

*Your Success is Our Success*



THE ICT SOLUTION



We are growing

.....



## Innovating Technology

.....



## Expanding Networks

.....





## Creating Wealth for Shareholders

.....



## Sharing to Community

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## Financial Highlight

จุดเด่นทางการเงิน

*“Ten Billion baht is not a dream”*

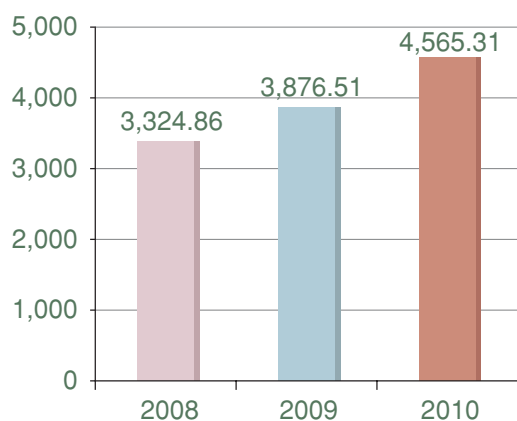




## Summary of Financial and Operational Results

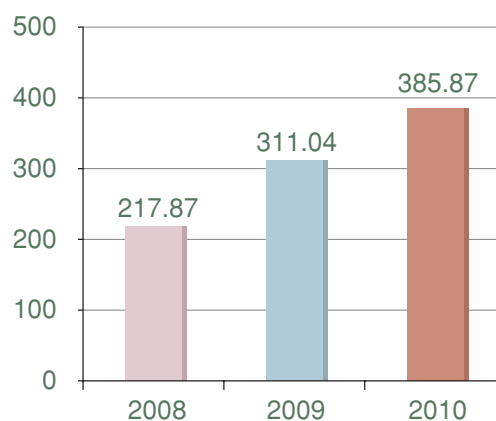
### Total Revenues

Unit : Mb.



### Net Profit

Unit : Mb.



(Unit : Mb.)

### The Company's Financial Statements

Financial Results	2008	2009	2010
Total Assets	1,691.49	1,944.26	2,392.50
Total Liabilities	813.97	913.79	1,128.29
Total Shareholders' Equity	877.52	1,030.47	1,264.21
Total Revenues	3,324.86	3,876.51	4,565.31
Total Expenses	2,998.57	3,444.26	4,026.57
Net Profit	217.87	311.04	385.87
Basic Earning per share (Baht)	3.63	5.16	6.07
Diluted Earnings per share (Baht)	3.58	5.04	5.79
Total Number of Employees (persons)	245	246	251
Total Number of Shares at 31 <sup>st</sup> December	60,000,000	60,690,265	66,185,862
Financial Ratios	2008	2009	2010
Liquidity Ratio (Times)	1.89	2.00	2.02
Gross Profit Margin Ratio (%)	21.36	23.12	20.94
Net Profit Margin (%)	6.55	8.02	8.45
Debt to Equity Ratio (Times)	0.93	0.89	0.89



## Board of Directors



1



2



3



4



5



6



7



8



9



10



11



12

1. Mr. Thana Chaiprasit  
Chairman of the Board

2. Mr. Siripong Oontornpan  
President  
Director

3. Mr. Chokechai Tanpoonsinthana  
Chairman of Audit Committee  
Independent Director

4. Mr. Pongtep Polanun  
Vice Chairman of the Board  
Independent Director  
Member of Audit Committee

5. Mr. Sripop Sarasas  
Independent Director  
Member of Audit Committee

6. Mr. Suraporn Raktaprachit  
Director

7. Mr. Kijja Laoboonchai  
Director

8. Mr. Chatchai Yenbamroong  
Independent Director

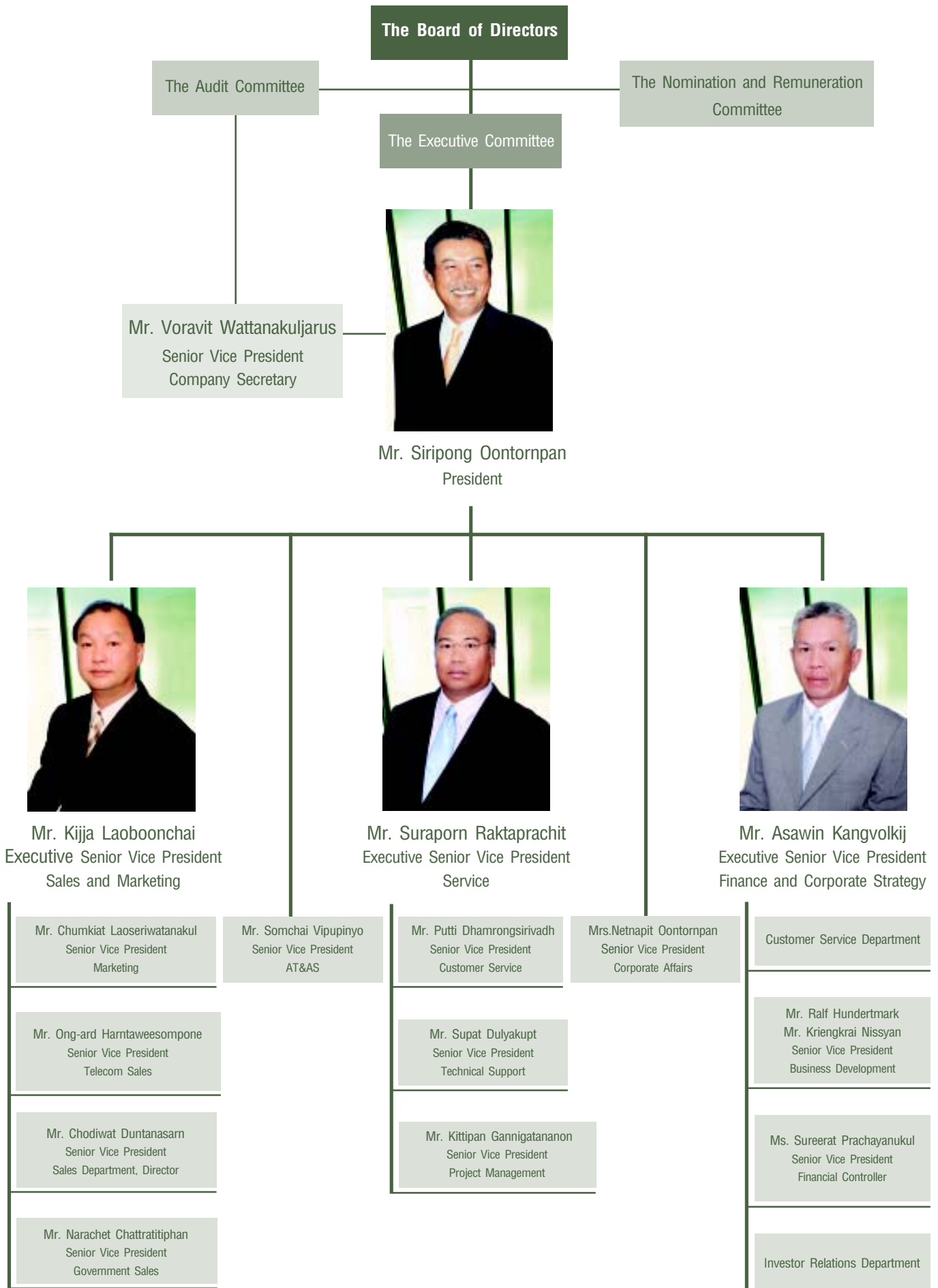
9. Mr. Kittisak Sopchokchai  
Director

10. Mr. Pisak Charudilaka  
Director

11. Mr. Chodiwat Duntanasarn  
Director

12. Mr. Voravit Wattanakuljarus  
Company Secretary

# Executive Board







Mr. Thana Chaiprasit  
Chairman of the Board



Mr. Siripong Oontornpan  
President



## Message from the Chairman of the Board of Directors and the President

Dear Shareholders,

Thailand had been facing its political intensity since the beginning of 2010; this led to the growing public concern over Thai economy, politics, and international relationships particularly in the first half of the year. Nevertheless, the circumstances had been resolved which some areas in Bangkok were seriously affected; series of measures from the Thai government and Bangkok Metropolitan Administrative were taken in order to revive all affected areas. Advanced Information Technology Public Company Limited would like to express our condolences to the families of the people who lost or injured in the incident, and hope that our country will get through the crisis eventually.

The overall condition of ICT industry in Thailand has been growing; our customers' investment figures are expected to grow as well, particularly for Telecommunication service providers which investments are inevitable for improving their services to customers (both in terms of quality and speed) as well as offering more varieties of products and services to cope with the fast-moving trend of world ICT. However, the government factor still plays an important role in boosting industry growth. Without the government stability, private companies are reluctant to expand their businesses, and only limited government projects as well as large-scale bidding projects are expected to be implemented.

In 2010, the Company met its target and reported total revenues of around 4,553 million Baht, an 17.71% increase from 2009. The net profit in 2010 was 388 million Baht, an increase of 25.23% compared to 2009. Following the Company's dividend policy which is aimed to increase shareholders' wealth, the Company's board of directors had announced an interim dividend payout for the first half of 2010 performance (ended at June 30, 2010)

“*Sustainable growth is our utmost commitment*”

at the rate of 1.50 Baht per share, and the Company finished paying all dividends by the end of September 2010. In addition, Maple Plus Company showed a good sign of business recovery which was able to generate 17 million Baht of total revenues; it is expected to deliver profit in the near future. The spectacular results would not be achieved without true dedication from the management team and all employees.

In September, 2010, the Company was selected to be in Forbes magazine's Asia's 200 Best Under Billion list for 2010. There were nine Thai listed firms who made Forbes' prestigious list in 2010, of which six companies were on SET and three companies were on MAI. In prior year, the Company won the Best Performance Awards 2009 in the category of listed Company with less than 10,000 million Baht of market capitalization - Group 3 (The Company is now categorized as Group 2 by market value). Having received different awards two years consecutively, the Company perceives it as a great accomplishment which will drive the management team and all employees to work with their wisdom, contribution, patience and honesty for higher success of the Company.

On behalf of the Chairman of the Board of Directors and the President, we would like to express our sincere appreciation towards confidence and support from shareholders, investors, financial institutions, strategic partners and customers. The Company set a record this year as a numerous of investors exercising their Warrant-AIT W1 and turn to AIT share capital. The Company is making a strong commitment to manage the business in a professional manner for sustainable growth based on good corporate governance principle to respond to customer needs while at the same time develop the society at large.



Mr. Chokechai Tangpoonsinthana  
Chairman of the Audit Committee



## Report of the Audit Committee

Dear Shareholders,

The Audit Committee has duties under the scope of duties and responsibilities in the mission assigned by the Board of Directors to oversee the operations of the Company in order to ensure that the executives and board members have duties that will be due to shareholders of the Company with honesty, responsibility and manage affairs of the Company according to its policy.

In 2009 the Audit Committee has five meetings in which there was a meeting with the auditor without the Company representatives attended and the other four meetings with executives, auditors and internal auditors as appropriated. The principal activities summarized as follows.

1. Review quarterly and annual financial statements prior to presenting to the Board of Directors. The Audit Committee has asked and listened to the explanation from the management and auditor for the accuracy and completeness of financial statements, the adequacy of disclosure, events after the balance sheet date, and accounting adjustment significantly affecting the financial statement in order to ensure that the financial statements are prepared in accordance with legal requirements and accounting standards generally accepted accounting principles. Accounting and financial systems are accurate and reliable as well as disclosure for financial statements adequately and timely for the benefit of investors or users of the financial statement.
2. To review the internal control system evaluation, the Audit Committee has reviewed and commented on the audit report of 2010 conducted by internal audit with regards to the inventory management, purchasing control, selling-rental-service control, daily cash receive control, and daily cash payment control. The Audit Committee is of the opinion that the Company has adequate and suitable internal controls in the acceptable criteria. Regarding the enterprise risk management, even the Company has not set a Risk Committee to be in charge of risk management but the Company established a sub-committee since 2003 to manage and mitigate all risks before implementing any projects as project risk is the most crucial to the Company's financial performance.
3. The Audit Committee had drafted "Audit Committee Charter" as guidelines for future practices if the Company establishes internal audit function. The Audit Committee Charter was approved by the Board of Directors Resolution No.4/2010 on November 5<sup>th</sup>, 2010.
4. In each meeting, the Audit Committee has considered comments regarding compliance with the law of Securities and Exchange, regulations of the Stock Exchange of Thailand or other laws relating to its business. The review on its operations in the year 2009 showed no past issues of substance in non-compliance with the Securities and Exchange Law, regulations of the Stock Exchange of Thailand, or other laws relating to its business.



5. The Audit Committee has determined, selected, nominated and recommend compensation for 2011 annual audit to present to the Board of Directors for approval by the General Meeting of shareholders in 2011. The Audit Committee has considered performance, independence, and appropriate compensation and, thus, has nominated Mr.Kritsada Lertwana, certified auditor licensed No. 4958 or Mr. Supachai Panyawattano, certified auditor licensed No. 3930 or Mrs. Chonrot Santiaswaraporn, certified auditor licensed No. 4523 on behalf of Office of Ernst & Young as auditors of the company in 2011 due to following reasons:

- Standards of good work. Expertise in auditing and perform well consistently.
- Office of Auditor and the auditors as proposed above list have no relationship or interest with the Company's executives, major shareholders or related to such persons, therefore, there shall be independent in auditing and reviewing of the financial statement of the Company.

6. The Audit Committee has performed the full scope of authority set forth in the Charter of the Audit Committee in compliance with the Securities and Exchange Law and regulations of the Stock Exchange of Thailand.

7. In 2010 the results of the subsidiary company has invested are as follows:

- Maple Plus Company Limited has registered capital of 20 million baht with paid-up of 100% value (additional 50% from last year), which the Company owns 55 percent. The Company made the payment of 50% of registered capital of Maple Plus Co.,Ltd., which equals to 5.5 Million Baht in December 2010. The year-end performance in 2010 showed better results compared to 2009 at a significant level, 2010 is also the first year that Maple Plus Co.,Ltd. made profit even the amount was not high.

The Audit Committee is of the opinion that the operations of the accounting period on 1 January 2010 to 31 December 2010 has been under internal control and appropriate internal audit. The financial reports are accurate, complete and reliable in compliance with laws, rules and regulations related to the Company's business, including correctly disclosure to regulators that are consistent with good corporate governance, transparent and reliable.

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## Details of the Company's Management



**Mr. Thana Chaiprasit**

Chairman of the Board



**Mr. Siripong Oontornpan**

Authorized Director / President /  
Chairman of the Executive  
Committee / Member of the  
Nomination and Remuneration  
Committee

**Age 56**

### Educational Background

- Ph.D. Doctor of Philosophy (Honorary),  
Ramkhamhaeng University
- MINI MBA, Thammasart University
- Honorary Doctorate Degree in Business Administration  
(General Studies), Chandrakasem Rajabhat University
- The National Defense College (the combination of military  
officers and civilians) NDC 388

**% Shareholding 1.14**

**Personal Relationship with the Management - None -**

**Illegal Record in the Past - None -**

### Work Experience (Over the Past 5 Years)

- Present Chairman of the Board  
Advanced Information Technology Plc.
- Present Chairman of the Board  
Siam Glass Industry Co., Ltd.
- Present Chairman of the Board  
Thanarom Co., Ltd.
- Present Deputy Chairman of the Board  
Osotsa Co., Ltd.
- Present Managing director  
Osotsa Insurance Co., Ltd.
- Present Member,  
National Economic and  
Social Advisory Council
- Present Director  
International Table-Tennis Federation
- Present Treasurer,  
National Olympic Committee of Thailand
- Present Chairman  
South East Asia Table - Tennis Federation
- Present Deputy Chairman,  
Asian Table Tennis Union

**Age 57**

### Educational Background

- Master of Science (Computer Science),  
Western Michigan University - USA
- Bachelor of Electrical Engineering,  
Western Michigan University - USA

### Training Record

- DCP 36/2003
- National Defense College 2004

**% Shareholding 9.18**

**Personal Relationship with the Management**

Spouse of Mrs. Netnapit Oontornpan

**Illegal Record in the Past -**

### Work Experience (Over the Past 5 Years)

- 1993-Present Director/ Member of the Nomination &  
Remuneration Committee/  
Chairman of the Executive Committee/  
President,  
Advanced Information Technology Plc.
- 2009-Present President,  
Thai Senior Professional Golfers Association





**Mr. Chokechai Tanpoonsinthana**

Independent Director /  
Chairman of the Audit Committee



**Mr. Pongtep Polanun**

Vice Chairman of the Board /  
Chairman of Nomination and  
Remuneration Committee /  
Independent Director / Member of  
the Audit Committee

**Age 63**

**Educational Background**

- MBA (Quantitative Analysis & Finance),  
University of Wisconsin - USA
- Master of Science (Civil Engineering),  
University of Wisconsin - USA
- Bachelor of Engineering, Chulalongkorn University

**Training Record**

- Thai Institute of Directors
  - Director Certificate Program 3/2000
  - Audit Committee Program 8/2009
  - Monitoring the Internal Audit Function 6/2009
  - Monitoring the System of Internal Control and Risk  
Management 7/2009
  - Monitoring Fraud Risk Management 1/2009
  - Monitoring the Quality of Financial Reporting 12/2010
  - Advanced Audit Committee Program 4/2002

**% Shareholding** - None -

**Personal Relationship with the Management** - None -

**Illegal record in the past** - None -

**Work Experience (Over the Past 5 Years)**

- 2003-Present Chairman of the Audit Committee/  
Independent Director,  
Advanced Information Technology Plc.
- 2008-Present Chairman of the Audit Committee,  
United Securities Plc.
- 2005-Present Independent Director/  
Member of the Audit Committee,  
United Securities Plc.
- 2000-Present Independent Director/  
Member of the Audit Committee,  
Thai Stanley Electric Plc.
- 2007-Present Member of the Audit Committee/  
Independent Director/ Member of the  
Nomination and Remuneration Committee,  
Thai Agro Energy Plc.
- Jan 2011- Member of the Appeal Committee  
Present Thailand Future Exchange

**Age 56**

**Educational Background**

- MBA (Finance), National Institute of Development  
Administration
- MBA (Management), Sasin Graduate Institute of Business  
Administration
- Bachelor of Economics, Thammasat University

**Training Record**

- Thai Institute of Directors
  - Accreditation Program Director 36/2005

**% Shareholding** 0.14

**Personal Relationship with the Management** - None -

**Illegal record in the past** - None -

**Work Experience (Over the Past 5 Years)**

- Present Vice Chairman of the Board/ Chairman of  
Nomination and Remuneration  
Committee/ Independent Director/ Member  
of the Audit Committee,  
Advanced Information Technology Plc.
- Present Director,  
Phatra Securities Plc.
- Present Director,  
Phatra Leasing Plc.
- Present Director,  
Krung Thai Bank Plc.
- Present Chairman of the Board,  
Krung Thai IBS Leasing Co., Ltd.


**Mr. Sripop Sarasas**

Independent Director /  
Member of the Audit Committee /  
Member of the Nomination and  
Remuneration Committee


**Mr. Suraporn Raktaprachit**

Authorized Director / Executive  
Committee / Member of the  
Nomination and Remuneration  
Committee / Executive Senior  
Vice President - Finance Service

**Age 53**

**Educational Background**

- MBA, University of Southern California - USA
- Bachelor of Medical Technology, Chulalongkorn University

**Training Record**

- Thai Institute of Directors
  - Director Certificate Program 22/2002
  - Audit Committee Program 1/2004

**% Shareholding** - None -

**Personal Relationship with the Management** - None -

**Illegal record in the past** - None -

**Work Experience (Over the Past 5 Years)**

- Present Independent Director/ Member of the  
Nomination and Remuneration Committee/  
Member of the Audit Committee,  
Advanced Information Technology Plc.
- Present Director/ Chairman of Audit Committee,  
Samitivej Hospital Plc.
- Present Director/ Member of the Audit Committee  
The Royal Ceramic Industry Plc.
- Present Director/ Member of the Audit Committee  
Bangkok General Hospital Plc.
- Present Director/ Member of the Audit Committee  
Livingland Capitol Plc.
- Present Director/ Member of the Audit Committee  
Kietthana Logistics Plc.

**Age 55**

**Educational Background**

- Master Degree in Economics,  
Syracuse University - New York, USA
- Bachelor of Economics,  
The American University - Washington D.C., USA

**Training Record**

- Thai Institute of Directors
  - Director Certificate Program 35/2003

**% Shareholding** 2.58

**Personal Relationship with the Management** - None -

**Illegal record in the past** - None -

**Work Experience (Over the Past 5 Years)**

- Present Authorized Director/ Executive Committee/  
Member of Nomination and Remuneration  
Committee/ Executive Senior Vice  
President - Service,  
Advanced Information Technology Plc.



**Mr. Kijja Laoboonchai**

Authorized Director /  
Executive Committee /  
Executive Senior Vice President -  
Sales and Marketing



**Mr. Chatchai Yenbamroong**

Independent Director

**Age 51**

**Educational Background**

- Master Degree in Industrial & System, Engineering  
Ohio University - USA
- Bachelor of Engineering, Chulalongkorn University

**Training Record**

- Thai Institute of Directors
  - Director Certificate Program 36/2003

**% Shareholding 1.11**

**Personal Relationship with the Management - None -**

**Illegal record in the past - None -**

**Work Experience (Over the Past 5 Years)**

- 1994-Present Authorized Director/ Executive Committee/  
Executive Senior Vice President -  
Sales and Marketing,  
Advanced Information Technology Plc.

**Age 52**

**Educational Background**

- Master Degree in Journalism (Newspaper Major),  
Northwestern University - USA
- Bachelor of Political Science, Thammasat University

**% Shareholding 0.005**

**Personal Relationship with the Management - None -**

**Illegal record in the past - None -**

**Work Experience (Over the Past 5 Years)**

- Present Independent Director,  
Advanced Information Technology Plc.
- Present Member of the Management Committee,  
Northern Gulf Oil (Thailand) Co., Ltd.



**Mr. Kittisak Sopchokchai**

Director /  
Member of the Nomination and  
Remuneration Committee



**Mr. Pisak Charudilaka**

Director

**Age 55**

**Educational Background**

- Bachelor of Economics, Thammasat University

**Training Record**

- Thai Institute of Directors
- Director Accreditation Program 54/2006

**% Shareholding 5.69**

(held by Mrs. Kingporn Sopchokchai, Mr. Kittisak's spouse)

**Personal Relationship with the Management - None -**

**Illegal record in the past - None -**

**Work Experience (Over the Past 5 Years)**

- Present Director/ Member of the Nomination and Remuneration Committee, Advanced Information Technology Plc.
- Present Managing Director, Sureetriboon Holding Co., Ltd.
- Present Managing Director, Movinglink (Thailand) Co., Ltd.
- Present Director, Oaktree Co., Ltd.
- Present Director, K S P Square Co., Ltd.
- 1997-Present Director, Movie Group Holding Co., Ltd.
- 1997-Present President, Audio Engeneering Service Co., Ltd.
- 1986-Present President, Digital Control Co., Ltd.
- 1983-Present President, Sound and Communication Co., Ltd.
- Present Managing Director, Vichai Trading (1983) Co., Ltd.
- Present President, To-a Electronics (Thailand) Co.,Ltd.

