

INTERLINK TELECOM PUBLIC COMPANY LIMITED

**INTERIM EQUITY METHOD AND SEPARATE
FINANCIAL INFORMATION**

31 MARCH 2021



AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Shareholders of Interlink Telecom Public Company Limited

I have reviewed the interim equity method financial information of Interlink Telecom Public Company Limited, and the interim separate financial information of Interlink Telecom Public Company Limited. These comprise the equity method and separate statements of financial position as at 31 March 2021, the related equity method and separate statements of comprehensive income, the related equity method and separate statements of changes in equity, and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim equity method and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim equity method and separate financial information based on my review.

Scope of review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim equity method and separate financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in blue ink, appearing to read 'Pongthavee Ratanakoses'.

Pongthavee Ratanakoses
Certified Public Accountant (Thailand) No. 7795
Bangkok
11 May 2021

Interlink Telecom Public Company Limited

Statement of Financial Position

As at 31 March 2021

	Notes	Equity Method		Separate	
		financial information		financial information	
		Unaudited	Audited	Unaudited	Audited
		31 March 2021 Baht	31 December 2020 Baht	31 March 2021 Baht	31 December 2020 Baht
Assets					
Current assets					
Cash and cash equivalents		81,079,716	70,271,040	81,079,716	70,271,040
Trade and other receivables, net	8	556,421,469	641,458,780	556,421,469	641,458,780
Work in process		80,265,482	157,661,102	80,265,482	157,661,102
Short-term borrowings to a joint venture		4,000,000	2,000,000	4,000,000	2,000,000
Accrued revenue from network installation service		1,227,132,696	1,216,503,522	1,227,132,696	1,216,503,522
Retention receivables		10,009,129	11,466,650	10,009,129	11,466,650
Other current assets		134,690,924	146,534,928	134,690,924	146,534,928
Total current assets		2,093,599,416	2,245,896,022	2,093,599,416	2,245,896,022
Non-current assets					
Restricted cash at financial institutions		50,592,762	50,592,755	50,592,762	50,592,755
Accrued revenue from network rendering		602,176,783	506,298,009	602,176,783	506,298,009
Investment in a joint venture	9	28,992,636	30,703,833	69,999,900	69,999,900
Fixed assets and telecommunication networks, net	10	3,856,776,789	3,838,986,899	3,856,776,789	3,838,986,899
Intangible assets, net		24,745,490	25,452,426	24,745,490	25,452,426
Right-of-use assets, net		329,165,251	355,961,227	329,165,251	355,961,227
Other non-current assets		22,792,712	25,027,869	22,792,712	25,027,869
Total non-current assets		4,915,242,423	4,833,023,018	4,956,249,687	4,872,319,085
Total assets		7,008,841,839	7,078,919,040	7,049,849,103	7,118,215,107

Director _____ Director _____

The accompanying notes on pages 9 to 17 form part of this interim financial information.

