

2014

ANNUAL REPORT รายงานประจำปี 2557



THE **ICT SOLUTION**

Your Success is our Success

Advanced Information Technology Public Company Limited

บริษัท แอ็ดวานซ์อินฟอร์เมชันเทคโนโลยี จำกัด (มหาชน)

Significant Events in 2014



On March 26th, 2014, the Cisco Systems Company invited Mr. Siripong Oontornpan, Chairman of Executive Board Committee and President, to join the Cisco Partner Summit in the USA where AIT was awarded the award of 'ASEAN Partner of the Year'. The award was based on the following criteria: the highest sales figures over past years; the quality of customer service and satisfaction; and the team readiness to adapt to new technologies. AIT is the first company amongst the Thailand Cisco Partners to ever receive this prestigious award.



On February 24th, 2014, the Company held a press conference on the 'Big 3 Thai ICT Forces' held at the Bangkok Centara Grand, Central Plaza Ladprao Hotel, to launch the SLA Asia Company Limited (SLA) as the platform with which to penetrate international markets and most especially, our regional AEC markets.

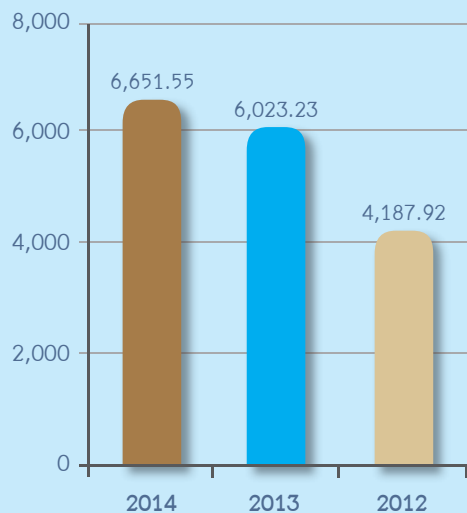
On May 7th, 2014, our new training center 'TRAIN 4' was officially opened by the Company Executives and staff at the Queen Sirikit National Convention Center. Offering key training and internationally recognized certification in Cisco and Comptia, together with Business English and Project Management courses will support our growth and presence in AEC and other international markets.



Financial Highlights

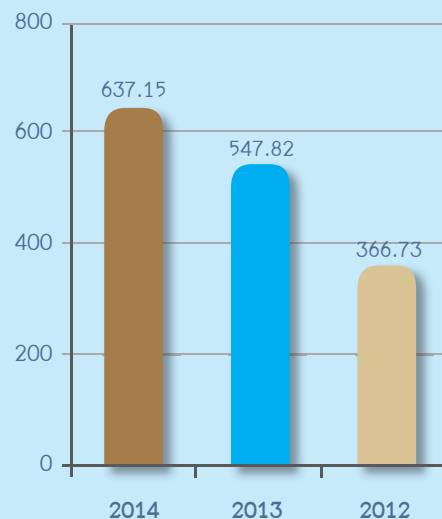
Total Revenue

Unit: THB Mil



Net Profits

Unit: THB Mil



Financial Highlights

Total Assets	4,167.95	4,630.66	3,686.34
Total Liabilities	1,486.65	2,194.50	2,227.31
Total Shareholder's Equity	2,681.30	2,436.16	1,459.03
Total Revenues	6,651.55	6,023.23	4,187.92
Total Expense	5,807.64	5,286.04	3,687.55
Net Profits	637.15	547.82	366.73
Basic Earning per Share (Baht)	3.19	7.74	5.40
Total Number of Employee (persons)	308	292	286
Total Number of Shares (shares) as of 31st December	206,320,897	206,320,897	68,773,636

Financial Ratios

Liquidity Ratio (Times)	2.65	2.04	1.60
Gross Profit Margin (%)	22.61%	23.91%	23.03%
Net Profit Margin (%)	9.58%	9.10%	8.76%
Debt to Equity Ratio (time)	0.55	0.90	1.53

Consolidated Financial Statements

	2014	2013	2012
			(Restate)
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Activities in 2014



On September 23rd, 2014, Ms. Netnapit Oontornpan (Senior Executive Vice President – Corporate Affairs) represented the Company at the King Mongkut University of Technology in Thonburi to contribute equipment from AIT to help the University in their study and research into robotics. The Company was honored with a Plaque for our contributions.



The Company management and employees kindly donated of computers and sports equipment to the children of the Apaidamroongtam School, Amphoe Song Dao, at Sakon Nakhon Province on August 5th, 2014.



On July 6th, 2014, Ms. Netnapit Oontornpan (Senior Executive Vice President – Corporate Affairs), with Company employees, donated money to build a residence for monks at the Namai Buddhist Temple, Amphoe Huai Krachao at Kanchanaburi Province.



On June 3rd, 2014, our Company management and employees gave computers and sporting equipment to the Bannamai School, Amphoe Huai Krachao at Kanchanaburi Province.



On November 21st, 2014, in order to ensure the ongoing safety of all our employees, the Company provided a training course on 'The Prevention and Firefighting within the Workplace' at its Head Office.



On December 25th, 2014, our Company management and employees provided food and money offerings to Buddhist monks on the auspicious occasion of the upcoming New Year.



On October 15th, 2014, Mr. Kriengkrai Nissyan (Executive Director of our subsidiary Kirz Co., Limited) attended a press conference to launch 'The World Wide Internet with Kirz' at the 19th National Book Expo at the Queen Sirikit National Convention Center. The launch included a booth and the supply of a free WIFI service by Kirz.

The Board of Directors



Mr. Thana Chaiprasit
Chairman of the Board



Mr. Siripong Oontornpan
President Director



Mr. Chokechai Tanpoonsinthana
Independent Director Chairman
Of the Audit Committee



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



Mr. Sripop Sarasas
Independent Director Member
Of the Audit Committee



Mr. Thanarak Phongphatar
Independent Director



Mr. Kitisak Sopchokchai
Director/Member of the Nomination
and Remuneration Committee



Mr. Pisak Charudiloka
Director



Mr. Suraporn Raktaprachit
Director



Mr. Kijja Laoboonthai
Director



Mr. Chodiwat Duntanasarn
Director



Mr. Voravit Wattanakuljarus
Company Secretary

Organizational Chart





Dear Shareholders,

The Thai domestic trade situation in 2014 fluctuated greatly due to many internal, regional and international economic, social and political factors. These fluctuations had a resultant impact across the trade sectors. The agricultural sector was particularly badly affected as it had already been suffering from depressed and falling commodity prices for some time, and now encountered a further shrinkage in its purchasing power. The flow-on effect was that the trading and Industrial sectors moved to postpone planned investments in 2014. Thai businesses are expected to continue to struggle with the ongoing effects of the 2014 economic downturn throughout 2015.

Advanced Information Technology PCL (AIT) had to endure and sustain itself against the same challenges faced by other companies in 2014. We achieved our success by adapting our business strategies to meet and cope up with the rapidly changing economic and business environment of 2014. In 2014 we worked to increase the revenue proportion of our business services such as in service contracts and greatly expanded our customer base within the service industry. We also examined potential for investment and partnership opportunities in the upcoming ASEAN Economic Community in 2015. Moreover the Government's policy for a "Digital Economy" is expected to see a boost in investment in the ICT Sector. Taken together, these initiatives seem likely to create more positive outcomes in 2015 and 2016. AIT is pleased that our commitment to a solid and adaptable work commitment, has contributed to making the company's performance in 2014 a record and unprecedented best, with total revenues in excess of 6 Billion Baht. We sincerely want to thank all the parties that helped us arrive at this very successful conclusion to the Year 2014.

Cisco Systems presented the company with the very prestigious award of the "ASEAN Partner of the Year 2014". This has made AIT the very first Thai company to receive this honored award. This award clearly demonstrates the company's ability to manage and achieve success in the IT business, by not only having the highest sales figures, but to continue to grow this business over the past several years, while at the same time being able to sustain the highest quality of service and customer satisfaction, on a global scorecard, in according to the superior standards set by Cisco Systems. Our company was not able to receive this award without great team

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

work, availability of personnel, and adedication to the achievement that our entire company continually strives to deliver. These attributes, together with the readiness to learn and adapt new technologies are regarded as the key to preparing and keeping up with the changes which challenge and reward us over the years. We are committed to the highest quality in business by offering and delivering on our promise that “Your Success is Our Success.”

