(Translation)

February 16, 2006

To: Securities Holders
Advanced Info Service Public Company Limited

Re: The Opinion of the Independent Financial Advisor concerning the Tender Offer of the Securities of Advanced Info Service Public Company Limited

1.0 Background

1.1 The Offerors

Cedar Holdings Limited ("Cedar"), incorporated on January 19, 2006 with a registered capital of Baht 400,000,000, and Aspen Holdings Limited ("Aspen"), incorporated on January 9, 2006 with a registered capital of Baht 100,000 (collectively the "Offerors") are investment holding companies. Cedar is controlled by a group of investors that includes Temasek Holdings (Private) Limited ("Temasek"), Siam Commercial Bank Public Company Limited ("SCB") and Kularb Kaew Company Limited ("Kularb Kaew"). Kularb Kaew is 51 per cent-owned by Thai investors with the remaining 49 per cent held by Temasek through its wholly owned subsidiary Cypress Holdings Limited ("Cypress"). Aspen is an indirect wholly owned subsidiary of Temasek.

The Offerors do not hold any shares in Advanced Info Service Public Company Limited (the "Company" or "AIS).[1]

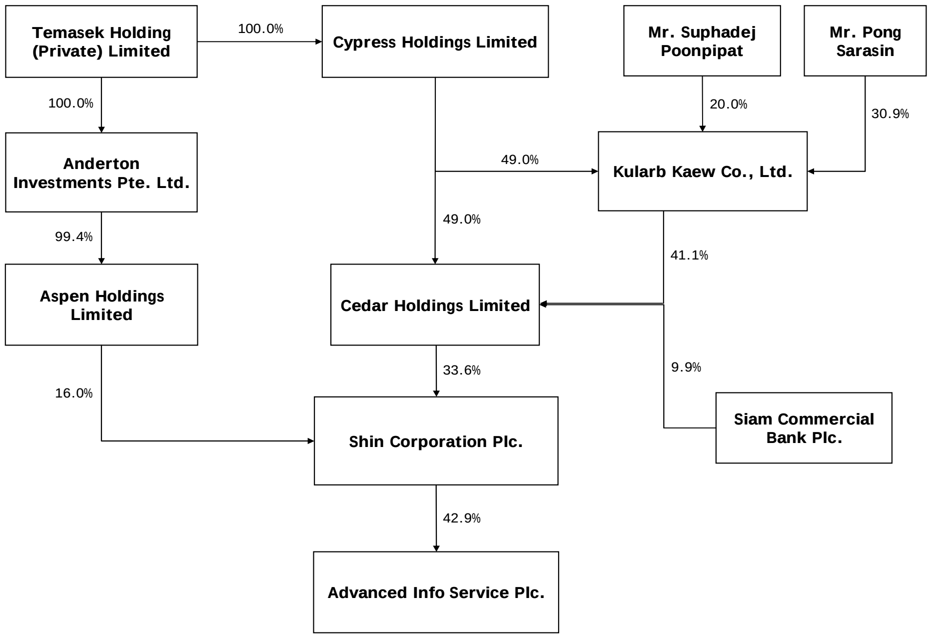
As at August 25, 2005, SingTel Strategic Investment Pte. Ltd., a wholly-owned subsidiary of Singapore Telecommunications Limited ("SingTel"), in which Temasek is the major shareholder, holds 568,000,000 ordinary shares of the Company, representing 19.26 per cent of the Company's total issued shares.[2]

According to the Tender Offer as per Form 247-4, the Offerors hold 1,487,740,120 ordinary shares, representing 49.59 per cent of total issued share capital, of Shin Corporation Public Company Limited ("SHIN"), a major shareholder of the Company.

In addition, SingTel is an indirect shareholder of SHIN, through Singapore Telecom International Pte. Ltd., which holds 32,428,600 of SHIN shares, representing 1.08 percent of SHIN's total issued shares. Temasek, through its subsidiaries, holds, 9,836,895,692 SingTel shares representing 59.10 per cent of SingTel's total issued shares.[3]

[1] Tender Offer (247-4)
[2] The Stock Exchange of Thailand; Tender Offer (247-4)
[3] SingTel's annual report; Tender Offer (247-4)

1.2 **Group Structure of the Offerors**[4]



1.3 **The Transaction**

On January 23, 2006, Cedar and Aspen entered into a Share Sale and Purchase Agreement (the "Agreement") with Ms. Pintongta Shinawatra, Mr. Bhanapot Damapong, Mr. Phantongtae Shinawatra and Ms. Yingluck Shinawatra (collectively the "Sellers" or the "Family"), in the amount of 1,487,740,120 SHIN shares (49.59 per cent of the total issued shares of SHIN) at Baht 49.25 per share. Therefore, the Offerors are required to make a tender offer (the "SHIN Tender Offer") for all securities of SHIN in compliance with the Notification of the Securities and Exchange Commission No. Gor Jor. 53/2545 Re: Rules, Conditions and Procedures for Business Takeovers (the "Takeover Rule"). SHIN received the SHIN Tender Offer for all of its securities (Form 247-4) from the Offerors on February 1, 2006.