Interlink Telecom Public Company Limited

Statement of Financial Position

As at 31 March 2021

	Notes	Equity Method		Separate	
		financial information		financial information	
		Unaudited	Audited	Unaudited	Audited
		31 March	31 December	31 March	31 December
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Short-term borrowings from financial institutions, net	11	2,029,559,275	2,175,174,406	2,029,559,275	2,175,174,406
Trade and other payables	12	840,248,335	800,776,587	840,248,335	800,776,587
Current portion of lease liabilities, net	13	95,678,354	98,151,405	95,678,354	98,151,405
Current portion of long-term borrowings from financial institutions, net	14	481,215,273	348,847,298	481,215,273	348,847,298
Advance received from network installation service		8,473,990	20,104,485	8,473,990	20,104,485
Income tax payable		1,714,152	1,714,152	1,714,152	1,714,152
Other current liabilities		23,855,857	36,765,110	23,855,857	36,765,110
Total current liabilities		3,480,745,236	3,481,533,443	3,480,745,236	3,481,533,443
Non-current liabilities					
Lease liabilities, net	13	193,840,611	214,647,809	193,840,611	214,647,809
Long-term borrowings from financial institutions, net	14	1,348,990,286	1,461,295,672	1,348,990,286	1,461,295,672
Advance received from long-term network installation service		3,984,106	5,060,202	3,984,106	5,060,202
Deferred tax liabilities, net		14,870,744	8,705,497	14,870,744	8,705,497
Employee benefit obligations		15,765,386	14,954,420	15,765,386	14,954,420
Total non-current liabilities		1,577,451,133	1,704,663,600	1,577,451,133	1,704,663,600
Total liabilities		5,058,196,369	5,186,197,043	5,058,196,369	5,186,197,043
Equity					
Share capital					
Authorised share capital					
1,500,000,000 ordinary shares at par value of Baht 0.50 each		750,000,000	750,000,000	750,000,000	750,000,000
Issued and paid-up share capital					
1,000,000,000 ordinary shares at paid-up of Baht 0.50 each		500,000,000	500,000,000	500,000,000	500,000,000
Premium on paid-up share capital		814,942,915	814,942,915	814,942,915	814,942,915
Advance received from share subscription	15	12,018,000	-	12,018,000	-
Retained earnings					
Appropriated - legal reserve		35,670,000	35,670,000	35,670,000	35,670,000
Unappropriated		588,014,555	542,109,082	629,021,819	581,405,149
Total equity		1,950,645,470	1,892,721,997	1,991,652,734	1,932,018,064
Total liabilities and equity		7,008,841,839	7,078,919,040	7,049,849,103	7,118,215,107

The accompanying notes on pages 9 to 17 form part of this interim financial information.

Interlink Telecom Public Company Limited
Statement of Comprehensive Income
For the three-month period ended 31 March 2021

Unaudited

	Notes	Equity Method financial information		Separate financial information	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
Service income from network rendering		300,064,018	267,455,546	300,064,018	267,455,546
Service income from network installation service		176,003,630	164,941,546	176,003,630	164,941,546
Service income from data center space service		20,856,023	23,296,812	20,856,023	23,296,812
Other income		14,389,930	4,961,812	14,389,930	4,961,812
Total revenues		511,313,601	460,655,716	511,313,601	460,655,716
Cost of network rendering		(216,307,319)	(186,441,576)	(216,307,319)	(186,441,576)
Cost of network installation service		(149,967,231)	(137,130,125)	(149,967,231)	(137,130,125)
Cost of data center space service		(12,611,968)	(12,261,439)	(12,611,968)	(12,261,439)
Service expenses		(9,893,565)	(14,462,917)	(9,893,565)	(14,462,917)
Administrative expenses		(21,961,859)	(16,785,918)	(21,961,859)	(16,785,918)
Finance costs		(38,849,425)	(38,779,444)	(38,849,425)	(38,779,444)
Total expenses		(449,591,367)	(405,861,419)	(449,591,367)	(405,861,419)
Profit before share from investment in a joint venture and income tax		61,722,234	54,794,297	61,722,234	54,794,297
Share of loss from investment in a joint venture	9	(1,711,197)	(3,771,791)	-	-
Profit before income tax		60,011,037	51,022,506	61,722,234	54,794,297
Income tax	16	(14,105,564)	(10,939,662)	(14,105,564)	(10,939,662)
Profit for the period		45,905,473	40,082,844	47,616,670	43,854,635
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		45,905,473	40,082,844	47,616,670	43,854,635
Earnings per share					
Basic earnings per share		0.05	0.04	0.05	0.04
Diluted earnings per share		0.05	0.04	0.05	0.04

The accompanying notes on pages 9 to 17 form part of this interim financial information.