In addition to our annual business operations, AIT maintains its priority to the ongoing sustainability of conducting its business with good corporate governance; and being always aware of its duty and responsibilities towards society and the environment, while focusing on good business management and the maintenance of sustainable growth. We focus on the cultivation and participation of all our staff to ensure that they have the knowledge, understanding and responsibility for the betterment of the environment and society; and to strive to become a solid contributor to our corporate culture, as well as to participate socially in our community. We work to have all our stakeholders achieve compliance and to provide their contribution to the sustainable development of the future.

Advanced Information Technology PCL is committed to implementing all the positive aspects of the present and future; and as a result, the company has been recognized and has earned the trust of its shareholders, customers, business alliances, and many people and organizations locally, regionally and internationally – perhaps as an echo to our achievement award in the Year 2014. On behalf of the Board of Directors and all employees of Advanced Information Technology PCL we would like to send a very sincere thank you to everyone who has contributed to our success in 2014.



Mr. Thana Chaiparsit
Chairman of the Board



Mr. Siripong Oontornpan
Chairman of Executive Board Committee & President



Report of the Audit Committee

Dear Shareholders,

The Audit Committee performs its duties and responsibilities within the authority assigned by the Board of Directors. These include to monitoring the operation of the Company to ensure that the executives and members of the Executive Board perform their duties and manage the affairs of the Company, in accordance with approved policies, with responsibility, honesty and integrity.

In 2014 the Audit Committee held a total of six meetings. One meetings was held with the auditor without any Company representatives attending; while the other five meetings were held in conjunction with the Company executives, the auditor and the internal auditors, as appropriate, in order to monitor the progress of the operations as discussed and suggested by both the internal and external auditors. The principle activities of the Audit Committee in 2014 were:

1. To review the quarterly and annual financial statements before presenting these to the Board of Directors. This was done in order to ensure that the financial statements were: prepared in accordance with all legal requirements and Thai financial report standards, as per the generally accepted accounting principles; that the accounting and financial systems are accurate and reliable; that the disclosure of the financial statements is adequate and on time for the benefit of all investors or other users of the financial statements. Where necessary, the Audit Committee sought clarification and explanations from the management and auditors to ensure that: the accuracy and completeness of the financial statements; there was adequacy of disclosure; events after the reporting period were checked; finally, it checked any accounting adjustments which could affect the financial statements.
2. To review and evaluate the Company's internal control system. The Audit Committee has reviewed and commented on the audit report of 2014 conducted by the internal auditors with regards to: Payroll control system, Personnel management control system, Purchase control system, Cheque payment control system, Assets control system, Cost of sales system, Inventory management system and Follow up previous inspection. The Audit Committee also considered and provided comments on a report of the results of the annual Internal Audit Control System. The Audit Committee has the opinion that the Company has adequate Internal Control Systems in place and appropriate to the accepted criteria.
3. For the matter of potential conflict of interest transactions, the Audit Committee placed importance in compliance with regulatory requirements and good corporate governance principles.
4. At each meeting held, the Audit Committee has at all times considered comments in regards to their compliance with the law of the Securities and Exchange Commission, the regulations of the Stock Exchange of Thailand and any other laws relating to its business. The review of its operations in the year 2014 showed no past issues of substance regarding non-compliance with the Securities and Exchange Commission Law, nor Regulations of the Stock Exchange of Thailand, nor of any other law relating to its business.

5. The Audit Committee has considered the performance, independence and appropriate compensation and thus, has nominated DIA & Associates Co., Ltd. as company's internal auditor. Its inspections and reports are useful for CG procedures in compliance with law of the Securities and Exchange Commission. Its capable officials are nominated namely: Mr. Wasan Seehawong, Mr. Saran Sajjawitwisarn and Mr. Dejchai Tarasit or other officials which nominated from the internal auditor.
6. The Audit Committee has determined selected, nominated and recommended compensation for the 2015 annual audit to present to the Board of Directors for approval by the Annual General Shareholders Meeting in 2015. The Audit Committee has considered the performance, independence, and appropriate compensation and, thus, has nominated Mr. Khitsada Lerdwana, a certified auditor of License No. 4958, or Ms. Manee Rattanabunnakit, a certified auditor of License No. 5313, or Mrs. Poonnard Paucharoen, a certified auditor of License No. 5238, each being of E Y office Limited as auditors for the company for 2015, for the following reasons:
 - Their standard of good work, their expertise in conducting an audit, and their consistently good performance;
 - Their precise and good advice and consulting on the new standards in the accounting system;
 - The Audit Fee for year 2015 will be equal to that of 2014
 - Neither the offices of the auditors, nor any of the auditors as proposed above, have any relationship or interest with the Company's executives, major shareholders or anyone related to such persons; therefore, the Audit Committee finds that there shall be independence in auditing and the review of the financial statements of the Company.
7. The Audit Committee has performed within the full scope of the authority, as set forth in the Charter of the Audit Committee, and in compliance with the Securities and Exchange Commission Law and the regulations of The Stock Exchange of Thailand.
8. In 2014 the results of the subsidiary companies are as follows:
 - Kirz Compnay Limited has registered capital of 65 million baht with paid-up in full value and the company owns 51 percent or 58.6 million baht. The end-year performance in 2014 also showed a loss of 33.6 million baht and accumulated losses at year end showed total of 69.4 million baht. Total shareholder's equity as of December 31, 2014 is minus 4.4 million baht. According to loss in operation for 2 consecutive years until there is a minus sign in shareholder's equity, the management has considered an impairment of 28.3 million baht from investment in this subsidiary. The remaining investment in this subsidiary is 30.3 million baht as of December 31, 2014. The management believes that the subsidiary shall have a better operation from its own investment in Fiber Optics Cable Network.
 - The company has registered the dissolution of its subsidiary company; TowerXasia. It has registered capital of 1 million baht. The company owned 99.98 percent of shares. The dissolution has been done since October 31, 2014 and completed its liquidation on December 8, 2014 because it did not have any business operation. The dissolution does not affect the operation of the company.

The Audit Committee is of the opinion that the Company operations, within the period as at December 31, 2014 have been performed with both proper internal control and appropriate internal audit. The financial reports are accurate, complete and reliable, and in compliance with the laws, rules and regulations related to the Company's business, including the correct disclosure to regulations that are consistent with good corporate governance, transparency and reliability.

(Mr. Chokechai Tanpoonsinthana)

Chairman of the Audit Committee

"Translation from Thai"

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Details of the Company's Board of Directors and Management



Mr. Thana Chaiprasit

Chairman of the Board

Age 60

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 : 1.09% of paid up capital
(as of 30 December 2014)

Personal Relationship with the Management : - None -

Illegal Record in the Past : - None -

Work Experience over the Past 5 Years (Listed Company)

2003- Present : Chairman of the Board, Advanced Information Technology Pcl.

Work Experience over the Past 5 Years (Non Listed Company)

1981- Present : Chairman of the Board, Siam Glass Industry Co., Ltd.
1990 - Present : Chairman of the Board, Thanarom Co., Ltd.
1984 - Present : Senior Vice Chairman, Osotspa Co., Ltd.
2005 - Present : The Board of Directors of The International Table Tennis Federation
2004 - Present : Vice President of The Asian Table Tennis Union
1999 - Present : Treasurer of The National Olympic Committee of Thailand



Mr. Siripong Oontornpan

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

Age 61

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
: Capital Market Academy #12
: Advanced Security Management Program (ASMP3)
: Pillars for The Kingdom Program The Royal Initiative for Advanced Leadership (RIAL 1)

% Shareholding : 5.21% of paid up capital
(as of 30 December 2014)

Personal Relationship with the Management : Spouse of Mrs. Netnapit Oontornpan

Illegal Record in the Past : - None -

Work Experience over the Past 5 Years (Listed Company)

1993-Present : Director/ Member of the Nomination & Remuneration Committee/
Chairman of the Executive Board Committee/ President,
Advanced Information Technology Pcl.

