery of contracted services.
- Use existing foreign currency deposits (Natural Hedge) to make payments for goods and services in foreign currencies.

The Potential Impact of Risks	Risk Movement from 2019
Cost and/or revenue	No significant change

Sustainable Development Committee Report

The Sustainable Development Committee (SDC) consists of three (3) members namely: Mr.Prasan Chuaphanich as Chairman, Mr. Somprasong Boonyachai and Mr. Somchai Lertsutiwong as members.

In 2020 the Sustainable Development Committee held a total of 4 meeting Significant actions taken by the committee in 2020 are as follow:

- The committee had been assigned by the board to supervise the human rights issues in the operation of the Company.
- The committee closely monitored the progress of flagship projects according to the sustainable development strategy, namely: 1.) Aunjai Cyber, a project promoting cyber wellness and online safety through digital intelligence quotient (DQ) courses at educational institutions with a view to protecting the users in Thailand from cyber threats, particularly youth, and 2) E-waste with AIS, a strategic project on waste management and proper

disposal designed to reduce and recycle waste generated by business operations and to promote proper E-waste disposal by the Thai people. In 2020, AIS has cooperated with business partners both government and private sectors, more than 82 agencies, and more than 2,300 e-waste drop points nationwide.

- The committee admired AIS's recognition as being listed in the Dow Jones Sustainability Index's for both World Index and Emerging Market Index in 2020 and set policy to apply sustainable development practices to all operations of the company, spurring a sustainable development drive across the organization in accordance with international standards.



(Mr. Prasan Chuaphanich)

Chairman of the Sustainability Development Committee

Business Sustainability Development

Sustainability management policy and targets

Amidst rapid changes in technology and the consumer market, we have had to face many challenges as well as opportunities, such as competition from new businesses that threaten revenue from traditional telecommunications services, increased concern over cybersecurity and data privacy, digital literacy and even accelerating climate change, which has made us more acutely aware of our energy usage and waste disposal. These matters have only grown in importance due to concerns and mandates of government, business partners, consumers and our investors. Today, sustainable business is no longer a choice, but a necessary action for a major organization such as ourselves, that impacts the economy, society and environment.

AIS has outlined a clear path towards sustainable business to ensure effective action. Considering both risks and opportunities, we synthesized the “7 Strategies for Sustainable Development”, accounting for the economy, society and environment. Our 7 strategies to business sustainability includes Digital Innovation, Data Privacy and Cyber Security, Human Resources Development, Social Inclusion, Cyber Wellness and Online Safety, Emissions and Waste.

AIS is devoted and determined to conducting its business with sustainability in all dimensions, which has led to it being chosen for listing on both domestic and international sustainability indexes such as in both the Dow Jones' World Index and Emerging Market Index for 2019 in the telecommunications industry category, the FTSE 4 Good Emerging Index, the SET Thailand Investment Index and on ESG100 as a registered company showing excellence in environmental, social and governance work for a fifth year as decided by Thaipat Institute.

The Sustainable Development Committee is responsible for defining policy, strategy, operating targets related to Sustainable business development, as well as ensuring that the implementation of sustainability development policy and strategy meets the target. The committee reports to the Board of Directors quarterly. (More details on One report page 163 The Scope of Authority and Duties of the Board of Directors and Board-committees)

AIS promises to continue to work toward business, social and environmental value in equal measure and in accordance with Good Governance and to support the United Nations Sustainable Development Goals to provide a foundation from which the nation can grow and all of Thai society can benefit, towards shared sustainable growth.

Management of impact to stakeholders in the business value chain

Business Value Chain

Sourcing	Operations	Products and service development and distribution channels	After sales service	Supporting activities
<ul style="list-style-type: none"> Provision of network equipment, and frequency spectrum for mobile and fixed broadband internet services Provision of standard quality and environmentally friendly network equipment by selecting vendors with advanced technology development, adherence to regulations, and consideration towards human rights, environmental and operational health & safety Provision of safety tested communication equipment e.g. smart phones, tablets and routers of differing prices for wide customer accessibility Acquiring of licenses from the National Broadcasting and Telecommunications Commission (NBTC) 	<ul style="list-style-type: none"> Telecommunication Network, IT and operations systems management Locating base stations by evaluating community and environmental impacts, constructing base stations resilient to natural threats and climate change including flooding and storms for service continuity Expansion of network for nationwide coverage, maintaining quality and safety standards while limiting environmental impacts by focusing on energy efficiency and increasing proportion of alternative energy through installation of solar cells Focusing on cyber security and customer data protection under policies and frameworks that conforms to the ISO27001 standard for managing and safeguarding information security, 24x7 threat monitoring and response Management of e-waste from business operations by selecting partners authorized to properly dispose of electronic waste 	<ul style="list-style-type: none"> R&D of a diverse range of digital products and services to support business growth, economic development and the enhancement of society and quality of life Collaboration with partners in a variety of industries for the development of products and services responsive to life and business in the digital era Maintenance of standards and safety for fixed broadband internet installation by contractors Management of online and offline sales and distribution channels for customer accessibility extending to monitoring and quality control of distributors and maintaining a fair remuneration structure Marketing and provision of transparent and complete information on products and services, fair pricing 	<ul style="list-style-type: none"> After sales service for customer satisfaction via varied channels, including AIS Shop, Call Center and social media Customer personal data protection using policies and procedures that regulate access and use of customer data, provision of a channel for reports and complaints Retaining of customer relations by customers segmentation according to usage and demands, providing privileges, to maintain loyalty Responsibility for products and services, promoting cyber wellness and proper electronic waste disposal 	<ul style="list-style-type: none"> Fair and transparent human resource management with an emphasis on employee development in line with the company vision, appropriate remuneration and benefits, creation of a safe and hygienic work environment Trustworthy accounting that is accurate and transparent and that is aimed at creating financial stability conducive to business growth Good corporate governance and ethical business conduct

Analysis of stakeholders in the business value chain

Stakeholder group	Channel and frequency	Expectations	Our actions
 Community and society	<ul style="list-style-type: none"> Community relations agencies (Daily) Complaint centers (Daily) 	<ul style="list-style-type: none"> Quality telecommunications services covering local communities, modern technology for the betterment of community life through E-Commerce, enhance agriculture, etc. Health safety from magnetic fields generated by signal from network towers General support and aid, natural disaster response, emergency aid etc. 	<ul style="list-style-type: none"> A mobile network covering 98 percent of the population, a broadband network covering over 7 million households in more than 50 provinces and an array of packages at different price points Support for community quality of life, adding value to technological access via the Aor Sor Mor health volunteer program combating pandemics, support for digital intelligence and skills to enhance online marketing by community enterprises, promotion of online safety and appropriate usage Provision of knowledge and understanding to communities and their leaders on safety from magnetic fields generated by signal towers, a system for fielding complaints and demands and addressing concerns Support for communities during times of disaster i.e. floods, cold snaps and for occasions i.e. Children's Day, local holidays, etc.
 Customers	<ul style="list-style-type: none"> AIS Call Center is the core channel for evaluating customer satisfaction and utilizes the IVR automated chatbot to field feedback, suggestions and complaints (Daily) Contact center at 08-0000-9263 (Daily) 	<ul style="list-style-type: none"> Maximum personal data security Network and service quality, ease of contact and access to service via varied channels Personnel and service system are capable, able to provide accurate information and guidance, act on claims and follow up until completion of service within set period, keep customers updated on progress 	<ul style="list-style-type: none"> Formation of a risk assessment and management committee that sets strategies and policies for cyber security and data privacy utilizing a cyber security committee and data protection division, training for personnel on data protection and regulation of access. Transparent safety protocols and punishments. Procedure for regular monitoring and measuring of signal strength, use of IVR: Interactive Voice Response to reduce customer wait times and facilitate voice commands, automated responses and product promotion, service available via Email and social networks Use of E-Learning for around the clock training of personnel Enhancement to work processes reducing processing time, allowing customers to view status of processes via automated system

Analysis of stakeholders in the business value chain (Continued)

Stakeholder group	Channel and frequency	Expectations	Our actions
 Corporate customers	<ul style="list-style-type: none"> AIS Call Center is the core channel for evaluating customer satisfaction and utilizes the IVR automated chatbot to field feedback, suggestions and complaints (Daily) Contact center at 08-0000-9263 (Daily) 	<ul style="list-style-type: none"> Quality of products and services i.e. network coverage, stability and speed of data connections, varied business solutions, after sales service, efficient resolution of problems Varied services meeting different client demands, responsiveness to New Normal, ability to enhance business efficacy and facilitate adaptation to changing contexts Strict and standards meeting data privacy protection 	<ul style="list-style-type: none"> Constant development of the 4G network, regular evaluation of signal integrity, introduction of 5G technology in 2020, development of fiber internet for high speed service Establishment of the 24x7 Cyber Security Operation Center (CSOC). Approval under the ISO27001 Information Security Management System (ISMS), Payment Card Industry Data Security Standard (PCI DSS) and more. Development of new cloud, ICT, cyber security and IoT services in response to demands for greater business flexibility and security Worthwhile promotions and applications, solutions and equipment for New Normal business operation, privileges for corporate clients including product and service discounts, free trials and cost reductions under the Biz Up program Development of digital channels supporting faster, more efficient sales and customer service including online product and service sales, billing, electronic receipts, payment and appointing AIS to carry out withholding tax deduction online

Analysis of stakeholders in the business value chain (Continued)

Stakeholder group	Channel and frequency	Expectations	Our actions
 Partners	<ul style="list-style-type: none"> Trade Partner satisfaction evaluation (1 time per year) Representatives of personnel who contact customers (Daily) Distribution channel applications and websites (Daily) Annual meeting with trade partners (1-2 times per year) Interviews (1 time per year) 	<ul style="list-style-type: none"> Expand alongside AIS to reach greater array of customers Fair business dealings by AIS Increased connection to society by AIS 	<ul style="list-style-type: none"> Support for partners to enhance their ability to distribute products using broadband internet as to increase their revenue Creation of standards for effective cooperation, a fair and just remuneration structure Development of a platform for more efficient connection between AIS and its partners
 Shareholders and investors	<ul style="list-style-type: none"> Shareholder meeting (1 time per year) Operational returns announcements such as analyst conferences, domestic and international road shows, SET opportunity day (5-6 times per quarter) Investor relations website, Email investor@ais.co.th, Line@ contact phone number (Daily) Operation visits (1 time per year) 	<ul style="list-style-type: none"> Sustainable business growth Consistent dividend payments Good corporate governance, transparency and trustworthiness Equal access to information 	<ul style="list-style-type: none"> Maintaining of competitiveness in the mobile phone business, expansion into new services to spur growth such as digital cloud services, insurance, etc. Policy to payout 70 percent of dividends two times a year Thai Institute of Directors Corporate Governance Report score in the “Excellent” range Regular release of quarterly performance via all channels, timely and comprehensive disclosure of key data via appropriate channels to investors/shareholders

The 7 Strategies for Sustainable Development



1. Digital Innovation

Innovate digital products & services to improve the quality of lives and promote businesses in Thailand



3. Human Capital Development

Drive AIS' human capital to pursue new strategic growth area focusing on digital business

6. Emissions

Reducing GHG emissions and utilize renewable energy in most possible extent in our operation



Society



Environment



2. Data Privacy & Cyber Security

Ensure effective data privacy and cyber security to enhance customer value while ensuring customer trust



4. Social Inclusion

Leverage our digital infrastructure & solutions to uplift community well-being & reduce the digital divide



5. Cyber Wellness

Establish trusted brand in cyber wellness & online safety to build healthy online space



7. Waste

Reduce & recycle waste from operation as well as encourage customers to dispose e-waste properly

Target 2023

Economy

1. Digital Innovation

- Generate 150 million baht in revenue from digital innovations



2. Data Privacy & Cyber Security

- Operate in adherence to applicable laws and regulations including the Cyber Security Act and Personal Data Protection Act.
- Continually enhance cyber security capabilities both in terms of technology and personnel readiness to protect basic infrastructure, systems and new services. Bolster protection and technological processes to improve safety.
- Enhance cyber security efficacy and capability and personal data protection using Machine Learning and Artificial Intelligence to augment monitoring, analysis and threat assessment, use Automation to speed up and streamline processes.
- Become a leading Cyber Security Operation Center for corporate clients. Bolster service in terms of personnel, procedures and technology. Develop capacity to provide advice to provide the Data Protection Office (DPO) as a service.
- Develop and improve technology, cyber security and personal data privacy policies and standards, including revamping CSL directions for synchronicity with AIS

Society

3. Human Capital Development

- Acquire enough staff with new abilities in digital technology to support business growth
- 85% of talent pool is retained
- 85% of Talent on Critical Role staff undergo new Ability training in digital technology
- Employee Engagement Survey participation rate above 85% and Employee Engagement Index above 4.10 (82%)



4. Social Inclusion

- Improve the wellbeing of 700,000 people through our digital platform and collaboration

5. Cyber wellness

- Become Thailand's number one telecommunications brand, trusted for cyber wellness and online safety.
- Promote cyber wellness and online safety at 1,500 schools and protect 290,000 Thai users from cyber threats.

Environment

6. Emissions

- Reduce GHG emissions intensity as calculated from the ratio of direct and indirect emissions to data traffic by 90% compared to the baseline in 2015
- Increase renewable energy usage to 5% of total energy consumption compared to 0.06% in 2018



7. Waste

- Collect 360,000 units of obsolete mobile and related electronic waste for proper recycling
- Reduce non-recyclable E-waste from AIS services and operations from 5% of total waste in 2018 to 3%
- To be Thailand's No.1 telecommunication service brand that is also trusted for its environmental responsibility in terms of electronic waste, promoting awareness among the Thai people about proper recycling of E-Waste.

Economics Aspect

Digital Innovation

Innovate digital products & services to improve the quality of lives and promote businesses in Thailand

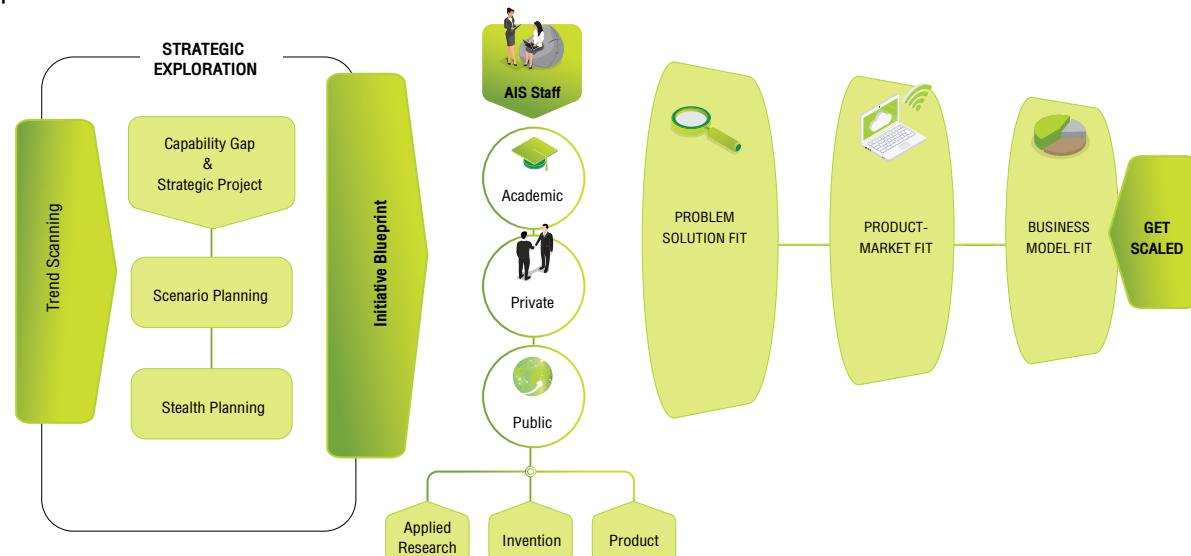
Digital technology has come to be a catalyst for the rapid change of the world. New businesses have sprung from using technology that better respond to the changes in demand of consumers in their daily lives and from other business. Challenges also result from global companies carrying out research and technological development these matters pose opportunities for AIS to develop digital technologies that can drive its growth and competitiveness while generating value for customers and society. This requires that AIS adapt its business approach to stay in step with digital age consumers, take part in developing the economy and society, reduce its impact on the environment to a minimum and offer products, services and solutions that extend to a variety of industries.

AIS is resolute in its mission to create innovations that deliver products and services that better the daily lives of the Thai people and enhance their businesses. AIS seeks to become a leader in innovations for sustainability by enhancing its adaptability and formed an Innovation Development Department tasked with supporting the company's innovation leadership both internally and through collaboration with partners. The department also supports doing business in the digital era and growing new sources of revenue that coincide with changing trends both current and to come in the future in all markets

relevant to AIS and beyond. The department produces a report for the Chief Information Officer (CIO) at least once a month. The CIO set strategies and policies as well as manage information technology in the short and long term to better the organization's capabilities and competitiveness in a digital world.

AIS Open Innovation Framework Framework so that it may serve as a guideline for efficiently supporting the development of innovations based both in the company's own internal knowledge and knowledge from outside the organization towards its business goals. The framework consists of the following:

AIS Open Innovation Framework

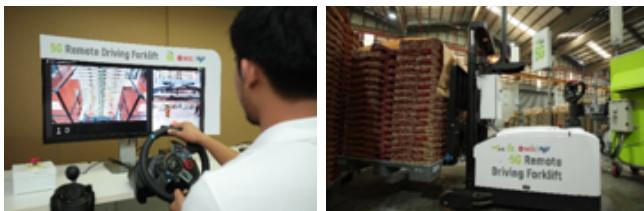


2020 Progress

1. Supporting Internal Innovation through AIS InnoJUMP which promotes staff to adopt an innovative mindset and drives innovation by providing opportunities to experiment and create developments that may lead to new business ventures for the company. The objective of the program is to develop new products and services for market. AIS organized “INNOJUMP Competition 2020”, receiving over 290 submissions from staff. The shortlisted teams are offered funding for testing and experimentation to develop projects until market viable.

2. Collaboration with Partners to Drive Innovation

- 5G Testing to Create Opportunities and Enhance the Thai Industrial Sector** AIS worked with partners to develop and trial 5G technology, testing use cases. For example, AIS took part in developing a forklift remotely controlled between Bangkok and Saraburi via a 5G network, working with SCG and Prince of Songkla University. Also, AIS tested the application of 5G technology to logistics, in particular to allowing remote container crane operation at Hutchison Port of Laem Chabang Port.



- Projects from Joint Research and Development with Academic Offices and Educational Institutions e.g. 1) IoT satellite** AIS worked with University of Tokyo to enhance IoT technology, installing IoT equipment in remote forest areas to monitor against forest fires and notify relevant agencies. In 2020, AIS installed equipment in 3 locations and plans to add another 20 locations in 2021.
- AIS IoT Alliance Program (AIAP)** Aimed at promoting knowledge and skills from a range of industries, public and private organizations, equipment manufacturers and software developers to bring about different IoT solutions able to address the needs of different industries and enhance the potential of the country. AIAP membership rose to 1,900 members. In 2020, AIS acquired partners including Koh Samui Municipal Office for the development of Smart Lighting for more efficient lighting management and resource conservation after being installed in 5,000 locations across Koh Samui.
- AIS Playground** AIS established a space to serve as a central incubator of innovation, providing basic infrastructure and technology to university students, developers and startup entrepreneurs looking to test their prototypes and connect to AIS’s Application Program Interfaces (API) to gain access to actual commercial services and experts who can provide them with guidance and technical know-how. In 2020, 638 groups joined in testing prototypes and sought expert guidance via AIS Playground with over 116 connecting their products and services with AIS for support toward going

to market. In 2020, AIS also staged 5 workshops and courses at its AIS Playgrounds, attended by more than 400 people with the aim of enhancing creators and business operators.



Actions against Covid-19

AIS ROBOTIC LAB AIS created Thailand’s first 5G lab robot for the assistance of physicians. Connected to an operating system on a 5G network, the robot was an achievement of the AIS NEXT team’s Innovation unit, which designed the 5G Robot Platform by combining technologies, networks and medical care to create the 5G Robot for Care, a tool able to adapt to the unique requirements of different hospitals.

Cyber security and Customer Privacy

Ensure effective data privacy and cyber security to enhance customer value while ensuring customer trust

AIS, as a digital service provider, manages massive amounts of data, both from its operations and from its customers, and is compelled to work in adherence to laws to protect against the leakage of personal data as well as to reduce risks to its finances and reputation. Moreover, AIS sees an opportunity in creating and developing complete cyber security services, which would address its operational requirements and enhance its capability to service clients. Thus, beyond carrying out its own cyber security and personal data protection, AIS is seeking to build a body of knowledge on the two matters and relevant new technologies such as the National Blockchain Hybrid Cloud, IOT and financial and insurance mechanisms. AIS also place value on building staff capability and knowledge to be ready for technology advancement.

AIS manages and implements policies, procedures and administrative systems for all offices corporate-wide to secure trust from its customers that it operates with transparency in its information and personal data protection and includes that trust in its risk management handled by the Audit and Risk Management Committee. At the administrative level, policies and strategies for cyber security and personal data protection are decided by the Cyber Security Committee and Data Protection Office, which must report to the Board of Directors and Audit and Risk Committee on a quarterly basis. AIS also enforces cyber security policies and data privacy policies

for all its offices, extending to related external organizations. The Company carries out regular systematic internal audits to ensure its management of data privacy and cyber security and related operations adhere to its policies, standards and frameworks.

Ensuring AIS can continue operating in crisis situations, the Company established a Crisis Management Committee comprised of C suite executives and Heads of Business Units, which reports directly to the President and CEO. The committee is responsible for and has decision-making authority during times of crisis from response to damage mitigation to following up to ensure continuity of operations as to reduce impact on customers and the company's reputation. The committee also decides on remedial measures for customers and manages the Crisis Communication Team to communicate and publicize necessary information inside and outside the Company as well as for communication with government agencies and related organizations in an accurate and timely manner.

Privacy Protection

AIS maintains a Data Protection Office, which acts a central hub for the protection and monitoring of the personal data of customers. The office provides guidelines and policies to maintain compliance with relevant laws and regulations for both AIS and group companies as well as advice on data storage and usage to other offices within the Company to enhance business operations, competitiveness and pave the way for new businesses. With a commitment to legal compliance, AIS undertakes the following actions and processes to enhance its data privacy:

- **Indicate Customer Data Privacy Protection Guideline** for users to inform them of its regulations and practices concerning personal data protection
- **Data Life Cycle Management** in the interest of protecting personal data
- **Limiting access to sensitive information** and applying a range of data protection techniques covering storage, utilization and transmission to safeguard against personal data leaks or breaches.
- **Incorporating the Privacy by Design and Privacy by Default** principles into its services and products as necessary.
- **Utilizing the Data Protection Impact Assessment: DPIA** to identify and mitigate data privacy risks in new services.
 - Evaluate risks in daily operations to protect against leaks and implement measures to mitigate such risks.
 - Started implementing a Standard Contractual Clause: SCC both internally and with partners in need of access to customer data protecting against the forwarding or transmission of private customer data.
 - Started keeping a Record of Processing for private data both internally and with partners to confidently utilize, process and disclose private data and to allow for the tracking and risk assessment of private data processing.
- **Setting specifications for the data flow process and communicates** with relevant agencies to ensure compliance with said specifications.

- **Establishing a system and enhancement of processes to customer requests** as to comply with the Personal Data Protection Act within the legal timeframe

- **Data Request Management**

The Company provides customer usage data to government agencies in accordance with legal requirements and upon request by legal authorities.

In 2020, AIS reviewed and improved its data privacy protection policy to display its personal data storage, which is done purposefully, within limitations and in compliance with the law and fairness with consideration towards the human rights of data subjects within legal parameters.

Operationally, AIS designed a Data Protection Impact Assessment (DPIA) to decipher risks to the Company's personal data protection measures. The assessment was designed to result in a document explaining processing of personal data, calculate probabilities and aid in the management of risks to personal rights and freedoms resulting from the processing of personal data, leading to measures protecting against such risks.

- **Promoting awareness, knowledge and understanding on customer data protection to all personnel and partners** in the interest of operations that adhere to policies, laws and relevant new regulations

- **Setting a framework for systematic reviewing of personal data protection** in the interest of customer confidence in Company operations, the Internal Audit Team plans comprehensive and

systematic reviews throughout the year with frameworks based on principles and requirements from the Personal Data Protection Act, approaches for personal data protection provided by government agencies, universities and expert organizations and business operations, with the focus on activities with risks and that involve personal data.

- **AIS maintains an Incident Center that serves as a central office for responding to cyberthreats arising from leakages or breaches related to personal data.**

Cyber Security

AIS has the infrastructure, systems and protocols to manage, test, and monitor cyber security carried out by its Cyber security and Information Resilience team, a dedicated team responsible for cyber security and building awareness of cyber security within the organization. AIS is committed to protecting its systems from cyber threats and regularly enhances its systems and infrastructure to meet data protection standards, performs security evaluations and tests ahead of launching systems and applications and has software developers perform self-evaluations during their processes. The Company uses automation to enhance the efficacy of its processes so that they are more capable and quick to respond to cyber threats and monitors against threats 24x7 using a central notification system that allows for timely response and the ability to lockdown equipment. The Security Information and Event Management (SIEM) system empowers these capabilities in real-time and works in conjunction with User Entity Behavior Analysis (UEBA), which enhances detection of irregular incidences and the evaluation of cyber threats. Cyber security policies and practices are regularly

prescribed and improved to maintain alignment with international practices and relevant regulations.

- **Cyber security guidelines and frameworks**

- **AIS utilizes the Cyber Security Framework by the US National Institute of Standards and Technology (NIST) as a guideline for designing its cyber security strategies and process,** which includes the following steps, Identify, Protect, Detect, Respond, and Recover. AIS also plans to develop further systems and processes based on other relevant standards and protocols to enhance the efficacy of its cyber security and privacy protection.

- **For responding to cyberthreats and its escalation process, AIS applies the Cyber Incident Response Framework by the National Institute of Standards and Technology (NIST) to its daily operations.**

- **Work-from-Home** In situations where operation from AIS offices is not possible, the Company has provided access channels through which personnel may perform their duties effectively with the emphasis being on security through monitoring and control of information technology systems being utilized remotely and the implementation of policies and conditions

Further information on

- 1) AIS personal data protection policy
- 2) cyber security policy

Please see "Related policies" at <http://sustainabilityais.co.th/th/sustainability-priorities/data-privacy-cyber-security>

2020 Progress

AIS achieved its targets of elevating cyber security personal data protection, with result in 2020 as follows:

1. Compliance with laws and regulations

- Reviewed frameworks and policies for alignment with laws and regulations to ensure company operations and policies comply with the law

• Appointed a Critical Information Infrastructure Officer (CIIO)

The Critical Information Infrastructure (CII) office was established in accordance with the Cyber Security Act with approval from the Company's Information Security Committee.

• Supported cooperation between the state and private sector on cyber security and data privacy in the following ways:

- o Cooperated with administrative agencies, state offices and internet and telecommunications services providers to establish the Thai Telecommunication Computer Emergency Response Team (TTC-CERT) to respond to cyberthreats against the telecommunications industry.

- o AIS worked alongside state agencies in support of drafting the Cyber Security Act while internally promoting an understanding of the role of a Critical Information Infrastructure (CII) organization according to the Cyber Security Act to its executives and managerial level staff involved in operational planning. All attended talks by domestic and international experts in the cyber security technology and legal fields.

- o Improved procedures and systems for electronic meetings to meet international standards and adhere to the emergency decree on meetings held via electronic media of 2020 for shareholder meetings, Board of Director meetings and other important company meetings.

2. Personnel knowledge, skill and conscience development

- For the enhancement of AIS cyber security and data privacy capabilities, relevant staff underwent over 23 different training courses and certificate programs encompassing Ethical Hacking and Penetration Testing, to allow them to test the security of systems by seeking out loopholes and weaknesses, Incident Management and Forensics, to allow them to handle and manage cyberthreats appropriately and promptly as well as to inspect for digital forensic evidence and Cyber security and Data Privacy.
- Continual cyber security in mind promotion for all AIS personnel nationwide on a monthly basis to ensure proper and correct practices online and offline.
- Cyber drills A total two drills were undertaken in 2020, 1) Application of the Business Continuity Plan (BCP) in response to a cyber threat crisis to prepare personnel to handle cyber threats effectively with the 2020 drill scenario being a Ransomware Tabletop Exercise 2) A Phishing Simulation testing the cyber threat knowledge of all Company and outsourced personnel.

3. Technology and operational procedure development

• Procedure improvement

- o Expanded usage of the Data Classification and Handling

Framework, which determines data sensitivity, to all core offices handling the personal data of customers and operations systems in 2020.

- o Reviewed and improved cyber threat response in line with the NIST Cybersecurity Framework and integrated the process into the Company Crisis Response Plan. Executives and related persons were provided training and responded to demonstration cyber security scenarios. For 2020, AIS compiled the AIS Security Playbook for application in crisis communication and response training.

- o Employed the MITRE Attack Framework, a base of knowledge accessible globally with information on strategies, formats and techniques used by system and database attackers, using its ATT & CK knowledge to form a basis for collaboration between cyber security operatives when reporting incidents and to compile a manual on cyber threat preparedness and response directing cyber security, response to undesired incidents, classification of protected items and identification of loopholes in the Company's cyber security.

- o Reviewed and improved cyber security to encompass Work-from-Home and so that company operations are secured and aligned with requirements of the current situation such as use of Centralized Remote System (CRS) Mobile Devices, the Teleworking and Bring Your Own Device Standard (BYOD Standard) and the Access Control and Identity Management standard.

- o Set regulations for entry and exit to the cyber security division in accordance with the ISO27001 standard.
- o Improved and enhanced cyber security procedures by applying automation to threat detection and response, a core function of Security Orchestration, Automation and Response (SOAR) equipment.
- o Improved cyber threat reporting using the TIMS-trouble ticket system, a complete management solution.
- o Developed the Cloud Security Standard to encompass Private Cloud and Public Cloud usage and for alignment with company cyber security policies and international standards.
- **Improvement of the cyber security policy** for greater clarity, comprehensiveness and to encompass partners and external personnel in response to developments in the digital age and the New Normal such as mobile offices.
- **Continual data protection enhancement** In 2020, AIS improved its network security system in terms of protection and monitoring, adopting new technologies and upgrading and developing operating procedures, data collection and monitoring, notification and analysis of data to identify events with the potential for irregularity, developing Advanced Persistent Threat detection using Threat Intelligence drawing on threat data from various sources to fortify AIS. Automation was also applied to operations.

- **The 24 x 7 cyber security operation center (CSOC)** After establishing the CSOC with modern detection tools and training personnel to be able to respond to threats effectively 24-hours a day in the previous year, AIS in 2020 expanded the center's services to monitoring against threats to the systems and information technology of its corporate clients. Towards elevating its information protection management systems to meet international standards, the company expanded the boundaries of its ISO 27001 certification to encompass services by the CSOC.



- **Technology, knowledge and experience exchanges with world leading telecommunications service providers** Exchanges with companies such as Singtel OPTUS and Globe allowed for model guidelines and practices for the management of data in an efficient and low-risk manner to be set, allowing for data protection and timely response to cyber threats.
- **Auditing** - In 2020, internal and independent auditors reviewed the Company's information system and customer data protections, evaluating its general information system controls, data security awareness programs, cyber threat response and cloud system operations and security. Overall, AIS did not discover any cyber threats or violations of personal data or loss of data resulting in civil suits or legal fines in 2020.

Social Aspect

Human Capital Development

Drive AIS' human capital to pursue new strategic growth area focusing on digital business

Challenges & Opportunities

Amidst changes in digital technology, AIS has had to transition into being a fully functioning digital technology service provider to keep up with varying customer demands and to maintain its leadership in the telecommunications industry. The challenge for AIS has been enhancing its capabilities and preparing itself to progress in-step with a rapidly changing business frontier.

AIS devotes great importance to human capital management. Its Chief Executive Officer (CEO) oversees operational policies enacted under the supervision of the Chief Human Resource Officer (CHRO), who interprets such policies into strategies and work plans, making sure to comply with relevant laws and with consideration to human rights. Focus is placed on providing opportunities for employees to fully showcase their abilities and potential for driving the organization forward towards sustainability while fostering an organizational culture aligned its business practices under the concept "FIT FUN FAIR". Employees are encouraged to develop their skills in response to the digital challenges of the business and the company's objectives are clearly communicated. Details of the approach are as follow:

AIS applies sustainable development goals to its human capital management in the following ways:

1. Talent Attraction, Retention and Succession Plan

1.1 Fair Employment

AIS adheres to fair employment principles and complying with all applicable laws as well as sees the importance in having a diverse workforce populated by personnel with different bases of knowledge and skills. The company maintains a policy against employing child and all types of illegal laborers while supporting the employment of disabled persons and providing funds to the Disabled Persons Support and Quality of Life Development Fund, seeking to have disabled employees work in the communities most convenient to them and for them to acquire new abilities in the digital technology industry.

1.2 New Ability

AIS maintains an approach for managing distinctly talented employees within the organization. Such individuals are sought out, provided with appropriate positions and duties and developed and fostered so that they may be retained in the company.

1.3 Digital Skills Hiring

AIS works with leading universities both domestic and abroad to organize activities that introduce itself and open the opportunity for students with functional skills for the digital age such as block chain, AI and data analytics to join the company and enhance its digital growth capability sustainably.

1.4 Career Development

AIS supports its employees in contributing to its growth plan and developing their career capabilities. Employees are provided with data and advice from their superiors so that they may plan their careers and support their own sustainable development.

1.5 Employee Retention

AIS maintains practices to retain and encourage skilled employees to remain and grow alongside the organization, including providing incentives both monetary and non-monetary and strong benefits to employees at levels such as health insurance and a standard meeting healthcare center.

1.6 Succession Plan

Ensuring continual operation, AIS maintains succession plans for every position throughout its structure using a criteria and process that transparently and fairly selects the most capable successor for any position with an emphasis on leadership capability and readiness to assume the role.

2. Lifelong Learning

AIS supports its employees in enhancing their skills and knowledge for growth in their careers and diversification beyond their base skillset in line with the changes spurred by the digital disruption era. Through Lifelong Learning via both online and offline courses, AIS seeks to unlock the creativity of its employees and open them to constant learning and betterment towards greater efficiency.

2.1 Employee Development and Training

AIS supplies necessary courses to employees via the Learn-Di and Read-Di applications, allowing them to engage in learning from anywhere and at anytime. The applications provide courses that cover digital technology relevant to operations, news and updates and serve as an online library for research and study.

2.2 Individual Development Plans

Individual Development Plans were drafted in collaboration with the superiors of each employee. A Competency Model was also created based on collaborative analysis between the employee, their superior and the human resources team in order to lay a foundation towards career development.

2.3 Evaluating the effectiveness of training

AIS employed the Kirkpatrick Model, which measures results in 5 levels where level 1 measures satisfaction, level 2 measures behavioral changes post training until level 5 measures return on investment.

3. Employee Well-Being

The AIS human capital management policy encompasses the physical and mental health of employees both for the sake of employees themselves and their efficient work. The policy also promotes a positive environment within the organization. The Occupational Safety and Health Committee was formed to promote and support safety and health measures, enforce relevant legal regulations and policies and act as an administrative body for safety and

health with an emphasis on promoting awareness and supervising related operations within the company. The committee's principle responsibilities are as follows:

- Enacting a strategy promoting good health among employees
- Reducing stress among employees
- Maintaining employee medical information privacy
- Promoting safe work environments
- Maintaining safety for contractors and sub-contractors
- Organizing occupational safety and health training courses
- Assessing occupational safety and health risks

4. Performance Appraisal

AIS devotes importance to performance evaluation and fair remuneration, undertaking performance appraisals 2 times a year, divided between:

- Appraisal of achievement of objectives and targets jointly set by superiors and subordinates.

• Appraisal of work behavior based on corporate culture.

Appraisal results are used in considering remuneration and are communicated to employees for the planning of mutual sustainable development.

5. Remuneration and Benefits

5.1 Remuneration

Remuneration for employees is compared to in and out of industry rates with an emphasis on equality, relation to company returns and relevance to duties. AIS employs an external consultancy firm to design its crucial human resource systems, which includes

improving remuneration calculation for great clarity, accuracy and fairness to keep up with changing contexts in the digital era. The firm also carries out surveys of pay and benefits in the labor market for comparison to AIS and monitors changes to criteria, benefits management and remuneration formats used by other industry leading companies for analysis and development of AIS remuneration in the interest appropriacy, enhancement of talent retention and attraction of future employees.

5.2 Employee Benefits

AIS provides a range of benefits to its employees such as marriage support funding, educational funding for employee children that meet performance criteria, assistance funds for accident victims, patient visitation funding, funeral services assistance funding, natural disaster assistance funding, loyalty rewards, health checkups, medical care, life insurance, etc.

6. Diversity and Inclusion

AIS devotes importance to diversity and equality and provides employment opportunities to people of all ethnicities, beliefs, genders and ages while maintaining Zero Tolerance for prejudice and a Non-Discrimination Practice for all employees. In its business operations, AIS sees diversity as beneficial, as staff with differing experiences and skills are able to complement one another, and makes sure to create opportunities for exchanges of ideas to enhance its innovations, operations and service capability, using Design Thinking to highlight the strengths of its employees.

7. Application of Technology to Human Capital Development

AIS uses digital technology to enhance the efficacy of its human capital development. The company developed an application tailored to the various uses of its employees and that is accessible at all times from any location. Through the application, AIS staff can view their personal information and privileges, manage scheduling, seek various authorizations and follow up on company news and announcements in a convenient and flexible manner.

2020 Progress

The past year came with the challenge of operating amidst the COVID-19 crisis. The human resources department found it necessary to apply technological solutions to finding potential employees, publicizing positions and receiving applications via QR Code and holding employment interviews via video conference to avoid contact. At the same time, AIS supported all of its personnel to undergo training to enhance their ability to respond to challenges and competition, emphasizing new skills needed for modern tasks such as Design Thinking and Data Analytics while also encouraging employees to update their existing skills for the modern context such as by utilizing digital systems to automatically carry out tasks such as filing travel reports. Knowledge of the digital realm was emphasized in light of the company's evolution.

Talent Attraction, Retention and Succession Plan

In 2020, AIS made preparations to transition itself and its employees into the 5G era. While looking to retain quality personnel into the long term, the company made plans to find new staff, using technology for searching as well as interviewing potential recruits. Activities were organized in cooperation with 18 universities to introduce AIS and its opportunities. Attracting 2,583 applicants, AIS offered post-graduation positions to the most ideal candidates and plotted their career growth. The "AIS Career Framework" was also created to serve as a tool for guiding recruits and their superiors along a clear growth plan and helping to identify those with a potential for future growth in the company.



Lifelong Learning

In 2020, AIS Academy launched an online learning platform for the Thai people dubbed “LearnDi for Thais” aimed at allowing all people in the country to access knowledge at any time from anywhere, elevating and modernizing learning in Thailand. LearnDi for Thais encompasses business, technological and financial knowledge among other topics and is intended by AIS to extend the capabilities of its employees to wider society and to become a sustainable digital learning platform.

AIS supports its employees in enhancing their abilities for greater work efficacy and provides courses based on its human capital development plan and operations year-round

AIS Academy for Thais

AIS is intent on playing a part in bettering the Thai people and devoted its resources to AIS Academy for Thais: Jump Thailand, a special activity that took place on 1 October, 2020 as part of the “Thinking for Others Mission”. The aim of the event was to provide knowledge and support sustainable innovation through enhancement of education and the creation of career opportunities for Thais in need. The event was divided into the following three activities:

1. Jump to Innovation Selection of an individual or group with an innovation for better life in Thailand to take part in JUMP Thailand, so that the innovation can be developed for practical application in 2021.

2. Jump over the Challenge Seeing the need for career opportunities amidst the COVID-19 crisis, AIS created the “Aun Jai Career Development” project in 2020, allowing interested people to undertake work training and providing them a chance to earn income in spite of economic contraction.

3. Jump with EdTech AIS developed the “LearnDi for Thais” platform to facilitate lifelong learning, working with public and private educational agencies both domestic and foreign to enhance the capacities of the Thai people.

Employee Well-Being

Throughout 2020, the human resources department at AIS worked to prevent the spread of COVID-19 by escalating occupational safety and health measures across the company and altering strategies and operations based on safety concerns. Human resources in the company were accordingly developed in other aspects as follows:

COVID-19 Prevention Measures

- **COVID-19 Alerts and Reporting:** AIS created a procedure for issuing alerts and reports on the COVID-19 situation encompassing infections among its own employees. Staff who are diagnosed with COVID-19 are obligated to report the situation to their direct superior and the company’s Emergency Report Center as to notify executives and relevant units and trigger set measures, which include investigation of close contacts, closure to risk areas for disinfection, notification of the Department of Disease Control and patient monitoring.

- Implementation of Urgent COVID-19 Prevention Measures

- Employees were asked to avoid international travel. Those with a necessity for travel abroad were required to submit a request to a high level executive and have their plan considered on a case-by-case basis.
- Employees returning from countries deemed at-risk were required to enter into a 14-day quarantine during which any necessary work would be done from home.
- Personnel from foreign business partners arriving from countries with COVID-19 outbreaks were not allowed onto company premises unless a formal notification including travel history and the results of a medical screening were submitted and the visit was approved by an executive.

- Office Congestion Reduction Measures

AIS implemented a Business Continuity Plan (BCP) in response to COVID-19, dividing employees into a Team A and Team B and rotating the teams into offices to reduce congestion from May of 2020. Staff not present in offices were allowed to work from home while those on-site had to adhere to social distancing measures in areas such as conference rooms, libraries, canteens and elevators.

- Technological Support

AIS applied technological support to its operations in response to COVID-19. An online meeting system was launched to facilitate conferencing, notifications to staff were made via online channels and all personnel were allowed to submit work and ideas electronically.

- Screening and Hygiene

Highest level health screening and control was implemented across the company. Thermo-scan machines were installed at all company entrances to check body temperatures and any individual found with a temperature 37.5 degrees Celsius or higher was denied entry. Disinfectant hand gels were placed in key locations alongside signage recommending usage, air filters were placed in different locations and strict cleaning measures were undertaken with greater frequency such as every 30 minutes for elevators. Important equipment was disinfected every hour using industry standard disinfectants and Air Handling Units (AHU) were regularly disinfected to maintain the sanitation of circulated air.

Employee Welfare

Details as follows:

- Scholarships for Employee Children :

AIS has continued to provide scholarships to the children of its employees.

- Support for the Family Unit :

AIS acknowledges and supports the family unit as a foundational institution for personal growth and social sustainability. The company provides 4,000 Baht in assistive funding to employees who enter into marriage.

- Employee Engagement

AIS conducts an Employee Engagement Survey every two years to collect the opinions of its personnel for analysis and synthesis into administrative improvements and better human resource management. Due to the COVID-19 pandemic in 2020 however, the survey was delayed to 2021.

Diversity and Inclusion

AIS supports staff engaging in activities with which they are interested or proficient, providing funding and opportunities for all of its employees to join in such activities. The company promotes respect for personal rights and an acceptance of diversity with the goal of creating a work and collaboration environment of solidarity.

Application of Technology to Human Capital Development

AIS sees the importance of developing its systems and applying technology to its human capital management, so that it can serve its employees quickly, precisely and with flexibility, as well as so that it can enhance human resource data analysis for the improvement of operations.

WorkDi

In 2020, the WorkDi system was developed to allow AIS employees to carry out various actions from any location at any time. Through the system, employees can declare leave, request overtime compensation, view total training time, receive information and notifications from the company, etc.

AIS DIGI

For 2020, AIS developed the AIS DIGI application to facilitate employee participation in company activities such as the LiFE system. Allowing employees to take part in an online society, activities were divided by the company's FIT FUN FAIR concept with participation awarding token points redeemable as discounts on products and services. AIS DIGI also provides news, notifications and promotions for employees, the ability to book conference rooms, access to the AIS Idea Portal and connection to the E-Memo system, where authorization for various tasks can be requested.

AIS KinDi (Canteen)

A canteen provided for AIS employees, diners are able to pay for meals using the wallet app to receive KinDi coupons providing discounts on future purchases.

Social Inclusion

Leverage our digital infrastructure & solutions to uplift community well-being & reduce the digital divide

AIS is committed to being a part of bettering life for the Thai people, using its communication technology resources to support developments that keep the Thai people in pace with the digital era. Leveraging its business and human resources for social and community development through a range of policies and projects, AIS maintains a Business Sustainable Development Team to recommend policies and strategies and coordinate with relevant agencies to realize results. The team reports progress to the Sustainable Development Committee. In recognition of inequalities in quality of life and opportunities for people in remote areas, in particular in terms of access to basic necessities and education, AIS set policies that mobilize its digital platforms and partnerships to achieve greater equality. Towards its intended achievement, AIS implemented the three following strategies:

1. Expansion of digital infrastructure for maximum coverage in support of efficient communication and alignment with national economic development

AIS is committed to developing a quality telecommunications network with nationwide coverage both in urban and remote areas and seeks to continually acquire new technologies to enhance its service capability, in particular to improve the capacity and coverage of 5G technology in satisfaction of demand and in support of the network being used to develop the nation's economy and

households. Consideration is also given to the needs of the public telecommunications system.

2. Supporting appropriate public access to digital communication devices

AIS maintains a policy to support digital technology access and digital technology knowledge for all Thais. Under this policy, AIS acquires and presents appropriate choices for accessing digital technological equipment including smart phones that accommodate 3G and 4G priced between 1,000 and 3,000 Baht, phone and internet packages for students and migrant laborers and sales channels targeted at specific groups, all in the promotion of internet access and digital technological know-how in every region.

3. Developing digital platforms that enhance economic and social structures along with quality of life

AIS aims to use its communication technology and digital capabilities to play a part in building tools that better the lives of the Thai people, focusing on connecting communication technologies and digital systems to better public health and education, to reduce inequality, to promote digital literacy and in support of the environment.

Public Health : Support and promotion of public health operations through the creation of digital platforms that aid in the efficient work of public health personnel.

Reducing Inequalities : Creating equal opportunities for access to education targeting underprivileged households and youths,

supporting career opportunities for underprivileged groups as to sustainably close gaps in equality.

Digital Literacy Promotion : Support access to digital technology knowledge and practice through the provision of necessary resources to develop the capabilities of the Thai people and in support of results conducive to national development.

Environmentalism : Display responsibility towards environmental issues that could adversely impact communities and the nation, support and promote the management of waste and electronic waste generated by business operations and foster awareness among the Thai people of the dangers of electronic waste as to encourage them to take part in national environmental conservation.

2020 Progress

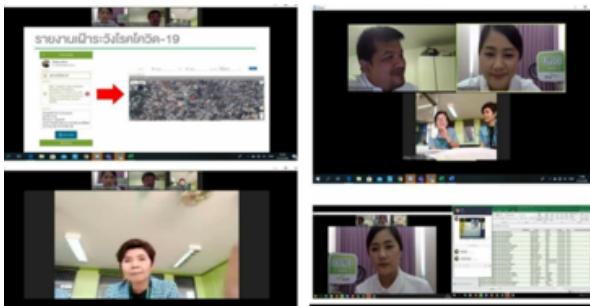
- Development and Expansion of 5G Technology to Nationwide Coverage** At present, AIS operates a network that supports high-speed data transfers using 3G and 4G technology with coverage across 98% of the population, broadband home internet using fiber-optic technology across all 77 provinces of the country and WiFi networks in support of educational institutions and businesses.

Public Health

- Aor Sor Mor Online application** The Aor Sor Mor Online application was launched to communities in 2015 with the objective of serving as a communication tool between sub-district health promotion hospitals and village health volunteers, facilitating the proactive work of local level health service units.

The year 2020 brought a major challenge to operations in the form of the COVID-19 pandemic. AIS turned its focus to safety and supported use of the Aor Sor Mor Online application to augment public health work during the crisis through these ways:

1. Digital platforms were used to demonstrate use of Aor Sor Mor Online application with conferences organized in cooperation with provincial public health offices to show how the application reports data relevant to monitoring COVID-19. The effort was expanded through the Aor Sor Mor network to over 10,000 people and was also applied to the Aor Sor Mor Online application Facebook Fan Page with live streams averaging over 5,000 views.



2. Contact channels were added to enhance work against the pandemic. Hotline 06-2520-1999 was made available between 09.00 and 17.00 hrs daily (excluding government holidays) to provide guidance and answers to Aor Sor Mor and public health officials on use of the application. Line official @aorsormor was another

channel and garnered 11,731 members while the Aor Sor Mor Online application Facebook Fan Page fielded issues and queries 24-hours a day.

3. Development of the Aor Sor Mor Online application in response to the COVID-19 crisis

- Screening and tracking of COVID-19 was added to the application. Surveys were added to aid Aor Sor Mor decipher contact and infection risks
- Mental health screening was added in collaboration with the Department of Mental Health and Department of Health Service Promotion, allowing Aor Sor Mor to screen community members for stress, depression and suicidal tendencies.



AIS joined hands with the Ministry of Public Health to enhance the work of Aor Sor Mor during the COVID-19 crisis, adding COVID-19 screening and monitoring functionality to the Aor Sor Mor Online application and providing life insurance to support proactive efforts by Aor Sor Mor.



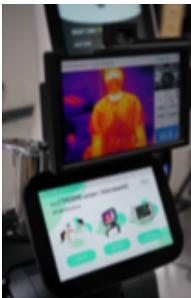
AIS joined hands with the Department of Mental Health and Department of Health Service Promotion in signing a memorandum of agreement to develop “Mental Health Screening” functionality for the Aor Sor Mor Online application , empowering Aor Sor Mor to screen their community members for mental health issues brought on by the COVID-19 crisis.

- **AIS 5G Battling COVID-19** Used PTC 65HD Sheet Piling Rigs for sale

1) Installation of 5G Networks in Hospitals to Support Medical Work AIS installed 5G networks at 158 hospitals nationwide, 150 in Bangkok and 8 in the provinces. The networks support medical work by allowing for innovations and solutions that reduce risks to medical workers while facilitating their care of COVID-19 patients. Additional AIS Fibre, 4G, AIS Super WiFi and Smart devices were also provided to enhance management in various areas at the hospitals.

2) AIS Robotic Lab Digital technology experts from within and beyond AIS were brought together to develop a 5G telemedicine robot and medical solutions through collaboration with hospitals to ensure responsive to their specific needs.

3) Development of 5G Telemedicine Robots AIS produced 23 new Robots for Care and delivered them to 22 hospitals. All of the facilities were testing and caring for COVID-19 patients and utilized the robots as assistants to doctors and nurses, performing thermos-scans and facilitating video calls between doctors and patients. Controlled via 5G, the robots eased the work of physicians while reducing crowding and risk of infection for both patients and medical workers.



Reduced Inequalities

1. The AIS Good Kids Brave Hearts project supported exemplary students hindered by their finances with the aim of reducing social inequality and providing opportunities for education to Thai youths so that they may find employment and support themselves and their families. Students chosen showcased exemplary behavior

from Primary School Year 1 through to their bachelor's degree and worked to provide supplemental income to their family. Across the 20 years of the project, AIS provided scholarships to a total 910 students.

2. Reducing Inequality and Careers for the Less Fortunate AIS Call Center for the Disabled AIS recognizes the need to support human rights efforts and provide equal access to employment, launching a project to create career opportunities for the disabled in 2007 focused on using digital technology to augment the capabilities of disabled individuals and employing such individuals in its Call Center. Work environments and equipment were adapted to facilitate safety and convenience for disabled employees and they were provided with equal remuneration and benefits to their able-bodied counterparts.



Digital Literacy

1. SDG Lab by Thammasat University & AIS SDG Lab Project AIS joined hands with Thammasat University to establish “SDG Lab by Thammasat & AIS” to serve as a space for learning and actualization that creates opportunities and connections between innovators,



developers and inventors from across the globe with the goal of addressing environmental issues or the goal of creating sustainability innovations that can serve as models for practical solutions.

2. Telecommunications Systems for Community Development AIS recognizes inequality in digital technology access, especially for education among students in remote areas. A key factor in this issue is insufficient infrastructure especially in terms of education, bringing news and perspectives from the wider world to students so that they could apply their knowledge in their hometowns.

Cyber Wellness and Online Safety

Established a brand that promotes safe and appropriate use of the internet and social media

“Cyber Wellness and Online Safety” is a significant factor toward the sustainability of AIS, as a telecoms operator perceived as a purveyor of digital technology and internet usage, has an undeniable role in promoting cyber wellness and online safety and has the ability to play a part in promoting digital technology usage that is beneficial to the economy and society. By shaping appropriate digital era behaviors in Thailand, AIS can curtail online dangers, in turn supporting the telecommunications business to grow, reduce threats to the company’s own reputation and foster consumer loyalty to the AIS brand. Moreover, in tackling these challenges, the company has the opportunity to innovate new products and services for the enhancement of online safety in Thailand.

The company maintains a Cyber wellness and Online Safety committee that reports directly to the Chief Executive Officer. The body comprises knowledgeable and experienced individuals from the realms of corporate image and sustainable development, community relations, corporate brand management, product

development, systems engineering, telecommunications security and user information protection, who meet monthly to develop and expand projects. AIS is determined to protect the Thai people from cyberthreats as well as to promote online safety and focuses on vulnerable groups of youths. Its three main strategies under the “Aunjai CYBER” program includes digital quotient promotion, digital tools for cyber protection and promotion of awareness against the potential dangers and impacts of the internet and technology.

2020 Progress

AIS expanded upon its cyber wellness support through “Aunjai CYBER” program in the following ways:

- **Digital Quotient Promotion (Digital Literacy)** AIS joined hands with DQ Institute to formulate a Thai language Digital Intelligence Quotient (DQ) course consisting of a test and online lessons measuring and building eight DQ skills among children aged 8-12years, providing them the necessary knowledge to productively traverse the online world and internet.
- **Digital Tools for Cyber Protection (Cyber Security)** AIS offers the network-based security solution AIS Secure Net to assist

in effectively reaching customers at risk from cyberthreats by working instantly without the need for an application download. Moreover, the company partnered with Google to promote use of its Family Link application, aiding guardians in training their children on appropriate internet usage.

In 2020, AIS continued to support cyber wellness among Thai youths through DQ courses and providing cyber wellness tools such as AIS Secure Net and AIS Family Link. With the COVID-19 outbreak situation delaying school semesters and moving students to online classes, AIS decided to adapt its strategy to publicizing the Aunjai CYBER program through digital channels including the myAIS application, AIS PLAY and Facebook, as to reach targets on every network. Efforts focused on families alongside teachers to forge an immunity for Thai youths in the digital era spending more time in front of digital screens amid the pandemic instead of only teachers through training courses. Nonetheless, AIS organized online courses for teachers to bolster their understanding of DQ and dispatched community relations teams to work with the teachers to design activities and formats so that DQ could be included into normal lesson plans. AIS also built an online community comprising teachers from participating schools with the purpose of inspiring and exchanging experiences. We also joined hands with the Faculty

of Industrial Education and Technology of King Mongkut's University of Technology Thonburi to consult on Digital Quotient with the Office of the Basic Education Commission (OBEC) as to equip teachers for dispensing the knowledge in primary schools nationwide as to enhance the DQ and digital skills of Thai children.

By the end of 2020, over 35,000 students from 114 schools participated in AIS DQ courses, more than 124,600 individuals became users of AIS Secure Net. Moreover, AIS extended its cyber wellness effort from mobile internet to fixed broadband internet, testing AIS Secure Net via AIS Fibre to ensure consistent internet speed and quality while protecting users from cyberthreats. The company expects to officially rollout the service in 2021

AIS remains determined to set off wide social change in terms of awareness of constructive and sustainable ways to contend with cyberbullying. Online seminars open to the general public via Facebook and YouTube under the topic “Empathy is the Key: Understanding Others and Not Jumping to Judgement” allowed members of the younger generation to share their views and experiences on cyberbullying. The sessions sought to dispense ideas for long term ways to handle cyberbullying and garnered 85,000 live views.

Environmental Aspect

Emissions

Reducing GHG emissions and utilize renewable energy in most possible extent in our operation

The issue of climate change has only grown in importance and urgency at both the national and global levels in recent times. International, state, private and consumer organizations have all supported cooperation and pushed forward measures to reduce greenhouse gas emissions (GHG emissions). Climate change is the result of GHG emissions from both the private and public sectors with industries and logistics playing a major role due to their overall dependence on fossil fuels for production, transport and service. While AIS is not part of any GHG emitting industry, its service provision still utilizes electricity produced using fossil fuels including natural gas and coal.