Upon the completion of the SHIN Tender Offer, if the Offerors become collective holders of 50 per cent or more of SHIN's total issued shares, in accordance with the Chain Principle Rule of the Takeover Rule, the Offerors will be required to make a chain principle tender offer for all of the Company's securities as 42.86 per cent of the Company's total issued shares are held by SHIN.[5]

Concurrently with the SHIN Tender Offer, the Offerors are making a voluntary tender offer (the "Tender Offer") for the outstanding shares of the Company. The Tender Offer is for 2,948,591,108 of the Company's ordinary shares at Baht 72.31 per share (the "Offer Price"). Of such amount, 1,263,712,000 of the Company's shares are held by SHIN who has already stated

[4] Company filings with the SET, dated on 23 and 24 January 2006, and the Tender Offer (247-4)
[5] The Stock Exchange of Thailand (as of August 25, 2005); Tender Offer (247-4)

its intention not to sell any of its shares in the Company under the Tender Offer.[6] Additionally, the Offerors would tender for 6,991,478 additional shares assuming exercise of all ESOPs before the end of the tender offer period.

According to the Tender Offer as per Form 247-4, the rationale for the Offerors to launch the Tender Offer as opposed to a mandatory chain principle offer was to: 1) avoid any unwarranted and excessive volatility in share price and unusual trading volumes in the Company; 2) provide the Company minority shareholders with an early offer on the same terms as a mandatory chain principle offer; and 3) eliminate any uncertainties caused by the making of tender offers for SHIN and the Company within a short period of time.

Furthermore, the Offerors obtained from the Office of Securities and Exchange Commission of Thailand a waiver from making a further chain principle offer for all securities of the Company in the event that the Offerors collectively own 50 per cent or more of the total issued shares of SHIN after the completion of the SHIN Tender Offer.

1.4 JPMorgan's appointment

The Executive Committee's Meeting No. 1/49 appointed JPMorgan Securities (Thailand) Limited (the "Financial Advisor" or "JPMorgan") to act as the Independent Financial Advisor to render an opinion to shareholders who are not concerned with the Offerors on the Tender Offer.

1.5 Information sources

In order to render an opinion, the Financial Advisor has studied the information contained in the Tender Offer as per Form 247-4 of the Offerors as well as the documents given by the Company (including, without limitation, financial statements and annual reports). In addition, the Financial Advisor has relied on interviews with executives and related persons, reports on other companies, external industry forecasts and opinions provided by management as a basis for the analyses. The Financial Advisor has also (a) reviewed certain publicly available business and financial information concerning the Company and the industries in which it operates; (b) compared the proposed financial terms of the Offer with the publicly available financial terms of certain transactions involving companies which the Financial Advisor deemed relevant and the consideration received for such companies; (c) compared the financial and operating performance of the Company with publicly available information concerning certain other companies which the Financial Advisor deemed relevant and reviewed the current and historical market prices of the Company's securities and certain publicly traded securities of such other companies; (d) reviewed certain internal financial analyses and forecasts prepared by the management relating to the business; and (e) performed such other financial studies and analyses and considered such other information as the Financial Advisor deemed appropriate for the purposes of this opinion.

2.0 Overall Assumptions

The opinions expressed herein have been based on the assumptions that:

- All information and documents obtained from the Company, SHIN and its affiliates, including interviews with executives, are complete, adequate and truthful and the opinions expressed are honestly held as the most likely scenario;

[6] Appendix 1: Confirmation Letter of No Intention to Sell Shares, Tender Offer (247-4)

- There is no event (whether actual, impending or threatened) which may materially affect the operating results and financial performance of the Company, SHIN and its affiliates;
- All business contracts related to the Company's business operations with its counterparties are still legal, valid and binding on the Company and the counter parties, and have not been amended, revoked or terminated;
- The valuation date is February 10, 2006, and is based on the financial statements of the Company as at September 30, 2005;
- The number of ordinary shares outstanding of the Company is equivalent to the basic shares outstanding as on February 2, 2006, adjusted for the outstanding unexercised in-the-money warrants (based on the Company's filings).

3.0 Opinion of the Independent Financial Advisor Regarding the Tender Offer

Fairness of Offer Price

On February 1, 2006, the Offerors made the Tender Offer for securities of the Company at the Offer price of Baht 72.31 per share. In determining the fairness of the Offer Price, the Financial Advisor has compared the Offer Price with the price of ordinary shares calculated under the following approaches:

- Historical traded prices;
- Precedent transaction comparable; and
- Discounted Cash Flow analysis.