Interlink Telecom Public Company Limited
Statement of Changes in Equity
For the three-month period ended 31 March 2021

	Equity Method financial information										
	Retained earnings										
	Note	Issued and paid-up share capital	Premium on share capital	Advance received from share subscription	Appropriated legal reserve	Unappropriated	Total	Retained earnings			Total
Baht								Baht	Baht	Baht	
Opening balance as at 1 January 2020		500,000,000	814,942,915	-	26,110,000	370,646,892	1,711,699,807				
Retrospective adjustments from changes in accounting policy effective on 1 January 2020		-	-	-	-	(2,710,188)	(2,710,188)				
Balance after adjustment		500,000,000	814,942,915	-	26,110,000	367,936,704	1,708,989,619				
Changes in equity for the period		-	-	-	-	40,082,844	40,082,844				
Total comprehensive income for the period		-	-	-	-	40,082,844	40,082,844				
Closing balance as at 31 March 2020		500,000,000	814,942,915	-	26,110,000	408,019,548	1,749,072,463				
Opening balance as at 1 January 2021		500,000,000	814,942,915	-	35,670,000	542,109,082	1,892,721,997				
Changes in equity for the period		-	-	12,018,000	-	-	12,018,000				
Advance received from share subscription	15	-	-	12,018,000	-	-	12,018,000				12,018,000
Total comprehensive income for the period		-	-	-	-	45,905,473	45,905,473				
Closing balance as at 31 March 2021		500,000,000	814,942,915	12,018,000	35,670,000	588,014,555	1,950,645,470				

The accompanying notes on pages 9 to 17 form part of this interim financial information.

Interlink Telecom Public Company Limited
Statement of Changes in Equity
For the three-month period ended 31 March 2021

	Separate financial information											
						Retained earnings						
	Issued and paid-up share capital	Premium on paid-up share capital	Advance received from share subscription	Appropriated legal reserve	Unappropriated	Total	Issued and paid-up share capital	Premium on paid-up share capital	Advance received from share subscription	Appropriated legal reserve	Unappropriated	Total
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2020	500,000,000	814,942,915	-	26,110,000	402,624,016	1,743,676,931						
Retrospective adjustments from changes in accounting policy effective on 1 January 2020	-	-	-	-	(2,710,188)	(2,710,188)						
Balance after adjustment	500,000,000	814,942,915	-	26,110,000	399,913,828	1,740,966,743						
Changes in equity for the period												
Total comprehensive income for the period	-	-	-	-	43,854,635	43,854,635						
Closing balance as at 31 March 2020	500,000,000	814,942,915	-	26,110,000	443,768,463	1,784,821,378						
Opening balance as at 1 January 2021	500,000,000	814,942,915	-	35,670,000	581,405,149	1,932,018,064						
Changes in equity for the period												
Advance received from share subscription	-	-	12,018,000	-	-	12,018,000						
Total comprehensive income for the period	-	-	-	-	47,616,670	47,616,670						
Closing balance as at 31 March 2021	500,000,000	814,942,915	12,018,000	35,670,000	629,021,819	1,991,652,734						

The accompanying notes on pages 9 to 17 form part of this interim financial information.

Interlink Telecom Public Company Limited
Statement of Cash Flows
For the three-month period ended 31 March 2021