As a digital life service provider, AIS is acutely aware of its responsibility to society to use its capabilities and innovations to aid in remedying the issue of climate change. AIS has committed itself to reducing greenhouse gases, continually improving its energy efficiency and supporting renewable energy both in its operations and products and encouraging its operators, trade partners and equipment manufacturers to play a part in its sustainable business goals. Towards these commitments, AIS has set short, medium

and long term goals for reducing greenhouse gas emissions with the head of its technology executives tasked with carrying out the effort and implementing environmental management across the organization, from its core business to its auxiliary endeavors. A team of environmental experts provides a quarterly report to the Chief Technology Officer (CTO) to inform actions such as setting indexes for performance. The chief also monitors regulations, measures and relevant technological trends to constantly improve the environmental management plan. A report on environmental efforts is presented to Sustainability Development Committee and Board of Directors at least once a year. AIS maintains an environmental policy approved by its Board of Directors with the objective to support environmental sustainability. Read more on the Environmental Policy at <http://sustainability.ais.co.th/storage/sustainability-priorities/emissions/ais-environmental-policy-th-2018.pdf>

2020 Progress

AIS is committed to its mission to play a role in remedying climate change and maintains core projects on energy efficiency, GHG emission reduction, promoting renewable alternative energy and reducing paper usage. These projects include:

- **Energy Efficiency**

- o Expanded use of multi-mode station equipment covering 2G, 3G

- and 4G for improved energy savings in comparison to separate equipment, installing 63,880 pieces of such equipment over the course of 2020 to cut GHG emissions by 99.7 tCO₂e per year.

- o Improved rectifiers for higher efficiency and reduced power loss, enhancing overall energy efficiency at base stations to indirectly reduce GHG emissions from energy production. Over 1,299 new rectifiers were installed or replaced in 2020, reducing GHG emissions by 227 tCO₂e per year.

- o Expanded use of a Virtual Machine Server, an operating system enabling use of cloud software via a simulated server, and gradually decommissioned unnecessary server equipment. On top of enhancing resource efficiency and reducing cost, the effort lowered power usage at data centers both for servers and their cooling systems, cutting GHG emissions by 12,421 tCO₂e per year.

- **Alternative Energy Usage** AIS commenced an alternative energy program installing polycrystalline solar panels at 2,815 of its stations and fitted 12 stations with special solar panels equipped with micro-converters to compensate for obstructions to sunlight. All together the panels produce 6,018 MWh of electricity, offsetting part of the company's energy demand and cutting 3,503 tCO₂e in GHG emissions.



• Environmental Management System (EMS) Development

The AIS environmental management system received ISO14001:2015 approval. The system uses independent evaluators at two AIS computer data centers and ISO14001 certified environmental experts at all others. The standard was adopted to enhance environmental management at AIS in areas including energy, water and waste management in compliance with relevant regulations and sustainable business practices

• Paper Usage Reduction

AIS integrated digital technology into its internal operations, processes involving partners and in service of customers under the Full-E concept, which encompasses the four services of 1) myAIS, which allows customers to view fees, pay bills, register and monitor packages by themselves, 2) Electronic Bills (E-Bill), 3) Electronic Receipts (E-Receipt) and 4) Electronic Payment (E-Payment). On top of reducing paper usage and the need for travel, these services enhance operational efficiency and convenience for customers.

By end-2020, myAIS usage reached 8.1 million users, or 20 percent of AIS customers, 6.7 million users switched from mailed bills to E-Bills and 84.6 million users adopted E-Receipts, all together cutting the need for sheets of paper, equivalent to 1,865 tCO₂ e in GHG emissions a year.

Despite its energy usage increasing due to network expansion and growing demand for data, AIS has still been able to limit its GHG emission intensity relative to the amount of data it supplies, underlining the efficiency of its network's design and utilization.

Promoting a higher proportion of renewable energy, AIS in 2020 was able to reduce its ratio of GHG emissions intensity, a ratio of GHG emissions to data traffic. At the same time, AIS increased its proportion of renewable energy usage to 0.49 percent of total energy used, compared to 0.08 percent in 2019.

Waste Management

Reduce & recycle waste from operations as well as encourage customers to dispose E-waste properly

AIS, as Thailand's largest telecommunications service and mobile phone related device retailer, is dedicated to proper management of environmentally hazardous waste resulting from its operations. In particular, AIS is determined to develop processes that reduce waste and increase recycling and maintains an objective of promoting widespread understanding towards the danger of E-Waste and proper E-Waste disposal so that it may enter the recycling process.

The framework for waste management at AIS comprises four areas:

Green Procurement AIS combined its environmental awareness into its procurement policy to create an effective mechanism for resource and energy usage that also reduces waste, pollution and greenhouse gases. Internal departments are encouraged to understand the criteria and regulations of the Green Procurement policy.

Operations Waste Management Encompassing network equipment, office electronics and mobile phones, AIS maintains a committee for amortizing network equipment and resources, which decides when to amortize electronic equipment for the sake of change and that maintains a goal of minimizing the environmental impact of resource deployment in AIS operations. Obsolete equipment is separated for reuse or refurbishment and in the event the two options are no longer applicable, recycling, as to make use of the materials and elements of the equipment. AIS has chosen partners authorized and capable of receiving and managing used electronic equipment. It auctioned the partnership with criteria requiring an appropriate environmentally-friendly process for waste recycling, maximum recycling of used equipment and proper landfilling of non-recyclable residue, which it aims to reduce to only 3% of all its E-Waste by 2023.

Office Waste Management Supporting maximum waste separation in AIS offices ahead of waste delivery into the recycling process and promoting awareness among personnel on the importance of waste separation and proper waste separation, seeking environmentally-friendly changes in behavior.

Promoting Proper E-Waste Disposal to Customers and the Public

The “Thais Say No to E-Waste” project provided receptacles for five types of electronic waste, 1. Mobile Phones and Tablets 2. Charging Cables 3. Earphones 4. Mobile phone batteries 5. Power Banks, so that the waste could be entered into the proper disposal process. The project also sought to promote awareness towards the dangers of electronic waste and an understanding as to the need for proper disposal and recycling.

2020 Progress

Green Procurement

AIS is dedicated to working with partners while considering factors significant to sustainability and long term relationship management. AIS policies and strategies for procurement aim to maintain the company's competitiveness and operational standards while also devoting importance to economic, environmental and social considerations and good governance throughout the administrative structure of new and existing partners, functioning as a moral clause that agencies that collaborate with AIS must follow.

In 2020, AIS re-evaluated its Green Procurement policy and made environmental qualities a mandatory requirement for bidding and a preferred requirement. Plans were made to set Green Procurement requirements and develop a value chain administration policy, such as in the form of a Sustainable Procurement Management Manual or Spend Analysis. Details on the plans can be viewed at <https://sustainability.ais.co.th/th/supply-chain-management>

Operations Waste Management AIS recognizes network equipment including batteries, generators, base station equipment, cables and others, as operations E-Waste. The company's Waste Stewardship Team oversees management of such equipment using a Life Cycle Perspective. This past year, AIS delivered E-Waste into the recycling process using Department of Industrial Works authorized operators with clear processes and disposal locations. The company's non-recyclable residue proportion this year was 0.01%.

Office Waste Management Over the past year, AIS enhanced its waste separation by clearly delineating different types of waste, improving the ease of delivering waste for recycling. Waste receptacles were also improved to better personnel waste disposal at the source. From operations in 2020, only 548 kilograms of waste was generated, down 32% from 2019. Non-hazardous Waste made up 45% of the total, mostly comprised of office and operations building refuse, and Hazardous Waste made up 55% of the total, comprised of E-Waste and other types of hazardous waste from offices.

Promoting Proper E-Waste Disposal through “Thais Say No to E-waste” AIS continued “Thais Say No to E-Waste” in 2020, focusing on expanding its network throughout the public and private sectors to strengthen implementation and enhance convenience for E-Waste disposal. The project also focused on promoting awareness towards the physical danger of retaining expired E-Waste in the home or improper disposal, at the same time dispensing knowledge on recycling and proper E-Waste disposal in the hopes of fostering understanding towards the critical environmental issue posed by E-Waste.

- **Expansion of “Thais Say No to E-waste” Cooperation Network**

Building a network of participation across the public and private sectors, AIS promoted a sustainable solution to E-Waste's impact on the environment, expanding its E-Waste receptacles to over 2,400 locations nationwide to facilitate the proper disposal of E-Waste.

- 28 May 2020 : AIS joined Central Group to install E-Waste receptacles at 37 Central department stores across the country and The Office @ Central World to invite Thais to separate their E-Waste and engage in proper disposal for the sake of environmental sustainability.

- 1 June 2020 : AIS joined hands with Thailand Post to expand its E-Waste receptacles to 160 Thailand Post offices nationwide.

- 1 June 2020 : AIS joined Thailand Responsible Business Network alongside nine fellow Stock Exchange of Thailand listed companies, Bangkok Airways, Thai Optical, East Water, Thai Airways, Unison, SC Asset, Bank of Ayudhya and Singha Estate to promote proper disposal of E-Waste and for the practice to be further spread through families and acquaintances, setting up E-Waste receptacles at each company's offices.

- 14 July 2020: AIS joined the “Green Paholyothin” network to encourage 13 organizations along Paholyothin Road to join in the “E-Waste the Battle” electronic waste collection and disposal competition.

- 25 August 2020: AIS joined hands with the Government Savings Bank to promote awareness and understanding in proper E-Waste disposal.

- 3 December 2020: AIS joined hands with MBK Plc. and Kid Kid Co. Ltd. to invite Thais to sustainably preserve the environment by separating E-Waste and disposing of it through Thais Say No to E-Waste receptacles at the four MBK department stores of MBK Center, Paradise Park, Paradise Place and The Nine Center Rama 9.
- 16 December 2020 : AIS and the Ministry of Natural Resources and Environment joined hands in the Thais Say No to E-Waste network to promote awareness and participation in sustainable environmental care. The two main collaborations between AIS and the ministry were 1. Expanding E-Waste receptacles to Ministry of Natural Resource and Environment provincial offices nationwide to facilitate E-Waste disposal and 2. Cooperation with Village Natural Resource and Environment Protection Volunteers to further promote proper E-Waste collection and disposal.

• Continued Support for Activities Promoting “Thais Say No to E-waste” The Green Paholyothin and condominium challenge, AIS E-Waste Drop for Points campaign and AIS E-Waste Bin and Win spread awareness among the Thai people and enticed them to take part in properly disposing of E-Waste, paving the way for environmentally-friendly behavioral changes among the Thai public.

- 2 September 2020: AIS worked to promote awareness while collecting E-Waste across the country through the “Thais Say No to E-Waste” project, launching the “AIS E-Waste Drop for Points” campaign to thank customers for joining in its

environmental mission. E-Waste separated into the five categories of Mobile Phones and Tablets, Charging Cables, Earphones, Mobile phone batteries and Power Banks disposed of at an AIS Shop brought customers 5 AIS Points per piece.

- 11 December 2020: “AIS E-Waste Bin and Win” invited AIS and AIS Fibre customers to properly dispose of E-Waste at AIS Shop branches nationwide, offering opportunities at prizes by counting 1 piece of E-Waste as 1 Privilege (1 number/10 privileges/activity)

Results of “Thais Say No to E-waste” (1 January – 31 December 2020)

Electronic Waste Type	Pieces
Used Mobile Phones and Tablets	8,950
Accessories	20,204
Batteries	18,073
Others	67,573
Total	114,801

Human Rights

AIS realize the importance of and respect the human rights which is the fundamental for business operation and cohesiveness of the society. In this regard, the Company has approved this human rights policy in the part of the code of business ethics and shall set the practical guideline for conducting the business by respecting the human and employment rights under the international standard in accordance with the United Nations Universal Declaration of Human Rights – UNDHR and The International Labor Organization – ILO. The Board of Directors has delegated The Sustainable Development Committee to oversee this policy through the Business Ethics Committee which has the primary responsibility for implementing this policy by, together with the risk management committee on assessing the risk of human rights abuse, identifying the potential affected group, preparing the mitigation plan with respect thereto and initiating protective measures to the Company's business throughout the entire business value chain. The Business Ethics Committees will communicate the Human Rights policy to the employees, Agents, Intermediaries, Suppliers, Contractors, Business Partners to acknowledge, understand and taking part of business by respecting the human rights. Furthermore, the company is committed as stipulated in the Whistle Blower Policy to ensure that no Employee will suffer demotion or other adverse consequence, or incurs any kind of penalty, for reporting any abuse, unfair treatment and misconduct. For more details, please visit the full version of Human Rights policy by scanning below QR Code

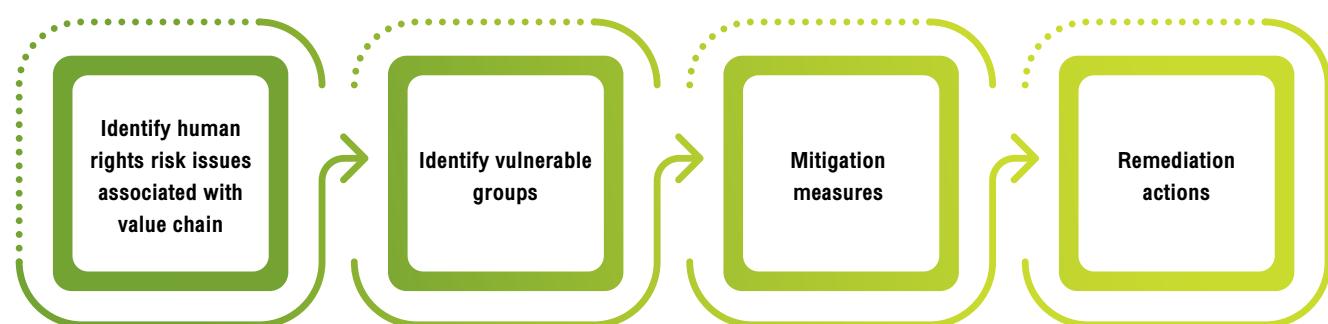


To ensure that the business operations of the company will not violate the human rights entire business value chain, AIS has indicated the Human Rights risk assessment and monitoring process including with the human rights risk assessment in business activities of AIS and business partners that covering the mitigation plan and remediation actions.

- 1) Identify human rights risk issues associated with value chain
- 2) Identify vulnerable groups
- 3) Mitigation measures
- 4) Remediation actions

In 2020, the Company has assessed human rights risk to entire primary activities was found that 47.8% of activities in company value chain were found with human rights issues and 100% of activities in direct operation with human rights issues had mitigation measures and remediation implemented.

The Company required critical tier 1 suppliers participate in the self-assessment by fill in the questionnaire form which comprising of questions related to ESG issues and return it to the Company for reviewing by procurement team. The critical tier 1 suppliers identified as high-risk, the company will send letter informing and also scheduled visits them to implement a mitigation plan to remedy all risks.



As the result of Human Rights Risk assessment, the company has selected five potential human rights issues as following;

Human Rights Issues	Vulnerable groups	Nature of Risk	Mitigation plan/Remediation
1) Working Conditions	Employees: - Field salesperson - Field engineer	Field personnel who travel regularly to sites and different locations are exposed to long-working hours and may not have appropriately safe vehicles	<ul style="list-style-type: none"> - Emphasize safety standards through cooperation with leading educational organizations to introduce safety training courses and allow only qualified personnel to operate. - For travel safety: Periodic vehicle inspections and monitoring of appropriate vehicle life cycle. - Reduce travel distance by setting smaller operating areas, operating areas favoring employee abodes as to address health and safety concerns.
2) Privacy Protection and Data Security	General Customers	Despite existing data security and privacy measures, breaches could potentially be high severity, impacting customers and risking human rights violations.	<ul style="list-style-type: none"> - Established the Data Protection Office (DPO), responsible for data privacy protection and serving as a focal point for protecting and monitoring data. - Build awareness and understanding among all personnel. - Utilize the Data Protection impact Assessment to identify and mitigate data privacy risks in new services. - Limit access to sensitive information and apply a range of data protection techniques covering storage, utilization and transmission to safeguard against private data leaks. - Set specifications for the data flow process and communicate with relevant agencies to ensure compliance therewith

Human Rights Issues	Vulnerable groups	Nature of Risk	Mitigation plan/Remediation
3) Product and service safety	General Customers	Devices such as FBB's CPE (customer premises equipment) and mobile phones sold and distributed by AIS to customers can face quality issues, including threats to physical safety. Even with a low rate of occurrence, severity remains high.	<ul style="list-style-type: none"> - Strictly maintain and control standards for all products by carefully selecting materials to be installed at customer premises is made from UL94-V0 standard plastic and required surge protection testing by the government sector. - House brand mobile phones and accessories are inspected carefully by Acceptable Quality Limit (AQL).
4) Supply Chain working conditions	Contractors of fixed broadband business	Some FBB contractors may not have appropriate safety working standards to ensure worker health and safety. As the main contract partner, AIS shall have certain measures help ensure that these contractors meet certain standards.	<ul style="list-style-type: none"> - Set standard safety measures requirements for contractors including sub-contractors starting at the procurement process including with necessary training and certificates issued to trained staff.
5) Freedom of Expression	General Customers	AIS occasionally faces government requests to block certain websites. This may incur risks of violating the human right to freedom of expression	<ul style="list-style-type: none"> - Balance freedom of expression and public and state policies which are, from time to time, issued so as to address social concerns, among others, the infringement of intellectual property. - Limit negative impacts by establishing efficient internal processes to control access to certain restricted information unless there is obvious supporting rationalization and officially requested by legitimate and competent authorities.

For more details about human rights aspect please visit the company website <https://sustainability.ais.co.th/th/respect-to-human-rights>

Management Discussion and Analysis

Executive Summary

Mobile business affected by weak economy and competition in data pricing

Slowdown in economic and business activities had been observed throughout 2020 as the pandemic impact arose since beginning of the year and the new phase of outbreak re-emerged in late 4Q. Mobile business had been pressured by sluggish economy amidst market competition around unlimited data plan. AIS had seen weaken mobile revenue due to consumer spending optimization and loss of revenue from traveler segment led to 6.5%YoY decline in mobile service revenue for FY2020.

Solid demand for home connectivity driven by pandemic

AIS Fibre, fixed broadband business (FBB), continued growing strongly with subscriber growth of 29% vs overall market growth of 10-12% driven by demand to work from home. By leveraging mobile subscriber base and expanding coverage across 77 cities, FBB achieved 1.3 million subscribers in FY20 and reached 12% subscriber market share from 10% in FY19. However, intense price competition resulted in 11%YoY drop in ARPU. AIS Fibre revenue in FY20 grew 22%YoY and accounted for 5.3% of AIS core service revenue.

Enterprise business grew with digitalization trend while 5G service at the start

Accelerated by pandemic, businesses have been urged to transition or adopt digital technologies. AIS saw revenue in cloud and enterprise solution posed double digit growth. In contrast, EDS (Enterprise data service) saw temporary drop in demand from service downgrade during pandemic. Overall, enterprise non-mobile business grew 6%YoY and accounted for 2.7% of core service revenue. To develop 5G service for enterprise, strategic partnership has been formed with leading industrial estate developers to provide 5G infrastructure aiming to serve potential 5G enterprise solutions in the future.

5G mobile over-achieved subscriber target while 5G package uplifted ARPU by 10-15%

AIS 5G service has been deployed with 2600MHz since Feb 20 while official 5G package for consumer launched in Oct 20. Given an early stage of 5G technology with limitation of ecosystem, the adoption rate was still limited as total subscribers registered on 5G package amounted to 239k or 2.4% of postpaid sub as of end 2020, doubled the target of 100k. With 5G price plan geared toward larger data volume and added value of multiple SIMs, we saw an uplift in ARPU of 5G early adopter of approximately 10-15%.

Delivered FY20 performance in-line with guidance from well-managed cost

Overall FY20 performance tracked in-line with all guidance. Core serviced revenue of Bt129,594mn declined 5.1%YoY vs guidance of low to mid-single digit decline. EBITDA (pre-TFRS16) stood at Bt76,619mn, decreased 2.7%YoY with focusing on cost control and in-line with low single digit decline EBITDA guidance. Net profit (pre-TFRS 16) was Bt28,423mn, declined 8.9%YoY while CAPEX was Bt35bn for 5G/4G network and FBB in-line with guidance.

For FY21, AIS aims to strengthen leadership with 5G service to capture high-value segment in both consumer and enterprise as well as build strong retention program and product/service differentiation. FBB targets to achieve 1.6mn subscribers and continues leveraging mobile subscriber base and capturing rising demand in home connectivity. Enterprise non mobile focuses on support need for digital transformation with telecom infrastructure and services in cloud, cyber security and ICT solutions. AIS expects service revenue and EBITDA in 2021 to grow low-single digit while CAPEX for 5G/4G network and FBB budgeted Bt25-30bn.

Significant Event in FY20

1.In 1Q20, AIS adopted Thai Financial Reporting Standards (TFRS) 9 regarding Financial Instruments and TFRS 16 regarding Leases since 1 Jan 2020.

TFRS 9: Financial Instrument

The standard requires financial instruments to be classified into three measurement categories; amortized cost, fair value through other comprehensive income ("FVOCI") and profit or loss ("FVTPL") driven by the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instruments.

TFRS 16: Lease (replacing TAS17: Operating lease and Finance lease)

On 1 January 2020, operating leases were recognized as 'right-of-use' and 'lease liability' at the present value of lease payment over the remaining lease term. The leases including tower lease agreement, site rental, office & shop building rental, and minimum payment on TOT's 2100MHz spectrum.

In this MD&A material, we present a financial income statement based on pre-TFRS for comparison with FY19.

2.In 4Q20, according to the Royal Decree No. 695 dated 20 June 2020, investment in machinery during the period from 1 January 2020 to 31 December 2020 can be qualified for 2.5x depreciation tax benefits. The term 'machinery' contains two characteristics are 1) assemblage of parts and 2) machinery for generating energy, changing or transmitting energy. These benefits will be recognized over a 5-years period starting from 2020. The tax benefit in 2020 was recorded in 4Q20 in amount of Bt246mn, with an approximately similar amount for the next four years.

Market and Competitive Environment

FY20 marked the beginning of the 5G network and service in Thailand, considering an early 5G deployment along with other leading countries. Telecom operators started launching 5G in key cities with coverage mainly in dense areas to capture the early adopter in the high-value segment. Given a limited number of 5G handset models with high starting price over Bt10,000, the adoption rate for 5G subscribers in 2020 was still limited.

With prolonged pandemic resulted in weak consumer spending, operators continued to offer fixed-speed unlimited data packages for prepaid and postpaid as a key acquisition strategy to capture value-for-money segment. The unlimited packages had been

increasing in popularity among data users to optimize spending and impeded operators to monetize sharp increase in data usage. Although the industry was able to uplift the price of unlimited packages to alleviate contracted ARPU, pricing campaigns with lower-speed were usually deployed in provincial level to capture the low-budget segment.

Demand for home connectivity has been accelerated by work and learn from home trend and drove FBB penetration rate reaching over 51% from 47% in FY19. However, market competition had been intensified since broadband providers continued pricing strategy to capture new customers in response to the macro low spending environment. The starting price was lowered to Bt399/Month for 100Mbps from Bt599/Month a year earlier; therefore, industry ARPU was on declining trend. Integrated operators had increasingly emphasized on convergence offerings and value-added services such as speed boost, equipment upgrades and contents to differentiate and uplift revenue.

FY20 Operational summary

The COVID-19 pandemic has affected AIS mobile subscribers, particularly from the contraction in traveler segment. Prepaid segment saw a decline of 1.7 million or -5%YoY mainly from loss in tourist and consumer trend in converting from prepaid to postpaid service. As a result, postpaid subscribers continued to grow +12%YoY driven by handset bundling and accounted for 25% of total subscriber base, up from 22% in 4Q19. Although total subscribers dropped to 41.4mn as of ending FY20 or -1.4% YoY, AIS remained its leading position in mobile with No.1 subscriber and revenue market share. In addition, the effect from weak consumer spending and unlimited data plans also pressured overall ARPU which dropped -7.0% YoY to Bt234.

AIS Fibre subscriber growth was driven by rising demand for home connectivity during the pandemic with solid net additional subscribers of 299k in FY20. AIS Fibre reached total subscribers of 1.34mn or +29% YoY, significantly outgrowing the industry with approximately subscriber growth of 10-12%YoY. However, competition was intense throughout the year as operators continued to offer discount and low-price plan causing ARPU to drop to Bt476 from Bt533 in 4Q19.

Mobile Business	4Q19	3Q20	4Q20	%YoY	%QoQ
Subscribers					
Postpaid	9,107,400	9,771,500	10,192,400	12%	4.3%
Prepaid	32,906,400	31,170,000	31,244,400	-5.1%	0.2%
Total subscribers	42,013,800	40,941,500	41,436,800	-1.4%	1.2%
Net additions					
Postpaid	105,700	235,100	420,900	298%	79%
Prepaid	350,000	-313,400	74,400	-79%	-124%
Total net additions	455,700	-78,300	495,300	8.7%	-733%
ARPU (Baht/sub/month)					
Postpaid	537	498	486	-9.4%	-2.3%
Prepaid	173	157	154	-11%	-1.9%
Blended	252	237	234	-7.0%	-1.2%
MOU (minute/sub/month)					
Postpaid	212	189	187	-12%	-1.6%
Prepaid	92	78	79	-15%	0.9%
Blended	118	104	105	-11%	0.5%
VOU (GB/data sub/month)					
Postpaid	16.6	19.8	21.6	30%	8.9%
Prepaid	11.1	16.1	16.5	47%	2.4%
Blended	12.7	17.2	18.0	42%	5.0%
Device Penetration					
4G-handset penetration	71%	76%	77%	-	-

Fixed Broadband Business	4Q19	3Q20	4Q20	%YoY	%QoQ
FBB subscribers	1,037,600	1,255,500	1,336,900	29%	6.5%
FBB net addition	100,600	52,900	81,400	-19%	54%
FBB ARPU (Baht/user/month)	533	484	476	-11%	-1.6%

4Q20 Snapshot

In 4Q20, Thai economy remained sluggish while the new phase of outbreaks re-emerging in Dec-20 posed further challenges on economic recovery. Despite some positive development in subscriber base in 4Q20, pricing remained the key challenge causing mobile revenue to decrease -8.7%YoY and flat QoQ. On the other hand, the continued pressing demand for home connectivity benefited the broadband business which increased 17%YoY and 3.7%QoQ in revenue driven by strong net addition of 81k. Enterprise non-mobile remained resilient and grew 8%YoY and 6%QoQ in revenue from rising demand for Cloud, Data center and enterprise solution following digitalization trend. As a result, core service revenue reported Bt32,090mn decreasing -7.2%YoY and flat QoQ. The launch in new iPhone 12 coupled with government stimulus package to promote consumer spending helped device sale to increase 72%QoQ, however, still dropped -3%YoY due to late launch of iPhone12 compared to previous year.

Despite slowdown in revenue since beginning of 2020, AIS maintained its investment plan to strengthen leading position causing network opex to increase 3.3%YoY and flat QoQ. However, this was offset by decrease in cost related to revenue, such as regulatory fee and prepaid commission, resulted in overall cost of service decreasing -1.5%YoY and remained flat QoQ. SG&A was under well-controlled, declining -26%YoY and flat QoQ. Marketing expenses dropped -33%YoY from lower marketing activities while increased 9%QoQ from seasonality and 5G launch campaign. Admin and other expenses

saw -22%YoY decrease from improving bad debt provision and efficient cost management while declined -3%QoQ.

As a result, EBITDA (Pre-TFRS16) in 4Q20 declined -1.7%YoY from weak core service revenue, but increased 1%QoQ from cost control in SG&A. Net profit (Pre-TFRS 16) increased 5%YoY and 9.7%QoQ benefited from government tax incentive of Bt246mn and foreign exchange gain.

FY20 Financial Summary (Pre -TFRS 16)

Revenue

In 2020, AIS reported a total revenue of Bt172,890mn, decreasing -4.4%YoY, from slowdown in service revenues reflecting impact of COVID-19 as well as market competition.

Core service revenue (excluding IC and TOT partnership) was 129,594mn, decreasing -5.1%YoY from declining mobile revenue offsetting by robust growth in fixed broadband as well as continuing growth in enterprise business.

- Mobile revenue was Bt118,082mn, decreasing -6.5%YoY as prolonged weak economy, price competition and revenue loss from traveler segment. Postpaid revenue grew 4.4%YoY in contrast to prepaid revenue which decreased -12%YoY due to pre-to-post migration trend and loss of revenue from traveler segment. Price competition remained intense throughout the year as well as consumer spending optimization led to drop in blended ARPU from Bt252 to Bt234.

- Fixed broadband revenue was Bt6,959mn, increasing 22%YoY driven by solid subscriber growth following work-from-home demand since late Mar20. Total subscribers reached 1.3mn with net adds of +299K; however, aggressive price plan continued to pressure ARPU to drop from Bt533 to Bt476.
- Other service revenue was Bt4,552mn, increasing +1.0%YoY due to rising demand for enterprise non-mobile following digitalization trend offset by temporary revenue drop during 2Q20 from COVID-19 impact. Cloud and ICT solution grew double-digit YoY given its small base while EDS revenue, main contribution for enterprise non mobile, was flat YoY due to lower demand during pandemic in 2Q20.

Revenue from interconnection charge (IC) and TOT partnership reported at Bt13,722mn, increasing 1.2%YoY mainly from fluctuation of interconnection charge.

SIM & Device sales reported Bt29,574mn, decreasing -3.9%YoY due to shop closure in 1H20 and the late launch of iPhone 12 comparing to previous year. Sim & Device margin stood at +0.9%, relatively flat compared to +1.1% in FY19.

Cost & Expense

Cost of service for 2020 was Bt81,641mn, flat YoY from decrease in regulatory fee and prepaid commission following revenue decline offset by higher network OPEX.

- Regulatory fee was Bt5,309mn, decreasing -8.3%YoY following the decline in service revenue as well as one-time USO reduction in 2Q20. The regulatory fee as % to core service revenue remained stable at 4.1% in FY20.
- Depreciation & amortization was Bt38,601mn, increasing 5.5%YoY from 2600MHz spectrum acquisition in 1Q20 and 4G/5G network expansion offsetting with fully depreciated 3G network equipment.
- Network OPEX & TOT partnership cost (net of revenue) was Bt18,642mn decreasing -2.3%YoY from saving on base rental from TOT partnership since Sep-19 offset by increasing expense from 4G/5G expansion.
- Other costs of service were Bt7,905mn, decreasing -18%YoY from lower interconnection charge as well as prepaid commission following declined prepaid revenue.

SG&A expenses were Bt24,381mn, decreasing -12%YoY due to less marketing spending and cost control amidst pandemic situation.

- Marketing expenses were Bt6,598mn, decreasing -16%YoY from slowdown in marketing campaign and activities during lockdown.

• Admin & other expenses were Bt17,782mn, decreasing -11%YoY from cost control and one-time expenses of legal severance pay and TOT dispute settlement recognized in FY19.

Net FX loss was Bt2mn, compared to FX gain of Bt308mn in FY19 due to THB depreciation against USD. In general, AIS has policy to mitigate currency risk using forward contract to partially cover capex payable.

Finance cost was Bt4,522mn, decreasing -5.3%YoY due to lower interest rate offset by slight increase in interest bearing debt. The average cost of debt declined by 50 basis point to approximately 2.5% per year in FY20, while interest bearing debt increased from Bt94,200mn in FY19 to Bt99,600mn to support spectrum payment in FY20.

Income tax was Bt5,336mn, decreasing -14% from lower profit before tax and tax benefit of Bt246mn causing effective tax rate to decline to 15.8%

Profit

In 2020, EBITDA (pre-TFRS 16) was Bt76,619mn decreasing -2.7%YoY due to decline in revenue offset by cost control, with EBITDA margin of 44.3% compared to 43.5% in FY19. Net profit (pre-TFRS 16) was Bt28,423mn, decreasing -8.9%YoY as D&A rose

from spectrum acquisition and network investment resulted in net profit margin of 16.4% compared to 17.2% in FY19. Reported net profit (post-TFRS16) was at Bt27,434mn, which is Bt989mn lower compared to pre-TFRS 16 adoption with the net profit margin (post-TFRS16) of 15.9%.

Financial position (Post TFRS 9&16)

As of 31 December 2020, total asset was Bt350,171mn, increasing 21%YoY driven by the adoption of TFRS16 which recognized right of use assets of Bt58,723mn and license for telecom of Bt110,219mn, increasing 6.9%YoY from 2600MHz spectrum acquired in 1Q20. Moreover, intangible asset of Bt7,123mn, increasing 30%YoY, mainly from business operation software while inventories decreasing 51% due to late arrival of iPhone12 this year.

Total liability was Bt274,481, increasing 25%YoY from recognizing the lease liability of Bt58,363mn from TFRS16 adoption as well as increasing interest bearing debt of Bt99,600mn, compared to Bt94,200mn in FY19 to support the spectrum payment. Spectrum license payable stood at Bt53,449mn, decreasing 13%YoY from the spectrum payment offset by newly acquired spectrum. Total equity was Bt75,689mn increasing 9.1%YoY from higher retained earnings offset by TFRS9 adoption.

Cash flow (Post TFRS 9&16)

For 2020, operating cash flow after tax (OCF) was Bt85,629mn increasing 12%YoY mainly from the reclassification of lease liabilities paid of Bt11,754mn from TFRS 16 adoption. After deduct lease liabilities, OCF decreased -3.6%YoY following soften EBITDA. However, OCF remained healthy to fully cover CAPEX of Bt28,057mn and spectrum license payment of Bt26,835mn. As a result, free cash flow (OCF less CAPEX and spectrum license) was Bt30,738mn and ending FY20 with outstanding cash of Bt18,421mn.

Financial ratios (Pre-TFRS 16)

Profitability: AIS continued to deliver decent profitability with EBITDA margin of 44.3% due to well-managed cost amidst pandemic while net profit margin stood at 16%, significantly above industry average. ROE slightly declined from 49% in FY19 to 47% as well as ROA declined from 11% FY19 to 8.9% as profit was lower while asset base increased from continued investment in network and spectrum.

Liquidity & Leverage: Liquidity remained solid with current ratio of 0.45x, similar level as previous year. AIS maintained strong financial position with low net debt to EBITDA of 1x and decent interest coverage ratio of 14x in FY20.

Asset turnover: Inventory was well-managed with inventory days declined from 51 days to 44 days due to lower handset stock. Account payable days slightly increased from 65 days to 72 days due to higher vendor financing following network expansion.

Credit term and collection period

The normal credit term granted by the Company ranges from 14 days to 120 days depend on type of provided service and clients. For consumer business mainly mobile and fixed broadband service, the Company allows 30 days of credit term as majority of service are monthly mobile subscription. However, Enterprise clients has been granted longer credit term ranging from 30 days to 120 days depend on type of services. Average collection period (days) for FY20 was 38 days, slight increase from 36 days in 2019. Although, AIS provided relaxed payment for consumers and enterprise clients during pandemic situation in 2Q20, the normal collection process had been resumed since 3Q20.

Income statement (Bt mn)	Pre-TFRS16							
	4Q19	3Q20	4Q20	%YoY	%QoQ	FY19	FY20	%YoY
Mobile revenue	31,770	29,197	29,015	-8.7%	-0.6%	126,341	118,082	-6.5%
Fixed broadband revenues	1,579	1,785	1,852	17%	3.7%	5,722	6,959	22%
Other service revenues	1,213	1,148	1,223	0.9%	6.6%	4,509	4,552	1.0%
Core service revenue	34,562	32,130	32,090	-7.2%	-0.1%	136,572	129,594	-5.1%
IC and TOT partnership	3,443	3,494	3,499	1.6%	0.2%	13,557	13,722	1.2%
Service revenue	38,005	35,624	35,589	-6.4%	-0.1%	150,129	143,316	-4.5%
SIM and device sales	10,813	6,091	10,485	-3.0%	72%	30,765	29,574	-3.9%
Total revenues	48,818	41,715	46,074	-5.6%	10%	180,894	172,890	-4.4%
Regulatory fee	1,459	1,355	1,265	-13%	-6.7%	5,792	5,309	-8.3%
Depreciation & Amortization	9,600	9,592	9,690	0.9%	1.0%	36,598	38,601	5.5%
Network OPEX and TOT partnership	7,293	7,517	7,531	3.3%	0.2%	29,399	29,826	1.4%
Other costs of services	2,401	1,913	1,954	-19%	2.1%	9,699	7,904	-18%
Cost of service	20,752	20,377	20,440	-1.5%	0.3%	81,487	81,641	0.2%
Cost of SIM and device sales	10,656	6,164	10,360	-2.8%	68%	30,412	29,314	-3.6%
Total costs of service and sale	31,408	26,541	30,800	-1.9%	16%	111,899	110,955	-0.8%
Gross profit	17,410	15,174	15,274	-12%	0.7%	68,994	61,935	-10%
SG&A	8,100	6,040	6,032	-26%	-0.1%	27,740	24,381	-12%
Marketing Expense	2,523	1,552	1,684	-33%	8.5%	7,861	6,598	-16%
Admin and others	5,577	4,487	4,348	-22%	-3.1%	19,879	17,782	-11%
Operating profit	9,310	9,135	9,242	-0.7%	1.2%	41,254	37,555	-9.0%
Net foreign exchange gain (loss)	16	-181	256	n/m	-242%	308	-2	-101%
Other income (expense)	214	195	136	-37%	-30%	616	731	19%
Finance cost	1,171	1,104	1,023	-13%	-7.4%	4,777	4,522	-5.3%
Income tax	1,303	1,278	1,191	-8.6%	-6.8%	6,209	5,336	-14%
Non-controlling interest	-1	-2	-1	-26%	-70%	-3	-3	-1.8%
Net profit for the period	7,065	6,764	7,419	5.0%	9.7%	31,190	28,423	-8.9%
Network OPEX & TOT partnership cost (net of revenue)	4,730	4,676	4,605	-2.6%	-1.5%	19,073	18,642	-2.3%

EBITDA (Bt mn)	4Q19	3Q20	4Q20	%YoY	%QoQ	FY19	FY20	%YoY
Operating Profit	9,310	9,135	9,242	-0.7%	1.2%	41,254	37,555	-9.0%
Depreciation & amortization	9,758	9,749	9,844	0.9%	1.0%	37,229	39,218	5.3%
(Gain) loss on disposals of PPE	332	25	6	-98%	-77%	372	30	-92%
Management benefit expense	-33	-43	-45	37%	3.4%	-144	-168	16%
Other financial cost	0	-4	-4	n/m	-0.6%	0	-17	n/m
EBITDA	19,366	18,861	19,043	-1.7%	1.0%	78,710	76,619	-2.7%
EBITDA margin (%)	39.7%	45.2%	41.3%			43.5%	44.3%	

Financial Position (Bt mn/% to total asset)	4Q19		Post-TFRS 9&16 4Q20	
Cash	19,637	6.8%	18,421	5.3%
ST investment	1,989	0.7%	1,921	0.5%
Trade receivable	16,277	5.6%	16,579	4.7%
Inventories	4,828	1.7%	2,372	0.7%
Others	4,411	1.5%	3,132	0.9%
Current Assets	47,142	16%	42,155	12%
Spectrum license	103,074	36%	110,219	31%
Network and PPE	125,510	43%	122,518	35%
Right of use	0	0%	58,723	17%
Intangible asset	5,468	1.9%	7,123	2.0%
Defer tax asset	3,491	1.2%	4,120	1.2%
Others	4,984	1.7%	5,312	1.5%
Total Assets	289,669	100%	350,171	100%

Financial Position (Bt mn/% to total asset)	4Q19		Post-TFRS 9&16 4Q20		
Trade payable		22,037	7.6%	22,382	6.4%
ST loan & CP of LT loans		24,872	8.6%	18,748	5.4%
CP of lease liabilities		0	0%	10,213	2.9%
Accrued R/S expense		5,248	1.8%	5,248	1.5%
CP of spectrum payable		24,490	8.5%	10,538	3.0%
Others		28,608	9.9%	26,684	7.6%
Current Liabilities	105,255	36%	93,813	27%	
Debenture & LT loans		69,172	24%	79,301	23%
LT lease liabilities		0	0%	48,150	14%
Spectrum payable		37,299	13%	42,911	12%
Other		8,549	3.0%	10,306	2.9%
Total Liabilities	220,275	76%	274,481	78%	
Retained earnings		44,226	15%	51,382	15%
Others		25,169	8.7%	24,307	6.9%
Total Equity	69,394	24%	75,689	22%	

Key Financial Ratio	4Q19	Post-TFRS 9&16	
		3Q20	4Q20
Interest-bearing debt to equity (times)	1.4	1.6	1.3
Net debt to equity (times)	1.0	1.3	1.0
Net debt to EBITDA (times)	0.9	1.0	0.9
Net debt & lease liability & spectrum license payable to EBITDA	1.7	2.3	2.1
Current Ratio (times)	0.4	0.4	0.4
Interest Coverage (times)	12.6	13.4	14.0
Debt Service Coverage Ratio (times)	2.2	2.2	3.3
Return on Equity	43%	37%	40%

Figures from P&L are annualized YTD.

Debt Repayment Schedule		License payment schedule				
Bt mn	Debenture	Loan	1800MHz	900MHz	2600MHz	700MHz
2021	1,776	12,079	3,128	7,565	-	1,758
2022	-	14,040	-	7,565	-	1,758
2023	7,820	7,483	-	7,565	-	1,758
2024	6,638	6,417	-	7,565	-	1,758
2025	-	7,367	-	7,565	2,934	1,758
2026	7,180	5,083	-	-	2,934	1,758
2027	9,000	4,550	-	-	2,934	1,758
2028	-	3,750	-	-	2,934	1,758
2029	-	-	-	-	2,934	1,758

* 700MHz (2x5MHz) license from the auction has not yet officially allocated and the first payment of Bt1,716mn is expected to be made in Apr – 2021

* 26GHz license payment of Bt5.3bn will be made within one year after official auction result announcement (1Q20).

Credit Rating			
Fitch	National rating: AA+ (THA), Outlook: Stable		
S&P	BBB+, Outlook: Stable		
Source and use of fund FY20 (Bt mn)			
Source of fund		Use of fund	
Operating cash flow	92,104	CAPEX & Fixed assets	28,057
Sale of equipment	109	Spectrum license	26,835
Interest received	326	Income tax and Finance cost paid	10,719
Net borrowing received	4,071	Lease liability payments	11,754
Dividend received	9	Dividend paid	20,219
		Investments in JV & Other	252
Cash decrease	1,216		
Total	97,835		97,835

2021 Guidance

All guidance is based on Post-TFRS 16

Core service revenue	• Low single digit growth
EBITDA	• Low-single digit growth
CAPEX (exclude spectrum)	• Bt25-30bn

Core service revenue to recover and grow low-single digit

Thai economic growth in 2021 is expected to remain vulnerable as the new outbreak of pandemic re-emerged in late 2020 while most businesses are yet to recover to their pre-Covid level. Consumer spending is expected to remain weak as prolonged impact from pandemic lingers over declined income of local businesses, their workers as well as increased household debt. Moreover, recovery on tourist and export sectors, key engines for Thai economy, still mainly depend on large scale vaccination in domestic population and major developed countries. These uncertainties would pressure telecom industry and our core service revenue, while competition is anticipated to remain high with pricing strategy to capture value-to-money segment amidst weak spending environment. AIS will be focusing on creating differentiation through personalized products and services and enhancing retention program as well as digitalizing channels and operational processes to gain fair market share and expand our scale in respective businesses.

• Mobile revenue to gradually rebound - AIS aims to lead with 5G service emphasizing on superior 5G user experience to capture high value segment and gain revenue market share. Despite intense competition in the market, we place focus on strengthening retention program and use analytics to protect and enhance revenue to tackle continued challenging data pricing environment.

- Home broadband to maintain growth momentum and outpace the industry growth** - Driven by rising demand from pandemic, home broadband aims to expand coverage around outskirt area of key cities with high potential growth and leverage mobile customers to grow subscriber with target of 1.6 million by ending 2021. Given weak consumption and intense competition, AIS Fibre focuses on value added service bundling to increase average revenue per household (ARPH) and ease pressure on ARPU as well as maintain pricing gap from competition.
- Enterprise business is anticipated to continue delivering double digit growth** - With strong demand for digitalizing business operation under new normal, we expect enterprise business to capture demand with our strong ICT infrastructure and solution as well as 5G solution as a new driver.

Continue investing in 5G/4G to strengthen leading position

To strengthen our leading position, AIS maintain our investment plan for long term with CAPEX budget of Bt25-30bn focusing on building 5G leadership, 4G quality, home broadband expansion, and investment in digital and enterprise service platform. The 5G network expansion will be deployed on both low band and mid band to deliver superior quality in selective area with high 5G device penetration. AIS emphasizes on delivering best 5G user experience and ensuring good 5G coverage as device penetration grows.

Maintain profitability with well-manage cost control

To ensure healthy cash flow and preserve profitability amidst uncertainty in 2021, AIS' approach to optimize cost focuses on digitalization, efficiencies and prioritization. We expect ongoing digital cost initiatives to deliver saving particularly in automation and online sale and service channels. Moreover, IT transformation will enhance our time-to-market and simplify internal operational processes, as well as revamped network utilization management to improve capex efficiency. As a result, we expect EBITDA to grow low single digit.

Dividend policy at minimum 70% of net profit

AIS is committed to driving long-term growth while delivering return to shareholders. We place importance in maintaining strong financial health and flexibility to pursue future growth. Our dividend policy is to pay a minimum 70% of net profit. By preserving cash flow, we ensure that we have the financial flexibility to lead, compete, and pursue growth prospect in any changing circumstances.

The dividend payment shall still be made twice a year and is based on consolidated earnings and subjected to the availability of retained earnings on the separate financial statements. In all cases, dividend payment shall depend on cash flow, investment plan including any other future obligations of the Company and/or subsidiaries. Such dividend shall not adversely affect the Company and subsidiaries ongoing operations.

Appendix

Income statement (Bt mn)	Post TFRS 16					
	ไตรมาส 1/2563	ไตรมาส 2/2563	ไตรมาส 3/2563	ไตรมาส 4/2563	%QoQ	2563
Mobile revenue	30,334	29,536	29,197	29,015	-0.6%	118,082
Fixed broadband revenue	1,640	1,683	1,785	1,852	3.7%	6,959
Other service revenues	1,116	1,066	1,148	1,223	6.6%	4,552
Core service revenue	33,090	32,285	32,130	32,090	-0.1%	129,594
IC and equipment rental	3,290	3,439	3,494	3,499	0.2%	13,722
Service revenue	36,380	35,724	35,624	35,589	-0.1%	143,316
SIM and device sales	6,465	6,532	6,091	10,485	72%	29,574
Total revenues	42,845	42,256	41,715	46,074	10%	172,890
Regulatory fee	1,409	1,281	1,355	1,265	-6.7%	5,309
Depreciation & Amortization	12,586	12,484	12,545	12,596	0.4%	50,210
Network operating expense	4,253	4,683	4,551	4,622	1.6%	18,109
Other costs of services	2,090	1,948	1,913	1,954	2.1%	7,905
Cost of service	20,338	20,396	20,364	20,437	0.4%	81,534
Cost of SIM and device sales	6,419	6,372	6,164	10,360	68%	29,314
Total costs of service and sale	26,757	26,767	26,528	30,796	16%	110,848
Gross profit	16,088	15,489	15,187	15,277	0.6%	62,042
SG&A	6,273	6,010	6,022	6,026	0.1%	24,331
Marketing Expense	1,762	1,600	1,552	1,684	8.5%	6,598
Admin and others	4,511	4,410	4,470	4,342	-2.9%	17,733
Operating profit	9,815	9,478	9,165	9,252	0.9%	37,711
Net foreign exchange gain (loss)	-430	350	-181	263	-245%	2
Other income (expense)	271	129	195	136	-30%	731
Finance cost	1,564	1,546	1,449	1,358	-6.3%	5,917
Income tax	1,335	1,411	1,215	1,128	-7.2%	5,089
Non-controlling interest	1	1	-2	-1	-70%	-3
Net profit for the period	6,756	7,001	6,513	7,164	10%	27,434
EBITDA	22,777	22,297	22,091	22,234	0.6%	89,398

Financial Statement

Auditor report

Auditor's Reports were stated that the Consolidated and Company financial statements presented fairly, in all material respects, the Consolidated and Company financial position as at 31 December 2020, 2019, and 2018, and the Consolidated and Company results of operations, and cash flows for the years then ended of Advanced Info Service Public Company Limited and its subsidiaries, and of Advanced Info Service Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

The consolidated financial position

Advanced Info Service Public Company Limited and its subsidiaries as at December 31

	unit: Thousand Baht					
	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
ASSETS						
Current assets						
Cash and cash equivalents	9,066,888	3.12	19,636,627	6.78	18,420,769	5.26
Specifically-designated bank deposits	2,220,542	0.77	1,989,089	0.69	1,909,701	0.55
Restricted deposits at a financial institutions	-	-	-	-	11,200	-
Trade and other current receivables	19,241,654	6.62	18,297,896	6.32	17,781,190	5.08
Contract assets	-	-	1,868,738	0.64	1,448,323	0.41
Inventories	3,822,986	1.32	4,828,456	1.66	2,372,086	0.68
Current tax assets	116,987	0.04	317,087	0.11	1,092	-
Other current financial assets	5,772	-	-	-	-	-
Other current assets	429,844	0.15	204,259	0.07	211,038	0.06
Total current assets	34,904,673	12.02	47,142,152	16.27	42,155,398	12.04

	unit: Thousand Baht					
	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
Non-current assets						
Investment in an associate						
Investment in an associate	17,793	0.01	24,613	0.01	31,588	0.01
Investments in joint ventures	735,996	0.25	635,509	0.22	799,045	0.23
Other long-term investments	59,976	0.02	67,032	0.02	-	-
Other non-current financial assets	-	-	-	-	110,031	0.03
Property, plant and equipment	130,211,974	44.82	125,510,307	43.33	122,517,638	34.99
Right-of-use assets	-	-	-	-	58,722,695	16.77
Goodwill	2,881,700	0.99	2,881,700	0.99	2,881,700	0.82
Spectrum licenses	111,749,059	38.47	103,074,017	35.58	110,219,201	31.48
Other intangible assets other than goodwill	5,091,829	1.75	5,468,376	1.89	7,122,853	2.03
Deferred tax assets	3,210,340	1.10	3,490,522	1.21	4,120,355	1.18
Other non-current assets	1,641,645	0.57	1,374,894	0.48	1,490,073	0.42
Total non-current assets	255,600,312	87.98	242,526,970	83.73	308,015,179	87.96
Total assets	290,504,985	100.00	289,669,122	100.00	350,170,577	100.00

The consolidated financial position (Cont.)

Advanced Info Service Public Company Limited and its subsidiaries as at December 31

	unit: Thousand Baht					
	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
Short-term borrowings from financial institutions	5,900,000	2.03	-	-	4,900,000	1.40
Trade and other current payables	37,679,695	12.97	41,376,820	14.28	40,570,675	11.59
Provision for revenue sharing	5,361,819	1.85	5,248,417	1.81	5,248,417	1.50
Unearned income - mobile phone service	3,963,531	1.36	4,189,025	1.44	4,348,673	1.24
Advanced received from customers	2,220,541	0.76	1,989,089	0.69	1,909,701	0.54
Current portion of long-term liabilities	11,203,599	3.86	24,871,789	8.59	13,848,369	3.95
Current portion of spectrum licenses payable	3,971,753	1.37	24,490,135	8.45	10,538,021	3.01
Current portion of lease liabilities	-	-	-	-	10,212,817	2.92
Corporate income tax payable	2,412,565	0.83	2,892,324	1.00	1,867,303	0.53
Other current financial liabilities	-	-	140,659	0.05	297,202	0.09
Other current liabilities	50,953	0.02	57,042	0.02	72,246	0.02
Total current liabilities	72,764,456	25.05	105,255,300	36.33	93,813,424	26.79

	unit: Thousand Baht					
	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
Non-current liabilities						
Long-term liabilities	92,029,626	31.68	69,171,920	23.88	79,301,185	22.65
Lease liabilities	-	-	-	-	48,150,497	13.75
Provisions for employee benefit	2,253,764	0.78	2,859,529	0.99	3,179,944	0.91
Spectrum licenses payable	63,516,141	21.86	37,298,912	12.88	42,911,011	12.25
Unrealized adjustment value of spectrum license	-	-	3,283,533	1.13	3,283,533	0.94
Other non-current financial liabilities	-	-	-	-	1,225,258	0.35
Other non-current liabilities	2,272,418	0.78	2,405,758	0.83	2,616,358	0.75
Total non-current liabilities	160,071,949	55.10	115,019,652	39.71	180,667,786	51.60
Total liabilities	232,836,405	80.15	220,274,952	76.04	274,481,210	78.39
Shareholders' equity						
Issued and paid share capital	2,973,095	1.02	2,973,179	1.03	2,973,554	0.85
Share premium on ordinary shares	22,372,276	7.70	22,386,070	7.73	22,446,531	6.41
Deficits arising from change in ownership interest in a subsidiary	(668,455)	(0.23)	(669,657)	(0.23)	(669,657)	(0.19)
Retained earnings:						
Appropriated - Legal reserve	500,000	0.17	500,000	0.17	500,000	0.14
Unappropriated	32,005,108	11.02	43,725,576	15.10	50,882,428	14.53
Other components of shareholders' equity	339,016	0.12	350,931	0.12	(568,872)	(0.16)
Total shareholders' equity attributable to owners of the Company	57,521,040	19.80	69,266,099	23.92	75,563,984	21.58
Non-controlling interests	147,540	0.05	128,071	0.04	125,383	0.03
Total shareholders' equity	57,668,580	19.85	69,394,170	23.96	75,689,367	21.61
Total liabilities and shareholders' equity	290,504,985	100.00	289,669,122	100.00	350,170,577	100.00

Consolidated statement of profit or loss

Advanced Info Service Public Company Limited and its subsidiaries for the year ended December 31

	unit: Thousand Baht					
	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
Revenues						
Revenues from rendering of services and equipment rentals	144,004,927	84.78	150,128,820	82.99	143,315,889	82.89
Revenue from sale of goods	25,850,920	15.22	30,764,865	17.01	29,574,376	17.11
Total revenues	169,855,847	100.00	180,893,685	100.00	172,890,265	100.00
Costs						
Cost of rendering of services and equipment rentals	(76,700,067)	(45.16)	(81,487,210)	(45.05)	(81,534,058)	(47.16)
Cost of sale of goods	(26,755,622)	(15.75)	(30,412,235)	(16.81)	(29,314,265)	(16.96)
Total costs	(103,455,689)	(60.91)	(111,899,445)	(61.86)	(110,848,323)	(64.11)
Gross profit	66,400,158	39.09	68,994,240	38.14	62,041,942	35.89
Distribution costs	(9,549,510)	(5.62)	(7,861,312)	(4.35)	(6,598,244)	(3.82)
Administrative expenses	(16,745,333)	(9.86)	(19,879,238)	(10.99)	(17,732,641)	(10.26)
Total distribution costs and administrative expenses	(26,294,843)	(15.48)	(27,740,550)	(15.34)	(24,330,885)	(14.07)
Profit from services, equipment rentals and sales of goods	40,105,315	23.61	41,253,690	22.80	37,711,057	21.81
Financial income	164,949	0.10	197,603	0.11	319,969	0.18
Other income	695,878	0.41	648,897	0.36	648,697	0.38
Share of loss of joint ventures and an associate accounted for using equity method	(122,974)	(0.07)	(85,868)	(0.05)	(70,306)	(0.04)

	unit: Thousand Baht					
	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
Net gain on foreign exchange rate	118,631	0.07	308,410	0.17	140,201	0.08
Loss from fair value measurement of derivative assets	-	-	-	-	(138,621)	(0.08)
Management benefit expenses	(177,470)	(0.10)	(144,365)	(0.08)	(167,773)	(0.10)
Finance costs	(5,147,685)	(3.04)	(4,776,605)	(2.64)	(5,917,383)	(3.42)
Profit before income tax expense	35,636,644	20.98	37,401,762	20.67	32,525,841	18.81
Tax expense	(5,922,539)	(3.49)	(6,209,242)	(3.43)	(5,088,586)	(2.94)
Profit for the years	29,714,105	17.49	31,192,520	17.24	27,437,255	15.87
Profit attributable to:						
Owners of the Company	29,682,178	17.47	31,189,571	17.24	27,434,361	15.87
Non-controlling interests	31,927	0.02	2,949	-	2,894	-
Profit for the years	29,714,105	17.49	31,192,520	17.24	27,437,255	15.87
Basic earnings per share (in Baht)	9.98		10.49		9.23	
Diluted earnings per share (in Baht)	9.98		10.49		9.23	

Consolidated statement of cash flows

Advanced Info Service Public Company Limited and its subsidiaries for the year ended December 31

	unit: Thousand Baht		
	2018	2019	2020
Cash flows from operating activities			
Profit for the years	29,714,105	31,192,520	27,437,255
Adjustments for			
Depreciation and amortization	33,879,091	37,228,820	51,841,589
Finance income	(164,949)	(197,603)	(319,969)
Finance costs	5,147,685	4,776,605	5,917,383
Expected credit losses / doubtful accounts and bad debts expense	2,174,515	2,520,819	2,875,761
Share-based payment transaction	38,776	25,793	17,627
Reversal of loss for obsolete, decline in value and write-off inventories	(151,790)	(15,611)	(42,416)
(Gain) loss on sales and write-off of assets	2,255	177,909	37,609
Loss for unused equipment	635,294	952,434	700,429
Loss on terminate contract assets	-	746,805	524,573
Loss from impairment on other long-term investment	-	1,000	-
Unrealized (gain) loss on foreign exchange rate and (gain) loss from fair value measurement of derivative assets	201,914	(416,415)	(144,400)
Share of loss of joint ventures and an associate accounted for using equity method	122,974	85,868	70,306
Employee benefit expense	188,449	844,013	196,970
Tax expense	5,922,539	6,209,242	5,088,586
Cash provided by operation before changes in operating assets and liabilities	77,710,858	84,132,199	94,201,303

	unit: Thousand Baht		
	2018	2019	2020
Changes in operating assets and liabilities			
Specifically-designated bank deposits	422,091	231,453	79,388
Trade and other current receivables	(3,889,749)	(1,602,313)	(3,371,745)
Contract assets	-	(920,605)	(104,157)
Inventories	307,111	(989,859)	2,498,786
Other current assets	7,246	342,465	307,586
Other non-current assets	260,385	266,751	(361,375)
Trade and other current payables	1,344,423	1,904,590	(1,062,140)
Provision for revenue sharing	-	(113,402)	-
Unearned income - mobile phone service	553,849	225,494	159,648
Advanced received from customers	(422,091)	(231,453)	(79,388)
Other current liabilities	3,450	6,089	15,204
Other financial assets (liabilities)	(401,038)	146,431	(99,684)
Other non-current liabilities	23,411	(3,588)	(23,427)
Cash generated by operating activities	75,919,946	83,394,252	92,159,999
Employee benefit paid	(25,552)	(45,601)	(56,432)
Tax paid	(6,762,700)	(6,721,409)	(6,474,175)
Net cash provided by operating activities	69,131,694	76,627,242	85,629,392

Consolidated statement of cash flows (Cont.)