Work Experience over the Past 5 Years (Non Listed Company)

2014 - Present : Chairman of the Board, SLA Asia Company Limited
2012 - Present : Director, Loxley and AIT Holding Co.,Ltd.
2009 - August 2013 : President, Thai Senior Professional Golfers Association



Mr. Chokechai Tanpoonsinthana

Independent Director/Chairman of the Audit Committee

Age 66

- Educational Background** :
- MBA (Quantitative Analysis & Finance), University of Wisconsin (Madison Campus), USA
 - Master of Science (Civil Engineering), University of Wisconsin (Madison Campus), USA
 - Bachelor of Engineering, Chulalongkorn University
- Training Record** :
- Thai Institute of Directors
 - Director Certification Program (DCP), 3/2000
 - Audit Committee and Continuing Development Program (ACP), 8/2009
 - Monitoring the Internal Audit Function (MIA), 6/2009
 - Monitoring the system of Internal Control and Risk Management (MIR), 7/2009
 - Monitoring Fraud Risk Management (MFM), 1 /2009
 - Monitoring the Quality of Financial Reporting (MFR), 12/2010
 - Advanced Audit Committee Program (AAP), Class 4/2010
- % Shareholding** : -None -

(as of 30 December 2014)

Personal Relationship with the Management : - None-

Illegal record in the past : - None -

Work Experience over the Past 5 Years (Listed Company)

- 2003 - Present : Independent Director and Chairman of Audit Committee, Advanced Information Technology Pcl.
- 2000 - Present : Independent Director/Member of Audit Committee, Thai Stanley Electric Pcl.
- 2004 - 2011 : Independent Director/Member of Audit Committee United Securities Pcl.
- October 2007 - 2011 : Independent Director/Member of Audit Committee Member of Nomination & Remunerations Committee Thai Agro Energy Pcl.

Work Experience over the Past 5 Years (Non Listed Company)

- Jan 2015 - Present : Advisor to the Executive Board of Director Banphao Hospital (Public Organization)
- Nov 2013 - Present : Independent Director/Member of Audit Committee Witcorp Products Ltd.
- 2011 - Present : Member of the Appeal Committee The Stock Exchange of Thailand
- 2010 - Present : Advisor Thai City Electric Co., Ltd.
- 2011 - 2014 : Member of the Appeal Committee Thailand Futures Exchange Pcl.



Mr. Pongtep Polanun

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

Age 60

- Educational Background** :
- M.S., (Economics), The National Institute of Development Administration
 - EMBA, (Executive Master of Business Administration), Sasin Graduate Institute of Business Administration of Chulalongkorn University
 - B.S., Economics, Thammasat University
- Training Record** :
- Thai Institute of Directors
 - Accreditation Program Director 36/2005
- % Shareholding** : less than 0.1% of paid up capital

(as of 30 December 2014)

Personal Relationship with the Management : - None-

Illegal record in the past : - None -

Work Experience over the Past 5 Years (Listed Company)

- 2010 - 2011, 2013 - Present : Advisor to Managing Director, Muang Thai Insurance Pcl
- April 2012 - Present : Independent Director of Kiatnakin Bank Pcl
- 2003 - Present : Vice Chairman of the Board/Chairman of Nomination and Remuneration Committee/Independent Director/Member of The Audit Committee, Advanced Information Technology Pcl.
- 2011 - 2012 : Director, Audit Committee of Phatra Capital Pcl
- 2003 - 2012 : Director, Audit Committee of Phatra Securities Pcl.
- 2000 - 2012 : Advisor to Director, Royal Ceramic Industry Pcl
- 2010 - 2011 : Executive Director, Krung Thai Bank Pcl
- 2009 - 2010 : Director, Phatra Leasing Pcl

Work Experience over the Past 5 Years (Non Listed Company)

- 2010 - 2012 : 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

Age 57

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 (Diploma)
: Audit Committee Program 1 /2004

% Shareholding : -None -

(as of 30 December 2014)

Personal Relationship with the Management : - None -

Illegal record in the past : - None -

Work Experience over the Past 5 Years (Listed Company)

2011 - Present : Director, Chairman of the Audit Committee Golden Lime Pcl.
2011- Present : Director/Chairman of Audit Committee Bangkok Airways Pcl.
2008 - Present : Director/ Member of the Nomination and Remuneration Committee/
Member of the Audit Committee Bangkok General Hospital Pcl.
2008 - Present : Director/ Member of the Audit Committee Kiattana Transport Pcl.
2003 - Present : Independent Director/ Member of the Nomination and Remuneration
Committee/Member of the Audit Committee
Advanced Information Technology Pcl.
2003 - Present : Director, The Royal Ceramic Industry Pcl.
2003 - Mar 2014 : Member of the Audit Committee The Royal Ceramic Industry Pcl.
2008 - 2012 : Director/ Member of the Audit Committee Living land Capital Pcl.

Work Experience over the Past 5 Years (Non Listed Company)

2007 - Present : Director, Khan Co., Ltd.
2007 - Present : Director, Parute (2008) Co., Ltd.



Mr. Suraporn Raktaprachit

Authorized Director/Exeutive Board Committee/Member of Nomination and Remuneration Committee/Senior Executive Vice President-Service

Age 59

Educational Background : Masters 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 : 2.64% of paid up capital

(as of 30 December 2014)

Personal Relationship with the Management : - None -

Illegal record in the past : - None -

Work Experience over the Past 5 Years (Listed Company)

2013-Present : Director , Asia Insurance Pcl.
2003 - Present : Director/ Executive Board Committee/Member of Nomination and
Remuneration Committee/Senior Executive Vice President - Service
Advanced Information Technology Pcl.



Mr. Kijja Laoboonchai

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

Age 55

Educational Background : Masters Degree in Industrial & System, Engineering Ohio University, USA
: Bachelor of Engineering, Chulalongkorn University

Training Record : Thai Institute of Directors
: Director Certificate Program 36/2003
: Management and Psychology Institute (MPI) Finance for Non-Finance Executives 2012

% Shareholding : less than 0.1% of paid up capital
(as of 30 December 2014)

Personal Relationship with the Management : - None -

Illegal record in the past : - None -

Work Experience over the Past 5 Years (Listed Company)

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

Work Experience over the Past 5 Years (Non Listed Company)

2014 - Present : Director, SLA Asia Co., Ltd.



Mr. Thanarak Phongphatar

Independent Director

Age 58

Educational Background : Master of Science in Information and Computer and Information Sciences, The Georgia Institute of Technology, Atlanta, Gorgia, USA.
: Bachelor Degree of Engineering (Computer Sciences) Chulalongkorn University

Training Record : The Programmer for Senior Executive on Justice Administration Batch 10, Court of Justice
: National Defense College 2004

% Shareholding : less than 0.1% of paid up capital
(as of 30 December 2014)

Personal Relationship with the Management : - None -

Illegal Record in the Past : - None -

Work Experience over the Past 5 Years (Listed Company)

2012 - Present : Director, Advanced Information Technology Plc

Work Experience over the Past 5 Years (Non Listed Company)

Present : Managing Director, The Southern Palm (1978) Co., Ltd.
: Executive Director, The Southern Palm Oil Industry (1993) Co., Ltd.
1987 - 1991 : General Manager, Mah Boonkrong Sirichai Enterprise Co.,Ltd.
1987 - 1986 : Assistant to the President, , Mah Boonkrong Sirichai group of companies
1986 - 1982 : Project Engineer, Mah Boonkrong Drying and Silo Co.,Ltd.
1980 - 1982 : Research Scientist, Gorgia Institute of Technology, USA.



Mr. Kittisak Sopchokchai

Director/Member of the Nomination and Remuneration Committee

Age 59

Educational Background : Bachelor of Economics, Thammasat University

Training Record : Thai Institute of Directors

: Director Accreditation Program 54/2006

% Shareholding : 2.99% of paid up capital (held by Mrs. Kingporn Sopchokchai,
(as of 30 December 2014) Mr. Kittasaks spouse)

Personal Relationship with the Management : - None -

Illegal record in the past : - None -

Work Experience over the Past 5 Years (Listed Company)

2003 - Present : Director / Member of the Nomination and Remuneration Committee,
Advanced Information Technology Pcl.