**Age 57**

**Educational Background**

- Master Degree in Political Science, Ramkamhaeng University
- Bachelor of Laws, Ramkamhaeng University

**Training Record**

- Thai Institute of Directors
- Director Accreditation Program 67/2007

**% Shareholding 1.89**

(held by Mrs. Soison Jarudilok, Mr. Pisak's spouse)

**Personal Relationship with the Management - None -**

**Illegal record in the past - None -**

**Work Experience (Over the Past 5 Years)**

- Present Director, Advanced Information Technology Plc.
- 2005-Present Station Manager, Present Region 2 Office, The Custom Department





**Mr. Chodiwat Duntanasarn**

Director /  
Senior Vice President - Sales  
Department



**Mr. Asawin Kangvolkij**

Executive Senior Vice President -  
Finance and Corporate Strategy

**Age 46**

**Educational Background**

- Master Degree in Marketing, Wagner College - USA
- Bachelor of Business Administration,  
Assumption University

**Training Record**

- Thai Institute of Directors
- Director Certificate Program 72/2006

**% Shareholding 4.52**

**Personal Relationship with the Management - None -**

**Illegal record in the past - None -**

**Work Experience (Over the Past 5 Years)**

- Present Director,  
Advanced Information Technology Plc.
- 1995-Present Senior Vice President - Sales Department,  
Advanced Information Technology Plc.

**Age 48**

**Educational Background**

- Master Degree in Economics,  
Western Michigan University - USA

**% Shareholding 0.04**

**Personal Relationship with the Management - None -**

**Illegal record in the past - None -**

**Work Experience (Over the Past 5 Years)**

- 2009-Present Vice President - Finance and  
Corporate Strategy,  
Advanced Information Technology Plc.
- 2007-2009 Vice President - Corporate Strategy,  
Advanced Information Technology Plc.



**Mrs. Netnapit Oontornpan**

Senior Vice President -  
Corporate Affairs

**Age 54**

**Educational Background**

- Master Degree in Inter - Communication,  
Western Michigan University - USA

**% Shareholding 0.55**

**Personal Relationship with the Management**

Spouse of Mr. Siripong Oontornpan

**Illegal record in the past - None -**

**Work Experience (Over the Past 5 Years)**

- 2003-Present Senior Vice President  
Corporate Affairs,  
Advanced Information Technology Plc.



**Mr. Ong-ard Harntaweessompone**

Senior Vice President  
Telecom Sales

**Age 42**

**Educational Background**

- Bachelor of Engineering, Chulalongkorn University

**% Shareholding 0.03**

**Personal Relationship with the Management - None -**

**Illegal record in the past - None -**

**Work Experience (Over the Past 5 Years)**

- 1995-Present Senior Vice President  
Telecom Sales,  
Advanced Information Technology Plc.



**Ms. Sureerat Prachayanukul**

Senior Vice President  
Financial Controller

**Age 38**

**Educational Background**

- Master Degree in Accountancy,  
Thammasat University

**% Shareholding 0.04**

**Personal Relationship with the Management - None -**

**Illegal record in the past - None -**

**Work Experience (Over the Past 5 Years)**

- 2003-Present Director,  
Mapleplus Co., Ltd.
- 2003-Present Senior Vice President  
Financial Controller,  
Advanced Information Technology Plc.



**Mr. Narachet Chattratitiphan**

Senior Vice President -  
Government Sales

**Age 49**

**Educational Background**

- MBA (Management),  
National Institute of Development Administration

**% Shareholding 0.02**

**Personal Relationship with the Management - None -**

**Illegal record in the past - None -**

**Work Experience (Over the Past 5 Years)**

- 2005-Present Senior Vice President  
Government Sales,  
Advanced Information Technology Plc.



**Mr. Chumkiat Laoseriwatanakul**

Senior Vice President -  
Marketing



**Mr. Supat Dulyakupt**

Senior Vice President -  
Technical Support

**Age 44**

**Educational Background**

- Bachelor of Computer Engineering,  
Chulalongkorn University

**% Shareholding** 0.006

**Personal Relationship with the Management** - None -

**Illegal record in the past** - None -

**Work Experience (Over the Past 5 Years)**

- Present Director,  
Mapleplus Co., Ltd.
- 1994-Present Senior Vice President  
Marketing,  
Advanced Information Technology Plc.

**Age 44**

**Educational Background**

- MBA, Chulalongkorn University

**% Shareholding** 0.14

**Personal Relationship with the Management** - None -

**Illegal record in the past** - None -

**Work Experience (Over the Past 5 Years)**

- 2002-Present Senior Vice President  
Technical Support,  
Advanced Information Technology Plc.



**Mr. Kittipan Gannigatananon**

Senior Vice President -  
Project Management



**Mr. Putti Dhamrongsirivadh**

Senior Vice President -  
Customer Service

**Age 52**

**Educational Background**

- MBA (Management), Bangkok University

**% Shareholding** -

**Personal Relationship with the Management** - None -

**Illegal record in the past** - None -

**Work Experience (Over the Past 5 Years)**

- Present Director,  
Mapleplus Co., Ltd.
- 2003-Present Senior Vice President  
Project Management,  
Advanced Information Technology Plc.

**Age 39**

**Educational Background**

- Master Degree in Telecommunication Engineering,  
San Diego State University - USA

**% Shareholding** 0.02

**Personal Relationship with the Management** - None -

**Illegal record in the past** - None -

**Work Experience (Over the Past 5 Years)**

- 1999-Present Senior Vice President  
Customer Service,  
Advanced Information Technology Plc.


**Mr. Somchai Vipupinyo**

Senior Vice President  
Advanced Technology and  
Application Services

**Age 52**

**Educational Background**

- Bachelor of Engineering, Chulalongkorn University

**% Shareholding** 0.04

**Personal Relationship with the Management** - None -

**Illegal record in the past** - None -

**Work Experience (Over the Past 5 Years)**

- 2004-Present Senior Vice President  
Advanced Technology and Application  
Services,  
Advanced Information Technology Plc.


**Mr. Ralf Hundertmark**

Senior Vice President -  
Business Development

**Age 43**

**Educational Background**

- Tach Hochschule Darmstadt - Germany

**% Shareholding** - None -

**Personal Relationship with the Management** - None -

**Illegal record in the past** - None -

**Work Experience (Over the Past 5 Years)**

- 2009-Present Senior Vice President  
Business Development,  
Advanced Information Technology Plc.


**Mr. Kriengkrai Nissyan**

Senior Vice President -  
Business Development

**Age 43**

**Educational Background**

- Master of Science Computer,  
National Institute of Development Administration

**% Shareholding** 0.44

**Personal Relationship with the Management** - None -

**Illegal record in the past** - None -

**Work Experience (Over the Past 5 Years)**

- 2006-Present Senior Vice President  
Business Development,  
Advanced Information Technology Plc.


**Mr. Voravit Wattanakuljarus**

Senior Vice President -  
Company Secretary

**Age 51**

**Educational Background**

- Master Degree in Economics,  
University of North Texas - USA

**Training Record**

- Company Secretary Program 9/2009

**% Shareholding** - None -

**Personal Relationship with the Management** - None -

**Illegal record in the past** - None -

**Work Experience (Over the Past 5 Years)**

- 2009-Present Senior Vice President - Company Secretary,  
Advanced Information Technology Plc.



## Change in Directors' Shareholding Report for the Year 2010 as of 31 Dec 2010

Name - Last Name	Position		Common Stock			
	AIT	Maple Plus	AIT <sup>(1)</sup>		Maple Plus <sup>(2)</sup>	
			2010	2009	2010	2009
1. Mr. Thana Chaiprasit	Chairman of the Board		1.14	1.25	-	-
2. Mr. Siripong Ontornpan	President, Member of the Nomination & Remuneration Committee, Chairman of the Executive Committee		9.18	10.00	-	-
3. Mr. Chokechai Tanpoonsinthana	Chairman of the Audit Committee, Independent Director		-	-	-	-
4. Mr. Pongtep Polanun	Vice Chairman of the Board, Independent Director, Chairman of the Nomination and Remuneration Committee, Member of the Audit Committee		0.14	0.15	-	-
5. Mr. Sripop Sarasas	Independent Director, Member of the Nomination and Remuneration Committee, Member of the Audit Committee		-	-	-	-
6. Mr. Suraporn Raktaprachit	Authorized Director, Executive Committee, Member of the Nomination Committee, Executive Senior Vice President - Service	Director	2.58	2.72	1 share	1 share
7. Mr. Kijja Laoboonthai	Authorized Director/ Executive Committee/ Executive Senior Vice President - Sales and Marketing		1.11	1.21	-	-
8. Mr. Chatchai Yenbamroong	Independent Director		0.005	0.51	-	-
9. Mr. Kittisak Sopchokchai	Director/ Member of the Nomination and Remuneration Committee		-	-	-	-
10. Mr. Pisak Charudilaka	Director		-	-	-	-
11. Mr. Chodiwat Duntanasarn	Director/ Senior Vice President - Sales Department,		4.52	4.55	1 share	1 share
12. Mr. Asawin Kangvolkij	Executive Senior Vice President - Finance and Corporate Strategy		0.04	0.08	-	-
13. Mrs. Netnagit Ontornpan	Senior Vice President - Corporate Affairs		0.55	0.51	-	-
14. Mr. Somchai Vipupinyo	Senior Vice President - AT&AS		0.04	-	-	-
15. Mr. Kittipan Gannigatananon	Senior Vice President - Project Management	Director	-	-	-	-
16. Mr. Narachet Chatratitiphan	Senior Vice President - Government Sales		0.02	-	-	-
17. Mr. Chumkiat Laoseriwatanakul	Senior Vice President - Marketing	Director	0.006	-	-	-
18. Mr. Supat Dulyakupt	Senior Vice President - Technical Support		0.14	0.07	-	-
19. Mr. Kriengkrai Nissyan	Senior Vice President - Business Development		0.44	0.38	-	-
20. Mr. Ralf Hundertmark	Senior Vice President - Business Development		-	-	-	-
21. Mr. Ong-ard Harntaweessompone	Senior Vice President - Telecom Sales		0.03	-	-	-
22. Mr. Putti Dhamrongsirivadh	Senior Vice President - Customer Service		0.02	-	-	-
23. Ms. Sureerat Prachayanukul	Senior Vice President - Financial Controller	Director	0.04	-	1 share	1 share
24. Mr. Voravit Wattanakuljarus	Senior Vice President - Company Secretary		-	-	-	-

<sup>(1)</sup> AIT: Advance Information Technology Plc. Unit: % of paid up capital

<sup>(2)</sup> Maple Plus: Maple Plus Co., Ltd. Unit: The number of total shares is 200,000



## Details about Company's Securities

Issuer	: Advanced Information Technology Public Company Limited
Ticker	: "AIT"
First Listing Date	: 30 July 2003
Market Capitalization	: 2,940 million Baht (As of 31 December 2010)
Registered Capital	: 345,000,000 Baht
Paid-up Capital	: 330,929,310 Baht
Number of Shareholders	: 2,134 (As of 24 August 2010)
% Free Float	: 61.81% (As of 12 March 2010)
Type of Business	: Relating to the information and communications technology, including the maintenance and the development of work-system program
Head Office:	37/2 Sutthisarn Road, Samsennok, Huay Kwang, Bangkok 10320
Company's Registration #	: 0107546000067
Tel	: 0-2275-9400
Fax	: 0-22759100 and 0-2275-9200
Website	: <a href="http://www.ait.co.th">www.ait.co.th</a>

### The Auditor

1. Ms. Thipawan Nananuwat, CPA License Number 3459 and/or
2. Mr. Supphachai Phanyawatthano, CPA License Number 3930 and/or
3. Ms. Siraporn Ouaanunkun, CPA License Number 3844

### Ernst and Young Office Limited

33<sup>rd</sup> Floor, Lake Ratchada Office Building,  
 193/136-137, New Ratchadaphisek Road, Klongtoey, Bangkok 10501  
 Tel: (66) 2264-0777 Fax: (66) 2264-0789-90

### The Securities Registrar

#### Thailand Securities Depository Company Limited

4<sup>th</sup> and 6<sup>th</sup>-7<sup>th</sup> Floor, The Stock Exchange of Thailand Building,  
 Ratchadaphisek Road, Klongtoey, Bangkok 10110.  
 Tel: (66) 2359-1200 Fax: (66) 2359-1259

Capital Market Academy Building, The Stock Exchange of Thailand  
 2/7 Moo 4 (Northpark Project), Vibhavadi-Rangsit Road,  
 Thung Song Hong, Laksi, Bangkok 10210  
 Tel: (66) 2596-9000 Fax: (66) 2832-4994-6

## General Information of the Company and Its Subsidiaries

Company	Type of Business	Registered Capital (Baht)	Par Value per Share (Baht)	Paid-up Capital (Baht)	% Shareholding
<b>Advanced Information Technology Public Company Limited</b> 37/2 Sutthisarnvinichai Road, Samsen Nok, Huay Kwang, Bangkok 10320	Relating to the information and communications technology, including the maintenance and the development of work-system program	345,000,000	5	330,929,310	-
<b>Subsidiaries</b>					
<b>Maple Plus Co., Ltd.</b> 448 Order House Building, 5(3) Floor, Ratchadaphisek Road, Samsen Nok, Huay Kwang, Bangkok 10320	Sell and install computer, software and communication equipments	20,000,000	100	20,000,000*	55%

\* On 1 October 2010, Maple Plus Co.,Ltd. called for the payment of 50% of its registered capital



## Shareholding Structure of the Company

Advanced Information Technology Public Company Limited  
(AIT)

55%

Maple Plus Co., Ltd.



## Major Shareholders

Top 10 major shareholders as of the latest book closing date as of 24 August 2010

Shareholder	No. of Shares	%
1. The Oontornpan Group*	10,538,169	16.53
2. Thai NVDR Company Limited	4,618,800	7.25
3. Mrs. Kingporn Sopchokechai	3,741,400	5.87
4. The Duntanasarn Group*	3,049,100	4.78
5. Citibank Nominees Singapore PTE Ltd. - UBS AG London Branch-NRBS IPB Client SEG	2,642,000	4.14
6. Mr. Boonkiat Uesudkij	2,624,050	4.12
7. The Raktaprachit Group*	2,296,422	3.60
8. The Charudilaka Group*	1,362,550	2.14
9. Mr.Pracha Damrongsuthipong	1,195,400	1.88
10. Brooker Capital Company Limited	876,900	1.38
Other Shareholders	31,679,518	49.70

1. The Oontornpan Group comprises of

Shareholder	No. of Shares	%
1. Mr. Siripong Oontornpan	6,038,040	9.47
2. Ms. Sasinet Oontornpan	2,224,500	3.49
3. Mr. Sina Oontornpan	795,000	1.25
4. Ms. Sasinang Oontornpan	510,795	0.80
5. Ms. Saowaluck Oontornpan	425,850	0.67
6. Mrs. Netnapit Oontornpan	335,750	0.53
7. Mr. Surathep Oontornpan	208,234	0.33
Total	10,538,169	16.53

2. The Duntanasarn Group comprises of

Shareholder	No. of Shares	%
1. Mr. Chodiwat Duntanasarn	2,961,500	4.65
2. Mr. Anupong Duntanasarn	87,600	0.14
Total	3,049,100	4.78

3. The Raktaprachit Group comprises of

Shareholder	No. of Shares	%
1. Mr. Suraporn Raktaprachit	1,672,125	2.62
2. Ms. Thippayachat Raktaprachit	603,197	0.95
3. Ms. Passara Raktaprachit	21,000	0.03
Total	2,296,422	3.60

4. The Charudilaka Group comprises of

Shareholder	No. of Shares	%
1. Mrs. Soyson Charudilaka	1,252,550	1.96
2. Ms. Apiporn Charudilaka	110,000	0.17
Total	1,362,550	2.14

## Dividend Policy

The Company's dividend payout ratio is not less than 40% of net profit in case there is no other necessary obligation to this amount of money and the dividend payout must not materially affect normal business operation of the Company.

## Significant Events in 2010

- The company was selected to be in Forbes magazine's Asia's 200 Best Under Billion list for 2010. Forbes Asia magazine carefully screens 12,930 companies from the entire Asia-Pacific, each with total sales of not over USD1 billion. There were nine Thai listed firms who made Forbes' prestigious list in 2010.
- Advanced Information Technology Public Co.,Ltd. made the payment of 50% of registered capital of its subsidiary company, Maple Plus Co.,Ltd., which equals to 5.5 Million Baht and still maintain holding 55% of Maple Plus Co.,Ltd. at 28 December 2010.
- In 2010, the exercises of warrant (AIT-W1) and ESOP (AIT-WA) to buy ordinary shares of Advanced Information Technology Public Co.,Ltd. amounted to 5,495,597 shares. This resulted in an additional value of registered capital of around 27,477,985 Baht.



- KBANK's management team congratulated AIT on the occasion of receiving Best Under A Billion Company for 2010 Award from Forbes Asia.



- SET's representative congratulated Mr. Siripong Oontornpan, President of AIT, on the award given to AIT.



- Ms. Sureerat Prachayanukul, Senior Vice President - Financial Controller, acted on behalf of AIT in receiving Forbes Magazine's Asia's 200 Best Under A Billion Company for 2010 Award and joining dinner at Four Seasons Hotel, Hong Kong, special administrative region of the People's Republic of China.





## Significant Developments Prior to 2010

2009	<p>The Board of Directors' meeting no. 5/2552 dated 10 November 2009 passed a resolution to liquidate BANC Serve (Thailand) Co., Ltd. with a registered capital of 10 million Baht (the Company holds 80% stakes) as there is no trade transaction since 2008. Such insolvency did not have an impact on the Company's operations.</p> <p>The Company won the Best Performance Awards 2009 in the category of listed company with less than 10,000 million Baht of market capitalization. Besides, Mr. Siripong Oontornpan, Managing Director, was also elected as one of the nominees for the Best CEO Award 2009 organized by the Stock Exchange of Thailand on 13 November 2009 at the Royal Paragon Hall, 5<sup>th</sup> Floor, Siam Paragon.</p>
2008	<p>Established BANC Serve (Thailand) Co., Ltd. as a new subsidiary with registered capital of 10 million Baht, of which 80% stakes were held by the Company. Main purpose of setting up this company was to embark on the information technology market, particularly for commercial banks and financial institutions.</p>
2007	<p>Registered capital increase shares from 40,000,000 shares to 60,000,000 shares.</p> <p>Partnered up with Scale Plotting Center Co., Ltd. in establishing Maple Plus Co., Ltd. as a new subsidiary with a registered capital of 20 million Baht. The Company and Scale Plotting Center Co., Ltd. hold 55% and 45% stakes, respectively. Main purpose of setting up this company was to support Geographic Information System (GIS) products and services in particular.</p>

## Get to Know the Business of Advanced Information Technology Public Company Limited

AIT is the leading provider of fully integrated information and communication technology services ranging from consultation, design, installation, application that enhances efficiency and maintenance of equipments, including rental and outsourcing and data center.

AIT provides solution that will assist and enable its customers to apply the information and communication technology to be in line with the strategy to enhance efficiency, reduce operating cost and increase revenue generating opportunity as well as competitive advantage. The completed solutions that combine new product and technology to accommodate business's needs in the present and in the future are as followed:

### Infrastructure Consolidation Solutions

are basic infrastructure systems of data center of the future that are designed to increase IT's response rate to the business needs that change rapidly. It will also speed up the delivery of new services without difficulty, higher reliability and safety. This is by allocating full coverage, supporting systems transfer both duplicate and non-duplicate, gathering network resource, assessing the results and combining duplicate system into one system in order to reduce total cost of ownership and increase flexibility of the business.

- Server Consolidation
- Data Center Virtualization
- Storage Networking
- Security

### Collaboration Solutions

are the fully integrated business communication systems in the new form that come with efficiency which will enable the company to work together in every location with safety of information via various channel. As a result, decision making can occur more quickly.

- Conferencing
- Customer Care
- IP Communications
- Messaging
- Mobile Application
- Telepresence

### Application Solutions

are the specific applied systems that enhance efficiency of work processes of the organization. This will enable the Company to response more rapidly to customers' needs thereby increasing customers' satisfaction level.

- Geographic Information System
- Enterprise Resources Planning
- Call Center

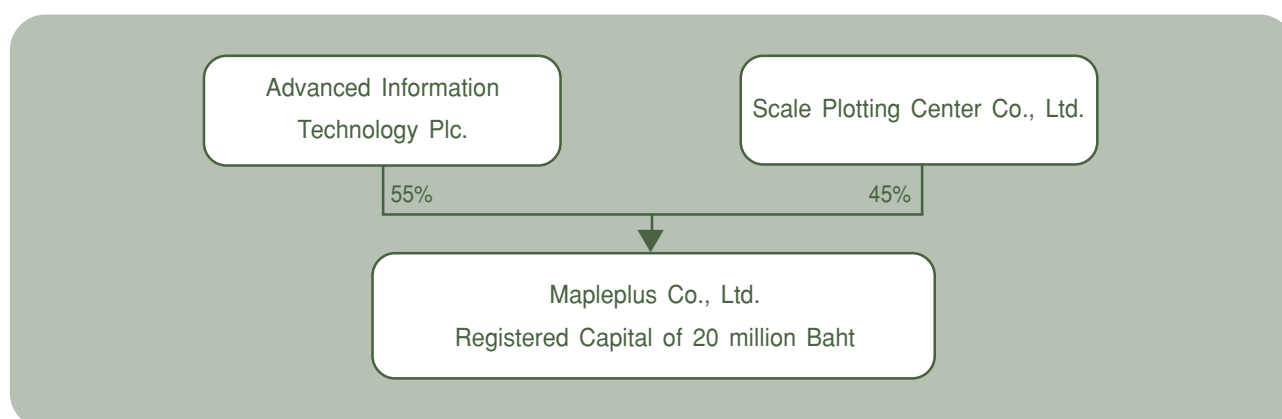
## Overall Business Operations

Advanced Information Technology Public Company Limited (the "Company" or "AIT") is one of Thailand's fully integrated service providers of the information and communication technology network system installation with 19 years of experiences. The Company operates the business in relation to the information and communication technology, including the design, system installation and sales of various equipments. The Company has collaborated with many large well-known manufacturers in the information and communications technology business as strategic partners, which in turn enhance operating efficiency of the Company, for example, technical advice from the experts, exchange of industry information or special discount. Currently, the strategic partners of the Company include Cisco Systems, AMP, 3COM, Hewlett Packard, SUN Micro System, Oracle, and etc.

As the ICT Solution Provider, the Company also provides maintenance and application development services as well as outsourcing services. Furthermore, the Company invests in one subsidiary company.

**Mapleplus Co., Ltd.** : The objective of establishing this company is to provide service particularly for the Geographic Information System (GIS) business.

Mapleplus Co., Ltd. has 20 million Baht of registered capital with the following shareholding structure.



Currently, Mapleplus Co., Ltd.'s key customers include TOT, Provincial Waterworks Authority and the Department of Land.

## Revenue Structure of Advanced Information Technology Plc.

Unit : million Baht

	2008		2009		2010	
	Baht	%	Baht	%	Baht	%
1. Sales and services revenues	3,190.32	95.95	3,843.12	99.14	4,519.99	99.01
2. Rental revenues	110.89	3.34	27.78	0.72	18.89	0.41
3. Others	23.65	0.71	5.61	0.14	26.43	0.58
<b>Total</b>	<b>3,324.86</b>	<b>100.00</b>	<b>3,876.51</b>	<b>100.00</b>	<b>4,565.31</b>	<b>100.00</b>

## Business Objectives

The Company's business objectives for the year 2010 were determined as follows:

1. Continuously maintain and sustain significant customer base namely TOT, CAT, government agencies or state own enterprises and corporate entities.
2. Enlarge the customer base and prioritize the customers to ensure that customers in each level receive highest satisfaction from using products and services of the Company.
3. Develop strategy and long-term strategic plan as well as identify key performance indicators, which allow the performance evaluation in various operational functions.
4. Increase business partners to enhance business stability.
5. Enhance operating efficiency to accommodate the expansion of services, including the establishment of regional service centers and intranet network for the communication within the organization.
6. Develop work procedures to enhance efficiency to maximize the overall benefits without the need to increase any budget.
7. Improve human resource efficiency to better serve and response to customers' demands.
8. Increase corporate social responsibilities (CSR).