Unaudited

	Note	Equity Method		Separate	
		financial information		financial information	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		60,011,037	51,022,506	61,722,234	54,794,297
Adjustments to reconcile profit before income tax to net cash provided by operations:					
- Depreciation and amortisation		78,698,602	71,266,972	78,698,602	71,266,972
- Amortisation of prepaid expenses		8,711,467	15,664,368	8,711,467	15,664,368
- Share of loss from investment in a joint venture	9	1,711,197	3,771,791	-	-
- Unrealised gain on exchange rate		(202,480)	(174,817)	(202,480)	(174,817)
- (Reversal of) expected credit losses		(4,358,410)	1,539,586	(4,358,410)	1,539,586
- Bad debts		8,777,878	-	8,777,878	-
- Interest income		(1,898)	(5,364)	(1,898)	(5,364)
- Finance costs		38,849,425	38,779,444	38,849,425	38,779,444
- Employee benefit expenses		810,966	782,256	810,966	782,256
Cash flows before changes in operating assets and liabilities		193,007,784	182,646,742	193,007,784	182,646,742
Changes in operating assets and liabilities:					
- Trade and other receivables		72,149,443	(30,873,622)	72,149,443	(30,873,622)
- Work in process		77,697,012	(79,936,125)	77,697,012	(79,936,125)
- Accrued revenue from network installation service		(10,629,174)	(29,950,056)	(10,629,174)	(29,950,056)
- Retention receivables		1,457,521	5,787,142	1,457,521	5,787,142
- Other current assets		14,635,288	(969,039)	14,635,288	(969,039)
- Accrued revenue from network rendering		(95,878,774)	(79,375,327)	(95,878,774)	(79,375,327)
- Other non-current assets		2,235,157	1,048,418	2,235,157	1,048,418
- Trade and other payables		45,122,670	49,911,493	45,122,670	49,911,493
- Advance received from share subscription		(12,706,591)	8,050,708	(12,706,591)	8,050,708
- Other current liabilities		(12,909,253)	850,660	(12,909,253)	850,660
Cash generated from operations		274,181,083	27,190,994	274,181,083	27,190,994
- Income tax paid		(10,731,601)	(8,821,733)	(10,731,601)	(8,821,733)
Net cash generated from operating activities		263,449,482	18,369,261	263,449,482	18,369,261

The accompanying notes on pages 9 to 17 form part of this interim financial information.

Interlink Telecom Public Company Limited
Statement of Cash Flows
For the three-month period ended 31 March 2021

Unaudited

	Notes	Equity Method		Separate	
		financial information		financial information	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
- Increase in restricted cash at financial institutions		(7)	(49,980,000)	(7)	(49,980,000)
- Payments for short-term borrowings to a joint venture		(2,000,000)	-	(2,000,000)	-
- Payments for purchases of fixed assets and telecommunication networks		(67,584,436)	(99,332,851)	(67,584,436)	(99,332,851)
- Payments for borrowing cost of fixed assets and telecommunication networks		(3,890,000)	(3,588,000)	(3,890,000)	(3,588,000)
- Proceeds from interest income		1,898	5,364	1,898	5,364
Net cash used in investing activities		(73,472,545)	(152,895,487)	(73,472,545)	(152,895,487)
Cash flows from financing activities					
- Proceeds from short-term borrowings from financial institutions		551,090,170	424,320,000	551,090,170	424,320,000
- Payments for short-term borrowings from financial institutions		(697,003,789)	(346,391,275)	(697,003,789)	(346,391,275)
- Payments for lease liabilities		(26,381,020)	(16,917,083)	(26,381,020)	(16,917,083)
- Proceeds from long-term borrowings from financial institutions	14	39,000,000	-	39,000,000	-
- Payments for long-term borrowings from financial institutions	14	(21,049,767)	(101,141,709)	(21,049,767)	(101,141,709)
- Proceeds from advance received from share subscription	15	12,018,000	-	12,018,000	-
- Interest paid		(36,841,855)	(38,240,557)	(36,841,855)	(38,240,557)
Net cash used in financing activities		(179,168,261)	(78,370,624)	(179,168,261)	(78,370,624)
Net increase (decrease) in cash and cash equivalents		10,808,676	(212,896,850)	10,808,676	(212,896,850)
Beginning balance		70,271,040	287,560,458	70,271,040	287,560,458
Ending balance		81,079,716	74,663,608	81,079,716	74,663,608
Non-cash transactions					
- Accounts payable - purchases of fixed assets and telecommunication networks		163,015,337	171,717,255	163,015,337	171,717,255
- Purchases of fixed assets and telecommunication networks and right-of-use assets under lease agreements		3,100,770	10,312,992	3,100,770	10,312,992

The accompanying notes on pages 9 to 17 form part of this interim financial information.