The Financial Advisor additionally considered the book value valuation approach which has not been utilized. The Financial Advisor notes that as of September 30, 2005, the book value per share of the Company is Baht 22.61 per share[7]. However, the book value approach does not take into account the future business prospects of the Company or its investments and as such, is not a suitable valuation methodology.

I. Summary

The valuation range for the Company is Baht 95.6 to Baht 116.7 per share using the base case discounted cash flow analysis. This valuation range is supported by the Company's historical trading range as well as precedent transaction comparable analysis. The Financial Advisor notes that the Company, at its current trading price of Baht 96.0 per share (as of February 10, 2006), is trading at a premium compared to its regional comparable peers.

II. Historical traded prices

As of February 10, 2006, the closing stock price of the Company was Baht 96.0 per share. This represents a 7 per cent premium over its 52-week low of Baht 90.0 per share and an 18 per cent discount to its 52-week high of Baht 117.0 per share.

In addition, the Financial Advisor has considered the Volume Weighted Average Prices ("VWAP") of the Company's shares from the 30-day, 90-day, 180-day and 360-day periods

[7] Based on diluted shares outstanding of 2,967 million shares

preceding and including January 20, 2006, the last business day prior to the signing of the Agreement.

Period	Lowest closing price (Baht per share)	Highest closing price (Baht per share)	Average closing price (Baht per share)	VWAP (Baht per share)	Offer Price as discount to VWAP (%)
Last 30 days	101.0	112.0	106.1	106.8	(32.3%)
Last 90 days	97.5	112.0	103.7	104.2	(30.6%)
Last 180 days	90.0	112.0	101.4	101.3	(28.6%)
Last 360 days	89.5	120.0	101.5	101.9	(29.1%)

Source: Bloomberg; Based on 30, 90, 180 and 360 trading days preceding (and including) January 20, 2006

Based on the historical traded price approach, the VWAP of the Company's shares range between Baht 101.3 and Baht 106.8 per share.

To evaluate the use of the market prices of the Company, we have compared the liquidity of the Company's shares with that of top SET-listed stocks on various parameters such as Average Daily Trading Volume as a percentage of Free Float, Average Daily Trading Value as a percentage of Market Capitalization and the breadth of research coverage.

Investment	Market cap (Baht million)[1]	180-day Average Daily Trading Value (Baht million)	Average Daily Trading Volume / Free float (%)[2]	Average Daily Trading Value / Market Cap. (%)[3]	Approx. no. of analysts covering the stock[4]
Top 5 members of SET Index (excl. AIS)					
PTT PCL (PTT)	693,717	992.0	0.45%	0.14%	13
PTT Exploration & Production PCL (PTTEP)	348,424	418.2	0.36%	0.12%	16
Siam Cement PCL (SCC)	292,800	311.4	0.16%	0.11%	12
Bangkok Bank PCL (BBL)	213,790	441.5	0.24%	0.21%	14
Kasikornbank PCL (KBANK)	159,540	370.6	0.27%	0.23%	14
Average			**0.27%**	**0.14%**	
Median			**0.30%**	**0.16%**	
AIS	283,449	368.4	0.36%	0.13%	16

[1] Market capitalization as of February 10, 2006

[2] 180-day average daily trading volume as percentage of free float as of February 10, 2006; Free float based on analyst estimates; Free float of PTT, PTTEP, SCC, BBL, KBANK, and AIS estimated to be 32.0%, 33.6%, 66.6%, 86.0%, 85.0%, and 36.0%, respectively

[3] 180-day average daily trading value as percentage of market capitalization as of February 10, 2006

[4] Includes only research analysts who have published research on and provided rating for the companies after October 31, 2005 and as listed on Bloomberg as of February 10, 2006

Source: Bloomberg

The Company's shares compare favorably with the top SET-listed stocks on various liquidity parameters. Additionally, the Company's shares are covered by approximately 16 research analysts.[8]

The Financial Advisor believes that the historical traded prices of the Company can be used as a metric to evaluate the public investors' view of value of the Company, given the reasonable liquidity in the stock, regular information disclosure from the Company, and the coverage by research analysts.

III. Peer trading comparables

The Financial Advisor has compared key trading multiples of the Company with those of its regional comparable peers. Key trading multiples used by the Financial Advisor are as follows:

- FV / EBITDA multiples: where Firm value ("FV") is defined as Market value of equity + Total debt – Cash and equivalents + Minority interest; EBITDA is defined as Earnings before Interest, Tax, Depreciation and Amortization; and
- Price / Earnings multiples: where "Price" refers to the closing share price and "Earnings" refers to Earnings Per Share.

Comparable peers of the Company selected by the Financial Advisor include South East Asian cellular companies. The peers may not be entirely comparable with the Company because of inherent differences in terms of growth profiles, market positions, capital structures as well as the regulatory and market environment under which they operate. As a result, the implied share price under the peer trading comparables approach may not accurately reflect an appropriate market value of the Company.

