

Attachment 3: (1) Opinion of Audit Committee regarding the connected transactions



Reference: AIS-ARC 003/2020

6 February 2020

Subject: Opinion of Audit and Risk Committee regarding Connected Transactions for 2019

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 2019, as set out in the Enclosures.

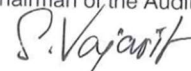
After having considered such matters, we are of the opinion that Management conducted such transactions for the benefit of the Company at an arm's length basis with general business trading condition and reasonable price that compared with the general market price in such industry.

Kindly be informed accordingly.

Yours sincerely


Mr Krairit Euchukanonchai

Chairman of the Audit and Risk Committee


Mr Surasak Vajakit

Audit and Risk Committee member

Audit and Risk Committee member


Mr. Prasan Chuaphanich

Audit and Risk Committee member

Audit and Risk Committee member

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Attachment 3: (2) Audit Committee Report



The Audit and Risk Committee Report 2019

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 sixteen (16) meetings in 2019. All members of the Audit and Risk Committee attended every meeting. Mrs. Suvimon Kulalert, the Company's Chief Audit Executive, acts as Secretary of the Audit and Risk Committee. The summary of meeting attendance of the members in 2019 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 2019 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 2019, 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 2019, 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

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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), 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 2019. 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. The Audit and Risk Committee concluded that the Company's internal control system is effective and the Company does not have any material internal control deficiency.

The Audit and Risk Committee has encouraged Internal Audit Department to enhance an advisory role to be Trusted Advisor. For example, several workshops on high-risk areas and significant processes were conducted to create a better understanding of the internal control principle according to the Three Lines of Defense, and recommendations on preventive control were given to safeguard the Company from risks potentially arising. The Management has been tasked with the role of the Second Line of Defense to enhance the internal control effectiveness and mitigate risks to the acceptable level in a timely manner. Furthermore, the Audit and Risk Committee has encouraged Internal Audit Department to apply Robotic Process Automation (RPA) principle in auditing; and implement 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 have been conducted for the Company's executives and employees to boost the understanding level of the Code of Business Ethics and the Fraud Risk Awareness. Relevant knowledge and information have been shared

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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 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, and corporate governance systems were performed effectively and efficiently, and achieved objectives in comparison with the efficiency indicators.

The Audit and Risk Committee has approved the 2020 annual internal 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, and competence of personnel 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 Internal Audit Department 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 four (4) meetings with participation of executives from the Risk Management Committee in 2019 in order to review the appropriateness of risk assessment, risk control, risk monitoring and risk reporting. In addition, the Audit and Risk Committee has overseen risks and reviewed the adequacy of the Risk Management Policy and Enterprise Risk Management Framework in accordance with COSO ERM 2017: Enterprise Risk Management Integrating with Strategy and Performance, including risk appetite, risk capacity, and tolerance.

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 2019 to review complaints and investigation results according to the Company's processes, including the efficiency of the whistleblowing channels. The Audit and Risk Committee also considered and concurred on the preparation and revision of the Fraud and/or Misconduct Reporting and Whistleblower Protection Guideline, and 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 2020 based on 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, auditing quality in the past year, 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 2020 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



Mr. Surasak Vajavit



Mr. Prasan Chuaphanich

Chairman of the Audit and Risk Committee Audit and Risk Committee Member Audit and Risk Committee Member

Attachment 3: (3) Board of Directors' responsibility for financial statements

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 2019. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.

- Signature

Mr. Kan Trakulhoon

Chairman of the Board of Directors

Signature

Mr. Somchai Lertsutiwong

Chief Executive Officer