1 General information

Interlink Telecom Public Company Limited (the Company) is a public limited company, incorporated and resident in Thailand. The address of its registered office is 48/66 Soi Rung Reung, Ratchadapisek Road, Samsennok, Huaykwang, Bangkok.

The Company was listed on mai.

The principal business operations of the Company are to provide telecommunication services nationwide fiber optic network and to provide data center space services such as co-location service, cloud computing service and disaster recovery service.

On 8 May 2012, the Company obtained Telecommunication license type 3 from National Broadcasting and Telecommunication Commission (NBTC) in which, allowed the Company to own the network and rendering service on such network. The period of license is 15 years.

This interim equity method and separate financial information was authorised for issue by the Board of Directors on 11 May 2021.

This interim equity method and separate financial information has been reviewed, not audited.

2 Basis of preparation

The interim financial information has been prepared in accordance with Thai Accounting Standard (TAS) no. 34, Interim Financial Reporting and other financial reporting requirements issued under the Securities and Exchange Act.

This interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2020.

An English version of the interim equity method and separate financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

3 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2020, except for the following:

- 1) As at 1 January 2021, the Company ceases applying the temporary exemption guidance to relieve the impact from COVID-19 (temporary measures to relieve the impact from COVID-19) announced by The Federation of Accounting Professions (TFAC) which were effective for reporting periods ending between 1 January 2020 and 31 December 2020. The ceasing of the guidance does not have material impact on the Company; and
- 2) Amended Thai Financial Reporting Standard effective for the accounting periods beginning on or after 1 January 2021 as described in Note 4 does not have material impact on the Company.

4 Adoption of amended financial reporting standard

Amended financial reporting standard that are effective for accounting period beginning or after 1 January 2021 and does not have significant impact to the Company

Amendment to TFRS 3 - Business Combinations

Since 1 January 2021, the Company adopt the amendment to TFRS 3 - Business Combinations. The amended definition of business requires a business acquisition to include, at least an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

Interlink Telecom Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2021

5 Estimates

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2020.

6 Segment and revenue information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as management that makes strategic decisions.

The one main operating segment of the Company is telecommunication business and the single geographical area of their operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the interim financial information. As a result, all of the revenues, operating profits and assets as reflected in this interim financial information pertain to the aforementioned reportable operating segment and geographical area. Timing of revenue recognition of such segment is recognised when the performance obligation satisfied over time.

	Equity Method and Separate financial information			Total Baht
	For the three-month period ended 31 March 2021			
Type of revenue recognition:	Service income from network rendering Baht	Service income from network installation service Baht	Service income from data center space service Baht	
- Point in time	-	153,240,509	-	153,240,509
- Over time	300,064,018	22,763,121	20,856,023	343,683,162
	300,064,018	176,003,630	20,856,023	496,923,671

Main customer

During the three-month period ended 31 March 2021, revenues from 5 major customers of approximately Baht 271.64 million represented 53.13% of the Company's total revenues (2020: revenues from 4 major customers of approximately Baht 290.21 million represented 63.00% of the Company's total revenues).

7 Fair value

Financial assets and financial liabilities measured at amortised cost where their carrying value approximated fair value. There were no financial assets and financial liabilities measured at fair value.