Work Experience over the Past 5 Years (Non Listed Company)

2010 - Present : Director, Toa Electronics (Thailand) Co.,Ltd.

: Director, KSP Square Co., Ltd.

2008 - Present : Director, Oaktree Co., Ltd. (So Bangkok Hotel)

: Director, Sureetriboon Holding Co., Ltd.

1983 - Present : President, Vichai Trading (1983) Co.,Ltd.

: President, Sound and Communication Co.,Ltd.

: President, Audio Engeneering Service Co., Ltd.

: President, Digital Control Co., Ltd.



Mr. Pisak Charudilaka

Director

Age 61

Educational Background : Masters Degree in Political Science, Ramkhamhaeng University

: Bachelor of Laws, Ramkhamhaeng University

Training Record : Thai Institute of Directors

: Director Accreditation Program 67/2007

: Economic and Finance Academy, Ministry of Finance : Professional
Financier (#1)

% Shareholding : 1.26% of paid up capital (held by Mrs. Sroyson Charudilaka,
(as of 30 December 2014) Mr. Pisak's spouse)

Personal Relationship with the Management : - None -

Illegal record in the past : - None -

Work Experience over the Past 5 Years (Listed Company)

2007 - Present : Director, Advanced Information Technology Pcl.

Work Experience over the Past 5 Years (Non Listed Company)

2005 - 2013 : Head of Customs House, Director of High Level,
The Customs Department



Mr. Chodiwat Duntanasarn

Director/Senior Vice President-Sales Department

Age 50

Educational Background : Masters Degree in Marketing, Wagner College, USA
: Bachelor of Business Administration, Assumption University

Training Record : Thai Institute of Directors
: Director Certificate Program 72/2006

% Shareholding : 4.59% of paid up capital
(as of 30 December 2014)

Personal Relationship with the Management : - None -

Illegal record in the past : - None -

Work Experience over the Past 5 Years (Listed Company)

2002 - Present : Director, Advanced Information Technology Pcl.

1995 - Present : Senior Vice President-Sales Department,
Advanced Information Technology Pcl.

Work Experience over the Past 5 Years (Non Listed Company)

3 Feb 2015 - Present : Director, Rak baan rao Co.,Ltd.



Mr. Asawin Kangvolkij

Senior Executive Vice President-Finance and Corporate Strategy

Age 52

Educational Background : Masters Degree in Economics, Western Michigan University, USA

% Shareholding : -None-
(as of 30 December 2014)

Personal Relationship with the Management : - None -

Illegal record in the past : - None -

Work Experience over the Past 5 Years (Listed Company)

2009 - Present : Senior Executive Vice President- Finance and
Corporate Strategy, Advanced Information Technology Pcl.

2007 - 2009 : Senior Executive Vice President - Corporate Strategy,
Advanced Information Technology Pcl.

Work Experience over the Past 5 Years (Non Listed Company)

2012 - Present : Director, Loxley and AIT Holding Co.,Ltd.



Ms. Nethapit Oontornpan

Senior Executive Vice President–Corporate Affairs

Age 58

Educational Background : Masters Degree in Inter-Communication,
Western Michigan University, USA

% Shareholding : 0.62% of paid up capital

(as of 30 December 2014)

Personal Relationship with the Management : Spouse of Mr. Siripong Oontornpan

Illegal record in the past : – None –

Work Experience over the Past 5 Years (Listed Company)

2003 – Present : Senior Executive Vice President – Corporate Affairs,
Advanced Information Technology Pcl.



Ms. Sureerat Prachayanukul

Senior Vice President Financial Controller

Age 42

Educational Background : Masters Degree in Accountancy, Thammasat University

% Shareholding : less than 0.1% of paid up capital

(as of 30 December 2014)

Personal Relationship with the Management : – None –

Illegal record in the past : – None –

Work Experience over the Past 5 Years (Listed Company)

2003 – Present : Senior Vice President Financial Controller,
Advanced Information Technology Pcl.



Mr. Voravit Wattanakuljarus

Company Secretary

Age 55

Educational Background : Masters Degree in Economics, University of North Texas, USA.

% Shareholding : –None–

(as of 30 December 2014)

Personal Relationship with the Management : – None –

Illegal record in the past : – None –

Training Record : Thai Institute of Directors
: Company Secretary Program 9/2009

Work Experience over the Past 5 Years (Listed Company)

2009 – Present : Senior Vice President – Company Secretary
Advanced Information Technology Pcl.

Directors' Shareholding Report of Year 2014

Name – Last Name	Position	Common Stock (as of 30 Dec 2014)			
		Kirz	AIT ⁽¹⁾		Kirz ⁽²⁾
	AIT		2014	2013	2014
1. Mr. Thana Chaiprasit	Chairman of the Board		1.09	1.09	-
2. Mr. Siripong Oontornpan	President, Nomination & Remuneration Committee, Chairman of Executive Board Committee		5.21	9.11	-
3. Mr. Chokechai Tanpoonsinthanana	Chairman of the Audit Committee, Independent Director		0.00	-	-
4. Mr. Pongtep Polanun	Vice Chairman of the Board, Independent Director, Audit Committee, Chairman of the Nomination and Remuneration Committee		0.00	0.004	-
5. Mr. Sripop Sarasas	Independent Director, Nomination and Remuneration Committee, Audit Committee		0.00	-	-
6. Mr. Suraporn Raktaprachit	Director, Nomination and Remuneration Committee, Executive Board Committee	Director	2.64	2.64	-
7. Mr. Kijja Laoboonthai	Senior Executive Vice President – Service		0.00	0.10	-
8. Mr. Thanarak Pongpatar	Director/Executive Board Committee/ Senior Executive Vice President – Sales and Marketing		0.02	0.02	-
9. Mr. Kittisak Sopchokchai	Independent Director		2.99	-	-
10. Mr. Pisak Charudilaka	Director, Nomination and Remuneration Committee		1.26	-	-
11. Mr. Chodiwat Duntanasarn	Director		3.38	4.59	-
12. Mr. Asawin Kangvolkij	Director, Senior Vice President – Sales Department		0.00	-	-
13. Mrs. Netnapit Oontornpan	Senior Executive Vice President – Finance and Corporate Finance and Strategy	Director	0.62	0.62	-
14. Ms. Sureerat Prachayanukul	Senior Executive Vice President – Corporate Affairs		0.09	0.09	-
	Senior Vice President – Financial Controller	Director			

⁽¹⁾ AIT: Advance Information Technology Pcl.

Unit : % number of total shares

⁽²⁾ Kirz: Kirz Co., Ltd.

Unit : % number of total shares

General Information about the Company

Details about Company's Securities

Issuer	: Advanced Information Technology Public Company Limited
Ticker	: AIT
First Listing Date	: 30 July 2003
Market Capitalization	: 7,840,194,086 million Baht (as of 30 December 2014)
Registered Capital	: 1,031,604,485 Baht
Paid-up Capital	: 1,031,604,485 Baht
Number of Shareholders	: 5,465 (as of 5 September 2014)
% Free Float	: 70.35%
Type of Business	: Relating to information and communications technology, including the maintenance and development of IT systems
Head Office	: 37/2 Suthisarn Road, Samsaennok, HuayKwang, Bangkok 10320
Company's Registration #	: 0107546000067
Tel	: 0-2275-9400
Fax	: 0-2275-9100 and 0-2275-9200
Website	: http://www.ait.co.th

Auditors

1. Mr. Khitsada Lerdwana, CPA License Number 4958 and/or
2. Mr. Supphachai Phanyawatthano, CPA License Number 3930 and/or
3. Mrs. Cholaros Suntiasvaraporn CPA License Number 4523