## Business Objectives for the Next 3-5 years

Although the information and communication technology industry is on the growing trend, the uncertainty of the Company's revenue which depends solely upon project revenues makes the Management Team fully aware and planned to increase service revenue. Project revenue will continue to grow as the economy expands whereas service revenue will grow systematically in the next 3 years. Such services, including training, maintenance, smart office for small office and home office and data center, will seriously become more evidenced in the near future. As a result of increasing service revenue, it will ensure revenue stability for the Company.

## Nature of Business Operations

The Company operates the information and communication technology business, which comprises of networking system, computer system, and communication system. Nature of its business operations covers as followed:

### 1. Sales and services of hardware and equipments for networking system, computer system and communication system.

The Company is the distributor of hardware and equipments for networking system, computer system and communication system, including the sale of software and the development of application software. The Company may either sale hardware or some equipment only or provides total solution services ranging from consultation, recommendation, design, installation, testing and training to cover all types of businesses from small to large business enterprises. The Company will examine the customers' requirements and conduct the marketing strategies to create awareness for its products and services including the arrangement of training seminar to provide product details and services that best served each customer group.

The design and installation of network system can be ranged from a hundred thousand Baht to a hundred million Baht and cover various project periods from 3 months to 12 months. Besides, after the installation period is completed, the Company also provides after sale services for another period to answer questions and solve problems that might occur during the actual implementation. However, after such period, the customer may choose to hire the Company to continue to provide maintenance service.

At present, the Company is the distributor of the following products:

1. Information network equipments for Cisco Systems, 3COM and Tyco Electronics (Thailand) Ltd.
2. Computer equipments for Hewlett Packard, Sun Micro System, IBM, and ACER
3. System software for Autodesk, Oracle, Microsoft and SAP
4. Telecommunication network equipments

### 2. Maintenance Services

Maintenance services are provided for hardware and equipments for networking system, computer system and communication system. A portion of customers have signed up for maintenance services after the expiration of service warranty. However, there are also new customer base for maintenance services. Normally, the contract for maintenance services ranges from 1-3 years.

The Company's engineers and experts of both hardware and software are certified by the product owners in term of their capability. These well-trained professionals are available to answer questions and solve problems that might occur during real system operation and/or investigate and provide maintenance services within the specified period. This includes the repair and alteration of broken hardware equipment services. The services provided by the Company will ensure highest customer satisfaction, which will in turn enable the Company to maintain its customer base and increase continuous purchase of its products.



In 2010, the company had expanded its customer base for maintenance services and closed the year with revenue of around 247 Million Baht, or additional revenue of 105 Million Baht from 2009. The revenue growth of 73.45% from 2009 to 2010 has confirmed the management decision in expanding the business in this sector.

### **3. Outsourcing Services**

The Company provides outsourcing services of hardware and equipments, either complete or partial, for networking system, computer system and communication system. The outsourcing services may also include management and control of such hardware and equipments for customers. These services are suitable for organizations with limited budget for the development of computer system or organizations that are risk averse about the obsolescence of computer equipment and system.

## Industry Competition

### Overview of Industry and Trend

In 2010, Thai economy had been affected by its political instability as well as volatile exchange rate; it had also been indirectly affected from other countries' crises, such as Dubai, Greece, and some European countries. As a result, Thai economy was stagnated, and private companies and government agencies consequently delayed their investments and expenditure plans. However, the overall Thai economy would be able to expand due to the government plan in boosting private consumption, and government spendings. In 2011, the government spending is expected to be the key driver of Thai economy as many government plans were announced in late 2010 to be implemented during the next couple years. The most important plan which will have a high positive impact on the ICT industry as well as company business is the national broadband policy.

The Cabinet, during its meeting on 9 November 2010, acknowledged the national broadband policy, proposed by the Ministry of Information and Communication Technology. This policy was established in order to ensure clarity and to serve as a framework for implementing and driving the development of broadband service which will make use of diverse technologies, be advanced and up-to-date, and in tune with the context and situation of Thailand. In addition, it will also answer the needs of all sectors, with the government setting the policy and supporting the creation and use of broadband in a comprehensive and equitable manner. Furthermore, it will also promote the participation of the private sector and people in successful implementation. An independent supervising body, in accordance with the law, will oversee the operation of enterprises to ensure free and fair competition.

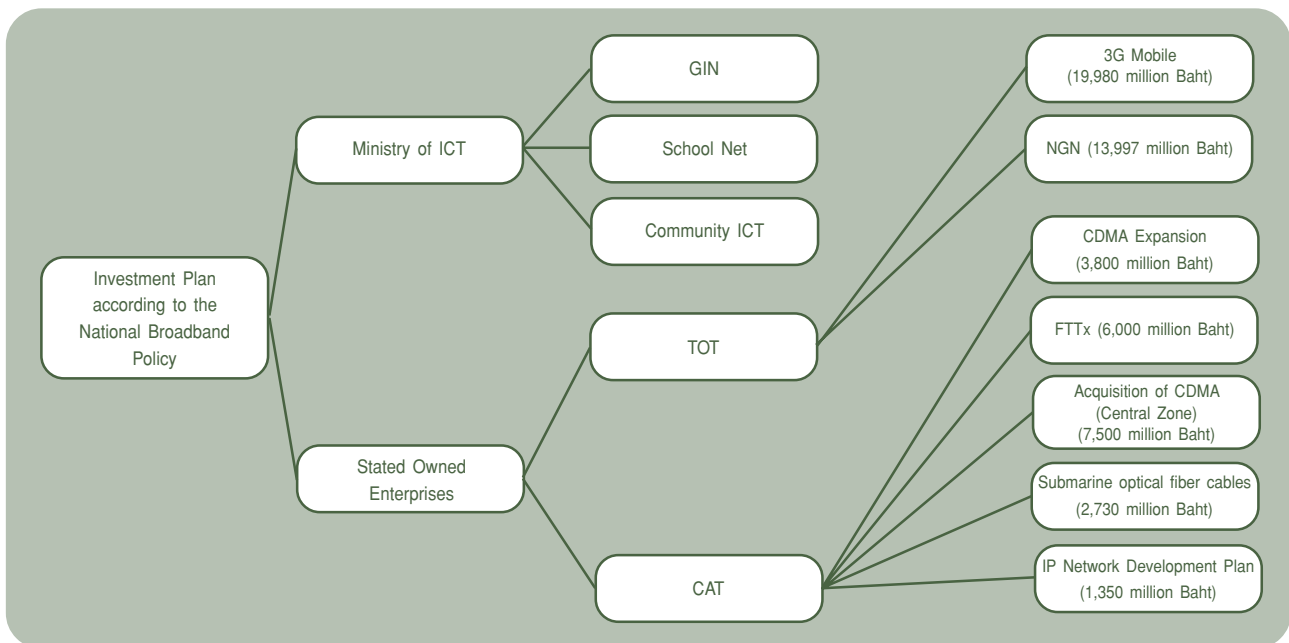
According to Gartner's survey (November 2008), the development rate of ICT sector in Thailand was slower than the average of global rate including the average of Asia Pacific rate. In 2007 to 2012, the world broadband connections with minimum speed of 25 Mbps would increase at a high rate. In addition, the average growth rate of broadband connections with speed of 25-50 Mbps at worldwide level and Asia Pacific level were estimated at around 73.9% and 31.6% respectively. However, the average growth rate of broadband connections in Thailand was estimated only around 14.9%.

On the other hand, the number of internet subscribers in Thailand was also lower than world average. According to the survey conducted by IDC, ITU and ICT Eye 2004-2008, the number of internet subscribers and broadband internet subscribers per 100 capita in Thailand were 4.18 and 2.48 respectively whilst world average were around 8.32 and 6.08 respectively.

Three obvious trends have been found in ICT sector: the number of fixed line users has been saturated, customer behavior has changed from using fixed line to mobile phone due to lower costs, and the last trend is business value of voice communication is decreasing while data communication is increasing.

The government is aware of the role and significance of developing broadband service as part of the country's development; therefore, the government has established the National Broadband Policy as a framework for implementing and driving the development of broadband service which has main objective as the followings:

- Develop the broadband network to provide access to at least 80 percent of the population by 2015 and at least 95 percent by 2020, ensuring standard quality of service and reasonable service fee. In addition, cities that are economic and regional hubs should have high-speed fiber optic cable broadband with a minimum speed of 100 Mbps by 2020.



- People should be able to universally and equitably access education, public health, disaster monitoring and warning, and other public services through a broadband network in order to reduce inequality in accessing public services and knowledge, through the following: allow sub-district-level schools to access quality broadband service by 2015 and schools around the country to access these services by 2020, ensure connection and provision of health insurance and social security services through the broadband network by 2015, allow people in all sub-districts to avail of various services provided by the e-government system at all times by 2015, and allow the people to have accurate information of a national disaster and emergency monitoring and warning system on a broadband network in a timely manner.
- The Thai business sector can access and utilize the broadband network in a universal and equitable manner to enhance national competitiveness and economic growth in a balanced and continuous manner, through the following: enhance national competitiveness of technological infrastructure to be in the top 25 percent of countries in the World Competitiveness Rankings, and expand E-commerce value to account for 10 percent of GDP by 2015.

In order to promote the national broadband policy, the ministry of information and communication technology, CAT Telecom Plc., and TOT Plc, are major organizations working together to achieve the policy targets. The investment amount of this policy during the next five year (2010-2014) is estimated at around 55,000 Million Baht.

According to the national broadband policy, the company foresees that the ICT market will increase significantly in the next 5 years due to many huge projects being invested, and thus the competition will be more intense. In order to cope with the future business environment, the company is planning to enhance its potential in various dimensions such as gaining more experience by offering various services, increasing human resource capabilities, managing financial resource effectively, and strengthening relationships with strategic partners. The company is expecting to have the benefit of this policy, both direct and indirect benefit, as the development of ICT infrastructures will stimulate other related industries' growth in the near future.

## Situation of Market Competition

As the government intends to develop the information and communication technology both in government sector and business sector to meet world-class standards, the investment budget of ICT has been increasing in recent years. Therefore, the market is expanding rapidly and lead to more competition among ICT system and service providers. The ICT system and service providers can be classified into 4 major groups as follows:

### Computer System Group

- MFEC Plc.
- PCC Co., Ltd.
- SVOA Plc.
- CDG Group
- Yip In Tsoi & Co., Ltd.
- Siemens (Thailand) Co., Ltd
- Forth Corporation Plc.
- Loxley Plc.

### Networking System Group

- Datacraft Co., Ltd.
- IBM Co., Ltd.
- NetONE Network Solution Co., Ltd.
- MFEC Plc.
- The Communication Solution Co., Ltd.
- IBM (Thailand) Co., Ltd.
- NCR Thailand Co., Ltd.
- Forth Corporation Plc.
- Siemens (Thailand) Co., Ltd.
- Loxbit Plc.
- Datapro Computer Systems Co., Ltd.

### Communication System Group

- United Communication Industry Plc.
- Jasmine International Plc.
- Samart Corporation Plc.

### Software Application System Group

- MFEC Plc.
- International Research Corporation Plc.

The service range of the company covers all above mentioned groups; the company is also a leading operator in two groups which are networking system and communication system. Major sources of the company income are mainly from sales and services of hardware and equipments for networking system and communication system. The Company has collaborated with Cisco Inc., the largest manufacturer in the information and communications technology business, as strategic partner at a Gold Partner level.

## Business Strategy

In order to obtain new projects, the company has to participate in bidding projects both government sector and private sector. The main criteria to win the bidding generally consist of work details, project cost, financial status, project staffs and past experiences. The company has set its strategy to increase company capacity to compete in the industry as follows:

1. Continuously create and maintain credibility of product quality by offering suggestions of system planning and selection of product and equipments, to best fit with each customer's requirements.
2. Understand customer requirements and seek newer technologies to help customers increasing their work efficiencies.
3. Increase efficiency in the area of after sales services by offering 24 hours helpdesk, on-line transactions via company website which customers can notify their problems and check progress of system repair and maintenance. In addition the company has already established 7 regional service centers in 7 provinces in order to increase speed of services.
4. Maintain and sustain significant current customer base especially big-account ICT customers by maintaining good relationships with them and enhance scope of services by offering system maintenance or other high value added services. In addition, the company sets out a policy to expand customer base to other sectors which have high growth rate of ICT development, for example, financial sector and manufacturing sector.
5. Since AIT's business requires human capability and substantial knowledge, the company has a policy to improve human resource efficiency to better serve and response to customers' demands
6. Increase flexibility in managing business, solving problems and making decision in a timely manner.
7. Create good relationships with stakeholders such as customers and strategic partners.



## Risk Factors

Due to unstability of business conditions in nowadays, risk management becomes an inevitable tool for any company to continue running its business when an unexpected event happens. Thus, it is necessary for the Company to have a tool to manage its business in current conditions as well as prepare itself to be ready for future competition.

In 2010, ICT industry in Thailand has been affected by the fluctuations of various factors, such as financial crises in European countries and the depreciation of US dollar. These factors caused indirect impacts to the industry while political instability was the major reason in adding more direct impacts to the industry performance.

The Company has realized the impact of risk factors, and therefore, set measures in managing and controlling risks to be within an acceptable level. The Company also regularly reviews and evaluates risk factors to find out if there is any additional risk occurs or how externalities would affect the Company stakeholders. The main objective of managing risks is to ensure that the Company would be able to achieve its goals and strategies, and eventually creates confidentiality to company's shareholders and stakeholders.

### Risk Relating to Change of Technology

Due to the rapid change of information and communication technology business, the Company, therefore, must consistently follow up information in relation to the business to avoid any potential loss of business opportunities and competitiveness. Given such importance as mentioned above, the Company has encouraged the staffs, engineer, sales and marketing officers in particular, to regularly monitor, study or attend seminars to enhance operating efficiency. Apart from publicly available information, the Company also directly obtains the information regarding the change of technology from suppliers or trade partners.

### Risk Relating to Dependency on Major Customers

The Company earns revenues from sales and provided services of network system installation to TOT Corporation Plc. (TOT) and CAT Telecom Plc. (CAT), which accounted for approximately 60% of total revenues. Proportion of sales to these two customers is considered quite high as the core revenue of the Company. Nonetheless, these two organizations are categorized as the telecommunication customer group that the government supports given substantial and continual investment needed to develop the information system network. The government's current policy to expedite the government agencies in applying IT system in their working processes, including such projects as E-education and High speed internet. These projects will need to depend heavily on the information and communication networks. However, the existing information and communication networks implemented by these two entities are not sufficient to accommodate successful development of the aforementioned projects. Within a few years, these two organizations will definitely have to invest in substantial network expansions to support the government's projects. Thus, it is highly important for the Company to maintain strong relationships with both entities to be able to participate in their upcoming projects.

The Company customers consist of government agency, state owned enterprise, and private entity. However, the customers can be classified into 3 groups by business type and customer needs as follows:

Customer Group	Customer Name	% of Total Revenue
Telecom I: Mobile and wireless group	CAT Telecom Plc.	24
Telecom II: Fixed line and Network group	TOT Corporation Plc.	38
Enterprise:	Government agencies, state owned enterprises, private companies, educational institutions etc.	38

The Company plans to expand business in the area of sales of services to the existing key customers, both TOT and CAT, as well as SOHO (Small Office and Home Office) customer group. Besides, the Company has utilized its valuable human resources to organize training projects for existing customers and potential customers in order to enlarge the customer base. In terms of human resources, there is a plan to arrange and train our people to be ready to perform such task.

Evidently, the Company has been striving to minimize the risk relating to dependency on a few major customers and seeking opportunities to market new customer groups. It is likely that going forward revenues from expanded customer base will be comparable to those from major customers. While the Company will maintain existing customer base to be as strong as it is.

## Risk Relating to Dependency on Key Employees

The information and communication technology business highly depends on qualified human resources in term of marketing and operation. These valuable human resources utilize their expertise in system design and installation as well as provide a proper recommendation for each customer. At present, the Company's Operating Division composes of 251 headcounts, which are divided into Marketing Department, Sales Department, Customer Service Department, and Software Program Development. Most of the employees are engineers with approximately 3-6 years of work experiences. In the previous year, employees' turnover rate was approximately 2-3%, which is considered low.

Therefore, to minimize such risk, the Company has provided a reasonable compensation package to the employees while at the same time created a good working environment. The Company has also put in place an internal control system to prevent the risk of losing any single employee that may affect its business operations. In terms of the operational management, it can be divided into 3 main functions with Executive Senior Vice President supervising each function. Within each function, there are various departments supervising by Senior Vice President of each department. Within each department, there are various teams split by type of products or services. The President will manage the overall operations to ensure efficiency of the Company. Hence, to have management flexibility, internal meeting among the executives shall be held weekly to acknowledge the problems and determine immediate action plan.

## **Risk Relating to Dependency on Any Single Supplier for More 30-40%**

Normally, the Company purchases its products from the manufacturers or their distributors with representative offices in Thailand. Besides, the Company is the distributor and strategic partner of Cisco Systems, one of the world's largest and most well known manufacturers of information and communication technology network and internet system with high quality and durability. In 2009, the Company's purchase of network equipments from Cisco Systems accounted for approximately 39-40% of the total purchase.

The reason behind such large amount of purchase each year from Cisco Systems was because Cisco Systems' products are widely accepted by customers in both local and international markets. Given our long-term business partners relationship, the Company is ranked "Gold Partner" level of Cisco Systems, which is the highest level of Cisco Systems' ranking of business partners in Thailand. Thus, the Company receives better supports from Cisco Systems than other lower ranked business partners do. Nonetheless, in order to mitigate the risk of over-dependence on any single supplier, the Company also becomes the distributor of other well-known manufacturers, which are as equally as high quality and reputable as Cisco Systems, such as Nortel Networks, 3COM, Lucent Technology and etc. In addition, the Company has determined various measures to diversify the risk by either trying to seek new source of income generation or enlarging the revenue base.

## **Risk Relating to Project Delivery**

Given the fact that the projects for information and communication network system installation normally last between 6-12 months depending upon project size, if the Company fails to deliver the project on time as stated in the contract, the Company may be fined. In the last 5 years, the Company was fined less than 1% of the sales revenue, which is considered very minimal.

The main reasons causing the delay in project delivery were mostly due to the delay of equipment delivery from the manufacturer and the change in type of the installed equipments. In order to protect such risk, the Company intended to carefully plan and manage between its customers, manufacturers, and the Company itself in advance. If the Company was selected for the project, the Company will periodically monitor and investigate the product delivery. However, in some cases that the customers urgently need to use the system, the Company will provide backup system for their temporary use.

## **Foreign Exchange Rate Risk**

Generally, approximately 1-2 months prior to the start of the project, the Company must estimate the project cost to use in the bidding process. If imported equipments are needed, the project cost may be affected by the fluctuation of foreign exchange rate. As of 31 December 2010, the Company had \$6.6 million of trade account payables in foreign currencies and \$3.7 million balance of FX forward contract at the agreed rate of Baht 29.66-30.23 per \$1 for the purchase of equipments.

Given such foreign exchange rate risk, the Company has applied the following strategies for mitigation:

1. Determine the value of foreign exchange rate risk in the calculation of the project cost
2. Enter into FX forward contract to cover the whole amount

In 2010, the Company has prepared to utilize various financial tools to enhance efficiency in managing risks to maximize the benefit to the Company.

## **Risk Relating to Change in Government Policy**

ICT industry is considered the high growth industry in Thailand as the government has been fully promoting the industry by continuously investing in ICT system and infrastructure. Major projects and policy are National Broadband Policy, an auction for 3G license operator, high speed internet via fiber optic network. The implementation of these projects are expected to bring more business opportunities to all operators; however, if there is any change in government policy it would impact the company's business opportunities. Therefore, the Company will monitor and evaluate all project status closely and will inform investors regularly.

## Management Structure

As of December 31<sup>st</sup>, 2010, the Company consists of four committees: 1) Board of Directors, 2) Audit Committee 3) Nomination and Remuneration Committee and 4) Executive Committee

### The Board of Directors Consists of

Name - Last Name			Position
1.	Mr. Thana	Chaiprasit	Chairman of the Board
2.	Mr. Pongtep	Polanun	Vice Chairman and Independent Director
3.	Mr. Siripong	Oontornpan	Director and President
4.	Mr. Chokechai	Tanpoonsinthana	Independent Director
5.	Mr. Sripop	Sarasas	Independent Director
6.	Mr. Chartchai	Yenbamroong	Independent Director
7.	Mr. Kittisak	Sopchokchai	Director
8.	Mr. Pisak	Charudilaka	Director
9.	Mr. Suraporn	Raktaprachit	Director
10.	Mr. Kijja	Laoboonthai	Director
11.	Mr. Chodiwat	Duntanasarn	Director

Company Secretary : Mr. Voravit Wattanakuljarus

The Company's authorized signatories consist of Mr. Siripong Oontornpan jointly signed with Mr. Suraporn Raktaprachit or Mr. Kijja Laoboonthai with the Company's seal affixed.

### Authorities, Duties and Responsibilities of the Board of Directors

#### 1. Authorities of the Board of Directors

- (1) Perform its duties with honesty, integrity and prudence, in accordance with the law, the Company's objectives and Articles of Association, and resolutions of shareholders' meetings in order to carefully protect the Company's interests.
- (2) Determine the Company's policies, objectives, direction, business plans, and budgets of the Company including supervising the management of the executives in accordance with the business policy given except the following matters, which legally require the approval of shareholders' meeting prior to the implementation, such as increase/decrease in share capital, issuance of debenture, sale or transfer of whole or part of the Company's business to others or purchase/transfer of business of other company to become an asset of the Company or an amendment of the Memorandum Of Association or articles of association.
- (3) The board of directors may appoint a certain directors to form a sub-committee as deem appropriated, such as the executive committee, the audit committee, the nomination and remuneration committee in order to perform their duties as given by the board of directors. The Board of directors shall appoint the chairman of each respective sub-committee and shall report to the meeting of shareholders.

- (4) The board of directors may appoint any person to perform specific tasks under the supervision of the board of directors or render the authority to such person as deem appropriated within the appropriated time period. The board of directors may cancel, revoke, change or amend any authority given.
- (5) The board of directors shall select a director to be the chairman of the board, and one or more directors to be vice chairman of the board, and one director to be the president of the company. The board of directors shall have to report to the meeting of shareholders.
- (6) Appoint director designated as the Company's authorized signatories, the board of directors has the authority to determine or revise/change the list of authorized signatories in which the board of directors shall have to report to the meeting of shareholders.
- (7) Appoint and consider the compensation package including terms & conditions of the employment of the president.
- (8) Appoint and consider the compensation of directors appointed for the sub-committees as well as other persons selected by the board of director to perform the duties under the supervision of the board of directors. The board of directors shall have to report to the meeting of shareholders.
- (9) Approve quaterly and annual financial statements in order to present to the shareholders in the annual general meeting.
- (10) Arrange for the annual general meeting of shareholders as well as extraordinary general meeting under the regulation as stated in the Company's article of association.
- (11) The board of directors shall convene for meeting at least once every quarter or as per regulation stated in the Company's article of association.