Interlink Telecom Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2021

8 Trade and other receivables, net

	Equity Method and Separate financial information	
	31 March 2021 Baht	31 December 2020 Baht
Trade receivables	458,119,873	581,878,476
Trade receivables - related parties	2,537,632	2,093,368
<u>Less</u> Allowance for expected credit losses	(6,994,298)	(11,352,708)
Total trade receivables, net	453,663,207	572,619,136
Other receivables	9,440,680	4,543,830
Other receivables - related parties	2,111,269	2,026,297
Prepaid expenses	70,094,784	41,930,084
Advance payments	18,365,919	19,755,650
Deposits	2,745,610	583,783
Total trade and other receivables, net	556,421,469	641,458,780

Outstanding trade receivables can be analysed as follows:

	Equity Method and Separate financial information	
	31 March 2021 Baht	31 December 2020 Baht
Not yet due	368,366,251	489,825,379
Less than 3 months	76,210,773	80,528,967
3 - 6 months	14,735,134	2,248,803
More than 6 months	1,345,347	11,368,695
	460,657,505	583,971,844
<u>Less</u> Allowance for expected credit losses	(6,994,298)	(11,352,708)
Total trade receivables, net	453,663,207	572,619,136

9 Investment in a joint venture

The movement in investment in a joint venture is analysed as follows:

	Equity Method financial information Baht	Separate financial information Baht
For the three-month period ended 31 March 2021		
Opening book value	30,703,833	69,999,900
Share of losses	(1,711,197)	-
Closing book value	28,992,636	69,999,900

Interlink Telecom Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2021

10 Fixed assets and telecommunication networks, net

	Equity Method and Separate financial information Baht
For the three-month period ended 31 March 2021	
Opening net book value	3,838,986,899
Additions	65,884,811
Transfer from right-of-use assets	13,276,751
Depreciation charge	(61,371,672)
Closing net book value	3,856,776,789

As at 31 March 2021, the Company pledged fixed asset and telecommunication networks as collateral against the long-term borrowings from financial institutions with net book value amount of Baht 215.81 million (31 December 2020: Baht 145.39 million) (Note 14).

11 Short-term borrowings from financial institutions, net

As at 31 March 2021, short-term borrowings from financial institutions comprise promissory notes in Thai Baht, totally Baht 2,031.78 million bearing interest rates between 2.00% - 4.03% per annum. These borrowings are due for repayment within 1 year. (31 December 2020: Baht 2,177.69 million bearing interest rates between 2.50% - 4.75% per annum and due for repayment within 1 year).

12 Trade and other payables

	Equity Method and Separate financial information	
	31 March 2021 Baht	31 December 2020 Baht
Trade payables	591,840,466	552,380,398
Trade payables - related parties	7,977,924	7,868,920
Total trade payable	599,818,390	560,249,318
Other payables	11,755,524	17,341,767
Other payables - related parties	9,276,052	10,213,054
Network installation cost payables	105,096,601	107,512,492
Service agreement payables	18,037,618	19,131,045
Retention payables	61,951,698	59,721,741
Accrued expenses	34,312,452	26,607,170
Total trade and other payables	840,248,335	800,776,587

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13 Lease liabilities, net

	Equity Method and Separate financial information	
	31 March 2021 Baht	31 December 2020 Baht
Lease liabilities	289,518,965	312,799,214
<u>Less</u> Current portion of lease liabilities, net	<u>(95,678,354)</u>	<u>(98,151,405)</u>
Lease liabilities, net	193,840,611	214,647,809

14 Long-term borrowings from financial institutions, net

The movement of the long-term borrowings from financial institutions for the three-month period ended 31 March 2021 can be analysed as follows:

	Equity Method and Separate financial information Baht
For the three-month period ended 31 March 2021	
Opening net book value	1,810,142,970
Proceeds from long-term borrowings	39,000,000
Repayments for long-term borrowings	(21,049,767)
Amortisation of deferred financing fee from long-term borrowings	303,924
Adjusted by using the effective interest rate method	1,808,432
	1,830,205,559
Reclassify to be current portion that will be due within one year, net	(481,215,273)
Closing net book value	1,348,990,286

Credit facilities

As at 31 March 2021, the Company had the available credit facilities from loans from financial institutions of Baht 967.97 million (31 December 2020: Baht 815.65 million).