Advanced Info Service Public Company Limited and its subsidiaries for the year ended December 31

	unit: Thousand Baht		
	2018	2019	2020
Cash flows from investing activities			
Purchase of property, plant, equipment and other intangible assets	(20,197,788)	(23,029,007)	(28,056,506)
Proceeds from sale of equipment	847,167	76,691	108,663
Payment of spectrum license	(20,535,811)	(4,020,000)	(26,834,979)
Increase in investments in joint ventures	(787,499)	-	(246,900)
Net increase in other long-term investments	(577)	(8,056)	-
Net cash paid for acquisition of business	(3,375,340)	-	-
Dividend received	-	7,800	9,000
Interest received	173,094	188,219	326,271
Net cash provided by (used in) investing activities	(43,876,754)	(26,784,353)	(54,694,451)
Cash flows from financing activities			
Finance cost paid	(3,290,108)	(3,106,140)	(4,218,327)
Other finance cost paid	(17,105)	-	-
Lease liabilities paid	-	-	(11,753,610)
Finance lease payments	(55,686)	(56,226)	-
Net increase (decrease) in short-term loans from financial institutions	(850,000)	(5,900,000)	4,900,000
Proceed of long-term borrowings	3,000,000	2,000,000	24,000,000
Repayments of long-term liabilities	(2,887,954)	(11,153,580)	(24,828,560)
Cash paid for purchase of a subsidiary from non-controlling interest	(879,085)	(22,301)	(4,631)
Dividend paid	(21,852,479)	(21,050,238)	(20,218,750)
Net cash used in financing activities	(26,832,417)	(39,288,485)	(32,123,878)

	unit: Thousand Baht		
	2018	2019	2020
Effect of exchange rate changes on balances held in foreign currencies			
Effect of exchange rate changes on balances held in foreign currencies	(6,042)	15,335	(26,921)
Net increase (decrease) in cash and cash equivalents	(1,583,519)	10,569,739	(1,215,858)
Cash and cash equivalents as at January 1,	10,650,407	9,066,888	19,636,627
Cash and cash equivalents as at December 31,	9,066,888	19,636,627	18,420,769

Financial ratio

Advanced Info Service Public Company Limited and its subsidiaries for the year ended December 31

On consolidated	2018	2019	2020
Liquidity Ratio			
Current Ratio (time)	0.48	0.45	0.45
Quick Ratio (time)	0.35	0.34	0.37
Operating cash flow to current liability (time)	0.95	0.73	0.91
A/R turnover (time)	11	11	11
Collection period (day)	32	32	34
Inventory turnover (time)	7	7	8
Day sales period (day)	52	51	44
A/P turnover (time)	6	6	5
Payment period (day)	58	65	72
Cash Cycle (day)	27	19	6
Profitability Ratio			
Gross profit margin ratio (%)	39%	38%	36%
Operation income ratio (%)	24%	23%	22%
Other operating income ratio (%)	0.5%	0.5%	0.6%
Free cash flow to EBIT (%)	63%	121%	82%
Net profit margin (%)	17%	17%	16%
Return to Equity (%) Average	55%	49%	38%
Return to Equity (%) as at end	51%	45%	36%

On consolidated	2018	2019	2020
Efficiency Ratio			
Return on total assets (%)	10%	11%	9%
Return on fixed assets (%) ^{/1}	22%	23%	17%
Total assets turnover (time)	0.59	0.62	0.54
Financial Policy Ratio			
Debt to equity ratio (time)	4.04	3.17	3.63
Interest coverage ratio (time)	11.94	13.00	13.50
Debt service coverage ratio (time)	2.90	2.25	3.33
Dividend payout ratio (%)	70%	70%	75%
Data on per Share Capital			
Net book value per share (Baht)	19.40	23.34	25.46
Net Profit per share (Baht)	9.98	10.49	9.23
Dividend per share (Baht)	7.08	7.34	6.92
Percentage Growth on			
Total Assets (%)	2.3%	-0.3%	21%
Total Liabilities (%)	-0.3%	-5.4%	25%
Revenue from service & sales (%)	7.7%	6.5%	-4.4%
Selling & admin. expense (%)	4.9%	5.5%	-12%
Net Profit (%)	-1.3%	5.1%	-12%

^{/1} excl. Spectrum license

Financial ratio formula

Liquidity Ratio	
Current Ratio (time)	Total current assets / Total current liabilities
Quick Ratio (time)	(Cash and cash equivalents + Current investment + A/R Trade) / Total current liabilities
Operating cash flow to current liabilities (time)	Net cash provided by operating activities / Total current assets
A/R turnover (time)	Total revenues / A/R Trade - Average
Collection period (day)	360 / A/R turnover
Inventory turnover (time)	Cost of sales / Inventory - Average
Day sales period (day)	360 / Inventory turnover
A/P turnover (time)	Total costs / A/P Trade - Average
Payment period (day)	360 / A/P turnover
Cash Cycle (day)	Collection period + Day sales period - Payment period
Profitability Ratio	
Gross profit margin ratio (%)	Gross profit / Total revenues
Operation income ratio (%)	Profit from services and sales / Total revenues
Other operating income ratio (%)	(Finance income + Other income) / Total revenues
Free cash flow to EBIT (%)	(Net cash by operating activities +/- Net cash in operating activities) / Profit from services and sales
Net profit margin (%)	Profit for the years / Total revenues
Return to Equity (%) as at end	Profit for the years / Total shareholder's equity - Average
Return to Equity (%) as at end	Profit for the years / Total shareholder's equity as ended of

Efficiency Ratio	
Return on total assets (%)	Profit for the years / Total assets - Average
Return on fixed assets (%) ^{/1}	Profit for the years / (Property, plant and equipment + Right of use assets + Other intangible assets other than goodwill)
Total assets turnover (time)	Total revenues / Total assets - Average
Financial Policy Ratio	
Debt to equity ratio (time)	Total liabilities / Total shareholder's equity
Interest coverage ratio (time)	Profit from services and sales / Interest expense
Debt service coverage ratio (time)	EBITDA after tax / (interest expense + debt repayment within 1 year)
Dividend payout ratio (%)	Dividend paid per share / Earning per share
Data on per Share Capital	
Net book value per share (Baht)	Total shareholder's equity / No. of shares
Net Profit per share (Baht)	Profit for the years / No. of shares
Percentage Growth	
Total assets (%)	(Total assets-Current Year - Total assets-Prior Year) / Total assets-Prior Year
Total liabilities (%)	(Total liabilities-Current Year - Total liabilities-Prior Year) / Total liabilities-Prior Year
Total revenues (%)	(Total revenues-Current Year - Total revenues- Prior Year) / Total revenues-Prior Year
Selling & admin. Expense [SGA] (%)	(SGA-Current Year - SGA-Prior Year) / SGA-Prior Year
Net Profit (%)	(Net Profit-Current Year – Net Profit-Prior Year) / Net Profit-Prior Year

^{/1} excl. spectrum license

General information of AIS and its affiliates and other significant information

General information of the Company

The Company name	: Advanced Info Service Public Company Limited	Head office	: 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok 10400
Symbol for trading	: ADVANC	Registered No.	: 0107535000265
Registered date on the SET	: 5 November 1991	Corporate website	: http://www.ais.co.th
Market capitalization	: Baht 523,346 million (as of 30 December 2020)	IR website	: http://investor.ais.co.th/
Registered capital	: Baht 4,997,459,800	Telephone	: (66) 2029 5000
Paid-up capital	: Baht 2,973,554,313	American Depository Receipt	
Total shareholders	: 50,065 persons (as of 20 August 2020, the latest book closing date for the rights to receive dividend)	ADR ticker symbol	: AVIFY
Free float	: 36.23%	Exchange	: Over The Counter (OTC)
Type of business	: Operate telecommunication business including mobile network service, fixed broadband service, and digital services.	Depository	: The Bank of New York Mellon
		ADR to ORD share ratio	: 1:1
		ADR CUSIP number	: 00753G103

General information of AIS's affiliates

No	Subsidiaries	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
1	Advanced Wireless Network Co.,Ltd. (AWN) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Telecommunication service provider	13.5	100	1,350	99.99
2	Advanced Datanetwork Communications Co.,Ltd. (ADC) (an indirect subsidiary via DPC) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019 Website : www.adc.co.th (In the process of liquidation)	Service provider of online data communication service via telephone landlines and optical fiber	95.75	10	957.52	51.00 ¹⁾
3	Digital Phone Co.,Ltd. (DPC) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Cease operation due to the expiration of concession to provide cellular communication service Digital PCN 1800	91.39	10	913.86	98.55
4	Advanced mPAY Co.,Ltd. (AMP) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Provider payment service on electronic platform and cash card	30	10	300	99.99

No	Subsidiaries	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
5	Super Broadband Network Co.,Ltd. (SBN) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019 Website : www.sbn.co.th	Network operator and telecom service operator i.e. internet service (ISP), Dedicated Leased Line, International network service (IPLC & IP VPN), Voice Over IP, IP Television	3	100	300	99.99
6	Advanced Contact Center Co.,Ltd. (ACC) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Call center service	27.2	10	272	99.99
7	Advanced Digital Distribution Co.,Ltd. (ADD) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Life and non-life insurance broker	0.05	100	5	99.99
8	Advanced Magic Card Co.,Ltd. (AMC) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Service provider of electronic payment network	25	10	250	99.99
9	Teleinfo Media Public Company Limited (TMC)²⁾ (an indirect subsidiary via CSL) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2262 8888 Fax : (66) 2262 8899 Website : www.csloxinfo.com	Provides an Outsourced Contact Center system and quality agent management in accordance with ISO 9001, also offers consulting and digital marketing through digital advertising platforms for SMEs and large corporations.	15.65	10	156.54	99.99

No	Subsidiaries	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
10	CS LoxInfo Public Company Limited (CSL)²⁾ (an indirect subsidiary via AWN) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2263 8000 Fax : (66) 2263 8132 Website : www.csloxinfo.com	Provide One Stop ICT Services	594.51	0.25	148.63	99.67
11	AIN GlobalComm Co.,Ltd. (AIN) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019 Website : www.ain.co.th	International telephone service gateway	2	100	100	99.99
12	Advanced Broadband Network Co.,Ltd. (ABN) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Provide training services	1	100	100	99.99
13	Wireless Device Supply Co.,Ltd. (WDS) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Importer and distributor of handsets and accessories	0.5	100	50	99.99
14	MIMO Tech Co.,Ltd. (MMT) 1291/1 Phaholyothin Road, Phayathai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Develop IT system , engage in content aggregator business and provide revenue collection service	0.5	100	50	99.99

No	Subsidiaries	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
15	AD Venture Public Company Limited (ADV)²⁾ (an indirect subsidiary via CSL) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2262 8888 Fax : (66) 2262 8877 Website : www.shinee.com	Providing consulting in digital marketing and managing digital advertising media, designing, analyzing and planning the entire media system, developing websites and mobile applications, supporting both iOS and Android and being a mobile content provider for entertainment news.	1.07	10	10.75	99.99
16	Fax Lite Co.,Ltd. (FXL) 1291/1 Phaholyothin Road, Phayathai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Operate in acquiring and/or lease building, and related facilities for telecommunications business	0.01	100	1	99.98
17	Yellow Pages Commerce Company Limited (YPC)²⁾ (an indirect subsidiary via TMC) 1126/2 Vanit Bldg.2, New Phetchaburi Road, Makkasan, Ratchathewi, Bangkok Tel : (66) 2262 8888 Fax : (66) 2262 8823	Provide advertising and publishing service to individuals, non- juristic bodies of persons, juristic persons and government sectors and being distributor and agency for public relation	0.01	10	0.1	99.94
18	LearnDi Company Limited (LDI)³⁾ 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Provide training and seminar service through online and e-learning platform	0.1	10	1	99.99

Notes:

¹⁾ The remaining share percentage of ADC in the amount of 49% is held by other persons with no conflict of interest.

²⁾ AWN acquired ordinary shares in CSL, equivalent to 99.67% of the paid-up capital, through a voluntary tender offer. As a result, TMC, ADV and YPC are an indirect subsidiaries via CSL.

³⁾ LearnDi Company Limited was established on 3rd July 2020

No	Associated Company	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
1	Information Highway Co.,Ltd. (IH) 52/1 Moo 5 Bang Kruai-Sai Noi Road, Bangsitong, Bang Kruai, Nonthaburi Tel : (66) 2029 5055 Fax : (66) 2029 5019	Transmission network provider	0.5	100	50	29.00

No	Joint Venture	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
1	Amata Network Co., Ltd. (AN) 702/2 Moo 1, Klongtamru, Muang, Chonburi Tel : (66) 2029 5055 Fax : (66) 2029 5019	Provide fiber optic network infrastructure in Amata industrial estate.	1	100	100	60.00
2	Rabbit Line Pay Co.,Ltd (RLP) 127 Gaysorn Tower, Unit A,B 18th Floor, Ratchadamri Road, Lumpini, Pathumwan, Bangkok Tel : (66) 2026 3779	Provide e-wallet and electronic payment services	6	100	600	33.33
3	Saha Advance Network Co., Ltd. (SAN)⁴⁾ 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok	Provide fiber optic network in the industrial park of Sahapat Group	0.3	100	70	70
4	Digital Games International Pte Ltd. (DGI)⁵⁾ 31 Exeter Road, Comcentre, Singapore	Provide aggregated gaming content platform	30	SGD 1	SGD 30 Million	33.33

Notes:

⁴⁾ SAN is a Joint Venture between ABN and Saha Pathana Inter-Holding Plc since 13th July 2020. As of 31 December 2020, SAN not started operation.

⁵⁾ DGI is a Joint Venture between WDS, SK Telecom Co., Ltd., and Digital Gaming Investment Pte Ltd., since 24th March 2020.

No	Other investments	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
1	Bridge Mobile Pte. Ltd. (BMB) 750 Chai Chee Road, #03-02/03, Technopark @ Chai Chee, Singapore 469000 Tel : (65) 6424 6270 Fax : (65) 6745 9453	Provide international roaming service within Asia Pacific Region	9	USD 1	USD 9 Million	10.00
2	Clearing House for Number Portability Co.,Ltd. (CLH)⁶⁾ 98 Q House Ploenchit Building, 6 th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok Tel : (66) 2646 2523 Fax : (66) 2168 7744	Operate information system and centralized database for mobile number portability service (MNP)	0.02	100	2	20.00

Notes:

⁶⁾ The equity in CLH is held by AIS 10% and AWN 10%

Other significant information

Ordinary Share Registrar

Thailand Securities Depository Company Limited
The Stock Exchange Thailand Building,
93 Ratchadapisek Road,
Dindang, Dindang, Bangkok 10400
Tel : (66) 2009 9383
Fax : (66) 2009 9476

Auditor

Dr. Suphamit Techamontrikul
Certified Public Accountant Registration Number 3356
Deloitte Touche Tohmatsu Jaiyos Advisory Co.,Ltd.
AIA Sathorn Tower, 23rd -27th Floor
11/1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Tel : (66) 2034 0000
Fax : (66) 2034 0100

Legal Disputes

In the past, AIS operates mobile telecommunication service using 900MHz spectrum in accordance with the Concession Agreement for Cellular Mobile Phone Operation (“Concession Agreement 900”) with TOT for the period of 25 years (1 October 1990 to 30 September 2015). Similarly, DPC, subsidiary of AIS also operates telecommunication service using 1800MHz spectrum subject to the Digital PCN (Personal Communication Network) 1800 Agreement (“PCN Agreement 1800”) with CAT from 19 November 1996 to 15 September 2013. Throughout the period of the two agreements, AIS and DPC had the obligations to invest and provide equipment used for the provision of service and such equipment shall be transferred to TOT and CAT while AIS and DPC agreed to share a specified percentage of revenue generated from the service to TOT and CAT.

After the establishment of National Telecommunication Commission of Thailand (“NTC”), subjected to the Act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and Telecommunications Services B.E.2543 (year 2000),

and subsequently transitioned into the National Broadcasting and Telecommunication Commission (“NBTC”), subjected to the revision of the same law B.E.2553 (year 2010) (“the Act on Organization to Assign Radio Frequency”), the mobile telecommunication service and other telecommunication service by AIS and Affiliate were regulated by NTC and NBTC respectively.

From the operations under Concession Agreement 900, PCN Agreement 1800, the Act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and Telecommunications Services B.E.2543 (year 2000) and Telecommunication Business Act. B.E.2544 AIS and Affiliates have the important legal disputes as per the following table:

In this regard, the Company has considered in the event of a negative impact from the dispute on the Company’s business performance. The information can be obtained from Note 39 to the financial statements.

Legal Disputes under Concession Agreement 900

No.	Name Disputes	Litigant	Submitted date and Tribunal	Dispute Topic	Result of case	Status of Case
1	Remuneration from the Telecommunication Network Interconnection Agreement subject to the notification from National Telecommunication Commission of Thailand ("NTC")	AIS and TOT	9 March 2011, 23 August 2016: Thai Arbitration Institute 7 November 2018: The Central Administrative Court 11 November 2018: The Central Administrative Court 3 August 2019: The Central Administrative Court	<u>AIS</u> - On 9 March 2011, AIS submitted a dispute to the Thai Arbitration Institute claiming that TOT has no right to demand that AIS pay any interconnection charges under the Concession Agreement of the 17 th - 20 th concession year. AIS claimed that TOT has no right to demand that AIS not deduct the interconnection charges which AIS has to pay to other operators before sharing the revenue to TOT. The disputed amount equals Baht 17,803 million plus interest at the rate of 1.25 percent per month. - On 23 August, 2016, AIS submitted a dispute to arbitration claiming that TOT has no right to claim for compensation from income from interconnection charges during the 23 th to 25 th year, amounting in total to Baht 8,367.90 million with interest at the rate of 1.25 percent per month. <u>TOT</u> On 29 July 2014, TOT raised a dispute demanding that AIS make an additional payment for the 21 st – 22 nd concession year of Baht 9,984 million plus interest at the rate of 1.25 percent per month.	- On 17 August 2018, the arbitration tribunal decided to dismiss the dispute by TOT demanding AIS to make a payment from interconnection charges during the 17 th to 20 th concession year. And for 21 st year and 22 nd concession year, was to dismiss the dispute of TOT and decided for TOT to compensate from the dispute which AIS overpaid in the amount of Baht 110.08 million within 60 days from the date of decision. - On 30 April 2019, the arbitration tribunal decided for AIS to make a payment from interconnection charges during the 23 rd to 25 th concession year in net amount of 224.42 million Baht with interest. AIS has paid TOT by bringing revenue share from interconnection charges which AIS overpaid from the dispute during 17 th to 20 th concession year and for 21 st and 22 nd concession year in the amount of 111 million Baht with interest to deduct from the amount which AIS had to pay TOT. Therefore, the remaining amount was 144 million Baht. AIS already deposited such amount to the deposit office since TOT denied the direct receipt of payment.	On 7 and 16 November 2018, and 25 July 2019 TOT submitted the case to Central Administrative Court for the revocation of arbitration tribunal's decision for the 17 th to 20 th concession year, and 21 st to 22 nd and 23 rd - 25 th concession year. The case is currently under the consideration of Central Administrative Court.
2	Revenue share from international direct dialing service	AIS and TOT	16 January 2013: Thai Arbitration Institute 17 July 2017: The Central Administrative Court	AIS submitted a dispute to the Thai Arbitration Institute requesting that TOT pay revenue sharing of for international direct dial service according to the Amendment No. 3 and 4, including interest, of the Concession Agreement between AIS and TOT. AIS claims that TOT has been in default of payment for the period of November 2008 - September 2012 and owes the total amount of Baht 1,528 million plus interest as stipulated in the Concession Agreement.	On 1 May, 2017, the Thai Arbitration Center decided that TOT should pay the revenue sharing from international direct dial service during November 2008 – September 2012 in the total amount of Baht 1,354 million including interest at the rate of 7.5 percent per annum, should the payment is delayed more than 60 days from the date of the decision. And TOT should pay the revenue sharing from October 2012 onwards until the end of obligation in accordance with the Concession Agreement. On 17 July 2017 TOT submitted the petition to the Central Administrative Court for the revocation of such decision. On January 22, 2021, the Central Administrative Court dismissed the TOT petition to revoke the award for the reason that the proceedings of the arbitral tribunal are lawful and the arbitral award in such dispute is not contrary to public order or good morals, and TOT has the right to appeal the judgment to the Supreme Administrative Court within 30 days from the date of the judgment.	On 23 May 2019, AIS submitted request to Central Administrative Court to enforce subject to the arbitration tribunal's decision which ordered TOT to make a payment from revenue share of International Direct Dial Service during November 2008 to September 2011. The case is under consideration of Central Administrative Court.

No.	Name Disputes	Litigant	Submitted date and Tribunal	Dispute Topic	Result of case	Status of Case
3	Porting of subscribers from 900 MHz system to 3G 2100 MHz by AWN	TOT and AIS	25 September 2014: The Thai Arbitration Institute 15 May 2019 The Central Administrative Court	TOT submitted a dispute to the arbitration tribunal to decide for the suspension of AIS' porting out of subscribers to AWN by the method of pressing *988* on the basis that such action was the breach of concession agreement and claimed for the damages in the amount of Baht 9,126 million (from May 2013 to June 2014) with interest rate of 7.5 per annum. On 25 March 2016, TOT submitted the request to amend the amount of damages by calculating from May 2013 until the expiration date of 900 concession agreement (30 September 2015) in the amount of Baht 32,813 million.	On 14 February 2019, the arbitration tribunal decided to dismiss all of TOT's disputes with the reason that AIS did not breach 900 concession agreement as claimed.	On 15 May 2019, TOT submitted for revocation of decision by arbitration tribunal. This case is under consideration of Central Administrative Court.
4	Request for additional remuneration regarding the 6 th and 7 th amendments to the Concession Agreement ("Concession Agreement").	TOT and AIS	30 September 2015: The Thai Arbitration Institute	AIS submitted a dispute to the Arbitration tribunal regarding the 6 th and 7 th amendments to the Concession Agreement. AIS claimed that the said amendments bind AIS and TOT and AIS has no obligation to pay for the additional remuneration of operation year 11 to year 25 in the amount of Baht 72,036 million, in line with TOT's claim that such Amendments were conducted illegally and has been caused TOT to receive lower remuneration than the rate as specified in the Concession Agreement.	On 29 January 2020 AIS received the award of the Arbitral Tribunal by majority vote ordering AIS to make additional payment of operational year 20 th to year 25th Baht 31,076 million plus an interest of 1.25% per month commencing from 30 November 2015.	On 22 April 2020, AIS disagreed with such award. Therefore, AIS proceeded to submit the case to the Central Administrative Court for the revocation of Arbitral Tribunal's award ordering AIS to pay for the additional benefit in the amount of 31,076 million Baht with interest in the amount of 1.25% per month from November 30, 2015 to TOT until the payment was made in full. On 23 April 2020, TOT proceeded to submit the case to the Central Administrative Court for the revocation of Arbitral Tribunal's award only for the issue that the arbitral tribunal decides that AIS did not pay the full benefit according to the contract which was absent from the 11 th year to the 19 th year (for the amount of 31,698 million baht). Both cases are now under the consideration of Central Administrative Court.
5	Additional remuneration from the rental fees of fiber cable and the rental fees from leased line.	TOT and AIS	15 December 2017 and 12 January 2018: The Thai Arbitration Center	TOT submitted the dispute to the arbitration tribunal for the decision requesting the additional payment from AIS to pay from the rental fees of fiber cable and the rental fees from leased line which AIS received from service providers during the 1 st quarter of 2011 to the 3 rd quarter of 2012 in the total amount of Baht 19.54 million and during the 4 th quarter of 2012 to the 3 rd quarter of 2015 in the total amount of Baht 1,121.91 million with VAT and interest rate of 1.25 per month.	On 13 February 2020 The Arbitral Tribunal by majority of votes, dismissed the dispute proposed by TOT requesting AIS to make a payment of revenue sharing from fiberglass cable rental and outstanding cycle rental during Q1 2011 to Q3 2012 in the total of 7 quarters and VAT in the total amount of Baht 19.54 million and interest rate of 1.25 per month in the amount of Baht 13.7 million accumulating in the total amount of Baht 33.2 million. For the case that TOT requested AIS to pay for the revenue sharing of fiberglass cable rental and outstanding circuit rental during the fourth quarter of 2012 to the third quarter of 2015 calculated from the rental rate of TOT, which was higher than the rate charged by AIS, accumulating in the total amount of 1,121.91 million baht with VAT and 1.25% monthly interest, is still in the arbitral tribunal proceedings.	On 14 May 2020, TOT submitted a petition to revoke the award of an arbitral tribunal that dismissed TOT's petition in the case of demanding AIS to pay for the revenue share of the fiber cable rental and accrued circuit rental during the first quarter of 2011 to the third quarter of 2012 totaling 7 quarters and VAT in the amount of 19.54 million baht with interest of 1.25 percent per month, amounting to 13.7 million baht, accumulating in the amount of 33.2 million baht. The case is under consideration by the Central Administrative Court.

No.	Name Disputes	Litigant	Submitted date and Tribunal	Dispute Topic	Result of case	Status of Case
6	Usage fees of TOT's space and assets during Subscriber Protection Period	TOT and AIS	15 February 2018: The Thai Arbitration Center 30 June 2020: The Central Administrative Court	TOT submitted the dispute to the arbitration tribunal for the decision requesting the payment from AIS for the usage of TOT's space and assets during Subscriber Protection Period for 900 MHz system in the amount of Baht 171.48 million including VAT and interest rate of 1.25 per month.	-	<p>On 13 Feb 2020, the arbitration tribunal issued the order allowing TOT to withdraw the dispute as requested, in order for TOT to bring the case to the Administrative Court.</p> <p>On 30 June 2020, TOT filed a lawsuit with the Central Administrative Court for AIS to pay for TOT's space and property usage during the period (30 September 2015 - 30 June 2016) of the user protection measures for mobile phone service with 900 MHz system amounting to 171.48 million baht, including VAT and interest at the rate of 1.25% per month, totaling 233.45 million baht.</p> <p>The dispute is pending consideration of the central administrative court.</p>
7	Remuneration from joint use of network	TOT and AIS	27 September 2018: The Thai Arbitration Institute 8 May 2020 The Central Administrative Court	TOT submitted the dispute to the arbitration tribunal for the decision requesting the additional payment from AIS to pay from the authorization for AWN to jointly use the network with the discount of joint network usage fees without prior consent from TOT during July 2013 to September 2015 in the total amount of Baht 16,252.66 million including VAT and interest.	On 4 February 2020, AIS received an award from the arbitral tribunal under majority votes to dismiss all TOT disputes.	<p>On 8 May 2020, TOT filed a petition to the Central Administrative Court requesting the revocation of the arbitral award.</p> <p>The dispute is pending consideration by the Central Administrative Court.</p>

Legal Disputes under PCN Agreement 1800

No.	Name Disputes	Litigant	Submitted date and Tribunal	Dispute Topic	Result of case	Status of Case
1	Deduction of excise tax from revenue share.	CAT and DPC	9 January 2008: The Thai Arbitration Institute 3 June 2011: The Central Administrative Court 3 September 2015: The Supreme Administrative Court	CAT submitted the dispute demanding DPC to pay additional remuneration under the case of deduction of excise tax from revenue share of PCN Agreement 1800 for the amount of 2,449 million Baht plus penalty at the rate of 1.25 percent per month of the unpaid amount of each year calculated from the default date until full payment is made in total of 3,949 million Baht. DPC argued that the requested amount was the same as excise tax as paid by DPC during 16 September 2003 to 15 September, 2007 and such amount was deducted from revenue share pursuant to Cabinet Resolution dated 11 February, 2003.	On 1 March 2011, the Arbitral Tribunal dismissed the dispute as the original debt had completely been paid and extinguished. DPC then has not committed any breach of the Digital 1800 Agreement. On 3 June 2011, CAT submitted a request to the Central Administrative Court to revoke the award of the Arbitral Tribunal. On 28 July 2015, the Central Administrative Court dismissed the request of CAT by giving the reason that CAT was the one who sent the letter declaring its intention to change the criteria of revenue share payment of excise taxes according to cabinet resolution and had accepted the revenue share amount after deducting the excise and returned the letter of guarantee to DPC without raising any objections. The award of the Arbitral Tribunal was, therefore, in compliance with the provisions of the law and the provisions of the Agreement.	On 25 August 2015, CAT submitted the appeal to the Supreme Administrative Court, The case is under the consideration of the Supreme Administrative Court.
2	Reduction of roaming fee	CAT and DPC	7 April 2010: The Thai Arbitration Institute 3 July 2019 : The Central Administrative Court	DPC submitted a dispute to the Arbitration Tribunal requesting that CAT be ordered to revoke its allegation that DPC breached the Digital 1800 Agreement by having entered into an agreement with AIS for the use of the DPC network without receiving the consent of CAT. DPC also demanded that CAT pay for damages in the amount of Baht 50 million. On 15 July 2010, CAT requested DPC to pay additional remuneration for the 10 -12 th concession year incurred due to DPC having reduced the roaming charge rate between DPC - AIS from Baht 2.10 to Baht 1.10 during the period of 1 April 2007 - 31 December 2008 without the approval of CAT. The requested damages are in the amount of Baht 1,640 million plus penalty calculated up to March 2010 in the amount of Baht 365 million totaling Baht 2,000 million. In addition, a penalty is also applied at the rate of 1.25 percent per month calculated from April 2010. On 12 September 2011, CAT submitted additional dispute for the 12 th concession year (1 April 2009 to 15 June 2009) in the amount of Baht 113 million.	On 28 March 2019, the arbitration tribunal decided for DPC to pay additional remuneration of 10th to 12 th concession year to CAT under the consideration that the agreement regarding the remuneration of roaming fees (at the rate of 2.10 Baht) was legitimate, the reduction of roaming fees was the privilege and right of CAT.	On 3 July 2019, DPC requested to revoke such decision to Central Administrative Court. The case is currently under consideration of Central Administrative Court.

No.	Name Disputes	Litigant	Submitted date and Tribunal	Dispute Topic	Result of case	Status of Case
3	Damages from international call service	CAT and DPC	8 April 2011: The Thai Arbitration Institute 6 September 2013: The Central Administrative Court 27 May 2020 The Supreme Administrative Court	CAT demanded that DPC pay remuneration in the amount of Baht 33 million including interest at the rate of 15 percent per annum, calculated at Baht 35 million in total. CAT claimed that DPC had committed a breach of the Digital PCN Agreement 1800 in the form of fraudulent use of documents/signatures of subscribers during the year 1997 - 2003 covering a total of 1,209 numbers. Such fraudulent action was claimed to have caused damage to CAT since CAT could not collect the fees for international call services when the fraudulent numbers had used the international call service of CAT.	On 28 May 2013, the Arbitral Tribunal dismissed all disputes of CAT by giving the reason which can be summarized as follows. Such disputes are the act of tort, and DPC has not committed any breach of the PCN Agreement 1800. Therefore, the dispute of this case is not within the jurisdiction of the Arbitral Tribunal. On April 9, 2020, the Central Administrative Court passed the judgment to dismiss the petition of CAT requesting the revocation of the arbitral award which dismissed the entirety of NBTC dispute.	On 27 May 2020, CAT appealed to the Central Administrative Court regarding the judgment to dismiss the petition by CAT requesting to revoke the arbitral award. The case is currently being considered by the Supreme Administrative Court.
4	Remuneration from interconnection charges	CAT and DPC	24 August 2012 and 1 April 2014: The Thai Arbitration Institute 17 December 2019: The Central Administrative Court	CAT submitted a dispute to the Arbitration tribunal demanding DPC to pay additional remuneration for the 10 th -14 th concession years in addition to the interconnection charge received (gross income) before deduction of the interconnection charge paid in the amount of Baht 183 million plus penalty at the rate of 1.25 percent per month. On 1 April 2014, CAT has raised the dispute demanding that DPC pay additional remuneration for the 15 th concession year in the amount of Baht 114 million and for the 16 th concession year in the amount of Baht 88.80 million plus penalty at the rate of 1.25 per month. The total claimed amount is Baht 324 million.	On 26 September 2019 and 10 October 2019, the arbitration tribunal decided to dismiss CAT's dispute.	On 17 December 2019, and 25 December 2019, CAT requested to revoke arbitration tribunal's decision. The case is currently under consideration by Central Administrative Court.
5	Asking for return of letter of guarantee for minimum remuneration	DPC and CAT	8 October 2012: The Thai Arbitration Institute 15 September 2015: The Central Administrative Court 11 October 2018: The Supreme Administrative Court	Subject to the PCN Agreement 1800, CAT had to return the letter of guarantee of each year to DPC at the moment that DPC made a payment of remuneration and additional remuneration to CAT. Since CAT did not return the letter of guarantee for the minimum remuneration for 10 th to 14 th concession years to DPC in the total amount of 2,606 million Baht, claiming that DPC paid incomplete payment by deducting excise tax of the remuneration and also referencing the case of Access Charges and the case of roaming fees reduction which were under dispute. Therefore, DPC demanded that CAT surrender the letter of guarantee for the minimum remuneration of the 10 th -14 th concession years and that CAT be prohibited from claiming any money from the bank against this letter of guarantee. DPC also demanded that CAT pay the bank commission for the letter of guarantee including the damage to DPC's reputation and financial credit in the amount of Baht 109 million.	On 28 May 2015, the Arbitration tribunal awarded an order that CAT return the letter of guarantee and pay the bank commission for the letter of guarantee to DPC. On 15 September 2015, CAT submitted the request to revoke such decision to the Central Administrative Court which on 13 September 2018, the Central Administrative Court dismissed CAT's request.	On 11 October 2018, CAT submitted the appeal to Supreme Administrative Court. The case is currently under the consideration of Supreme Administrative Court.

No.	Name Disputes	Litigant	Submitted date and Tribunal	Dispute Topic	Result of case	Status of Case
6	Revision of letter of guarantee for minimum remuneration	CAT and DPC	28 August 2013: The Thai Arbitration Institute 8 December 2017: The Central Administrative Court	Subject to the PCN Agreement 1800, DPC shall provide the letter of guarantee for minimum remuneration of each concession year to CAT. In 15 th and 16 th year, DPC revised existing clauses of the letter of guarantee to be in compliance with minimum remuneration payment obligation of each year in relation to the terms and conditions of PCN Agreement 1800. However, CAT submitted a dispute to the Arbitration tribunal demanding that DPC return the letter of guarantee for the revenue sharing agreement of the 15 th - 16 th concession years, claiming that the present letter of guarantee submitted by DPC contained faulted clauses and does not comply with the PCN Agreement 1800.	On 30 August 2017, the arbitration committee decided to dismiss CAT's dispute. On 8 December 2017, CAT submitted the petition to dismiss such decision to the Central Administrative court.	On December 2, 2020, the Central Administrative Court dismissed the petition to revoke the ruling of CAT. CAT has the right to appeal the judgment of the Central Administrative Court to the Supreme Administrative Court within 30 days.
7	Usage fees and revenue from the use of the telecommunication equipment and telecommunication network of CAT during the temporary customer protection period	CAT and DPC	20 May 2015: The Central Administrative Court	CAT submitted a lawsuit to the Central Administrative Court demanding NBTC Office, NTC, NBTC, True Move and DPC to pay usage fees and revenue from the usage of the telecommunication equipment and telecommunication network of CAT. The usage in question occurred during the temporary customer protection period, subject to the NBTC Re: the Temporary Customer Protection Plan Following the Expiration of the Concession Agreement or Telecommunication Service Agreement, calculated from 16 September 2013 to 15 September 2014. The total amounts collectively demanded from NBTC Office, NTC and NBTC, True Move and DPC is Baht 6,083 million including interest at the rate of 7.5 per annum. On 11 September 2015, CAT submitted a request to the Central Administrative Court claiming for the additional usage fees and revenue from the usage of CAT's telecommunication equipment and telecommunication network calculated from 16 September 2014 to 17 July 2015. The total amount demanded collectively from DPC, NBTC Office, NTC and NBTC is Baht 1,635 million including interest at the rate of 7.5 per annum. On 27 May 2016, CAT submitted a request demanding the defendants to pay additional usage fees / revenue from usage of CAT's telecommunication equipment and network from 28 July 2015 to 25 November 2015. Requesting from DPC together with the Office of NBTC, NTC and NBTC in the amount of 673 million Baht including interest at the rate of 7.5% per annum. On 24 September 2019, CAT submitted for a request revision to reduce the remuneration amount during 3 periods, formerly as 6,083 million Baht, 1,635 million Baht and 673 million Baht to 1,457 million Baht, 1,223 million Baht and 522 million Baht respectively.	-	The case is pending the consideration of the Central Administrative Court.

No.	Name Disputes	Litigant	Submitted date and Tribunal	Dispute Topic	Result of case	Status of Case
8	Unauthorized installation of AIS telecommunication equipment at DPC's base stations	CAT and AIS	19 March 2018: The Civil Court	CAT filed a lawsuit to the Central Administrative Court demanding AIS to pay for damages resulting from the installation of telecommunications equipment within the base stations which previously belonged to DPC but for which the ownership has been transferred to CAT under the Digital 1800 Agreement. The claim relates to 95 sites in which the equipment was installed without the consent of CAT during the period of January 2012 to April 2016. The total amount of damages claimed is Baht 125.52 million and the compensation from the filing date is Baht 2.83 million per month until the dismantling of such equipment.	-	On 21 Aug 2020, CAT submitted a request to withdraw the dispute due to the fact that both parties have made a settlement agreement. The court authorized for the withdrawal of the the lawsuit. Removing cases from the court.
9	Unauthorized installation of AWN telecommunication equipment at DPC's base stations	CAT and AWN	19 March 2018: The Civil Court	CAT filed a request at the Central Administrative Court demanding that AWN pay compensation for damages arising from the installation of its own telecommunication equipment within DPC's base stations, the ownership of which were transferred to CAT subject to the Concession Agreement to operate and provide services on the cellular network (Digital PCN (Personal Communication Network) 1800 without permission from CAT. In total, 67 sites are affected under this dispute with the alleged dispositions taking place during the period from January 2013 to June 2016. The amount demanded by CAT is Baht 57,531 million with the interest in the amount of Baht 5,205 million equals to Baht 62.736 million plus damages from the date of submission of the complaint in the amount of Baht 2 million per month until the date that such telecommunication equipment is dismantled.	-	On 21 Aug 2020, CAT submitted a request to withdraw the dispute due to the fact that both parties have made a settlement agreement. The court authorized for the withdrawal of the lawsuit. Removing cases from the court.
10	Allowing third party telecommunication operators to use telecommunication equipment under the Concession Agreement	CAT and DPC	30 June 2016: The Thai Arbitration Institute	CAT submitted a dispute to the arbitration tribunal ordering DPC to dismantle the telecommunications equipment owned by the Company and also the equipment owned by AWN, an AIS affiliate. Such equipment has been installed and implemented on DPC's network, the ownership of which was transferred to CAT subject to the Concession Agreement to operate and provide services on the cellular network (Digital PCN (Personal Communication Network) 1800 without permission from CAT. In total, this dispute relates to 97 sites with the alleged dispositions taking place during the period from January 2013 to June 2016 in the total amount of Baht 175.19 Million demanded by CATs.	-	On 21 Aug 2020, CAT filed a request to withdraw the dispute due to the fact that both parties have made a settlement agreement. On 26 Aug 2020, the chairman of the arbitral tribunal issued an order allowing the dismissal of disputes.

No.	Name Disputes	Litigant	Submitted date and Tribunal	Dispute Topic	Result of case	Status of Case
11	Transfer of ownership of telecommunication equipment subject to PCN 1800 Agreement	CAT and DPC	28 March 2018: The Thai Arbitration Institute	CAT submitted the dispute to the arbitration tribunal for the decision to order DPC to transfer ownership of 4,657 telecommunication towers, 3,012 containers, Call Center system, power system and mobile number portability system which DPC collectively used with AIS since CAT believed that DPC did not comply with the terms and conditions of PCN 1800 Agreement which specified DPC to provide and transfer the ownership of telecommunication equipment to CAT. In case the transfer is not possible then DPC shall compensate in money, damages and loss of business opportunity in the amount of Baht 13,431.45 million with interest in the rate of 7.5 per annum.	On January 11, 2021, the arbitral tribunal has issued an award to dismiss all CAT disputes.	CAT has the right to submit a petition to revoke an award of the arbitration tribunal to the Supreme Administrative Court within 90 days from the date of receiving the award.
12	Transfer of telecommunication towers and containers	CAT and DPC	15 July 2014 (2) 31 October 2018: The Thai Arbitration Institute	DPC submitted for return of 155 telecommunication towers transferred to CAT since DPC believed that telecommunication towers were not telecommunication tools and equipment subject to PCN Agreement 1800. Therefore, CAT submitted the dispute to the arbitration tribunal for the decision to order DPC to transfer ownership of such telecommunication towers. In case the transfer is not possible then DPC shall compensate in money, damages and loss of business opportunity in the amount of Baht 501.42 million with interest in the rate of 7.5 per annum.	On 8 April 2020, the Arbitral Tribunal has an award to dismiss all DPC's disputes.	On 11 August 2020, DPC filed a petition to revoke the arbitral award with the Central Administrative Court. On 21 August 2020, DPC filed a request for withdrawal of the award since both sides have entered into a settlement agreement and on 26 Aug 2020, the Central Administrative Court has issued an order to withdraw the claim and removing the case from the case list. On 21 August 2020, CAT submitted a petition to withdraw the dispute as both sides have entered into a settlement agreement between them. On 26 Aug 2020, the chairman of the arbitral tribunal issued a permission to remove the case from the case list.

Legal Disputes under the Act on Organization to Assign Radio Frequency and Telecommunication Business Act

No.	Name Disputes	Litigant	Submitted date and Tribunal	Dispute Topic	Result of case	Status of Case
1	Revocation of the resolution and order of NBTC to collect the information from existing subscribers using Pre-Paid Mobile Service	AIS and NBTC and Secretary General of NBTC	13 September 2011: The Central Administrative Court 18 December 2015: The Supreme Central Administrative Court	NTC (currently NBTC) and Secretary of NTC (currently the Secretary of NBTC) ordered AIS to retroactively collect pre-paid subscribers' information before effective date of Notification of NBTC Re: The Criteria for the Allocation of Numbers B.E. 2551 coming into force on 24 October 2008. AIS filed a lawsuit to the Central Administrative Court requesting to revoke the resolution and order of NBTC to collect the information from existing subscribers using Pre-Paid Mobile Service prior to the announcement date of the Notification of NBTC Re: The Criteria for the Allocation of Numbers B.E. 2551 coming into force on 24 October 2008, within 180 days from the effective date of this NBTC Notification. Under this lawsuit, AIS particularly requested revocation of the order requiring AIS to pay administrative fines of 80,000 Baht per day commencing on 6 July 2012 until the Company has completely performed all requested obligations.	On 19 November 2015, the Central Administrative Court reached its judgment which was to revoke the resolution and overturn the administrative fines on the grounds that: such order enforced the operators to retrospectively store subscriber data which includes the personal information that the subscribers are required to disclose, without any measure for enforcement by service suspension or termination. There are a large number of subscribers. It is difficult to perform the requested actions without cooperation from the subscribers. In this regard, NBTC's resolution and order are unlawful because NBTC used power and discretion beyond the scope of regulatory duties, which created a huge burden impact on the operators.	On 18 December 2015, NBTC submitted an appeal to the Supreme Administrative Court which is currently pending consideration of the Supreme Administrative Court.
2	Revocation of the order of NTC ordering the Company to amend the drafted Pre-Paid Mobile Service Agreement on validity of prepaid service	AIS and NTC and the Secretary General of NTC	27 May 2011: The Central Administrative Court 9 December 2016: The Supreme Administrative Court	NTC (currently NBTC) prohibited AIS from specifying the validity term of pre-paid mobile service agreement, ordering AIS to revise the draft of pre-paid mobile service agreement to not have any condition regarding the validity term. AIS filed a lawsuit to the Central Administrative Court seeking to revoke the order of NTC ordering the Company to amend the drafted Pre-Paid Mobile Service Agreement which prohibited the condition concerning the validity term.	On 10 November 2016, the Central Administrative Court dismissed the case filed by AIS for the reason that such case was filed after the available prescription. Moreover, the delayed case was not subject to reasonable cause and the case was not filed on behalf of public interest, but for the benefit of AIS as the plaintiffs themselves. As for the order issued by NTC following such announcement, the Central Admin Court passed the judgment that since the announcement has remained in force and has not been revoked, the order issued subject to such announcement is then legitimate.	On 9 December 2016, AIS then appealed to the Supreme Administrative Court and the case is in the consideration process.

No.	Name Disputes	Litigant	Submitted date and Tribunal	Dispute Topic	Result of case	Status of Case
3	Revocation of the order of NBTC Re: Maximum Rate of Service Fee	AIS and NBTC and the Secretary General of NBTC	2 July 2012: The Central Administrative Court 21 April 2017: The Supreme Administrative Court	AIS filed a lawsuit to the Central Administrative Court seeking to revoke the order of NBTC Re: Maximum Rate of Service Fee for Domestic Mobile Phone Voice Services B.E. 2555. The order issued by NBTC required the collection of domestic voice service fees at the rate not exceeding Baht 0.99 /minute, enforceable only on the significant market dominance because AIS is of the opinion that it is the wrongful order and unfair treatment.	On March 24, 2017, the Central Administrative Court dismissed the case and AIS appealed to the Supreme Administrative Court on April 21, 2017.	The case is pending the consideration of the Supreme Administrative Court
4	Revocation of the announcement of NBTC Re: Temporary Subscribers' Protection (2nd Issue) after the expiration of the concession period	AIS and NBTC	18 December 2015: The Central Administrative Court 11 October 2019: Supreme Administrative Court	AIS filed a lawsuit to the Central Administrative Court requesting the revocation of the announcement of NBTC Re: Temporary Subscribers' Protection (2 nd Issue) After the Expiration of the Concession period, the new announcement specified additional conditions for paying revenue during the remedy period to be not less than the share incurred subject to the Concession Agreement based on the fact that such new announcement was unfair and enforced selectively compared with the previous announcement which did not specify such condition.	On 11 September 2019, Central Administrative Court decided to revoke such NBTC's announcement regarding the minimum remuneration to not be less than revenue share subject to Concession Agreement 900.	On 11 October 2019, NBTC submitted the appeal to Supreme Administrative Court. The case is now under consideration of Supreme Administrative Court.
5	Revocation of the resolution from NTC which ordered AIS to pay the revenue during the subscriber protection period	AIS and NBTC Office, NBTC and NTC	1 May 2017: The Central Administrative Court 8 July 2020: The Supreme Administrative Court	AIS filed a lawsuit against NBTC Office, NBTC and NTC to the Central Administrative Court to revoke the order from NBTC Office and resolution from NTC which ordered AIS to pay the revenue during the subscriber protection period after the expiration of Concession Agreement from October 1, 2015 – June 30, 2016 in accordance with the NBTC Re: The Temporary Customer Protection Plan in the amount of Baht 7,221 Million including default interest until the date of filing in the amount of 36.74 million baht. Because AIS had expense more than revenue during the protection period of subscriber on 900 MHz frequency. Therefore, there was no remaining revenue to be paid to the NBTC Office.	On 12 Jun 2020, Central Administrative Court passed the judgment to revoke the NBTC committee's resolution on the reason that during the period of coverage period for 900 MHz users, AIS had more expenses for service than the income received.	On July 8, 2020, NBTC filed an appeal to the Supreme Administrative Court. The case is under the consideration of the Supreme Administrative Court.

No.	Name Disputes	Litigant	Submitted date and Tribunal	Dispute Topic	Result of case	Status of Case
6	Revocation of the resolution and order of NTC to pay the revenue arising from the mobile service charges within the temporary customer protection period.	DPC and NBTC Office, NTC, and NBTC	16 November 2015: The Central Administrative Court	DPC submitted a lawsuit to the Central Administrative Court requesting the revocation of the resolution and order of NBTC to pay the revenue arising from the mobile service charges within the temporary customer protection period. The period in question follows the announcement of the NBTC Re: The Temporary Customer Protection Plan B.E.2013 and covers from 16 September 2013 to 17 July 2014 (First Period). The amount requested is Baht 628 million and all interest accrued therefrom.	-	<p>On 16 September 2016 NBTC and the Secretary General of NBTC filed a lawsuit to the Central Administrative Court requesting that DPC pay a share of revenue generated during the remedy period. Such period commenced from the coming into effect of the Subscribers Protection Period subject to the NBTC's announcement regarding the Temporary Customer Protection Plan B.E.2013 and lasted until the date of the order issued by the National Council for Peace and Order (NCPO). This period covers 16 September 2013 to 17 July 2014. The requested amount is Baht 628 million including interest.</p> <p>On 12 July 2019, NBTC submitted a request to revise complaint by requesting DPC to pay for revenue during the whole Subscribers Protection Period (16 September 2013 to 25 November 2015) in total amount of 869.51 million Baht. The case is now under consideration of Central Administrative Court.</p> <p>The case is pending on the consideration of the Central Administrative Court.</p>
7	Revocation of the order of NTC ordering DPC to pay revenue from the provision of telecommunication service during subscriber protection period	DPC and NBTC and the Secretary General of NBTC	7 December 2018: The Central Administrative Court	DPC filed a lawsuit to the Central Administrative Court seeking to revoke the order of NBTC ordering DPC to pay revenue from the provision of telecommunication service during subscriber protection period from the date protection subject to the NBTC's announcement regarding the temporary subscriber protection method B.E.2556 during 16 September 2013 to 25 November 2015 in the amount of Baht 869.51 million which NBTC ordered DPC to pay the revenue of the first period (16 September 2013 to 17 July 2014) in the amount of Baht 627.63 million before. Therefore, DPC was ordered to pay additional revenue in the amount of Baht 241.87 million including the incurred interest.	-	The case is currently under consideration by the Central Administrative Court.
8	Revocation of the order of NTC ordering in case of violation of the order to amend the transfer of the subscriber	AWN and NBTC and the Secretary General of NBTC	21 Aug 2017: Central Administrative Court and 25 Sep 2020 Supreme Administrative Court 10 September 2020: The Central Administrative Court	AWN filed a lawsuit to the Central Administrative Court seeking to revoke the order of NBTC ordering AWN based on the claim of violation of the order to correct the transfer of service users (1) during the period of 18 September 2015 - 29 October 2015 for 41 days and (2) between September 18, 2015 - January 7, 2016, for 112 days in the amount of 5.4 million baht per day, totaling 221.4 million baht and 604.87 million baht, respectively.	<p>On 26 August 2020, the Central Administrative Court passed the judgment to revoke an administrative order in the amount exceeding 20,000 baht per day.</p> <p>On 24 and 25 September 2020, NBTC and AWN filed an appeal to the Supreme Administrative Court.</p>	The case is currently under consideration by the Supreme Administrative Court.

Other legal disputes

No.	Name Disputes	Litigant	Submitted date and Tribunal	Dispute Topic	Result of case	Status of Case
1	Revenue Department of Thailand ordered AIS to pay for additional payment	AIS and Revenue Department	10 November 2016: The Central Tax Court 10 July 2019: Supreme Court	AIS filed a lawsuit at the Central Tax Court requesting revocation of the assessment of the authority and the decision of appeal by the Appeal Committee as well as a decrease or cessation of additional payment arising from the case in which the assessment authority ordered AIS to make additional payment in the total amount of Baht 128.2 million baht. The additional payment was applied as a result of the wrongful deduction and payment of withholding taxes from the share paid to TOT by AIS and calculated by subtracting the excise taxes before making payment in accordance with the decision from the Cabinet.	On September 29, 2017, the Central Tax Court dismissed the case. On March 11, 2019, the Appeal Court decided this case in accordance with the Central Tax Court to dismiss the case	On July 10, 2019, AIS submitted this case to Supreme Court. On 7 December 2020, the Supreme Court issued an order to dismiss the petition. As a result, the case reached the final adjudication. On 29 December 2020, AIS made additional payment of 128.21 million baht to the Revenue Department. The case reached final adjudication.
2	Requesting for payment for the usage of telecommunication equipment, transmission system service fees within the building subject to Concession Agreement	AWN and TOT	31 January 2017: The Civil Court	TOT filed a lawsuit against AWN to the Civil Court requesting AWN to pay for the usage of telecommunication equipment, transmission system service fees within the building, and electricity usage fees during 1 October 2015 to 30 June 2016 in the amount of Baht 559.62 million with interest in the rate of 7.5 per annum.	On 31 May 2018, the Civil Court made a decision and order AWN to pay TOT as requested with interest.	On October 2, 2019, AWN submitted for withdrawal of appeal on 19 November 2018, since TOT and AWN entered into the settlement agreement. AWN paid usage fees of telecommunication tools and equipment including interest to TOT subject to Civil Court's decision and TOT did not argue regarding the appeal withdrawal (under consideration of Appeal Court).
3	In case of claiming damages from the termination of the printing contract	Papermate (Thailand) and MMT	26 February 2018: The Civil Court	Paper Mate (Thailand) Company Limited filed a lawsuit against Mimotech to the Civil Court claiming for damages from the event that Mimotech terminated the printing contract due to bringing third-party into the workplace without prior authorization. The requested damages and lack of income were in the amount of 280 million baht.	On January 28, 2021, the Civil Court passed the judgment to dismiss Paper Mate (Thailand) Company Limited's case due to the breach of contract. Therefore, they had no right to claim damages.	Paper Mate (Thailand) Company Limited has the right to appeal within 1 month from the date of the court's decision.

Note: TOT Public Company Limited or TOT and CAT Telecom Company Limited or CAT have merged into a new company, National Telecom Public Company Limited) on January 7, 2021.

Corporate Governance

Nomination and Governance Committee Report

The Nomination and Governance Committee (NGC) consists of three (3) members namely: Khun Surasak Vajasit as Chairman, Khun Krairit Euchukanonchai and Khun Jeann Low Ngiap Jong as members.

During the year 2020, the NGC held a total of five (5) meetings. All members of NGC attended all the meetings. The summaries of NGC's performance for the year 2020 are described as follows:

1. Compliance and Corporate Governance Policy Review

The committee contributed to increase awareness among employees to comply with the Code of Business Ethics in the Corporate Governance Policy through video clips and other media. In 2020, the committee has considered and proposed to the Board of Directors to approved Corporate Compliance Policy in order to sets the practice guideline and encourage all executives and employees to perceive and mitigate regulatory or material contractual non-compliance risks, which may result in legal or material contractual liability and/or jeopardizing reputation.

In addition, the committee considered and concurred with

amendment to Securities Trading Policy by changing the methodology for Directors and Top Four Executives securities holding reporting via online-based instead of paper-based in order to comply with the announcement of the Securities and Exchange Commission (SEC).