## **2. Duties and Responsibilities of the Board of Directors**

- (1) Determine the Company's direction and strategic plan, control, and regulate the plan to be implemented efficiently and effectively.
- (2) Set out the Company's policy and procedure in all aspects to ensure the Company's operation is in full compliance with laws, regulations, resolutions of shareholders' meetings, and code of ethics (integrity) with carefulness.
- (3) Create the Company's control system, creditability, and confidence. The board of directors also has to ensure that the Company's operation complies with the laws, shareholders' expectations, and stakeholders' concerns.
- (4) Control, regulate, and evaluate the management team's performance as well as the Company's performance.
- (5) Ensure that the management has in place risk management policies, process, and control as well as appropriate internal control system.



### The Audit Committee Consists of

Name - Last Name		Position
1.	Mr. Chokechai Tanpoonsinthana	Chairman of the Audit Committee
2.	Mr. Pongtep Polanun	Director
3.	Mr. Sripop Sarasas	Director

Company Secretary : Mr. Voravit Wattanakuljarus

### Authorities, Duties and Responsibilities of the Audit Committee

#### 1. Authority of the Audit Committee

The Audit Committee has an authority in performing any act as determined by the Board of Directors shown in Duties and Responsibilities of the Audit Committee.

- (1) Under the scope of authorities, the Audit Committee is authorized to call for and order management, heads of offices, or employees concerned to present opinions, attend meetings or submit the necessary documents.
- (2) Consider, select, and nominate the Company's auditor as well as the auditor's remuneration to the Board of Directors, to be proposed at the Annual General Meeting of the Company's shareholders for further approval as well as assess the auditor's performance and other tasks relating to audit works.
- (3) Make final decision when the management team disagrees with the auditor on financial reports.
- (4) Consider the disclosure of information of the Company in case that there is a connected transaction or transaction that may lead to conflict of interest so as to ensure the accurateness, completeness, and compliance with laws and regulations.
- (5) Review the auditor's report of investigation and discuss with the management team on assessment policy and risk management.
- (6) Hire external advisors or specialists for additional comments or advices as necessary.
- (7) Set up a meeting with the auditors without the management team or company representatives.

#### 2. Duties and Responsibilities of the Audit Committee

- (1) Review the accuracy of the Company's quarterly and annual financial reports in accordance with generally accepted accounting principles and ensure adequate disclosure.
- (2) Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient and ensure the independent of the internal audit department. In addition, the audit committee appoints, changes and removes the head of internal audit department or any other departments responsible for internal audit tasks.
- (3) Review the Company's rules and regulations to be complied with the laws on securities and exchange, the regulations of the Stock Exchange of Thailand (the "SET"), and the laws relating to the Company's business.
- (4) Consider, select and nominate an independent person to be the Company's auditor as well as to propose the auditor's remuneration, and attend a non-management meeting with him or her at least once a year.

- (5) Review all connected transactions or transactions that may lead to conflicts of interest, to ensure that they are in compliance with related laws and the regulations of the SET, are reasonable and bring the highest benefit to the Company.
- (6) Prepare reports to be signed by the Chairman of the Audit Committee and disclosed in the Company's annual report. These must contain the following information:
  - a. An opinion on the accuracy, completeness and reliability of the Company's financial report.
  - b. An opinion on the adequacy of the Company's internal control system.
  - c. An opinion on the compliance with the law on securities and exchange, the regulations of the SET and the laws relating to the Company's business.
  - d. An opinion on the suitability of the external auditor.
  - e. An opinion on transactions that may lead to conflicts of interest.
  - f. The number of committee meetings held and the members' attendance.
  - g. Any comments or opinions received by the committee regarding its performance in accordance with the charter.
  - h. Any other transaction which, according to the committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board.
- (7) Perform other tasks requested by the Board of Director, which the Audit Committee agrees to.

#### The Nomination and Remuneration Committee Consists of

Name - Last Name			Position
1.	Mr. Pongtep	Polanun	Chairman of the Nomination and Remuneration Committee
2.	Mr. Siripong	Oontornpan	Director
3.	Mr. Sripop	Sarasas	Director
4.	Mr. Kittisak	Sopchokchai	Director
5.	Mr. Suraporn	Raktaprachit	Director

Secretary : Ms. Pensiri Kaewmanee

#### Authorities, Duties and Responsibilities of the Nomination and Remuneration Committee

##### 1. Authority of the Nomination and Remuneration Committee

- (1) Consider and approve the selection process, evaluation as well as compensation for the President.
- (2) Consider and approve of proposing names of qualified candidates to the Board of Directors for the approval in case of vacancy in the director position.
- (3) Consider and approve of proposing the name of qualified candidate for the President position to the Board of Directors for the approval.
- (4) Consider and approve of proposing names of candidates to the Board of Directors for the approval in the positions whose functions, responsibilities and authorities are directly given by the Board of Directors.

## 2. Duties and Responsibilities of the Audit Committee

- (1) Develop criteria, selection process, evaluation as well as compensation for the President
- (2) Propose the persons for the approval from the Board of Directors in case of vacancy in the director position resulting from other reasons excluding the term retirement from the position or to increase the number of director according to the resolution of the Board of Directors for the approval of the shareholders.
- (3) Propose to the Board of Directors the name of person to receive approval from the shareholder's meeting in case of vacancy of the director position due to term retirement.
- (4) Propose to the Board of Director for the approval of the President that must retire from being an employee in the Company according to the current operating regulations.
- (5) Propose any person that the Board of Directors has delegated its authority to perform a specific task for the Company.
- (6) Recommend the appropriate remuneration of the Company's Board of Directors and sub-committees and then propose to the Board of Directors for the approval from the ordinary shareholders' meeting.
- (7) Recommend the appropriate bonus and salary increase for the management and employees to the Board of Directors for the approval.

### The Executive Committee Consists of

Name - Last name		Position
1. Mr. Siripong	Oontornpan	Chairman of the Executive Committee
2. Mr. Suraporn	Raktaprachit	Director
3. Mr. Kijja	Laoboonthai	Director

## Authorities, Duties and Responsibilities of the Executive Committee

### 1. Authorities of the Executive Committee

- (1) Approve the appointment, change or removal of management for all positions except the president.
- (2) Approve the Company's compensation structure and benefits of management and employees and propose to the nomination and remuneration committee before proposing to the board of directors.
- (3) Approve the change in management structure, code of conduct, business process of each division.
- (4) Approve the borrowing and lending of money or applying credit approval from financial institution including a guarantee or payment of ordinary business transactions with a specific credit limit of each transaction that has already been. The amount incurred in these transactions must be under a limit in accordance with company guideline and authority limit which have already been reviewed by the board of directors. However, the aforementioned credit limit may be appropriately changed according to the judgement of the board of directors.
- (5) Consider to enter into a commercial contract with credit limit determined by the board of directors.

## 2. Duties and Responsibilities of the Executive Committee

- (1) Formulate the Company's business plan, annual budget, and investment plan for the Board of Directors' approval.
- (2) Manage the Company's business operations in order to achieve the planned objectives and targets, and also comply with laws, the Company's regulations, and Stock Exchange of Thailand's rules and regulations.
- (3) Direct, control, and monitor day-to-day operations as set out in the Company's internal control system as well as the Audit Committee's comments and recommendations.
- (4) Act on other roles, duties and authority as determined and delegated by the Board of Directors.
- (5) Prepare the report on Company's financial and operating performance and report to the Board of Directors every quarter.

The above-mentioned authority excludes the interrelated transactions, acquisition or liquidation of the listed company's important assets according to the regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The Company shall abide by the SET regulations and requirements on any issues. In addition, the above-mentioned authority excludes other issues the Company's regulations require to request for approval from a shareholders' meeting.

## Authorities, Duties and Responsibilities of the President

- (1) Perform duties as assigned by the Board of Directors or the Executive Committee under the Company's objectives, regulation and articles of association. In dealing with transactions, the Board of Directors has clearly approved the maximum limit of each transaction, which should not exceed the limit approved by the Board of Directors. However, the maximum limit of each transaction may be appropriately revised upon the judgment of the Board of Directors. The delegation of authority to the President should not include transactions in which the President or any other person with conflict of interest to be involved (as determined the notification of the Securities and Exchange Commission) with the Company or its subsidiaries. Any duties performed should conform to the Notification of the Stock Exchange of Thailand article "Rules, procedures, and disclosures of interconnected transactions of the listed company". An exemption is for transaction with normal business transaction under value and condition that is market price or not vary from non-connected person.
- (2) Prepare the Company's business plan, business strategy, and yearly budget to be proposed to the Executive Committee.
- (3) Follow the business plan, business strategy, and yearly budget which have been approved by the Executive Committee.
- (4) Determine the organization structure and scope of management to include every detail of selection, training, hiring, and employment termination.
- (5) Authorize to appoint or discharge the employee whose position is lower than the President.
- (6) Perform duties with honesty for prudence protection of the benefits of the Company.

### The Company's Management Team Consists of

Name	Position
1. Mr. Siripong Oontornpan	President
2. Mr. Kijja Laoboonchai	Executive Senior Vice President - Sales and Marketing
3. Mr. Suraporn Raktaprachit	Executive Senior Vice President - Service
4. Mr. Asawin Kangvolkij	Executive Senior Vice President - Finance and Corporate Strategy
5. Mrs. Netnapit Oontornpan	Senior Vice President - Corporate Affairs
6. Mr. Somchai Vipupinyo	Senior Vice President - Advanced Technology and Application Service
7. Mr. Chumkiat Laoseriwatanakul	Senior Vice President - Marketing
8. Mr. Chodiwat Duntanasarn	Senior Vice President - Sales Department
9. Mr. Ong-ard Harntaweessompone	Senior Vice President - Telecom Sales
10. Mr. Narachet Chattratitiphan	Senior Vice President - Government Sales
11. Mr. Supat Dulyakupt	Senior Vice President - Technical Support
12. Mr. Putti Dhamrongsirivadh	Senior Vice President - Customer Service
13. Ms. Sureerat Prachayanukul	Senior Vice President - Financial Controller
14. Mr. Kittipan Gannigatananon	Senior Vice President - Project Management
15. Mr. Kriengkrai Nissyan	Senior Vice President - Business Development
16. Mr. Ralf Hundertmark	Senior Vice President - Business Development
17. Mr. Voravit Wattanakuljarus	Senior Vice President - Company Secretary

### The Directors' and Management Remunerations in 2010

#### Remuneration Money

(Unit: Baht)

Name - Last Name	Position	Remuneration Fee	Annual Salary	Annual Gratuity	Total
1. Mr. Thana Chaiprasit	Chairman of the Board	100,000	180,000	1,173,913.00	1,453,913.00
2. Mr. Pongtep Polanun	Vice Chairman and Independent Director	48,000	96,000	782,608.70	926,608.70
3. Mr. Siripong Oontornpan	Director	48,000	96,000	782,608.70	926,608.70
4. Mr. Kittisak Sopchokchai	Director	48,000	96,000	782,608.70	926,608.70
5. Mr. Suraporn Raktaprachit	Director	60,000	96,000	782,608.70	938,608.70
6. Mr. Chartchai Yenbamroong	Independent Director	48,000	96,000	782,608.70	926,608.70
7. Mr. Kijja Laoboonchai	Director	48,000	96,000	782,608.70	926,608.70
8. Mr. Chokechai Tanpoonsinthana	Independent Director	60,000	96,000	782,608.70	938,608.70
9. Mr. Sripop Sarasas	Independent Director	60,000	96,000	782,608.70	938,608.70
10. Mr. Phisak Charudilaka	Director	48,000	96,000	782,608.70	926,608.70
11. Mr. Chodiwat Duntanasarn	Director	48,000	96,000	782,608.70	926,608.70
	<b>Total</b>	<b>616,000</b>	<b>1,140,000</b>	<b>9,000,000</b>	<b>10,756,000</b>

Remarks: The remuneration is according to the resolution from the shareholders' meeting No. 1/2009 on April 24<sup>th</sup>, 2009

1. The Chairman of the Board of Directors received remuneration fee of 20,000 baht per meeting and received monthly salary of 15,000 baht.
2. The Director received monthly remuneration fee at 12,000 baht and received monthly salary at 8,000 baht.

**The Audit Committee's Remuneration**

(Unit: Million Baht)

Name - Last Name	Position	Remuneration Fee	Annual Salary	Annual Gratuity	Total
1. Mr. Chokechai Tanpoonsinthana	Chairman	80,000	180,000	-	260,000
2. Mr. Pongtep Polanun	Director	60,000	120,000	-	180,000
3. Mr. Sripop Sarasas	Director	45,000	120,000	-	165,000
	<b>Total</b>	<b>185,000</b>	<b>420,000</b>	<b>-</b>	<b>605,000</b>

Remarks: The Directors' compensation are according to the resolution of the shareholders' meeting No.1/2009 on April 24<sup>th</sup>, 2009

1. The Chairman received remuneration fee at 20,000 baht per time and received monthly salary at 15,000 baht.
2. The Directors received monthly remuneration fee of 15,000 baht and received monthly salary at 10,000 baht.

**Directors and Management Remuneration**

(Unit: Million Baht)

Name - Last Name	Position	Remuneration Fee	Monthly Salary	Annual Gratuity	Total
1. Mr. Pongtep Polanun	Chairman	40,000	-	-	40,000
2. Mr. Siripong Oontornpan	Director	30,000	-	-	30,000
3. Mr. Sripop Sarasas	Director	30,000	-	-	30,000
4. Mr. Kittisak Sopchokchai	Director	30,000	-	-	30,000
5. Mr. Suraporn Raktaprachit	Director	30,000	-	-	30,000
	<b>Total</b>	<b>160,000</b>	<b>-</b>	<b>-</b>	<b>160,000</b>

**Directors and Management Remuneration**

(Unit: Million Baht)

Committee	Transaction	2010	2009	2008
1. Audit Committee	Remuneration Fee and Directors' Compensation	3.40	2.50	1.90
2. Directors who are the member of the Executive Committee and Management	Salary, Bonus, Remuneration Fee and Directors' Compensation	104.20*	65.70	52.20
3. Directors who are not member of the Audit Committee and the Executive Committee	Remuneration Fee and Directors' Compensation	4.30	2.60	1.70

Remarks: \* The increase in remuneration from 2009 to 2010 was due to the Company's restructuring according to the definition of "Management" announced by the Securities and Exchange Commission (SEC).



### Other Benefits

Advanced Information Technology Public Co., Ltd. issued 3,000,000 units of warrants to the Company's directors and/ or employees (ESOP). The warrants were issued on October 1<sup>st</sup>, 2007 and will expire in 5 years. The period to exercise warrants was set on the last working day of August each year. The ratio to exercise the right of 1 unit is per 1 common share and the price is 10 Baht per share.

The second exercise of warrants (ESOP) on August 31<sup>st</sup>, 2010 is summarized as follows:

1.	Number of person who submit to exercise the rights	26	persons
2.	Number of warrants in the exercise	697,500	units
3.	Number of common stocks from the exercise	697,500	shares
4.	Amount of money received from the exercise	6,975,000	Baht
5.	Number of the remaining warrants	1,433,000	units

## Good Corporate Governance

With awareness of the importance of the good governance, the Company's Board of Directors employed the good corporate governance as a tool to add more value, promote the Company's sustainable growth, increase management efficiency, transparency, accountability, confidence to shareholders, stakeholders and relevant parties. Therefore, the Company's Board of Directors established the good corporate governance policies to practice supervision and continue improved.

The Company reminded all employees to be aware of the practice the good governance. The Executive Committee and the Internal Audit Department under supervision of the Audit committee reported the evaluation results to the Audit Committee and the Board of Directors.

The Board of Directors' Meeting No. 1/2011 dated 21 February 2011 reviewed and amended the Company's good governance manual to be complete and comply with the international practices. The articles were ordered and contents were added with the amended contents to abide by the Securities and Exchange Act (Volume 4), B.E. 2551 dated 18<sup>th</sup> June 2008 and the good governance for a listed company 2006, the amended version by the Corporate Governance Center, the Stock Exchange of Thailand. There are 5 sections for the good corporate governance policies.

### 1. Rights of Shareholders

Being its owners, the Company treats its shareholders with fundamental rights determined by laws. In addition, the Company has a policy to provide its shareholders with others exceeding the legal rights. Examples include disclosure of up-to-date information, newsletters, no prevention of the shareholders in studying the Company's information and attendance of the shareholders' meetings. The rights of the shareholders are determined as the followings:

#### 1.1 The Shareholder's Meeting

The Company determines that the shareholders' meeting shall be held annually with no more than four (4) months from the end date of the Company's fiscal year. The shareholders eligible for attending a shareholders' meeting and casting a vote are required to be registered on the shareholders' book on the record date. The number of shares each shareholder are entitled to cast votes shall follow the details on the shareholders' book on the record date. The record date shall be scheduled on a date that is no more than two (2) months before the shareholders' meeting and after the date the Board of Directors gives approval for the shareholders' meeting. When the Board of Directors approve the record date for setting the list of shareholders eligible for attending a shareholders' meeting, that date shall not be changed.

In case of urgent, the Company needs to call an extraordinary shareholders' meeting by case. In 2010, the Company held a General Shareholders' Meeting No.1/2010 on April 24<sup>th</sup>, 2010 at Swissotel Le Concorde, Ratchadapisek Road, Bangkok. All of directors were in attendance with Senior Executive Auditors of Ernst and Young Office Limited Company Limited financial result. The Chairman conducted the meeting with all required by law and approval all an agenda. The meeting approved all agendas.

## **1.2 Sending Invitation Letter for Shareholders Meeting in Advance prior to the Meeting Schedule**

The Company has designated Thailand Securities Depository Company Limited, a securities registrar, to send invitation letter with detailed agenda, supportive documents and information for decision making, resolution of the Board of Directors, reports of the meeting resolution in the past, annual report, proxy form and procedure, to the shareholder 14 days in advance prior to the annual shareholders' meeting. Additionally, the announcement will be published on newspaper 3 days before the meeting date in order to inform shareholders for preparation to attend the meeting. The same information is also published on AIT corporate web site, [www.ait.co.th](http://www.ait.co.th) prior to the meeting schedule.

## **1.3 Shareholders' Meeting Facilitation**

At the shareholders' meeting, the Company equally facilitated all shareholders by providing a welcome staff to take care of the registration process 2 hours before the meeting time, as well as serving banquet for shareholders attending the meeting throughout the period of event.

## **1.4 The Operation of Shareholders' Meeting**

Before the Meeting, the Chairman informed the voting procedure in each agenda according to the Company's regulations. The meeting attendees are welcome to raise question and make comments and recommendations for each agenda. The Executive answered clearly all questions. The Chairman conducted the meeting with all agendas in order and did not add any agendas without prior notification to the shareholders and clearly summary of the vote.

## **1.5 Report Practice of Conflict of Interests**

The company followed section 89/14 of the Securities and Exchange Commission Act.1992, which amended by the Securities and Exchange Commission Act. (No.4), 2008, determined the Company's Board of Directors and Executives must report to the Company all interests of their own and other related persons. This interest is related to its management affairs or its subsidiaries and as according to the announcement of the Capital Market Commission Th. No.2/2009 dated January 26<sup>th</sup>, 2009 stated the requirements to comply to Good Governance. The Board of Management has set guidelines and determines to report the interest of the Directors, Executives and their related persons as following:

1. Determine that the Directors and Executives are required to report the interests from an initial designation of the post and every time if there is any change within 7 days according to the report form and submit to corporate secretary to keep record for audit.
2. Determine that the corporate secretary submit the report of interests to the Chairman and Audit Committees within 7 work days from the day receiving that report in order for the Audit Committee to arrange the shareholders meeting if necessary. Through approval by the Company's Board of Directors No.3/2009 dated May 12, 2009 providing guideline and report of potential conflict of interests of the Company's Directors, Executives and other related persons starting July 1, 2009. If it is evident that any Director has conflict of interests in any agenda, he/she has no right to vote on that agenda.

### 1.6 Action after the Shareholders' Meeting

The Company would send the minutes of Shareholders' meeting that recorded the details of each agenda to The Stock Exchange of Thailand and the Exchange Commission within 14 days after the meeting, and the minutes would be published on the corporate website [www.ait.co.th](http://www.ait.co.th) to inform investors and shareholders. Record of the meeting in format of video and audio can be requested by individual shareholder or other investors.

## 2. Equality of Shareholders' Rights

The Board of Directors has a policy to give equal treatment to all shareholders as followings.

### 2.1 The Proposed Agenda and Documents in the Meeting.

An individual shareholder is eligible to proposed meeting's agenda that would be beneficial for the performance of the Company before the date of annual shareholders meeting. In 2010, the Company has notified shareholders through the communication channels of the Stock Exchange of Thailand and the corporate website [www.ait.co.th](http://www.ait.co.th).

Due to the fact that Company's Shareholder consist of Thai as well as foreigners, to facilitate the transparency of information and communication to all shareholders, the Company has provided documents for meetings in both Thai and English and provide the web site in both Thai and English as well.

### 2.2 Proxy to Attend Meetings and Vote

The Shareholder is allowed to give a proxy to representative or Independent Directors, in order to uphold the rights by themselves. By identifying the representative details in the proxy form specified by the Ministry of Commerce to attend the meeting and vote on behalf of the shareholders. The Company has published a proxy with detailed information and procedures on the Company's website i.e. <http://www.ait.co.th> before the meeting date.

### 2.3 Access to the Company's Information

The Company's shareholder can access to AIT's information which is distributed equally through many channels. The Company's distribution channels as following

Tel. 02-2759400

Web Site : <http://www.ait.co.th>

Email : [ir@ait.co.th](mailto:ir@ait.co.th)

## 3. Roles of the Stakeholders

The Company is aware of rights of the stakeholders and has a policy to give them confidence. It gives importance to the stakeholders including the shareholders, employees, customers, trade partners, competitors, the public and society in an appropriate order. It has equal fiduciary duties toward all groups of stakeholders to allow smooth business operations with security and mutual benefits. Therefore, the Board of Directors establishes the Code of Business Ethics in written documents consisting the Code of Ethics for Executives to Groups of Stakeholders and the Code of Ethics for Employees. The Codes of Ethics are disseminated to all executives and employees to

abide by. All supervisors shall supervise and promote the practices of the Codes of Ethics to assure that all stakeholders are treated and protected according to the fundamental rights. A. Codes of Ethics for Executives: All executives shall treat the shareholders, employees, customers, traders, creditors, competitors and the overall society as the followings.

**A. Codes of Ethics for Executives: All executives shall treat the shareholders, employees, customers, traders, creditors, competitors and the overall society as the followings.**

#### **Executives to Shareholders**

1. Perform duties with integrity, transparency and fairness to ensure any decision-making being regarded the optimal benefits of the relevant groups at large.
2. Perform duties professionally with knowledge, expertise, intention, carefulness, knowledge application and management skill.
3. Report complete and actual organizational situations on the regular basis.
4. Do not attempt to benefit their own and a relevant person with the Company's undisclosed information.
5. Do not disclose the Company's confidential information to outside persons especially competitors.
6. Do not proceed any matter that may cause any conflict of interests.

#### **Executives to Employees**

1. Provide appropriate remuneration to the employees, based on the employees' knowledge, capabilities and appropriateness.
2. Provide them equal opportunity for human resources development.
3. Avoid any unfairness that may threaten and pressure the employees or affect their work stability.
4. Create work environmental conditions with concerns of safety to employees' lives, physical conditions, health and assets.
5. Abide by laws and regulations relevant to the employees.

#### **Executives to Customers**

1. Produce products and services with quality and maintain quality in order to benefit the Company.
2. Disclose complete and accurate information relevant to products and services.
3. Provide a guarantee under appropriate conditions and period.
4. Do not deliver damaged and defected products and services to the customers.
5. Establish a system to allow the customers to make notification on products and services for quick response.
6. Keep customers' confidential and do not exploit such confidential with dishonest purposes for benefits of one own or relevant persons.
7. Follow the customers' conditions strictly. In a case that the conditions are not met, the executives shall inform the customers beforehand to jointly solve problems.