Under the terms and conditions as specified in the loan agreement, the Company has to comply with the conditions, including certain debt covenants as specified in the agreement.

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15 Warrants

The Company issued warrants on ordinary shares without charge to the Company's existing shareholders which is approved at the Annual General Meeting as follows:

Issued by	Allotted to	Approval date	Determined exercising date		As at 31 December 2020	Increase during the period	Decrease during the period			Amount Baht	As at 31 March 2021	
			First exercise	Last exercise			Outstanding warrant unit	Warrant unit	Exercise unit			Exercise ratio for ordinary shares per 1 warrant
The Company	Existing-shareholder (ITEL-W1)	25 April 2018	30 June 2020	22 May 2021	249,992,175	-	-	1	-	5	-	249,992,175
The Company	Existing-shareholder (ITEL-W2)	8 July 2020	30 September 2020	19 August 2021	249,999,451	-	4,006,000	1	-	3	12,018,000	245,993,451
Total issuance by the Company					499,991,626	-	4,006,000	-	-		12,018,000	495,985,626

During the period ended 31 March 2021, the warrant holders exercised their warrants of 4,006,000 units (ITEL-W2) to purchase 4,006,000 ordinary shares at Baht 3 each in total amount of Baht 12,018,000. The Company received the full payments by 30 March 2021.

As at 31 March 2021, the Company did not register the share subscription. The Company presented the cash received in advance for the exercise of warrants as advance received from share subscription in the shareholders' equity. The Company has registered the share subscription with the Ministry of Commerce on 21 April 2021.

16 Income tax

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rates used for the equity method and separate financial information for the three-month period ended 31 March 2021 are 23.50% and 22.85%, respectively (2020: 21.44% and 19.96%, respectively).

17 Related party transactions

Interlink Communication Public Company Limited, which holding 60% of the Company's shares, is a major shareholders and a parent of the Company.

Genesis Data Center Company Limited is a joint venture of the Company.

The significant related party transactions are as follows:

17.1 Revenue from services

For the three-month period ended 31 March	Equity Method financial information		Separate financial information	
	2021	2020	2021	2020
	Baht	Baht	Baht	Baht
Revenue from services				
- Parent company	892,000	676,500	892,000	676,500
- Joint venture	22,800	24,000	22,800	24,000
Other income				
- Parent company	32,422	11,059	32,422	11,059
- Joint venture	1,819,125	1,732,500	1,819,125	1,732,500

17.2 Purchases of goods

For the three-month period ended 31 March	Equity Method financial information		Separate financial information	
	2021	2020	2021	2020
	Baht	Baht	Baht	Baht
Purchases of goods				
- Parent company	829,182	6,235,557	829,182	6,235,557

17.3 Other expenses

For the three-month period ended 31 March	Equity Method financial information		Separate financial information	
	2021	2020	2021	2020
	Baht	Baht	Baht	Baht
Rental expenses				
- Parent company	3,075,624	3,094,509	3,075,624	3,094,509
Cost of other service				
- Parent company	2,436,624	2,343,351	2,436,624	2,343,351
Administrative expenses				
- Parent company	1,495,961	2,744,996	1,495,961	2,744,996
- Directors	708,000	710,000	708,000	710,000

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17.4 Trade receivables and trade payables - related parties

	Equity Method financial information		Separate financial information	
	31 March 2021 Baht	31 December 2020 Baht	31 March 2021 Baht	31 December 2020 Baht
Trade receivables				
- Parent company	2,521,368	2,084,808	2,521,368	2,084,808
- Joint venture	16,264	8,560	16,264	8,560
Trade payables				
- Parent company	4,605,290	4,607,010	4,605,290	4,607,010
- Joint venture	3,372,634	3,261,910	3,372,634	3,261,910