Company	Country	Price/Earnings[1] (x)		FV/EBITDA[1] (x)	
		2005E	2006E	2005E	2006E
Maxis	Malaysia	13.0x	12.7x	5.8x	5.5x
TAC	Thailand	16.1x	13.9x	6.3x	5.8x
Globe Telecom	Philippines	11.9x	10.4x	4.5x	4.2x
Digi.Com	Malaysia	13.2x	11.2x	4.3x	3.8x
MobileOne	Singapore	13.6x	13.1x	6.8x	6.6x
Median		**13.2x**	**12.7x**	**5.8x**	**5.5x**
AIS (current price)	Thailand	15.2x	13.6x	6.4x	6.0x
Premium over median multiples		*15.0%*	*7.4%*	*11.3%*	*9.0%*
AIS (Offer Price)	Thailand	11.4x	10.3x	4.9x	4.6x
Discount to median multiples		*(13.4%)*	*(19.1%)*	*(14.7%)*	*(16.4%)*

[1] Based on median analyst projections for 2005 and 2006

Source: Company filings, Bloomberg, I/B/E/S estimates; as of February 10, 2006

As seen in the table above, the Company, at its current price of Baht 96.0 per share (as of February 10, 2006), trades at a premium over its regional peers. The Financial Advisor also notes

[8] Includes only analysts who have published research on and provided rating for the companies after October 31, 2005 and as listed on Bloomberg as of February 10, 2006

that the Offer Price is at a significant discount to the median multiples of the regional peers and to its closest domestic comparable, namely Total Access Communication Public Company Limited (TAC).

IV. Discounted Cash Flow analysis ("DCF")

The DCF analysis is based on the the present value of the sum of the Company's expected net cash flow from its operations ("free cash flow"). The valuation is based mainly on future revenue, cost, and capital expenditure ("Capex") assumptions of the Company's business. These assumptions have been developed with, and reviewed by, the management of the Company.

While the regulatory environment is unfolding and a range of scenarios is possible, after discussions with, and guidance from, the management of the Company, we have assumed the valuation of the Company as an on-going concern based on the current concession structure as a base case for assessing the fairness of the Offer Price.

The limitation of this approach is that unexpected external factors can affect the Company's operations such that the actual results could deviate from the aforementioned assumptions and these differences could be material.

Key assumptions made for the DCF analysis are as follows:

a) Discount rate

The present value of the Company's free cash flow and terminal value is discounted by using the weighted average cost of capital ("WACC") in the valuation. WACC is derived through a formula as follows:

WACC = Ke*(1-D/(D+E)) + Kd*(1-T)*(D/(D+E))

Whereas:

Ke =	Rate of return for shareholders calculated by using the Capital Asset Pricing Model ("CAPM") which is determined from the following formula: Ke = Rf + B(Rm-Rf)
Kd =	Rate of return for debt holders based on 10-year Thai Government Bond yield and the current spread for AIS outstanding Baht denominated debt
T =	Marginal tax rate throughout the projection period
D/(D+E) =	Expected capital structure of the Company, in terms of the ratio of interest-bearing debt to interest-bearing debt plus market value of equity

Whereas:

Rf =	The risk free rate of return which is assumed to equal the yield of the 10-year

	Thai Government Bond, as at February 10, 2006, of approximately 5.5 per cent
B (Beta) =	Based on the Company's Beta which is approximately 0.81 (approximately equal to the average of the Barra local predicted Beta for AIS in December 2005 and the Beta for the Company as derived from Bloomberg as at February 10, 2006)
Rm-Rf =	Equity risk premium based on research estimates

From the calculation based on the relevant metrics, Ke is estimated to be 10.3 per cent to 11.2 per cent. The Financial Advisor has approximated Kd at 7.0 per cent based on a 150 basis points spread for AIS Baht denominated debt over the 10-year Thai Government Bond yield of 5.5 per cent. With a D/(D+E) ratio of 10.0 per cent, the WACC is equal to 9.8 per cent to 10.5 percent.

b) Summary of WACC calculation

	Assumption
Risk free rate (Rf)	5.5%
Rm-Rf	6.0—7.0%
B (Beta)	0.81
Cost of equity (Ke)	10.3—11.2%
Cost of debt (Kd)	7.0%
(1-D)/(D+E)	90.0%
D/(D+E)	10.0%
Marginal tax rate (T)	30.0%
WACC	9.8—10.5%
WACC used for DCF	9.75—10.75%

c) Terminal value

The Financial Advisor has utilized a terminal growth rate for revenues of 1.0 per cent to 2.5 per cent in order to derive the terminal value at the end of 10 years of projected cash flows.

d) Enterprise value

The significant assumptions used in preparing the financial projections of the Company's business are as follows:

- Total AIS subscribers are expected to grow from the current level of approximately 16.4 million to 25.0 million by the end of 2016 at an average annual growth rate of 3.9 per cent, factoring in long term growth prospects in the Thai cellular market and a long term market share for the Company of 50 per cent of the total subscriber base;
- Blended average revenue per user per month ("ARPU") is assumed to fall from the current level of approximately Baht 425 per subscriber per month to Baht 311 per subscriber per month in 2016 at an average annual decline of 2.6 per cent;
- EBITDA margins are assumed to decrease from the current level of approximately 53 per cent to approximately 50 per cent by 2016; and
- Capital expenditure is estimated at approximately 12 per cent of total revenues at the beginning of the projection period then leveling down to approximately 10 per cent of total revenues by the end of the projection period.