EY Office Limited

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

Securities Registrar

Thailand Securities Depository Company Limited

62 The Stock Exchange of Thailand Building, 4th Floor Ratchadaphisek Road, Klongtoey, Bangkok 10110.

Tel: (66) 2229 2800 Fax: (66) 2359 1259

Website: <http://www.tsd.co.th>

E-mail: TSDCallCenter@set.or.th

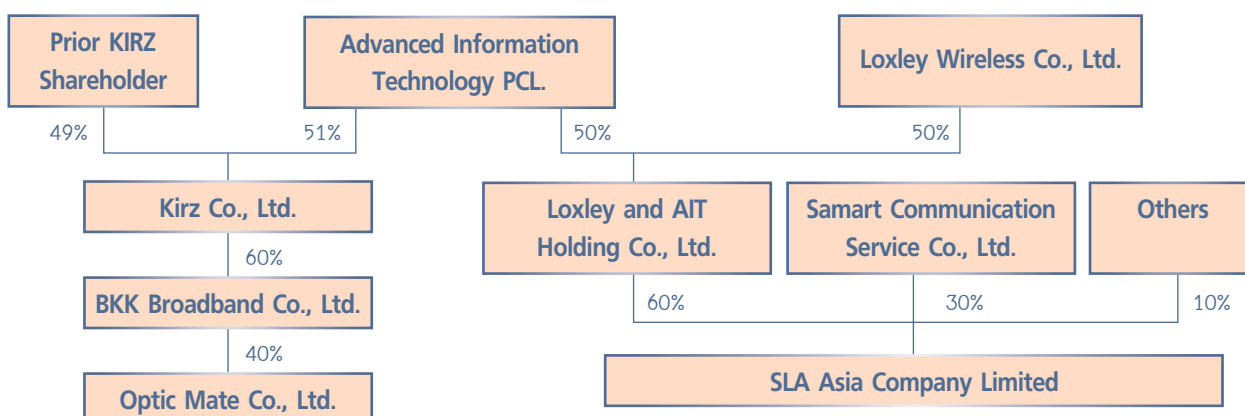
General Information on the Company and its Subsidiaries

Company	Type of Business	Registered Capital (Baht)	Par Value per Share (Baht)	Paid-up Capital (Baht)	Shareholding (%)
Advanced Information Technology Public Company Limited 37/2 Sutthisarnvinijchai Road, SamsenNok, HuayKwang, Bangkok 10320	Relating to information and communications technology, including the maintenance and development of IT systems	1,031,604,485	5	1,031,604,485	–
Joint venture Loxley & AIT Holding Co., Ltd. 2 SoiPhahonyothin 19, Phahonyothin Road, Jatujak Bangkok	Provide services to information technology, communication, networking, and telecommunication.	200,000,000	100	150,000,000	50%
Subsidiaries Kirz Co., Ltd. 192 SoiLadprao 107, Ladprao Road, Klongchan, Bangkapi, Bangkok 10240	Internet and telecommunication services provider throughout the country, including data center for both public and private clients	65,000,000	100	65,000,000	51%
Related Company BKK Broadband Co., Ltd. 19/65 Sukhumvit Suite Tower 9 th Floor, Soi Sukhumvit 13, Sukhumvit Road Klongtoey Nua, Wattana, Bangkok	Providing high-speed internet.	1,000,000	100	1,000,000	60% owned by Kirz Co., Ltd.
Optic Mate Co.,Ltd. 19/113 Sukhumvit Suite Tower 12 th Floor, Soi Sukhumvit 13, Sukhumvit Road Klongtoey Nua, Wattana, Bangkok 10110	Provide telecommunication equipment.	1,000,000	100	1,000,000	40% owned by Kirz Co., Ltd.

Dividend Policy

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

Shareholding Structure of the Company



Major Shareholders

Top 10 major shareholders as of the latest book closing date as at 22th August 2014:

Shareholder		No. of Shares	%
1.	The Oontornpan Group(1)	30,149,848	14.61%
2.	The Sopchokechai Group(2)	8,506,159	4.12%
3.	Thai NVDR Company Limited	8,305,879	4.03%
4.	The Duntanasarn Group (3)	7,275,800	3.53%
5.	CITIBANK NOMINEES SINGAPORE PTE LTD-UBS AG LDN BRANCH A/C CLIENT NRBS	6,756,900	3.27%
6.	The Raktaprachit Group (4)	5,843,053	2.83%
7.	The Charudilaka Group (5)	3,859,797	1.87%
8.	Mr.Harkishin Tanwani	3,000,000	1.45%
9.	Ms. Parntip Lekmanee	2,690,000	1.30%
10.	Thai Balance Fund	2,599,000	1.26%
	Other Shareholders	127,334,461	61.72%
1. The Oontornpan Group comprises of:			
1.	Mr. Siripong Oontornpan	18,803,225	9.11%
2.	Ms. Sasinet Oontornpan	6,837,345	3.31%
3.	Mr. Sina Oontornpan	1,834,290	0.89%
4.	Mrs. Netnapit Oontornpan	1,278,647	0.62%
5.	Ms. Saowaluck Oontornpan	1,025,004	0.50%
6.	Mr. Surathep Oontornpan	227,199	0.11%
7.	Ms. Sinanang Oontornpan	144,138	0.07%
	Total	30,149,848	14.61%
2. The Sopchokechai Group comprises of:			
1.	Mrs. Kingporn Sopchokechai	6,129,459	2.97%
2.	Mr. Titikorn Sopchokechai	1,150,000	0.56%
3.	Ms. Pimpaka Sopchokechai	1,053,700	0.51%
4.	Ms. Boonthida Sopchokechai	110,000	0.05%
5.	Mr. Kittisak Sopchokechai	35,000	0.00%
6.	Ms. Nuanvipa Sopchokechai	27,000	0.00%
7.	Mrs. Nopparat Sopchokechai	1,000	0.00%
	Total	8,506,159	4.12%
3. The Duntanasarn Group comprises of:			
1.	Mr. Chodiwat Duntanasarn	6,967,000	3.38%
2.	Mr. Anupong Duntanasarn	308,800	0.15%
	Total	7,275,800	3.53%
4. The Raktaprachit Group comprises of:			
1.	Mr. Suraporn Raktaprachit	5,455,885	2.64%
2.	Ms. Thippayachat Raktaprachit	387,168	0.19%
	Total	5,843,053	2.83%
5. The Charudilaka Group comprises of:			
1.	Mrs. Soyson Charudilaka	2,606,378	1.26%
2.	Ms. Apiporn Charudilaka	641,994	0.31%
3.	Mr. Apimuk Charudilaka	611,425	0.30%
	Total	3,859,797	1.87%

Our Business

Get to know the Business of Advanced Information Technology Public Company Limited

Headquartered in Bangkok, Thailand, Advanced Information Technology Public Company Limited, or AIT, is a leading Thai System Integrator and ICT solutions provider. We provide complete ICT solutions from: product supply and applications; through to complete turnkey projects; service contracts; and outsourcing schemes; and support both the private and the public sectors. The term ICT describes the integration of traditional Information Technology (IT), which generally means the use of computers, storage and network technology to process information or data; together with modern unified communication technologies – such as mobile networks, telephone lines, voice, video and any other type of new media.

Our mission statement at AIT is ‘Your Success is Our Success’ and it’s a statement that we live by every day. Our goal is to be the complete strategic partner for our customers. We have the knowledge and experience to help our clients to achieve their desired business outcomes and to improve their business performance through the implementation of our clever and effective ICT solutions.

Solutions

The services provided by AIT range in scope from strategic advice and IT master planning; through purchasing support and product supply; implementation and commissioning; and all the way to include the complete maintenance, support, training and managed services required.

AIT defines core ICT as the most basic infrastructure components, and which includes such requirements as the computers and servers, wired and wireless networks, data centers, complemented by first-in-class business solutions. As an experienced ICT solution provider and system integrator, AIT has established core ICT capabilities in all verticals. The following is just a brief overview of the components which we supply, implement and support through maintenance and training:

Core Networking

Core Networking is often also referred to as routing and switching, and which is at the very foundation of all computer networking. Routing and switching refers to forward data and voice or video packages within one network (switching) or over various individual networks (routing).

AIT has build many core networks including nationwide networks for service providers such as TOT and CAT, metropolitan networks,

networks for major university campus’ and large enterprises, as well as all type of wireless networks.