**Executives to Traders or Creditors**

1. Follow the traders and creditors' conditions. In a case that the conditions are not met, the executives shall inform them beforehand to jointly solve problems and protect any damages that may occur.
2. Do not request or receive benefits from or give benefits to trade partners, debtors or creditors with dishonest purposes.
3. Report financial information accurately and completely.

**Executives to Competitors**

1. Abide by the rules of competition
2. Avoid tarnish and accusation of competitors or their products without any integrity, information and truth.
3. Do not access into the customers' confidential information without any integrity and appropriateness.

**Executives to the Overall Society**

1. Support any activities that benefit the communities and the overall society.
2. Return the Company's partial profit to society-related activities regularly.
3. Do not do anything that impairs natural resources and environment.
4. Continuously implant consciousness of responsibility to the communities and the society among employees at all levels.
5. Abide by or supervise those to abide by laws and regulations established by the supervision units.

**B. Employees' Ethics: The Employees shall abide by the following manners.**

1. Abide by the laws of the country, in which they practice, and conform to the Company's Rules and Regulations.
2. Build trustful relationship between the Company and regulatory authorities.
3. Provide services with integrity, transparency, and professionally to ensure that customers receive the Company's services at its high standard of knowledge, expertise, and fairness.
4. Keep confidentiality of the customers, trade partners and organization.
5. Do not use insider information for personal benefits.
6. Do not gamble.
7. Do not have any conflict of interest or do not attempt to benefit their own when dealing business with the customers.
8. Refrain from accepting presents or other kinds of benefits with high value particularly when it's off the season according to the country' customs.
9. Refrain from giving or accepting bribes or any motivation, and shall not ask others to give or accept bribes on their behalf.

If any employee infringes the Code of Ethics, he or she shall be penalized according to the regulations. The Company established codes of conduct for employees to strictly abide by. All employees will adhere to personal



integrity. Besides, to allow the stakeholders to communicate with and inform the Company's Board of Directors traces including as illicitness, accurateness of financial statements, flawed internal control system and infringement against the codes of conduct, the Company informs the contact telephone number of the Company's Board of Directors through the Company's web site.

#### **4. Information Disclosure and Transparency**

1. The Board of Directors shall be responsible for financial statements, and general information for the shareholders and general investors with transparency, accountability and punctuality. Explanation with numbers is made on this information on the performance, policies, future trend, successes and obstacles. Such information is disclosed in the annual report, the annual information disclosure form (56-1 form) and via the Company's web site at [www.ait.co.th](http://www.ait.co.th) in both Thai and English languages for disseminating to the investors, the shareholders and the stakeholders as determined by the laws, the Stock Exchange of Thailand and general accounting standards. All financial statements are reviewed and examined by the Company's auditors, the Executive Committee, the Audit Committee and the Board of Directors.
2. Disclosure of any interrelated transactions shall be disclosed in substantiated details for the shareholders. The information includes the pricing policy for the interrelated transactions in a case of interrelated trade, lending for interrelated businesses, borrowings from interrelated business, accounts receivable and payable for interrelated businesses, investment in interrelated business, guarantees and collaterals for related businesses. This is to allow the investors and the shareholders to acknowledge such information with transparency. Under requirements on the interrelated transactions, when the Company and its subsidiaries have interrelated transactions with associated companies or related persons in terms of joint benefits, the Company and its subsidiaries are required to follow business conditions for the associated companies and persons on the arm's length basis. If there is any interrelated transactions that falls under the conditions of the interrelated transactions of listed companies with its subsidiaries or joint ventures, controlling persons or management executives, the Board of Directors shall review and proceed on the principles, procedures and disclosure of the interrelated transactions according to the Securities and Exchange Commission's rules and regulations, and the Stock Exchange of Thailand.
3. Establish the policy to prevent the relevant executives and employees to misuse the Company's inside information for personal benefits or others' advantages and enforce the executives to report their shareholdings every time there is a change of shareholding (Form 59-2) to the Securities and Exchange Commission and the Stock Exchange of Thailand comply with the regulations.
4. In order to disclose accurate and credible information to the investors, financial institution investors and analysts, the Chair of the Executive Board and President or assigned executives shall be responsible for disclose the Company's important information.

## **The Board of Directors' Report**

The Board of directors shall be responsible for financial information appeared on the annual report. The Audit committee comprising of independent directors shall be responsible for quality of financial statements and internal control system. Comments made by the Audit Committee will appear in the Audit Committee's report in the annual report. The Board of directors commented that the Company and its subsidiaries' 2010 financial statements the Audit Committee reviewed together with the management and the auditor showed accurate, reasonable and accountable corporate performance and financial status following the Generally Accepted Accounting Principles, appropriate and consistent accounting policy, sufficient information disclosure and the relevant laws and regulations.

## **5. The Committees' Responsibility**

The company comprises of four (4) committees: the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, and the Executive Committee. In order to clear assignment of duties and authority for clear direction and the most efficient operation, the board of directors shall determine the corporate goal, and determine roles, duties and authorities for the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, and the Chairman of the Board. The Executive Committee shall set the Company policy, direction and strategy in operating business to achieve the corporate goal set by the Board of Directors. The Audit Committee shall review the Company's operations to be compliance with the relevant laws. The Nomination and Remuneration Committee shall consider the remuneration of directors, all subcommittees, president, or any persons appointed by the Board of Directors. Besides, the Nomination and Remuneration Committee shall consider compensation packages for the Company's managements and employees in terms of bonus and annual salary increase, and then propose to the Board of Directors' meeting for approval. Nonetheless, the Board of Directors shall set the internal control system, internal audit department, and measures of managing risk effectively. The Board of Directors shall also set a monitoring plan and review the performance regularly at the Board of Directors' meeting.

### **Internal Control System and Internal Audit**

The Company has a policy to employ efficient and sufficient internal control to cope with operational environment at an acceptable level of risks. The audit unit regularly supervises the internal control system to improve the control measures to suit the changing situation, environment and risks, as defined in Audit Committee Charter. The Company employs the internal control according to the international standard of the Committee of Sponsoring Organization of the Tread way Commission (COSO).

### **Balance of Power for Non-Executive Directors**

According to the Company's Regulations No.14, the board of Directors comprises of at least five (5) directors who possess experiences in various fields. As of 30<sup>th</sup> December 2010, the board of Directors consisted of 11 directors. Of total, four (4) directors are executives and the remaining seven (7) were non-executives or 36 percent of total directors. The number of independent directors follows the principles of good governance set by the Stock Exchange of Thailand. The Chairman of the board of Directors is not the independent director.

## Subcommittee

Remuneration shall be determined by the Board of Directors and, then, proposed to a shareholders' meeting for approval. If the shareholders review that the proposed remuneration is appropriate, regarding the benefits from directors, and is comparable to that paid for those in the same industry, the meeting will give approval. The company has a policy to determine its directors' remuneration level based on that paid for those in the same industry as incentives and appropriate for their knowledge, capability and responsibility. The directors' remuneration 2010 appears on the table showing principles and selection procedures for qualified persons to hold director position and high-level executives and screening qualified persons. The Board of Directors shall review, screen and select qualified persons to assume the director positions and propose them to a shareholders' meeting for approval. The directors' qualifications include relevant knowledge, capability and experience. The Executive board shall review and select the qualified persons with knowledge, capabilities and experience as detailed on Item

The Audit Committee shall be responsible for supervising and ensuring accurateness of financial statements' preparation procedures and efficiency of the Company's internal control system. Besides, the Audit committee has a duty to ensure the Company to abide by the relevant laws. The Audit Committee's duty and responsibility are described in Item Management Structure.

In 2010, the Audit committee had four (4) ordinary meetings with the following attendance record of each director.

List of Directors	Number of Meeting		
	2008	2009	2010
1. Mr. Chokechai Tanpoonsinthana	5/5	5/5	4/4
2. Mr. Pongtep Polanun	5/5	5/5	4/4
3. Mr. Sripop Sarasas	4/5	4/5	4/4

In 2010, the Nomination and Remuneration Committee had four (4) ordinary meetings with the following attendance record of each director.

List of Directors	Number of Meeting		
	2008	2009	2010
1. Mr. Pongtep Polanun	-	1/1	2/2
2. Mr. Siripong Oontornpan **	-	1/1	2/2
3. Mr. Kittisak Sopchokchai * **	1/2	1/2	2/2
4. Mr. Suraporn Raktaprachit **	-	1/1	2/2
5. Mr. Sripop Sarasas * **	2/2	2/2	2/2
6. Mr. Chokechai Tanpoonsinthana *	2/2	1/1	-
7. Mr. Kijja Laoboonthai *	2/2	1/1	-

\* The first set of Nomination and Remuneration Committee (active until March 2009)

\*\* The second set of Nomination and Remuneration Committee (appointed as of April 2009)

### The Board of Directors' Meeting

The Board of Directors shall meet every quarter with the pre-determined schedules or a special meeting may be called by the Chairman as necessary. Each meeting shall comprise of more than 50 percent of total directors. Board of Directors' member unable to attend a meeting shall inform the Company approximately one to two (1-2) days prior to the meeting. To facilitate all directors in the meeting, the company organizes the meeting at the company's head office. The meeting invitation letters coupled with clear meeting agenda and meeting documents will be delivered to all directors at least seven (7) days prior to the meeting for their information with exception of an urgent case. This is to allow all directors to study the meeting documents before the meeting. Each meeting will be recorded and the approved documents will be gathered for reference and future investigation.

The meeting time will be allocated sufficiently by the Chairman for review of the Company's performance after the auditor's review or endorsement of financial statements, and the directors' discussion and comments to the management. All directors are independent in making any comments.

In 2010, the Company's board of directors had five (5) ordinary meetings with the following attendance record of each director during 2009-2010.

List of Directors	Number of Meeting			
	Board Meeting			Shareholder Meeting
	2008	2009	2010	
1. Mr. Thana Chaiprasit	4/5	5/6	5/5	Attended
2. Mr. Chokechai Tanpoonsinthana	5/5	6/6	5/5	Attended
3. Mr. Pongtep Polanun	5/5	6/6	4/5	Attended
4. Mr. Siripong Oontornpan	5/5	6/6	4/5	Attended
5. Mr. Kittisak Sopchokchai	5/5	6/6	4/5	Attended
6. Mr. Suraporn Raktaprachit	5/5	6/6	5/5	Attended
7. Mr. Sripop Sarasas	5/5	6/6	5/5	Attended
8. Mr. Kijja Laoboonchai	5/5	6/6	4/5	Attended
9. Mr. Chartchai Yenbamroong	5/5	5/6	4/5	Attended
10. Mr. Phisak Charudilaka	5/5	6/6	4/5	Attended
11. Mr. Chodiwat Duntanasarn	5/5	6/6	4/5	Attended

Company Secretary : Mr. Voravit Wattanakuljarus

A total of 24 agendas for review were proposed in 2010. The important agendas included review of the Company's financial statements, determination of annual remuneration for the Company's Board of Directors, determination of annual remuneration for the Company's auditors, appropriation of legal reserve and allocation of profit, determination of dividend payment, determination of the annual ordinary shareholders' meeting, determination of the book closing date for eligibility to attend the annual ordinary shareholders' meeting, evaluation of the substantiation of the internal control system for 2008, budget of 2010, determination of the Board of Directors' meeting in 2010. The corporate secretary of the Company attended all of the Board of Directors' meetings, took minute of meetings, prepared documents and provided advice on related laws and regulations. The minute of meetings covered all important data related to each agenda and included detailed explanation from the

management team as well as comments made by each director; each agenda was resolved with a unanimous vote from the Board of Directors. All documents were kept systematically.

### **Self Evaluation of the Board of Directors**

The self evaluation of the board of Directors aims at having the evaluation results to improve its performance. The Board of Directors' Meeting No. 5/2010 dated 17<sup>th</sup> December 2010 approved the self evaluation form and assigned the board of the Directors to perform the self evaluation in 2010 with six (6) topics: its Structure and Qualification; its roles, Duties and Responsibility; the board of Directors' Meetings; the Directors' Performance; its Relationship with the Management; and Self Development of the Directors and the Executive Development. The Board of Directors conducted its self evaluation with the average score as "good".

### **Remuneration**

The 2010 General Shareholders' Meeting determined the directors' remuneration level based on that paid for those in the same and responsibility. The directors are paid the meeting-attended fee. The Audit committee's Directors are paid the meeting-attended fees as their remuneration. The subcommittees' directors are paid the meeting-attended fees. The remuneration details are described in the table showing total remuneration of the Company's directors in Item No.8.4 Remuneration of Executives.

### **New Directors**

The Board of Directors conducted the orientation for new directors to acknowledge the Company's business policies, laws and regulations. It handed over the director manual to the new director. In 2010, there was no new director.

## Use of Inside Information

Protection of the use of inside information is required by laws. The company has a policy to adhere to business ethics, integrity and moral to reassure customers, trade partners, investors and shareholders. The codes of conduct are set for management executives and employees at all levels to follow in order to prevent disclosure of any important information or access to sources of information without permission or improper intention. In the case that any employee is found breaching the regulations, such employee shall be considered having serious wrongdoing and may be punished in accordance to the regulations.

The company has a policy and method in place for monitoring management in using its inside information for the individual benefits as follows:

1. Directors, management executives and employees of the company shall keep the company's secrets and/or inside information confidential.
2. Directors, management executives and employees of the company shall not disclose inside information or exploit it for their own benefits or others' benefits in a direct or indirect way and with or without financial benefits.
3. Directors, management executives and employees of the company shall not trade, transfer, receive the company's securities and/or inside information that may cause includes their spouses and underage children. Those who infringe this clause are considered having serious wrongdoing.
4. Educate directors and executives about the duty to report their securities holdings of themselves and their spouses as well as children of immaturity and also inform of the penalty of wrongdoing under the Securities and Exchange Act of 1992 and the regulations of the Stock Exchange of Thailand.
5. The company executives are required to report changes in securities holdings to the Office of the Securities and Exchange Commission under Section 59 of the Securities and Exchange Act of 1992 and deliver a copy of this report to the company on the same day in which the report is sent to the Office of the Securities and Exchange Commission.
6. Disclose the securities holding of company's directors and executive completely and accurately in the annual report as required by the Office of the Securities and Exchange Commission.
7. The company will send a circular to inform executives who have material inside information that affect securities price. They must suspend the trading of company shares before the announcement of financial statements or making such information public and shall not disclose such material information to any persons.

In addition to all employees follow the same guidelines regarding the use of inside information. The company has published this procedure in the employees' manual.



## Risk Management & Internal Control

### Risk Management

Since the Company revenues are based on projects awarded from bidding, the Company has realized the risk of not winning the projects would harm the company's financial status. Therefore, the Company decides to incorporate a risk management policy into its major part of business management, and also set up a risk committee to be in charge of executing the company's risk management policy. Main responsibilities of the risk committee are as follows:

- Identifying key risks of the company on various perspectives ranging from financial status, project management, technology issue, external and internal business environment.
- Providing guidelines, managing and controlling company risks to be within an approval level and thus delivering the project completion and financial return to the Company.

### Internal Control

The Company has a policy to arrange and maintain an efficient and effective internal control system. The Board and the management team are responsible for maintaining the internal control system and reviewing its efficiency on a regular basis in order to safeguard the shareholders' investments and the Company's assets. The internal control system covers the areas of finance, operations, compliance, and risk management, and provides a reasonable assurance that the following objectives and goals can be achieved:

- Reliability and integrity of information and financial reports.
- Compliance with regulations, policies, procedures and related laws.
- Safeguarding of the Company's assets.
- Efficiency, effectiveness and operational economy for employment of resources.
- Effective achievement of the Company's objectives and strategies.

The following points summarize the key control systems implemented by the Company:

#### (1) Organization & Control Environment

The Company has formulated business plans complete with objectives, strategies, long-term vision and budgets, and has determined evaluation criteria. It has restructured the organization to align it with these business plans. The Company has implemented a good corporate governance system, hires qualified personnel and continuously develops its human resources. It has established key policies and procedures to be used as guidelines in order to control financial transactions, purchasing activities and risk management. Codes of conduct have also been developed as guidelines for directors, management and employees.

#### (2) Risk Assessment

The Company has had a formalized, enterprise-wide risk-management system in place since 2002. The Risk Management Unit, Risk Management Committee and Audit Committee play major roles in overseeing the implementation of the risk management system. Risk is an integral part of business activities so every member of each business unit has the task of performing risk assessments when executing business transactions.

**(3) Management Control**

The Company has established controls over the various management duties and their segregation in order to ensure there is a system of checks and balances outlining proper written authority and approval levels and limits. Guidelines for connected and related transactions have also been developed to ensure compliance with relevant laws.

**(4) Information and Communication**

The Company has implemented a management information system to assist in decision-making. Critical information and data are collected, analyzed and stored in the Company's database. Two-way communications are done efficiently within the Company. At the board level, information and supporting documentation are provided to all members in order to make more informed decisionmaking possible.

**(5) Monitoring**

The monitoring system is handled by the management team and the Board to assess adherence to established plans. The internal audit department is responsible for monitoring the internal controls independently, and giving an assessment and recommendations to the management team.

The Board assessed the following five areas of the Company's internal control system: organization and control environment; risk management; management control; information and communication; and monitoring. The Board found that the internal control system was operating effectively.

Ernst and Young Office Limited, the Company's external auditors, who conducted the audit of the 2010 financial statements, concluded that there was no material deficiency in the Company's accounting and financial control system.

**Internal Audit**

The Company has hired DIA and Associates Co.,Ltd. who provides internal audit services to perform internal audit. The internal audit department reports directly to the Audit Committee and Managing Director to the President. Its duties and responsibilities include monitoring and assessing the effectiveness of the Company's and its subsidiaries' internal control systems, risk management systems and corporate governance to ensure that these are adequate and effective.

The internal audit department has adopted a risk-based approach in formulating the annual audit plan which focuses on key business risks that might have an impact on business goals and the accuracy of financial reports. This plan is reviewed and approved by the Audit Committee on an annual basis. The Audit Committee also reviews the audit results and progress reports on a quarterly basis.

The internal audit department conducts its activities by referring to the publication International Standards for the Professional Practice of Internal Auditing as a framework. All the internal audit staff members are provided with sufficient training and the necessary methodology to carry out operational, compliance, financial and information technology audits effectively.

In 2010, the company has initiated "Internal Audit Charter" in order to be prepared when setting up an internal audit unit in the future. "Internal Audit Charter" was approved by the board of directors resolution No.4/2010.

## Related Party Transactions

The Company has issued guidelines regarding the related party transaction in compliance with the requirements of the SEC's notification and the Stock Exchange of Thailand as well as related laws. That follows,

### 1. Measures of Procedures for Approval of Related Party Transactions

Typically, the related party transactions of the company is the cash advance to directors or employees to develop and/or operate the project, which are controlled by the budget cost of each project. The company has clearly defined a set of steps in the approval and the authorized person to approve.

For the approval process of related party transaction in the future, the company announced the guideline of having transactions with major shareholders, directors and executives associated persons for all employees to be informed and complied with.

### 2. Policy or Tendency of the Future Related Party Transactions

Trend of future related party transactions include (1) cash advance paid to directors and employees are items that occur regularly since the operations of the company need to send staff to make delivery, install equipment or travel to examine the work acceptance process of customers. Therefore, the Company has set a budget to control the cash advance (2) cash on hand for daily operation reserved to pay about baht 290,000 by the deputy senior finance director who will manage and determine the appropriate disbursement of each transaction. Moreover, the Company has set a written the cash reserves policy to pay day and (3) the Company has no policy to use the directors' property to guarantee payment.

Fore related party transactions in the future, the Company has assigned the Audit Committee and / or directors of the Company to verify the reasonableness of transaction in compliance with law and notification of the Securities and Exchange Commission prior to making the transaction.

According to the audited financial statement ended December 31, 2010 by the auditor, the list of related party transaction is the following.

During the years, the Company and its subsidiary had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated Financial Statements		Separate Financial Statements		Transfer Pricing Policy
	2010	2009	2010	2009	
<b>Transactions with subsidiary</b> (eliminated from the consolidated financial statements)					
Other income	-	-	0.1	0.2	Agreed upon price
Cost of sales and service	-	-	2.8	22.7	Agreed upon price
<b>Transactions with related company</b> (related by having the director who relates to the subsidiary's director)					
Sales and service income	10.0	-	-	-	Agreed upon price
Cost of sales and service	83.7	4.6	83.5	-	Agreed upon price

The balances of the accounts as at 31 December 2010 and 2009 between the Company and those related parties are as follows:

(Unit: Million Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2010	2009	2010	2009
<b>Trade accounts receivable - related party</b>				
Scale Plotting Center Co., Ltd.	5.2	-	-	-
<b>Total trade accounts receivable - related party</b>	5.2	-	-	-
<b>Advance payments for goods and service - related party</b>				
Scale Plotting Center Co., Ltd.	22.8	-	22.8	-
<b>Total advance payments for goods and service - related party</b>	22.8	-	22.8	-
<b>Trade accounts payable - related party</b>				
Scale Plotting Center Co., Ltd.	3.5	-	3.5	-
<b>Total accounts payable - related party</b>	3.5	-	3.5	-

During the year ended 31 December 2010, the subsidiary had loans from a related party, with no interest. The movements were as follows:

(Unit: Million Baht)

	Balance as of 1 January 2010	During the year		Balance as at 31 December 2010
		Increase	Decrease	
Director of subsidiary	-	3.4	(3.4)	-

Directors and management's remuneration

(Unit: Million Baht)

		Consolidated Financial Statements		Separate Financial Statements	
Related parties	Related transactions	2010	2009	2010	2009
Audit committee	Meeting allowances and directors' remunerations	3.4	2.5	3.4	2.5
Management and executive directors	Salaries, bonus, commission, meeting allowances and directors' remunerations	106.6	71.1	104.2	65.7
Directors who are not members of the audit committee or management committee	Meeting allowances and directors' remunerations	4.3	2.6	4.3	2.6

## Board of Directors' Responsibility for Financial Reporting

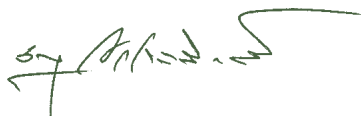
The Board of Directors is responsible for Advanced Information Technology Public Company Limited's financial statements and its subsidiaries' consolidated financial statements, including the financial information presented in this annual report. The aforementioned financial statements are prepared in 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 has provided and maintained risk management system and appropriate and efficient internal controls to ensure that accounting records are accurate, reliable and adequate to protect its assets and uncover any weakness that may be present in order to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed an Audit Committee to be responsible for reviewing the accounting policy financial reports, review internal controls, internal audit and risk management system. The Audit Committee has also reviewed a disclosure of related party transactions. All their comments on these issues have included in the Audit Committee Report, which presented in this annual report.

The financial statements of the Company and the consolidated financial statements of Company and its subsidiaries have been examined by an external auditor, Ernst and Young Office Limited. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, the auditor was provided with all of the Company's records and related data as requested. The auditor's opinion is presented in the auditor's report as 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 Information Technology Public Company Limited's financial statements and Advanced Information Technology Public Company Limited and its subsidiaries' consolidated financial statements for the year ended 31 December 2010. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.



Mr. Thana Chaiprasit  
Chairman of the Board



Mr. Sirpong Oontornpan  
President

## Report of Independent Auditor

### To the Shareholders of Advanced Information Technology Public Company Limited

I have audited the accompanying consolidated balance sheets of Advanced Information Technology Public Company Limited and its subsidiary as at 31 December 2010 and 2009, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of Advanced Information Technology Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiary as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advanced Information Technology Public Company Limited and its subsidiary and of Advanced Information Technology Public Company Limited as at 31 December 2010 and 2009, and the results of their operations, and cash flows for the years then ended in accordance with generally accepted accounting principles.