2. Policy and Criteria Formulation on Directors' Nomination

The committee invited shareholders to propose candidate(s) to be nominated as a director during 1st October – 31st December 2020 so as to combine in the recommended list from other source.

In 2020, The committee considered and approved the amendment of Board skill matrix, expertise and experience by adding cyber security and data privacy, retails and consumers and technology to the qualification for director nomination before proposing the qualified candidates to the Board and shareholders for consideration.



Mr. Surasak Vajasit

Chairman of Nomination and Governance Committee

Leadership Development and Compensation Committee Report

The Leadership Development and Compensation Committee (LDCC) consists of three (3) highly experienced members namely: Mr. Kan Trakulhoon as Chairman, Mr. Allen Lew Yoong Keong and Mr. Gerardo C. Ablaza Jr. as members.

In 2020, LDCC held a total of seven(7) meetings so as to complete its assignments as stipulated in the Charter. The summary of LDCC's performance for the year 2020 is described as follows:

1. Compensation

Director and Top Executives' Compensation

The LDCC considered and concurred with the directors and top executives' compensation schemes based on study and analysis of benchmarking with similar-sized listed companies and other companies in the same industry which could attract and retain highly qualified directors and top executives to the Company.

Employees' Compensation

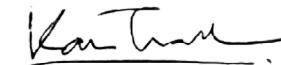
The Committee considered and concurred with the principle of employees' compensation by benchmarking with the practice of top leading companies within the same size of market and/or industry capitalization.

2. Leadership Development

The LDCC promotes the development of executives' capabilities of the Company so as to lead its telecom business which has been facing the rising competition, the disruptive technological evolution and the rapid change in consumer behavior. The LDCC has encouraged our executives and employees to learn and study from various sources both inside and outside the organization with a view to enhancing managerial capability and prepare our human capital to handle new challenges on regular basis.

3. Executives' Succession Plan

The LDCC determined executive succession plan and strategies in all aspect comprehensively and transparently so that, in 2020, the change of various heads of business unit and other equivalent or high executive seniority was smoothly completed.



Mr. Kan Trakulhoon
Chairman of Leadership Development
and Compensation Committee

Corporate Governance and Implementation

Achievement and Recognition in 2020

- Listed in Dow Jones Sustainability Indices (DJSI) for both DJSI World and DJSI emerging market.
- Received “Excellent CG Scoring” from Corporate Governance Report of Thai Listed Companies 2019 by Thai Institute of Directors Association.
- Received “Best Investor Relation Awards” from SET Awards 2020.
- Received the Perfect score of 100 based on the evaluation of the quality of the Annual General Meeting of Shareholders from the Thai Investors Association.
- ADVANC was selected as one of the Thailand Sustainability Investment for 6 consecutive years by the Stock Exchange of Thailand (SET).

Corporate Governance Policy and implementation

Corporate Governance Policy of AIS adheres fundamentally to laws and developed to be transparent, reliable and acceptable in line with best practice of good corporate governance and sustainability growth, both domestic and international standard, which can be divided into 5 sections:

1. Board of Directors
2. Rights and Equitable Treatment of Shareholders, and the Role of Stakeholders
3. Disclosure of Information and Transparency
4. Internal Control and Risk Management Systems
5. Code of Business Ethics

The Corporate Governance Policy was adopted in accordance with the Corporate Governance Code 2017, Corporate Governance

Report of Thai Listed Companies (CGR) by Thai Institute of Directors Association, ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard) and DJSI indices (Dow Jones Sustainability Indices) with the supervisory process as per the following.

- To monitor by Nomination and Governance Committee
- To approve by the Board of Directors
- To be complied by directors, executives and employees of the Company and subsidiaries.
- To be reviewed at least once every year.

Shareholders may further study all of these policies on <http://advanc-th.listedcompany.com> under Corporate Governance section.

Performance Report on Corporate Governance for the year 2020

Section 1: The Board of Directors

1. The Board of Directors is the experts who have a strong leadership and vision aiming to lead AIS to be the most admirable digital service provider. The Board has set up vision and mission of the Company so as to lead the management in formulating strategies and long-term goals and reviews and monitors this matter annually. The Board of Directors monitors and supervises the implementation of the Company's strategies. The performance and the operating results of the company especially in terms of financial goals and plans are required to report to the Board of Directors' meeting in every quarter in order to ensure that they are in line with the stipulated strategy. In addition, in 2020, the Board of Directors has reviewed the vision, mission and strategy of the company (Strategic direction) to be consistent with the changing circumstances and current business operations of the Company and the uncertainty of COVID-19 situation.

2. Composition of the Board of Directors is diversifying from experiences, education, gender, race, country of origin and nationality. Additionally, more than half of the Board of Directors is composed of independent directors and non-executive directors. As such the board would be able to make decisions independently as a representative of all shareholders and balance the power of management.

Independent Director



Non-Executive Director



Female Directors



The Board of Directors

Finance & Account & Economic	Laws / Regulatory / Public Policy	Human Resources
5	4	3
Start Up / Innovation	Auditing	Logistics / Supply Chain
3	3	2
Transformation	Corporate Governance	Capital Market
3	7	1
Technology	Marketing / PR	Telecoms Industry
6	4	9
Risk & Crisis Management	Environment	Cyber Security and Data Privacy
10	1	2
Corporate Social Responsibility / Sustainable Development	International	Retail & Consumer
3	7	5

3. In term of power separation, the Chairman of the Board of Directors: Khun Kan Trakulhoon, an independent director, and Chief Executive Officer are not the same person nor have any genetic or personal business relationship. The Board of Directors has mandated the segregation of the roles and responsibilities of the Chairman of the Board and Chief Executive Officer explicitly in Corporate Governance Policy.

Nonetheless, apart from such segregation, AIS has set the separation of roles and responsibilities between the Board of Directors and management as per details shown in page 160-161. In any case, the Board of Directors encourages the directors and management forming a good relationship on the culture of respect for each other's roles and responsibilities in coordination under good governance principle.

4. Independent Director qualification has been defined stricter than criteria stipulated by laws such as holding shares not exceeding 0.5 percent, of the total number of voting right of the Company, its parent company, subsidiary, and juristic person which may have conflicts of interest, including the shares held by related persons of the independent director. Shareholders may further study AIS's independent director eligible qualification at <http://advanc-th.listedcompany.com> on Corporate Governance section: "Governance Policy".

5. The Board meeting was scheduled in advance. The Company Secretary will circulate notice and the supplement documentation to the Board at least seven (7) days before each meeting so that each director shall have sufficient time to analyze the information in advance. The Chairman of the Board of Directors presides over the meetings and ensures that sufficient time is allocated for directors to discuss and express their opinions freely on each agenda item. At every Board meeting, high level managements are encouraged to attend the meeting to receive suggestion from the Board. In connected therewith decision-making in the board meeting, the meeting quorum is required at least 2/3 of the directors attending the meeting when passing a resolution and to prevent any conflict

of interests, directors who may have conflict in any agenda, shall not be part of consideration and abstain from voting therein.

AIS has set up a video conference system and developed the channel to submit meeting documents via the Board Portal which is a secure electronic channel to enhance the efficiency of the meeting and to facilitate directors to attend the conference. In case of there being no Board's meeting in any particular month, the Company Secretary will provide the Board with the monthly and quarterly operating report for their acknowledgement.

6. On 16 July 2020, a non-executive board of directors' meeting was held without presence of executive directors and management. There were discussions on issues related to long term strategic direction as well as the development of executives' succession plan. After the meeting, the results of the meeting were reported to the executive directors and top executives for acknowledgement and further action.

7. Directors and executives shall submit report declaring any potential conflict of interests related to the Company and/or its subsidiaries when they take the position as directors or managements and subsequently regularly updating whenever there is any chance in circumstance. Hence, the Company shall have sufficient information to identify any potential connected transaction pursuant to the rules and regulation of the competent authorities in relation thereto. The Company Secretary shall update the report of conflict of interest including any change in holding of securities issued by the Company by the Board of Director and the management on a quarterly basis.

8. The Board of Directors has developed a succession plan with respect to the Chief Executive Officer and other senior executives in order to ensure that the Company's business operations shall continue without interruption when these positions become vacant. The Board of Directors has authorized the Leadership Development and Compensation Committee to establish the succession plan which shall be reviewed, updated and reported to the Board of Directors on regular basis.

Apart from Chief Executive Officer and other senior executives, our Human Resources Department has formulated the succession plan and strategies for mid-level and junior executives in order to manage our diversified groups of talent and critical roles suitable for the current business composition. The details of the succession plan are listed in the <http://sustainability.ais.co.th/th/sustainability-priorities/human-capital-development> section of the Sustainability Report page 50 and 53

9. The Company Secretary shall act as the coordinator between directors and the management team. While the Internal Audit Office shall act as the coordinator between audit and risk committee and management team. The Company shall not obstruct communication between directors and management. However, this access and communication shall not interfere with or interrupt the Company's normal business operations.

10. The Leadership Development and Compensation Committee (LDCC) has been authorized by the Board of Directors to consider and review a policy and structure of director's remuneration. The LDCC has considered remuneration policy by taking into

consideration of directors' roles and responsibilities, remuneration payment by comparing to industry standards, companies of a similar size, the Company's strategic direction and individual performance of each director. The details of the directors' remunerations are listed in the "Management Structure" section on page 156-157.

11. A newly appointed director will be provided with all necessary business information about the Company required to perform their fiduciary duties. In this regard, in organizing the director orientation, the management has been invited to present a summarized roles and responsibilities of each business unit, practices in compliance with relevant laws and regulations such as roles and responsibilities of the board of directors of listed company, trading AIS securities procedures of directors, executives.

12. AIS also places a great emphasis on continuing training and development provided to all director, executives, and company secretary, paid for by the Company. In 2020, the training programs knowledge sharing form other experts and activities are listed below:

Training & Seminar Program/Activities	Objectives	Participants
Workshop on 5G Technology and Business Trend by Huawei	To provide an opportunity for the board to update on innovation and technology particularly in mobile phone market and industry	Directors and Managements: Khun Kan Trakulhoon Khun Somprasong Boonyachai Khun Jeann Low Ngiap Jong Khun Anek Pana-apichon
Chairman Forum : Leading Boardroom Through Disruption: What Directors should know? By Thai Institues of Directors (IOD)	To provide an opportunity for Chairman as leader of the board to gain knowledge and understanding regarding principles of good corporate, rules and regulations in relation thereto including roles and duites of Chairman on good corporate governance implementation	Khun Kan Trakulhoon
Board Nomination and Compensation Program (BNCP 9/2020) by Thai Institues of Directors (IOD)	To provide opportunities for the board to gain knowledge and understanding regarding principles of Board nomination and compensation	Khun Prasan Chuaphanich
Seminar on TFRS9 TFRS15 and TFRS16 by PricewaterhouseCooper ABAS Ltd. (PWC) (CDP hour: 7 hours)	To provide opportunities for the Company's executives to understand the principle and implication of Thai Financial Reporting Standard (TFRS)	Chief Finance Officer and Head of Accounting Department: Khun Tee Seeumpornroj Khun Tachahat Hemakul
CMA (၃၀၈. ၃၀) Program by Capital Market Academy and The Stock Exchange of Thailand	To provide opportunities for the Company's executives to equip with capital market knowledge	Chief Finance Officer: Khun Tee Seeumpornroj

13. The Board of Directors and all board committees determine that there will be their performance evaluation on annual basis. Presently, the board committees comprise of Audit and Risk Committee, Leadership Development and Compensation Committee, Nomination and Governance Committee, Sustainable Development Committee and Executive Committee. The performance evaluation methodology divide into 2 types as follows;

- Type 1 Board performance evaluation by Board Self assessment on both individual and as a group on annual basis.
- Type 2 Board performance evaluation by external independent professional appraiser every three years.

Board Performance Evaluation by Board Self Assessment

Board performance evaluation by board self assessment on both individual and as a group cover board structure and qualifications, roles and responsibilities, meeting attendant, development and relationship with managements as following objectives;

- 1) To review performance, problem and obstacles in recently year.
- 2) To ensure director development effectiveness and clarify their role and responsibilities.
- 3) To enhance relationship between the board of directors and the management.

Procedures of Board Performance Evaluation

1. Company Secretary submit board performance evaluation form via Board Portal for the board to do the assessment every year.
2. Board performance evaluation result will be proposed to Chairman and Chairman of sub-committee to finalize and plan for board development.

Board performance evaluation by external independent professional appraiser

The board approve the external independent professional appraiser to conduct board performance and board committee evaluation both individual and as a group cover board structure and qualifications, roles and responsibilities, responsibility to stakeholders, overseeing operational result, succession planning and CEO evaluation etc.

Procedures of Board Performance Evaluation

- 1) Questionnaires session
- 2) One-on-one interview session including top executive participation
- 3) Board performance evaluation and result based on questionnaires score and one-on-one interview results including recommendation and improvement session

In this regard, the board of directors has materially completed its roles and responsibilities in accordance with the laws and the company's corporate governance policy.

14. The Leadership Development and Compensation Committee approve the performance evaluation of CEO and determine long term incentive plan.

Section 2: Rights and Equitable Treatment of Shareholders

AIS respects the shareholders' rights and treats to all shareholders equally, including the right to approve and receive dividend at the same rate per share, right to purchase, sell, and transfer of

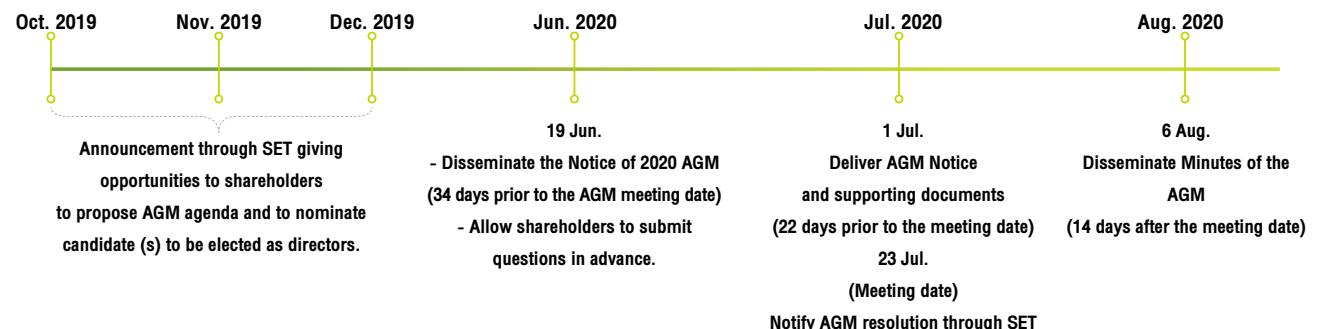
their own securities independently not being intervened in market transactions, right to nominate, appoint and dismiss directors, right to appoint independent auditors and fix annual audit fee, right to express opinion in the shareholder's meeting independently, right to participate in deciding and approving concerning major corporate action which affect AIS's financial statement and operating result. In addition, apart from aforementioned right, AIS also arranged various activities to support its shareholders. Key actions are being summarized as follows:

1. Disclosing important information related to operations, execution of transactions, quarterly and annual financial result through website of the Company and SET so as to facilitate shareholders to access the Company's performance data in a variety of channels and a timely manner.
2. Establishing the investor relation department to be function as the center of communication between shareholders and the Company, to provide an opportunity for minor and institutional shareholders to raise questions and to recommend matters deemed as beneficial to the management as well as suggest useful information for investment decisions, participate in Opportunity Day organized by SET on the quarterly basis in order to meet with investors and to present the Company's performance result and engage in Road Show to meet up with domestic and foreign institutional investors.
3. Announcing the "Securities Trading Policy for Directors, Executives and Employees" to prescribe rules and guidelines related to securities trading for directors, executives, and employees, and

to prevent the use of inside information that has not been publicly disclosed for their own interest and/or related persons. In this regard, the policy encompasses the securities of AIS and Intouch Holdings PCL., a listed company and a major shareholder of AIS.

Further, the Company also identifies persons, who are in the position or duty that have access to or possess inside information (Designated Person). This group of persons is prohibited to trade or accepts transfer AIS and Intouch's securities during the thirty (30) days period prior to the disclosure of quarterly and annual financial statements including any other period occasionally announced. Directors, Executives, and Designated Person are obliged to file report on their securities holding including those held by their spouse and minor children and any changes thereto with Capital Market Compliance Department within three (3) working days as from the date of such changes.

4. Practicing in relation to Annual General Meeting of Shareholders.



4.1 Preparing the notice of AGM and supporting documents both in Thai and English version. In this regard, shareholders could acknowledge and understand information thereto that will be presented to shareholders accurately and equally. The Company has provided clarification relating to documents and evidence that shareholders shall bring to attend and vote at the Meeting including those for attaching to the proxy. The description was prepared in a manner there is easy to understand by classifying the participation into categories such as attending in person or by proxy, as well as individual or juristic person. In this regard, the requirement is applicable to the law for identifying shareholders and proxy but not to restrict the shareholders' right or to create unnecessary burden.

4.2 Appointing three (3) independent directors served as proxies namely Khun Krairit Euchukanonchai, Khun Surasak Vajasit and Khun Prasan Chuaphanich for shareholders inconvenient to attend the meeting in person. In the Annual General Meeting 2020, There were two from three independent directors those retired by rotation and able to be re-elected as directors. To

maintain the company's transparency, Khun Surasak Vajasit, the rest of three independent director who has not retired by rotation, was appointed to be the proxy voting for shareholders.

4.3 Establishing procedure of examination of the details of shareholding and submission of the proxy form in advance to facilitate institutional shareholders and custodians as they were taking care of a large number of shareholders. In case institutional shareholders and custodian, who grant a proxy to the independent directors, the Company will send a copy of proxy form having a signature of independent director to the institutional shareholders and custodian after the meeting in order to use as evidence.

4.4 Utilizing the barcode system to quickly and accurately facilitate the registration and vote counting. The registration counters were set up and segregated for minority shareholders and institutional shareholders. In addition, the Company assigned adequate staffs and other amenities to facilitate shareholders (i.e. copy machine, duty stamp, and signage for registration process). In this regard, the Company conducted a survey on the satisfaction of shareholders with regard to the

- quality of the AGM to gain feedback on how to improve in the following year.
- 4.5 Due to the pandemic of Covid-19, the Board had scheduled the AGM on July 23, 2020 at 14.00 hrs. which is not a holiday or a weekend and the meeting time was appropriate. The company has encouraged shareholders to proxy voting and submit questions in accordance with the meeting's agenda in advance instead of attending the meeting in person. For those shareholders who determined to attend the meeting in person, had to pass the screening measurement at the conference entrance as suggested by Department of Disease Control. The venue of AGM was at Centara Grand Central Plaza Ladprao which is convenient in terms of transportation and access, reasonable price and was appropriate to accommodate the shareholders.
- 4.6 The Chairman of the Board of Directors and the Chairman of all board committees including Chief Finance Officer and Senior Executives attended the meeting so as to address and clarify any queries or concerns of the shareholders.
- 4.7 The Chairman presided over the meeting in sequence in accordance with the meeting agenda stated in the meeting notice without adding any additional matters and allocated sufficient time for shareholders to make any queries on each item in the agenda. Prior to the onset of the meeting, a company representative explained the meeting procedure and voting method to the shareholders.
- 4.8 Company Secretary, the moderator, has notified to the shareholders, who participated in the meeting in person and or with proxies, the amount of participants, procedure of the meeting, casting votes and vote counting.

- 4.9 The Company issued voting cards for each item on the agenda. For the director appointment item, the voting related thereto was organized on an individual basis. Independent legal counsel was also engaged to examine vote counting process in order to ensure accuracy and reliability of vote counting process.
- 4.10 Chairman of the meeting regarding the voting results for each agenda item and there was no objection in relation thereto from shareholders.
- 4.11 The Company Secretary prepares the minutes of the meeting and posts them on the Company's website within seven (7) days after the meeting date. The minutes cover all material facts in compliance with the good corporate governance of the Stock Exchange of Thailand such as list of director and management who participated in the meeting, resolution of the meeting, issues, queries and recommendations of shareholders and clarification of director/management.
5. AIS provides channels for stakeholders to inquire, suggest, or file any complaints to the Board of Directors through:

Department	Address
Office of Company Secretary and Corporate Compliance	Advanced Info Service Public Company Limited 414, 28 th Floor, AIS 1 Tower, Phaholyothin Road, Samsen Nai, Phayathai, Bangkok 10400 Tel: (66) 2029 5274 Fax: (66) 2029 5108 E-mail: companysecretary@ais.co.th

The Company Secretary will forward all suggestions, complaints or reports to the related departments and all actions taken with respect to the abovementioned shall be reported to the management and the Board of Directors including notify the results to relevant stakeholders. In case of fraud and breaches against the Code of Business Ethics, the Company shall conduct the investigation of such misconduct or fraud in compliance with reporting and investigation of misconduct and or fraud and whistleblower protection policy.

For other matters, stakeholders may directly contact responsible departments such as Community Relation who is the intermediate responsible for listening to suggestions and promoting relationship between the Company and communities as well as non-profit organization while Business Relation who acts as the intermediate and spokesperson between the company and telecommunication regulatory agency.

6. AIS is aware of the rights of every group of stakeholders, irrespective of whether they are customers, partners, communities, society, or the environment. As a result, the Company has established guidelines on how to treat for all stakeholders according to the law and the sustainable co-existence principle pursuant to the Company's sustainability development strategy, Code of Business Ethics, human resource management policy and other relevant policies of the Company. Additionally, the Company also designates appropriate guidelines, internal control systems and anti-bribery and corruption policy to prevent corruption in the organization and fulfill fair benefit to every stakeholder. In this respect, the shareholders can study the guidelines from Section 5: Code of Business Ethics and the sustainability development report.

Section 3 Disclosure of Information and Transparency

1. The Company discloses the Company's financial and non-financial information, such as article of association, memorandum of association, risk management policy, financial statements, and analysis and performance report, in accordance with the relevant laws and regulations accurately, completely, punctually, and transparently to all shareholders and investors. As such, the investors can have confidence in the Company's reliability and integrity. "Disclosing information policy" of AIS applicable to changes in the social context, AIS adheres strictly to three (3) principles as follows:
 - 1.1 Compliance with all legal and regulatory requirement;
 - 1.2 Transparency and accountability;
 - 1.3 Fair and equitable access to information.
2. The Company set up an Investor Relations Department to be responsible for communicating material information to shareholders, investors, analysts and other stakeholders. In addition, the Company set up a Compliance Unit to ensure that all material information of the Company is properly disclosed through various channels in accordance with disclosing information policy to disclose information accurately, sufficiently, in a timely manner and regularly as well as not to disclose or inform confidential or insider information to any persons prior to the public disclosure through SET channel. The details are listed in the "Investor Relation" section page 143.
3. The Company has specified a period of non-communication with analysts and investors (silent periods) with respect to financial

results, including not holding press conferences or disclosing financial information publicly by executive and/or investor relation officers, at least thirty (30) days prior to the specified announcement date. The Board of Directors and executives of AIS shall report their shareholding of the Company including those held by their minor child and spouse including unmarried spouse as well as submit report of the change in securities holding sending to Compliance within 3 working days.

4. The Board stipulated the rules and procedures for reporting the declaration of directors and executives' interests since 2008 so as to provide AIS with necessary information in order to monitor interests and transactions that may cause conflict of interests of directors and executives. This policy encourages the Company's directors and executives to exercise their duties of care, integrity and honesty and to avoid any conflict of interests by disclosing their interests, including those of their related persons when entering into any transaction with the Company and its subsidiaries and abstain from expressing any comment and casting vote considering such transaction.

5. The Board of Directors and executives of AIS shall report their shareholding of the Company including those held by their minor child and spouse in the annual report.

6. When executing connected transaction, AIS abides to Notification of Capital Market Advisory Board, and discloses the information in accordance with SET's regulations and Thai Accounting Standards so as to execute such transaction

accurately and transparently with the best interest for the Company as if the Company executes transaction with other third parties (Arm's length basis) and is in compliance with the good corporate governance principles. The Board of Directors has approved "Connected Transaction Policy" and assigned Compliance Department to be responsible for communicating, supervising and disclosing the information when executing transactions to the Stock Exchange of Thailand and in the annual report. Such details are demonstrated on page 158-159.

Section 4 Internal Control and Risk Management Systems

As the Board considers the internal control, audit and risk management systems crucial for protecting the shareholders' investment capital and the Company's assets, it has therefore set up relevant policies, measures and supervising departments. In 2019, the Board approved the expansion of Audit Committee's scope of work so as to cover the risk governance and approved the name change of Audit Committee to Audit and Risk Committee. The details of which are listed in the "Internal control, internal audit and risk management" section on page 168-175.

Monitoring the Business Operations of Subsidiaries and Associated Companies

The Board of Directors has monitoring each Subsidiary and Associated Company's business operations for the best interest of shareholders as follows:

1. Support the subsidiaries and associate companies to perform their duties in compliance with good corporate governance policy;
2. The Board of Directors selects the representative of the Company to be appointed as directors of the Subsidiaries and Associated Companies in order to monitor and control business performance in proportion to its shareholding percentage;
3. Monitor through representative directors, executives, and policies which were issued at the parent company level;
4. Consider any significant matter including strategic, business plan, capital increase/decrease, dissolution, and any other important policies;
5. Follow up the performance result through the Company's executives, Executive Committee, and the Board of Directors;
6. Monitor the Subsidiaries and Associated Company to operate business under the rules and regulation of competent authorities including connected transaction, asset acquisition and deposition, information disclosure, and accounting and financial statement report;
7. All transactions in any subsidiary, which may significantly affect the business operation or financial status of the Company, must be reviewed and approved by the Board of Directors of the parent company;
8. Being audited by the Company's Internal Audit Department to ensure that there is sufficient and effective internal control system;
9. In order to disclose the financial information and operating results of the subsidiaries, the Company has engaged auditors from the same auditing firm that provides auditing services for the Company to perform audits and disclose the financial and non-financial information of the Subsidiaries in the consolidated financial statements of the Company
10. Communicate code of business ethics and anti-corruption policy further to AIS's subsidiaries and joint ventures.

The information of positions held by directors and executives in the subsidiaries are shown in section profile of directors and management

Section 5 Code of Business Ethics

Further, in order to ensure that AIS's operation and the performance of employees in the organization are honestly and ethically in accordance with laws and regulation which is the heart of sustainable business, the Board of Directors established "Code of Business Ethics" comprises of 12 chapters ranging from responsibility to stakeholders, prevention on conflict of interest, respect for human right as well as compliance with the laws and regulations. The Ethic Committee has been formed and comprising of Chief Executive Officer (CEO) as chairperson and other executives. This Committee acts as a driving force and integrates the ethics into corporate culture. Shareholders may further study the Code of Business Ethic on the company's website: http://advanc-th.listedcompany.com/governance_policy.html

AIS provides confidential channels for staff and outsiders to inform any suspicion or concerns on unethical actions to the Board of Directors which includes investigation procedure and whistleblower protection measure under "The Reporting and Investigation of Misconduct and/or Fraud and Whistleblower Protection Policy". The Board of Directors assigned Ethic Committee to communicate the policy to everyone through channels and activities such as email, intranet, billboards, announcements and internal campaigns.

In 2020, operation to promote business ethics can be summarized as follows

1. Amendment to the guidelines on asset acceptance from business partners or other business-related parties with respect to guest speaker events and New Year gifts. A summary of the guidelines with easy explanation was communicated to the Company's executives and employees via all internal communication channels (i.e. social intranet, email, AIS LearnDi, AIS Doodi, poster and desktop).
2. Raising awareness and organizing training for employees to improve understanding of the Code of Business Ethics and encourage every employee to adhere to and comply therewith;

+ Create Self Awareness

AIS continues to place a great emphasis on the idea of creating a mindset at work which consists of 3 questions that employees should always ask themselves whether they should or should not do prior to making any decisions: (a) If this is done, will it cause damages to the company? (b) Does this make me look bad? (C) If I do this, will it distress me or will I be worried later? If the employee is unsure with any of these questions, they shall refrain from taking such action.

In 2020, AIS has been continued promoting in public awareness in the workplace using different channels such as Social Intranet / E-mail / AIS LearnDi / Poster/Desktop/ SMS /People Champion. In connection therewith, there are 5 matters that have been emphasized and communicated throughout the year as follow;

- Engaging business with the Company
- Accepting invitations to seminars, business events and company visit
- Assets acceptance for executive and employees from business partners or other related business parties
- Using of inside information and trading the Company's securities
- Responsibility to Customers, Business partners and Creditors

+ Business Ethics Workshop and Nokweed

The committee has initiated and conducted business ethics workshops for the Company' executives and employees. The workshop objectives are to comprehend and improve the understand of the code of business ethics and anti-corruption policy as well as to adapt the principles thereof into day-to-day operation. In connection therewith, the facilitators provided explanations and examples regarding violent actions which occurred and against the Company's business ethics, shared feedbacks and recommendations so as to improve code of business ethics, related policies and guidelines in the future. In summary, there was a total of 117 executives and employees participated the workshop via online through Microsoft Teams, divided into 6 sessions, which contained 20 persons and spend 01.30 hour/round.

+ An Assessment of Employee and Business Partners' Level of Understanding regarding the Code of Business Ethics

In 2020, all employees have undergone an assessment of their understanding of the Code of Business Ethics and Anti-Bribery and Corruption Policy. The assessment was conducted via various channels, especially electronic online " LearnDi and Doodi" , mobile application, to facilitate to access in anywhere and anytime. Further, Directors, executives and employees shall communicate to their family members (i.e. parent, spouse, unmarried life partner, sibling, offspring and his/her spouse, including adopted children) regarding the principles of Code of Business Ethics and Anti-Bribery and Corruption Policy.

In 2020, the assessment results of employees, business partners, subsidiaries, and affiliates on level of understanding regarding code of business ethics as below;

	Number of Employees/Companies Being Communicated or Engaging Seminar (%)		
	Communicating through letters or public relation medias	Online and offline seminar	Communicating through other channels such as notification through agents who contact with business partners
AIS employees	100	98.96	-
Business partners	100	88.89	Communicate through sales agents
Subsidiaries	100	98.96	
Affiliates	100	100	-

3. The Business Ethics Committee has provided opportunities for employees to address and clarify any queries concerning the business ethics of the Company. The employees can contact the committee by e-mail at ethicclinic@ais.co.th In 2020, there are 3 breached situations/circumstances against code of business ethics, detail is shown below:

Unethical Conduct	Company Action
1. Wrongdoing concerning fraud by exercising the authorities for self-benefits	After investigation by the Business Ethics Committee, Internal Auditor, Legal and Human Resources Management, disciplinary punishment was imposed in accordance with the Company's regulations by verbal and written warning, termination of employment without pay as the case may be.
2. Wrongdoing concerning conflict of interest	After investigation by the Business Ethics Committee, Internal Auditor, Legal and Human Resources Management, disciplinary punishment was imposed in accordance with the Company's regulations by written warning and termination of employment without pay as the case may be.
3. Wrongdoing concerning with rules and regulations	After investigation by the Business Ethics Committee, Internal Auditor, Legal and Human Resources Management, disciplinary punishment was imposed in accordance with the Company's regulations by verbal and written warning, termination of employment.

Human Rights Policy

AIS recognizes the importance and respect for the rights, freedom and equality of all people which is the basic virtue of working and living together in society. In the previous year, the Board of director has issued a policy on human rights to be the operational guideline of AIS's business partners and all stakeholders throughout the business value chain ranging from duties and responsibilities of person in each group, employee treatment, lawful labour, and not participating in any actions violating to human rights, determining guidelines for monitoring operational activities and assessing human rights risk from business operation.

Human rights policy of the Company is in conformity with United Nations Universal Declaration of Human Rights (UNDHR) and The International Labor Organization (ILO). The policy can be found at <http://sustainability.ais.co.th/th/respect-to-human-rights>

In 2020, the Company engaged and implemented in promoting human rights as follow;

- The Business Ethics Committee established its new working team to implement and integrate Human Rights policy into day-to-day operation, analyse significant working procedure and identify issues regarding human rights as well as to create a communication plan with a view to promoting best practice in relation thereto to the Company's supply chains (i.e. representatives, suppliers, business partners) by together with the Audit and Risk Committee.

- The Company integrated sustainability principles on Corporate Governance Labour and Human Rights, Work Health & Safety (WHS) and encouraged its related business parties for promoting best practice by conducting assessment of level of understanding on code of business ethics and anti-bribery corruption policy which included in annual business assessment. The business partners have harmoniously cooperated to take the ethic test which is accounted for 88.89 percent of total business partners. In addition, the Company analyzed the ethics test results and recommendation in order to identify issues regarding contractors' management, plan and establish preventive mechanism against violation to human right which may have impact to the Company's business operation.

Anti-Bribery and Corruption Policy

The Company intends to operate its business with a sense of honesty, transparency and is in accordance with good corporate governance principles. The Company is also against any types of giving, bribing and corruption by recognizing that giving or bribing and corruption is a serious threat that destroys free and fair competition including causes damages to the economic and social development. In this regard, the Board of Directors recognizes the importance and consideration of Anti-bribery and Corruption Policy in order to use as the guideline for performing duties of directors, executives and employees and to comply with the rules and guidelines as well as to prevent the company and directors, executives, employees and other stakeholders from violating the

law concerning anti-bribery and corruption. The policy can be found at http://advanc-th.listedcompany.com/anti_bribery.html

AIS received the renew certification from the Thai's Private Sector Collective Action Against Corruption (CAC) from 5 November 2018. The existing certification period is still valid. This certificate confirms that AIS and AIS Group of Company's personnel do not undertake or engage in any form of corruption either directly or indirectly provided that AIS and AIS Group of Company's personnel shall strictly comply with the Anti-Bribery and Corruption guidelines which encompasses several operations such as charitable donation and sponsorship, human resource management, etc.

In addition, AIS has communicated its Anti-Bribery and Corruption Policy to AIS's subsidiaries, joint venture and other controlling companies, business partners and stakeholders including the public via various communication channels such as email, website, social intranet, exhibitions or inclusion in the Board' meeting agenda or the annual general meeting every year, etc., in this regard, in order to ensure that all stakeholders acknowledged and comply with the guidelines as specified by the Company

Furthermore, AIS has continuously communicated and offering training to its personnel in order to offer knowledge and to gain an understanding related to Anti-corruption measures, Company's expectations and penalties for failing to comply with such measures such as offering training related to Anti-Bribery and Corruption

to new employees as part of the orientation program, organizing training related to Code of Business Ethics via Information technology (LearnDi) as well as initiate an assessment related to business partners, executives, employees' level of understanding concerning the Code of Business Ethics and Anti-Bribery and Corruption annually.

AIS has made an announcement related to the implementation of "No Gift Guideline" during New Year including amended and promulgated Anti-Bribery and Corruption policy, Guideline related to Accepting Gifts of Executives and Employees in order to inform business partners and other stakeholders, who are involved in the business, and to promote a good standard among employees at all levels to implement provided that the Company expects employees at all level shall perform his/her duties without illicit compensation. This will reinforce the Company's compliance with the good corporate governance principles.

To establish requirements and guidelines related to complaints and fraudulent clues. (Whistleblowing) to be more appropriate and is in the same direction throughout the organization. The measures to protect and to treat complainants fairly has been put in place provided that Whistleblowing shall be used as a tool as an advance warning signal and as a channel to counter frauds because it permits the Company to solve the problem promptly before the problem is enlarged and may cause serious impact to the image and financial status of the organization thereafter.

In 2020, in order to emphasize the company's mission under the "Zero Tolerance Policy Against Corruption" concept, our executives and employees more than 100 joined held by state agencies; Office of National Anti-Corruption Commission and Anti Organization of Thailand, sharing the same value on 6 September 2020 and 9 December 2020 via online.

Market Disclosure Policy

As a listed company in the Stock Exchange of Thailand, AIS aims at disclosing material information both financial and non-financial information to shareholders accurately, sufficiently, in timely manner, equitably and in compliance to relevant laws to promote confidence in shareholders and investors on the company's reliability and honesty.

The market disclosure policy is based on 3 principles which are practices in compliance with applicable laws and regulations, transparency and information disclosure responsibility, and equality to access to information. The essential part of this policy includes roles and responsibilities of executives as authorized spokespersons, guideline on disclosure material information, keeping confidential information, responding to rumors or unusual market activity, announcing temporary halt, determining the period of time to prohibit the dissemination of information before the performance announcement and prohibiting the communication with investors in various aspects as well as penalty for breach of the policy.

Connected Transaction Policy

In order that the business transaction between the company or its subsidiaries and its connected persons shall comply with the laws,

announcements, regulation and other relevant notifications from the authorized agency based on transparency and for the maximized benefit of the company, AIS announced the Connected Transaction Policy for the business transaction between the company or its subsidiaries and its connected persons shall be in accordance with the company's policy, procurement procedure, and business code of business ethics.

Role and responsibility of the Board of Directors, the Audit and Risk Committee, and Capital Market Compliance Section are set to consider the reasonable of the transaction and to oversee the compliance with laws and all departments involving in or acknowledging the occurrence of the connected transactions are required to notify such information to the Capital Market Compliance Department before executing the transaction.

The essential part of this policy is the business transactions between the company or its subsidiaries and its connected persons shall be done for the ultimate benefit of the company similar to those transacted with external parties under arm's length basis. There is the procedure on considering before engaging to the connected transactions which Board of Directors and the executives who are interested parties or have conflict of interest concern shall not participate in the consideration and approval process nor vote in any agenda relating thereto.

Board of directors and executives are required to report their conflict of interest in accordance with rules and guidelines both an existing and when there is any change.

Securities Trading Policy for Directors, Executives and Employees

The Board of Directors has considered and approved the Securities Trading Policy for directors, executives and employees with the objective of maintaining the sense of confidence among shareholders and investors who invest in the Company and Intouch Holdings Plc's securities. (INTUCH is the Company's major shareholder.) The essential part of this policy is to prohibit the Company's personnel from using inside information to gain the benefit of trading AIS and INTUCH securities, whether directly or indirectly. This is in line with the Securities and Exchange Act (as amended) including other related announcements.

In this regard, the requirements and guidelines have encompassed several groups of people such as directors, executives, and employees. Furthermore, the requirements also spelled out special duties for designated persons namely directors, executives and employees, whose roles and responsibilities entitled them to assess the insider information that they shall disclose to Capital Market Compliance Department any securities holding in AIS and INTOUCH HOLDINGS PUBLIC COMPANY LIMITED. This also includes filing a report for any changes in securities holding for the benefit of good corporate governance and transparency. In addition, the designated persons are prohibited from trading securities for a period of thirty (30) days prior to the date of disclosure of the quarterly and annual financial statements (Blackout Period). The policy can be found at http://advanc-th.listedcompany.com/governance_policy.html

In 2020, the NGC and the Board of Directors approved the amendment of reporting approach of securities trading policy from paper base to online system to comply with the Securities Exchange Regulations.

Online and Social Media Guideline

Technological development has changed the way people communicate. As such, the Business Ethics Committee has endorsed the appropriate guideline – which is in compliance with applicable laws – with the purpose of guiding Company's employees when using the Internet and social media. The essence of the guideline is to recognize the impacts that may arise as a result of using the Internet and social media inappropriately, especially when the employees use the Internet and social media with lack of care. This also includes avoiding any violation related to the computer law, for instance, employees shall use the Internet and social media in compliance the intellectual property might not belongs to Company, etc.

- One of the company's independent director's tenure is over 9 years continuously, the Board considered that the independent director is qualified, able to give opinion independently in accordance with relevant regulations including being a director who brings experience, knowledge and expertise to provide suggestions useful in determining the company's strategy and business operations.

Good Corporate Governance Guidelines in other aspects

The company considered to apply the Corporate Governance Code 2017 (CG Code) issued by the Securities and Exchange Commission, Thailand with AIS's business operations. However, in 2019 there are certain matters that the company opts for other suitable mechanism and record in the minutes of the meeting for a regular review annually as follows:

Relationship with Investors

The Investor Relations Department is the center for the publication of company information to allow investors and analysts to make informed decisions on investing in AIS. It is the aim of the Investor Relations Department to build trust and understanding of the Company's direction, strategies and operations to reflect the Company's fair value. Committed to transparency, fairness, and trustworthiness, Investor Relations adheres to the disclosure policy and IR code of conduct, the key points of which are as follows.

Disclosure Policy & IR Code of Conduct

Transparent and fair disclosure

1. Disclosure of information shall be in compliance with applicable legal and regulatory requirements.
2. Disclosure of information shall be accurate, adequate, timely and consistent.
3. Disclosure of information shall ensure fair and equitable access by all investors and analysts.

Prevention of use of inside information

1. The Company must not publicly disclose material price-sensitive information until it has announced such information publicly through the Stock Exchange of Thailand (SET).
2. The Company observes a 30-day silent period prior to its planned earnings release to the SET.
3. The Company's designated persons privy to relevant internal information must refrain from trading or transferring the Company's securities for a 30-day period prior to the quarterly financial statements.
4. The Company's designated persons privy to relevant internal information are required to report their Company securities holdings, including the holdings of their spouse, minors, and unmarried partners. Upon any changes being made to such holdings, a subsequent report shall be submitted within 3 days.

AIS releases all relevant company information in both Thai and English, including annual reports, quarterly results reports, as well as investment newsletters and other public relations news. For the

convenience of the investor, various channels for communication and disclosure are provided. These include, for example, on the website at <http://investor.ais.co.th>, via e-mail and LINE application, as well as through quarterly results meetings including attendance at SET's Opportunity Day joined by press and through domestic and international roadshows attended by executives.

Additionally, the Investor Relations Department has established a system for collecting investor satisfaction data on an annual basis, in order for such data to be analysed and the results used to improve the working methods of the Investor Relations Department to be more effective.

Investors and analysts can contact our staff in the Investor Relations Department

by phone on 02 029 3112/4443,
by email at investor@ais.co.th or
on LINE at @ais_ir
or by using the QR code to the right.



Profile of the Directors and Management



Mr. Kan Trakulhoon

Age 65 Years

- Chairman of Board of Directors
- Independent Director
- Chairman of Leadership Development and Compensation Committee

Appointed	3 Aug 2015
Appointed as Chairman of the Board of Director	8 Nov 2016
Total number of service tenure	5 Years 4 Months
Share Ratio (%)*	None
Relationship with Management	None

Highest Education

- Honorary Degrees of Engineering Chulalongkorn University
- Honorary Degrees of Manufacturing Engineering Mahasarakham University

Related Training Program held by IOD

- Director Certification Program (DCP 29/2003)

Position in Company

2016 - Present	Chairman of the Board of Directors, Chairman of the Leadership Development and Compensation Committee Advanced Info Service Plc.
2015 - Present	Independent Director Advanced Info Service Plc.
2015 - 2017	Chairman of Sustainable Development Committee, Advanced Info Service Plc.

Position in Other Listed Companies

2017 - Present	Independent Director, Chairman of the Leadership Development and Compensation Committee, Member of the Nomination and Governance Committee, Member of the Strategic and Organizational Review Committee and Member of the CSR Committee for Sustainable Development Intouch Holdings Plc.
2017 - Present	Independent Director Bangkok Dusit Medical Services Plc.
2016 - Present	Independent Director, Chairman of the Nomination, Compensation and Corporate Governance Committee, Member of the Executive Committee Siam Commercial Bank Plc.
2006 - Present	Director The Siam Cement Plc.

Position in Non Listed Companies

2020 - Present	Director SCB 10X Co., Ltd
2020 - Present	Director Council of Experts of the National Higher Education, Science, Research and Innovation Policy Council
2020 - Present	Expert Member State Enterprise Policy Committee
2018 - Present	Expert Member Eastern Economic Corridor Policy Committee
2018 - Present	Expert Member Investment and Coordination Committee Consultant Kubota Corporation (Japan)

Legal Record in past 10 years

None



Mr. Somprasong Boonyachai

Age 65 Years

- Vice-Chairman of Board of Directors
- Non-Executive Director
- Member of Leadership Development and Compensation Committee

Appointed	28 Mar 1994
Total number of service tenure	26 Years 9 Months
Share Ratio (%)*	None

Relationship with Management

None

Highest Education

- Master of Engineering, Asian Institute of Technology

Related Training Program held by IOD

- Role of the Chairman Program (RCP 21/2009)
- Director Certification Program(DCP 65/2005)
- Director Accreditation Program(DAP 30/2004)

Position in Company

2019 - Present	Member of Sustainable Development Committee, Advanced Info Service Plc.
2008 - Present	Vice-Chairman of Board of Director Advanced Info Service Plc.
1994 - Present	Director Advanced Info Service Plc.
2008 - 2019	Member of Leadership Development and Compensation Committee Advanced Info Service Plc.

Position in Other Listed Companies

2007 - Present	Director Intouch Holdings Plc.
2006 - Present	Director Thaicom Plc.
2018 - Present	Vice Chairman of the Board and Independent Director Osotsapa Plc.
2017 - Present	Director BEC World Plc.
2017 - Present	Director Dusit Thani Plc.
2002 - Present	Independent Director and Member of Audit Committee Power Line Engineering Plc.
2008 - 2017	Chairman of Executive Committee Intouch Holdings Plc.
2009 - 2011	Chairman of Executive Committee Thaicom Plc.

Position in Non Listed Companies

2018 - Present	Expert Member Geo-Informative and Space Technology Development agency
2017 - Present	Director National Strategy Committee 2017 for the Development and Capacity Building of Human Resources
2016 - 2018	Director Osotsapa Co., Ltd.
2016	Independent Director Pruksa Real Estate Plc.
2004 - 2016	Director Praram 9 Hospital Co., Ltd.

Legal Record in past 10 years

None



Mr. Prasan Chuaphanich

Age 68 Years

- Independent Director
- Member of Audit and Risk Committee
- Chairman of Sustainable Development Committee

Appointed	30 Mar 2017
Total number of service tenure	3 Year 9 Months
Share Ratio (%)*	0.00007
Relationship with Management	None

Highest Education

- Bachelor of Commerce and Accountancy (Second Class Honor) Chulalongkorn University

Related Training Program held by IOD

- Director Certification Program (DCP 119/2009)
- Financial Institution Governance Program (FGP 6/2013)

Position in Company

2018 - Present	Chairman of Sustainable Development Committee Advanced Info Service Plc.
2017 - Present	Independent Director, Member of Audit and Risk Committee, Member of Sustainable Development Committee Advanced Info Service Plc.

Position in Other Listed Companies

2020- Present	Chairman of the Nomination and Remuneration committee Kerry Express (Thailand) Plc.
2019- Present	Independent Director and Chairman of the Audit committee Kerry Express (Thailand) Plc.
2013 - Present	Independent Director, Chairman of Audit Committee Siam Commercial Bank Plc.
2013 - Present	Independent Director, Member of Audit Committee Chairman of Nomination and Compensation Committee Thai Solar Energy Plc.
2016 - 2019	Independent Director, Chairman of Audit Committee PTT Global Chemical Plc.

Position in Non Listed Companies

2020 - Present	Advisor The Prime Minister on Economy Expert Member Office of Public Organization and Other Government Agency
2020 - Present	Commissioner of the Public Sector Development Commission National Research Council of Thailand
2020 - Present	Director State Enterprise Policy Office Commissioner, Member of Audit Committee, Member of Governance and Compensation Committee
2019 - Present	Securities and Exchange Commission, Thailand
2017 - Present	Expert Member on Accounting Public Sector Audit Evaluation Committee
2017 - Present	Chairman of the Board Thai Institute of Directors Association (IOD)
2016 -2020	Commissioner OIC Advanced Insurance Institute
2014 - Present	Member of Anti-Dumping and Subsidies Committee Ministry of Commerce

Legal Record in past 10 years	None
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Mr. Surasak Vajasis

Age 67 Years

- Independent Director
- Member of Audit and Risk Committee
- Chairman of Nomination and Governance Committee

Appointed	10 May 2006
Total number of service tenure	14 Years 7 Months
Share Ratio (%)*	None
Relationship with Management	None

Highest Education

- Barrister at Law, Lincoln's Inn, UK

Related Training Program held by IOD

- Director Accreditation Program(DAP 29/2004)

Position in Company

2014 - Present	Chairman of Nomination and Governance Committee Advanced Info Service Plc.
2008 - Present	Member of Nomination and Governance Committee Advanced Info Service Plc.
2006 - Present	Independent Director and Member of Audit and Risk Committee Advanced Info Service Plc.

Position in Other Listed Companies

None

Position in Non Listed Companies

2016 - Present	Director Srithai Insurance Plc.
2014 - Present	Managing partner R&T Asia (Thailand) Ltd.
2005 - 2014	Executive Hunton and Williams (Thailand) Ltd.
1997 - 2008	Director Thai Tallow and Oil Co., Ltd.

Legal Record in past 10 years

None



Ms. Jeann Low Ngiap Jong

Age 60 Years

- Non-Executive Director
- Member of Nomination and Governance Committee

Appointed 27 Mar 2013

Total number of service tenure 7 years 9 Months

Share Ratio (%)* None

Relationship with Management None

Highest Education

- Bachelor of Accountancy,
National University of Singapore

Related Training Program held by IOD

-

Position in Company

2013 - Present Director, Member of Nomination and Governance Committee
Advanced Info Service Plc.

Position in Other Listed Companies

2016 - Present Director Intouch Holdings Plc.

Position in Non Listed Companies

2015 - Present Group Chief Corporate Officer
Singapore Telecommunications Ltd.
2008 - 2015 Group Chief Financial Officer
Singapore Telecommunications Ltd.

Legal Record in past 10 years

None



Mr. Allen Lew Yoong Keong

Age 65 Years

- Chairman of Executive Committee
- Non-Executive Director
- Member of Leadership Development and Compensation Committee

Appointed 20 Mar 2006

Total number of service tenure 14 Years 9 Months

Share Ratio (%)* None

Relationship with Management None

Highest Education

- Master of Science (Management),
Massachusetts Institute of Technology, USA

Related Training Program held by IOD

-

Position in Company

2008 - Present Chairman of Executive Committee,
Member of Leadership Development and Compensation Committee
Advanced Info Service Plc.
Compensation Committee

2006 - Present Director Advanced Info Service Plc.

2006 - 2008 Member of Executive Committee
Advanced Info Service Plc.

Position in Other Listed Companies

None

Position in Non Listed Companies

2020 - Present Chief Executive Officer , Group Strategy and Business Development and Country Chief Officer Thailand
Singapore Telecommunications Ltd.

2014 - 2019 Chief Executive Officer, Consumer Australia and Chief Executive Officer
Optus Pty Limited

2012 - 2014 Chief Executive Officer, Group Digital Life and Country Chief Officer (Singapore)
Singapore Telecommunications Ltd.

2006 - 2012 Chief Executive Officer (Singapore)
Singapore Telecommunications Ltd.

Legal Record in past 10 years

None



Mr. Krairit Euchukanonchai

Age 65 Years

- Chairman of Audit and Risk Committee
- Member of Nomination and Governance Committee
- Independent Director

Appointed 26 Mar 2014

Total number of service tenure 6 Years 9 Months

Share Ratio (%)* None

Relationship with Management None

Highest Education

- Master of Business Administration, North Texas State University, USA

Related Training Program held by IOD

- Director Certification Program (DCP 59/2005)
- Role of the Chairman Program (RCP 16/2007)

Position in Company

2014 - Present Chairman of Audit and Risk Committee, Member of Nomination and Governance Committee and Independent Director Advanced Info Service Plc.

Position in Other Listed Companies

2018 – Nov2020	Chairman of Board of Directors PTT Plc.
2015 – Present	Vice-Chairman of Board of Directors, Chairman of Executive Committee, Chairman of the Risk Oversight Committee Krungthai Bank Plc.
2011 – 2012	Director and Member of Audit Committee PTT Plc.
2006 – 2012	Chairman of Board of Directors and Chairman of Risk Management Committee Krungthai Asset Management Plc.

Position in Non Listed Companies

2020 – Present	Member of Academic Director Office of Insurance Commission (OIC)
1998 -Present	Chairman V Group Honda Car Co.Ltd.
2017 – 2019	Chairman Mass Rapid Transit Authority of Thailand

Legal Record in past 10 years

None



Mr. Somchai Lertsutiwong

Age 58 Years

- Executive Director
- Member of Sustainable Development Committee
- Member of Executive Committee
- Chief Executive Officer/Authorized Director
- Acting Chief Corporate Officer (1 October 2020)

Appointed

27 June 2014

Appointed as Chief Executive Officer

1 July 2014

Total number of service tenure

6 Years 6 Months

Share Ratio (%)*

0.004

Relationship with Management

None

Highest Education

- Master of Business Administration, Chulalongkorn University

Related Training Program held by IOD

- Director Certification Program (DCP 107/2009)

Position in Company

2020 – Present	Acting Chief Corporate Officer Advanced Info Service Plc.
2014 – Present	Executive Director, Member of Sustainable Development Committee Member of Executive Committee, Chief Executive Officer, and Authorized Director Advanced Info Service Plc.
2012 – 2014	Director, Chief Marketing Officer Advanced Info Service Plc.
2007 – 2012	Executive Vice President – Marketing Advanced Info Service Plc.
2004 – 2007	Senior Vice President – Wireless Communication Advanced Info Service Plc.

Position in Other Listed Companies

None

Position in Non Listed Companies

None

Legal Record in past 10 years

None



Mr. Gerardo C. Ablaza, Jr.

Age 67 Years

- Independent Director
- Member of Executive Committee
- Member of Leadership Development and Compensation Committee

Appointed	27 Apr 2017
Total number of service tenure	3 Year 7 Months
Share Ratio (%)*	None
Relationship with Management	None

Highest Education

- Bachelor of Arts (Mathematics)
De La Salle University, Manila

Related Training Program held by IOD

- Director Accreditation Program (DAP 146/2018)
- Advanced Corporate Governance 2019
(The Phillipines IOD)

Position in Company

2019 - Present	Member of Leadership Development and Compensation Committee Advanced Info Service Plc.
2017 - Present	Independent Director, Member of Executive Committee Advanced Info Service Plc.
2017 - 2019	Member of Sustainable Development Committee Advanced Info Service Plc.

Position in Other Listed Companies

None

Position in Non Listed Companies

2019 - Present	Director iPeople Inc.
2017 - Present	Director BPI Family Bank
2017 - Present	Director BPI Capital Corporation
2010 - Present	Director Manila Water Company Inc.
1998 - Present	Director Ayala Corporation
2012 - Present	Director AC Energy Holding Inc.
2012 - Present	Director AC Infrastructure Holding Corp.
2010 - 2017	President, CEO Manila Water Company Inc.
1998 - 2009	President, CEO Globe Telecom Inc.

Legal Record in past 10 years	None
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Mr. Hui Weng Cheong

Age 65 Years

- Executive director
- President
- Chief Operating Officer
- Authorized Director

Appointed	27 Jul 2017
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Total number of service tenure	3 Year 5 Months
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Share Ratio (%)*	None
Relationship with Management	None

Highest Education

- Master of Business Administration
University of Southern California, USA

Related Training Program held by IOD

- Director Certification Program (DCP 230/2016)

Position in Company

2017 - Present	Director and Authorized Director Advanced Info Service Plc.
2016 - Present	President Advanced Info Service Plc.
2013 - Present	Chief Operating Officer Advanced Info Service Plc.
2009 - 2010	Chief Operating Officer Advanced Info Service Plc.
2006 - 2009	Deputy President Advanced Info Service Plc.

Position in Other Listed Companies

None

Position in Non Listed Companies

2010 - 2013	CEO International Singapore Telecommunications Ltd.
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Legal Record in past 10 years	None
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Mr. Anek Pana-apichon

Age 55 Years

- Non Executive Director
- Member of Executive Committee
- Authorized Director

Appointed	21 Jan 2019
Total number of service tenure	1 Year 11 Months
Share Ratio (%)*	None
Relationship with Management	None

Highest Education

- Master of Business Administration
Chulalongkorn University

Related Training Program held by IOD

- Director Certification Program (DCP 111/2008)

Position in Company

2020 – Present	Authorized Director Advanced Info Service Plc.
2019 – Present	Director and Member of Executive Committee Advanced Info Service Plc.

Position in Other Listed Companies

2020 – Present	Member of Compensation Committee, Member of the Governance Nomination Committee, Member of the New Business Committee Thaicom Plc.
2019 – Present	Chief Executive Officer Intouch Holdings Plc.
2017 – Present	Director , Chief Executive Officer, Member of the CSR Committee for Sustainable Development and Member of Strategic and Organizational Review Committee Intouch Holdings Plc.
2018 – Present	Chairman of Executive Committee Thaicom Plc.
2017 – Present	Director Thaicom Plc.
2010 – Present	Member of Executive Committee Thaicom Plc.