Most of the IT infrastructure of government and enterprise is growing across all levels and increasingly is becoming more complex. Large enterprises are increasingly setting up centralized data centers which are being supported by global network topologies and distributed storage management strategies. Supplying and managing these fast evolving set-ups demands evolutionary process frameworks, cross-technology expertise and experience, and above all, focus.

Worldwide, the demand for network availability and bandwidth is rapidly growing. What was text yesterday will be video tomorrow. We are in the middle of this transition and our current broadband is just the beginning. AIT is well prepared to help its customers through this transition and into the future.

Unified Communication

Unified communications (UC) describes the broad wealth of integrated services available such as instant messaging, (ip) telephony, video conferencing, telepresence, interactive whiteboards, integrated voicemail, e-mail, SMS and facsimile. The integration of all these individual services onto one common platform and delivering a consistent unified user interface and user experience across multiple devices, is a key business enabler.

IT Security Solutions

The security of our customer's IT systems has always been vitally important. Yet, the ongoing transition to networked economies and new paradigms such as cloud technologies makes securing our customer's systems and data even that more important. Businesses are increasingly dependent on IT to facilitate their activities and thus protection against threats from hackers, viruses and even their own staff are now a key focus area of the IT operation.

Wireless Solutions

With the advent of notebooks, smart phones and more recently tablet technologies, the requirements for wireless access have also increased. This extra mobility is not only a question of convenience, but also adds to the efficiency of the services offered by many of our customers. We have on hand a vast depth of experience in designing and implementing wireless networks throughout any enterprise. AIT provides enterprise-class wireless solutions that provide both flexibility and mobility.

Data Centers / Cloud Technologies

The IT infrastructure of most enterprises is growing at all levels and increasingly is becoming more and more complex. Large enterprises are setting up centralized data centers which are being supported by global network topologies and distributed storage management strategies. To supply and manage such rapidly developing infrastructures demands focus, expertise and experience in cross-technologies.

Currently many enterprises are well on their way into a so-called 'Journey to the Cloud'. This describes their adoption of modern cloud technologies, which will empower them in advance of virtualization technologies and provide an easier means of service provisioning and optimized usage of hardware resources – such as the with network, storage and compute resources. AIT has designed, installed and commissioned a number of data centers and is currently advising its clients on strategies to meet the emerging cloud paradigm.

Network Optimization

Non-performing networks are typically one of the largest contributors to the daily 'CIO (Chief Information Officer) challenge'. A network that is not performing in line with the business requirement is not only frustrating users, but often contributes to a slowdown in the overall effectiveness of the company.

AIT offers network health-checks and actively engages its customers to discuss options for performance improvements to really leverage a client's IT investment

Video Solutions

Networks are an essential part of business, education, government, and consumer communications. Many residential, business, and mobile IP networking trends are being driven largely by a combination of video, social networking and advanced collaboration applications, termed "visual networking".

Video is 'THE' killer application on today's internet and is consuming much of its available bandwidth.

AIT has a complete set of video solutions for enterprise and service providers, ranging from digital cable TV through Video Conferencing and everything else, including IP based CCTV.

Business Applications

At the end of the day, business applications are what matters most when it comes to enterprise information technology. For without the applications and data, most IT infrastructure in the enterprise world would be unnecessary.

Over the past twenty years AIT has selected and developed a complete range of business applications to suit the needs of our customers including:

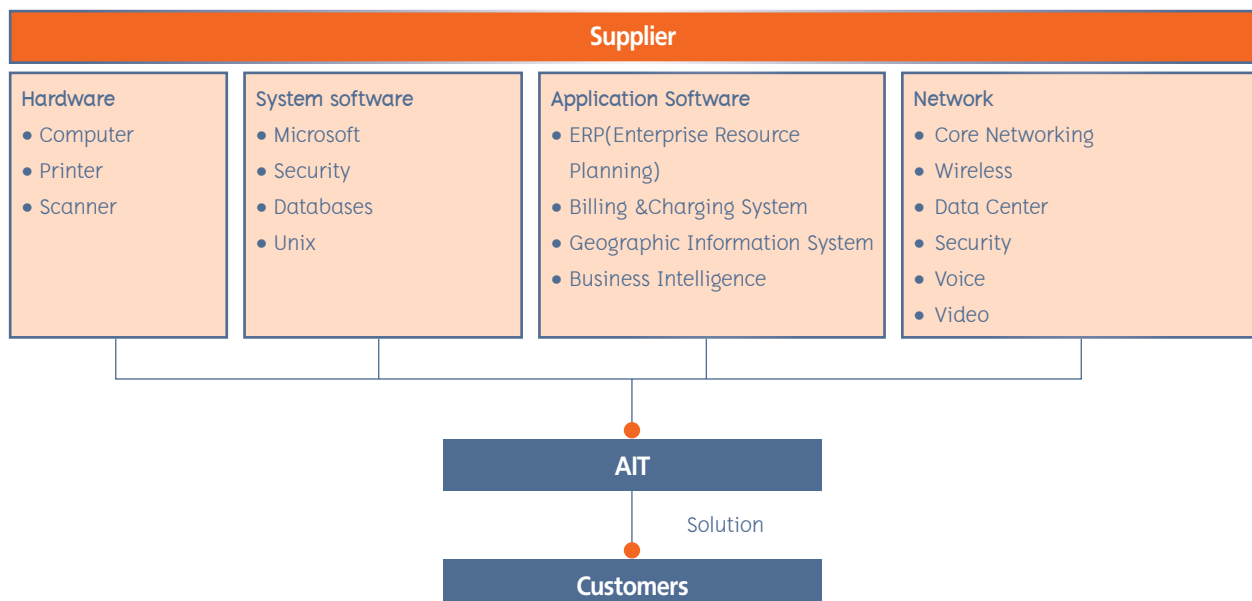
- Management Information Systems (MIS, BIS, etc.)
- Transportation Systems (Ticketing, Resource Planning, etc.)
- Geographic Information Systems (Gis)
- Operational Support Systems (OSS)
- Billing and Charging Systems
- Enterprise Resource Planning (ERP)
- Customer Relationship Management (CRM)
- Enterprise Application Integration (EAI)
- Educational Systems
- E-Government Support Systems, and
- Military Applications

AIT has a wealth of experience and expertise in helping its customers with:

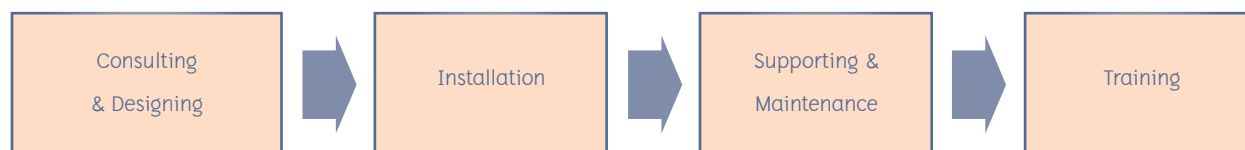
- Identifying and documenting their business requirements
- Planning delivery of the solution and business benefits
- Planning for integration of existing systems
- Assigning appropriate skills and resources, both at AIT and their clients company
- Applying proven project management methods, and
- Continuously ensuring delivery of business benefits within time and within budget

Overall Business Operations

We are called “System Integrator” who is a person or company that specializes in bringing components and subsystems together into a whole and ensuring that those subsystems function together and apply to each organization requirement in order to make its customers business more efficient and productive. Such bringing components and subsystems together are called solutions.



As a system integrator and ICT solution provider, we provide total solutions starting from consulting, designing, installation and implementation, Supporting & Maintenance and Training. The mentioned process is as follows:



AIT has successfully built and maintained some of the most challenging information systems in Thailand for major industries; and it has gained considerable domain knowledge in the areas of Government and telecommunications. We are able to operate as anyone of prime contractor, consortium member, subcontractor or a discrete project manager – according to the needs of the project.