The Financial Advisor has analyzed the sensitivity of the value of AIS shares based on the discounted cash flow analysis. Such values are calculated from varying the discount rates in the range of 9.75 per cent to 10.75 per cent and the terminal growth rate in the range of 1.00 per cent and 2.50 per cent.

Base case scenario (AIS share value in Baht)

Terminal growth	1.00%	1.75%	2.50%
WACC			
9.75%	106.6	111.2	**116.7**
10.00%	103.6	107.9	112.9
10.25%	100.8	104.7	109.4
10.50%	98.2	101.8	106.1
10.75%	**95.6**	99.0	103.0

The base case valuation range for the Company from the DCF analysis is Baht 95.6 to Baht 116.7 per share.

e) Sensitivity analysis

Additionally, due to the prevailing regulatory uncertainties within the industry in which the Company operates, the Financial Advisor has determined the value of the Company under two scenarios in addition to the base case highlighted above:

(i) No extension of 2G concession and no grant of 3G license

Under this scenario, it is assumed that the Company will not be able to renew its Second Generation wireless service ("2G") concession agreement with TOT Corporation Public Company Limited ("TOT") and CAT Telecom Public Company Limited ("CAT") which is due to expire in 2015 and that it would not receive a license to undertake Third Generation wireless business ("3G"). The 2G concession would therefore expire in 2015 and the Company is assumed to have no terminal value thereafter under this scenario. The key assumptions in the valuation under this scenario are as follows:

- No residual value of the business at the end of the projection period;
- No shutdown liabilities assumed at the end of the projection period;
- Capex plan has been reduced to reflect ultimate transfer of assets;
- Reduction in marketing expense, employee headcount and salary growth to reflect ultimate termination of the Company's business;
- Same subscriber numbers as the Base Case scenario;
- Same Blended ARPU as the Base Case scenario;
- EBITDA margins are assumed to increase from the current level of approximately 53 per cent to approximately 60 per cent by 2016 due to decreases in maintenance, marketing, human resources and other fixed expenses; and
- Capex is estimated at approximately 10% of total revenues between 2006 to 2008, 5% in 2009, 2.5% between 2010-2011, and 0% between 2012-2015 due to decrease in investment given the non-continuation outlook.

We note that in the event the 2G concession is not renewed and the 3G license in not granted, the valuation of the Company would be approximately in the range of Baht 73.7 to Baht 77.1 per share.

(ii) Grant of 3G license

Under this scenario, we evaluate the potential impact to the Company's share price in the event that the Company is granted a 3G license by the National Telecommunication Commission ("NTC"). At present, it is difficult to accurately quantify the impact of the migration of the Company's business model towards the 3G business in the absence of more definitive information and finalization of the 3G regulatory framework. Key assumptions we have made for this scenario include the following:

- Full migration of the Company's customer base from 2G to 3G by the end of the forecast period;
- One time 3G license fees of Baht 8 billion;
- Universal service obligation fees of 4 per cent of total 3G service revenues;
- Annual 3G licensing fees of 3 per cent of total 3G service revenues;
- Excise tax of 11 per cent of total 3G service revenues;
- Total additional Capex of approximately US$ 1.3 billion, spent over the first six years of the roll-out of 3G operation;
- Modest additional revenues generated from the interconnection regime and increased ARPU attributable to users' added demand of value added services;
- Same subscriber numbers as the Base Case scenario; and
- Blended ARPU is estimated to increase by 10% from the Base Case scenario.

The Financial Advisor notes that based on the preceding high-level indicative assumptions, it would appear that migration to 3G business could have incremental upside of about 10 percent to 15 percent to the implied Company's share price based on the base case scenario, translating a valuation range of approximately Baht 105.9 to Baht 133.7 per share. However, the value under the 3G license would be subject to several factors, which have not yet been clearly established to date and as such, the potential upside – if any – remains highly subjective at this stage.

V. Transaction comparable

This analysis is based on the Thai Telco Holdings Limited ("Thai Telco")-Total Access Communication Public Company Limited ("TAC") transaction, which took place in October 2005. We find the other recent regional transaction comparables not of direct relevance in this case given the differences in market dynamics, the financial and operating position of the target companies, and the significance of the stake acquired.