Position in Non Listed Companies

2017 – Present	Chairman High Shopping Co., Ltd.
2017 – Present	Director Intouch Media Co., Ltd.
2017 – Present	Director Touch TV Co., Ltd.
2015 – Present	Director High Shopping TV Co., Ltd.
2015 – Present	Director I.T. Applications and Services Co., Ltd.

Legal Record in past 10 years	None
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Mr. Tee Seeumpornroj

Age 44 Years

- Chief Finance Officer

Appointed	1 Oct 2018
Share Ratio (%)*	None
Relationship with Management	None

Highest Education

- Master of Science in Management
(Science and Engineering), Stanford University, USA

Related Training Program held by IOD

- Director Certification Program (DCP 257/2018)
- Director Accreditation Program (DAP 113/2014)
- (Price waterhouse Coopers (PWC) 2020 : Financial reporting standards IFRS 9 , IFRS 15 and IFRS 16 Practical Implication CDP hour: 7 hours)
- Capital Market Academy (CMA 30)

Position in Company

2018 – Present	Chief Finance Officer Advanced Info Service Plc.
2017 – 2018	Deputy Chief Finance Officer Advanced Info Service Plc.
2016 – 2017	Chief Finance Officer The mall Group Co., Ltd
2013 – 2016	Chief Finance Officer Thai Solar Energy Plc.

Position in Other Listed Companies

None

Position in Non Listed Companies

None

Legal Record in past 10 years

None



Ms.Kantima Lerlertyuttitham

Age 50 Years

• Chief Human Resources Officer

Appointed	16 Jul 2015
Share Ratio (%)*	0.0001
Relationship with Management	None

Highest Education

- Master of Psychology Counselling Service, Rider University, USA

Related Training Program held by IOD

- Director Certification Program (DCP 244/2017)
- Board Nomination and Compensation Program (BNCP 9/2019)
- Ethical LeadershipProgram (ELP) 21/2021

Position in Company

2021 – Present	Director Conicle Co., Ltd
2016 - Present	Group Chief Human Resources Officer Intouch Holdings Plc.
2015 - Present	Chief Human Resources Officer Advanced Info Service Plc.
2013 - 2015	Deputy Chief Operation Officer MC Group Plc.
2011 - 2013	Chief Human Resources Officer Prudential Life Insurance (Thailand) Plc.
2007 – 2011	Human Resources Director Central Watson (Thailand) Co., Ltd
2004 – 2011	Human Resource Director Microsoft (Thailand) Co., Ltd.

Position in Other Listed Companies

None

Position in Non Listed Companies

None

Legal Record in past 10 years

None

Mr.Chavin Chaivatcharaporn

Age 48 Years

- Company Secretary and Head of Corporate Compliance Section

Appointed	3 Jan 2013
Share Ratio (%)*	None
Relationship with Management	None

Highest Education

- Master of Law (LL.M), University of Pennsylvania, USA

Related Training Program held by IOD

- Seminar-Anti Corruption Seminar 1/2016
- Role of the Compensation Committee (RCC 19/2014)
- Director Certification Program (DCP 192/2014)
- Company and Board Reporting Program (CRP 6/2013, BRP 11/2013)
- Anti-Corruption for Executive Program (ACEP 10/2014)
- Fundamental Practice for Company Secretay (FPCS 29/2014)
- Company Secretary Program (CSP 51/2013)

Position in Company

2019 – Present	Head of Corporate Compliance Section Advanced Info Service Plc.
2013 – Present	Company Secretary Advanced Info Service Plc.
2010 – 2013	Assistant Vice President-Legal Advanced Info Service Plc.
2003 – 2010	Associate Hunton &Williams Thailand Ltd.

Position in Other Listed Companies

None

Position in Non Listed Companies

None

Legal Record in past 10 years

None

Mrs.Suvimon Kulalert

Age 60 Years

- Chief Audit Executive

Appointed	1 Jan 1999
Share Ratio (%)*	0.0012
Relationship with Management	None

Highest Education

- Master of Business Administration – Track Management Information System, Oklahoma City University, USA
- Certified Public Accountant, year 1985
- Certified Internal Auditor, year 2000
- Certificate in Risk Management Assurance, year 2013

Related Training Program held by IOD

- Director Certification Program (DCP 136/2010)

Position in Company

1999 – Present	Chief Audit Executive Advanced Info Service Plc.
1999 – Present	Guest Speaker (internal audit, internal control and risk management) Federation of Accounting Professions
2009 – Present	Internal Audit Lecturer University of the Thai Chamber of Commerce

Position in Other Listed Companies

None

Position in Non Listed Companies

None

Legal Record in past 10 years

None

Ms.Nattiya Poapongsakorn

Age 45 Years

- Head of Investor Relations and Compliance Department

Appointed	1 Apr 2013
Share Ratio (%)*	0.0003
Relationship with Management	None

Highest Education

- Master of Technology Management, Washington State University, USA
- Master in Finance, Chulalongkorn University

Related Training Program held by IOD

- -

Position in Company

2017 – Present	Senior Vice President, Investor Relations and Compliance Advanced Info Service Plc.
2015 – 2017	Vice President, Investor Relations and Compliance Advanced Info Service Plc.
2013 – 2015	Assistant Vice President, Investor Relations Advanced Info Service Plc.
2011 – 2013	Acting Assistant Vice President, Investor Relations Advanced Info Service Plc.
2008 – 2011	Investor Relations Manager Advanced Info Service Plc.

Position in Other Listed Companies

None

Position in Non Listed Companies

None

Legal Record in past 10 years

None

Mr. Tachahat Hemakul

Age 46 Years

- Head of Accounting Department

Appointed	1 Apr 2015
Share Ratio (%)*	None
Relationship with Management	None

Highest Education

- Master of Business Administration
Sasin Business School

Related Training Program held by IOD

- Risk management program
- Price waterhouse Coopers (PWC) 2020 : Financial reporting standards IFRS 9 , IFRS 15 and IFRS 16 Practical Implication CDP hour: 7 hours
- Seminar, NYC Management Co., Ltd., 2020 the issue on withholding tax and e-withholding tax CPD hour : 7 hours

Position in Company

2015 – Present	Head of Accounting Department Advanced Info Service Plc.
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Position in Other Listed Companies

None

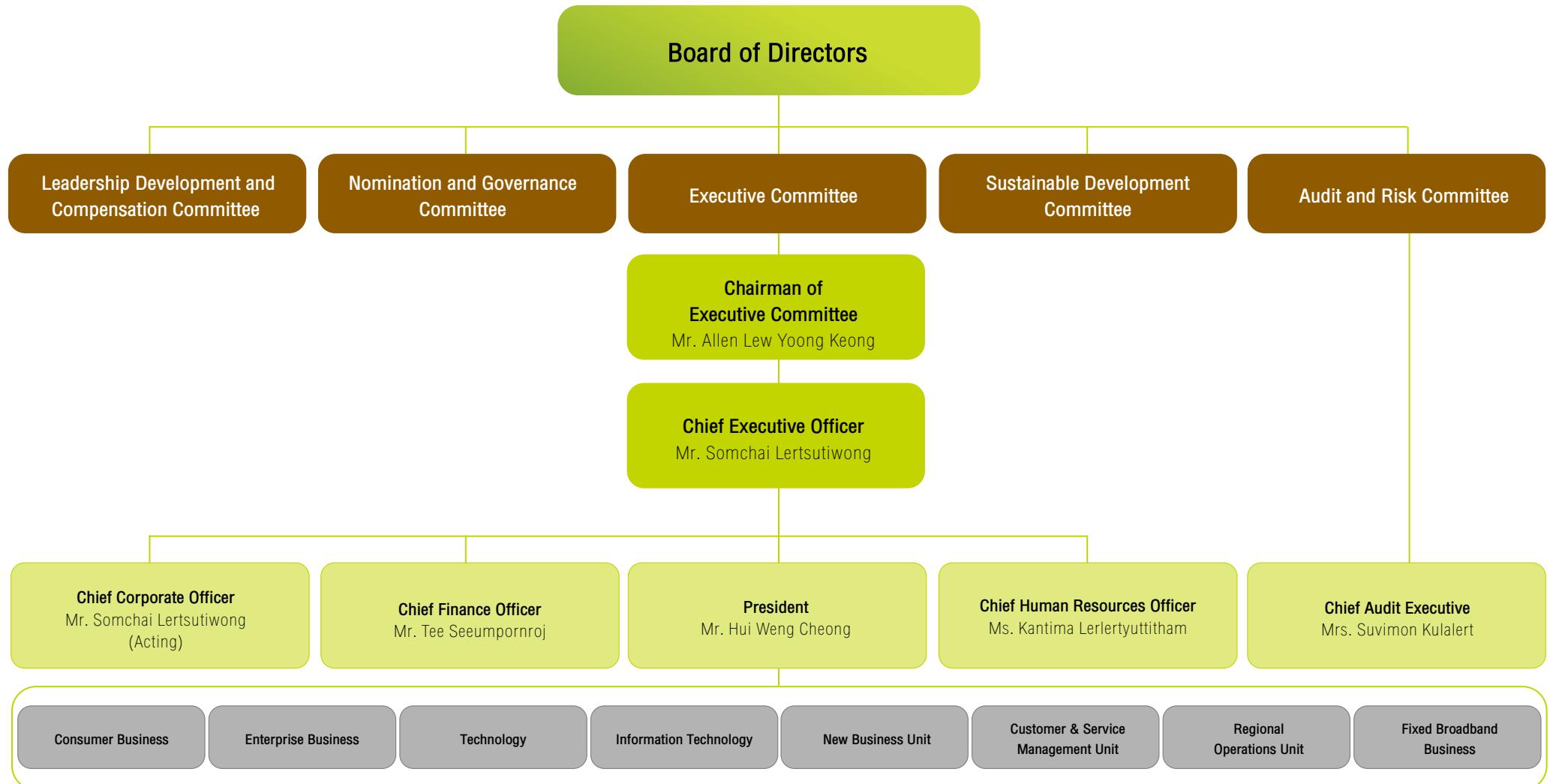
Position in Non Listed Companies

None

Legal Record in past 10 years

None

Management Structure



Board of Directors and Board-Committees

Name	Board of Directors	Board Committees				
		Audit and Risk Committee	Nomination and Governance Committee	Leadership Development and Compensation Committee	Sustainable Development Committee	Executive Committee
Mr. Kan Trakulhoon	Chairman of Board of Directors and Independent Director	-	-	Chairman and Independent Director	-	-
Mr. Somprasong Boonyachai ¹⁾	Non-executive Director	-	-	-	Non-executive Director	-
Mr. Prasan Chuaphanich ²⁾	Independent Director	Independent Director	-	-	Chairman and Independent Director	-
Mr. Surasak Vajasit ¹⁾	Independent Director	Independent Director	Chairman and Independent Director	-	-	-
Ms. Jeann Low Ngiap Jong ^{1) 2)}	Non-executive Director	-	Non-executive Director	-	-	-
Mr. Allen Lew Yoong Keong ¹⁾	Non-executive Director	-	-	Non-executive Director	-	Chairman and Non-executive Director
Mr. Krairit Euchukanonchai ^{1) 2)}	Independent Director	Chairman and Independent Director	Independent Director	-	-	-
Mr. Gerardo C. Ablaza Jr ^{1) 2)}	Independent Director	-	-	Independent Director	-	Independent Director
Mr. Somchai Lertsutiwong ¹⁾	Executive Director	-	-	-	Executive Director	Executive Director
Mr. Hui Weng Cheong ¹⁾	Executive Director	-	-	-	-	-
Mr. Anek Pana-apichon ^{1) 2)}	Non-executive Director	-	-	-	-	Non-executive Director

Remark:

- 1) Mr. Somprasong Boonyachai, Mr. Allen Lew Yoong Keong, Mr. Surasak Vajasit, Ms. Jeann Low Ngiap Jong, Mr. Krairit Euchukanonchai, Mr. Gerardo C. Ablaza, Jr., Mr. Anek Pana-apichon, Mr. Somchai Lertsutiwong and Mr. Hui Weng Cheong are directors who have expertise in telecommunications business. Summary profiles of these directors and executives are shown in section profile of directors and management.
- 2) Mr. Prasan Chuaphanich, Mr. Krairit Euchukanoncha, Mr. Gerardo C. Ablaza, Jr., Ms. Jeann Low Ngiap Jong and Mr. Anek Pana-apichon are directors who have expertise in account and finance. Summary profiles of these directors and executives are shown in section profile of directors and management.
- 3) Investors can look at the Company's definition of independent director criteria at <http://advanc-th.listedcompany.com/misc/cg/20171122-advanc-qualification-independent-en.pdf> The criteria defined by AIS are stricter than the criteria established by the Securities and Exchange Commission and the Stock Exchange of Thailand.



Directors and Management's shareholding in AIS and subsidiaries

As of 31 December 2020, the number of ordinary share includes holding by spouse and minor children.

Note: 1) Appointed as Advisor effective from 1st October 2022

²⁾ Head of Accounting Department

Meeting Attendance Summary

Name	Board of Directors	Meeting Attendance //Total Numbers of Meetings ¹⁾						
		Audit and Risk Committee	Nomination and Governance Committee	Leadership Development and Compensation Committee	Sustainable Development Committee	Executive Committee	Annual General Meeting	
Mr. Kan Trakulhoon	11/11	-	-	7/7	-	-	-	1/1
Mr. Somprasong Boonyachai	11/11	-	-	-	4/4	-	-	1/1
Mr. Prasan Chuaphanich	10/11	13/13	-	-	4/4	-	-	1/1
Mr. Surasak Vajosit	11/11	13/13	5/5	-	-	-	-	1/1
Ms. Jeann Low Ngiap Jong	11/11	-	5/5	-	-	-	-	-
Mr. Allen Lew Yoong Keong	9/11	-	-	7/7	-	12/12	-	-
Mr. Krairit Euchukanonchai	11/11	13/13	5/5	-	-	-	-	1/1
Mr. Gerardo C. Ablaza Jr.	11/11	-	-	7/7	-	12/12	-	-
Mr. Somchai Lertsutiwong	11/11	-	-	-	4/4	12/12	-	1/1
Mr. Hui Weng Cheong	11/11	-	-	-	-	-	-	1/1
Mr. Anek Pana-apichon	11/11	-	-	-	-	12/12	-	1/1

Remarks:

The meeting attendance includes physical and telephone or video conference participation.

Management Team

In addition to the Board of Directors and the Board Committees, the Company supports the performance of the Board of Directors with the following management team:

Mr. Somchai Lertsutiwong	Chief Executive Officer and Acting Chief Corporate Office
Mr. Hui Weng Cheong	President/Chief Operating Officer
Mr. Tee Seeumpornroj	Chief Finance Officer
Ms. Kantima Lerlerttitham	Chief Human Resources Officer

Remuneration for Directors and Management

The Company has specified the remuneration for directors which reflect to their duties and responsibilities and at a rate similar to the industry standards and companies of similar size. The remuneration is considered to be appropriate to retain quality directors within the Company. The remuneration for the directors and management is in accordance with the Company's operational performance and the performance of the individuals.

The Leadership Development and Compensation Committee will determine necessary and appropriate remuneration in both monetary and non-monetary terms for the Company's directors, members of the sub-committees, and the Chief Executive Officer, including

senior executives reporting directly to the Chief Executive Officer. Additionally, the Directors' Compensation Survey published by the Stock Exchange of Thailand and the Thai Institute of Directors Association shall be considered annually.

The remuneration policy and budget for directors and members of the board-committees shall be proposed, respectively, to the Board of Directors meeting and the Company's general shareholders' meeting, which is held on an annual basis.

Directors' Remuneration

Total monetary remuneration for the Chairman of the Board of Directors, independent directors, and non-executive directors totaling 6 persons was Baht 28.42 million. The remuneration was paid from the director's individual performance results and approved by the general meeting of shareholders, held on 23 July 2020, in an amount not exceeding than Baht 36 million which comprised of monthly allowances, meeting allowances and bonus payments.

Directors' remuneration policy for the year 2020

Director	Monetary Remuneration (Baht)		
	Monthly Retainer	Meeting Allowance	Bonus
The Board of Directors			
• Chairman	300,000	x	✓
• Member	75,000	25,000	✓
Audit and Risk Committee/ Executive Committee			
• Chairman	25,000	25,000	✓
• Member	x	25,000	✓
Other Board-Committees			
• Chairman	10,000	25,000	✓
• Member	x	25,000	✓

Notes:

- 1) Directors who are executives or employees of the Company or its controlling shareholders are not entitled to receive such remuneration.
- 2) Chairman of the Board of Directors is not entitled to receive an additional monthly retainer or meeting allowance when he or she holds any chair or membership of the board-committees.

The remuneration for 6 directors in year 2020 is as follows:

Name	Position	Monthly Retainer (Baht)	Meeting Allowance (Baht)	Bonus (Baht)	Others (Baht)
Mr. Kan Trakulhoon	- Independent Director - Chairman of the Board of Directors - Chairman of Leadership Development and Compensation Committee	3,600,000	-	3,160,000	-
Mr. Somprasong Boonyachai	- Vice Chairman of the Board of Directors - Non-executive Director - Member of Sustainable Development Committee	900,000	600,000	2,253,600	-
Mr. Krairit Euchukanonchai	- Independent Director - Chairman of Audit and Risk Committee - Member of Nomination and Governance Committee	1,200,000	1,125,000	3,160,000	-
Mr. Surasak Vajasit	- Independent Director - Chairman of Nomination and Governance Committee - Member of Audit and Risk Committee	1,020,000	1,075,000	2,299,000	-
Mr. Prasan Chuaphanich	- Independent Director - Chairman of Sustainable Development Committee - Member of Audit and Risk Committee	1,020,000	800,000	2,299,000	-
Mr. Gerardo C. Ablaza, Jr.	- Independent Director - Member of Executive Committee - Member of Leadership Development and Compensation Committee	900,000	750,000	2,263,600	-
Total ¹⁾		8,640,000	4,350,000	15,435,200	-

Notes:

1) The above payments are the transactions during 2020 period including bonus 2020 paid in February 2021.

2) Other is per diem which paid to directors in performing their duties for the Company by traveling and overseas.

Management's remuneration

The Company's compensation philosophy seeks to recognize and reward the executives' performance in implementing the approved business plans and policies. The Leadership Development and Compensation Committee, as delegated by the Board, annually reviews and approves the Executives' Compensation Policy, which incorporates the following key elements:

Pay for performance

- Variable compensation is tied directly to the achievement of Company's strategic direction.
- Balanced scorecard is used to measure performance, comprising of financial, customer, internal process and learn & growth metrics.

Shareholder alignment

- Appropriate performance metrics are selected for annual and long-term incentive plans that will support business strategies and enhance value for shareholder.
- Ensure that appropriate success index is set for the company's operational capability, goals, and stretch levels of performance.

Competitive compensation

- Compensation benchmarking helps the Company attract and retain highly experienced and talented individuals.
- A significant proportion of remuneration is linked to performance, both on an annual and long-term basis.

Compensation structure

The compensation provides to CEO and Executives, as approved by the Board, consists of the following components:

Fixed compensation and benefits

Base Salary	Benefits
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+

Performance-related variable compensations

Performance Bonus	Long term Value-Sharing: Compensation
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Base Salary

The level of base compensation reflects each associate key responsibilities, job characteristics, experience and skill sets. It is paid in cash, monthly. Base compensation is reviewed annually, and any increase reflects merit based on performance, as well as market movements.

Benefits

The primary purpose of benefits is to establish a level of security for employees and their dependents with respect to age, health, disability and death. The provident fund, insurance plans, and other welfare provisions are in line with market practices and legislative requirements.

Annual Performance Bonus

Provides a variable level of remuneration dependent on short-term performance against the annual plan, as well as relevant market remuneration benchmarks. The performance bonus is tied to annual Key Performance Indicator (KPI) and weights the various scorecard measures in order to determine overall company and individual performance evaluations and bonus awards.

Long term Value-Sharing Compensation

Long Term Value-Sharing Compensation focuses on a long-term incentive that reinforces the delivery of sustainable growth and increase shareholder value as well as retain key management position. The incentive scheme is intended to drive fundamental performance and business decision that align the interest of shareholders and executives based on the economic profit, absolute total shareholder return, and relative total shareholder return. The compensation is based on three-year performance period and has three-year vesting period. Such award is also subjected to clawback policy in cases such as misconduct, resignation or termination of employment.

Company's Compensation Structure

	CEO	Executives	All Employees	Awarding	Link to compensation principle
Base Salary	/	/	/	Cash - all employees	Attract and retain high quality employees and provided for ongoing performance and delivery in position
Benefits	/	/	/	Provided fund and insurance	Establishes a level of security for employees
Performance Bonus	/	/	/	cash - all employees	Performance-based compensation that reward employees on annual to individual performance
Value-Sharing Compensation (Cash /Equity)	/	/		Cash - Executive Warrants to purchase the ordinary shares of the Company	Performance-based compensation that reward employees on annual to individual performance Drives fundamental performance that aligns interests of shareholders and the Executives based on total shareholder return and economic profit performance of the Company

In 2020, the total amount of remunerations for four (4) executives of the management team was calculated at Baht 74.96* million comprised of salary, bonus, provident fund and other benefits.

Remark* : The total remuneration for management in the amount of Baht 74.96 million includes Mr. Weerawat Kiattipongthaworn's remuneration as CCO during the period from 1 January 2020 - 30 September 2020

Warrants

The Company has issued warrants as part of the long term performance-base incentive from 2013 to 2017. The top 4 executives, defined by the notification of the Office of Securities and Exchange Commission, were granted the warrants as follows.

		2017	%	2016	%	2015	%	2014	%	2013	%	Total
1. Mr. Somchai Lertsutiwong	Units	88,700	6.3	56,800	6.87	51,600	5.92	29,816	4.38	19,824	4.89	246,740
2. Mr. Weerawat kiattipongthaworn	Units	44,300	3.1	30,200	3.65	30,174	3.46	27,116	3.99	19,864	4.90	151,654
3. Ms. Kantima Lerlertyuttitham	Units	44,300	3.1	33,200	4.01	0	n/a	0	n/a	0	n/a	77,500

Notes: % of total warrants issued.

The Authorized Directors

Any two of the following three directors namely: Mr. Somchai Lertsutiwong, Mr. Anek Pana-apichon or Mr. Hui Weng Cheong jointly sign with the Company's seal affixed.

The Scope of Authority and Duties of the Board of Directors and Board-committees

The Board of Directors

The Board of Directors is the representative of all shareholders, not of a particular group of shareholders. Nonetheless, the number of directors nominated by the controlling shareholders is in corresponding fairly to the shareholding percentage in the Company. The scope of authority and duties of the Board of Directors is as follows:

1. Perform its duties with honesty, integrity and prudence in accordance with the law and the Company's objectives and Articles of Association including the resolutions of shareholders' meeting, and carefully protect the Company's interests;
2. Set out the vision, policy and direction of the Company's operations and supervise the management team to act in accordance with the plans which are set out efficiency and effectively, and thereby maximize the economic value and wealth of the Company and its shareholders;
3. Consider and approve major issues such as large investments, purchase of assets etc. and any actions/transactions as prescribed by law;
4. Approve and/or agree to major related transactions between the Company and its subsidiaries in compliance with the relevant notifications, regulations and guidelines of the Stock Exchange of Thailand;

5. Assess the performance of the Chief Executive Officer and high-level executives, and assign appropriate remuneration on a regular basis;
6. Be responsible for overseeing operational results and the management team's performance to ensure due attentiveness and care;
7. Arrange appropriate accounting systems, including the production of financial reports and a reliable auditing system; oversee and monitor the effectiveness and efficiency of the internal control, internal audit and risk management systems;
8. Ensure avoidance of conflict of interests amongst the Company's stakeholders;
9. Supervise business operations to enforce ethical work standards;
10. Annually review the Company's Corporate Governance Policy and assess due compliance;
11. Report on the execution of the Board of Directors' responsibility to prepare financial reports, along with the external auditor's report in the annual report covering key issues according to the Company's policy statement and the Stock Exchange of Thailand's Code of Best Practices for Directors of a Listed Company.

- Material contracts
- Material litigation
- Dividend policy

The segregation of duty of the Board of Directors and Management

The Board of Directors has its duty to govern the operations in accordance with the provisions of the law, the Company's objectives, articles of association, the resolutions of the shareholders' meetings, and the Corporate Governance Policy. In governing the Company, the directors must exercise their business judgment and act in what they reasonably believe to be the best interests of the Company and its shareholders. The Management is responsible for implementing the Company's strategy, achieving the planned objectives, and handling the day-to-day administration and affairs of the Company. The Chairman of the Board is an independent director who has not authorized to sign and bind the Company.

The segregation of duty of Chairman of the Board of Directors and Chief Executive Officer

The Chairman of the Board of Directors and the Chief Executive Officer shall not be held by the same person and both are competent with the appropriate experience and qualifications for their positions.

Reserved key matters for the Board's approval

The Board of Directors has reserved its authorization over certain matters so as to protect the highest interests of the Company and its shareholders, including:

- Capital expenditure and expense which exceeds the approval authority of the relevant sub-committee or executives
- Strategic investments in new business and divestments
- Significant policies

Roles of Chairman of the Board of Directors	Roles of Chief Executive Officer
<ul style="list-style-type: none"> • To perform leadership roles of the Board of Directors; • To perform chairperson' roles of the Board of Directors' meeting, the Shareholders' meeting and the Non-Executive Directors' meeting; • To collaborate with Chief Executive Officer in setting the Board meeting agenda; • To promote directors' contribution to the company's ethical culture and good corporate governance; • To promote directors to debate important matters thoroughly; • To coordinate with directors and executives for the constructive relations 	<ul style="list-style-type: none"> • To formulate and identify vision statement, mission, strategies, business plan and annual balance scorecard (BSC) index propose to the Board of Directors for approval. Monitor the progress against budget and plan as well as report the results to the Board of Directors regularly; • To manage and control the business of the company in accordance with the company's vision statement, mission, strategies, and business plan; • To seek for new business opportunities which are consistent with the company's vision, direction and strategies; • To reserve and strengthen the capability of competent management team to achieve the company's goals and strategies. Identify and recruit qualified candidates to succeed senior management; • To coordinate with directors and executives.

The Audit and Risk Committee

1. Review the accuracy of the Company's financial reports in accordance with legally defined Accounting Standards and Financial Reporting Standards, and to ensure there is adequate disclosure;
2. Review the qualifications, independence, and overall performance of the external auditors including rotation of the external auditors and recommend to the Board on the proposal to shareholders on the appointment, reappointment or removal of the external auditors, and the auditor's remuneration, as well as to make a decision in the case where the management and the external auditors cannot agree on financial reports or limitations of audit engagement;
3. Hold a meeting with the external auditor without management in attendance, at least once a year;
4. Review the policy on the engagement of the external audit firm to provide a non-audit service to the Company;
5. Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine the Internal Audit's independence, as well as to

approve the appointment, transfer, dismissal, performance appraisal and remuneration of the Chief Audit Executive, and to hold a meeting with the Chief Audit Executive without management in attendance in order to review limitations of internal audit engagement that might impair independence;

6. Review and approve the Internal Audit Charter, annual audit plan and activities of Internal Audit, and coordinate with the external auditor;
7. Oversee that quality of the Internal Audit be reviewed independently by external assessor once every 5 years;
8. Review that the Company has established an appropriate and effective risk management system, and to support the Board of Directors in overseeing enterprise risks, whereby the Committee shall have the following duties and responsibilities:
 - a. to consider the Company's enterprise risk management framework which comprises risk appetite, risk capacity, and tolerance, including enterprise risk management, and to review adequacy of the enterprise risk management policy prescribed by Risk Management Committee prior to the proposal to the Board of Directors;
 - b. to independently consider and recommend to the Board of Directors the enterprise risk oversight to ensure appropriate risk assessment, monitoring, reporting and control activities;
 - c. to assess adequacy and appropriateness of strategic risk management for the business sustainability by overseeing and balancing performance and risk taking, as well as to consider risks impacting all concerned stakeholders and persons;

9. Review that the Company complies with the requirements of The Securities and Exchange Commission, SET and all laws relating to its business;
10. Review all connected transactions and possible conflicts of interest to ensure they are in compliance with the laws and regulations of Regulators to ensure that all transactions are reasonable and beneficial to the Company and all its stakeholders;
11. Review the Company's compliance with Fraud and/or Misconduct Reporting and Whistleblower Protection Policy, consider all concerns of misconduct or fraud and the investigation report quarterly, be one channel to receive the notification of complaints according to such policy, and concur on the preparation and revision of Fraud and/or Misconduct Reporting and Whistleblower Protection Guideline;
12. Oversee the Anti-Bribery and Corruption Policy and its programme to ensure compliance with legal and ethical obligations;
13. Prepare, and to disclose in the Company's annual report, an Audit and Risk Committee's report which must be signed by the Committee's Chairman and consist of at least the following information:
 - a. an opinion on the accuracy, completeness and credibility of the Company's financial report;
 - b. an opinion on the adequacy of the Company's internal control system and the effectiveness of risk management;
 - c. an opinion on the compliance with the law on securities and exchange, SET's regulations, or the laws relating to the Company's business;
- d. an opinion on the suitability of an auditor;
- e. an opinion on the transactions that may lead to conflicts of interests;
- f. the number of the Committee meetings, and the attendance of such meetings by each committee member;
- g. an opinion or overview comment received by the Committee from its performance of duties in accordance with the charter; and
- h. other transactions which, according to the Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors;
14. Continue the inspection when the external auditor informs regarding any suspicious circumstance that the director, manager or any person responsible for the operation of such juristic person commits an offence under the law on the Securities and Exchange and the Audit and Risk Committee shall report the result of preliminary inspection to the Office of the Securities and Exchange Commission and the external auditor within thirty days;
15. Report the discussion and/or decision of the Audit and Risk Committee at its meetings and make recommendation as necessary to the Board of Directors at least four times a year. In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts, which may materially affect the Company's financial condition and operating results, the Audit and Risk Committee shall report it to the Board of Directors for rectification within the period of time that the Audit and Risk Committee thinks fit:
 - (1) Any transaction which causes any conflict of interest; or
 - (2) Any fraud, irregularity, or material defect in an internal control system; or
 - (3) Any infringement of the law on securities and exchange, SET's regulations, or any law relating to the Company's business.
- If the Company's Board of Directors or management fails to make a rectification within the period of time under the first paragraph, any Audit and Risk Committee Member may report on the transaction or act under the first paragraph to the Office of the Securities and Exchange Commission or SET;
16. Have the authority to invite concerned executives, management and officers of the Company to express opinions, attend meetings or deliver documents as deemed necessary;
17. In performing their duties and responsibilities assigned, the Audit and Risk Committee may engage consultants or experts to provide opinions, advice or work, if necessary;
18. Conduct the Audit and Risk Committee's individual and group self-performance assessment annually;
19. Review this charter annually and propose to the Board of Directors for approval if changes are needed;
20. Perform other duties as assigned by the Board of Directors of the Company with the consent of the Audit and Risk Committee.

The Leadership Development and Compensation Committee

1. Fix appropriate annual remuneration in monetary and/or non-monetary form for the Board of Directors, committee members, and high level executives for the benefit of shareholders as a whole;
2. Prepare policy and guidelines to designate appropriate remuneration of the Board of Directors and high level executives to be proposed to the Board of Directors and/or the shareholders' meetings for approval;
3. Review and approve the Company's performance in order to determine the annual KPI bonus and merit-based salary increase across the Company;
4. Consider and approve the Long Term Incentive Plan and related practices;
5. Consider and approve the performance evaluation of the Company's Chief Executive Officer and those high-level executives who report directly to the Chief Executive Officer in order to determine their annual bonus, merit-based salary increase and long term incentives;
6. Consider and approve the annual bonus allocation of the Board of Directors;
7. Disclose policies governing the directors' remuneration in the annual report;
8. In consultation with the Chief Executive Officer, identify and evaluate potential successors for the Chief Executive Officer position and those high level executives who report directly to the Chief Executive Officer, and report annually to the Board of Directors on executive succession planning;

9. In consultation with the Chief Executive Officer, prepare succession planning policies for the Chief Executive Officer position and those high level executives who report directly to the Chief Executive Officer;
10. Oversee the process by which the Chief Executive Officer and high level executives;
11. Engage consultants or independent persons to provide opinions or advice if necessary, especially on leadership development;
12. The Committee is accountable to the Board of Directors and under obligation to explain its decisions at the shareholders' meetings, and answer any questions that may arise;
13. Annually review and reassess the adequacy of the charter and proposed any changes to the Board of Directors for approval;
14. Report regularly to the Board of Directors on matters within the scope of the Committee, as well as any special issues that merit the Board of Directors' attention;
15. Request members of the management or staff to attend the Committee meetings or provide pertinent information on the matters under discussion;
16. Perform other tasks requested by the Board of Directors.

The Nomination and Governance Committee

1. Draw up criteria and policy with respect to nomination of Board members and committee members of the Company;
2. Supervise implementation of the policy on the good corporate governance of the Company, annually review such policy including recommendation of any revision thereof for further consideration by the Board of Directors;

3. Consider and nominate appropriate persons to become Board members and/or committee members to be proposed to and approved by the Board of Directors and/or at shareholders' meetings, as the case may be; and
4. Perform other tasks as designated by the Board of Directors.

The Sustainable Development Committee

1. Define policy, strategy, operating target and sufficient budget including any other relevant action in connection with sustainability development and propose to the Board of Directors for approval;
2. Propose any material issues of the Company in connection with sustainability development to the Board of Directors for consideration;
3. Ensure that the implementation of sustainability development policy and strategy meets the target;
4. Advise and assist the Chief Executive Officer concerning the sustainability development operations;
5. Report the sustainability development performance to the Board of Directors;
6. Review the sustainability development report and propose to the Board of Directors for approval;
7. Oversee the compliance of Human Rights Policy
8. Perform other tasks as designated by the Board of Directors.

The Executive Committee

1. Formulate the Company's strategic direction, management structure, and annual business plan and budget for the Board of Directors' approval;

2. Manage the Company's business operations in order to achieve the planned objectives and targets;
3. Monitor the Company's financial and operating results, and keep the Board members informed by monthly report;
4. Identify and evaluate new business opportunities;
5. Review and make recommendations to the Board of Directors regarding the Company's dividend policy;
6. Review and approve all transactions concerning investments and disposal of assets, human resource management, finance and treasury, general administration and any other transaction related to the Company's business within the limits of delegated approval authority granted by the Board of Directors;
7. Review matters that require the Board of Directors' approval and make appropriate recommendations with the exception of activities that have been delegated to other Board sub-committees;
8. The Committee may delegate its authority to any member of the management or staff as it deems appropriate. However, such authority does not permit the Committee or appointed persons to approve any transaction between them or related persons having mutual benefits or conflicts of interest (as prescribed in the Company's Articles of Association and Notifications of the Securities and Exchange Commission). The approval for transactions shall be in accordance with the policies and principles already determined by the Board of Directors and regulatory bodies;
9. Engage consultants or independent persons to provide opinions or advices if necessary;
10. The Committee may ask members of the management or other persons to attend its meetings or provide pertinent information as necessary;

11. Report to the Board of Directors on a quarterly basis regarding the material actions taken by the Committee under the Chief Executive Officer Report agenda;
12. Annually review its own performance and assess the adequacy of the Charter, which may be done in conjunction with the annual evaluation of the Board of Directors and its other committees, conducted under the oversight of the Nomination and Governance Committee; and
13. Take any other action or assume any other powers and responsibilities that may from time to time be assigned or delegated to the Committee by the Board of Directors.

Nomination of Directors and Management

Criteria and Procedure for Director Nomination

1. The Nomination and Governance Committee (NGC) is responsible for identifying and selecting qualified candidates to be appointed by the Board of Directors or proposed through the Board of Directors for election at the shareholders' meetings in accordance with the Company's Articles of Association.
2. In connection therewith board skill matrix to identify gaps in the board of directors' current composition conducting, the NGC consider overall compositions of skills and qualification of present directors and current profile of new nominated directors, characteristics required of directors' diversity (i.e. gender, age, and experience), illegal records, and the Company's current and future business directions. In conducting annual review of nomination criteria and procedures, the NGC also consider in term of identifying nominating candidates by the sources of recommendations from current board members

and shareholders, professional search firm, or Thai Institute of Directors' director pool, etc.

3. In determining whether to recommend a director for re-election, the director's performance, history of attendance at and participation in meetings, and other contributions to the activities undertaken by the Board of Directors are taken in to consideration.
4. In case of independent directors, their respective independence qualifications shall also be considered. The appointment procedure of the Board members at the shareholders' meeting shall be as follows:
 - (1) Each shareholder shall be entitled to one vote for each shareholding;
 - (2) Each shareholder shall be entitled to cast all the votes as defined under (1) to elect one or several persons to be the Company's director(s) but cannot split their votes for any particular person or persons;
 - (3) Persons who receive the highest number of votes, arranged in order from highest to lowest in a number equal to that of the number of directors to be appointed, are elected to be the Company's directors. In the event of a tie at a lower place, which would make the number of directors more than required, the Chairman of the meeting shall have the casting vote.

In the case of a vacancy in the position of director, for reasons other than the completion of the term, the Board of Directors shall appoint a new director, with the required qualifications, and without any characteristics that would prohibit him/her from acting as director, to serve as a new director in the board meeting, excluding such case where the remaining term is less than two months. Such appointed

director shall assume the position for the remaining term of the vacating director. To approve such new director appointment, a resolution must be passed by not less than three-fourths of the total remaining directors.

The Company provides an opportunity for minority shareholders to nominate qualified candidates for election as the Company's directors in advance, at least three months prior to the fiscal year end date and through SET's disclosure channel. In 2020, no minority shareholder nominated a candidate for director appointment.

Nomination of Chief Executive Officer and Management

The Leadership Development and Compensation Committee shall nominate the suitable person(s) either internally or externally including the preparation of a succession plan relating thereto on the principle of considering the qualified person(s) either internally or externally. The Leadership Development and Compensation Committee may consider hiring professional consultants if required.

In addition, the Company shall prepare the succession plan of the high level head of unit up by identifying the suitable persons to hold such positions, and shall utilize the human resource development and management system to prepare the subordinates for succession. On 16 July 2020, the Leadership Development and Compensation Committee proposed the top executive succession plan to the Board of Directors' Meeting including recommendations in relation thereto for further improvement of succession plan.

Term of Directors

Term of Directorship

1. According to the Public Companies Act B.E. 2535 and the Articles of Association, at the annual general meeting of shareholders, one-third of the directors shall vacate office. If one-third is not a round number, the number closest thereto shall be the applicable number. The directors who have held office the longest shall vacate. The vacating directors may be re-elected.
2. In the case of a vacancy in the position of director, for reasons other than the completion of the term, the Board of Directors shall appoint a new director, with the required qualifications and without any characteristics that would prohibit him/her from acting as director, according to article 68 of the Public Companies Act B.E. 2535, to serve as a new director in the board meeting, excluding such case where the remaining term is less than two months. Such appointed directors shall assume the position for the remaining term of the vacating director.

Term of Membership of Audit and Risk Committee

- (1) A Committee Member shall serve for a term as long as they are serving on the Board of Directors. A retiring member may be re-elected. For a committee member who has completed a total of nine years, or three consecutive terms, the Board of Directors shall review their respective independent qualifications each year.

- (2) A Committee Member who wishes to resign during his or her term of office must give notice to the Chairman of the Board of Directors. The resignation date is effective upon the Company receiving the notice. A new qualified member shall be considered to fill the vacancy for the remaining unexpired term. The Board of Directors must fill the vacancy within 90 days from the date on which such Committee Member resigned.

In the case that all members vacate office except otherwise by reason of disqualification or as prohibited by law, the Audit Committee shall remain in office as necessary until a new Audit Committee is appointed.

Term of Membership of Other Board Committees

- (1) Members of the Board Committees may hold their posts for as long as they are serving on the Board of Directors. Any Member who vacates office at the end of their term may be re-elected.
- (2) In addition to section (1), membership of the Board Committees will be automatically cancelled in the following situations: Death, Resignation, being disqualified as sub-committee, Removal from office by resolution of the Board of Directors.

Personnel

In 2020, the total amount of compensation for all employees of the Company and its subsidiaries was Baht 8,445 million, comprising salary, bonus and provident fund payments and as of 31 December 2020, the Company and its subsidiaries consist of 14,103 employees (including temporary staff). The proportion of employees participating in the provident fund is 52.43% of the total number of employees. The number of employee as follow:

Key Operations	Number of Employees
Regional operations	3,382
Contact center	3,155
Technology and information	2,306
Consumer business	1,850
Enterprise business	2,020
Fixed broadband business	441
Finance	408
Human resources	239
New business	109
Other business	193
Total	14,103

The Company and its subsidiaries have put in place the recruitment guideline, along with retention guideline for quality employees as well as collaborating with leading universities in Thailand and abroad to organize activities, while introducing the organization. The Company also offers career opportunities to talented students to join AIS and to come up with new ideas for new businesses, while retaining quality employees. AIS also place a great emphasis on

assisting employees to develop a plan for career growth, especially a group of highly qualified employees. In this regard, employees are guided by their supervisors and they are provided with a set tool to assist them in developing a group of employee in order to match the “AIS career framework”.

Human Capital Development

In terms of human capital development, AIS has established AIS Academy and Technical Knowledge Management (“TKM”) in order to create and develop online and offline training courses (i.e. LearnDi platform and conventional classroom), along with encouraging employees to read via ReadDi platform provided that the Company has introduced a new learning strategy by focusing on Reskill and Upskill employees as follows: 1. Offering variety of training courses (i.e. RPA, 5G, ISO 22301: Business Continuity Management System (“BCMS”)) in order to create new abilities for new businesses, 2. Requiring employees to develop Individual Development Plan (“IDP”), 3.Specifying leadership development plan for key positions, 4. Collaborating with external organizations to co-develop new training courses in order to enhance knowledge and skills (i.e. 5G (technical and non-technical, including develop standardized work procedure to stay consistence with international standard (i.e. ISO 27001: 2013 – Information Security Management System) and 5. Arranging to have standardized evaluation tool to properly assess the employees’ learning results, including individual performance. In this regard, further detailed information pertaining to “Human Capital Development” can be found in the 2020 Sustainable Development Report.

Compensation and Benefits

In terms of compensation and benefits, the Company has specified a clear compensation policy which encompasses board of director, top management and staff in order to stay consistence with individual and corporate performance. The Company has considered appropriate compensation package which is in compliance with the law and standard paving the way for the Company to compete within the industry. Furthermore, the Company has arranged to have benefits for board of directors, top management and staffs, for instance, child scholarship, funeral allowance, marriage allowance, disaster allowance, etc.

Communication and Fostering a Good Relationship among Employees

In addition, the Company has been fostering a good relationship among employees from all levels through fair treatment and communication. During the past year, the Company and its subsidiaries have utilized effective communication tool (i.e. MS Team application) to facilitate employee’s communication, along with other communication channels such as AIS DiGi, Podcast, CEO’s message to staffs “From the desk of CEO”, Help me Please, including SMS, e-mails or People Champion’s representatives in each business unit.

Company Secretary Mr. Chavin Chaivatcharaporn has been assigned to perform duties in accordance with Section 89/15 of the Securities and Exchange Act B.E. 2535 (1992) and to give advice to the Board of Directors in order to comply with relevant rules and regulations

pertaining to responsibilities of directors. In this regard, Company Secretary also ensures that the Company acts in accordance with the Board of Directors' resolution as well as ensures that the Board of Directors acts in compliance with related laws and Notifications.

Head of Compliance As Head of Compliance, Ms. Nattiya Poapongsakorn is responsible for overseeing the Company's operations and transactions to ensure that the company is in compliance with SET/SEC regulations for listed companies and other enforcements related to Public Company Limited Acts.

In this regard, the credentials of the company secretary and head of compliance are shown in section profile of directors and management.

Audit fee and non-audit fee

In 2020, audit fee and non-audit fee of the Company and its subsidiaries are as follows:

The Company's audit fee

The Company's Audit fee	1,714,000
Annual audit fee for the consolidated financial statements, and quarterly review fee for the financial statements	712,000
Total	2,426,000

The aforementioned audit fee for the year 2020 excluded non-audit fee paid for the valuation assurance of the Company's the fifth warrants to purchase ordinary share granted to executives in the amount of Baht 30,000 and the out of pocket expense in the amount of Baht 195,002.

The Company's subsidiaries audit fee

Subsidiaries: Audit fee and quarterly review fee (Baht) 8,913,900

Number of Subsidiaries (companies) 18

*Advanced Data Network Communications Co., Ltd. registered its dissolution on September 1, 2020 and the company has set up new subsidiary, LearnDi Co., Ltd. registered on July 3, 2020

The above audit fees for the year 2020 excluded non-audit fees paid by subsidiaries for the auditing fee relating ledger account in telecommunication industry and others in the amount of Baht 961,000 and out of pocket expense in the amount of Baht 491,429 to audit firm and persons or business related to the auditors and the audit firm and other audit firm.

Internal Control

AIS constructed an internal control system using the COSO Internal Control – Integrated Framework 2013 (COSO 2013) of the Committee of Sponsoring Organizations of the Treadway Commission, which comprises 5 components and 17 principles. The purpose of the system is achieving key objectives in business operation, financial reporting and compliance with relevant regulations. It also supports the enhancement of business performance and safeguards shareholder investments and company assets.

Board Meeting No. 1/2021 on 28 January 2021, attended by five independent members, three of which are Audit and Risk Committee members, assessed the AIS internal control system in accordance with assessment guidelines from the Securities and Exchange Commission (SEC) based on documentation prepared by management and the Audit and Risk Committee Report. The assessment covered the five components of internal control, risk assessment, operations control, information and communication and monitoring. The Board of Directors concluded that AIS has appropriate and adequate internal controls, whereby an adequate number of competent employees have been assigned to perform duties to ensure efficient operation. AIS also established and deployed internal control systems to oversee its subsidiaries so as to safeguard assets from misuse and to prevent engagement in businesses that could cause a conflict of interest. The Board assessed that AIS and its subsidiaries have adequate internal controls.

In addition, consolidated and separate financial statements of AIS and its subsidiaries ended 31 December, 2020 were audited by independent certified public accountants in compliance with Thai Standards on Auditing (“TSAs”). The external auditors exercise professional judgment; maintain professional skepticism and address concerns throughout the audit. The external auditors also identify and assess the risk of material misstatements in consolidated and separate financial statements, whether due to fraud or error, then design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or an override of internal control. Furthermore, external auditors obtain an understanding of internal controls relevant to the audit in order to design procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of AIS and its subsidiaries’ internal control. After auditing, the external auditors express unmodified opinions on the consolidated and separate financial statements of AIS and its subsidiaries.

Internal control activities in 2020 can be summarized as follows:

Control Environment

- **AIS is committed to integrity and ethical values. The Board of Directors and management established a Corporate Governance Policy, Code of Business Ethics and Anti-Bribery and Corruption Policy** to have directors, executives and employees embrace integrity, ethical values, honesty, accountability, transparency, and legal compliance with the interests of business partners, communities and the environment taken into consideration. In addition, the Audit and Risk Committee is tasked with the oversight of the Anti-Bribery and Corruption Policy and related measures. The Business Ethics Committee, which is chaired by the Chief Executive Officer (CEO), was established with the task of promoting integrity and ethical values among AIS executives, personnel, and any related parties including outsourced staff and business partners. Understanding of the Code of Business Ethics and the Anti-Bribery and Corruption Policy has been evaluated annually for the ninth (9th) year and fifth (5th) year, respectively.

Furthermore, in 2010, the Board of Directors approved the Fraud and/or Misconduct Reporting and Whistleblower Protection Policy (previously known as “Reporting and Investigation of Misconduct and/or Fraud and Whistleblower Protection Policy”) and a guideline for fraud and/or misconduct reporting and whistleblower protection in support of the policy accepted by the Audit and Risk Committee in order to provide whistleblowing channels and parameters for receiving complaints, confidentiality, whistle-blower protection, investigation, and penalties on perpetrators.

- **The Board of Directors oversees Management and is independent from Management.** The board is comprised of a diverse range of capable individuals. The Chairman of the Board of Directors is independent along with one-third or 46% of board members. For details, please see Management Structure page 131. Sub-committees of the board oversee and supervise internal audit, risk management, sustainability, good governance, development and remuneration for the committee. Results of each committee are reported to the Board of Directors every quarter. For details, please see Management Structure page 152.
- **Management designates the appropriate structure and reporting composition of the company to achieve its various goals under the oversight of the Board of Directors.** Emphasis is placed on balance, prudence, agility, and receptiveness to disruption. Authority and responsibilities are delegated to employees based

on the demonstrated competence of each person. Division of duties is applied to ensure checks and balances. All personnel are responsible and accountable for internal controls, while the Office of Internal Audit performs its duties independently, reporting to the Audit and Risk Committee, which oversees internal auditing to ensure checks and balances.

- **AIS devotes great importance to its personnel and maintains fostering the “FIT, FUN, FAIR” corporate culture as a core mission.** The focus is on maintaining personnel who are competent, perform their duties professionally with a sense of ownership to the business as well as creating innovative and modern workplace. The corporate mission and culture aims to create work-life balance, encourage loyalty to the company and retain high potential personnel with strong commitment. AIS has also created a culture of innovation for employees in keeping with its goal to be an Innovation Organization through communications, activities and management support. For more details, please see the Human Capital Development section of the AIS Sustainability Report at <https://sustainability.ais.co.th/en/sustainability-priorities/human-capital-development>, page 52. AIS Academy, the training and development unit, works to develop managerial and leadership competencies through collaboration with leading universities, both domestic and abroad, in order to customize learning program that suits to enhance the capabilities of employees to keep pace with a changing business environment. Personnel are encouraged to improve their knowledge and skills through approaches such as

classrooms, on-the-job training, internal and external training, e-learning, etc. The Company maintains a policy for employees and their superiors to design and carry out Individual Development Plans (IDP) annually to build and maintain knowledge, skills, and capabilities underpinning each employees’ current and future career, as well as to lay a foundation towards career development. Corporate culture and core values are considered in order to create a positive work environment, facilitate lifelong learning, spur employee achievement and create a sense of pride to support sustainable business operations.

- **The Board of Directors maintains a succession plan to ensure business continuity** covering succession of Senior Management, such as Chief Executive Officers, to the core business unit Heads. The succession plan which entails identifying and developing future leaders serves to ensure proper preparation of potential leaders for their future roles. The company also works with independent consultants who provide tools and approaches that meet internationally accepted standard. In 2020, the succession plan and procedures covered those at the manager level and above. In addition, the Company identified key functions to set the plan to facilitate business continuity. For example, the system development process relating to engineering and IT systems operated by service providers requires periodic knowledge transfers as well as systematic documentation to ensure continuity of workflow.

- **Each year, the Board of Directors and Senior Management establish a Balanced Scorecard and key performance indicators** to evaluate actual performance against goals in order to ensure proper practice and direction. Performance measurements are set by taking both qualitative and quantitative factors into consideration, at all levels including the Board of Directors, executives, permanent and temporary employees and outsourced staff. Every performance evaluation comprises objective appraisals and behavioral appraisals according to the corporate culture and supervisors must provide positive and negative feedback to their subordinates in order to encourage them to improve their performances as well as to ensure compliance with the Code of Conduct. Senior Management has mandated superiors jointly set objectives and goals with their subordinates.

Risk Assessment

- **AIS devotes importance to the management of risks relevant to the achievement of its objectives and manages risks at the organization-wide and operations levels.** The Risk Management Committee collaborates with the Enterprise Risk Management Department to carry out risk assessment and management. For details, please see Risk Management, page 45-50. From 1st January, 2019, the Board of Directors placed the company risk management framework under the purview of the Audit and Risk Committee. The framework comprises relevant policies, risk appetite, risk capacity, and tolerance. The Audit and

Risk Committee reviews risk management and the adequacy of risk management policies stipulated by the Risk Management Committee prior to proposal to the Board of Directors. The Audit and Risk Committee is also responsible for considering and providing advice on risk oversight to the Board of Directors and assessing the adequacy and appropriateness of strategic risk management.

Control Activities

- **AIS maintains written control measures appropriate to its risks and specific characteristics** with consideration to its environment, complexity, features and operational scope. The measures extend to processes such as policies and regulations to do with finances, purchasing, transactions and asset trading by Board members, executives and employees and cover approval authority for different items across the different levels of management. These activities mix manual controls and automatic controls for preventive control and detective control. Record keeping, approval and relevant resource management are kept separate for checks and balances. All policies and regulations are reviewed periodically for appropriateness.
- **AIS has selected and developed appropriate technological control systems** to ensure the integrity, continuity, security, development and maintenance of its information technology system and assigned a dedicated department to maintain its technology infrastructures and software. In addition, the Managing Personal Data and Cyber

Security Committee was formed to establish policies, directions, principles and frameworks for cybersecurity management and personal data protection. The Committee is also tasked with educating personnel to ensure compliance with policies, standards, frameworks and instructions; and to provide recommendations and legal advice to ensure accurate and appropriate practices. From this foundation, AIS has secured the computer and information systems of itself and its subsidiaries from any intrusion, theft, destruction, interruption, or infiltration that would damage its business operations and protects customer data as required by law. For details, please see Protection of IT Security and Data Privacy, page 28-43. Moreover, AIS manages internal and external threats by limiting access to critical information systems such as mobile networks, computer networks and databases while maintaining a dedicated team for responding to violations. Automated monitoring takes place around the clock and relevant teams are notified to take action if a breach occurs.

- **The Board of Directors, management and supervisors are responsible for clarifying purposes and internal control activities to all relevant personnel to ensure proper practice.** All units of Management form the Company's Second Line of Defense while the Office of Internal Audit serves as the Third Line of Defense, defending the Company from risks and providing guidance on designing effective internal controls.

Information & Communication

- **AIS emphasizes quality information to underpin internal control activities.** AIS information systems are efficient, up-to-date and continually improved to allow for the processing of large amounts of data into managerial information (Big Data analysis) in a timely manner, empowering competitiveness with consideration to costs and benefits.
- **AIS regularly produces material reports for its Board of Directors to inform decision making** or ahead of board meetings as required by law, as well as produces minutes of such meetings with adequate detail for storage by the Company Secretary Office for review or reference.
- **AIS maintains efficient internal communication.** An internal communication team communicates strategies and transmits messages internally through several efficient channels such as the AIS DooDi web portal, Microsoft Teams application, SMS, e-mail, and People Champions. Supplementary channels include the “Aunjai Station” podcast, which allows for closer ties between staff and executives via the AIS LearnDi platform, Town Hall meetings for special activities and live broadcasts of important announcements to all employees to ensure inclusive sharing of pertinent information. In addition, the Company also provides communication channels via Board Portal and the Company Secretary Office for the Board of Directors, Executive Committee and Sub-Committee.

- **Directors, management, employees, stakeholders and outsiders can safely report cases of misconduct or fraud** via channels prescribed in the Fraud and/or Misconduct Reporting and Whistleblower Protection Policy, or directly to the Audit and Risk Committee at e-mail: AuditandRiskCommittee@ais.co.th, to Chief Executive Officers at the Company’s address, to the Chief Human Resources Officer at e-mail: HR-Nokweed@ais.co.th, to the Chief Audit Executive at e-mail: nokweed@ais.co.th, or to the Company Secretary at e-mail: Companysecretary@ais.co.th as well as to the Nokweed hotline 020293333. Under the Fraud and/or Misconduct Reporting and Whistleblower Protection Policy, informants shall be protected. Towards raising awareness on misconduct and fraud, AIS depicting infractions and penalties through illustrated cartoons with names concealed.
- **Communication with outside stakeholders is done through the Company Secretariat Office and Investor Relations.** Channels are also available for inquiry and recommendation to the Board of Directors. More information can be found at page 137 and page 141.

Monitoring Activities

- **AIS Management and Supervisors established processes to monitor the effectiveness of the internal control system** such as follow-up meetings, irregularity investigation and control self-assessment, whereby the Office of Internal Audit is tasked with assessing the effectiveness of internal control systems

independently, and reports results to the Audit and Risk Committee on a monthly basis. The Audit and Risk Committee presents findings to the Board of Directors and hold meetings with External Auditors to assess the adequacy and effectiveness of internal control systems on a quarterly basis.

- **When a significant internal control defect is detected, Management analyzes the root cause** and assigns employees to remedy the issue in a timely manner. The Board of Directors has prescribed levels of deficiencies that require Management or the Office of Internal Audit to report to the Board of Directors immediately; for example, matters with high financial impact, damage to Company reputation, non-compliance with laws and regulations, violation of key control systems or possible fraud. The Office of Internal Audit and other assigned departments are responsible for following up on Management decided corrective actions and reporting to the Audit and Risk Committee until the matter is completely remediated.

Internal Audit

Mrs. Suvimon Kulalert was appointed Chief Audit Executive on 1st January 1999. Her expertise in the field and understanding of the Company's functions and operations support her role and responsibilities. Approval, appointment, dismissal, or transfer of the Chief Audit Executive must be concurred by Audit and Risk Committee.