AIT offers:

- multi-vendor skilled people with a well balanced mix of core competencies
- a broad portfolio of internationally and regionally recognized brand products
- key strategic partnerships and alliances
- strong financial capabilities
- broad experience in managing anything from very small to very large projects, and
- a proven ability to minimize technical, operational and financial risks in complex projects

AIT partners with carefully selected strategic technology partners to provide first-in-class solutions; including Cisco Systems, Oracle/, IBM, HP, Dell, Acer, Alcatel-Lucent, Autodesk, Convergys, SAP, Microsoft, Novell, Synnex and Symantec to name just a few of our strategic partnerships.

Besides our headquarters in Bangkok, we have a further seven (7) services centers strategically located in across Thailand in Chonburi, Khonkaen, Chiang Mai, Suratthani, Phitsanulok, Songkhla and NakhonRatchasima. This ensures that we provide proper project support throughout the country.

Kirz Overview

KIRZ Co., Ltd. (or KIRZ) was founded in 1995 as a small business dealing primarily with backup power systems for the computer industry in Thailand. Their main focus was initially to supply leading-edge competitive IT products, while expanding their systems infrastructure and developing new resources.

In the ten years since their founding, KIRZ has acquired the licensing to become an internet service provider and telecommunications operator. They have developed several dynamic solutions such as Wireless Broadband Access, and developed multiple-region Internet networking.

In 2010, KIRZ opened one of the largest neutral network Data Centers in Thailand at the Queen Sirikit National Convention Center. The facility is state-of-the-art, and comprises industry leading technology and equipment. The KIRZ Data Center offers a range of excellent services including: Dedicated Server Hosting/Leased Line Internet/VPS and more – and housed in a secure, fully 24hrs supported, and air cooled environment.

KIRZ is a forward thinking company which is consistently researching & developing new products and services for a rapidly expanding market. One such new product is a HD IPTV fully-interactive system for large occupancy hotels which is scalable to effectively and optimally service a 1000 room hotel.

Fiber-to-Home innovation brings a range of modern telecom & multimedia services directly to the home or home office sector. High speed internet/IP Phone/Cable TV/IPTV are all in-demand services that can now be easily supplied and supported by KIRZ.

Service Live Broadcasting gives an unrivaled service to the entertainment and education industries, making it possible for viewers/audience around the world to receive feed broadcasts in HD quality – from a pop concert to a revolutionary surgical procedure.

Services

With over 15 years in the industry KIRZ has built up an excellent relationship across their customer base. Providing multiple services including:

Internet Access

KIRZ provides several Internet services depending on the clients' individual needs. Our data communication services provide an essential link between the local and global networks. KIRZ specializes in leased line fiber optic services including VPN connections. These services provide ultimate privacy, security & speed for business users.

Data Center

KIRZ data center connects the local network with the international gateways around the world for our optic services. Co-location, dedicated server hosting & VPN services are also available in our world class data center.

Digital Media

Digital media services from KIRZ can be linked via IP protocol to supply audio/visual distribution services optimally and effectively. Bespoke systems can be designed for individual client needs. KIRZ can provide: Digital Media IPTV Live Broadcast, Web Streaming, VDO on Demand, and Digital Signage.

Cloud Applications

To help reduce the cost of hardware KIRZ can provide businesses with a range of cost effective cloud computing resources & services to suit every business requirement. These services include: Cloud Servers, Cloud Storage, Content Delivery Network (CDN), Virtual Wifi Hotspot Controlling and Mail service. Our clients find these systems very easy to manage and we can scale the services we are supplying, up or down, depending on client needs.

Voice and Conferencing

KIRZ can supply a full management system to strengthen your business opportunity through voice and conference solutions. 'Kloud Call' is a VOIP (voice over internet protocol) hosted PBX service, specifically designed to integrate perfectly with existing telephony systems. It's fully scalable from an individual user thru to large call center applications saving huge costs, while providing crystal clear communication. Besides this, KIRZ provides its 'Kloudsimservice' that make your roaming with local presence SIM. Kloud meeting services makes the world your meeting place.

At KIRZ we believe in extending genuine customer care, service & support to all of our clients. We have professional teams of dedicated support teams that work closely with globally recognized industry specialists. Our Cisco (network industry leaders) certified engineers are fully training to deal with the toughest network solutions. KIRZ aims to provide the very best levels of support for the service we are providing. Our friendly and knowledgeable sales teams are always on hand to help with every individual business IT requirement – making sure your business gets the right service and the right application. Helping your business grow to its full potential is the ultimate goal of KIRZ.

Revenue structure of Advanced Information Technology Public Company Limited

	2012		2013		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Sales and services revenues	4,063.84	97.05	5,888.42	98	6,470.79	97
2. Rental and service from equipment for lease	75.27	2	76.49	1	76.64	1
3. Others	48.81	1	58.32	1	104.12	2
Total	4,187.92		6,023.23		6,651.55	

Business Objectives in 2014

The Company's business objectives for the year 2014 were determined to be as follows:

- Continuously maintain and sustain AIT's customer base, such as TOT, CAT, government agencies and state-owned enterprises and private enterprise
- Enlarge the customer base, while ensuring that each customer is highly satisfied with AIT's products and services
- Startup AIT Training Unit as part of the strategic plan
- Further build and use the internal Key Performance Indicator (KPI) system
- Increase business partners to enhance business stability
- Enhance operating efficiency to accommodate an expansion of services
- Improve human resource efficiency, and
- Increase corporate social responsibilities (CSR)

The Board of Directors has reviewed and participated in setting a vision and mission to enable the management and employees to move forwards in the same direction. In addition, the Board of Directors will consider revision of and approve the vision and mission of AIT at least every five years. The Board of Directors will endorse and monitor the management's operations so that these are in line with the corporate direction and strategies.

Nature of Business Operations

AIT is a leading Thai System Integrator and ICT Solution provider and as such the Company operates its business according to well structured and proven methodologies in:

1. Product Sales and Services

Product Sales and Services traditionally is the core business of AIT. We resell solutions from our strategic partners, and add value to these products and solutions through our Services Unit.

Project work is a large part of our business and can be categorized in two main focuses: projects with a bidding process or direct sales. In both scenarios, AIT continuously strives to maintain awareness of its customers' needs and requirements and to clearly advise on technological advances and new 'best practices'; and in this way, AIT's customers can clearly understand and utilize the very latest in ICT technologies. Understanding the customer's business and the project requirements in great detail is the key to our success in project delivery and customer satisfaction. We operate highly skilled teams of sales and pre-sales people to ensure that the project requirements are clearly understood and that the customer also understands precisely what solution AIT is proposing to deliver.

Once the project is awarded to AIT, our project management office takes responsibility for proper and complete project delivery and implementation. The project managers have full access to our vast team of skilled and certified engineers; and they follow well defined project management methods and best practices to ensure precise execution of the project plan. This is another key foundation to AIT's project successes.

Our projects range from in value from just a few hundred thousand Baht to many hundreds of million Baht; which is directly proportional to the size of our customers, who range from small enterprises through to Fortune 500 global accounts and large government agencies. After the project delivery, implementation and commissioning, AIT will commence its after-sales support services.

2. Support and Maintenance Services

The AIT Care4 is a flexible, multi-faceted support and maintenance program which will be designed to exactly meet the ongoing support services required by our customers. Working with AIT means working with the best in the industry. With almost 20 years of experience in designing, implementing, optimizing and maintaining networks, servers and software solutions, AIT is the service partner our customer's need.

The AIT Care4 program provides:

- Protection from unwanted downtime
- Always-available support services

- Direct access to engineers who know your system and install base
- Transparent incident handling
- Nationwide coverage and support centers, and
- Predictable costs.