On October 20, 2005, Thai Telco bought the Bencharongkul family's 39.9 per cent stake in United Communication Industry Public Company Limited ("UCOM"), the major shareholder which held a 41.6 per cent stake in TAC. The transaction triggered a chain principle offer for TAC's 28.4 per cent public float, at a tender offer price of US$3.15 per share. The following are the implied multiples from this transaction:

	Multiples
Price/ Last Twelve Months Earnings	14.7x
FV/Last Twelve Months EBITDA	6.2x

Source: Company filings, Bloomberg

Based on the above transaction multiples, the implied share price of the Company is in the range of Baht 93.5 to Baht 102.6 per share.

VI. Comparison of the Offer Price with the various valuation methodologies

Valuation approach	Valuation (Baht per share)	Offer price premium / (discount) (%)
Historical market price approach		
30 day VWAP	106.8	(32.3%)
90 day VWAP	104.2	(30.6%)
180 day VWAP	101.3	(28.6%)
360 day VWAP	101.9	(29.1%)
Discounted cash flow analysis	95.6—116.7	(24.4%)—(38.1%)
Transaction comparable	93.5—102.6	(22.7%)—(29.5%)

Based on the base case DCF analysis, the fair value range of the Company is between Baht 95.6 to Baht 116.7 per share. The Offer Price of Baht 72.31 per share represents a 24.4 per cent to 38.1 per cent discount to the DCF valuation of the Company. The Financial Advisor views the DCF analysis to be the most appropriate approach in assessing the potential value of the Company as this methodology allows the Company to be valued at a level which reflects the inherent value of its operations.

The Offer Price represents a 28.6 per cent to 32.3 per cent discount to the various historical VWAPs of the Company's stock of Baht 101.3 to Baht 106.8 per share. The Financial Advisor views that this methodology can reflect market views on the Company's share price as the Company has relatively high market capitalization with good liquidity. The stock is also regularly followed and covered by research analysts.

The Offer Price represents a 22.7 per cent to 29.5 per cent discount to the valuation range based on comparable transaction analysis of Baht 93.5 to Baht 102.6 per share. Although the Thai Telco-TAC transaction may not be a fully comparable transaction, the Financial Advisor notes that the implied valuation range provides a substantial overlap with that of the DCF analysis.

Based on: a) the DCF value range of Baht 95.6 to Baht 116.7 per share, b) historical 30 to 360 days VWAP of Baht 101.3 to Baht 106.8, and c) implied share price under the closest comparable transaction of Baht 93.5 to Baht 102.6, the Financial Advisor is of the opinion that the offering price of Baht 72.31 per share is not fair, from a financial point of view, to the Company.

4.0 Reasons to Accept and/or Reject the Tender Offer

Besides the Offer Price, shareholders should also take account of the following factors in deciding whether to accept or reject the Tender Offer.

4.1 Issues that should be taken into consideration in Accepting the Tender Offer

Listing status on the Stock Exchange of Thailand ("SET")

According to the Tender Offer, the Offerors state that they have no intention to delist the Company from the SET during the period of 12 months from the end of the Tender Offer period. The Financial Advisor views that the Company may have a risk in maintaining its listing status on the SET if a substantial number of shares are sold to the Offerors and the Company cannot maintain the proportion and number of minority shareholders. To maintain the listing status, a listed company must have at least 150 minority shareholders holding shares in aggregate of not less than 15 per cent of its paid-up capital.

Liquidity of the Securities

If a substantial number of securities are offered for sale and the majority of securities are thereby held by the Offerors, the trading volume of the Company's shares on the SET may decrease and the minority shareholders who do not sell in this Tender Offer may face a lack of liquidity to sell their shares at an appropriate price or require a longer period to sell their holdings on the SET in the future.

Balance of Power and Control of the Business

After this Tender Offer, the Offerors may be able to hold a significant portion of the Company's shares. The Offerors may then be able to control the Company and have the power to make decisions on most issues. Other shareholders may not hold the requisite number of votes in order to object or influence the balance of power in matters that are proposed for consideration by the Offerors. However, the Financial Advisor notes that if shareholders collectively hold shares in aggregate of at least 10 per cent of the total shares of the Company, it would be possible to successfully vote against a delisting of the Company's shares from the SET, should the Offerors wish to do so.

4.2 Issues that should be taken into consideration in Rejecting the Tender Offer

Offer Price

Based on various valuation methods previously discussed, the Offer Price of Baht 72.31 per share is not fair, from a financial point of view, to the Company. Shareholders who wish to exit their investment in the company could do so through selling their shares in the market at the current traded prices, subject to considerations around the size of their investment and the implications on the market price.

Maintenance of shareholder rights and benefits

Shareholders of the Company are entitled to certain rights under the Company's articles of association and the Public Limited Company Act, B.E.2535 as amended. In the case that the Company is successful under the management of the Offerors, shareholders who have retained an interest in the Company can enjoy the benefits of the upside.