For Chief Audit Executive's portfolio, please see supplementary documentation page 151.

Roles and Responsibilities of the Chief Audit Executive and Office of Internal Audit

- 1.The Chief Audit Executive (CAE) reports directly to the Audit and Risk Committee, which ensures that the Office of Internal Audit performs its functions with independence, objectivity, integrity and expertise in adherence to the standards of the profession and reports to the Chief Executive Officer on administrative matters.
- 2.The Office of Internal Audit operates independently in compliance with the Internal Audit Charter, which clearly specifies the office's missions, scope, authority, responsibilities, and procedures. The Charter is revised periodically for appropriacy.
- 3.The Office of Internal Audit's duties include provision of assurance and consulting services through the evaluation of effectiveness and efficiency of internal control systems, risk management systems and good governance in order to support the Company's business objectives and targets.

- 4.The Office of Internal Audit prepares its annual audit plan in accordance with the strategic direction of AIS and its subsidiaries, changes in risk levels and the Audit and Risk Committee's directives. The plan is drafted based on severity of risks with a focus on critical risks to AIS operations, objectives, and strategies. In 2020, the internal audit plan focused on effectiveness of operations critical to prevention, prevention of fraud and advisory by means of value-added workshops. The plan was approved by the Audit and Risk Committee. Audit reports and follow up on corrective actions taken by Management were reported for the Audit and Risk Committee's consideration on a monthly basis.
- 5.Additionally, the Office of Internal Audit acts as Secretary to the Audit and Risk Committee, supporting its oversight as assigned by the Board of Directors. The Office of Internal Audit also acts as a channel for internal or external parties to file complaints on suspected misconduct and fraudulent actions. After receiving such complaints, the Office of Internal Audit will initiate fact-finding and investigate in accordance with the Fraud and/or Misconduct Reporting and Whistleblower Protection Policy, and report findings to the Audit and Risk Committee on a monthly basis.
- 6.Apart from internal audit activities, the CAE provides advice on internal controls, risk management, business ethics, information security, etc. The Audit and Risk Committee oversees the CAE's roles apart from internal auditing to prevent impairing independence from Management.
- 7.The Office of Internal Audit regularly coordinates with external auditors to ensure that audit scopes appropriately cover all critical risks.
- 8.The Office of Internal Audit adheres to the International Professional Practices Framework and revises the Internal Audit Charter and the Internal Audit Manual as well as conducts internal auditing quality self-assessment on an annual basis. The Office of Internal Audit also receives a Quality Assessment Review (QAR) by external, independent assessors every five years to ensure it adds values to stakeholders and promotes the sustainable development of the Company's internal control system, risk management and good governance. The latest external, independent assessment suggested that the Office of Internal Audit generally conforms to international standards, ranking it "Standard" when benchmarking against other internal audit functions globally.

Internal Audit Activities in 2020 and Future Plans

1.Supporting Management to implement internal control systems and self-business assurance effectively

The Office of Internal Audit supports AIS and its subsidiaries in enhancing understanding and implementation of good internal control systems in accordance with the COSO 2013 framework and the Three Lines Model. Several workshops with Management were held to remedy internal control deficiencies. In addition, the Office of Internal Audit promoted self-business audit concepts

and developed tools, such as the Second Line Roles website, to facilitate Control Self-Assessment (CSA) by Management.

2.Promoting awareness of the Code of Business Ethics and Fraud Risks among employees

In 2020, the Office of Internal Audit raised awareness and understanding in the Code of Business Ethics and fraud risks among company employees in order to ensure compliance with the code and the Fraud and/or Misconduct Reporting and Whistleblower Protection Policy. Several workshops were held for promoted executives and e-learning on fraud awareness was made mandatory for all executives and employees. These activities contributed to better understanding of the Code of Business Ethics and fraud risk awareness.

3.Aligning internal audit activities with the digital era

The Office of Internal Audit developed and deployed Robotic Process Automation (RPA) in 2018 as a tool to automatically analyze data from multiple databases. Data analytics tools were adopted and applied to internal audit activities to boost agility and accuracy, as well as to serve as an early warning tool of potential risks to the Company or internal control defects. The Automated Audit Program (AAP) was further enhanced in 2020 to facilitate all internal audit activities with digital tools now used in every step to shorten processes and monitor activities. Risk identification, risk assessment, audit program planning and data analysis are now all done through RPA tools.

Other electronic tools were developed or enhanced, such as an E-report system used for preparing and submitting audit reports, electronic customer satisfaction surveys, etc. During the COVID-19 situation, internal audit teams divided into two groups to take turns working from home and at their offices to control risks, utilizing technological tools such as Microsoft Teams, E-memo and secure remote access, to work from anywhere at anytime to ensure business continuity. All employees were obligated to strictly follow cybersecurity frameworks and data classification frameworks when performing their duties.

4.Evolving into a Trusted Advisor

Since 2018, the Office of Internal Audit has enhanced its advisory role, reviewing all functions, from revenue assurance and expenditure to compliance with regulatory requirements and acts, such as sales and marketing processes, cybersecurity, payments, engineering, and legal matters. RPA tools have been employed for analysis of supporting data and shoring up the second line of defense as a basis for operation, driving the committee forward on its path to being a Trusted Advisor in line with the Internal Audit Roadmap.

Internal Audit Training and Competency Development

1.Pursuit of knowledge and up-to-date international professional practice standards

Towards enhancing its effectiveness and relevance, the Office of Internal Audit regularly reviews and adopts updated national

and international professional practices and standards relating to internal control, risk management, good governance and other relevant fields.

2.Integrated and innovative auditing

The Office of Internal Audit encourages all internal auditors to acquire more skills and to enhance their competencies to better perform their functions. They are also encouraged to be innovative and develop more effective and efficient auditing techniques.

3.Competency development roadmap based on the global internal audit competency framework

Internal auditors are encouraged to continuously improve their competencies by acquiring a diverse range of knowledge and skills applicable to existing and emerging business models at AIS. The Office of Internal Audit developed a “Development Roadmap” according to the roles and responsibilities of the Office of Internal Audit with consideration to the global internal audit competency framework of The Institute of Internal Auditors (The IIA) as follows:

3.1 Core Competency

3.2 Essential Competency

Each internal auditor is to attend at least 11 days of training per year according to the established strategy.

4.Acquiring related professional certificates to promote internal auditors

All internal auditors are encouraged to self-develop and build expertise by acquiring professional auditor certifications and other relevant qualifications. In 2020, the Office of Internal Audit set a target that 50% of its internal auditors would acquire professional certificates. At present, 14 out of 52 internal auditors, or 27%, obtained the following 32 certificates.

Certificates	Details	Number of IA Staff with Certificates (persons)
Certified Internal Auditor (CIA), USA	An Internal auditing diploma certifying knowledge on internal auditing practices and understanding of internal auditing, risks and other presently relevant topics.	7
Certified Information System Auditor (CISA), USA	A control auditing and information system security validation diploma for professional enhancement towards international acknowledgement.	4
Certified Information System Security Professional (CISSP), USA	A diploma of knowledge in all 10 areas of the “Common Body of Knowledge” of information security, namely; Access Control, Telecom & Network Security, Application & System Development Security, Security Management, Cryptography, Security Management, Operation Security, Business Continuity Planning & Disaster Recovery Planning, Law Investigation & Ethic and Physical Security	1
Certification in Risk Management Assurance (CRMA), USA	A diploma designed for internal auditors and risk managers responsible for or with experience in enhancing risk management assurance, good governance, quality assurance or control self-assurance with respect to business environment assessment and enterprise risk management, as well as the provision of advice and assurance on such matters.	8

Certificates	Details	Number of IA Staff with Certificates (persons)
Certified Professional Internal Audit of Thailand (CPIAT), Thailand	A certificate for internal auditors in Thailand enhancing internal auditing knowledge and skills.	1
Certified Public Accountant (CPA), Thailand	Certified Public Accountants have competency in accounting practices and standards, auditing, related laws, information systems, computer literacy and accounting reporting.	4
Tax Auditor (TA), Thailand	Tax Auditors have competency in accounting practices and standards, auditing, the Revenue Code and the Civil and Commercial Code.	1
Information Security Management System Auditor/Lead Auditor: ISO/IEC 27001:2013	A diploma of competency in information security management systems and the principles of assessment according to ISO/IEC 27001:2013 and principles of information security and fundamentals of assessment in accordance with ISO27001:2013	3
Business Continuity Management System Auditor/Lead Auditor: ISO 22301:2012	A certification of competency in internal and external threat management for business continuity for performing auditing according to the ISO 22301:2012 international standard.	2
CQI and IRCA Certified ISO 14001:2015 Lead Auditor	Certification of competency and specialization in providing advice on environmental protection, pollution prevention and compliance with relevant matters to ensure sustainable development according to ISO 14001:2015.	1

A number of internal auditors are studying to acquire CIA, CISA, and CFE (Certified Fraud Examiners) in order to support internal audit tasks as professionals and to meet international audit control standards.

Opinion of Audit and Risk Committee regarding Connected Transactions for 2020

Reference: AIS-ARC 006/2021

8 February 2021

To: Secretary-General

The Securities and Exchange Commission

Enclosures: Details of Connected Transactions

We, the Audit and Risk Committee of Advanced Info Service Public Company Limited, "the Company", whose names appear hereinafter, hereby provide an opinion with respect to the connected transactions executed by the Company with those parties thereof who were considered as having a conflict of interest in 2020, as set out in the Enclosures.

After having considered such matters, we are of the opinion that Management conducted such transactions for the benefit of the Company at an arm's length basis with general business trading condition and reasonable price when compared with the general market price in such industry.

Kindly be informed accordingly.

Yours sincerely



Mr Kraisit Euchukanonchai
Chairman of the Audit and Risk Committee



Mr Surasak Vajasit
Audit and Risk Committee member



Mr. Prasan Chuaphanich
Audit and Risk Committee member

Related Transactions

The Company and its subsidiaries have entered into related transactions with connected persons. All of these related transactions are made in the ordinary course of business and on general trading conditions.

To be aligned with the Security and Exchange Act (No. 4) B.E. 2551, Article 89/12 (1), the Company's Board of Directors has approved in principle, on 13 August 2008, that the management shall have the authority to undertake the related transactions, whereas those transactions are transactions with general trading conditions. The approval of the above transactions shall not constitute such authority to allow the director, an executive, or a related person to approve with a conflict of interest.

For approval process, the related transactions shall be processed in the same practice as other general trading transactions with outside parties with the authorized executives designated and empowered to endorse up to a certain limit of budget according to their respective rank and position. The Audit and Risk Committee of the Company and

its subsidiaries is responsible for reviewing the related transactions every quarter to ensure that no conflict of interest will be occurred in order to maximize the overall company's benefits.

All of these related transactions in the future shall be made in the ordinary course of business and on general trading conditions with market rate. And no transfer pricing of all related transactions between the company and related parties and related person.

For the period year ended 31 December 2020, the Company and its subsidiaries had the related transactions in which the auditors had disclosed in the notes to audited financial statements and these transactions have been reviewed by the Audit and Risk Committee. The Audit and Risk Committee had an opinion that all related transactions are reasonable and based on the normal course of business. The Company charges / purchases products and services with related parties at reasonable prices and those prices are comparable to the market rate with general trading conditions. Details of related transactions are as follows:

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2018 (Million Baht)		Related transactions for the period 31 December 2019 (Million Baht)		Related transactions for the period 31 December 2020 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	Company	Consolidated	
1. Intouch Holding Public Company Limited (INTOUCH) / INTOUCH is a major shareholder, holds 40.45% - Co-directors: 1. Mr. Somprasong Boonyachai 2. Ms. Jeann Low Ngiap Jong 3. Mr. Kan Trakulhoon	The subsidiaries pay service fee and interest expense from long-term debentures to Intouch. While the subsidiaries provide mobile services and handset sales to INTOUCH. <u>Sales and services</u> 1. Service income 2. Other income 3. Trade and other accounts receivable <u>Purchase of goods and services</u> 1. Rental and Other service expenses 2. Trade and other accounts payable 3. Interest expenses 4. Debenture	1.20 0.01 0.11	3.09 0.13 0.60	1.20 0.38 0.44	7.01 0.43 3.86	1.20 - 0.11	3.24 - 1.12	The subsidiaries charge mobile services and handset sales at the same rate as external customers.
2. Thaicom Public Company Limited (THAICOM) / INTOUCH is a major shareholder, holds 41.13% - Co-directors: Mr. Somprasong Boonyachai	The subsidiaries pay US\$ 1,400,000 per year for leases satellite transponder (Thaicom7) from THAICOM. The contract has effective to 19 November 2020 Moreover, Thaicom has provides satellite downlink equipment and space for transponder equipment installation. While the subsidiaries provide domestic and international phone services and handset sales to THAICOM. <u>Sales and services</u> 1. Service income 2. Other income 3. Trade and other accounts receivable <u>Purchase of goods and services</u> 1. Rental and Other service expenses 2. Trade and other accounts payable 3. Interest expenses 4. Debenture 5. Purchases of property and other assets	- - - - - - - - - -	4.27 0.33 1.92	- 0.19 0.17	6.63 0.96 2.56	- - - - - - -	8.01 - 2.21	Thaicom is the only satellite operator in Thailand. The subsidiaries charge mobile services and handset sales at the same rate as external customers.

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2018 (Million Baht)		Related transactions for the period 31 December 2019 (Million Baht)		Related transactions for the period 31 December 2020 (Million Baht)		Rational and necessity																																																							
		Company	Consolidated	Company	Consolidated	Company	Consolidated																																																								
3. I.T. Applications and Services Company Limited (ITAS) / INTOUCH is a major shareholders, holds 100%.	<p>The subsidiaries hire ITAS to provide SAP solution and application development.</p> <p>While the subsidiaries provide mobile services to ITAS.</p> <p><u>Sales and services</u></p> <table> <tr> <td>1. Service income</td> <td>-</td> <td>1.51</td> <td>-</td> <td>1.61</td> <td>-</td> <td>0.56</td> <td></td> </tr> <tr> <td>2. Other income</td> <td>-</td> <td>0.17</td> <td>0.04</td> <td>0.15</td> <td>-</td> <td>0.02</td> <td></td> </tr> <tr> <td>3. Trade and other accounts receivable</td> <td>-</td> <td>0.21</td> <td>0.04</td> <td>0.55</td> <td>-</td> <td>-</td> <td></td> </tr> </table> <p><u>Purchase of goods and services</u></p> <table> <tr> <td>1. Rental and other service expenses</td> <td>-</td> <td>109.90</td> <td>-</td> <td>142.84</td> <td>-</td> <td>56.70</td> <td></td> </tr> <tr> <td>2. Purchases of property and other assets</td> <td>-</td> <td>10.21</td> <td>-</td> <td>66.43</td> <td>-</td> <td>35.83</td> <td></td> </tr> <tr> <td>3. Trade and other accounts payable</td> <td>-</td> <td>23.08</td> <td>-</td> <td>55.32</td> <td>-</td> <td>35.03</td> <td></td> </tr> </table>	1. Service income	-	1.51	-	1.61	-	0.56		2. Other income	-	0.17	0.04	0.15	-	0.02		3. Trade and other accounts receivable	-	0.21	0.04	0.55	-	-		1. Rental and other service expenses	-	109.90	-	142.84	-	56.70		2. Purchases of property and other assets	-	10.21	-	66.43	-	35.83		3. Trade and other accounts payable	-	23.08	-	55.32	-	35.03							ITAS provides SAP application development and improvement, including maintenance services. The services are timely and rapidly while the service fee is reasonable.								
1. Service income	-	1.51	-	1.61	-	0.56																																																									
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4. Group of SingTel Strategic Investments Private Limited (SingTel) / SingTel is a major shareholder of the Company, holds 23.32%.	<p>The subsidiaries enter into an agreement with companies of SingTel group:</p> <ul style="list-style-type: none"> - The joint International Roaming operation services (IR) - Network telecom service operator i.e. International Private Leased Circuit (IPLC) and content services. <p><u>Sales and services</u></p> <table> <tr> <td>1. Service income</td> <td>-</td> <td>191.91</td> <td>-</td> <td>125.17</td> <td>-</td> <td>52.20</td> <td></td> </tr> <tr> <td>2. Other income</td> <td>-</td> <td>0.67</td> <td>-</td> <td>3.83</td> <td>-</td> <td>4.86</td> <td></td> </tr> <tr> <td>3. Trade and other accounts receivable</td> <td>0.42</td> <td>151.46</td> <td>0.42</td> <td>40.62</td> <td>0.42</td> <td>15.55</td> <td></td> </tr> </table> <p><u>Purchase of goods and services</u></p> <table> <tr> <td>1. Rental and other service expenses</td> <td>-</td> <td>268.53</td> <td>-</td> <td>280.92</td> <td>-</td> <td>257.92</td> <td></td> </tr> <tr> <td>2. Trade and other accounts payable</td> <td>19.69</td> <td>60.79</td> <td>8.82</td> <td>33.11</td> <td>8.28</td> <td>46.04</td> <td></td> </tr> <tr> <td>3. Interest expense</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0.34</td> <td></td> </tr> <tr> <td>4. Lease liabilities</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>13.30</td> <td></td> </tr> </table>	1. Service income	-	191.91	-	125.17	-	52.20		2. Other income	-	0.67	-	3.83	-	4.86		3. Trade and other accounts receivable	0.42	151.46	0.42	40.62	0.42	15.55		1. Rental and other service expenses	-	268.53	-	280.92	-	257.92		2. Trade and other accounts payable	19.69	60.79	8.82	33.11	8.28	46.04		3. Interest expense	-	-	-	-	-	0.34		4. Lease liabilities	-	-	-	-	-	13.30							The agreement is under the ordinary course of business and both parties charge each other at the accepted price by deduct profit margin from their customers at the same rate as other operators.
1. Service income	-	191.91	-	125.17	-	52.20																																																									
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Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2018 (Million Baht)		Related transactions for the period 31 December 2019 (Million Baht)		Related transactions for the period 31 December 2020 (Million Baht)		Rational and necessity																																							
		Company	Consolidated	Company	Consolidated	Company	Consolidated																																								
5. Thai Advance Innovation Company Limited (THAIAI)/ INTOUCH is an indirect major shareholder.	<p>The subsidiaries hire THAIAI to advertising on satellite television.</p> <p>While the subsidiaries provide mobile services and handset sales to THAIAI.</p> <p><u>Sales and services</u></p> <table> <tr> <td>1. Service income</td> <td>-</td> <td>0.04</td> <td>-</td> <td>0.04</td> <td>-</td> <td>0.95</td> <td>The subsidiaries charge mobile services and handset sales to TAI at the same rate as external customers.</td> </tr> <tr> <td>2. Other income</td> <td>-</td> <td>-</td> <td>-</td> <td>0.03</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>3. Trade and other accounts receivable</td> <td>-</td> <td>0.01</td> <td>-</td> <td>0.03</td> <td>-</td> <td>0.82</td> <td></td> </tr> </table> <p><u>Purchase of goods and services</u></p> <table> <tr> <td>1. Rental and other service expenses</td> <td>-</td> <td>-</td> <td>-</td> <td>2.31</td> <td>-</td> <td>3.00</td> <td>The subsidiaries pay advertising fee at the same rate as other parties.</td> </tr> <tr> <td>2. Trade and other accounts payable</td> <td>-</td> <td>-</td> <td>-</td> <td>2.60</td> <td>-</td> <td>0.08</td> <td></td> </tr> </table>	1. Service income	-	0.04	-	0.04	-	0.95	The subsidiaries charge mobile services and handset sales to TAI at the same rate as external customers.	2. Other income	-	-	-	0.03	-	-		3. Trade and other accounts receivable	-	0.01	-	0.03	-	0.82		1. Rental and other service expenses	-	-	-	2.31	-	3.00	The subsidiaries pay advertising fee at the same rate as other parties.	2. Trade and other accounts payable	-	-	-	2.60	-	0.08							THAIAI has a specialization in media service, content services on satellite television and satellite dish distributor.
1. Service income	-	0.04	-	0.04	-	0.95	The subsidiaries charge mobile services and handset sales to TAI at the same rate as external customers.																																								
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6. Lao Telecommunications Company Limited (LTC)/ INTOUCH is an indirect major shareholder.	<p>The subsidiaries have cooperated with LTC to provide international roaming (IR).</p> <p><u>Sales and services</u></p> <table> <tr> <td>1. Service income</td> <td>-</td> <td>26.81</td> <td>-</td> <td>26.71</td> <td>-</td> <td>17.91</td> <td>The subsidiaries charge IR services at the same rate as external customers.</td> </tr> <tr> <td>2. Other income</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>5.25</td> <td></td> </tr> <tr> <td>3. Trade and other accounts receivable</td> <td>-</td> <td>2.23</td> <td>-</td> <td>2.91</td> <td>-</td> <td>4.90</td> <td></td> </tr> </table> <p><u>Purchase of goods and services</u></p> <table> <tr> <td>1. Rental and other service expenses</td> <td>-</td> <td>3.73</td> <td>-</td> <td>5.04</td> <td>-</td> <td>3.74</td> <td>The subsidiaries pay roaming fee to LTC at the same rate as other parties.</td> </tr> <tr> <td>2. Trade and other accounts payable</td> <td>-</td> <td>0.37</td> <td>-</td> <td>0.52</td> <td>-</td> <td>0.27</td> <td></td> </tr> </table>	1. Service income	-	26.81	-	26.71	-	17.91	The subsidiaries charge IR services at the same rate as external customers.	2. Other income	-	-	-	-	-	5.25		3. Trade and other accounts receivable	-	2.23	-	2.91	-	4.90		1. Rental and other service expenses	-	3.73	-	5.04	-	3.74	The subsidiaries pay roaming fee to LTC at the same rate as other parties.	2. Trade and other accounts payable	-	0.37	-	0.52	-	0.27							LTC, the telecommunications service provider in Laos, provides fixed line, mobile phone, internet, and international roaming services. Roaming price is based on market rate.
1. Service income	-	26.81	-	26.71	-	17.91	The subsidiaries charge IR services at the same rate as external customers.																																								
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Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2018 (Million Baht)		Related transactions for the period 31 December 2019 (Million Baht)		Related transactions for the period 31 December 2020 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	Company	Consolidated	
7. Ookbee Company Limited (OOKB)/INTOUCH INTOUCH is a direct shareholder, holds 20.94%.	The subsidiaries hire Ookbee to provide E-booking application on smartphones and tablets by charging per monthly. While the subsidiaries provide mobile services to Ookbee. <u>Sales and services</u> 1. Service income 2. Trade and other accounts receivable <u>Purchase of goods and services</u> 1. Rental and service expenses 2. Trade and other accounts payable	-	1.29 0.19	- -	0.93 0.12	- -	0.66 0.04	Ookbee is a provider digital publication and E-Booking company such as books, magazines or newspaper on smartphones, tablets and computers. The subsidiaries charge mobile services at the same rate as external customers.
8. Information Highway Company Limited (IH) AIS is an indirect major shareholder.	IH provides facilities services under financial lease and transmission network to the subsidiaries. While the subsidiaries provide mobile services to IH. <u>Sales and services</u> 1. Service income <u>Purchase of goods and services</u> 1. Rental and service expenses 2. Trade and other accounts payable 3. Interest expense 4. Financial lease liabilities 5. Lease liabilities	-	4.27 1.17	- -	0.43 1.72	0.02 -	4.33 0.74	IH provides facilities services under financial lease and transmission network. The subsidiaries charge mobile services at the same rate as external customers. The subsidiaries pay transmission network fee to IH at the comparison rate as other providers.

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2018 (Million Baht)		Related transactions for the period 31 December 2019 (Million Baht)		Related transactions for the period 31 December 2020 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	Company	Consolidated	
9. Krung Thai Bank Public Company Limited (KTB)/ - Co-directors: Mr. Krairit Euchukanonchai.	KTB provides financial services to the subsidiaries. While the subsidiaries provide mobile services to KTB. <u>Sales and services</u> 1. Service income 2. Other income 3. Trade and other accounts receivable <u>Purchase of goods and services</u> 1. Bank deposits and Interest income 2. Rental and service expenses 3. Trade and other accounts payable 4. Debenture 5. Long-term loan and Interest expense	-	17.50	-	24.26	-	35.31	KTB is a provider of full financial services such as bank deposit, arranging loan, merchant services and other services.
10. High Shopping Company Limited (HIGH)/ INTOUCH is an indirect major shareholder.	The subsidiaries provide mobile services to High Shopping. <u>Sales and services</u> 1. Service income 2. Trade and other accounts receivable <u>Purchase of goods and services</u> 1. Rental and service expenses	0.87	167.37	0.88	177.87	0.93	136.64	The subsidiaries charge mobile services and handset sales at the same rate as external customers.
		-	3.33	-	6.20	-	4.18	The subsidiaries receive interest income from bank deposit and pays interest expense from borrowing at the same rate as other commercial bank.
		-	0.88	-	0.31	-	0.35	High Shopping is a provider of digital content services to customer through TV, mobile devices, the internet and other advertising channels.
		-	0.03	-	-	-	-	The subsidiaries charge mobile services and handset sales at the same rate as external customers.

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2018 (Million Baht)		Related transactions for the period 31 December 2019 (Million Baht)		Related transactions for the period 31 December 2020 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	Company	Consolidated	
11. TC Broadcasting Company Limited (TCB)/ INTOUCH is an indirect major shareholder.	TCB provides equipment system and television signal service to the subsidiaries. <u>Purchase of goods and services</u> 1. Rental and service expenses 2. Trade and other accounts payable	-	12.01	-	5.58	-	6.62	TCB is a provider Radio broadcasting and Satellite telecommunications activities. The subsidiaries pay services fee (transmission) to TCB at the same rate as other providers.
12. Golfdigg Company Limited (GOLFD)/ INTOUCH is a direct shareholder, holds 25.00%.	The subsidiaries provide mobile services to Golfdigg. <u>Sales and services</u> 1. Service income 2. Trade and other accounts receivable <u>Purchase of goods and services</u> 1. Rental and service expenses 2. Trade and other accounts payable	-	0.09	-	0.12	-	0.78	Golfdigg is a provider of the golf-course booking application on smartphone. The subsidiaries charge mobile services at the same rate as external customers.

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2018 (Million Baht)		Related transactions for the period 31 December 2019 (Million Baht)		Related transactions for the period 31 December 2020 (Million Baht)		Rational and necessity																																																															
		Company	Consolidated	Company	Consolidated	Company	Consolidated																																																																
13. Amata Network Company Limited (AN)/ AIS is an indirect major shareholder.	<p>AN provides transportation rental to the subsidiaries.</p> <p>While the subsidiaries provide of management service and mobile services to AN.</p> <p><u>Sales and services</u></p> <table> <tr><td>1. Service income</td><td>-</td><td>0.29</td><td>-</td><td>1.81</td><td>-</td><td>0.16</td><td>The subsidiaries charge mobile services at the same rate as external customers and management fee on mutual agreement.</td></tr> <tr><td>2. Other income</td><td>-</td><td>6.00</td><td>-</td><td>5.95</td><td>-</td><td>6.49</td><td></td></tr> <tr><td>3. Trade and other accounts receivable</td><td>-</td><td>0.56</td><td>-</td><td>1.14</td><td>-</td><td>0.59</td><td></td></tr> <tr><td>4. Sale of property and other assets</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td></td></tr> </table> <p><u>Purchase of goods and services</u></p> <table> <tr><td>1. Rental and service expenses</td><td>-</td><td>16.11</td><td>-</td><td>26.38</td><td>-</td><td>37.66</td><td>The subsidiaries pay services fee (transportation rental) to AN at the same rate as other providers.</td></tr> <tr><td>2. Trade and other accounts payable</td><td>-</td><td>1.96</td><td>-</td><td>8.11</td><td>-</td><td>5.72</td><td></td></tr> <tr><td>3. Interest expense</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>0.18</td><td></td></tr> <tr><td>4. Lease liabilities</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>6.62</td><td></td></tr> </table>	1. Service income	-	0.29	-	1.81	-	0.16	The subsidiaries charge mobile services at the same rate as external customers and management fee on mutual agreement.	2. Other income	-	6.00	-	5.95	-	6.49		3. Trade and other accounts receivable	-	0.56	-	1.14	-	0.59		4. Sale of property and other assets	-	-	-	-	-	-		1. Rental and service expenses	-	16.11	-	26.38	-	37.66	The subsidiaries pay services fee (transportation rental) to AN at the same rate as other providers.	2. Trade and other accounts payable	-	1.96	-	8.11	-	5.72		3. Interest expense	-	-	-	-	-	0.18		4. Lease liabilities	-	-	-	-	-	6.62							AN is a provider of transmission network in Amata industrial estate.
1. Service income	-	0.29	-	1.81	-	0.16	The subsidiaries charge mobile services at the same rate as external customers and management fee on mutual agreement.																																																																
2. Other income	-	6.00	-	5.95	-	6.49																																																																	
3. Trade and other accounts receivable	-	0.56	-	1.14	-	0.59																																																																	
4. Sale of property and other assets	-	-	-	-	-	-																																																																	
1. Rental and service expenses	-	16.11	-	26.38	-	37.66	The subsidiaries pay services fee (transportation rental) to AN at the same rate as other providers.																																																																
2. Trade and other accounts payable	-	1.96	-	8.11	-	5.72																																																																	
3. Interest expense	-	-	-	-	-	0.18																																																																	
4. Lease liabilities	-	-	-	-	-	6.62																																																																	
14. Wongnai Media Company Limited (WONGNAI)/ INTOUCH is a direct shareholder, holds 9.54%.	<p>The subsidiaries hire Wongnai to design website and media on smartphone.</p> <p>While the subsidiaries provide mobile services to Wongnai.</p> <p><u>Sales and services</u></p> <table> <tr><td>1. Service income</td><td>-</td><td>0.02</td><td>-</td><td>0.28</td><td>-</td><td>2.19</td><td>The subsidiaries charge mobile services at the same rate as external customers.</td></tr> <tr><td>2. Trade and other accounts receivable</td><td>-</td><td>-</td><td>-</td><td>0.09</td><td>-</td><td>0.58</td><td></td></tr> </table> <p><u>Purchase of goods and services</u></p> <table> <tr><td>1. Rental and service expenses</td><td>-</td><td>3.36</td><td>-</td><td>4.71</td><td>-</td><td>2.28</td><td>The subsidiaries pay services fee (media and advertising) to Wongnai at the same rate as other providers.</td></tr> <tr><td>2. Trade and other accounts payable</td><td>-</td><td>-</td><td>-</td><td>0.27</td><td>-</td><td>0.13</td><td></td></tr> </table>	1. Service income	-	0.02	-	0.28	-	2.19	The subsidiaries charge mobile services at the same rate as external customers.	2. Trade and other accounts receivable	-	-	-	0.09	-	0.58		1. Rental and service expenses	-	3.36	-	4.71	-	2.28	The subsidiaries pay services fee (media and advertising) to Wongnai at the same rate as other providers.	2. Trade and other accounts payable	-	-	-	0.27	-	0.13							Wongnai is a provider of the application on smartphone to discover and review about restaurants, beauty and spas across Thailand.																																
1. Service income	-	0.02	-	0.28	-	2.19	The subsidiaries charge mobile services at the same rate as external customers.																																																																
2. Trade and other accounts receivable	-	-	-	0.09	-	0.58																																																																	
1. Rental and service expenses	-	3.36	-	4.71	-	2.28	The subsidiaries pay services fee (media and advertising) to Wongnai at the same rate as other providers.																																																																
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Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2018 (Million Baht)		Related transactions for the period 31 December 2019 (Million Baht)		Related transactions for the period 31 December 2020 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	Company	Consolidated	
15. Digio (Thailand) Company Limited (DIGIO)/ INTOUCH is a direct shareholder, holds 8.05%.	The subsidiaries provide mobile services to Digio. <u>Sales and services</u> 1. Service income 2. Trade and other accounts receivable <u>Purchase of goods and services</u> 1. Rental and service expenses 2. Trade and other accounts payable	-	1.41	-	5.88	-	6.94	Digio is a provider of the mobile Point of Sale (mPOS) application on smartphone.
16. BEC World Public Company Limited and its subsidiaries (BEC)/ - Co-directors: Mr. Somprasong Boonyachai	The subsidiaries hire BEC to provide content on smartphone. While the subsidiaries provide mobile services to BEC. <u>Sales and services</u> 1. Service income 2. Other income 3. Trade and other accounts receivable <u>Purchase of goods and services</u> 1. Rental and service expenses 2. Trade and other accounts payable	-	-	-	-	-	1.80	The subsidiaries charge mobile services at the same rate as external customers.
		-	8.56	-	6.26	-	4.92	The subsidiaries of BEC World provide content services such as television program and entertainment content on mobile application.
		-	-	-	0.07	-	-	The subsidiaries charge mobile services at the same rate as external customers.
		-	1.65	-	0.49	-	0.51	The subsidiaries pay service fee (Content) by the percentage of revenue to BEC at the same rate as other content providers.
		-	9.35	-	6.52	-	5.58	
		-	0.98	-	1.02	-	1.08	

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2018 (Million Baht)		Related transactions for the period 31 December 2019 (Million Baht)		Related transactions for the period 31 December 2020 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	Company	Consolidated	
17. The Siam Cement Public Company Limited and its subsidiaries (SCG)/ - Co-directors: Mr. Kan Trakulhoon	SCG provides rental services to the subsidiaries. While the subsidiaries provide mobile services and handset sales to SCG. <u>Sales and services</u> 1. Service income 2. Other income 3. Trade and other accounts receivable <u>Purchase of goods and services</u> 1. Rental and service expenses 2. Interest expenses 3. Trade and other accounts payable 4. Debenture 5. Lease liabilities	-	50.81	-	51.43	-	44.73	SCG group is the largest cement and building material company in Thailand and Southeast Asia.
18. Rabbit - Line Pay Company Limited (RLP)/ AIS is an indirect major shareholder. * On March 5, 2018, Advanced Mpay Co., Ltd., a subsidiary, has invested in Rabbit Line Pay Co., Ltd which is 33.33% of ownership.	RLP provides e-money and e-payment service to the subsidiaries. While the subsidiaries provide mobile services to RLP. <u>Sales and services</u> 1. Service income 2. Other income 3. Trade and other accounts receivable <u>Purchase of goods and services</u> 1. Rental and service expenses 2. Trade and other accounts payable	-	0.09	-	0.03	-	0.03	The subsidiaries charge mobile services and handset sales at the same rate as external customers.
		-	7.96	-	2.91	-	0.92	The subsidiaries pay rental fee (base station and electricity) to SCG at the same rate as other lessor.
		-	2.39	-	-	-	0.20	
		-	255.00	-	-	-	20.00	
		-	-	-	-	-	0.10	
								RLP provides e-money and e-payment service to serve customers in the digital economy.
								The subsidiaries charge mobile services at the same rate as external customers.
								The subsidiaries pay service fee (e-money and e-payment) to RLP at the same rate as other providers.

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2018 (Million Baht)		Related transactions for the period 31 December 2019 (Million Baht)		Related transactions for the period 31 December 2020 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	Company	Consolidated	
19. Osotspa Public Company Limited (OSP)/ - Co-directors: Mr. Somprasong Boonyachai	The subsidiaries provide mobile services to OSP. While OSP provides rental services to the subsidiaries. <u>Sales and services</u> 1. Service income 2. Trade and other accounts receivable <u>Purchase of goods and services</u> 1. Rental and service expenses 2. Interest expenses 3. Lease liabilities	-	5.07 0.68	- -	9.35 2.44	- -	11.41 3.90	OSP is a Thailand-based consumer products company, with a focus on non-alcoholic beverages and selected personal care products. The subsidiaries charge mobile services at the same rate as external customers. The subsidiaries pay rental fee (base station and electricity) to OSP at the same rate as other lessor.
20. Intouch Media Co., Ltd (ITMD)/ INTOUCH is a major shareholders, holds 100%.	ITMD provides a training services to the company and the subsidiaries. <u>Purchase of goods and services</u> 1. Rental and service expenses 2. Trade and other accounts payable	-	0.20	- -	0.16 0.03	- -	0.31 0.02 0.06	ITMD provides a training service to companies within Intouch group The subsidiaries pay training fee to ITMD at the same rate as other customer.
21. Choco Card Enterprise Co., Ltd. (CHOCO)/ INTOUCH is a direct shareholders, holds 20.70%.	The subsidiaries provide mobile services to CHOCO. <u>Sales and services</u> 1. Service income 2. Trade and other accounts receivable	-	0.06 0.02	- -	0.18 0.02	- -	0.18 0.04	CHOCO is a provider of digital marketing services and technology in CRM. The subsidiaries charge a mobile fee at the same rate as other parties.

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2018 (Million Baht)		Related transactions for the period 31 December 2019 (Million Baht)		Related transactions for the period 31 December 2020 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	Company	Consolidated	
22. YDM Thailand Co., Ltd. (YDM) INTOUCH is a direct shareholders, holds 8.11%.	The subsidiaries provide mobile services to YDM. <u>Sales and services</u> 1. Service income	-	-	-	0.02	-	0.02	YDM is a provider of digital marketing services in a type of eco system. The subsidiaries charge a mobile fee at the same rate as other parties.
23. SAHA Advanced Network Co., Ltd. (SAN) AIS is an indirect major shareholder.	The subsidiaries provide management and consultancy services to SAN. While SAN provides an equipment rental service to the subsidiaries <u>Sales and services</u> 1. Other income 2. Trade and other accounts receivable <u>Purchase of goods and services</u> 1. Rental and service expenses 2. Trade and other accounts payable	-	-	-	-	-	1.10 0.18	SAN is a provider of telecom infrastructure rental with in SAHAPATTANA industrial areas. The subsidiaries charge a management and consultancy fee at the reasonable. The subsidiaries pay an equipment rental fee to SAN at the same rate as other parties

Financial Statement

Board of Directors' Responsibility for Financial Reporting

The Board of Directors is responsible for Advanced Info Service Public Company Limited's financial statements and Advanced Info Service Public Company Limited and its subsidiaries' consolidated financial statements, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, using careful judgment and the best estimation. Important information is adequately and transparency disclosed in the notes to financial statements for the Company shareholders and investors. The Board of Directors provides and maintains risk management system and appropriate and efficient internal controls to ensure that accounting records are accurate, reliable and adequate to retain its assets as well as to prevent fraud or materially irregular operations. In this regard, the Board of Directors has appointed an Audit and Risk Committee comprising independent directors to be responsible for reviewing quality of the financial reports, internal controls, internal audit and risk management system. The Audit and Risk Committee also reviews a disclosure of related party transactions. All their comments on these issues are presented in the Audit and Risk Committee Report included in this annual report.

The separate financial statements and the consolidated financial statements of the Company have been examined by an external auditor, Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, all records and related data, as requested, are provided to the auditor. The auditor's opinion is presented in the auditor's report as a part of this annual report.

The Board of Directors considers the Company's overall internal control system satisfactory and provides credibility and reliability to Advanced Info Service Public Company Limited's financial statements and Advanced Info Service Public Company Limited and its subsidiaries' consolidated financial statements for the year ended 31 December 2020. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.



Mr. Kan Trakulhoon
Chairman of the Board of Directors



Mr. Somchai Lertsutiwong
Chief Executive Officer

Report of the Independent Certified Public Accountants

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Advanced Info Service Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Advanced Info Service Public Company Limited (the “Company”) which comprise the consolidated and separate statements of financial position as at December 31, 2020, and the related consolidated and separate statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Advanced Info Service Public Company Limited and its subsidiaries and of Advanced Info Service Public Company Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2.4 to the financial statements that Advanced Info Service Public Company Limited and its subsidiaries have adopted group of Financial Instruments Standards and Thai Financial Reporting Standard No. 16 “Leases” which become effective for fiscal years beginning on or after January 1, 2020. The Group elected to recognize the cumulative effect of initially applying such Standards as the adjustments to the beginning balances of retained earnings and other components of shareholders’ equity of the reporting period.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
Revenue recognition There is a risk around the accuracy of the Group’s revenue recorded given the complexity of IT systems and the impact of changing pricing models to revenue recognition. Furthermore, the application of revenue recognition accounting standards is complex. We focused our audit on the following areas of revenue recognition specifically relating to <ul style="list-style-type: none"> • accounting and tariffs during the year; • the accuracy of revenue recognition Accounting policies for revenue recognition was disclosed in Note 3.17 to the financial statements.	Key audit procedures included: <ul style="list-style-type: none"> • Evaluated the relevant IT systems and the design and implementation and operating effectiveness of controls over the capture and recording of revenue transactions. In doing so, we involved our IT specialists to assist in the audit of automated controls, including interface controls between different IT applications. • Evaluated the business process controls in place over the authorization of rate changes, the introduction of new plans and the input of this information to billing systems. We audited the access controls and change management controls for such systems. • Performed audit on the accuracy of customer bill generation on a sample basis and testing of a sample of the credits and discounts applied to customer bills; and testing cash receipts for a sample of customers back to the customer invoice. • Audited key reconciliations used by management from business support systems to billing systems to the general ledger to assess the completeness and accuracy of revenue. • Audited supporting evidence for manual journal entries posted to revenue accounts to identify any unusual items. • Validated with the assumptions and key management estimates adopted where revenue is recognized but they have not issued invoice yet and items that have been paid but still has an obligation to provide future services to customers • Audited of accuracy of TFRS 15 “Revenue from contracts with customers”

Key Audit Matters	Audit Responses
<p>Significant commercial disputes and litigations The Group has several legal, regulatory and commercial disputes. There is a high level of judgement required in estimating the level of provisioning required.</p> <p>The Group operates under the supervision of the National Broadcasting and Telecommunications Commission (NBTC). If NBTC has acted lawfully upon any interpretation amendments and/or enactment of new rules and regulations, the Group may not lawfully file a lawsuit and/or make any claim for any indemnification.</p> <p>In addition, the Group cooperates with state-owned enterprises such as National Telecom Public Company Limited. There is a risk of conflict between the entities from different interpretation in terms and conditions of contract.</p> <p>Significant events, commercial disputes and litigations were disclosed in Note 40 to the financial statements.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Designed and performed audit procedures in order to identify litigations and disputes involving the Group which may give rise to a risk of material misstatement, including: <ul style="list-style-type: none"> - Inquired of management and in-house legal counsel about significant events, commercial disputes and litigation. - Reviewed minutes of meetings of those charged with governance. - Sent legal confirmation to external legal counsel regarding to status of significant legal cases. - Reviewed legal expense accounts. • Considered compliance with laws and regulations of the Group including: <ul style="list-style-type: none"> - As part of obtaining an understanding of the Group and its environment, we obtained a general understanding of: <ul style="list-style-type: none"> - The legal and regulatory framework applicable to the Group and the industry or sector in which the Group operates; and - How the Group is complying with that framework. - Inquired of management and those charged with governance, as to whether the Group is in compliance with such laws and regulations and inspecting correspondence, if any, with the relevant regulatory authorities such as NBTC. • Requested management to provide written representations that all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to us and accounted for and disclosed in accordance with Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

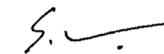
As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



BANGKOK
February 8, 2021

Dr. Suphamit Techamontrikul
Certified Public Accountant (Thailand)
Registration No. 3356

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

Statements of Financial Position

Advanced Info Service Public Company Limited and its subsidiaries as at December 31, 2020

	NOTES	UNIT : BAHT							
		CONSOLIDATED		SEPARATE		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at December 31, 2020	As at December 31, 2019						
ASSETS									
Current assets									
Cash and cash equivalents	4	18,420,768,856	19,636,627,466	614,805,617	1,975,219,680				
Specifically-designated bank deposits	5	1,909,700,898	1,989,089,050	-	-				
Restricted deposits at a financial institution		11,200,000		-	-				
Trade and other current receivables	6, 35	17,781,189,871	18,297,896,427	1,753,889,823	1,825,357,904				
Contract assets	7	1,448,322,973	1,868,738,312	-	-				
Short-term loans to related parties	35	-	-	52,543,000,000	50,499,000,000				
Inventories	8	2,372,085,732	4,828,455,683	-	-				
Current tax assets		1,091,889	317,086,768	-	60,345,445				
Other current assets		211,038,270	204,257,782	5,291,427	4,913,629				
Total current assets		42,155,398,489	47,142,151,488	54,916,986,867	54,364,836,658				
Non-current assets									
Other long-term investments	11	-	67,032,210	-	46,999,310				
Other non-current financial assets	11	110,030,932	-	67,694,448	-				
Investments in subsidiaries	10	-	-	33,819,366,390	27,928,202,917				
Investments in joint ventures	9	799,044,580	635,509,431	-	-				
Investment in an associate	9	31,588,188	24,612,629	-	-				
Property, plant and equipment	12	122,517,637,998	125,510,307,301	56,165,771	69,709,331				
Right-of-use assets	13	58,722,695,215	-	225,706,272	-				
Goodwill	14	2,881,699,659	2,881,699,659	-	-				
Other intangible assets other than goodwill	16	7,122,852,880	5,468,375,759	6,404,436	11,053,367				
Spectrum licenses	15	110,219,201,347	103,074,017,347	-	-				
Deferred tax assets	17	4,120,355,274	3,490,521,588	485,422,372	549,988,735				
Other non-current assets		1,490,072,824	1,374,894,316	318,804,496	283,036,590				
Total non-current assets		308,015,178,897	242,526,970,240	34,979,564,185	28,888,990,250				
Total assets		350,170,577,386	289,669,121,728	89,896,551,052	83,253,826,908				

	NOTES	UNIT : BAHT							
		CONSOLIDATED		SEPARATE		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at December 31, 2020	As at December 31, 2019						
LIABILITIES AND SHAREHOLDERS' EQUITY									
Current liabilities									
Short-term borrowings from financial institutions	18	4,900,000,000	-	-	-	-	-	-	-
Trade and other current payables	19, 35, 39	40,570,674,698	41,376,819,746	2,779,757,850	2,904,665,726				
Provision for revenue sharing		5,248,416,692	5,248,416,692	5,107,842,520	5,107,842,520				
Unearned income - mobile phone service		4,348,673,572	4,189,025,479	9,176,967	9,176,967				
Advanced received from customers	5	1,909,700,898	1,989,089,050	-	-				
Current portion of long-term liabilities	18	13,848,369,520	24,871,789,053	-	-	15,326,846			
Current portion of spectrum licenses payable	20	10,538,020,814	24,490,134,874	-	-				
Current portion of lease liabilities	18	10,212,816,743	-	116,637,778	-				
Short-term borrowings from related parties	18, 35	-	-	5,080,000,000	4,920,000,000				
Corporate income tax payable		1,867,303,487	2,892,323,884	35,691,522	-				
Other current financial liabilities	36	297,201,697	140,659,105	-	-				
Other current liabilities		72,246,113	55,041,933	93,459	-				
Total current liabilities		93,813,424,234	105,255,299,816	13,129,200,096	12,957,012,059				
Non-current liabilities									
Long-term liabilities	18, 35	79,301,185,042	69,171,920,043	-	-	15,422,866			
Lease liabilities	18, 35	48,150,496,963	-	118,716,176	-				
Provisions for employee benefit	21	3,179,944,080	2,859,529,007	394,889,613	329,248,695				
Spectrum licenses payable	20	42,911,010,664	37,298,912,437	-	-				
Unrealized adjustment value of spectrum license	1, 37	3,283,532,804	3,283,532,804	-	-				
Other non-current financial liabilities	36	1,225,258,428	-	-	-				
Other non-current liabilities		2,616,357,834	2,405,757,999	20,103,923	16,386,900				
Total non-current liabilities		180,667,785,815	115,019,652,290	53,709,712	36,1058,461				
Total liabilities		274,481,210,049	220,274,952,106	13,662,909,808	13,318,070,520				
Shareholders' equity									
Share capital						22			
Authorized share capital									
4,997 million ordinary shares of									
Baht 1.00 each									
Issued and paid share capital									
2,974 million ordinary shares of									
Baht 1.00 each, fully paid									
22, 24		2,973,554,313	2,973,178,632	2,973,554,313	2,973,178,632				
Share premium									
Share premium on ordinary shares	22	22,446,531,121	22,386,069,897	22,446,531,121	22,386,069,897				
Other deficits									
Deficits arising from change in ownership interest in a subsidiary		(669,657,282)	(669,657,282)	-	-				
Retained earnings									
Appropriated									
Legal reserve	23	500,000,000	500,000,000	500,000,000	500,000,000				
Unappropriated		50,882,427,533	43,725,576,066	50,882,427,533	43,725,576,066				
Other components of shareholders' equity	24	(568,871,723)	350,931,793	(568,871,723)	350,931,793				
Total shareholders' equity attributable to owners of the Company		75,563,983,962	69,266,099,106	76,233,641,244	69,935,756,388				
Non-controlling interests		125,383,375	128,070,516	-	-				
Total shareholders' equity		75,689,367,337	69,394,169,622	76,233,641,244	69,935,756,388				
Total liabilities and shareholders' equity		350,170,577,386	289,669,121,728	89,896,551,052	83,253,826,908				

Notes to the financial statements form an integral part of these statements

Notes to the financial statements form an integral part of these statements

Statements of Profit or Loss

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

	NOTES	UNIT : BAHT			
		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Revenues					
Revenues from rendering of services and equipment rentals	26, 35	143,315,889,147	150,128,820,094	1,959,785,000	1,727,511,000
Revenue from sale of goods	35	29,574,376,140	30,764,865,144	-	-
Total revenues		<u>172,890,265,287</u>	<u>180,893,685,238</u>	<u>1,959,785,000</u>	<u>1,727,511,000</u>
Costs					
Cost of rendering of services and equipment rentals	30, 35	(81,534,057,465)	(81,487,209,457)	(1,265,622,961)	(1,341,462,262)
Cost of sale of goods		<u>(29,314,265,327)</u>	<u>(30,412,235,356)</u>	<u>-</u>	<u>-</u>
Total costs		<u>(110,848,322,792)</u>	<u>(111,899,444,813)</u>	<u>(1,265,622,961)</u>	<u>(1,341,462,262)</u>
Gross profit		62,041,942,495	68,994,240,425	694,162,039	386,048,738
Distribution costs and administrative expenses					
Distribution costs	30	(6,598,243,894)	(7,861,311,589)	(1,893,176)	(1,710,419)
Administrative expenses	30	<u>(17,732,641,307)</u>	<u>(19,879,238,500)</u>	<u>(92,678,460)</u>	<u>(192,516,104)</u>
Total distribution costs and administrative expenses		<u>(24,330,885,201)</u>	<u>(27,740,550,089)</u>	<u>(94,571,636)</u>	<u>(194,226,523)</u>
Profit from services, equipment rentals and sales of goods					
Finance income	27, 35	319,969,373	197,602,961	387,390,405	610,340,003
Other income	28, 35	648,697,303	648,896,450	66,567,628	67,516,380
Share of profit (loss) of subsidiaries, joint ventures and an associate accounted for using equity method	9, 10	(70,306,065)	(85,867,508)	26,757,273,522	30,590,075,960
Net gain on foreign exchange rate		<u>140,200,640</u>	<u>308,410,189</u>	<u>207,672</u>	<u>2,786,812</u>
Loss from fair value measurement of derivative assets		<u>(138,620,912)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Management benefit expenses	35	(167,773,760)	(144,365,024)	(167,723,760)	(144,335,024)
Finance costs	31, 35	<u>(5,917,382,740)</u>	<u>(4,776,605,533)</u>	<u>(56,935,975)</u>	<u>(72,649,111)</u>
Profit before income tax expense		32,525,841,133	37,401,761,871	27,586,369,895	31,245,557,235
Tax expense	32	<u>(5,088,586,512)</u>	<u>(6,209,242,358)</u>	<u>(152,009,552)</u>	<u>(55,986,548)</u>
Profit for the years		<u>27,437,254,621</u>	<u>31,192,519,513</u>	<u>27,434,360,343</u>	<u>31,189,570,687</u>
Profit attributable to:					
Owners of the Company		27,434,360,343	31,189,570,687	27,434,360,343	31,189,570,687
Non-controlling interests		<u>2,894,278</u>	<u>2,948,826</u>	<u>-</u>	<u>-</u>
Profit for the years		<u>27,437,254,621</u>	<u>31,192,519,513</u>	<u>27,434,360,343</u>	<u>31,189,570,687</u>
Earnings per share (in Baht)	33	9.23	10.49	9.23	10.49
Basic earnings per share		<u>9.23</u>	<u>10.49</u>	<u>9.23</u>	<u>10.49</u>
Diluted earnings per share		<u>9.23</u>	<u>10.49</u>	<u>9.23</u>	<u>10.49</u>

Notes to the financial statements form an integral part of these statements

Statements of Profit or Loss and Other Comprehensive Income

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

	NOTES	UNIT : BAHT			
		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Profit for the years		27,437,254,621	31,192,519,513	27,434,360,343	31,189,570,687
Other comprehensive income					
Components of other comprehensive income that will be subsequently reclassified to profit or loss					
Exchange differences on translating financial statement		2,921,382	-	-	-
Loss on cash flow hedges	36	(251,241,472)	-	-	-
Share of other comprehensive loss of subsidiaries accounted for using equity method	10	-	-	(198,071,795)	-
Income tax relating to components of other comprehensive income that will be subsequently reclassified to profit or loss	32	50,248,294	-	-	-
Total components of other comprehensive income that will be subsequently reclassified to profit or loss		(198,071,796)	-	(198,071,795)	-
Components of other comprehensive income that will not be subsequently reclassified to profit or loss					
Losses on investment in equity designated at fair value through other comprehensive income		(2,622,066)	-	(157,370)	-
Gains / (Loss) on remeasurements of defined benefit plans	21	(112,095,664)	279,643,232	(30,800,812)	34,893,915
Share of other comprehensive income / (loss) of subsidiaries	10	-	-	(67,175,569)	195,825,589
Income tax relating to components of other comprehensive income that will not be subsequently reclassified to profit or loss	32	22,752,663	(55,778,079)	6,191,636	(6,978,783)
Total components of other comprehensive income that will not be subsequently reclassified to profit or loss		(91,965,067)	223,865,153	(91,942,115)	223,740,721
Other comprehensive income for the years, net of income tax		(290,036,863)	223,865,153	(290,013,910)	223,740,721
Total comprehensive income for the years		<u>27,147,217,758</u>	<u>31,416,384,666</u>	<u>27,144,346,433</u>	<u>31,413,311,408</u>
Total comprehensive income attributable to:					
Owners of the Company		27,144,346,433	31,413,311,408	27,144,346,433	31,413,311,408
Non-controlling interests		2,871,325	3,073,258	-	-
Total comprehensive income for the years		<u>27,147,217,758</u>	<u>31,416,384,666</u>	<u>27,144,346,433</u>	<u>31,413,311,408</u>

Statements of Changes in Shareholders' Equity Consolidated Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

UNIT : BAHT

Notes	Issued and paid share capital		Other deficits Deficits arising from change in ownership interest in subsidiaries		Retained earnings Appropriated Legal reserve		Other components of shareholders' equity Reserve for share- based payment Gain on dilution of investment Total other components of shareholders' equity			Total shareholders' equity attributable to owners of the Company			Non- controlling interests	Total shareholders' equity
	Share premium on ordinary share													
Balance as at January 1, 2019	2,973,095,330	22,372,276,085	(668,455,415)	500,000,000	33,361,025,048	177,829,523	161,186,663	339,016,186	58,876,957,234	147,574,630	59,024,531,864			
Transactions with owners, recorded directly in shareholders' equity														
Contributions by and distributions to owners of the Company														
Increase in share capital	22	83,302	13,793,812	-	-	-	(13,877,114)	-	(13,877,114)	-	-	-	-	
Share-based payment transaction	24	-	-	-	-	-	25,792,721	-	25,792,721	25,792,721	-	-	25,792,721	
Dividends paid	34, 35	-	-	-	-	(21,048,760,390)	-	-	-	(21,048,760,390)	(1,477,858)	(21,050,238,248)		
Total contributions by and distributions to owners of the Company		83,302	13,793,812	-	-	(21,048,760,390)	11,915,607	-	11,915,607	(21,022,967,669)	(1,477,858)	(21,024,445,527)		
Changes in ownership interests in a subsidiary														
Change in ownership interest in a subsidiary		-	-	(1,201,867)	-	-	-	-	-	(1,201,867)	(21,099,514)	(22,301,381)		
Total changes in ownership interests in subsidiary		-	-	(1,201,867)	-	-	-	-	-	(1,201,867)	(21,099,514)	(22,301,381)		
Total transactions with owners, recorded directly in shareholders' equity		83,302	13,793,812	(1,201,867)	-	(21,048,760,390)	11,915,607	-	11,915,607	(21,024,169,536)	(22,577,372)	(21,046,746,908)		
Comprehensive income for the year														
Profit for the year		-	-	-	-	31,189,570,687	-	-	-	31,189,570,687	2,948,826	31,192,519,513		
Other comprehensive income		-	-	-	-	223,740,721	-	-	-	223,740,721	124,432	223,865,153		
Total comprehensive income for the year		-	-	-	-	31,413,311,408	-	-	-	31,413,311,408	3,073,258	31,416,384,666		
Balance as at December 31, 2019		2,973,178,632	22,386,069,897	(669,657,282)	500,000,000	43,725,576,066	189,745,130	161,186,663	350,931,793	69,266,099,106	128,070,516	69,394,169,622		