Thipawan Nananuwat

Certified Public Accountant (Thailand) No. 3459

Ernst & Young Office Limited

Bangkok: 21 February 2011

## Balance sheets

Advanced Information Technology Public Company Limited and its subsidiary

As at 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	252,804,807	244,642,225	249,074,921	243,183,699
Current investment		3,022,894	-	3,022,894	-
Trade accounts and notes receivable					
Related party	6	5,226,750	-	-	-
Unrelated parties		1,077,338,496	1,111,454,229	1,073,713,336	1,111,454,229
Less: Allowance for doubtful accounts		(18,044,640)	(30,650,748)	(18,044,640)	(30,650,748)
Trade accounts and notes receivable-net	8	1,064,520,606	1,080,803,481	1,055,668,696	1,080,803,481
Unbilled receivable-net		73,036,538	32,637,019	73,036,538	32,637,019
Inventories-net	9	807,360,291	417,820,623	805,325,451	416,607,840
Advance payments for goods and service					
Related party	6	22,837,500	-	22,837,500	-
Unrelated parties		65,450,806	52,124,749	65,450,806	52,124,749
Other current assets		7,007,166	6,949,912	6,275,118	5,045,472
<b>Total current assets</b>		<b>2,296,040,608</b>	<b>1,834,978,009</b>	<b>2,280,691,924</b>	<b>1,830,402,260</b>
<b>Non-current assets</b>					
Restricted bank deposits	10	56,228,742	73,271,234	56,228,742	73,271,234
Investments in subsidiary	11	-	-	10,999,400	5,499,700
Building improvement and equipment-net	12	22,796,831	17,434,995	22,497,544	16,782,233
Equipment for lease-net	13	4,783,898	6,793,558	4,783,898	6,793,558
Intangible assets-net	14	6,453,514	3,371,493	6,419,815	3,333,490
Other non-current assets		11,022,669	8,355,720	10,884,389	8,175,820
<b>Total non-current assets</b>		<b>101,285,654</b>	<b>109,227,000</b>	<b>111,813,788</b>	<b>113,856,035</b>
<b>Total assets</b>		<b>2,397,326,262</b>	<b>1,944,205,009</b>	<b>2,392,505,712</b>	<b>1,944,258,295</b>

The accompanying notes are an integral part of the financial statements.



## Balance sheets (continued)

Advanced Information Technology Public Company Limited and its subsidiary

As at 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade accounts payable					
Related party	6	3,536,350	-	3,536,350	-
Unrelated parties		660,648,550	472,149,210	659,366,155	471,995,475
Total trade accounts payable		664,184,900	472,149,210	662,902,505	471,995,475
Unbilled payable		165,660,718	133,347,699	165,105,830	131,936,259
Other current liabilities					
Corporate income tax payable		42,808,872	40,802,596	42,795,963	40,802,596
Advance receipts from customers		75,013,193	132,493,417	75,013,193	132,493,417
Accrued expenses		91,889,676	92,960,160	91,761,912	92,824,608
Others		91,171,177	46,679,784	90,713,462	43,736,172
<b>Total current liabilities</b>		<b>1,130,728,536</b>	<b>918,432,866</b>	<b>1,128,292,865</b>	<b>913,788,527</b>
<b>Shareholders' equity</b>					
Share capital					
Registered					
69,000,000 ordinary shares of Baht 5 each		345,000,000	345,000,000	345,000,000	345,000,000
Issued and fully paid-up					
66,185,862 ordinary shares of Baht 5 each					
(31 December 2009: 60,690,265					
ordinary shares of Baht 5 each)	15	330,929,310	303,451,325	330,929,310	303,451,325
Share premium	15	282,837,815	224,172,200	282,837,815	224,172,200
Retained earnings					
Appropriated-statutory reserve	17	34,500,000	34,500,000	34,500,000	34,500,000
Unappropriated		612,307,274	462,209,979	615,945,722	468,346,243
Equity attributable to the Company's shareholders		1,260,574,399	1,024,333,504	1,264,212,847	1,030,469,768
Minority interest - equity attributable to minority shareholders of subsidiary		6,023,327	1,438,639	-	-
<b>Total shareholders' equity</b>		<b>1,266,597,726</b>	<b>1,025,772,143</b>	<b>1,264,212,847</b>	<b>1,030,469,768</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,397,326,262</b>	<b>1,944,205,009</b>	<b>2,392,505,712</b>	<b>1,944,258,295</b>

The accompanying notes are an integral part of the financial statements.

## Income statements

Advanced Information Technology Public Company Limited and its subsidiary

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Revenues</b>					
Sales and service income		4,534,107,207	3,843,476,548	4,519,989,083	3,843,116,748
Rental and service income from equipment for lease		18,889,423	27,780,349	18,889,423	27,780,349
Other income		26,291,218	5,426,490	26,433,215	5,610,882
<b>Total revenues</b>		<b>4,579,287,848</b>	<b>3,876,683,387</b>	<b>4,565,311,721</b>	<b>3,876,507,979</b>
<b>Expenses</b>					
Cost of sales and service		3,592,177,771	2,949,612,957	3,584,895,517	2,953,129,545
Cost of equipment for lease		3,492,959	22,798,487	3,492,959	22,798,487
Selling expenses		172,059,790	185,160,572	172,059,789	183,695,640
Administrative expenses		155,695,496	183,699,899	154,239,975	178,029,611
Management benefit expenses	6	114,279,778	76,173,535	111,879,778	70,773,535
Loss from diminution in value of inventories and impairment of equipment for lease	9, 13	-	27,831,010	-	27,831,010
Loss from dissolution of subsidiary	11	-	-	-	7,999,400
<b>Total expenses</b>		<b>4,037,705,794</b>	<b>3,445,276,460</b>	<b>4,026,568,018</b>	<b>3,444,257,228</b>
<b>Income before finance cost and corporate income tax</b>		<b>541,582,054</b>	<b>431,406,927</b>	<b>538,743,703</b>	<b>432,250,751</b>
Finance cost		(6,181,252)	(12,845,690)	(6,174,170)	(12,845,690)
<b>Income before corporate income tax</b>		<b>535,400,802</b>	<b>418,561,237</b>	<b>532,569,533</b>	<b>419,405,061</b>
Corporate income tax		(146,948,098)	(108,367,006)	(146,699,033)	(108,367,006)
<b>Net income for the year</b>		<b>388,452,704</b>	<b>310,194,231</b>	<b>385,870,500</b>	<b>311,038,055</b>
<b>Net income (loss) attributable to</b>					
Equity holders of the parent		388,368,316	312,206,835	385,870,500	311,038,055
Minority interests of the subsidiary		84,388	(2,012,604)		
		<b>388,452,704</b>	<b>310,194,231</b>		
<b>Earnings per share</b>	19				
Basic earnings per share					
Net income attributable to equity holders of the parent		6.11	5.18	6.07	5.16
Diluted earnings per share					
Net income attributable to equity holders of the parent		5.83	5.06	5.79	5.04

The accompanying notes are an integral part of the financial statements.

## Statements of changes in shareholders' equity

Advanced Information Technology Public Company Limited and its subsidiary

For the years ended 31 December 2010 and 2009

(Unit: Baht)

		Consolidated financial statements					
Note		Issued and fully paid-up share capital	Share Premium	Retained earnings		Minority interest-equity attributable to minority shareholders of subsidiary	Total
				Appropriated	Unappropriated		
		300,000,000	220,715,902	34,500,000	315,003,144	3,451,243	873,670,289
		-	-	-	312,206,835	(2,012,604)	310,194,231
	22	-	-	-	(165,000,000)	-	(165,000,000)
	15	3,451,325	3,456,298	-	-	-	6,907,623
		303,451,325	224,172,200	34,500,000	462,209,979	1,438,639	1,025,772,143
		303,451,325	224,172,200	34,500,000	462,209,979	1,438,639	1,025,772,143
		-	-	-	388,368,316	84,388	388,452,704
	22	-	-	-	(238,271,021)	-	(238,271,021)
	15	27,477,985	58,665,615	-	-	-	86,143,600
		-	-	-	-	4,500,300	4,500,300
		330,929,310	282,837,815	34,500,000	612,307,274	6,023,327	1,266,597,726

The accompanying notes are an integral part of the financial statements.

## Statements of changes in shareholders' equity (continued)

Advanced Information Technology Public Company Limited and its subsidiary

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Note	Separate financial statements				
		Issued and fully paid-up share capital	Share Premium	Retained earnings		Total
				Appropriated	Unappropriated	
<b>Balance as at 31 December 2008</b>		300,000,000	220,715,902	34,500,000	322,308,188	877,524,090
Net income for the year		-	-	-	311,038,055	311,038,055
Dividend paid	22	-	-	-	(165,000,000)	(165,000,000)
Additional ordinary shares issued for warrant exercise	15	3,451,325	3,456,298	-	-	6,907,623
<b>Balance as at 31 December 2009</b>		303,451,325	224,172,200	34,500,000	468,346,243	1,030,469,768
<b>Balance as at 31 December 2009</b>		303,451,325	224,172,200	34,500,000	468,346,243	1,030,469,768
Net income for the year		-	-	-	385,870,500	385,870,500
Dividend paid	22	-	-	-	(238,271,021)	(238,271,021)
Additional ordinary shares issued for warrant exercise	15	27,477,985	58,665,615	-	-	86,143,600
<b>Balance as at 31 December 2010</b>		330,929,310	282,837,815	34,500,000	615,945,722	1,264,212,847

The accompanying notes are an integral part of the financial statements.

## Cash flow statements

Advanced Information Technology Public Company Limited and its subsidiary

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<b>Cash flows from operating activities</b>				
Net income before tax	535,400,802	418,561,237	532,569,533	419,405,061
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	14,060,750	32,238,058	13,680,972	31,842,301
Doubtful accounts (reversal of allowance for doubtful accounts)	(10,991,154)	12,582,536	(10,991,154)	12,582,536
Loss from diminution in value of inventories	-	20,831,010	-	20,831,010
Write-off withholding tax deducted at source	336,176	-	-	-
Loss from dissolution of subsidiary	-	-	-	7,999,400
Impairment loss on equipment for lease	-	7,000,000	-	7,000,000
Write-off equipment	-	15,631	-	9,642
Loss (gain) on sales of equipment	(1,279,779)	1,119	(1,279,779)	-
Gain on sales of equipment for lease	(333,225)	(685,000)	(333,225)	(685,000)
Unrealised loss (gain) on exchange	(400,016)	5,715,336	(400,016)	5,715,336
Interest expenses	6,181,252	12,845,690	6,174,170	12,845,690
Income from operating activities before changes in operating assets and liabilities	542,974,806	509,105,617	539,420,501	517,545,976
Operating assets (increase) decrease				
Trade accounts and note receivable	28,888,982	(272,641,835)	37,740,892	(272,641,835)
Unbilled receivable	(42,014,472)	35,229,357	(42,014,472)	35,229,357
Inventories	(389,539,668)	52,635,615	(388,717,611)	43,741,997
Other current assets	(35,538,357)	(51,569,486)	(36,374,573)	(51,907,922)
Other non-current assets	(2,666,949)	(3,858,000)	(2,708,569)	(3,940,800)
Operating liabilities increase (decrease)				
Trade accounts payable	191,417,076	249,214,348	190,288,416	254,460,455
Unbilled payable	32,313,019	41,779,169	33,169,571	40,521,062
Other current liabilities	(14,117,991)	173,450,693	(11,624,306)	172,929,246
Cash flows from operating activities	311,716,446	733,345,478	319,179,849	735,937,536
Interest paid	(6,181,252)	(12,871,312)	(6,174,170)	(12,871,312)
Corporate income tax paid	(144,941,822)	(84,024,162)	(144,705,666)	(83,563,517)
<b>Net cash flows from operating activities</b>	<b>160,593,372</b>	<b>636,450,004</b>	<b>168,300,013</b>	<b>639,502,707</b>

The accompanying notes are an integral part of the financial statements.

## Cash flow statements (continued)

Advanced Information Technology Public Company Limited and its subsidiary

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<b>Cash flows from investing activities</b>				
Increase in current investment	(3,022,894)	-	(3,022,894)	-
Decrease in restricted bank deposits	17,042,492	4,977,035	17,042,492	4,977,035
Cash payment for purchase of building improvement and equipment	(15,566,845)	(7,474,223)	(15,544,846)	(7,435,267)
Cash payment for purchase of equipment for lease	(1,483,299)	-	(1,483,299)	-
Cash payment for purchase computer software	(3,669,697)	(2,036,175)	(3,669,697)	(2,032,726)
Cash receipt (payment) from calling up share capital of subsidiary	4,500,300	-	(5,499,700)	-
Proceeds from sales of equipment	1,504,673	27,553	1,504,673	-
Proceeds from sales of equipment for lease	333,225	685,000	333,225	685,000
<b>Net cash flows used in investing activities</b>	<b>(362,045)</b>	<b>(3,820,810)</b>	<b>(10,340,046)</b>	<b>(3,805,958)</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from financial institutions	-	(365,000,000)	-	(365,000,000)
Decrease in trust receipts	-	(33,883,905)	-	(33,883,905)
Proceeds from additional ordinary shares issued for warrant exercise	86,143,600	6,907,623	86,143,600	6,907,623
Dividend paid	(238,212,345)	(164,697,693)	(238,212,345)	(164,697,693)
<b>Net cash flows used in financing activities</b>	<b>(152,068,745)</b>	<b>(556,673,975)</b>	<b>(152,068,745)</b>	<b>(556,673,975)</b>
<b>Net increase in cash and cash equivalents</b>	<b>8,162,582</b>	<b>75,955,219</b>	<b>5,891,222</b>	<b>79,022,774</b>
Cash and cash equivalents at beginning of year	244,642,225	168,687,006	243,183,699	164,160,925
<b>Cash and cash equivalents at end of year</b>	<b>252,804,807</b>	<b>244,642,225</b>	<b>249,074,921</b>	<b>243,183,699</b>

The accompanying notes are an integral part of the financial statements.

## Notes to consolidated financial statements

Advanced Information Technology Public Company Limited and its subsidiary

For the years ended 31 December 2010 and 2009

### 1. Corporate information

Advanced Information Technology Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the sale, design, service and installation of lump sum turnkey of information and communication technology network systems and the renting of computers and electronic equipment. Its registered office of the Company is at 37/2 Suthisarnvinijchai Road, Samsaennok, Huaykwang, Bangkok.

### 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2009, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

#### 2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of the Company (“the Company”) and the following subsidiary company (“the subsidiary”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the year ended 31 December	
			2010 Percent	2009 Percent	2010 Percent	2009 Percent	2010 Percent	2009 Percent
Maple Plus Co., Ltd.	Sale and installation of computer, software and telecom equipment	Thailand	55	55	0.7	0.3	0.4	0.6

b) Subsidiary are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.



- c) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
  - d) Material balances and transactions between the Company and its subsidiary company have been eliminated from the consolidated financial statements.
  - e) Minority interests represent the portion of net income or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.
- 2.3 The separate financial statements, which present investments in subsidiary under the cost method, have been prepared solely for the benefit of the public.

### 3. Adoption of new accounting standards

During the current year, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below.

- a) Accounting standards that are effective for fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements (revised 2009)

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets

TAS 40 (revised 2009)	Investment Property
TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate
b)	Accounting standards that are effective for fiscal years beginning on or after 1 January 2013:
TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards which management expects the impact on the financial statements in the year when they are adopted.

#### **TAS 19 Employee Benefits**

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefit using actuarial techniques. Currently, the Company accounts for such employee benefits when they are incurred.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

#### **TAS 12 Income Taxes**

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

## **4. Significant accounting policies**

### **4.1 Revenues and expenses recognition**

#### **a) Revenues**

##### ***Sales and service income***

Revenues from the sale, design, service and installation of lump sum turnkey of information and communication technology network systems are recognised on the basis of percentage of completion, as assessed by the Company's engineers/the project managers. Recognised revenues, that are not yet due per the contracts are presented under the caption of "Unbilled receivable" in the balance sheets.

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Service income is recognised when the services have been rendered taking into account the stage of completion.

#### ***Rental and service income***

Rental income and related service income are recognised over the period of rental and service.

#### ***Interest income***

Interest income is recognised on an accrual basis based on the effective interest rate.

#### **b) Expenses**

Costs of contract sales, design, service and installation of lump sum turnkey of information and communication technology network systems are recognised in accordance with the percentage of work completed for which revenue has already been recognised, based on total estimated costs. Provision for anticipated losses on projects is made in the accounts in full when the possibility of loss is ascertained. Differences between the estimated costs and the actual costs are recognised as “work in progress” under current assets or “unbilled payable” under current liabilities.

Other expenses are recognised on an accrual basis.

### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and cash at banks, and all highly liquid investments with an original maturity of 3 months or less and not subject to withdrawal restrictions.

### **4.3 Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

### **4.4 Inventories**

Equipment, work in progress and goods in transit are valued at the lower of cost and net realisable value. Cost of work in progress consists of cost of materials, labour, subcontract work and other relevant expenses.

### **4.5 Investments**

Investments in subsidiary are accounted for in the separate financial statements using the cost method. Allowance for impairment loss will be made when the recoverable amounts is lower than the cost of investments.

### **4.6 Building improvement, equipment and equipment for lease and depreciation**

Building improvement, equipment and equipment for lease are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building improvement, equipment and equipment for lease are calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Building improvement	5	years
Furniture, fixtures and office equipment	5	years
Computers	3, 5	years
Equipment used in projects	3	years
Vehicles	5	years
Equipment for lease	3.5, 5	years

Depreciation is included in determining income.

An item of building improvement, equipment and equipment for lease is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

#### 4.7 Intangible asset and amortisation

Intangible assets are initially recognised at their cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible asset are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

Intangible assets with finite lives comprise computers software which has useful lives of 10 years.

#### 4.8 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

#### 4.9 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to the income statements over the lease period. The equipment acquired under finance leases is depreciated in the shorter of the useful life of the asset and the lease period.

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

#### **4.10 Foreign currencies**

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the balance sheet date.

Gains and losses on exchange are included in determining income.

#### **4.11 Impairment of assets**

At each reporting date, the Company performs impairment reviews in respect of the building improvement, equipment, equipment for lease and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

#### **4.12 Employee benefits**

Salaries, wages, bonuses and contributions to the social security fund and provident fund are recognised as expenses when incurred.

The Company issued warrants to purchase the ordinary shares to directors and/or employees of the Company. The transaction will be recorded in the financial statements when the warrants are exercised.

#### **4.13 Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.14 Income tax**

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

#### **4.15 Derivatives**

##### **Forward exchange contracts**

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the balance sheet date. Gains and losses from the translation are included in determining income.

## 5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at time requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

### **Estimation of revenues and costs of sales, design, service and installation of lump sum turnkey of information and communication technology network systems**

In recognising revenues and costs of sales, design, service and installation of lump sum turnkey of information and communication technology network systems, management are required to make judgement based on their best knowledge of the current events and arrangements and their experience of the business to estimate the percentage of completion and total cost of each contracts, based on information from the engineers/project managers. These estimates are revisited on a periodical basis or when the actual costs incurred significantly vary from the estimation.

### **Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risks and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### **Allowance for doubtful accounts**

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

### **Building improvement, equipment and equipment for lease and depreciation**

In determining depreciation of building improvement, equipment and equipment for lease, the management is required to make estimates of the useful lives and salvage values of the Company's building improvement, equipment and equipment for lease and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review building improvement, equipment and equipment for lease for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **Intangible assets**

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

## 6. Related party transactions

During the years, the Company and its subsidiary had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2010	2009	2010	2009	
<b>Transactions with subsidiary</b> (eliminated from the consolidated financial statements)					
Other income	-	-	0.1	0.2	Agreed upon price
Cost of sales and service	-	-	2.8	22.7	Agreed upon price
<b>Transactions with related company</b> (related by having the director who relates to the subsidiary's director)					
Sales and service income	10.0	-	-	-	Agreed upon price
Cost of sales and service	83.7	4.6	83.5	-	Agreed upon price

The balances of the accounts as at 31 December 2010 and 2009 between the Company and those related parties are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<b>Trade accounts receivable-related party</b>				
Scale Plotting Center Co., Ltd.	5.2	-	-	-
<b>Total trade accounts receivable - related party</b>	<b>5.2</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Advance payments for goods and service-related party</b>				
Scale Plotting Center Co., Ltd.	22.8	-	22.8	-
<b>Total advance payments for goods and service-related party</b>	<b>22.8</b>	<b>-</b>	<b>22.8</b>	<b>-</b>
<b>Trade accounts payable-related party</b>				
Scale Plotting Center Co., Ltd.	3.5	-	3.5	-
<b>Total accounts payable-related party</b>	<b>3.5</b>	<b>-</b>	<b>3.5</b>	<b>-</b>



During the year ended 31 December 2010, the subsidiary had loans from a related party, with no interest. The movements were as follows:

(Unit: Million Baht)

	Balance as at 1 January 2010	During the year		Balance as at 31 December 2010
		Increase	Decrease	
Director of subsidiary	-	3.4	(3.4)	-

#### Directors and management's remuneration

(Unit: Million Baht)

		Consolidated financial statements		Separate financial statements	
Related parties	Related transactions	2010	2009	2010	2009
Audit committee	Meeting allowances and directors' remunerations	3.4	2.5	3.4	2.5
Management and executive directors	Salaries, bonus, commission, meeting allowances and directors' remunerations	106.6	71.1	104.2	65.7
Directors who are not members of the audit committee or management committee	Meeting allowances and directors' remunerations	4.3	2.6	4.3	2.6

## 7. Cash and cash equivalents

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash	295,000	317,786	290,000	290,000
Bank deposits	252,509,807	244,324,439	248,784,921	242,893,699
Total	252,804,807	244,642,225	249,074,921	243,183,699

As at 31 December 2010, bank deposits in saving accounts and fixed deposits carried interests between 0.125 - 0.65 percent per annum (2009: 0.125 - 0.65 percent per annum).

## 8. Trade accounts and notes receivable

The balances of trade accounts and notes receivable as at 31 December 2010 and 2009, aged on the basis of due dates are summarised below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<b>Age of receivables</b>				
Not yet due	615,676,489	321,361,065	606,824,579	321,361,065
Past due				
Up to 3 months	339,070,795	570,508,543	339,070,795	570,508,543
3-6 months	46,290,739	111,168,234	46,290,739	111,168,234
Over 6-12 months	5,842,927	26,986,681	5,842,927	26,986,681
Over 12 months	31,814,296	71,768,329	31,814,296	71,768,329
Back to back basis	43,870,000	9,661,377	43,870,000	9,661,377
Total	1,082,565,246	1,111,454,229	1,073,713,336	1,111,454,229
Less: Allowance for doubtful accounts	(18,044,640)	(30,650,748)	(18,044,640)	(30,650,748)
Trade accounts and notes receivable-net	1,064,520,606	1,080,803,481	1,055,668,696	1,080,803,481

Included in the above as at 31 December 2010, are post-date cheques amounting to Baht 11.8 million (2009: Baht 5.9 million).

Most of the overdue trade accounts receivable balances are those receivable from government agencies and companies of which the government is a major shareholder. The Company's management believes that payment of these balances will be received in full and that the above allowance for doubtful accounts is adequate in the current circumstance.

As at 31 December 2010, the Company had no outstanding balance from the assignment of collection rights for accounts receivable to secure credit facilities from banks (2009: outstanding balance amounting to Baht 56.0 million).