Foregoing of potential upside from the grant of 3G license

Preliminary analysis indicates that a 3G concession on terms currently being discussed in the public domain could be beneficial to the valuation of the Company, although it is difficult to assess the impact accurately in the absence of more definitive information at this stage. Shareholders may lose the ability to benefit from this upside if they sell their investment in the Company.

5.0 Risk Factors

In deciding whether to accept or reject the Tender Offer, shareholders should take the following risk factors and business risks of the Company into consideration.

5.1 Risks arising out of changes in laws, regulations, and government policies

The Company has been supplying telecommunications services through government agencies in the form of concession contracts that were drawn up in line with government regulations during that time. However, in the current environment of a liberalizing industry regime, the market is looking forward to the possibility of a conversion of the concession agreements. Concession conversion will give equal rights to all operators, both current and future, who will henceforth be regulated and supervised by the National Telecommunication Commission ("NTC"). The state enterprises formerly in charge of Thailand's telecommunications networks: the Telephone Organization of Thailand, which was privatized on July 31, 2002 and is now known as TOT Corporation Public Company Limited, and the Communications Authority of Thailand, which was privatized on August 14, 2003 and is now known as CAT Telecom Public Company Limited will also be classified as operators. The potential conversion of these concession agreements has given rise to a number of issues that are yet to be concluded.

On August 3, 2005, the Thai Telecommunication Master Plan (the "Master Plan") was officially announced through the Government Gazette. The purpose of the Master Plan is to provide national guidelines for the setting up of the regulatory framework and monitoring policies related to telecommunications industry. At this point, a number of rules and regulations, including an interconnection regime, the regulatory schedules of fees and charges (including fees for licenses, frequency assignments and numbers), and the admission of new entrants into the industry have not been finalized. Thus, the uncertainty relating to these issues may affect the Company's strategy and policy going forward.

5.2 Market and Competitive Risks

The Thai mobile communications sector recently experienced a period of particularly intense price competition. The Company responded with a tactical price plan which resulted in a decline in service revenues for the period, as well as a rise in network cost and marketing expense. While the Company's management believes that such irrational pricing policy is unlikely to be repeated, the Company cannot be sure that such competition will not recur, and the Company's revenues and operations could be materially and adversely affected.

Furthermore, the liberalization of the industry will likely increase competition in the future, which could result in a number of adverse developments, including, among others, slower growth of the existing subscriber base, slower revenue growth, decline in revenues and increase in selling costs.

5.3 Foreign Exchange Risks

The Company's business involves international business transactions such as the purchase of mobile phones and telecom network equipment from abroad, as well as international roaming services. The Company, therefore, is exposed to foreign exchange risk which can adversely impact its performance.

5.4 Risks from technology and operations

I. Risks from assuring quality of third party service providers and content providers

The introduction of new technology in the mobile phone industry creates opportunities for third parties to cooperate with the Company in order to provide innovative services to subscribers. This cooperation introduces a complex structure of network providers, service providers and content providers bounded by service level agreements. The potential downside of this situation is the greater difficulty in controlling service quality. If any provider fails to meet the service level agreement, the perceived quality of the end-to-end service will be affected.

II. Risks from change of technology

Mobile technology is moving towards high-speed data and multimedia communications. In the short-term, such technological change should not affect AIS because the vast majority of subscribers, mostly in provincial areas, still only require a mobile phone with basic voice functionality. However, suppliers are shifting their interest and moving to develop applications for the Third Generation (3G) mobile phone systems. This shift could present the risk of the inability to obtain adequate support for current technology in the long term.

Due to continual development and rapid change of telecommunications technologies and the requirement of high investment costs, the Company is exposed to a risk of obsolete inventories and networks. In addition, future technologies may allow existing mobile users to communicate through other media including the internet. The Company may consequently lose market share, revenues and profits in the future.

III. Operational Risks

As the Company's operations involve changes, improvements and developments in customer service capability, the Company cannot ensure that such transitions will be smooth, and the Company's performance could be adversely affected in the following manner:

- System changes may affect the accuracy and stability of the Company's operational system and databases. More importantly, staff may not be able to operate in the new system effectively;
- Miscommunication between staff or departments may adversely affect the Company's services;

- Under severe competition, the expeditious launch of a new product or service into the market may lead to an incomplete service or system being introduced that adversely affects both the Company and its customers.

If any of these scenarios should occur, there will be additional risk of a fall in customer confidence.

5.5 Risk from natural disasters

In the event of a natural disaster, the immediate environment that provides support services, for example, power transmission, will be damaged and this will result in service disruption to the Company.

5.6 Other Risks

Given the high-profile status of the transaction, shareholders should consider any possible political intervention or the risk that potential legal issues may be raised to challenge or impair the legality of the transaction consummated between the Offerors and the Sellers. In addition, the Company has operated its businesses under concessions granted by the government or state enterprises. Such political or legal intervention may affect the continuous operation of businesses of the Company. However, in giving this opinion, the Financial Advisor has not taken into account such factors, which are still uncertain.