Notes to the financial statements form an integral part of these statements

Statements of Changes in Shareholders' Equity (Continued) Consolidated Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

UNIT : BAHT

Notes	Other components of shareholders' equity											Total shareholders' equity attributable to owners of the Company	Non-controlling interests	Total shareholders' equity			
	Issued and paid share capital	Share premium on ordinary share	Other deficits Deficits arising from change in ownership interest in subsidiaries	Retained earnings			Reserve for share-based payment	Gain on dilution of investment	Currency Conversion	Hedging reserves	Fair value reserves						
				Appropriated Legal reserve	Unappropriated												
Balance as at January 1, 2020 - as under previous Thai Financial Reporting Standards	2,973,178,632	22,386,069,897	(669,657,282)	500,000,000	43,725,576,066	189,745,130	161,186,663	-	-	-	-	350,931,793	69,266,099,106	128,070,516	69,394,169,622		
Effect from adoption Thai Financial Reporting Standard 9	2.4	-	-	-	-	30,159,105	-	-	-	(721,880,941)	45,456,631	(676,424,310)	(646,265,205)	-	(646,265,205)		
Balance as at January 1, 2020 - as under new Thai Financial Reporting Standards	2,973,178,632	22,386,069,897	(669,657,282)	500,000,000	43,755,735,171	189,745,130	161,186,663	-	(721,880,941)	45,456,631	(325,492,517)	68,619,833,901	128,070,516	68,747,904,417			
Transactions with owners, recorded directly in shareholders' equity																	
Contributions by and distributions to owners of the Company																	
Increase in share capital	22	375,681	60,461,224	-	-	-	(60,836,905)	-	-	-	-	(60,836,905)	-	-	-		
Share-based payment transaction	24	-	-	-	-	-	17,627,148	-	-	-	-	17,627,148	17,627,148	-	17,627,148		
Dividends paid	34, 35	-	-	-	-	(20,217,823,520)	-	-	-	-	-	-	(20,217,823,520)	(927,026)	(20,218,750,546)		
Total contributions by and distributions to owners of the Company		375,681	60,461,224	-	-	(20,217,823,520)	(43,209,757)	-	-	-	-	(43,209,757)	(20,200,196,372)	(927,026)	(20,201,123,398)		
Changes in ownership interests in a subsidiary																	
Change in ownership interest in a subsidiary		-	-	-	-	-	-	-	-	-	-	-	(4,631,440)	(4,631,440)			
Total transactions with owners, recorded directly in shareholders' equity		375,681	60,461,224	-	-	(20,217,823,520)	(43,209,757)	-	-	-	-	(43,209,757)	(20,200,196,372)	(5,558,466)	(20,205,754,838)		
Comprehensive income for the year																	
Profit for the year		-	-	-	-	27,434,360,343	-	-	-	-	-	27,434,360,343	2,894,278	27,437,254,621			
Other comprehensive income		-	-	-	-	(89,844,461)	-	-	2,921,382	(200,993,177)	(2,097,654)	(200,169,449)	(290,013,910)	(22,953)	(290,036,863)		
Total comprehensive income for the year		-	-	-	-	27,344,515,882	-	-	2,921,382	(200,993,177)	(2,097,654)	(200,169,449)	27,144,346,433	2,871,325	27,147,217,758		
Balance as at December 31, 2020		2,973,554,313	22,446,531,121	(669,657,282)	500,000,000	50,882,427,533	146,535,373	161,186,663	2,921,382	(922,874,118)	43,358,977	(568,871,723)	75,563,983,962	125,383,375	75,689,367,337		

Notes to the financial statements form an integral part of these statements

Statements of Changes in Shareholders' Equity Separate Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

UNIT : BAHT

Notes	Retained earnings				Other components of shareholders' equity			Total shareholders' equity
	Issued and paid share capital	Share premium on ordinary share	Appropriated Legal reserve	Unappropriated	Reserve for share- based payment	Gain on dilution of investment	Total other components of shareholders' equity	
Balance as at January 1, 2019	2,973,095,330	22,372,276,085	500,000,000	33,361,025,048	177,829,523	161,186,663	339,016,186	59,545,412,649
Transactions with owners, recorded directly in shareholders' equity								
Increase in share capital	22	83,302	13,793,812	-	-	(13,877,114)	-	(13,877,114) -
Share-based payment transaction	24	-	-	-	-	25,792,721	-	25,792,721 25,792,721
Dividends paid	34, 35	-	-	-	(21,048,760,390)	-	-	(21,048,760,390)
Total transactions with owners, recorded directly in shareholders' equity		83,302	13,793,812	-	(21,048,760,390)	11,915,607	-	11,915,607 (21,022,967,669)
Comprehensive income for the year								
Profit for the year	-	-	-	31,189,570,687	-	-	-	31,189,570,687
Other comprehensive income	-	-	-	223,740,721	-	-	-	223,740,721
Total comprehensive income for the year		-	-	31,413,311,408	-	-	-	31,413,311,408
Balance as at December 31, 2019	2,973,178,632	22,386,069,897	500,000,000	43,725,576,066	189,745,130	161,186,663	350,931,793	69,935,756,388

Notes to the financial statements form an integral part of these statements

Statements of Changes in Shareholders' Equity (Continued) Separate Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

UNIT : BAHT

Notes	Retained earnings				Other components of shareholders' equity				Total other components of shareholders' equity	Total shareholders' equity
	Issued and paid share capital	Share premium on ordinary share	Appropriated 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		
Balance as at January 1, 2020 - as under previous										
Thai Financial Reporting Standards	2,973,178,632	22,386,069,897	500,000,000	43,725,576,066	189,745,130	161,186,663	-	-	350,931,793	69,935,756,388
Effect from adoption Thai Financial Reporting Standard 9	2.4	-	-	30,159,105	-	-	16,682,006	(693,106,316)	(676,424,310)	(646,265,205)
Balance as at January 1, 2020 - as under new										
Thai Financial Reporting Standards	2,973,178,632	22,386,069,897	500,000,000	43,755,735,171	189,745,130	161,186,663	16,682,006	(693,106,316)	(325,492,517)	69,289,491,183
Transactions with owners, recorded directly in shareholders' equity										
Increase in share capital	22	375,681	60,461,224	-	-	(60,836,905)	-	-	(60,836,905)	-
Share-based payment transaction	24	-	-	-	-	17,627,148	-	-	17,627,148	17,627,148
Dividends paid	34, 35	-	-	(20,217,823,520)	-	-	-	-	-	(20,217,823,520)
Total transactions with owners, recorded directly in shareholders' equity										
	375,681	60,461,224	-	(20,217,823,520)	(43,209,757)	-	-	-	(43,209,757)	(20,200,196,372)
Comprehensive income for the year										
Profit for the year	-	-	-	27,434,360,343	-	-	-	-	-	27,434,360,343
Other comprehensive income	-	-	-	(89,844,461)	-	-	(125,896)	(200,043,553)	(200,169,449)	(290,013,910)
Total comprehensive income for the year										
Balance as at December 31, 2020	2,973,554,313	22,446,531,121	500,000,000	50,882,427,533	146,535,373	161,186,663	16,556,110	(893,149,869)	(568,871,723)	76,233,641,244

Notes to the financial statements form an integral part of these statements

Statements of Cash Flow

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

NOTES	UNIT : BAHT							
	CONSOLIDATED		SEPARATE		CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019	2020	2019	2020	2019
Cash flows from operating activities								
Profit for the years	27,437,254,621	31,192,519,513	27,434,360,343	31,189,570,687				
Adjustments for								
Depreciation and amortization	12, 13, 15, 16, 30	51,841,589,128	37,228,819,712	152,237,335	68,980,994			
Finance income	27, 35	(319,969,373)	(197,602,961)	(387,390,405)	(610,340,003)			
Finance costs	31, 35	5,917,382,740	4,776,605,533	56,935,975	72,649,111			
(Reversal of) Expected credit losses / doubtful accounts								
and bad debts expense	6	2,875,760,943	2,520,818,756	(1,600,000)	(200,000)			
Share-based payment transaction	24	17,627,148	25,792,721	17,627,148	25,792,721			
Reversal of loss for obsolete,								
decline in value and write-off inventories	8	(42,416,084)	(15,611,282)	-	-			
Loss for unused equipment		700,428,653	952,433,692	-	-			
Loss on terminate contract assets	7	524,572,869	746,805,695	-	-			
Loss from impairment on other long-term investment	11	-	1,000,000	-	1,000,000			
(Gain) loss on sales and write-off of assets		37,609,387	177,909,650	(6,855,734)	35,557,433			
Unrealized (gain) loss on foreign exchange rate and (gain) loss from fair value measurement of derivative assets		(144,399,835)	(416,414,806)	128,415	(499,486)			
Share of (profit) loss of subsidiaries, joint ventures and an associate accounted for using equity method	9, 10	70,306,065	85,867,508	(26,757,273,522)	(30,590,075,960)			
Employee benefit expense		196,970,421	844,012,892	39,769,635	110,446,463			
Tax expense	32	5,088,586,512	6,209,242,358	152,009,552	55,986,548			
Cash provided by operation before changes in operating assets and liabilities		94,201,303,195	84,132,198,981	699,948,742	358,868,508			
Changes in operating assets and liabilities								
Specifically-designated bank deposits		79,388,152	231,453,135	-	-			
Trade and other current receivables		(3,371,745,566)	(1,602,313,048)	(14,436,684)	10,954,645			
Contract assets		(104,157,529)	(920,605,134)	-	-			
Inventories		2,498,786,635	(989,858,916)	-	-			
Other current assets		307,586,354	342,464,732	59,967,648	63,090,360			
Other non-current assets		(361,374,979)	266,751,157	(35,767,906)	215,178,101			
Trade and other current payables		(1,062,139,696)	1,904,589,590	(159,990,297)	53,326,532			
Provision for revenue sharing		-	(113,401,922)	-	(113,401,922)			
Unearned income - mobile phone service		159,648,093	225,494,559	-	(105)			
Advanced received from customers		(79,388,152)	(231,453,135)	-	-			
Other current liabilities		15,204,180	6,089,356	160,281	(3,539,189)			
Other financial assets (liabilities)		(99,683,652)	146,431,280	-	-			
Other non-current liabilities		(23,427,027)	(3,588,355)	-	-			
Cash generated by operating activities		92,159,999,408	83,394,252,280	549,881,784	584,476,930			
Employee benefit paid		(56,432,164)	(45,600,833)	(12,991,839)	(20,273,104)			
Tax paid		(6,474,175,466)	(6,721,408,874)	(49,730,533)	(60,345,445)			
Net cash provided by operating activities		85,629,391,778	76,627,242,573	487,159,412	503,858,381			

Notes to the financial statements form an integral part of these statements

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

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Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

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

The major principal business operations of the Company is to provide consulting and management services to its subsidiaries and the Company and its subsidiaries (the "Group") is 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.

According to the auction terms and conditions, AWN paid the 1st installment by 11% of the fee plus VAT, totaling Baht 8,603 million on June 28, 2016 and submitted bank guarantee to pay the remaining fee to the NBTC. For the 2nd installment and the 3rd installment of 5% of the fee plus VAT each will be paid in the second year and the third year since date of the first installment, and the remaining will be paid in the fourth year.

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

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

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

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

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

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

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

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

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

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

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

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

Auction License of Spectrum for Telecommunications Service in the Frequency Band of 700 MHz

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

On January 13, 2021, AWN paid the 1st installment by 10% of the license price plus value added-tax, totaling Baht 1,835 million and bank guarantee will be issued for the remaining license price to the NBTC at least 15 days before the start of the license to use the 700 MHz frequency. The remaining amount will be paid in the second year to the tenth year on equal installment amount and bank guarantee will be issued for the remaining license price to the NBTC. The announcement specifies the start date for the 700 MHz to be use on April 1, 2021 or until otherwise specified by the NBTC. The Office of the National Broadcasting and Telecommunications Commission (“NBTC”) will give a letter notifying the start date of the 700 MHz Spectrum Licensing not less than ninety days in advance.

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

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

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

- 2) Super Broadband Network Co., Ltd. (“SBN”), a subsidiary, has been granted permission from the Office of the National Broadcasting and Telecommunications Commission (“NBTC”) under the broadcasting network license for non - frequency business at national. The license certificate (the “License”) No. B1-N21331-0001-60 dated on March 20, 2017 and will be expired on March 19, 2032. In addition, SBN has been granted licenses from NBTC for the operation of television broadcasting service several channels the period of 1 - 8 years each. SBN is obliged to comply with various conditions and pay fee within the time period as specified in the License.

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

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.

Details of the Company's subsidiaries, an associate and joint ventures as at December 31, are as follows:

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			2020	2019
Subsidiaries				
Advanced Contact Center Company Limited	Service provider of call center	Thailand	99.99	99.99
Digital Phone Company Limited	Ceased mobile phone operation	Thailand	98.55	98.55
Advanced Magic Card Comptany 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	-

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			2020	2019
Indirect Subsidiaries				
Advanced Datanetwork Communications Company Limited	Under liquidation process.	Thailand	51.00 ^{1,2}	51.00 ¹
CS LoxInfo Public Company Limited	Service provider of internet data center services, internet and satellite uplink-downlink services for domestic and international communications and distribute internet equipment.	Thailand	99.67 ^{1,3}	99.58 ¹
Teleinfo Media Public Company Limited	Service provider of publishing and advertising telephone directories	Thailand	99.99 ¹	99.99 ¹
AD Venture Public Company Limited	Service provider of mobile contents	Thailand	99.99 ¹	99.99 ¹
Yellow Pages Commerce Company Limited	Service provider of online advertising business	Thailand	99.94 ¹	99.94 ¹
Associate				
Information Highway Company Limited	Service provider of transmission network	Thailand	29.00 ¹	29.00 ¹
Joint Ventures				
Amata Network Company Limited	Service provider of infrastructure developer of fibre optic network	Thailand	60.00 ¹	60.00 ¹
Rabbit - Line Pay Company Limited	Service provider of electronic money and electronic payment service business	Thailand	33.33 ¹	33.33 ¹
Digital Games International Private Limited	Service provider of games online	Singapore	33.33 ¹	-
Saha Advance Network Company Limited	Not started operation	Thailand	70.00 ¹	-

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

² On September 1, 2020, Advanced Datanetwork Communications Company Limited ("ADC") registered for liquidation on Ministry of Commerce. On December 31, 2020, 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 year ended December 31, 2020, AWN purchased additional ordinary share of 526,300 ordinary shares of CSL at the price of Baht 8.80 per shares totaling Baht 5 million representing 0.09% of total issued and paid ordinary share of CSL. Then AWN hold 592,524,524 ordinary shares of CSL or equivalent owned 99.67% 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.

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

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 FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The Group and the Company maintain its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and practice generally accepted in Thailand.
- 2.2 The Group’s and the Company’s financial statements have been prepared in accordance with the Thai Accounting Standard (“TAS”) No. 1 “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2020 onward, and the Regulation of The Stock Exchange of Thailand (“SET”) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statement (No.3) B.E. 2562” dated December 26, 2019.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).
- 2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, the Group and the Company have adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s and the Company’s financial statements. However, the new standards which become effective for fiscal year and involve changes to key principles are summarised below:

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

Group of Financial Instruments Standards

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

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

Group of Financial Instruments Standards introduce new requirements for:

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

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

Presentation	Consolidated financial statements					Effect from adoption TFRS 9	Balance as at January 1, 2020 as under new TFRSs	Separate financial statements				Effect from adoption TFRS 9	Balance as at January 1, 2020 as under new TFRSs
	Recognized and remeasurement as under previous TFRSs	Recognized and remeasurement as under new TFRSs	Balance as at January 1, 2020 as under previous TFRSs	Effect from adoption TFRS 9	Balance as at January 1, 2020 as under new TFRSs			Presentations	Recognized and remeasurement as under previous	Recognized and remeasurement as under new TFRSs	Balance as at January 1, 2020 as under previous		
								Presentations	TFRSs	TFRSs	TFRSs		
Assets													
Trade and other current receivables	Cost less impairment	Amortized Cost	18,298	(12)	18,286			Investments in subsidiaries	Equity method	Equity method	27,928	(663)	27,265
Other current financial assets	Accrual basis	FVTPL	-	1	1			Other long-term investment	Cost less impairment	-	47	(47)	-
Other long-term investment	Cost less impairment	-	67	(67)	-			Other non-current financial assets	-	FVTOCI	-	68	68
Other non-current financial assets	-	FVTOCI	-	124	124			Deferred tax assets	Accrual basis	Accrual basis	550	(4)	546
Deferred tax assets	Accrual basis	Amortized Cost	3,491	195	3,686								
Liabilities													
Trade and other current payables	Accrual basis	Amortized Cost	41,377	(47)	41,330			Retained earnings - Unappropriated	-	-	43,726	30	43,756
Other current financial liabilities	Accrual basis	FVTPL	141	120	261			Other components of shareholders' equity	-	-	351	(676)	(325)
Other non-current financial liabilities	Accrual basis	FVTOCI	-	814	814								
Shareholders' equity													
Retained earnings - Unappropriated	-	-	43,726	30	43,756								
Other components of shareholders' equity	-	-	351	(676)	(325)								

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

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

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

Financial impact of the initial application of TFRS 16

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

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

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

The following tables show the amount of adjustment for each financial statements line item affected by the application of TFRS16.

Consolidated statement of financial position as at January 1, 2020

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

Separate statement of financial position as at January 1, 2020

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

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

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

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

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

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

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

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

2.5 Thai Financial Reporting Standard No.16 “Leases”

TFRS 16 has been amended for the Rent Concessions related to COVID-19, which is effective from 1 June 2020 with earlier application permitted. 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. In addition, the revised TFRS 16 also 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.

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

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

Definition of Business

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

Definition of Materiality

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

The Interest Rate Reform

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

Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset and liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial Reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when they become effective. The Group's management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

Except for Note 2.4 to the financial statements have been prepared under the measurement basis of historical cost except as disclosed in the significant accounting policies as follows:

3.1 Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group's interests in an associate and joint ventures.

Business combinations

The Group and the Company apply the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group and the Company take into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group and the Company to the previous owners of the acquiree, and equity interests issued by the Group and the Company. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the Company and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognized in other expenses.

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group and the Company measure any non-controlling interest (NCI) at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group and the Company incur in connection with a business combination such as legal fees, other professional and consulting fees are expensed as incurred.

Acquisitions from entities under common control

Business combinations of entities or businesses under common control are accounted for using a method similar to the pooling of interest method and in accordance with the Guideline issued in 2009 by the Federation of Accounting Professions.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in the statement of profit or loss and the statement of profit or loss and other comprehensive income. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity - accounted investees

The Group's interests in equity-accounted investees comprise interests in an associate and joint ventures.

The Company's interests in equity-accounted investees comprise interests in subsidiaries.

Associate is entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Joint venture is a joint arrangement whereby the parties that have a joint control arrangement have rights to the net assets of the arrangement. The investment in a joint venture is accounted for in the consolidated financial statements using the equity method and is recognized initially at cost.

Interests in an associate, subsidiaries and joint ventures are accounted for using the equity method. They are recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated and separate financial statements include the Group's and the Company's share of profit or loss of equity-accounted investees in the profit or loss and other comprehensive income, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency (Thai Baht) of the Group at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency using the foreign exchange rates ruling at the dates of the transactions.

3.3 Financial instruments

a) Policies applicable from January 1, 2020

Financial assets and financial liabilities are recognized in the Group and the Company consolidated statement of financial position and separate statement of financial position when the Group and the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost;

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group and the Company may make the following irrevocable election/designation at initial recognition of a financial asset;

- The Group and the Company may irrevocable elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (2) below); and
- The Group and the Company may irrevocable designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (3) below).

(1) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognized in profit or loss and is included in the “finance income” line item.

(2) Debt instruments classified as at FVTOCI

On initial recognition, the Group and the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be classified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

The Group and the Company has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of TFRS 9 (See Note 2.4).

(3) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (see (1) to (2) above) are measured at FVTPL. Specifically;

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognized in profit or loss and is included in the “gain (loss) from fair value measurement of derivative assets” line item. Fair value is determined in the manner described in Note 2.4

Impairment of financial assets

The Group and the Company recognizes a loss allowance for expected credit losses on lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group and the Company always recognizes lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group and the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(1) Write-off policy

The Group and the Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group and the Company’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

(2) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date.

If the Group and the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group and the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

A financial liability may be designated as at FVTPL upon initial recognition if;

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group and the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.

Financial liabilities measured subsequently at amortized cost

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derivative financial instruments

The Group and the Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of interest rate risk in cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements;

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationships; and
- The hedged ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income.

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

b) Policies applicable before January 1, 2020

The Group use financial instruments to manage exposure of fluctuations in foreign currency exchange and interest rates. These instruments, which mainly comprise forward contracts and interest rate swap are recorded in the financial statements on the contract date. The purpose of these instruments is to mitigate risk.

Swap and forward contracts prevent effect from fluctuations in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled. Swap and forward contracts are recorded as other financial assets or liabilities on inception, and are translated at the end of the reporting period exchange rate. Unrealized gains or losses on transactions are recognized in the statement of profit or loss. Premiums or discounts are amortized in the statement of profit or loss on a straight-line basis over the contract period.

Interest rate swap contracts prevent effects from fluctuations in floating interest rates. Any differential to be received or paid on an interest rate swap contracts are recognized as a component of interest income or expense over the period of such instrument. Gains or losses of early termination of interest rate swap contracts or on earlier repayment of the borrowing are recognized in the statement of profit or loss.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash, cash at banks type current accounts, saving accounts and fixed accounts not exceeding 3 months excluding cash at banks used as collateral and highly liquid short-term investments with original maturities of three months or less.

3.5 Trade and other current receivables

a) Policies applicable prior to January 1, 2020

Trade and other current receivables are stated at cost net of allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

b) Policies applicable from January 1, 2020

Trade receivables, other receivables are stated at cost less allowance for expected credit losses.

The allowance for expected credit losses has disclosed in Note 3.3.

3.6 Inventories

Inventories comprise mobile phones, sim cards and spare parts used for repairs and services.

Inventories are stated at the lower of cost and net realizable value. The Group's and the Company's cost of inventories are calculated by using moving weighted average method.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

An allowance for obsolete are decline in value are made for all deteriorated, changed, obsolete and slow-moving inventories.

3.7 Investments

Investments in an associate, subsidiaries and joint ventures

Investments in subsidiaries in the separate financial statements of the Company and investment in an associate and joint ventures in the consolidated financial statements are accounted for using the equity method.

Investments in fixed deposit at banks, other debt and equity securities

Fixed deposit at bank is classified as part of current investment with maturities over three months, not exceeding one year.

Policies applicable before January 1, 2020.

Debt securities that the Group and the Company have the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortized cost less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortized using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognized in other comprehensive income. Impairment losses and foreign exchange differences are recognized in the statement of profit or loss and other comprehensive income. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in the statement of profit or loss and other comprehensive income. In case of these investments are interest-bearing, interest calculated using the effective interest method is recognized in the statement of profit or loss and other comprehensive income.

Equity securities which are not marketable are stated cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the end of the reporting period.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognized in the statement of profit or loss and other comprehensive income.

If the Group and the Company dispose of part of its holding of a particular investment, the deemed cost of the part sold is determined using the FIFO method applied to the carrying value of the total holding of the investment.

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Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

3.8 Property, plant and equipment

Recognition and measurement

Owned assets

Property is stated at cost less allowance for impairment (if any).

Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment loss.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items for each major components of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net in the statement of profit or loss.

Leased assets

Leases in terms of which the Group and the Company substantially assume all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and allowance for impairment losses. Lease payments are apportioned between the finance cost and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance cost are recognized in the statement of profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of plant and equipment, or other amount substituted for cost, less its residual value.

Depreciation is recognized in the statement of profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and building improvements	5 - 30 years
Leasehold building improvements	5 - 10 years
Computer, tools and equipment	3 - 20 years
Furniture, fixtures and office equipment	2 - 18 years
Communication equipment for rental	5 years
Vehicles	5 years

The Group and the Company have no depreciation provided on freehold land and assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.9 Right-of-use assets and Lease liabilities

The Group and the Company has applied TFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under TAS 17. The details of accounting policies under both TAS 17 and TFRS 16 are as follows:

a) Policies applicable from January 1, 2020

The Group and the Company as lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value grantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

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

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

The Group and the Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a yield interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

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

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

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and Company expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Depreciation of right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term as follows:

Land and Building	1 - 11	years
Spectrum License	6	years
Leasehold for Tower	9	years
Equipment for Telecom	1 - 12	years
Office Building	1 - 5	years
Vehicle	1 - 5	years

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

The Group and the Company applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Property, Plant and Equipment” policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in profit or loss.

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

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of space and equipment.

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

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance lease or operating lease by reference to the right-of-use asset arising from the head lease.

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

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Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

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

When a contract includes both lease and non-lease components, the Group applies TFRS 15 to allocate the consideration under the contract to each component.

b) Policies applicable prior to January 1, 2020

Operating lease

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognized in the statement of profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Finance lease

Lease in which substantially all the risks and rewards of ownership other than legal title are transferred to the Group and the Company is accounted for as a finance lease. The Group and the Company capitalize the equipment at the lower of fair value of the equipment at the contractual date or estimated present value of the underlying lease payments. The leased assets are depreciated using the straight-line method over their estimated useful lives. Interest or financial charge is recognized by effective interest rate method over the term of contracts. Interest or financial charge and depreciation are recognized as expenses in the statement of profit or loss.

3.10 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in Note 3.1. Subsequent to initial recognition, goodwill is measured at cost less impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount.

Spectrum licenses

Spectrum licenses represent with its value measured at the cash equivalent price based on the present value of the installments. The difference between the total payment to be made and the cash equivalent price is recognized as finance cost over the license fee payment period, with the cost being amortized starting on date of the license effective.

Other intangible assets

Other intangible assets consist of customer relationship, customer contracts, fibre optics licenses and software licenses which are acquired by the Group and the Company, which have finite useful lives, are measured at cost less accumulated amortization and impairment losses (if any).

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in the statement of profit or loss.

Amortization

Amortization is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in the statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

Spectrum licenses	Over the period of the license
Customer relationship	5 years
Customer contracts	5 years
Fibre optics licenses	Not over the period of the license
Software licenses	3 - 10 years

The Group and the Company have no amortization provided on asset under installation.

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.11 Other assets

Deferred charges

Deferred charges represent costs of long-term leases of space for base stations, expenditures relating to the increase of power of electricity at base stations and International circuit are stated at cost less accumulated amortization and impairment losses (if any).

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

Amortization

Amortization is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in the statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Costs of long-term leases for base stations	Over the lease agreement period
Expenditures relating to the increase of power of electricity at base stations	Over the remaining period of the Agreement of operation period
International circuit	Over the agreement period

3.12 Impairment

Policies applicable before January 1, 2020

The carrying amounts of the Group's and the Company's assets are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognized in the statement of profit or loss and other comprehensive income even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in the statement of profit or loss and other comprehensive income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in the statement of profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the assets' value in use or fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized in the statement of profit or loss. For financial assets carried at amortized cost and available-for-sale financial assets that are debt and equity securities, the reversal is recognized in the statement of profit or loss and other comprehensive income. For available-for-sale financial assets that are equity securities, the reversal is directly recognized in the statement of profit or loss and other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at the end of the reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.13 Interest-bearing liabilities

Interest-bearing liabilities are recognized initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss over the period of the borrowings on an effective interest basis.

3.14 Trade and other current payables

Trade and other current payables are stated at cost.

3.15 Employee benefits

Provident fund

The Group and the Company had provident funds which is a defined contribution plan. The fund's asset of the provident fund is separated from the Group's and the Company's asset and has been managed by a licensed fund manager. The provident fund receives a cash contribution from employee and the related Group and the Company. The contribution expenditure of the provident fund is recognized as expense in the statement of profit or loss of the reporting period that transaction occurred.

Post-employment benefit and long-term service award

The provision in respect of post-employment benefits that provide compensation according to labour law and long-term service award are recognized in the Group's and the Company's financial statements based on calculations by a qualified actuary using the projected unit credit method.

The Group and the Company recognized all gains (losses) on remeasurements of defined benefit plans arising from provisions for employee benefit in statement of profit or loss and other comprehensive income and all expenses related to provisions for employee benefit in the statement of profit or loss.

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

Termination benefits

Termination benefits are recognized as an expense in the statement of profit or loss when the Group and the Company are committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy or the Group and the Company have made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the end of the reporting period, then they are discounted to their present value.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recognized as an expense in the statement of profit or loss as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group and the Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payments

The Group measured the expense of the Project by reference to the fair value of the equity instrument granted at the grant date.

The expense of the Project is recognized in the statement of profit or loss from operation corresponding to the increase in "reserve for share-based payment transaction" in shareholders' equity over the periods in which the service conditions are fulfilled.

3.16 Provisions

A provision is recognized if, as a result of a past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.17 Recognition of revenue and expense

Revenue recognition

Revenue is measured at the fair value of the standalone selling price of each performance obligation in contracts.

Revenue from sale of goods recognized in statement of profit or loss when control is passed to the buyer.

Revenue from rendering of services from providing internet and other services recognized when the services are transferred to customers.

Revenue from design contract and installation of internet network, computer and communication ("ICT") recognize based on percentage of completion at the end of reporting period and in the period which the services were provided.

Revenue from contracts with multiple elements are allocated by fair value of standalone selling price in each performance obligation. In case of contracts have both obligations to perform at point of time and overtime, difference from revenue recognition and performance obligations at the beginning of contracts is recognized as contract assets or contract liabilities and recognized over the contracts periods.

Contract assets stated at net book value after allowance for terminate contracts

Allowance for terminate contracts is mostly assessed primarily on analysis of payment histories, future expectations of customer payments and cancellation contracts history. Contract assets will be written off when contracts are cancelled.

Costs of obtaining a contract

Cost of obtaining the contract is the commission paid to acquire the contract with the customers is recorded as an asset stated at net book value after allowance for impairment (if any) and recognized as an expense systematically over the contract periods in accordance with the revenue recognition from contracts. In case of costs of obtaining a contract's amortization period is less than 1 year, the Group and the Company will recognized costs of obtaining a contract as expenses when incurred.

Rental income

Rental income from rental equipment is recognized in the statement of profit or loss and on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income.

Interest income

Interest income is recognized in the statement of profit or loss on the accrual basis.

Expense

Expense is recognized in the statement of profit or loss on the accrual basis.

3.18 Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of held-for-sale financial assets, fair value losses on financial assets at fair value through the statement of profit or loss, impairment losses recognized on financial assets (other than trade receivables), and losses on hedging instruments that are recognized in the statement of profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of profit or loss using the effective interest method.

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

3.19 Tax expense

Tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in the statement of profit or loss except to the extent that they relate to a business combination, or items recognized directly in shareholders' equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted and any tax adjustment items in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they adjust, using tax rates enacted or substantively enacted at the end of the reporting period.

In determining the amount of current and deferred tax, the Group and the Company take into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group and the Company believe that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group and the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the reporting period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.20 Earnings per share

The Group and the Company present basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group and the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted with own shares held and the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

3.21 Segment financial information

Segment results that are reported to the Group's Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3.22 Use of management's judgement

The preparation of financial statements in conformity with Thai Financial Reporting Standards ("TFRSs") also requires the Group's and the Company's management to exercise judgments in order to determine the 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 year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Significant judgements in applying accounting policies are as follows:

The recognition cost of assets and depreciation method

Recognition of cost of assets incurred as part of the carrying amount of property, plant and equipment and intangible assets ended when the management has determined that the assets is in a working condition for their intended use of the management. Moreover, the accounting policies regarding to depreciation methods and estimated useful life of the asset requires management's judgments to review each financial year.

Impairment

The Group shall assess the assets balance at the statement of financial position whether there is any indication that an asset may be impaired. If any such indication exists, the Group shall estimate the recoverable amount of the asset.

Recognition of deferred tax assets associated with tax losses carryforward

Deferred tax assets are recognized to the extent that it is probable that it will be utilized in the future and the Company has assessed it to be probable that the Company will generate taxable income sufficient to fully utilize the tax losses that exist.

Significant commercial disputes and litigations

Item required to use management judgement in provision estimation from significant disputes and litigations because the outcome of litigations has not been finalized.

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

3.23 Fair value measurements

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements are determined on such basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, are as follows:

Notes	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2020	2019	2020	2019
Cash on hand	11	6	1	1
Cash at bank - current accounts	35	605	630	(1)
Cash at bank - saving accounts	35	19,529	19,828	615
Cash at bank - fixed accounts not exceeding 3 months		1	1,027	-
Highly liquid short-term investment	185	135	-	-
	20,331	21,626	615	1,975
<u>Less</u> Specifically-designated bank deposits	5	(1,910)	(1,989)	-
Total	18,421	19,637	615	1,975

The currencies denomination of cash and cash equivalents as at December 31, are as follows:

Notes	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2020	2019	2020	2019
Thai Baht (THB)	17,075	18,263	615	1,975
US Dollar (USD)	36	788	1,096	-
Euro (EUR)	36	558	278	-
Total	18,421	19,637	615	1,975

As at December 31, 2020, the effective interest rate of the Group and the Company on cash and cash equivalents are 0.01% - 1.75% and 0.01% - 0.45% per annum, respectively (as at December 31, 2019: 0.04% - 2.57% and 0.04% - 1.40% per annum, respectively).

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

5. 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 to 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 December 31, 2020 amounting to Baht 1,910 million (as at December 31, 2019 : amounting to Baht 1,989 million).

6. TRADE AND OTHER CURRENT RECEIVABLE

Trade and other current receivables as at December 31, are as follows:

	Notes	Unit: Million Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Trade receivables					
Related parties	35				
Trade receivables		37	39	15	10
Accrued income		16	25	-	-
		<u>53</u>	<u>64</u>	<u>15</u>	<u>10</u>
Other parties					
Trade receivables		10,668	9,993	179	180
Accrued income		7,727	7,985	1,574	1,574
		<u>18,395</u>	<u>17,978</u>	<u>1,753</u>	<u>1,754</u>
Total trade receivables		18,448	18,042	1,768	1,764
Less Allowance for expected credit losses / allowance for doubtful accounts		(1,869)	(1,765)	(97)	(98)
Trade receivables - net		16,579	16,277	1,671	1,666
Other receivables					
Prepaid expense		1,028	1,817	21	10
Account receivables - cash card/ refill on mobile		74	94	-	-
Value-added tax receivable		49	51	-	-
Others	35	51	59	62	149
Total other receivables		1,202	2,021	83	159
Total trade and other current receivables		17,781	18,298	1,754	1,825
(Reversal of) Expected credit loss / Bad and doubtful debts expense for the years ended December 31,		2,876	2,521	(2)	(1)

Aging analysis for trade receivables are as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2020	2019	2020	2019
Related parties				
Current - overdue 3 months	43	58	15	10
Overdue 3 - 6 months	3	4	-	-
Overdue 6 - 12 months	3	-	-	-
Overdue over 12 months	4	2	-	-
	<u>53</u>	<u>64</u>	<u>15</u>	<u>10</u>
Other parties				
Current - overdue 3 months	14,450	15,051	1	-
Overdue 3 - 6 months	729	767	-	-
Overdue 6 - 12 months	1,325	175	-	-
Overdue over 12 months	1,891	1,985	1,752	1,754
	<u>18,395</u>	<u>17,978</u>	<u>1,753</u>	<u>1,754</u>
Less Allowance for expected credit losses / allowance for doubtful accounts	(1,869)	(1,765)	(97)	(98)
Trade receivables - net	16,526	16,213	1,656	1,656

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

The following table shows the movement in lifetime expected credit losses that has been recognized for trade receivables by collectively assessed in accordance with the simplified approach set out in TFRS 9. (For the year ended December 31, 2019 : nil)

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2020	2019	2020	2019
Balance as at January 1, 2020				
Effect from adoption TFRS 9			(1,765)	(98)
Provision for expected credit losses			(3,054)	-
Amounts written off			2,770	-
Amounts recovered			180	1
Balance as at December 31, 2020			<u>(1,869)</u>	<u>(97)</u>

The currencies denomination of trade receivables as at December 31, are as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2020	2019	2020	2019
Thai Baht (THB)	16,096	15,217	1,671	1,666
US Dollar (USD)	453	984	-	-
Euro (EUR)	7	76	-	-
Japanese Yen (JPY)	21	-	-	-
Singapore Dollar (SGD)	2	-	-	-
Total	16,579	16,277	1,671	1,666

Notes to the Financial Statements

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

On January 16, 2013, the Company has submitted a dispute to the Arbitration Institute demanding TOT Public Company Limited ("TOT") to pay this 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 international call service from November 2008 to September 2012 to the Company in the amount of Baht 1,355 million and 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 international phone service 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 share of international call service as mention above. Currently, the dispute has been in the process of consideration by the Central Administration Court process.

On 22 January 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. However, TOT has the right to appeal to the Supreme Administrative Court within 30 days.

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.

7. CONTRACT ASSETS

Contract assets as at December 31 are as follows: (Separate financial statements : nil)

	Unit: Million Baht	
	Consolidated financial statements	
	2020	2019
Current assets		
Sales of device and monthly service contract	1,715	2,219
Less Allowance for expected credit losses / Allowance for terminate contract or expected to be terminated before end of customer contract period	(267)	(350)
Contract assets - net	<u>1,448</u>	<u>1,869</u>
Loss on terminate contract for the year ended December 31	<u>525</u>	<u>747</u>

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

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

The following table shows the movement in lifetime expected credit losses that has been recognized for contract assets in accordance with the simplified approach set out in TFRS 9. (Separate financial statements : nil)

	Unit: Million Baht
	Consolidated financial statements
	2020
Balance as at January 1,	-
Effect from adoption TFRS 9	(350)
Provision for expected credit losses	83
Balance as at December 31,	(267)

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

8. INVENTORIES

Inventories as at December 31, are as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2020	2019	2020	2019
Finished goods	2,423	4,920	-	-
Supplies and spare parts	-	1	-	-
Spare parts for mobile phone network maintenance	125	129	-	-
	2,548	5,050	-	-
<u>Less</u> allowance for obsolescence and decline in value of inventory	(176)	(222)	-	-
Inventories - net	2,372	4,828	-	-

The Group and the Company recognized expenses in respect of reversal of allowance for obsolescence and decline in value of inventory for the year ended December 31, 2020 in consolidated financial statements of Baht 46 million and separate financial statements : nil. (for the year ended December 31, 2019 : in consolidated financial statements of Baht 378 million and separate financial statements of Baht 363 million.).

9. INVESTMENTS IN AN ASSOCIATE AND JOINT VENTURES

Movements in investment in an associate in the consolidated financial statements for the years ended December 31, are as follows: (separate financial statement : nil)

	Unit: Million Baht Consolidated financial statements	
	2020	2019
As at January 1,	25	18
Share of profit from investment in an associate	7	7
As at December 31,	32	25

For the years ended December 31, 2020 and 2019, the Group has no purchase and sale transactions of investment in an associate.

Movements in investment in joint ventures in the consolidated financial statements for the years ended December 31, are as follows: (separate financial statements : nil)

	Unit: Million Baht Consolidated financial statements	
	2020	2019
As at January 1,	636	736
Additional investments	247	-
Dividends received during the years	(9)	(8)
Currency conversion	3	-
Share of loss from investment in joint ventures	(78)	(92)
As at December 31,	799	636

Investments in joint ventures

Digital Games International Pte Ltd. ("DGI")

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

Saha Advance Network Co., Ltd.

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

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

Investments in an associate and joint ventures as at December 31, and dividend income from those investments for the years then ended are as follows:

	Consolidated financial statements										Unit: Million Baht	
	% of Ownership interest		Paid-up capital		Cost		Equity		Dividend received for the years			
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019		
Associate												
Information Highway Co., Ltd.	29	29	50	50	15	15	32	25	-	-		
Joint ventures												
Amata Network Co., Ltd.	60	60	100	100	60	60	114	87	9	8		
Rabbit Line Pay Co., Ltd.	33.33	33.33	600	600	787	787	490	549	-	-		
Digital Games International Pte Ltd.	33.33	-	678	-	226	-	175	-	-	-		
Saha Advance Network Co., Ltd.	70	-	30	-	21	-	20	-	-	-		

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

Summarized financial position in respect of an associate and joint ventures and performance for the years then ended are as follows:

		Reporting date	% of Ownership interest	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Unit: Million Baht											
												Associate	Joint ventures										
2020																							
Associate																							
Information Highway Co., Ltd.	December 31	29		63	448	511	113	296	409	164	139		25										
Joint ventures																							
Amata Network Co., Ltd.	December 31	60		113	101	214	23	1	24	96	36		60										
Rabbit Line Pay Co., Ltd.	December 31	33.33		586	228	814	304	6	310	166	352		(186)										
Digital Games International Pte Ltd.	December 31	33.33		454	107	561	36	-	36	3	165		(162)										
Saha Advance Network Co., Ltd.	December 31	70		29	-	29	-	-	-	-	1		(1)										
2019																							
Associate																							
Information Highway Co., Ltd.	December 31	29		94	445	539	421	39	460	143	145		(2)										
Joint ventures																							
Amata Network Co., Ltd.	December 31	60		64	102	166	21	-	21	74	31		43										
Rabbit Line Pay Co., Ltd.	December 31	33.33		844	197	1,041	357	4	361	163	527		(364)										

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

Reconciliation of the above summarized financial information to the carrying amount of the interest in joint ventures recognized in the consolidated financial statements is as follows:

	Unit: Million Baht	
	Consolidated financial statements 2020	2019
Rabbit - Line Pay Co., Ltd.		
Net assets of the joint ventures	504	680
Proportion of the Group's ownership interest in the joint ventures (%)	33.33	33.33
	168	227
Goodwill	322	322
Carrying amount of the Group's interest in the joint venture	490	549

10. INVESTMENTS IN SUBSIDIARIES

Movements in investments in subsidiaries for the years ended December 31, are as follows:

	Note	Unit: Million Baht	
		Separate financial statements 2020	2019
Subsidiaries			
Balance as at January 1, as under previous TFRSs		27,928	23,515
Effect from adoption TFRS 9	2.4	(663)	-
Balance as at January 1, as under new TFRSs		27,265	23,515
Dividend received during the years		(19,964)	(26,373)
Share of profit of subsidiaries accounted for using equity method		26,757	30,590
Share of gain /loss of other comprehensive income in subsidiaries accounted for using equity method		(265)	195
Invested in share capital of a subsidiary		26	1
As at December 31,		<u>33,819</u>	<u>27,928</u>

Invested in share capital of a subsidiary

Advanced Digital Distribution Co., Ltd.

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

Advanced Broadband Network Co., Ltd.

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

LearnDi Co., Ltd.

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

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

Investments in subsidiaries as at December 31 and dividend received for the years then ended, are as follows:

	Separate financial statements										Unit: Million Baht	
	Ownership interest		Paid-up capital		Cost		Investment as equity method		Dividend received for the years			
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019		
Subsidiaries												
	%	%										
Advanced Contact Center Co., Ltd.	99.99	99.99	272	272	811	811	447	367	200	111		
Digital Phone Co., Ltd.	98.55	98.55	914	914	10,226	10,226	4,173	4,155	-	-		
Advanced Magic Card Co., Ltd.	99.99	99.99	250	250	250	250	277	276	-	17		
Advanced Mpay Co., Ltd.	99.99	99.99	300	300	336	336	931	841	621	487		
AIN GlobalComm Co., Ltd.	99.99	99.99	100	100	100	100	130	143	35	41		
Advanced Wireless Network Co., Ltd.	99.99	99.99	1,350	1,350	1,485	1,485	20,990	17,751	10,955	16,936		
Super Broadband Network Co., Ltd.	99.99	99.99	300	300	300	300	2,095	1,491	2,550	2,397		
Wireless Device Supply Co., Ltd.	99.99	99.99	50	50	50	50	68	215	221	273		
Fax Lite Co., Ltd.	99.98	99.98	1	1	1	1	2,640	2,144	4,595	4,427		
MIMO Tech Co., Ltd.	99.99	99.99	50	50	50	50	1,883	402	766	1,631		
Advanced Broadband Network Co., Ltd.	99.99	99.99	100	75	100	75	176	141	21	53		
Advanced Digital Distribution Co., Ltd.	99.99	99.99	5	5	5	5	8	2	-	-		
LearnDi Co., Ltd	99.99	-	1	-	1	-	1	-	-	-		
Total					13,715	13,689	33,819	27,928	19,964	26,373		

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

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

Other non-current financial and other-long term investments assets as at December 31, are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Fixed deposit at a financial institutions - pledged	-	11	-	-
Other long-term investments	-	56	-	47
Investment in equity securities measured at fair value through other comprehensive income*	110	-	68	-
Total	110	67	68	47

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

Investment in equity securities

National Digital ID Co., Ltd.

On August 16, 2019, Advanced Mpay Co., Ltd. ("AMP"), a subsidiary, had additional investment in NDID by 80,560 shares by Baht 100 per share, totaling Baht 8 million, then new holding representing 2.47% of authorized share capital.

Pracharath Rak Samakkee Social Enterprise (Thailand) Co. Ltd.

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

12. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the years ended December 31, are as follows:

	As at December 31, 2020						Unit: Million Baht	
	Balance as at January 1, 2020 as under previous TFRSs	Effect from adoption TFRS 16	Consolidated financial statements			Transfer/ Other		
			January 1, 2020 as under new TFRSs	Increase	Decrease			
Cost:								
Land	703	-	703	1	-	-	704	
Building and building improvements	737	-	737	2	(1)	2	740	
Leaschold building improvements	2,051	-	2,051	240	(90)	(2)	2,199	
Computer, tools and equipment	233,890	(121)	233,769	22,379	(339)	3,805	259,614	
Furniture, fixtures and office equipment	2,023	-	2,023	93	(58)	26	2,084	
Vehicles	141	(106)	35	24	(13)	-	46	
Total	239,545	(227)	239,318	22,739	(501)	3,831	265,387	
Accumulated depreciation								
Building and building improvements	(438)	-	(438)	(17)	1	-	(454)	
Leaschold building improvements	(1,447)	-	(1,447)	(275)	78	-	(1,644)	
Computer, tools and equipment	(112,866)	48	(112,818)	(27,720)	310	-	(140,228)	
Furniture, fixtures and office equipment	(1,553)	-	(1,553)	(141)	53	-	(1,641)	
Vehicles	(99)	78	(21)	(3)	2	-	(22)	
Total	(116,403)	126	(116,277)	(28,156)	444	-	(143,989)	
Assets under construction and installation	4,814	-	4,814	3,283	-	(3,831)	4,266	
Less Allowance for unused equipment	(2,446)	-	(2,446)	(700)	-	-	(3,146)	
Property, plant and equipment	125,510	(101)	125,409	(2,834)	(57)	-	122,518	

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

As at December 31, 2019					As at December 31, 2020								
Consolidated financial statements					Separate financial statements								
	Balance as at January 1, 2019	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2019	Balance as at January 1, 2020 as under previous TFRSs	Effect from adoption TFRS 16	Balance as at January 1, 2020 as under new TFRSs	Increase	Decrease	Balance as at December 31, 2020		
Cost													
Land	797	4	(98)	-	703	Building and building improvements	128	-	128	-	128		
Building and building improvements	702	4	-	31	737	Leasehold building improvements	306	-	306	13	(16)	303	
Leasehold building improvements	1,997	264	(191)	(19)	2,051	Computer, tools and equipment	67	-	67	1	(3)	65	
Computer, tools and equipment	213,064	19,937	(2,333)	3,222	233,890	Furniture, fixtures and office							
Furniture, fixtures and office						equipment		536	-	536	6	(16)	526
equipment	1,990	76	(49)	6	2,023	Vehicles	58	(45)	13	13	(6)	20	
Vehicles	182	23	(64)	-	141	Total	1,095	(45)	1,050	33	(41)	1,042	
Total	218,732	20,308	(2,735)	3,240	239,545	Accumulated depreciation							
Accumulated depreciation													
Building and building improvements	(421)	(17)	-	-	(438)	Building and building improvements	(127)	-	(127)	-	-	(127)	
Leasehold building improvements	(1,308)	(294)	154	1	(1,447)	Leasehold building improvements	(280)	-	(280)	(15)	16	(279)	
Computer, tools and equipment	(88,218)	(26,853)	2,205	-	(112,866)	Computer, tools and equipment	(65)	-	(65)	(1)	3	(63)	
Furniture, fixtures and office						Furniture, fixtures and office							
equipment	(1,443)	(155)	46	(1)	(1,553)	equipment	(520)	-	(520)	(7)	15	(512)	
Vehicles	(120)	(24)	45	-	(99)	Vehicles	(33)	28	(5)	(2)	2	(5)	
Total	(91,510)	(27,343)	2,450	-	(116,403)	Total	(1,025)	28	(997)	(25)	36	(986)	
Assets under construction and installation	4,483	3,571	-	(3,240)	4,814	Property, plant and equipment	70	(17)	53	8	(5)	56	
Less Allowance for unused equipment	(1,493)	(953)	-	-	(2,446)								
Property, plant and equipment	130,212	(4,417)	(285)	-	125,510								
Depreciation for the years ended December 31,													
2020				Million Baht		28,156							
2019				Million Baht		27,343							



Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

As at December 31, 2019

Unit: Million Baht

Separate financial statements				
	Balance as at January 1, 2019	Additions	Disposals	Balance as at December 31, 2019
Cost				
Building and building improvements	128	-	-	128
Leasehold building improvements	310	1	(5)	306
Computer, tools and equipment	3,636	1	(3,570)	67
Furniture, fixtures and office				
equipment	553	4	(21)	536
Vehicles	64	9	(15)	58
Total	4,691	15	(3,611)	1,095
Accumulated depreciation				
Building and building improvements	(127)	-	-	(127)
Leasehold building improvements	(266)	(18)	4	(280)
Computer, tools and equipment	(3,523)	(24)	3,482	(65)
Furniture, fixtures and office				
equipment	(531)	(10)	21	(520)
Vehicles	(33)	(11)	11	(33)
Total	(4,480)	(63)	3,518	(1,025)
Assets under construction and installation	6	-	(6)	-
Property, plant and equipment	<u>217</u>	<u>(48)</u>	<u>(99)</u>	<u>70</u>
Depreciation for the years ended December 31,				
2020			Million Baht	25
2019			Million Baht	63

13. RIGHT-OF-USE ASSETS

Movement in right-of-use assets for the year ended December 31 2020, are as follows:
(For the year ended December 31, 2019: nil)

Consolidated financial statements					Unit: Million Bab
Balance as at	Effect from adoption	Additions	Disposals	Balance as at	
January 1, 2020	TFRS 16			December 31, 2020	
-	4,362	3,051	(674)	6,739	
-	20,582	-	-	20,582	
-	39,599	-	-	39,599	
-	844	252	(201)	895	
-	1,180	1,349	(200)	2,329	
-	317	98	(56)	359	
-	66,884	4,750	(1,131)	70,503	
-	-	(3,137)	666	(2,471)	
-	-	(3,689)	-	(3,689)	
-	-	(4,408)	-	(4,408)	
-	(48)	(340)	160	(228)	
-	-	(1,033)	192	(841)	
-	(78)	(119)	54	(143)	
-	(126)	(12,726)	1,072	(11,780)	
-	66,758	(7,976)	(59)	58,723	

* During the period, the Group has elected to apply Accounting Treatment Guidance on "The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak" which the Group has received reduction in lease payments by less than amount of Baht 82 million. The Group reversed depreciation of right-of-use assets and interest on lease liabilities recognized in each period in proportion to the reduction, with any differences then recognized in profit or loss.