## 9. Inventories

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Equipment and work in progress	767,484,258	409,714,823	765,449,418	408,502,040
Goods in transit	60,707,043	28,936,810	60,707,043	28,936,810
Total	828,191,301	438,651,633	826,156,461	437,438,850
Less: Allowance for diminution in value of inventories	(20,831,010)	(20,831,010)	(20,831,010)	(20,831,010)
Inventories-net	807,360,291	417,820,623	805,325,451	416,607,840

During the year 2009, the Company fully provided an allowance for diminution in value of inventories of a project of Baht 20.8 million since the customer postponed the project and the Company expected no usefulness from such inventories.

## 10. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure credit facilities.

## 11. Investments in subsidiary

Details of investments in subsidiary as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2010 (Million Baht)	2009 (Million Baht)	2010 (%)	2009 (%)	2010 (Baht)	2009 (Baht)
Maple Plus Co., Ltd.	20	10	55	55	10,999,400	5,499,700

During the current year, the subsidiary company did not pay a dividend.

On 1 October 2010, the Board of Director's Meeting No. 1/2553 of Maple Plus Co.,Ltd, passed a resolution to call up the remaining registered share capital. The Company paid for the capital amounting to Baht 5.5 million in November 2010.

On 1 December 2009, the Extraordinary Shareholders' Meeting No. 1/2552 of BANC Serve (Thailand) Co.,Ltd. passed a resolution approving the dissolution of the company. The Company registered its dissolution and liquidation in December 2009. The Company recorded loss from dissolution of subsidiary amounting to baht 8.0 million in the income statement of the year 2009.

## 12. Building improvement and equipment

(Unit: Baht)

	Consolidated financial statements					
	Building improvement	Furniture, fixture and office equipment	Computers	Equipment used in projects	Vehicles	Total
<b>Cost</b>						
31 December 2009	7,479,045	13,146,994	70,453,613	-	618,650	91,698,302
Additions	1,375,472	1,432,675	4,758,698	8,000,000	-	15,566,845
Disposals	-	-	-	-	(237,100)	(237,100)
31 December 2010	8,854,517	14,579,669	75,212,311	8,000,000	381,550	107,028,047

(Unit: Baht)

Consolidated financial statements						
	Building improvement	Furniture, fixture and office equipment	Computers	Equipment used in projects	Vehicles	Total
<b>Accumulated depreciation</b>						
31 December 2009	5,444,073	9,803,328	59,005,064	-	10,842	74,263,307
Depreciation for the year	876,702	1,269,256	7,669,548	80,291	84,318	9,980,115
Depreciation on disposals	-	-	-	-	(12,206)	(12,206)
31 December 2010	6,320,775	11,072,584	66,674,612	80,291	82,954	84,231,216
<b>Net book value</b>						
31 December 2009	2,034,972	3,343,666	11,448,549	-	607,808	17,434,995
31 December 2010	2,533,742	3,507,085	8,537,699	7,919,709	298,596	22,796,831
<b>Depreciation for the year</b>						
2009 (all included in administrative expenses)						9,361,277
2010 (Baht 0.1 million included in cost of sales and service, and the balance in administrative expenses)						9,980,115

(Unit: Baht)

Separate financial statements						
	Building improvement	Furniture, fixture and office equipment	Computers	Equipment used in projects	Vehicles	Total
<b>Cost</b>						
31 December 2009	6,894,705	13,070,757	69,697,463	-	618,650	90,281,575
Additions	1,375,472	1,432,675	4,736,698	8,000,000	-	15,544,845
Disposals	-	-	-	-	(237,100)	(237,100)
31 December 2010	8,270,177	14,503,432	74,434,161	8,000,000	381,550	105,589,320
<b>Accumulated depreciation</b>						
31 December 2009	5,166,201	9,769,210	58,553,089	-	10,842	73,499,342
Depreciation for the year	759,834	1,254,014	7,426,183	80,291	84,318	9,604,640
Depreciation on disposals	-	-	-	-	(12,206)	(12,206)
31 December 2010	5,926,035	11,023,224	65,979,272	80,291	82,954	83,091,776

(Unit: Baht)

	Separate financial statements					
	Building improvement	Furniture, fixture and office equipment	Computers	Equipment used in projects	Vehicles	Total
<b>Net book value</b>						
31 December 2009	1,728,504	3,301,547	11,144,374	-	607,808	16,782,233
31 December 2010	2,344,142	3,480,208	8,454,889	7,919,709	298,596	22,497,544
<b>Depreciation for the year</b>						
2009 (all included in administrative expenses)						8,969,550
2010 (Baht 0.1 million included in cost of sales and service, and the balance in administrative expenses)						9,604,640

As at 31 December 2010, certain building improvement and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 63.2 Million (2009: Baht 59.1 million) (The Company only: Baht 63.2 million, 2009: Baht 59.1 million).

### 13. Equipment for lease

(Unit: Baht)

	Consolidated / Separate financial statements
<b>Cost</b>	
31 December 2009	409,489,324
Additions	1,483,299
Disposals	(205,424,512)
31 December 2010	205,548,111
<b>Accumulated depreciation</b>	
31 December 2009	318,060,845
Depreciation for the year	3,492,959
Depreciation on disposals	(176,416,710)
31 December 2010	145,137,094
<b>Allowance for impairment loss</b>	
31 December 2009	84,634,921
Allowance for impairment loss on disposals	(29,007,802)
31 December 2010	55,627,119

(Unit: Baht)

	Consolidated / Separate financial statements
<b>Net book value</b>	
31 December 2009	6,793,558
31 December 2010	4,783,898
<b>Depreciation for the year</b>	
2009 (all included in cost of equipment for lease)	22,566,172
2010 (all included in cost of equipment for lease)	3,492,959

During the year 2009, the Company's management decided to recognise impairment loss of Baht 7.0 million for equipment for lease, since they believe that due to technology changes and the net recoverable value of the equipment is less than its net book value.

## 14. Intangible assets

Details of intangible assets which are computer software are as follows:

(Unit: Baht)

	Consolidated financial statements	Separate financial statements
<b>Cost</b>		
31 December 2009	3,881,349	3,838,300
Additions	3,669,697	3,669,697
31 December 2010	7,551,046	7,507,997
<b>Accumulated amortisation</b>		
31 December 2009	509,856	504,810
Amortisation expenses included in the income statements for the year	587,676	583,372
31 December 2010	1,097,532	1,088,182
<b>Net book value</b>		
31 December 2009	3,371,493	3,333,490
31 December 2010	6,453,514	6,419,815

## 15. Share capital

Presented below is a summary of movements in share capital during the year ended 31 December 2010 and 2009.

	Issued and fully paid-up share capital	Share premium	Date of registration of additional shares arising from exercise of warrants with the Ministry of Commerce
	(Baht)	(Baht)	
<b>Outstanding as at 31 December 2008</b>	300,000,000	220,715,902	
Increase from warrant exercise in			
August 2009	3,447,500	3,447,500	4 September 2009
September 2009	3,825	8,798	8 October 2009
<b>Outstanding as at 31 December 2009</b>	303,451,325	224,172,200	
Increase from warrant exercise in			
March 2010	13,552,970	31,171,831	7 April 2010
June 2010	1,733,250	3,986,475	6 July 2010
August 2010	3,487,500	3,487,500	3 September 2010
September 2010	6,290,785	14,468,805	6 October 2010
December 2010	2,413,480	5,551,004	7 January 2011
<b>Outstanding as at 31 December 2010</b>	330,929,310	282,837,815	

## 16 Warrants

The Annual General Meeting of the Company's shareholders held on 20 April 2007, passed a resolution to issue and offer warrants free of charge as follows:

	Warrants issued to existing shareholders	Warrants issued to the Company's directors and/or employees (ESOP)
Issued date	1 October 2007	1 October 2007
Number of warrants granted (unit)	6,000,000	3,000,000
Life of warrants (year)	5	5
Exercisable	28 December 2007 - 30 September 2012	31 August 2009 - 30 September 2012
Exercise price per 1 ordinary shares (Baht)	16.50	10.00
Exercise ratio (warrants to ordinary shares)	1:1	1:1



Presented below is a summary of movement of warrants:

(Unit)

	Warrants issued to existing shareholders	Warrants issued to the Company's directors and/ or employees (ESOP)
Number of warrants issued	5,999,972	3,000,000
Exercised during the year 2009	(765)	(689,500)
Expired during the year 2009	-	(180,000)
Balance as at 31 December 2009	5,999,207	2,130,500
Exercised during the year 2010	(4,798,097)	(697,500)
Balance as at 31 December 2010	1,201,110	1,433,000

## 17. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the Company had fully appropriated statutory reserve.

## 18. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Purchase inventories	2,477,829,342	2,030,462,820	2,467,708,577	2,023,999,684
Changes in inventories	(275,574,090)	106,450,645	(273,173,606)	96,298,919
Salary, bonus, commission and other employee benefits	454,031,501	429,536,815	447,316,917	417,448,641
Installation and services expense	803,080,546	409,680,202	803,080,546	409,680,202
Repair and maintenance expense	95,714,465	61,719,538	95,713,365	61,719,433
Depreciation and amortisation	14,060,750	32,238,058	13,680,972	31,842,301
Entertainment expenses	44,398,924	41,144,090	44,331,930	40,079,351
Loss from diminution in value of inventories	-	20,831,010	-	20,831,010
Impairment loss on equipment for lease	-	7,000,000	-	7,000,000

## 19. Earnings per share

Basic earnings per share is calculated by dividing net income for the year by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing net income for the year by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

Calculation of basic earnings per share and diluted earnings per share is presented below:

Consolidated financial statements						
Net income		Weighted average number of ordinary shares		Earnings per share		
2010 (Thousand Baht)	2009 (Thousand Baht)	2010 (Thousand shares)	2009 (Thousand shares)	2010 (Baht)	2009 (Baht)	
<b>Basic earnings per share</b>						
Net income attributable to equity holders of the parent	388,368	312,207	63,518	60,244	6.11	5.18
<b>Effect of dilutive potential ordinary shares</b>						
ESOP	-	-	1,333	1,150		
Warrants issued to existing shareholders	-	-	1,774	325		
<b>Diluted earnings per share</b>						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	388,368	312,207	66,625	61,719	5.83	5.06

Separate financial statements						
Net income		Weighted average number of ordinary shares		Earnings per share		
2010 (Thousand Baht)	2009 (Thousand Baht)	2010 (Thousand shares)	2009 (Thousand shares)	2010 (Baht)	2009 (Baht)	
<b>Basic earnings per share</b>						
Net income attributable to equity holders of the parent	385,871	311,038	63,518	60,244	6.07	5.16
<b>Effect of dilutive potential ordinary shares</b>						
ESOP	-	-	1,333	1,150		
Warrants issued to existing shareholders	-	-	1,774	325		
<b>Diluted earnings per share</b>						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	385,871	311,038	66,625	61,719	5.79	5.04

## 20. Segment information

The Company and its subsidiary' business operations involve 2 principal segments: (1) sales and service and (2) rental of computers and electronic equipment. These operations are mainly carried on in Thailand. Below is the financial information for the years ended 31 December 2010 and 2009 of the Company and its subsidiary by segment.

(Unit: Million Baht)

	Sales and service segment		Renting segment		Consolidated financial statements	
	2010	2009	2010	2009	2010	2009
Revenues	4,534	3,843	19	28	4,553	3,871
Segment income (loss)	942	873	15	(2)	957	871
Unallocated income and expenses						
Other income					26	5
Selling expenses					(172)	(185)
Administrative expenses					(156)	(184)
Management benefit expenses					(114)	(76)
Finance cost					(6)	(13)
Corporate income tax					(147)	(108)
Minority interest					-	2
Net income					388	312

(Unit: Million Baht)

	Sales and service segment		Renting segment		Consolidated financial statements	
	2010	2009	2010	2009	2010	2009
Trade accounts and note receivable - net	1,059	1,079	6	2	1,065	1,081
Unbilled receivable - net	72	29	1	4	73	33
Inventories - net	807	418	-	-	807	418
Advance payments for goods and service	88	52	-	-	88	52
Equipment for lease - net	-	-	5	7	5	7
Unallocated assets					359	353
Total assets					2,397	1,944

Transfer prices between business segments are as set out in Note 6 to the financial statements.

## 21. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the fund monthly at the rate of 5-15 percent of basic salary. The fund, which is managed by MFC Asset Management Public Company Limited and ING Funds (Thailand) Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2010, the Company contributed Baht 17.3 million (2009: Baht 16.5 million) to the fund.

## 22. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends in respect of the year 2008 income	The 2009 Annual General Meeting of the Company's shareholders held on 24 April 2009	90.0	1.50
Interim dividends in respect of the income of the six-month period ended 30 June 2009	The Board of Directors's meeting of the Company held on 11 August 2009	75.0	1.25
		165.0	2.75
Final dividends in respect of the year 2009 income	The 2010 Annual General Meeting of the Company's shareholders held on 23 April 2010	142.7	2.25
Interim dividends in respect of the income of the six-month period ended 30 June 2010	The Board of Directors's meeting of the Company held on 6 August 2010	95.6	1.50
		238.3	3.75

## 23. Commitments and contingent liabilities

### 23.1 Operating lease commitments

The Company and its subsidiary have entered into several lease agreements in respect of leases of buildings and motor vehicles. The terms of the agreements are generally between 1 and 4 years.

As at 31 December 2010, future minimum lease payments required under these leases contracts were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Lease of buildings	Lease of motor vehicles	Lease of buildings	Lease of motor vehicles
Payable within				
Less than 1 year	7.4	4.7	7.3	4.5
1 to 3 years	2.0	6.1	2.0	6.1

### 23.2 Obligations relating to undelivered and unrendered contracts

1. The Company and its subsidiary have undelivered and unrendered contracts of selling goods and rendering services to their customers of approximately Baht 2,651 million (2009: Baht 1,696 million) (The Company only: Baht 2,637 million, 2009: Baht 1,690 million).
2. The Company has engaged in various contracts, totaling contract value of future service rendering of Baht 15 million (2009: Baht 20 million), to lease the electronic equipment to companies of which the government is a major shareholder, government agencies and various schools. The company has obliged to complete the equipment installation and render maintenance services of these equipment in accordance with conditions stipulated in the contracts.
3. The Company has executed a memorandum with a company to arrange, and install voice mail system equipment and software to that company to render the services to subscriber for a period as from 1 August 2006 to 30 November 2011. The Company will obtain service charges as a percentage of that company's revenue. The Company is, therefore, obliged to complete the equipment installation, render maintenance services of the equipment, pay network connection cost on a monthly basis and abide by others conditions stipulated in the contract. The Company will also transfer ownership of these equipment to such company on the contract's expiration date.

### 23.3 Guarantees

As at 31 December 2010, there were outstanding bank guarantees of approximately Baht 1,055.9 million (2009: Baht 842.0 million) which have been issued by banks on behalf of the Company, its subsidiary, its contracted counter parties and consortium between the Company and its subsidiary/its contracted counter parties, guaranteed by the Company, in respect of certain performance bonds as required in the ordinary course of its businesses. These included letters of guarantee amounting to Baht 1,053.8 million to guarantee contractual performance and Baht 2.1 million to guarantee payments due to creditors.

## 24. Financial instruments

### 24.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investment, trade accounts and note receivable, restricted bank deposits, short-term loans, trust receipt and trade accounts payable. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts and notes receivable. However, due to a prudent credit policy and most customers are government agencies, companies in which the government is a major shareholder, the company does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of accounts and note receivable as stated in the balance sheets.

### Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, short-term loans and trust receipt. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2010 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	Consolidated financial statements				Interest rate
	Fixed interest rate due within 1 year	Floating interest rate	Non-interest bearing	Total	
	(Million Baht)				
Financial Assets					
Cash and cash equivalents	-	253	-	253	0.125 - 0.65
Current investments	3	-	-	3	0.5
Trade accounts and notes receivable	-	-	1,065	1,065	-
Restricted bank deposits	56	-	-	56	0.8 - 1.05
	59	253	1,065	1,377	
Financial liabilities					
Trade accounts payable	-	-	664	664	-
	-	-	664	664	

	Separate financial statements				Interest rate
	Fixed interest rate due within 1 year	Floating interest rate	Non-interest bearing	Total	
	(Million Baht)				
Financial Assets					
Cash and cash equivalents	-	249	-	249	0.125 - 0.65
Current investments	3	-	-	3	0.5
Trade accounts and notes receivable	-	-	1,056	1,056	-
Restricted bank deposits	56	-	-	56	0.8 - 1.05
	59	249	1,056	1,364	
Financial liabilities					
Trade accounts payable	-	-	663	663	-
	-	-	663	663	

### **Foreign currency risk**

The Company exposures to foreign currency risk arises mainly from purchasing inventories that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2010, the Company had outstanding balance of trade accounts payable denominated in foreign currency of USD 6.6 million and had certain forward exchange contracts which had been made to cover the purchase of inventories totaling USD 3.7 million, at exchange rates ranging between Baht 29.66 to Baht 30.23 per USD.

### **24.2 Fair values of financial instruments**

Since the majority of the Company's financial assets and liabilities are short-term in nature, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

## **25. Capital management**

The primary objectives of the Company's capital management is to ensure that it has an appropriate financing structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at 31 December 2010, the Group's debt-to-equity ratio was 0.9:1 (2009: 0.9:1) and the Company's was 0.9:1 (2009: 0.9:1).

## **26. Subsequent events**

On 21 February 2010, the Board of Directors's meeting No. 1/2554 of the Company passed a resolution to propose the payment of a dividend in respect of the 2010 earnings of Baht 3.00 per share. A proposal to distribute such dividend will be presented for approval in the forthcoming Annual General Meeting of the Company's shareholders.

## **27. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2011.

# Management's Discussion and Analysis

## 1. Overview of the Past Performance

In 2010, the Company had a successful year even operating in a higher level of ICT market competition. The Company also faced highly fluctuated foreign currency exchange rates. In summary, the Company successfully increased its revenues significantly from 2009 whilst Maple Plus Co., Ltd., a subsidiary company, could have better operating results due to gaining more revenues from external customers. However, as Maple Plus's performance is not significant to the consolidated financial statement, the discussion and analysis in 2010 in this section will be based on the separate financial statement.

The Company's operating performance can be summarized by business as follows:

### 1.1 Sales and Services Business

Revenues from sales and services business consisted of sales of equipment, sales of software and program development, sales of turnkey projects (consultation, design, installation and training), and repair and maintenance services according to services agreement and after sales services as a condition of quality assurance. The summary of financial performance is as follows:

**Table comparing revenues and costs of sales and services business**

	2010	2009	2008
Revenues from sales and services business (million Baht)	4,520	3,843	3,190
Increase (Decrease) in revenues from prior year in percentage (%)	17.6	20.5	128.5
Costs of sales and services business (million Baht)	3,585	2,953	2,468
Increase (Decrease) in costs from prior year in percentage (%)	21.4	19.7	132.2
Gross Profit Margin (%)	20.7	23.2	22.6

Major source of the Company's revenues comes from sales and services business which accounted for 99.0% of total revenues in 2010, the ratio of 99.0% is in line with figures in 2009 and 2008. Revenues from sales and services business increased accordingly from previous years, the revenues in 2010 were around 4,520 million Baht compared to 3,843 million Baht of revenues in 2009, or an increase of 677 million Baht or 17.6% growth. The higher revenues were mainly due to higher value of projects which the Company won the bids as shown in the table below. For example, there were 11 projects worth more than 100 million Baht in 2010 while 5 projects were recorded in 2009; there were 30 projects worth 20-50 million Baht in 2010 while 20 projects were recorded in 2009. Most projects were from key customers namely TOT Plc., CAT Telecom Plc., Ministry of Education, and large corporations. Main projects in 2010 were:



#### TOT Plc.

- Billing Project which included several related projects such as installation of storage for internal use of TOT Plc., installation of printer and inserter machine for invoice statement, Electronic Cash Register (ECR)
- Other large scale projects such as installation of networking equipments for IP-VPN service as a replacement of equipments of E1 Phase 3, sale of equipment for Multi Chassis, installation of equipments for ISP service, and sale of CISCO equipments for Metro LAN 3G

#### CAT Telecom Plc.

- Access Switch Project

#### Office of the Higher Education Commission

- Turnkey Project for design and installation of Fiber Optic Cable Network which is a 3 year project started in 2009

#### Large Corporations

- Sale of router to SVOA Plc. For the project of Office of the Higher Education Commission

As for 2009, the Company reported revenues of 3,843 million Baht, an increase of 653 million Baht or 20.5% compared to 3,190 million Baht in 2008. Main projects in 2009 were: Remote Fiber Test System (RFTS), TOT Plc.; IP Core 970, CAT Telecom Plc.; and Broadband IP project and IP Network Adjustment projects from large corporations.

**Table Comparing Revenues from Sales and Services**

Income recognized by project (million Baht)	No. of Projects (Projects)		
	2010	2009	2008
>100 million Baht	11	5	4
50-100 million Baht	7	7	7
20-50 million Baht	30	20	24
10-20 million Baht	28	28	20
<10 million Baht	415	428	425
Total project value which >10 million Baht	3,940	3,352	2,655
Total project value	4,520	3,843	3,190
No. of projects (Projects)	491	488	480

Costs of sales and services consisted of expenses in bidding projects, purchases of equipments, purchase of software, professional fee for developing, design and installation of system, expenses related to employees working in project implementation and after sales services.

Costs of sales and services varied according to sales generated but the growth of costs of sales and services from 2009 to 2010 was 21.4% compared to 17.6% of revenues growth from 2009 to 2010, thus made gross profit margin in 2010 around 20.7% while 2009 gross profit margin was 23.2%. The lower gross profit margin was mainly due to lower profit of large projects delivered to customers in 2010 as a result of higher competition in the business and project type, for example, sale of equipment project normally generates lower gross profit margin, replacement of an old system and transferring data to a

new platform which requires highly skilled staff, and a special discount project to win the bid as a trade-off for future projects.

Gross profit margin of sales and services business in 2009 was 23.2%, increased from 22.6% in 2008. The higher gross profit in 2009 was a result of higher revenues growth 20.5% from 2008 to 2009 compared to the growth of costs of sales and services 19.7% in the same period, the major cause was projects in 2008 were mainly sales of equipments which generated lower margin compared to turnkey projects.

## 1.2 Equipments for Lease Business

Revenues from equipment for lease business showed a decreasing trend in revenues as shown in the below table. Main reason for such decrease was due to the fact that a number of contracts which the Company had invested intensively in 2003-2006 were already expired whereas the remaining projects have low contract value. Major customers were stated owned enterprises, government agencies, and educational institutions.

**Table showing revenues and costs of equipments for lease business**

	2010	2009	2008
Income from equipment for lease business (million Baht)	19	28	111
Increase (Decrease) in income from prior year in percentage (%)	(32.0)	(74.9)	(54.1)
Costs of equipment for lease business (million Baht)	3	23	127
Increase (Decrease) in costs from prior year in percentage (%)	(84.7)	(82.2)	(14.6)
Gross Profit Margin (%)	81.5	17.9	(15.4)

Revenues from equipment for lease business in 2010 were around 19 million Baht, a decrease of 9 million Baht or 32.0% decrease from 2009 which revenues were around 28 million Baht. In 2009, the decrease in revenues were more serious as revenues in 2009 decreased from 2008 around 111 million Baht or 74.9% decrease, a very significant drop in revenues from 111 million Baht in 2008 to 28 million Baht in 2009. On the other hand, the costs of equipments for lease, which normally comprise of the depreciation of equipments and repair and maintenance cost of equipments, continued to decrease in line with the reduction in rental income.