17.5 Amount due from and amount due to related parties

	Equity Method financial information		Separate financial information	
	31 March 2021 Baht	31 December 2020 Baht	31 March 2021 Baht	31 December 2020 Baht
Other receivables				
- Parent company	813,626	728,654	813,626	728,654
- Joint venture	1,297,643	1,297,643	1,297,643	1,297,643
Other payables				
- Parent company	9,096,052	9,481,054	9,096,052	9,481,054
- Directors	180,000	732,000	180,000	732,000

17.6 Short-term borrowings to a joint venture

	Equity Method financial information		Separate financial information	
	31 March 2021 Baht	31 December 2020 Baht	31 March 2021 Baht	31 December 2020 Baht
Short-term borrowings to a joint venture	4,000,000	2,000,000	4,000,000	2,000,000

As at 31 March 2021, short-term borrowings to a joint venture represent unsecured loans bearing interest rate at 4.55% per annum (31 December 2020: 4.55% per annum) and are due for repayment at call.

17.7 Key management compensation

For the three-month period ended 31 March	Equity Method financial information		Separate financial information	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Short-term employee benefits	6,587,072	5,901,357	6,587,072	5,901,357
Post-employee benefits	180,000	82,397	180,000	82,397
	6,767,072	5,983,754	6,767,072	5,983,754

18 Commitments and contingent liabilities

For the three-month period ended 31 March 2021, there were no significant changes in commitments and significant agreements from the year ended 31 December 2020, except the amounts of the commitments as follows:

18.1 Bank guarantees

As at 31 March 2021, there were bank guarantees issued by the bank on behalf of the Company of Baht 643.16 million (31 December 2020: Baht 674.82 million) in respect of certain performance obligations required in the normal course of business of the Company.

18.2 Service contract commitments

The Company has entered into several services agreements. The terms of the agreements are generally between 1 and 30 years, which future minimum lease payments required under these non-cancellable service contracts are as follows:

	31 March 2021	31 December 2020
	(Unit : Million Baht)	
Payable within:		
- Less than 1 year	284.95	237.47
- 1 to 5 years	357.51	320.90
- More than 5 years	332.55	353.78

18.3 Litigation

A subcontractor (the "Plaintiff") of the Company filed a claim against the Company on the basis that the Company has defaulted on an installation fiber optic agreement. The Plaintiff claimed for the total amount of Baht 1,161,279 which included principal amount of Baht 975,097 plus interest of Baht 186,182. However, the Company also filed a statement of defence and counter-claim for the total amount of Baht 692,657. The Court of First Instance ordered the Plaintiff to pay the Company Baht 265,744 plus interest of 7.5% per annum from 24 May 2016 until the payment is fully made. As at 11 May 2021, a statement of defence and counter-claim are currently in the process of identifying assets of the judgement debtor for legal execution.

19 Events occurring after the reporting date

19.1 Issue of warrant to purchase ordinary shares

At the Annual General Shareholders' Meeting held on 20 April 2021, the Shareholders approved the issue of Warrant No.3 (ITEL-W3) for 312,500,000 ordinary shares to the existing shareholders. The rights are offered in the ratio of four existing ordinary shares to one warrant, with any fractional shares eliminated. The exercise price is Baht 3.30 per share, and subject to subsequent change. Issuance date of warrant is within 1 year since the Shareholders approved the issue of Warrant No.3 (ITEL-W3).

19.2 The increase in share capital of ordinary shares

At the Annual General Shareholders' Meeting held on 20 April 2021, the Shareholders approved the increase in share capital from Baht 750,000,000 (1,500,000,000 ordinary shares at par value of Baht 0.50 each) to Baht 906,250,000 (1,812,500,000 ordinary shares at par value of Baht 0.50 each) by issuing new ordinary shares of 312,500,000 shares at Baht 0.50 each, to support the issue of warrant to purchase ordinary shares No.3 (ITEL-W3). The Company registered the increase in share capital with the Ministry of Commerce on 6 May 2021 and approved a change in the Company's memorandum of association in accordance with such change in the number of shares.