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

	Unit: Million Baht				
	Separate financial statements				
	Balance as at January 1, 2020	Effect from adoption TFRS 16	Additions	Disposals	Balance as at December 31, 2020
Cost					
Office Building	-	14	312	(11)	315
Vehicle	-	51	-	(20)	31
Total	-	65	312	(31)	346
Accumulated depreciation					
Office Building	-	-	(113)	10	(103)
Vehicle	-	(28)	(9)	20	(17)
Total	-	(28)	(122)	30	(120)
Right-of-use assets	-	37	190	(1)	226
Depreciation for the year ended					
December 31, 2020			Million Baht		122

14. GOODWILL

Movements in goodwill for the years ended December 31, are as follows:

	Unit: Million Baht	
	Consolidated financial statements	
	2020	2019
Cost		
As at January 1,	17,199	17,199
Increased from business acquisition	-	-
As at December 31,	17,199	17,199
Accumulated amortization		
As at January 1,	(7,662)	(7,662)
As at December 31,	(7,662)	(7,662)
Allowance for impairment	(6,655)	(6,655)
Total	2,882	2,882

15. SPECTRUM LICENSES

Movements in spectrum licenses in the consolidated financial statements for the years ended December 31, are as follows: (separate financial statements: nil)

As at December 31, 2020

	Unit: Million Baht		
	Consolidated financial statements		
	Balance as at January 1, 2020	Additions	Balance as at December 31, 2020
Cost			
Spectrum licenses	136,444	16,783	153,227
Total	136,444	16,783	153,227
Accumulated Amortization			
Spectrum licenses	(33,370)	(9,638)	(43,008)
Total	(33,370)	(9,638)	(43,008)
Spectrum licenses	103,074	7,145	110,219

As at December 31, 2019

	Unit: Million Baht		
	Consolidated financial statements		
	Balance as at January 1, 2019	Additions	Balance as at December 31, 2019
Cost			
Spectrum licenses	136,444	-	136,444
Total	136,444	-	136,444
Accumulated Amortization			
Spectrum licenses	(24,695)	(8,675)	(33,370)
Total	(24,695)	(8,675)	(33,370)
Spectrum licenses	111,749	(8,675)	103,074

Amortization for the years ended December 31,

2020	Million Baht	9,638
2019	Million Baht	8,675

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

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

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

16. OTHER INTANGIBLE ASSETS OTHER THAN GOODWILL

Movements in other intangible assets other than goodwill for the years ended December 31, are as follows:

As at December 31, 2020

	Consolidated financial statements					Balance as at January 1, 2020	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2020	Unit: Million Baht
	Cost	Accumulated amortization	Cost	Accumulated amortization	Cost						
Customer relationship	167	(69)	Software licenses	(306)	Software licenses	323	-	-	-	-	323
Customer contracts	139	(59)	Total	(306)	Total	323	-	-	-	-	323
Fibre optics licences	86	(69)	Accumulated amortization	(312)	Software licenses	(312)	(5)	-	-	-	(317)
Software licenses	11,421	(6,249)	Total	(312)	Total	(312)	(5)	-	-	-	(317)
Total	11,813	(6,446)	Other intangible assets	11	Other intangible assets	11	(5)	-	-	-	6
Cost	Accumulated amortization	Cost	Accumulated amortization	Cost	Accumulated amortization	Cost	Accumulated amortization	Cost	Accumulated amortization	Cost	Accumulated amortization
Customer relationship	167	(36)	Software licenses	(306)	Software licenses	323	-	-	-	-	323
Customer contracts	139	(31)	Total	(306)	Total	323	-	-	-	-	323
Fibre optics licences	86	(8)	Accumulated amortization	(312)	Software licenses	(312)	(5)	-	-	-	(317)
Software licenses	11,421	(1,328)	Total	(312)	Total	(312)	(5)	-	-	-	(317)
Total	11,813	(1,403)	Other intangible assets	11	Other intangible assets	11	(5)	-	-	-	6
Assets under installation	101	294	-	(79)	-	316					
Other intangible assets	5,468	1,694	-	(39)	-	7,123					

As at December 31, 2019

	Consolidated financial statements					Balance as at January 1, 2019	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2019	Unit: Million Baht
	Cost	Accumulated amortization	Cost	Accumulated amortization	Cost						
Customer relationship	167	(36)	Software licenses	(306)	Software licenses	323	-	-	-	-	323
Customer contracts	139	(31)	Total	(306)	Total	323	-	-	-	-	323
Fibre optics licences	86	(8)	Accumulated amortization	(306)	Software licenses	(306)	(6)	-	-	-	(312)
Software licenses	9,303	(1,488)	Total	(306)	Total	(306)	(6)	-	-	-	(312)
Total	9,695	1,488	-	(4)	634	634	634	-	-	-	11
Cost	Accumulated amortization	Cost	Accumulated amortization	Cost	Accumulated amortization	Cost	Accumulated amortization	Cost	Accumulated amortization	Cost	Accumulated amortization
Customer relationship	167	(36)	Software licenses	(306)	Software licenses	323	-	-	-	-	323
Customer contracts	139	(31)	Total	(306)	Total	323	-	-	-	-	323
Fibre optics licences	86	(8)	Accumulated amortization	(306)	Software licenses	(306)	(6)	-	-	-	(312)
Software licenses	9,303	(1,488)	Total	(306)	Total	(306)	(6)	-	-	-	(312)
Total	9,695	1,488	-	(4)	634	634	634	-	-	-	11

Amortization for the years ended December 31,

2020	Million Baht	1,403
2019	Million Baht	1,211

As at December 31, 2020

Unit: Million Baht

Balance as at January 1, 2020	Separate financial statements			Balance as at December 31, 2020
	Additions	Disposals	Transfer/ Other	
Software licenses	323	-	-	323
Total	323	-	-	323

As at December 31, 2019

Unit: Million Baht

Balance as at January 1, 2019	Separate financial statements			Balance as at December 31, 2019
	Additions	Disposals	Transfer/ Other	
Software licenses	323	-	-	323
Total	323	-	-	323

Amortization for the years ended December 31,

2020	Million Baht	5
2019	Million Baht	6

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

17. DEFERRED TAX ASSETS

Deferred tax assets and liabilities as at December 31, are as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets	4,480	3,939	489	550
Deferred tax liabilities	(360)	(448)	(4)	-
Deferred tax - net	4,120	3,491	485	550

Movements in deferred tax assets and liabilities for the years ended December 31, are as follows:

	As at December 31, 2020				
	Balance as at January 1, 2020	Consolidated financial statements (Charged)/credited to Profit or loss	Other Comprehensive Income	Effect from Adoption TFRS 9	Balance as at December 31, 2020
Deferred tax assets					
Trade receivables (allowance for expected credit loss / allowance for doubtful accounts)					
Trade receivables (allowance for expected credit loss / allowance for doubtful accounts)	326	7	-	-	333
Inventories (allowance for obsolescence and decline in value)	44	(9)	-	-	35
Unearned income - mobile phone service (income recognized difference)	467	(178)	-	-	289
Accrued expense	410	-	-	-	410
Provisions for employee benefit	588	46	22	-	656
Loss carry forward	75	(75)	-	-	-
Spectrum licenses payable (deferred interest)	991	214	-	-	1,205
Allowance for unused equipment	448	(96)	-	-	352
Other current financial liabilities	-	34	-	26	60
Other non-current financial liabilities	-	-	50	180	230
Leased liabilities	-	294	-	-	294
Others	590	26	-	-	616
Total	3,939	263	72	206	4,480
Deferred tax liabilities					
Contract assets	(374)	84	-	-	(290)
Other non-current assets	-	-	1	(12)	(11)
Others	(74)	15	-	-	(59)
Total	(448)	99	1	(12)	(360)
Deferred tax - net	3,491	362	73	194	4,120

	As at December 31, 2019				
	Balance as at January 1, 2019	Consolidated financial statements (Charged)/credited to Profit or loss	Other Comprehensive Income	Effect from Adoption TFRS 15	Balance as at December 31, 2019
Deferred tax assets					
Trade receivables (allowance for doubtful accounts)					
Trade receivables (allowance for doubtful accounts)	266	60	-	-	326
Inventories (allowance for obsolescence and decline in value)	47	(3)	-	-	44
Unearned income - mobile phone service (income recognized difference)	408	59	-	-	467
Accrued expense	410	-	-	-	410
Provisions for employee benefit	466	178	(56)	-	588
Loss carry forward	151	(76)	-	-	75
Spectrum licenses payable (deferred interest)	766	225	-	-	991
Allowance for unused equipment	299	149	-	-	448
Others	487	103	-	-	590
Total	3,300	695	(56)	-	3,939
Deferred tax liabilities					
Contract assets	-	(35)	-	(339)	(374)
Others	(90)	16	-	-	(74)
Total	(90)	(19)	-	(339)	(448)
Deferred tax - net	3,210	676	(56)	(339)	3,491
As at December 31, 2020					
	Unit: Million Baht				
	Balance as at January 1, 2020	Consolidated financial statements (Charged)/credited to Profit or loss	Other Comprehensive Income	Effect from Adoption TFRS 9	Balance as at December 31, 2020
Deferred tax assets					
Accrued expense					
Accrued expense	410	-	-	-	410
Provisions for employee benefit	66	7	6	-	79
Loss carry forward	74	(74)	-	-	-
Total	550	(67)	6	-	489
Deferred tax liabilities					
Other non-current assets	-	-	-	-	(4)
Total	-	-	-	(4)	(4)
Deferred tax - net	550	(67)	6	(4)	485

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

As at December 31, 2019

	Unit: Million Baht			
	Separate financial statements			
	Balance as at January 1, 2019	(Charged)/credited to Profit or loss	Other comprehensive income	Balance as at December 31, 2019
Deferred tax assets				
Accrued expense	410	-	-	410
Provisions for employee benefit	53	20	(7)	66
Loss carry forward	150	(76)	-	74
Deferred tax - net	613	(56)	(7)	550

Deferred tax assets arising from significant temporary differences and loss carry forward that have not been recognized in the financial statements as at December 31, are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Loss carry forward	-	104	-	-
Others	19	20	19	20
Total	19	124	19	20

As at December 31, 2019, the Group have not recognized temporary difference as deferred tax assets in respect of loss carry forward expired in 2019 - 2023 and no maturity temporary differences under current tax legalization recognized in respect of these items, because it is not probable that future taxable profit will be available against which the Group can utilize the benefits from them.

As at December 31, 2020, the Group have not recognized temporary difference as deferred tax assets in respect of loss carry forward expired in 2020 - 2024 and no maturity temporary differences under current tax legalization recognized in respect of these items, because it is not probable that future taxable profit will be available against which the Group can utilize the benefits from them.

18. INTEREST-BEARING LIABILITIES

Interest-bearing liabilities as at December 31, are as follows:

Note	Unit: Million Baht	
	Consolidated financial statements 2020	Separate financial statements 2020
Current		
Short-term borrowing from financial institutions	4,900	-
Current portion of long-term liabilities		
- Current portion of long-term borrowings from financial institution	12,072	24,819
- Current portion of long-term debentures	35 1,776	-
- Current portion of finance lease liabilities	35 -	53
Total current portion of long-term liabilities	13,848	24,872
Current portion of lease liabilities	35 10,213	-
Short-term borrowings from related parties	35 -	5,080
Total current	28,961	24,872
Non-current		
Long-term liabilities		
- Long-term borrowings from Financial institution - net	33,685	33,757
- Long-term borrowing from a related party - net	35 14,999	2,999
- Long-term debentures - net	35 30,617	32,388
- Finance lease liabilities - net	35 -	28
Total long-term liabilities	79,301	69,172
Lease Liabilities - net	48,151	-
Total non-current	127,452	69,172
Total	156,413	94,044

The periods to maturity of interest-bearing liabilities as at December 31, are as follows:

	Unit: Million Baht	
	Consolidated financial statements 2020	Separate financial statements 2020
Within one year	28,961	24,819
After one year but within five years	82,245	49,430
After five years	45,207	19,714
Total	156,413	93,963

Interest-bearing liabilities as at December 31, are as follows:

Note	Unit: Million Baht	
	Consolidated financial statements 2020	Separate financial statements 2020
Thai Baht (THB)	156,364	94,044
US Dollar (USD)	36 49	-
Total	156,413	94,044

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

Long-term borrowings

The details of long-term borrowings as at December 31, are summarized as follows: (separate financial statement: nil)

Interest rate (per annum)	Term of interest payment	Principal payment term	Unit: Million Baht	
			Consolidated financial statements 2020	2019
Advanced Wireless Network Co., Ltd.				
Fixed interest rate as stipulated in the agreement 6MTHBFIX plus margin	Semi-annual	4 equal installments from 2019 to 2021	1,250	3,750
Fixed interest rate as stipulated in the agreement 6MTHBFIX plus margin	Semi-annual	2 equal installments in 2020	-	12,300
Fixed interest rate as stipulated in the agreement 6MTHBFIX plus margin	Semi-annual	7 equal installments from 2019 to 2022	2,857	4,286
6MBIBOR plus margin	Semi-annual	Entirely redeemed in 2020	-	4,200
6MBIBOR plus margin	Semi-annual	6 equal installments from 2020 to 2023	17,000	20,000
6MBIBOR plus margin	Semi-annual	5 equal installments from 2019 to 2023	4,200	5,600
6MTHBFIX plus margin	Semi-annual	6 equal installments from 2021 to 2023	4,500	4,500
Fixed interest rate as stipulated in the agreement 6MTHBFIX plus margin	Semi-annual	2 equal installments in 2022*	1,961	1,961
6MTHBFIX plus margin	Semi-annual	6 equal installments from 2023 to 2026	2,000	2,000
6MTHBFIX plus margin	Quarterly	4 equal installments from 2024 to 2025	10,000	-
6MTHBFIX plus margin	Semi-annual	6 installments from 2025 to 2027	2,000	-
Total loans			45,768	58,597
<u>Less</u> transaction cost			(11)	(21)
Long-term borrowings			<u>45,757</u>	<u>58,576</u>

* The Group has amended long-term loan agreement with the bank to change the currency from US Dollar to Thai Baht in order to hedge for foreign exchange risk and interest rate risk. Loan tenor and other conditions remain unchanged.

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

Long-term debentures

As at December 31, the Group's long-term debentures represent unsubordinated and unsecured debentures with a par value of Baht 1,000 each are as follows: (separate financial statement: nil)

Issue date	No. of units (Million)	Amount	Interest rate (per annum)	Term of interest payment	Unit: Million Baht		
					Principal payment term	Consolidated financial statements 2020	2019
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	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						32,414	32,414
<u>Less</u> bond issuing cost						(21)	(26)
Long-term debentures						32,393	32,388

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

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

As at December 31, 2020 and 2019, the Group had undrawn borrowings amounting to Baht 30,500 million and Baht 15,000 million, respectively. (as at December 31, 2020 and 2019, the Company was nil)

The carrying amount and fair values of long-term debentures (gross of issue costs) as at December 31, are as follows:

	Unit: Million Baht			
	Consolidated financial statements			
	Carrying amount		Fair values*	
	2020	2019	2020	2019
Long-term debentures	32,414	32,414	34,623	34,388

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

Movement of interest-bearing liabilities arising from financing activities for the years ended December 31, are as follows:

	Unit: Million Baht							
	Consolidated financial statements							
	Short-term borrowings from financial institutions	Short-term borrowings from related parties	Long-term borrowings from financial institutions	Long-term borrowing from a related party	Long-term debentures	Finance lease liabilities	Lease Liabilities	Total
As at January 1, 2020	-	-	58,576	2,999	32,388	81	-	94,044
Effect from adoption TFRS16	-	-	-	-	(81)	65,430	65,349	
Cash flows items:								
Additions	8,900	2,100	12,000	12,000	-	-	-	35,000
Repayments	(4,000)	(2,100)	(24,829)	-	-	(11,754)	(42,683)	
Total Cash flows items	4,900	-	(12,829)	12,000	-	(11,754)	(7,683)	
Non-cash items:								
Net addition	-	-	-	-	-	4,684	4,684	
Unrealized loss on foreign exchange rate	-	-	-	-	-	4	4	
Amortization as expense	-	-	10	-	5	-	15	
Total non-cash items	-	-	10	-	5	-	4,688	4,703
As at December 31, 2020	4,900	-	45,757	14,999	32,393	-	58,364	156,413

	Unit: Million Baht					
	Consolidated financial statements					
	Short-term borrowings from financial institutions	Short-term borrowings from related parties	Long-term borrowings from financial institutions	Long-term borrowing from a related party	Long-term debentures	Finance lease liabilities
As at January 1, 2019	5,900	-	59,929	2,999	40,170	135
Cash flows items:						
Additions	4,500	4,000	2,000	-	-	-
Repayments	(10,400)	(4,000)	(3,365)	-	(7,789)	(56)
Total Cash flows items	(5,900)	-	(1,365)	-	(7,789)	(56)
Non-cash items:						
Addition	-	-	-	-	-	2
Amortization as expense	-	-	12	-	7	-
Total non-cash items	-	-	12	-	7	2
As at December 31, 2019	-	-	58,576	2,999	32,388	81

	Unit: Million Baht			
	Separate financial statements			
	Short-term borrowings from related parties	Finance lease liabilities	Lease liabilities	Total
As at January 1, 2020	4,920	31	-	4,951
Effect from adoption TFRS16	-	(31)	50	19
Cash flows items:				
Additions	1,500	-	-	1,500
Repayments	(1,340)	-	(125)	(1,465)
Total Cash flows items	160	-	(125)	35
Non-cash items:				
Addition	-	-	310	310
Total non-cash items	-	-	310	310
As at December 31, 2020	5,080	-	235	5,315

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

	Unit: Million Baht				
	Separate financial statements				
	Short-term borrowings from financial institutions	Short-term borrowings from related parties	Long-term borrowings	Finance lease liabilities	Total
As at January 1, 2019	2,900	4,920	-	37	7,857
Cash flows items:					
Additions	-	800	-	-	800
Repayments	(2,900)	(800)	-	(8)	(3,708)
Total Cash flows items	(2,900)	-	-	(8)	(2,908)
Non-cash items:					
Addition	-	-	-	2	2
Total non-cash items	-	-	-	2	2
As at December 31, 2019	-	4,920	-	31	4,951

The effective weighted interest rates as at December 31, are as follows:

	Consolidated financial statements		Unit: Percent per annum Separate financial statements	
	2020	2019	2020	2019
Short-term borrowings	0.72	-	0.58	1.12
Long-term borrowings	2.18	2.82	-	-
Long-term debentures	3.41	3.41	-	-
Finance lease liabilities	-	5.18	-	4.04
Lease liabilities	2.24	-	2.19	-

The effective weighted interest rates of long-term borrowings for the Group and the Company are calculated with the rate after hedging.

19. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, are as follows:

	Note	Consolidated financial statements		Unit: Million Baht Separate financial statements	
		2020	2019	2020	2019
Trade payables					
Related parties	35	80	63	14	14
Other parties		22,302	21,974	43	29
Total trade payables		22,382	22,037	57	43
Other payables					
Accrued expenses	35	16,752	17,991	2,706	2,848
Valued-added tax payable		212	324	9	8
Withholding tax payable		248	312	8	6
Others		977	713	-	-
Total other payables		18,189	19,340	2,723	2,862
Total trade and other current payables		40,571	41,377	2,780	2,905

The currencies denomination of trade payables as at December 31, are as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2020	2019	2020	2019
Thai Baht (THB)	9,056	9,181	49	34
US Dollar (USD)	36	13,314	12,744	1
Euro (EUR)	36	2	22	-
Yen (JPY)	36	-	82	-
Singapore Dollar (SGD)	36	10	8	8
Total	22,382	22,037	57	43

20. SPECTRUM LICENSES PAYABLE

Spectrum licenses payable in the consolidated financial statements as at December 31, are as follows: (separate financial statements: nil)

	Unit: Million Baht Consolidated financial statements		
	Note	2020	2019
Spectrum licenses payable			
License certificate no. NBTC/FREQ/TEL/55/1 (Addendum no.2)	1	35,218	55,642
License certificate no. NBTC/FREQ/TEL/55/1 (Addendum no.3)		3,095	6,147
License certificate no. NBTC/FREQ/TEL/55/1 (Addendum no.4)		15,136	-
Less current portion of spectrum licenses payable		53,449	61,789
Spectrum licenses payable		(10,538)	(24,490)
		42,911	37,299

Movements in spectrum licenses payable in the consolidated financial statements for the years ended December 31, are as follows: (separate financial statements: nil)

	Unit: Million Baht Consolidated financial statements		
	Note	2020	2019
As at January 1,			
Addition		61,789	67,488
Payments		16,783	-
Amortization of deferred interest expense		(26,835)	(4,020)
Unrealized adjustment value of spectrum license		1,712	1,605
As at December 31,		-	(3,284)
		53,449	61,789

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

21. PROVISIONS FOR EMPLOYEE BENEFIT

The Group and the Company have provisions for employee benefit based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service and long - term service awards.

On April 5, 2019, The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette which will be effective in 30 days after the announce date. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered an amendment to post-employment benefits plan. The Group and the Company already reflected the effect of such change by recognizing past service cost as an expense in the consolidated and separate statements of profit or loss for the year ended December 31, 2019 in amount of Baht 636 million and Baht 72 million, respectively. (for the year ended December 31, 2020 : nil)

The defined benefit plans expose the Group and the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

Provisions for employee benefit in the statement of financial position as at December 31, are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Present value of obligations	3,180	2,860	395	329

Movements in the present value of the provisions for employee benefit for the years ended December 31, are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Provisions for employee benefit as at January 1,	2,860	2,254	329	263
Current service costs and interest	259	297	51	55
Benefits paid	(56)	(47)	(13)	(20)
Transfer employee to subsidiaries	-	-	(3)	(6)
Loss/(Gains) on remeasurements of defined benefit plans	112	(280)	31	(35)
Loss on remeasurements of long-term service awards	5	-	-	-
Past service cost	-	636	-	72
Provisions for employee benefit as at December 31,	3,180	2,860	395	329

Expense recognized in the statement of profit or loss for the years ended December 31, are as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2020	2019	2020	2019
Current service costs	191	210	40	38
Interest on obligations	68	87	8	11
Loss on remeasurements of long-term service awards	5	-	-	-
Past service cost	-	636	-	72
Total	264	933	48	121

The Group and the Company presented the expense in the statement of profit or loss for the years ended December 31, are as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2020	2019	2020	2019
Cost of rendering of services and equipment rental	15	49	36	99
Administrative expenses	174	794	2	8
Management benefit expenses	2	3	2	3
Finance costs	68	87	8	11
Loss on remeasurements of long-term service awards	5	-	-	-
Total	264	933	48	121

(Gains) loss on remeasurements of defined benefit plans recognized in the statement of profit or loss and other comprehensive income for the years ended December 31, are as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2020	2019	2020	2019
Included in retained earnings :				
At January 1,	59	339	220	255
Recognized during the year	112	(280)	31	(35)
As at December 31,	171	59	251	220

(Gains) loss on remeasurements of defined benefit plans recognized in the statement of profit or loss and other comprehensive income for the years ended December 31, are arising from:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2020	2019	2020	2019
Demographic assumptions	(145)	-	(12)	-
Financial assumptions	172	(135)	16	(12)
Experience adjustment	85	(145)	27	(23)
Total	112	(280)	31	(35)

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

Principal actuarial assumptions at the end of the reporting period (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	1.47% - 2.04%	2.4%	1.47% - 2.04%	2.4%
Future salary increases	5%	5%	5%	5%

Assumptions regarding future mortality for the years ended December 31, 2020 and 2019 are based on published statistics and Thailand Mortality Ordinary Life table 2017 ("TMO17").

Sensitivity analysis

Reasonably possible changes at the end of the reporting period to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the provisions for employee benefit as at December 31, are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate				
- Increase 1%	(361)	(353)	(34)	(41)
- Decrease 1%	428	422	39	49
Future salary growth				
- Increase 1%	389	398	35	46
- Decrease 1%	(336)	(337)	(31)	(40)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

22. SHARE CAPITAL

Movements of share capital for the years ended December 31, are as follows:

	Par value per share (in Baht)	2020		(Million shares/million Baht) 2019	
		Number of share	Amount	Number of share	Amount
Authorized					
As at January 1,					
- ordinary shares	1.00	4,997	4,997	4,997	4,997
As at December 31,					
- ordinary shares	1.00	4,997	4,997	4,997	4,997
Issued and paid					
As at January 1,					
- ordinary shares	1.00	2,973	2,973	2,973	2,973
Increased during the period	1.00	1	1	-	-
As at December 31,					
- ordinary shares	1.00	2,974	2,974	2,973	2,973

As at December 31, 2020 and 2019, the total issued number of ordinary shares is 2,974 million and 2,973 million respectively, shares with a par value of Baht 1.00 per share. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

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

On June 2, 2020, the Company has registered the increase in share capital with the Department of Business Development, Ministry of Commerce for 375,681 ordinary shares at a par value of Baht 1 each that results from the exercise of the warrant offered to directors and employees of the Group and the Company for 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.

Share premium

According to the Public Companies Act B.E. 2535, Section 51 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

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23. LEGAL RESERVE

According to the Public Companies Act B.E. 2535, section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

24. OTHER COMPONENTS OF SHAREHOLDERS' EQUITY

Share-based payment

The performance share plan

Grant III

In March 2015, the Annual General Meeting of shareholders No.1/2015 approved to issue warrants to purchase the ordinary shares of the Company. The warrants are offered to employees of the Company and its subsidiaries, including the Board of Directors of the Company, who are qualified to the Performance share plan ("ESOP-Grant III"). The major information is listed below:

Approved date:	March 24, 2015
Number of warrants offered:	872,200 Units
Exercise price:	249.938 Baht/share
Number of reserved shares:	872,200 Shares
Term of the Project:	5 years from the date of initial offer of the warrants
Offered price per unit:	Baht 0 (zero Baht)
Exercise ratio:	1 unit of warrant per 1 ordinary share

Grant IV

In March 2016, the Annual General Meeting of shareholders No.1/2016 approved to issue warrants to purchase the ordinary shares of the Company. The warrants are offered to employees of the Company and its subsidiaries, including the Board of Directors of the Company, who are qualified to the Performance share plan ("ESOP-Grant IV"). The major information is listed below:

Approved date:	March 29, 2016
Number of warrants offered:	826,900 Units
Exercise price:	166.588 Baht/share
Number of reserved shares:	826,900 Shares
Term of the Project:	5 years from the date of initial offer of the warrants
Offered price per unit:	Baht 0 (zero Baht)
Exercise ratio:	1 unit of warrant per 1 ordinary share

Grant V

In March 2017, the Annual General Meeting of shareholders No.1/2017 approved to issue warrants to purchase the ordinary shares of the Company. The warrants are offered to employees of the Company and its subsidiaries, including the Board of Directors of the Company, who are qualified to the Performance share plan ("ESOP-Grant V"). The major information is listed below:

Approved date:	March 30, 2017
Number of warrants offered:	1,410,500 Units
Exercise price:	160.434 Baht/share
Number of reserved shares:	1,410,500 Shares
Term of the Project:	5 years from the date of initial offer of the warrants
Offered price per unit:	Baht 0 (zero Baht)
Exercise ratio:	1 unit of warrant per 1 ordinary share
Offer period:	Within one year from the date on which the issuance and offer of the warrant under the program is approved by the 2017 Annual General Meeting of shareholders

Movements in the number of outstanding warrants for the year ended December 31, 2020 are as follows:

	As at January 1, 2020	Transaction during the period (See Note 22)			Unit: Thousand units As at December 31, 2020
		Issued	Exercised	Expired	
ESOP - Grant III					
- Directors	51	-	-	(51)	-
- Employees	726	-	-	(726)	-
	777	-	-	(777)	-
ESOP - Grant IV					
- Directors	50	-	(7)	-	43
- Employees	578	-	(85)	-	493
	628	-	(92)	-	536
ESOP - Grant V					
- Directors	89	-	(25)	-	64
- Employees	964	-	(259)	-	705
	1,053	-	(284)	-	769
Total	2,458	-	(376)	(777)	1,305

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

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

Fair value measurement

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

Grant III

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

Grant IV

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

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 year ended December 31, 2020, the Group and the Company recognized share-based payment expense amounting to Baht 18 million and Baht 18 million, respectively, in the consolidated and separate financial statements (For the year ended December 31, 2019: Baht 26 million and Baht 26 million, respectively).

Unrealized gain on dilution of investment

The unrealized gain on dilution of investment comprises the cumulative net change in portion of investment until the investment is sold or otherwise disposed.

25. SEGMENT FINANCIAL INFORMATION AND DISAGGREGATION OF REVENUE

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the Chief Executive Officer (CEO) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group reportable segments.

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

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

Performance for the years ended December 31, are as follows:

	Unit: Million Baht							
	Mobile phone services		Mobile phone and equipment sales		Datanet and broadband services		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
External revenue	133,664	141,418	28,765	29,879	10,461	9,597	172,890	180,894
Investment income	305	181	8	7	7	10	320	198
Finance costs	(5,907)	(4,764)	(1)	(2)	(9)	(11)	(5,917)	(4,777)
Depreciation and amortization	(49,291)	(34,761)	(11)	(5)	(2,539)	(2,463)	(51,841)	(37,229)
Material items of expenses	(17,115)	(18,063)	(2,047)	(2,510)	(637)	(569)	(19,799)	(21,142)
Segment profit (loss) before income tax expense	32,098	38,018	(2,080)	(2,442)	2,508	1,826	32,526	37,402

Reportable assets and liabilities as at December 31, are as follows:

	Unit: Million Baht							
	Mobile phone services		Mobile phone and equipment sales		Datanet and broadband services		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Segment assets	334,214	271,628	5,459	7,664	10,498	10,377	350,171	289,669
Segment liabilities	267,566	212,870	3,968	3,993	2,947	3,412	274,481	220,275

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

The significant amount of additions to non-current assets for the years ended December 31, are as follows:

	Mobile phone services		Mobile phone and equipment sales		Datanet and broadband services		Total reportable segments		Unit: Million Baht
	2020	2019	2020	2019	2020	2019	2020	2019	
Capital expenditure	30,514	21,974	26	1	3,329	2,988	33,869	24,963	

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 years ended December 31, are as follows:

	Unit: Million Baht	
	2020	2019
External revenue		
Segment 1 - Mobile phone services	133,664	141,418
Segment 2 - Mobile phone and equipment sales	28,765	29,879
Segment 3 - Datanet and broadband services	10,461	9,597
Total	172,890	180,894

Timing of revenue recognition

Point in time

Segment 2 - Mobile phone and equipment sales	28,765	29,879
Segment 3 - Datanet and broadband services	809	886
Total	29,574	30,765

Overtime

Segment 1 - Mobile phone services	133,664	141,418
Segment 3 - Datanet and broadband services	9,652	8,711
Total	143,316	150,129

Geographical segments

The Group manage and operate principally in Thailand. There are no material revenues derived from or assets located in foreign countries.

Major Customer

No single customer represents a major customer because the Group have large number of customers, who are end users covering business and individuals.

26. REVENUE FROM RENDERING OF SERVICES AND EQUIPMENT RENTALS

For the year ended December 31 2020 and 2019, The Company has no revenue from rendering of services from internet and telecommunication services under licenses granted by The National Broadcasting and Telecommunications Commission ("NBTC").

Note	Unit: Million Baht	
	Separate financial statements	2020 2019
Other service income	35	1,960 1,728
Total		1,960 1,728

27. FINANCE INCOME

Finance income for the years ended December 31, are as follows:

Note	Unit: Million Baht	
	Consolidated financial statements	2020 2019
Subsidiaries	35	~ ~
Financial institutions		320 198
Total		320 198
		382 591
		5 19
		387 610

28. OTHER INCOME

Other income for the years ended December 31, are as follows:

Note	Unit: Million Baht	
	Consolidated financial statements	2020 2019
Bad debt recovery		190 174
Others	35	459 475
Total		649 649
		9 11
		58 57
		67 68

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

29. PROVIDENT FUND

The defined contribution plans comprise provident fund established by the Group and the Company for their employees. Membership of the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group and the Company at rates ranging from 3% to 7% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entities and is managed by a licensed fund manager.

For the year ended December 31, 2020, the Group and the Company recognized contribution paid to provident fund amounting to Baht 311 million and Baht 35 million, respectively, in the consolidated and separate statement of profit or loss (For the year ended December 31, 2019: Baht 292 million and Baht 31 million, respectively).

30. EXPENSES BY NATURE

The statements of profit or loss for the years ended December 31, include an analysis of expenses by function. Significant expenses by nature disclosed in accordance with the requirements of various Thai Financial Reporting Standards are as follows:

	Notes	Unit: Million Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Depreciation of buildings and equipment	12	28,156	27,343	25	63
Depreciation of right-of-use assets	13	12,644	-	122	-
Amortization of spectrum licenses	15	9,638	8,675	-	-
Amortization of other intangible assets other than goodwill	16	1,403	1,211	5	6
Expected credit loss / Doubtful accounts and bad debts (bad debts recovery)	6	2,876	2,521	(1)	(1)
Loss on terminate contract assets	7	525	747	-	-
Distribution expenses		6,598	7,861	2	2
Staff costs		9,800	10,760	1,011	1,091

31. FINANCE COSTS

Finance costs for the years ended December 31, are as follows:

	Note	Consolidated financial statements		Unit: Million Baht Separate financial statements	
		2020	2019	2020	2019
		Interest expense	35	2,725	3,085
Finance cost related to spectrum license				1,712	1,604
Interest on lease liabilities				1,395	-
Others				85	88
Total				5,917	4,777
				57	73

32. TAX EXPENSE

Tax expense (income) recognized in the statements of profit or loss for the years ended December 31, are as follows:

	Note	Consolidated financial statements		Unit: Million Baht Separate financial statements	
		2020	2019	2020	2019
		Current tax expense			
Current year		5,437	6,886	85	-
Adjustment for prior years		14	(2)	-	-
		5,451	6,884	85	-
Deferred tax expense (income)	17				
Movements in temporary differences		(362)	(675)	67	56
Total tax expense (income)		5,089	6,209	152	56

Tax expense (income) recognized in the statements of profit or loss and other comprehensive income for the year ended December 31, 2020 and 2019 are as follows:

		Unit: Million Baht		
		Consolidated financial statements	Tax (expense) benefit	Net of tax
		Before tax		
For the year ended December 31, 2020				
Loss on remeasurements of defined benefit plans		(112)	22	(90)
Loss on investment in equity at fair value		(3)	1	(2)
Loss on cash flow hedges		(251)	50	(201)
Total		(366)	73	(293)
For the year ended December 31, 2019				
Gains on remeasurements of defined benefit plans		280	(56)	224
Total		280	(56)	224

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

	Unit: Million Baht		
	Separate financial statements		
	Before tax	Tax (expense) benefit	Net of tax
For the year ended December 31, 2020			
Loss on remeasurements of defined benefit plans	(31)	6	(25)
Total	(31)	6	(25)
For the year ended December 31, 2019			
Gains on remeasurements of defined benefit plans	35	(7)	28
Total	35	(7)	28

Reconciliation of effective tax rate for the years ended December 31, are as follows:

	Unit: Million Baht		
	Consolidated financial statements		
	2020	2019	
Rate (%)	Rate (%)		
Profit before income tax expense	32,526	37,402	
Income tax using the applicable tax rate	20 6,505	20 7,480	
Expenses not deductible for tax purposes	24	32	
Additional capital expenditure deduction Allowed	(1,463)	(1,245)	
Recognition of previously unrecognized temporary difference	-	(72)	
Adjustment for prior years	14	(2)	
Effect from elimination with subsidiaries	9	16	
Total	16 5,089	17 6,209	

	Unit: Million Baht		
	Separate financial statements		
	2020	2019	
Rate (%)	Rate (%)		
Profit before income tax expense	27,586	31,245	
Income tax using the applicable tax rate	20 5,517	20 6,249	
Share of profit of subsidiaries	(5,351)	(6,118)	
Expenses not deductible for tax purposes	-		
Additional expenditure deduction allowed net	(14)	(3)	
Recognition of previously unrecognized temporary difference	-	(72)	
Total	1 152	- 56	

The Group and the Company have applied the tax rate of 20% for calculated income tax expense and deferred income tax for the years ended December 31, 2020 and 2019.

33. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share for the years ended December 31, are based on the profit for the years attributable to ordinary shareholders of the Group and the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	(in million Baht/million shares)			
	Consolidated financial statements	2020	Separate financial statements	2019
Profit attributable to ordinary shareholders of the Company (basic)		27,434	31,190	27,434 31,190
Weighted average number of ordinary shares outstanding (basic)		2,973	2,973	2,973 2,973
Earnings per share (basic) (in Baht)		9.23	10.49	9.23 10.49

Diluted earnings per share

The calculation of diluted earnings per share for the years ended December 31, are based on the profit for the years attributable to equity holders of the Group and the Company and the weighted average number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

	(in million Baht/million shares)			
	Consolidated financial statements	2020	Separate financial statements	2019
Profit attributable to equity holders of the Company (basic)		27,434	31,190	27,434 31,190
Profit attributable to equity holders of the Company (diluted)		27,434	31,190	27,434 31,190
Weighted average number of ordinary shares outstanding (basic)		2,973	2,973	2,973 2,973
Weighted average number of ordinary shares outstanding (diluted)		2,974	2,973	2,974 2,973
Earnings per share (diluted) (in Baht)		9.23	10.49	9.23 10.49

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

34. DIVIDENDS

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

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

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.

35. 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 year, the Group and the Company have entered into a number of transactions with related parties, the terms of which are negotiated in the ordinary course of business and according to normal trade conditions. Purchases of products and services are charged at reasonable prices and those prices are comparable to the market rate with general trading conditions. Consulting and management service fees are charged on a mutually agreed basis which calculated based on activities portion which the Company performs to counter parties in each year.

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

Name of entities	Country of incorporation/nationality	Nature of relationships
Subsidiaries	Thailand	Subsidiaries are entities controlled by the Group
Intouch Holdings Public Company Limited ("INTOUCH") and its related parties ("INTOUCH Group")	Thailand and Laos	INTOUCH is a shareholder who has significant influence over the Company and has some joint directors.
Singtel Strategic Investments Pte Ltd. ("Singtel") and its related parties ("Singtel Group")	Singapore	Singtel is a shareholder who has significant influence over the Company and has some joint directors.
Information Highway Co., Ltd.	Thailand	Information Highway Co., Ltd is an associate.
Amata Network Co., Ltd.	Thailand	Amata Network Co., Ltd. is a joint venture
Rabbit - Line Pay Company Limited	Thailand	Rabbit-Line Pay Company Limited is a joint venture
SAHA Advanced Network Co.,Ltd. Digital Games International Pte Ltd.	Thailand Singapore	SAHA Advanced Network Co., Ltd. is a joint venture Digital Games International Pte Ltd. 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 years ended December 31, are as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2020	2019	2020	2019
Revenue from rendering of service and equipment rentals				
Subsidiaries	-	-	1,959	1,727
INTOUCH Group	46	55	1	1
Singtel Group	52	125	-	-
Joint Venture	1	6	-	-
Other related parties	98	95	-	-
Total	197	281	1,960	1,728
Sales of property and other assets				
Subsidiaries	-	-	-	42
Total	-	-	-	42
Dividend received from				
Subsidiaries	-	-	19,964	26,373
Joint Venture	9	8	-	-
Total	9	8	19,964	26,373
Finance income				
Subsidiaries	-	-	382	591
Other related parties	-	64	-	-
Total	-	64	382	591
Other income				
Subsidiaries	-	-	33	37
INTOUCH Group	5	1	-	-
Singtel Group	5	3	-	-
Joint venture	8	6	-	-
Other related parties	-	-	-	-
Total	18	10	33	37

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Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2020	2019	2020	2019
Rental and other service expenses				
Subsidiaries	-	-	46	55
INTOUCH Group	160	210	14	5
Singtel Group	258	279	-	-
Joint venture	63	51	-	-
Associate	81	82	-	-
Other related parties	6	67	-	-
Total	568	689	60	60
Advertising expense				
INTOUCH Group	11	11	-	-
Singtel Group	-	2	-	-
Other related parties	-	1	-	-
Total	11	14	-	-
Management benefit expenses				
Short-term employee benefit	163	137	163	137
Long-term employee benefit	2	3	2	3
Share-based payments	3	4	3	4
Total	168	144	168	144
Purchase of property and other assets				
INTOUCH Group	36	69	-	-
Total	36	69	-	-
Finance costs				
Subsidiaries	-	-	38	54
INTOUCH Group	2	2	-	-
Singtel Group	1	-	-	-
Associate	13	3	-	-
Other related parties	214	192	-	-
Total	230	197	38	54
Dividend paid to				
INTOUCH	8,178	8,515	8,178	8,515
Singtel	4,715	4,909	4,715	4,909
Total	12,893	13,424	12,893	13,424

Balances with related parties as at December 31, are as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Cash and cash equivalents				
- Bank deposit	137	113	1	1
Other related parties				
Total	137	113	1	1
Trade and other current receivables				
Trade receivables				
Subsidiaries	-	-	14	9
INTOUCH Group	9	10	-	1
Singtel Group	11	18	1	-
Joint Venture	1	2	-	-
Other related parties	16	9	-	-
Total	37	39	15	10
Accrued income				
Subsidiaries	-	-	-	-
INTOUCH Group	2	1	-	-
Singtel Group	5	22	-	-
Joint Venture	-	1	-	-
Other related parties	9	1	-	-
Total	16	25	-	-
Total trade receivables	53	64	15	10
Other receivables				
- Accrued interest income				
Subsidiaries	-	-	62	148
Total other receivables	-	-	62	148
Total trade and other current receivables				
(see Note 6)	53	64	77	158
Right-of-use assets				
Singtel Group	12	-	-	-
Joint Venture	7	-	-	-
Associate	447	-	-	-
Total right-of-use assets	466	-	-	-
Short-term loans to related parties				
Subsidiaries	-	-	52,543	50,499

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

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

Movements of short-term loans to related parties for the years ended December 31, are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term loans to related parties				
As at January 1,	-	-	50,499	48,669
Increase	-	-	16,041	14,160
Decrease	-	-	(13,997)	(12,330)
As at December 31,	-	-	52,543	50,499
	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Trade and other current payables				
Trade payables				
Subsidiaries	-	-	5	4
INTOUCH Group	28	15	1	1
Singtel Group	43	31	8	9
Joint Venture	2	8	-	-
Associate	6	7	-	-
Other related parties	1	2	-	-
Total trade payables	80	63	14	14
Other payables				
- Accrued expenses				
Subsidiaries	-	-	20	18
INTOUCH Group	17	52	1	-
Singtel Group	3	2	-	-
Joint Venture	10	5	-	-
Associate	1	3	-	-
Other related parties	85	49	-	-
Total other payables	116	111	21	18
Total trade and other current payables (see Note 19)	196	174	35	32
Financial lease liabilities				
Associate	-	-	29	-
Lease liabilities	-	-	-	-
Singtel Group	13	-	-	-
Joint Venture	7	-	-	-
Associate	459	-	-	-
Other related parties	1	-	-	-
Total lease liabilities	480	-	-	-
Short-term borrowings from related parties				
Subsidiaries	-	-	5,080	4,920

As at December 31, 2020, short-term borrowings from related parties of the Company represent promissory notes at call, bearing interest at the average rate of 0.58% per annum and unsecured. (As at December 31, 2019 : average rate of 1.12% per annum).

Movements of short-term borrowings from related parties for the years ended December 31, are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term borrowings from related parties				
As at January 1,	-	-	4,920	4,920
Increase	-	-	1,500	800
Decrease	-	-	(1,340)	(800)
As at December 31, (see Note 18)	-	-	5,080	4,920

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Long-term borrowing from a related party				
Other related party	14,999	2,999	-	-
Total (see Note 18)	14,999	2,999	-	-

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

Movements of long-term borrowings from related parties for the years ended December 31, are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Long-term borrowings from related parties				
As at January 1,	2,999	2,999	-	-
Addition	12,000	-	-	-
As at December 31, (see Note 18)	14,999	2,999	-	-

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Long-term debentures				
INTOUCH Group	15	52	-	-
Other related parties	44	24	-	-
Total (see Note 18)	59	76	-	-

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

Significant agreements with related parties

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

- 1) The Group has entered into interconnection agreements among its related parties. The termination and suspension of the agreement are referred to the regulations and conditions of the National Telecommunications Commission.
- 2) The Group has entered into site share agreements among its related parties to provide site area including related facilities for installation of telecommunication equipment. The counterparty has a right to terminate the agreement by giving advance written notice not less than 60 days.
- 3) The subsidiaries have received a service of a call center from Advanced Contact Center Co., Ltd. ("ACC"), a subsidiary. ACC will provide service and required information including resolving problem for the customers of the Group.
- 4) Advanced Contact Center Co., Ltd., a subsidiary, and High Shopping Co., Ltd., a related party have entered into a call center service agreement with Teleinfo Media Plc. ("TMC"), a related party. TMC will arrange the personnel and provide call center operation to execute each of incoming call service. The counterparty has a right to terminate the agreement by giving advance written notice not less than 30 days.
- 5) The Group has entered into an agreement with Advanced Magic Card Co., Ltd. and Advanced Mpay Co., Ltd., its subsidiaries, to provide payment service for goods/service purchased through electronic payments and cash card. The counterparty has a right to terminate the agreement by giving advance written notice not less than 30 days.
- 6) Advanced Magic Card Co., Ltd. and Advanced Mpay Co., Ltd., its subsidiaries, have entered into an agreement with Wireless Device Supply Co., Ltd., a subsidiary, to distribute electronic money and cash card. The counterparty has a right to terminate the agreement by giving advance written notice not less than 30 days.
- 7) The Group has entered into an agreement with Wireless Device Supply Co., Ltd., a subsidiary, to provide card packaging. The counterparty has a right to terminate the agreement by giving advance written notice not less than 30 days.
- 8) The Group has entered into an international roaming service agreement with the Singtel Group, related parties. The counterparty has a right to terminate the agreement by giving advance written notice not less than 60 days.
- 9) The Group has entered into an agreement with MIMO Tech Co., Ltd. And AD Venture Public Co., Ltd., a 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.
- 11) MIMO Tech Co., Ltd., a subsidiary, has entered into computer system maintenance services agreements with I.T. Applications and Services Company Limited, a related party. The agreement is valid for one year and is renewable on an annual basis. The counterparty has a right to terminate the agreement by giving advance written notice not less than 3 months.
- 12) Advanced Wireless Network Co., Ltd., a subsidiary, has entered into fibre optic system and its site facilities agreement with Information Highway Co., Ltd. ("IH"), an associate. IH will provide installation fibre optic transmission and maintenance services in specific areas. The counterparty has a right to terminate the agreement by giving the counterparty advance written notice not less than 30 days.
- 13) Advanced Wireless Network Co., Ltd., a subsidiary, has entered into agreement with TC Broadcasting Company Limited, a related party, to receive a satellite equipment system and television signal service. The counterparty has a right to terminate the agreement by giving the counterparty advance written notice not less than 30 days.
- 14) Super Broadband Network Co., Ltd., a subsidiary, has entered into agreement with Advanced Wireless Network Co., Ltd. ("AWN"), a subsidiary, to rent the telecommunication equipment. The counterparty has a right to terminate the agreement by giving the counterparty advance written notice not less than 30 days.
- 15) Advanced Wireless Network Co., Ltd., a subsidiary and CS Loxinfo Public Company Limited, its subsidiary, have entered into an agreement to develop the infrastructure of fibre optic network with Amata Network Co., Ltd., a joint venture. The counterparty has a right to terminate the agreement by giving the counterparty advance written notice not less than 30 days.
- 16) Advanced Mpay Co., Ltd., a subsidiary, has entered into agreement with Rabbit-Line Pay Co., Ltd., a joint venture, to receive electronic money and electronic payment service. The counterparty has a right to terminate the agreement by giving the counterparty advance written notice not less than 30 days.
- 17) Advanced Wireless Network Co., Ltd. ("AWN"), a subsidiary hired MIMO Tech Co., Ltd. ("MMT"), a subsidiary to operate point management and arranging activities to exchange products or services for the AWN's customers. The counterparty has a right to terminate the agreement by giving the counterparty advance written notice not less than 30 days.

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36. FINANCIAL INSTRUMENTS

Financial risk management policies

Risk management is integral to the whole business of the Group and the Company. The Group and the Company have a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's and the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Group and the Company aim to manage its capital structure to be stronger than industry peer and commit to be investment grade rating. This will allow the Group and the Company to retain superior financial flexibility in order to capture future growth prospect. The Group's and the Company's financial flexibility means diversified source of capital, ease of funding, and appropriate cost of capital.

In 3 - 5 years, telecommunications industry in Thailand will face another phase of technology change and hence new investment will be required. The Group and the Company believe that they can leverage on their capital structure in the future and have ability to find the source of funds through the debt instrument in order to expand their businesses.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's and the Company's operations and their cash flows because some of debt securities and loan interest rates are floating interest rate. The Group and the Company have interest rate risk from their borrowings (see Note 18). The Group and the Company mitigate this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates and uses derivative financial instruments, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific debt securities and borrowings.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

As the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates. The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swap contracts, which is not reflected in the fair value of the hedged item attributable to the change in interest rates. No other sources of ineffectiveness emerged from these hedging relationships.

The following tables detail various information regarding interest rate swap contracts outstanding at the end of the reporting period in the consolidated financial statements and their related hedged items. (Separate financial statements : nil)

Cash flow hedges

Hedging instruments Outstanding receive floating, pay fixed contracts	Unit: Million Baht		
	Consolidated financial statements		
	Average contracted fixed interest rate	Notional principal value	Carrying amount of the hedging instrument assets/(liabilities)
		2020	2020
Interest rate swap	2.25% - 3.90%	19,500	1,225
		19,500	1,225

Hedged items	Unit: Million Baht	
	Consolidated financial statements	
	Nominal amount of the hedged item assets/(liabilities)	2020
Variable rate borrowings	19,500	

The following table details the effectiveness of the hedging relationship and the amounts reclassified from hedging reserve to profit or loss: (Separate financial statements: nil)

Hedged items	Unit: Million Baht	
	Consolidated financial statements	
	Current period hedging gains (losses) recognised in OCI	2020
Variable rate borrowings	(251)	

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

The interest rate swaps settle on a quarterly and semi-annual basis. The floating rate on the interest rate swaps is 6MTHBFI plus margin. The Group will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

Foreign currency risk

The Group and the Company have foreign currency risk relating to expense, purchasing goods and equipment. The Group and the Company primarily utilize forward contracts, which are not more than 1 year, to hedge such financial liabilities denominated in foreign currencies to hedge long-term borrowings denominated in foreign currencies. The forward contracts entered into at the end of the reporting period also relate to borrowings, denominated in foreign currencies, for the subsequent period.

The Group and the Company have foreign currency risk in respect of financial assets and liabilities denominated as at December 31, are as follows:

	Notes	Consolidated financial statements		Unit: Million Baht Separate financial statements	
		2020	2019	2020	2019
Cash and cash equivalents	4				
US Dollar (USD)		788	1,096	-	-
Euro (EUR)		558	278	-	-
Total		<u>1,346</u>	<u>1,374</u>	<u>-</u>	<u>-</u>
Trade current receivables	6				
US Dollar (USD)		453	984	-	-
Euro (EUR)		7	76	-	-
Yen (JPY)		21	-	-	-
Singapore Dollar (SGD)		2	-	-	-
Total		<u>483</u>	<u>1,060</u>	<u>-</u>	<u>-</u>
Trade current payables	19				
US Dollar (USD)		(13,314)	(12,744)	-	(1)
Euro (EUR)		(2)	(22)	-	-
Yen (JPY)		-	(82)	-	-
Singapore Dollar (SGD)		(10)	(8)	(8)	(8)
Total		<u>(13,326)</u>	<u>(12,856)</u>	<u>(8)</u>	<u>(9)</u>
Lease liabilities					
US Dollar (USD)	18	(49)	-	-	-
Total		<u>(49)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gross statement of financial position exposure					
Forward contracts		(11,546)	(10,422)	(8)	(9)
Net exposure		<u>7,653</u>	<u>5,536</u>	<u>-</u>	<u>-</u>
		<u>(3,893)</u>	<u>(4,886)</u>	<u>(8)</u>	<u>(9)</u>

Forward contracts are held to hedge currency risk for gross statement of financial position exposure as at December 31, 2020 and 2019 and to retain future purchases.

Classification of forward contracts and interest rate swap as at December 31 are as follows:

	Consolidated financial statements 2020*	Separate financial statements 2019	Unit: Million Baht
Current liabilities			
Other current financial liabilities			
Forward contracts	(297)	(141)	-
Total current liabilities	<u>(297)</u>	<u>(141)</u>	<u>-</u>
Non-current liabilities			
Other non-current financial liabilities			
Interest rate swap	(1,225)	-	-
Total non-current liabilities	<u>(1,225)</u>	<u>-</u>	<u>-</u>
Total	<u>(1,522)</u>	<u>(141)</u>	<u>-</u>

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

Movement of forward contracts and interest rate swap for the year ended December 31, 2020 in the consolidated financial statements are as follows: (Separate financial statements: Nil).

	Balance as at January 1, 2020 as under previous	Effect from adoption TFRS 9	Balance as at January 1, 2020 as under new TFRSs	Change in fair value during the period	Balance as at December 31, 2020	Unit: Million Baht
Current assets						
Other current financial assets						
Forward contracts	-		1	1	(1)	-
Current liabilities						
Other current financial liabilities						
Forward contracts	(141)		12	(129)	(168)	(297)
Interest rate swap	-		(132)	(132)	132	-
Non-current liabilities						
Other non-current financial liabilities						
Interest rate swap	-		(814)	(814)	(411)	(1,225)
Total	<u>(141)</u>	<u>(933)</u>	<u>(1,074)</u>	<u>(448)</u>	<u>(1,522)</u>	

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Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

The nominal amounts and fair values of forward contracts and interest rate swap as at December 31, 2020 are as follows:

	Unit: Million Baht			
	Consolidated financial statements			
	Nominal amounts**	Fair values*	2020	2019
Forward contracts	7,950	5,536	7,653	5,409
Interest rate swap	19,500	-	1,225	-
Total	27,450	5,536	8,878	5,409

* The fair value of forward contracts is the adjusted value of the original contracts which the Company entered with the commercial banks with the market price. At the end of the reporting period in order to reflect the current value of the contracts.

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

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group and the Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

The Group and the Company monitor its liquidity risk and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows.

Fair values of financial assets and liabilities

Financial assets and liabilities measured at fair value in the consolidated statement of financial position as at December 31, are as follows: (separate financial statement : nil)

Carrying amount	Unit: Million Baht			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
As at December 31, 2020				
Forward contracts	297	-	-	297
Interest rate swap	1,225	-	-	1,225
Debentures	32,414	-	34,623	-
				34,623
As at December 31, 2019				
Forward contracts	5,536	-	-	5,409
Debentures	32,414	-	34,388	-
				34,388

Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: other inputs than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

For disclosure purposes, the Group determines Level 2 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 at the end of the reporting period.

For disclosure purposes, the Group determines Level 3 fair values for forward contracts were calculated using the rates quoted by the Group's and bankers which were based on market conditions existing at the statement of financial position date.

The fair value of trade and other current receivables and trade and other current payables are taken to approximate the carrying value.

The fair value of loans to and borrowings from related parties and lease liabilities are taken to approximate the carrying value because most of these financial instruments bear interest at market rate.

The fair value of long-term borrowings is taken to approximate the carrying value because most of these financial instruments bear interest at market rate.

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

37. COMMITMENTS WITH NON-RELATED PARTIES

Commitments with non-related parties as at December 31, are as follows:

	Note	Unit: Million			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Capital commitments					
Unrecognized contractual commitments					
Buildings and equipment					
Thai Baht (THB)		5,059	6,464	8	11
US Dollar (USD)		145	163	-	-
Euro (EUR)		-	-	-	-
Spectrum license					
Thai Baht (THB)	1	40,083*	17,584*	-	-
Service maintenance					
Thai Baht (THB)		1,763	1,926	39	49
US Dollars (USD)		20	26	-	-
Purchase orders for goods and supplies					
Thai Baht (THB)		13,396	4,942	-	-
US Dollars (USD)		7	11	-	-

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

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Non-cancellable operating lease commitments				
Within one year	85	6,789	-	101
After one year but within five years	29	21,586	-	177
After five years	-	21,078	-	-
Total	114	49,453	-	278

The Group and the Company recorded the rental expenses under operating lease agreements which are the short-term lease and lease of low value assets in the consolidated and the separate statements of profit or loss for the year ended December 31, 2020 of Baht 81 million (Separate financial statements : nil) (for the year ended December 31, 2019 : Baht 16,773 million and Baht 88 million, respectively).

	Unit: Million			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Other commitments				
Thai Baht				
Forward contracts		7,950	5,536	-
Bank guarantees:				
- Spectrum license payable		66,684	71,318	-
- Others		2,741	3,053	169
Total	77,375	79,907	169	176
US Dollar				
Others		1	3	-
Total	1	3	-	-

As at December 31, 2019, the Group and the Company had the outstanding balance of non-cancelable commitments with non-related parties from lease agreements which were previously classified as operating lease according to TAS 17 of Baht 49,453 million and Baht 278 million, respectively. Later on January 1, 2020, TFRS 16 was become effective. Therefore, those lease agreements were considered as right-of-use assets as described in Note 2.4.

Significant agreements

- The Group has entered into lease and related service agreements for office space, cars, computers and base stations 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.

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

- 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 (see Note 40). The Group 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.

38. PROVISIONS LIABILITIES FROM WITHHOLDING TAX

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

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

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

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

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

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

On December 7, 2020, the Supreme Court ordered to reject the petition, the case is ended.

On December 29, 2020, the Company paid to the Revenue Department in amount of Baht 128 million following the decision of the Supreme Court.

39. 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")

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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Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

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 operation years 23rd - 25th in the amount of Baht 8,368 million plus interest at 1.25% per month on its outstanding amount for each year 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.

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 the 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 the 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.

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

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

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

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

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

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

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

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Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

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 the expenses which incurred from the service greater than the revenue. Therefore, the Company has no remaining revenue to submit to NBTC Office as stipulated in the announcement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On August 13, 2020, the Company received a copy of 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.

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

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

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

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

The Company's management believes that the Company has correctly 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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Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

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 had 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. Currently, this case has been considered by the Supreme Administrative Court.

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

On May 9, 2011, TOT submitted the Black case No. 1099/2554 to the Central Administrative Court against CAT as the defendant no. 1 and DPC as the defendant no. 2 demanding CAT and DPC to pay the access charge amounting to Baht 2,436 million plus value added tax and interest calculated up to May 9, 2011, total amount of claim is Baht 2,954 million plus interest until the full payment is made as follows:

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

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

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

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

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

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

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

- 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.

- 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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Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

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 outcomes 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.

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 the Black case No. 741/2559.

On March 11, 2020, DPC submitted an objection of the request to amend the claim amount for the 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.

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

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

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

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

On August 19, 2019, the Central Administrative Court ordered to merge the two case 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 revenue. Therefore, DPC has no revenue remaining in order to submit to NBTC as stipulated in the announcement.

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

9) The claim for providing of telecom equipment and the telecommunication networks under the Agreement for operations regarding cellular telecommunication services ("the Agreement") between CAT Telecom Public Company Limited ("CAT") and DPC to other operators to use.

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

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

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

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

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

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

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. However, CAT is eligible to file a petition to the Central Administrative Court to revoke the Arbitration's resolution within 90 days.

The Company's managements believe that DPC has correctly and fully complied with the related conditions of such Agreement in all respects then the outcome of the said dispute should not be significant impact on the consolidated financial statements of the Group.

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

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

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

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

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

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

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

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

Advanced Wireless Network Company Limited ("AWN")

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

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

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

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

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

Notes to the Financial Statements

Advanced Info Service Public Company Limited and its subsidiaries for the Year ended December 31, 2020

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

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

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

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

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

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

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

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

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

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

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

MIMO Tech Company Limited ("MMT")

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

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

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 cases. However, Paper Mate (Thailand) Co., Ltd. has the right to appealed within 1 month from the date of the court's decision.

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

40. EVENT AFTER THE REPORTING PERIOD

Dividends

On February 8, 2021, the Board of Directors' meeting passed a resolution proposing the payment of dividends for the year 2020, at the rate of Baht 6.92 per share, Baht 3.24 each of which was paid as an interim dividend on September 3, 2020. The proposed dividends shall be approved by the shareholders' meeting of the Company.

41. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Board of Directors on February 8, 2021.

Certification of information accuracy

The company has already reviewed all information containing in annual report carefully. The company, hereby, represent and warrant that all such information are accurate and complete and contain no false statement without any lack of material fact which should have been informed where such information may cause damages to the purchasers of those shares. In addition, the company would like to certify that:

- (1) Financial statements and financial information, attached to this filing, are represent accurate and complete without any lack of material fact about the financial status, performance and cash flow of the company and its subsidiaries.
- (2) The company is responsible to provide the good disclosure system of the information of the company to ensure that the company discloses the material fact of the company and its subsidiaries accurately and completely. The company also supervises the practice of that system.
- (3) The company is responsible to provide the good corporate governance system of the company and supervise the practice of that system. In addition, the company already inform the result of the good corporate governance appraisal as of 8 February 2021 to the Auditor and the Audit and Risk Committee of the company including the material incomplete and change of the corporate governance as well as false practice that may influent the preparation of the financial statements of the company and its subsidiaries.

Name**Position****Signature**

Mr. Somchai Lertsutiwong

Authorized Director



Mr. Hui Weng Cheong

Authorized Director





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