6.0 Benefits or Impacts From the Plans and Policies Indicated in the Tender Offer and Viability of Such Plans and Policies

The Offerors have disclosed details with regard to their policies and plans with respect to the operations of the Company. The Financial Advisor has considered the Tender Offer and is of the opinion as follows:

The Financial Advisor views that the Company should not be significantly affected by the Offerors' plan to 1) work with the Company's existing management and staff to continue with the current business operations of the Company and its subsidiaries, and 2) not sell or transfer a significant amount of the Company's shares to be acquired from this Tender Offer within a 12-month period from the end of this Tender Offer period, except for the purpose of complying with any legal and/or regulatory requirements or as a result of corporate actions to optimize shareholders' value.

However, there are still some uncertainties regarding the Offerors' intention to work with management to review the future business strategy of the Company and its subsidiaries including key business areas, capital structure, mergers and acquisitions to enhance the Company's growth and profitability, and to maximize shareholders' value.

Finally, after the Tender Offer, the Offerors may consider changing the structure of the Company's Board of Directors as appropriate to reflect the new shareholding structure, such as appointment of new directors to replace the resigning or retiring directors. The Financial Advisor views that such plans may create uncertainties to the Company's plans and policies going forward.

7.0 <u>Other notices</u>

In giving our opinion, the Financial Advisor has relied upon and assumed, without assuming responsibility or liability for independent verification, the accuracy and completeness of all information that was publicly available or was furnished to or discussed with it by the Company or otherwise reviewed by or for it. The Financial Advisor has not conducted or been provided with any valuation or appraisal of any assets or liabilities, nor have we evaluated the solvency of any of the Offerors or the Company under any applicable laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses and forecasts provided to the Financial Advisor, the Financial Advisor has assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of the Company to which such analyses or forecasts relate. The Financial Advisor expresses no view as to such analyses or forecasts or the assumptions on which they were based. The Financial Advisor has also assumed that the Offer will be consummated as described in the Tender Offer. The Financial Advisor has relied as to all legal matters relevant to rendering this opinion upon the advice of counsel. The Financial Advisor has further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Offer will be or have been obtained without any adverse effect on the Company.

The Financial Advisor’s opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to it as of, the date hereof. It should be understood that subsequent developments may affect this opinion and that the Financial Advisor does not have any obligation to update, revise, or reaffirm this opinion. This opinion is limited to the fairness, from a financial point of view, of the consideration to be received by the holders of the ordinary shares of the Company and we express no opinion as to the fairness of the Offer to, or any consideration of, the holders of any other class of securities, creditors or other constituencies of the Company or as to the underlying decision by the Company to engage in the Offer.

In addition, the Financial Advisor was not requested to and did not provide advice concerning the structure, the specific amount of the consideration, or any other aspects of the Offer, or to provide services other than the delivery of this opinion. The Financial Advisor was not authorized to and did not solicit any expressions of interest from any other parties with respect to the sale of all or any part of the Company or any other alternative transaction. The Financial Advisor did not participate in negotiations with respect to the terms of the Offer. Consequently, the Financial Advisor has assumed that such terms are the most beneficial terms from the Company's perspective that could under the circumstances be negotiated among the parties to such transactions, and no opinion is expressed whether any alternative transaction might produce consideration for the Company's shareholders in an amount in excess of that contemplated in the Offer. Pursuant to the terms of an engagement letter entered into between the Company and the Financial Advisor, the Financial Advisor will receive a fee from the Company for the delivery of this opinion. In the ordinary course of the Financial Advisor’s businesses, the Financial Advisor and its affiliates may actively trade the debt and equity securities of the Company or Temasek, SCB, SHIN, Shin Satellite Public Company Limited, ITV Public Company Limited or any other relevant companies for its own account or for the accounts of customers and, accordingly, the Financial Advisor may at any time hold long or short positions in such securities.

8.0 Summary

Based on the information and reasons mentioned above and subject to the foregoing, the Financial Advisor views that the Offer Price of Baht 72.31 per ordinary AIS share is not fair, from a financial point of view, to the Company.

The decision to accept or reject this tender offer, however, depends upon the shareholders' views and judgments based on the aforementioned reasons and opinion as provided by the Financial Advisor. The final decision, therefore, is at the discretion of shareholders. This opinion does not constitute a recommendation to any shareholder of the Company as to how such shareholder should exercise its decision with respect to either accepting or rejecting the Tender Offer, or any other matter. This opinion may not be disclosed, referred to, or communicated (in whole or in part) to any third party (other than the addressees hereto) for any purpose whatsoever except with the prior written approval of the Financial Advisor.

We hereby certify that our opinion has been rendered with due care in accordance with professional standards, taking into account the interests of the shareholders.

Mr. Vorapak Tanyawong	Mr. Christopher Yeoh
Managing Director	Vice President
JPMorgan Securities (Thailand) Limited	JPMorgan Securities (Thailand) Limited