Gross profit margin of equipments for lease business was very fluctuating when comparing year on year. In 2008, gross profit margin was negative mainly due to much lower than expected rental income on the renewal contracts and rental income recognition was adjusted retrospectively meanwhile the depreciable life of equipments was changed from 5 years to 3.5 years, repair and maintenance expenses were increasing in conjunction with the condition of the equipments, particularly the ones with long usage life, thereby causing loss profit margin of equipments for rent business in 2008.

Gross profit margin in 2009 showed an improvement from 2008 as the revenues from equipment for lease business had been already adjusted down in 2008. In addition, the projects which revenues

had been adjusted down were expired. Therefore, gross profit margin in 2009 was positive. Gross profit margin in 2010 increased from 2009 as there had no adjustment on lease rate as well as no more effect from change in depreciable life of equipments.

### 1.3 Other Incomes

Other incomes of the Company consisted of the followings:

(Unit: million Baht)

	2010	2009	2008
Interest income	1.0	1.2	2.4
Income from sales promotion	7.1	3.5	10.5
Gain on sale of assets	1.6	0.7	-
Gain on foreign exchange rate	5.5	-	6.9
Reversal of allowance for doubtful accounts	10.1	-	-
Interest income from overdue payments	-	-	3.7
Others	1.1	0.2	0.1
Total other income	26.4	5.6	23.6

In 2010, the Company recorded other revenues of around 26.4 million Baht, compared to 2009 which other revenues were only 5.6 million Baht. The higher revenues in 2010 were mainly due to:

- 1) Reversal of allowance for doubtful accounts
- 2) Gain on foreign exchange rate. As Thai Baht appreciated against US Dollars, the Company realized the gain on foreign exchange rate when paying its debt.
- 3) Income from sales promotion

On the other hand, other incomes in 2009 were 5.6 million Baht, decreased from 23.6 million Baht in 2008. The lower incomes in 2009 were mainly due to:

- 1) Decrease in income from sales promotion
- 2) Decrease in interest income due to restricted bank deposits
- 3) The Company had a gain on foreign exchange rate in 2008 while loss on foreign exchange in 2009
- 4) The Company also had interest income from overdue payments in 2008

### 1.4 Selling and Administrative Expenses

Selling and administrative expenses will vary according to the operating revenue as shown in the table below.

Table showing selling and administrative expenses

(Unit: million Baht)

	2010	2009	2008
Selling expenses	172.1	183.7	140.7
Administrative expenses	154.2	178.0	156.7
Management benefit expenses	111.9	70.8	55.8
Total selling and administrative expenses	438.2	432.5	353.2

However, in 2010 revenues and expenses were not on the same track, as revenues increased from 2009 to 2010 but both selling expenses and administrative expenses decreased from 2009 to 2010. As one executive senior vice president whom his salary and benefits reported in "Management benefit expenses" had retired from the Company in 2010, the Company had to up level in reporting all senior vice presidents' salaries and benefits as part of Management benefit expenses. Therefore, the management benefit expenses increased significantly from 2009 to 2010.

Total selling and administrative expenses in 2010 were 438.2 million Baht, 5.7 million Baht higher from 2009 amounting to 432.5 million Baht or 1.5% increase. Compared to the 17.6% increase of revenues from 2009 to 2010, the increase of selling and administrative expenses showed a slight increase as a result of lower commission paid to sales employees due to lower gross profit margin recorded in large projects. However, some items of selling and administrative expenses in 2010 were higher than prior year such as entertainment, donation, and fine for late project delivery.

In 2009, total selling and administrative expenses were 432.5 million Baht, 79.3 million Baht higher from 2008 amounting to 353.2 million Baht or 22.5% increase comparing to the increase in 2009 20.5%. This was primarily resulting from an increase in employee's related expenses such as salary, variable performance bonus, sales commission, entertainment, coordination and selling expenses.

### 1.5 Other Expenses

Other expenses in 2010 can be shown in the table below.

(Unit: million Baht)

	2010	2009	2008
Loss from impairment of assets	-	27.8	49.4
Loss from dissolution of subsidiary	-	8.0	-

In 2010, the Company had no record of other expenses which were loss from impairment of assets and loss from dissolution of subsidiary. However, in 2009 and 2008, the Company recorded loss from impairment of assets which were serviced to state owned enterprises, educational institutions, and large corporations. The major reason of recording loss as expenses was due to the fact that the value estimated by discounted cash flow method was less than net book value.

In 2009, the Company registered its dissolution and liquidation of its subsidiary, BANC Serve Co., Ltd., as the business had been operating at loss and could not achieve sales targets in banking services.

## 1.6 Net Profit and Net Profit Margin

(Unit: million Baht)

	2010	2009	2008
Net Profit (million Baht)	386	311	218
Increase (Decrease) in net profit from prior year in percentage (%)	24.1	42.7	129.5
Net Profit Margin (%)	8.5	8.0	6.6

Net Profit in 2010 was around 386 million Baht, 75 million Baht higher than 2009 which was 311 million Baht or 24.1% increase. Compared to the 17.6% increase of revenues from 2009 to 2010, it was evident that the increase of revenue was so far from break even point that fixed expenses were more diminished increase, and resulted in higher net profit margin at 8.5% in 2010, compared to 8.0% in 2009. However, if exclude loss from impairment of assets and loss from dissolution of subsidiary from financial statements (around 0.9% of total revenues), net profit in 2009 would be higher than 2010 as the company could make higher gross profit from large projects in 2009 than 2010.

Net profit margin in 2008 was around 6.6% and already included the loss from impairment of assets amounted to 1.5% of total revenues. Excluding the loss from impairment of assets, the net profit margin in 2008 would nearly equal at approximately 8.1% and in line with gross profit margin made in 2009 and 2010.

## 1.7 Return on Equity

Based on the past performance, the Company has continued to pay dividend to shareholders. As for 2010, 2009 and 2008, the Company also paid interim dividends given its solid performance. During the past 3 years, the history of the Company's dividend payments is as follows:

Table showing dividend payout

	2010****	2009***	2008**
Basic Earnings Per Share (Baht)	6.07	5.16	3.63
Dividend (Baht per Share)	4.50	3.50	2.75
Dividend Payout Ratio (%)	76.24%	69.98%	75.73%
No. of Shares (Million Shares)*	66.20	60.70	60.00

Remarks:

\* The par value is at 5 Baht per share

\*\* The Board of Directors' Meeting on 14 August 2008 passed a resolution to pay an interim dividend of 1.25 Baht per share. Later, the Board of Directors' meeting on 23 February 2009 passed a resolution to pay a dividend for 2008's performance at 1.50 Baht per share.

\*\*\* The Board of Directors' Meeting on 11 August 2009 passed a resolution to pay an interim dividend of 1.25 Baht per share. Later, the Board of Directors' meeting on 23 February 2010 passed a resolution to pay a dividend for 2009's performance at 2.25 Baht per share.

\*\*\*\* The Board of Directors' Meeting on 6 August 2010 passed a resolution to pay an interim dividend of 1.50 Baht per share. Later, the Board of Directors' meeting on 21 February 2011 passed a resolution to pay a dividend for 2010's performance at 3.00 Baht per share. The Company will propose such dividend payment at the Annual General Meeting of the Company's shareholders for further approval.

## 2. Financial Status

### 2.1 Assets

	Separate Financial Statements					
	2010		2009		2008	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
<b>Assets</b>						
Cash and Cash Equivalents	249,075	10.4	243,184	12.5	164,161	9.7
Current Investment	3,023	0.1	-	-	-	-
Trade Accounts and Notes Receivable - Net	1,055,669	44.1	1,080,803	55.6	820,744	48.5
Unbilled Receivables	73,037	3.1	32,637	1.7	67,866	4.0
Inventories - Net	805,325	33.7	416,608	21.4	481,856	28.5
Other Current Assets	94,563	3.9	57,170	2.9	4,587	0.3
<b>Total Current Assets</b>	<b>2,280,692</b>	<b>95.3</b>	<b>1,830,402</b>	<b>94.1</b>	<b>1,539,214</b>	<b>91.0</b>
Restricted Bank Deposits	56,229	2.4	73,271	3.8	78,248	4.6
Investment in Subsidiaries	10,999	0.5	5,500	0.3	13,499	0.8
Buildings and Equipments - Net	22,498	0.9	16,782	0.9	18,326	1.1
Equipments for Lease - Net	4,784	0.2	6,794	0.3	36,360	2.1
Intangible Assets - Net	6,420	0.3	3,333	0.2	1,608	0.1
Other Non-current Assets	10,884	0.4	8,176	0.4	4,235	0.3
<b>Total Non-current Assets</b>	<b>111,814</b>	<b>4.7</b>	<b>113,856</b>	<b>5.9</b>	<b>152,276</b>	<b>9.0</b>
<b>Total Assets</b>	<b>2,392,506</b>	<b>100.0</b>	<b>1,944,258</b>	<b>100.0</b>	<b>1,691,490</b>	<b>100.0</b>

Total assets in 2010 equaled to 2,393 million Baht, an increase of 23.0% or 448 million Baht from 1,944 million Baht in 2009. Current assets were the major portion of assets which accounted around 95.3% of total assets. Assets which increased significantly from 2009 to 2010 were: inventories, increase of 389 million Baht; advance payments for goods and service, increase of 36 million Baht; and accounts receivables and unbilled receivable, increase of 15 million Baht.

Inventories were high mainly due to higher value of equipments, work in progress, and goods in transit recorded as a result of higher revenues in 2010. However, as some large projects had not been finished or delivered to customers due to long project term such as a turnkey project installation of Fiber Optic Cable Network which required 3 years to finish the contract, thus resulted in higher value of work in progress. The major projects were Fiber Optic Cable Network, Office of Higher Education Commission; Sale of router, SVOA Plc.; Billing Project, TOT Plc.; and Data preparation for support management's decision, PEA.

The increase in advance payments for goods and service from 2009 to 2010 was mainly due to payments in advance for many large projects which were still in the process to deliver to customers. In addition, such large projects were project design and development which required longer time for implementation than installation project.

Net trade account, note receivables, and unbilled receivables increased from 2009 to 2010 as the Company realized higher value of projects based on project delivery and percent completion of project.

On the other hand, some items of current assets decreased from 2009 to 2010, for example, a decrease of 17 million Baht in restricted bank deposits as a result of successful negotiations with financial institutions for the reduction in value of restricted bank deposits.

Total assets in 2009 equaled to 1,944 million, an increase of 14.9% or 253 million Baht from 1,691 million Baht in 2008. Such increase was primarily due to an increase during year-end in cash and cash equivalent from large account receivable payment and trade account receivables given an increase in sales volume in 2009 compared to 2008. Nonetheless, some current assets had decreased from 2008 to 2009, for example, a decrease in inventory which was due to a loss from the impairment of projects.

## 2.2 Liabilities

Separate Financial Statements						
2010		2009		2008		
Thousand		Thousand		Thousand		
Baht	%	Baht	%	Baht	%	
<b>Liabilities and Shareholders' Equity</b>						
Short-term Loan from Financial Institutions	-	-	-	365,000	21.5	
Trust Receipts	-	-	-	33,884	2.0	
Trade Account Payables	662,903	27.7	471,996	24.3	217,794	12.9
Unbilled Payables	165,106	6.9	131,936	6.8	91,415	5.4
Other Current Liabilities	300,284	12.6	309,857	15.9	105,873	6.3
<b>Total Current Liabilities</b>	<b>1,128,293</b>	<b>47.2</b>	<b>913,789</b>	<b>47.0</b>	<b>813,966</b>	<b>48.1</b>
<b>Total Liabilities</b>	<b>1,128,293</b>	<b>47.2</b>	<b>913,789</b>	<b>47.0</b>	<b>813,966</b>	<b>48.1</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>2,392,506</b>	<b>100.0</b>	<b>1,944,258</b>	<b>100.0</b>	<b>1,691,490</b>	<b>100.0</b>

At the end of 2010, the Company reported 1,128 million Baht of total current liabilities, an increase of 23.5% or 215 million Baht from 914.0 million Baht of total current liabilities in 2009. Such increase was mainly due to 1) an increase in trade account payables amounted 191 million Baht 2) an increase in unbilled payables for the amount of 33 million Baht. The increase resulted from almost all items in the liabilities, which normally varied according to the number of awarded projects and the distribution of projects acquired during the year. Other current liabilities decreased slightly from 2009 to 2010 as a result of an offset between a decrease of advanced payment received from customers around 57 million Baht and an increase of sales tax and sales tax payables of projects delivered to customers in late 2010, amounting to 47 million Baht.

In 2009, the Company reported 914 million Baht of total current liabilities, an increase of 12% or 100 million Baht from 814.0 million Baht of total current liabilities in 2008. Such increase was mainly attributable to 1) an increase in trade account payables amounted 254 million Baht 2) an increase of the unbilled payables for the amount of 41 million Baht 3) an increase in accrued expenses for the amount

of 54 million Baht. The increase of total liabilities in 2009 was driven by the increase of revenue in 2009. In order to make higher revenue, the Company needed to buy more products and services from suppliers and yet resulted in higher trade account payables as well as unbilled payables. Moreover, the Company also had an increase in advanced payment payable for the amount of 119 million Baht upon winning the bid for large project thereby receiving advanced payment from customers nearly the end of 2009, with the net effect of from the decrease in short term loan from financial institutions and trust receipts amounting to 399 million Baht.

### 2.3 Shareholders' Equity

The Annual General Meeting of the Company's shareholders held on 20 April 2007, passed a resolution to issue and offer warrants free of charge by separating into warrants for existing shareholders and warrants for directors and/or employees which details are shown as follows:

	Issued and fully paid-up share capital	Share premium	Warrants issued to	
			Existing Shareholders	Company's directors and/or employees (ESOP)
	Thousand Baht		(unit)	
<b>Balance as at 31 December 2008</b>	300,000	220,716	5,999,972	3,000,000
Additional shares from exercising warrants				
Exercised during the year 2009	3,451	3,456	(765)	(689,500)
Expired during the year 2009	-	-	-	(180,000)
<b>Balance as at 31 December 2009</b>	303,451	224,172	5,999,207	2,130,500
Additional shares from exercising warrants				
Exercised during the year 2010	27,478	58,666	(4,798,097)	(697,500)
<b>Balance as at 31 December 2010</b>	330,929	282,838	1,201,110	1,433,000

### 2.4 Liquidity

#### Cash Flow Statements

Unit: million Baht

	2010	2009	2008
<b>Cash Flow Statements</b>			
Cash Flow from (used in) Operating Activities	168,300	639,503	(46,294)
Cash Flow from (used in) Investing Activities	(10,340)	(3,806)	(5,655)
Cash Flow from (used in) Financing Activities	(152,069)	(556,674)	193,436
Net Increase (Decrease) in Cash and Cash Equivalents	5,891	79,023	141,482



In 2010, the Company had an increase in net cash flow of 6 million Baht. Cash inflow from operating activities of 168 million Baht was due to better operating performance, longer credit terms of trade account payables from 42 days in 2009 to 57 days in 2010, part of cash flow from operating activities were spent in inventories and advance payments for goods. The Company had invested in building improvement and office equipments around 10 million Baht. The Company also invested in software copyrights and equipments for lease business, as well as an additional fund of a subsidiary company - Maple Plus Co., Ltd. However, the Company also received interest from restricted bank deposits. The Company spent 152 million Baht for paying dividend as well as interim dividend which netting off with more money from warrant exercises.

In 2009, the Company had an increase in net cash flow of 79.0 million Baht. Cash inflow from operating activities of 640 million Baht was due to better operating performance, longer credit terms of trade account payables and accrued expenses as well as accrued sale commissions expenses netting off with higher trade account receivables. Cash outflow from investing activities of 4 million Baht largely caused by the investment in office supplies and software copyrights netting off with the restricted bank deposits. Cash outflow financing activities of 557 million Baht was mainly attributable to the repayment of short-term loans from financial institutions and trust receipt as well as dividend payment netting off with more money from capital injection.

In 2008, the Company had an increase in net cash flow of 142 million Baht. Cash outflow from operating activities of 46 million Baht mainly resulted from the overdue account receivables and investment in inventory. Cash outflow from investing activities of 6 million Baht resulted from investments in the subsidiary company named BANC Serve Co., Ltd. and building improvement and equipment netting off with the withdrawal of project's restricted bank deposits. However, the Company had 194 million Baht of cash inflow from the financing activities arising from both short-term loans and trust receipt netting off dividend payment.

### Liquidity Ratio

Financial Ratios	Separate Financial Statements		
	2010	2009	2008
Liquidity Ratio			
Liquidity Ratio (times)	2.02	2.00	1.89
Quick Ratio (times)	1.22	1.48	1.29
Cash Ratio (times)	0.16	0.74	(0.07)
Trade Account Receivables Turnover (times)	4.05	3.87	4.70
Average Days Sale Outstanding (days)	89	93	77
Inventory Turnover (times)	5.87	6.62	5.74
Average Days Sale Period (days)	61	54	63
Account Payables Turnover (times)	6.32	8.63	10.39
Average Days Payable Outstanding (days)	57	42	33
Cash Cycle (days)	93	105	107

The Company's liquidity ratio had shown an improvement from 2008 to 2010, the liquidity ratio was 1.89 times, 2.00 times, and 2.02 times respectively. Average days sale outstanding decreased from 93 days in 2009 to 89 days in 2010 whilst average days payable outstanding increased from 42 days in 2009 to 57 days in 2010, thus the Company's cash cycle decreased from 105 days in 2009 to 93 days in 2010. However, the Company's quick ratio decreased from 1.48 times in 2009 to 1.22 times in 2010 as the Company had more number of projects in progress.

In 2009, the Company's liquidity ratio had increased from 1.89 times in 2008 to 2.00 times given longer credit terms from large account payables. As a result, average days payable outstanding had increased from 33 days in 2008 to 42 days in 2009 accompanied by the improved inventory cycle from 5.74 times in 2008 to 6.62 times in 2009. Although the account receivable turnover had lengthen the days sale outstanding from 77 days in 2008 to 93 days in 2009, the liquidity ratio in 2009 was still able to increase from that of 2008, same as the improvement in cash cycle from 107 days in 2008 to 105 days in 2009.

## 2.5 Capital Expenditures

In 2010, the Company invested in building improvement, equipments, and software copyrights with total amount of 19 million Baht, an increase of 9 million Baht from 2009. The building improvement was aimed to expand office space to cope with the Company's future works while the investment in equipments was the replacement of end useful life equipments. In addition, the Company invested in equipment for lease and invested in the subsidiary company, Maple Plus Co., Ltd., which equals to 5.5 Million Baht for fully paid up registered share capital from the previous investment 5.5 million Baht in 2007.

In 2009, the Company invested in office supplies and software copyrights for its normal business operations. The Company cut down its investment in equipments in 2009.

In 2008, the Company invested in the ordinary shares of the subsidiary company - BANC Serve Co., Ltd. for 8 million Baht. However, in 2009 the Company liquidated BANC Serve Co., Ltd. as the business was not successful in making sales for Banking services.

## 2.6 Sources of Funds

The Company's debt to equity ratios, 0.89, 0.89 and 0.93 times in 2010, 2009, and 2008, respectively, clearly reflected its stability in terms of the financial policy which utilized more money from shareholders' equities than financial borrowings.

### Other Significant Financial Ratios

Financial Ratios	Separate Financial Statements		
	2010	2009	2008
<b>Profitability Ratio</b>			
Gross Profit Margin - Sales and Services (%)	20.69%	23.16%	22.64%
Gross Profit Margin - Equipment for Lease (%)	81.51%	17.93%	(15.40%)
Operating Profit Margin (%)	11.29%	11.02%	9.17%
Cash to Profit Ratio (%)	32.85%	149.89%	(15.27%)
Net Profit Margin (%)	8.45%	8.02%	6.55%
Return on Equity (%)	33.63%	32.60%	25.83%
<b>Efficiency Ratio</b>			
Return on Assets (%)	17.81%	17.11%	14.72%
Return on Fixed Assets (%)	1,571.27%	876.24%	260.81%
Asset Turnover (times)	2.11	2.13	2.25
<b>Financial Policy Ratio</b>			
Debt to Equity Ratio (times)	0.89	0.89	0.93
Interest Coverage Ratio (times)	52.02	59.22	5.54
Debt Service Coverage Ratio (Cash Basis) (times)	0.66	1.19	(0.27)
Dividend Payout Ratio (%)	76.24%	69.98%	75.73%

## Relationship with Investors

The Board of Directors has placed a great emphasis on the accuracy, completeness, transparency and widely disclosed when report the financial and general information, including any material information that may affect the Company's share price. Normally, the disclosure of information to investors and relevant parties will be done through the Stock Exchange of Thailand's channel and published media. The Company has also set up a particular division to take care of the disclosure of information to shareholders, analysts, and other related institutions.

The Company opens various communication channels to help shareholders and investors stay informed of any up-to-date news,

1. Website: <http://www.ait.co.th>

The Company has collected various important information on the website, including list of the Board of Directors, share price, annual report, and other information for shareholders such as list of major shareholders, shareholders' meeting and dividend policy. Shareholders and investors are also free to ask any questions or queries about AIT by filling in the required form on the Company's website.

2. Tel: +66 (0) 2275 9400
3. email: [ir@ait.co.th](mailto:ir@ait.co.th)
4. Quaterly Opportunity Day

## Corporate Social Responsibility (CSR)

Advanced Information Technology Plc. has given continual importance to corporate social responsibility with respect to various stakeholders, ranging from shareholders, customers, employees to social as a whole. Our focus lies on good corporate governances in tandem with responsibilities for social and environment.

The Company fully realizes that the key measures of corporate success do not rely only upon profitability, performance growth, and financial results, but also in terms of being a good member of the society, promoting ethical business conduct, and supporting communities as well as social disable persons to be able to improve and depend on themselves. The key to sustainable growth is from building a strong foundation for social stability. Hence, a corporate should operate its business while continue to foster social and community development. The Company is truly committed to conduct business under the good governance principle. At the same time, one of the Company's practices is to return something back to the society, such as improving social quality by creating technology and system that helps improve knowledge for youths, a key foundation in building sustainable growth of the society with happiness.

Apart from adhering to business ethics and good corporate governance guidelines through the setting up of policies in relation to internal control, risk management and monitoring, the Board of Directors also encourages and supports the Company in helping society, giving advice and follow up the results of social activities, which are being reported to the annual Board of Directors' meeting. There is evidence of the Company's activities arranged annually by our employees that provide benefits to the society and environment.

## Activities that Show the Company's Responsibilities for Social and Environment in 2010

### 1. Building Pong Chang for Wild Elephants

The company and its employees supported a project in Khao Yai, Pak Chong, Nakhon Ratchasima province, by adjusting ground soil in the forest for wild elephants and giving a donation of 200,000 Baht for the project fund.



### 2. The company donated 100,000 Baht to help disaster victims in Haiti via TV Program (Rueng Lao Chao Nee) at Maleenon Tower.



3. The Company donated 200,000 Baht to help disaster victims from a flood via TV Program (Rueng Lao Chao Nee) at Maleenon Tower.



4. The Company supported an activity which was held during August 2010 to December 2010 with an aim to encourage students to love learning. The Company donated equipments for supporting this activity to various schools which are as follows:

1. Chaopraya Wittayakom School, Bangkok
2. Suan Kularb Wittaya, Bangkok
3. Singburi School, Singburi
4. Way Khien Ket School, Patumthani
5. Nhong Tak Ya Tangwiriya Bumroong School, Kanchanaburi





5. The Company employees donated food and supply with the value of 10,000 Baht to Doi Okart School, Karnchanaburi.



6. The company employees packed 1,000 blankets for donation them to poor people in Chiangrai for their uses in winter.







AWARD





[www.ait.co.th](http://www.ait.co.th)

**บริษัท แอ็ดวานซ์อินฟอร์เมชันเทคโนโลยี จำกัด (มหาชน)**

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