Our Care4 program consists of ITIL aligned business processes to ensure consistency in our service delivery:

- Call Center
- Incident Management
- Change Management
- Install Base Management
- Spare Part Logistics
- Resource Allocation
- Remote and Online Monitoring
- Assessments and ‘Health Checks’, and
- License Management

3. Managed Services

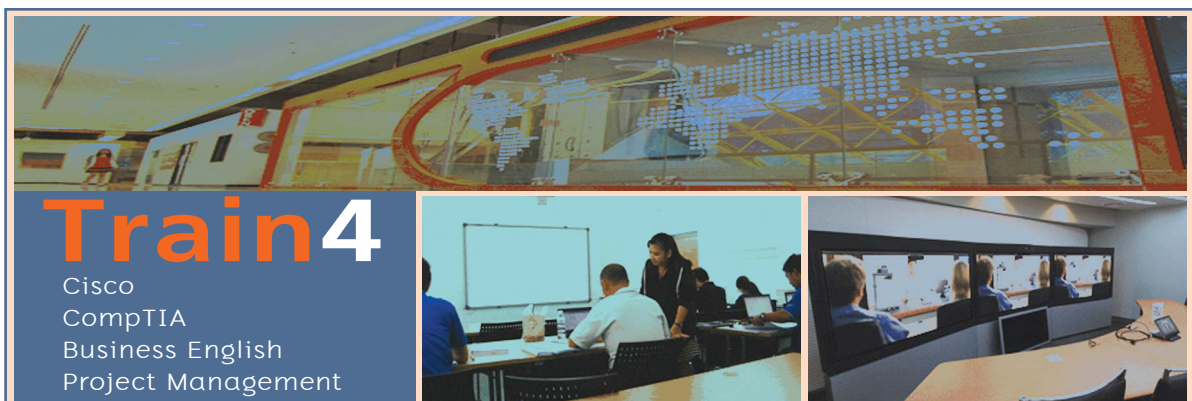
Under the AIT Managed Services option our customers will transfer their day-to-day management responsibilities to us as their strategic partner. This ensures improved, effective and efficient operations including production support, build and lifecycle maintenance activities. AIT Managed Services can be offered for certain defined parts or the whole infrastructure, such as:

- Managed IT Infrastructure
- Managed Network Infrastructure
- Managed Security, and
- Managed Communications (VoIP)

Over the years there has been a clear shift in the needs of our customers when it comes to Managed Services. Years ago, network maintenance for example, was often seen as something that was mandatory to buy, yet typically the service provider was not delivering any value. We do things differently and help our customers to understand that having a properly running and performing network is vital to the effectiveness of their business, and that unplanned downtime also means that their business cannot continue properly – and that this will directly impact their bottom line results.

Maintaining the IT infrastructure has become a very complex undertaking and the requirements placed on employees has increased considerably. Managing multiple vendors and integration partners is time consuming and often troublesome. A modern Managed Service company like AIT takes away the burden of undertaking this complex activity from our customer’s valuable IT resources and ensures that they have a properly performing infrastructure at all times.

4. TRAIN4 Training Center



Train4 is a newly constructed training center, specifically designed for training people in the latest technology courses. With 160 sqm of space, the center includes three class rooms, a Cisco Training Lab and Telepresence room, and two video based, internationally linked certification testing rooms. Train4 offers network solutions courses certified by Cisco and CompTIA training courses, English Corporate Communication classes, and specialized Project Management program

Advanced Information Technology Public Limited Company in Cambodia

In late 2014 AIT has changed the business model in Cambodia to succeed in its first international market.

Initially AIT chose to enter the Cambodian market as a value added distributor and as such we tried to serve the entire Cisco reseller market. The challenge with this model was that it did not allow for strategic alignment and long term partnerships as all of our partners were competing with each other and were not able to engage early enough for us to play to our strength.

As a strategic consequence we have entered discussions with leading SI companies to understand their vision and reach in the market and especially into the government segment, which had been mostly disregarded by our existing partners.

After a period of research we finally announced in mid-August, 2014 that AIT and First Cambodia Company Limited will exclusively cooperate in the Cambodian market. First Cambodia is the oldest and leading systems integration and solutions provider in Cambodia.

Our strategic cooperation is aiming to provide first-in-class services to the business community and government of Cambodia. As a publicly listed Cisco Gold Partner we bring our technical excellence and financial strength to First Cambodia, which combined with First Cambodia's reach and capability to deliver advanced solutions to the market, is a value proposition we believe the market will appreciate.

With this partnership, we have evolved into a fully-fledged SI player in the Cambodian market, and will work exclusively with First Cambodia to create a strong strategic team with the ability to approach major projects.

Industry and Competition

AIT and the Thailand ICT Industry 2014–2015

Thai organizations have gradually been utilizing the Virtual Private Cloud as a way to reduce the various ongoing annual expenses such as rental, electricity, hardware and maintenance costs. The technical issues which had occurred in early systems are now no longer an obstacle. Even better, the ever increasing adoption of Cloud systems has motivated and enabled the further development of more efficient cloud system administration. Additionally, as the IT problem investigation and solving processes for Cloud solutions can be undertaken continuously and transparently, the shift to Cloud solutions is generating an even greater business advantage. The growing awareness of organizations of the need to employ cloud systems will see more and more change in the near and medium future.

Large business organizations such as commercial banks and securities companies are now working to develop their data information centers with more flexible, more stability and more security. The best way to achieve these aims is through using IT as a tool to help drive their business growth. AIT is here to support all organizations by presenting innovative IT solutions – and with the necessary technological and business experts readily available to help each of our customer to find the right IT solution with optimal cost reduction and increased connectivity across their business processes.

The Gartner forecast for 2015 is that there is a possibility of problems arising from business stagnation from either IT users or IT departments. Gartner also suggests a longer 3 year forecast for possible slowdowns in technology development which could affect long-term projects and in turn some businesses – however in Asia at least IT growth continues to be buoyant.

The Thai mobile phone network system has been upgrading to 3G during the last 2 to 3 years. The mobile phone is used mostly as the main communication network for our online society. People communicating across the

online community use a variety of mobile devices and increasing have more data access to the Internet. On average, larger companies double up their data traffic each 18 months; while overall data traffic is growing greatly each year, not just in business where it is both beneficial and greatly important now to business growth; but also in the demand for mobile data across all areas of society.

AIT has developed a large repository of information analysis systems to manage usage. This includes its diverse and fast growing experience in managing the Big Data systems of agencies, through linking the web data feed files that are delivered from the saved databases, in order to visualize its results in behavioral terms (Datafication). Datafication allows public sector organizations and businesses to understand and be able to predict the phenomenon arising from decisions delivered through Datafication. This business information can equally help solve user problems and assist to drive organizations towards a Digital Economy Policy.

Over the past few years and at present, the risk of economic damage from natural disasters such as floods and earthquakes in the country and regionally, has increased significantly. These disasters appear to be becoming more severe and often cause serious disruptions to daily life. The main IT solution to cope with disaster is to build a disaster recovery computer data center to prepare to minimize damage in the case of emergencies. These data centers can support work anywhere, at any time, and to minimize the impact of an emergency on the business. A computer data center can help make the business transaction system to proceed continuously. Even when such critical events occur, these data centers will support all ongoing work on anywhere, at any time communications network system that enables optimal overall efficiencies and ongoing business with no disruption.

Public sector organizations must, like organizations, build a digital economy policy in order to be prepared for the coming of the ASEAN Economic Community (AEC) at the end of the year 2015. Thailand's biggest cities are experiencing traffic problems – and working from home is one of the activities that will help reduce and minimize the issues arising from traffic problems. Many organizations are attempting to push Government policy to support various measures, such as tax measures to help motivate both the employer and the employee to work at home more. This is the starting point of a virtual computer system, known as the Virtual Desktop, which will become more in use instead of more typical computers at an Office. These systems will help support more work at home or outside the workplace too. It will also permit more seamless business to continue to be conducted during critical events. In Malaysia, for example, the VMware virtual computer system is used for all departments in their Ministry of Education to provide faster and safer access to students.

AIT is following the accepted guidelines for a digital economy policy by developing a tablet based mobile customer service system which allows service staff to work from home – while also providing connectivity to the customer in order to allow staff to work more efficiently – by avoiding traffic and be able to track the location of the service staff who are operating nearby and distribute jobs from system engineers. Besides this, the AIT solution allow internal staff to act as a joint task group in order to provide advisory or solution backup as needed. This solution is very beneficial to such needs as a company's maintenance services and technical support for computer systems, by system engineers with expertise in both hardware and software components. Customers benefit from the improved service delivered. AIT is ready to provide this competitive service solution across Thailand, regionally and internationally – faster and better than other competitors in this field. With the increasing potential, AIT will continue to grow this solution to build larger regional projects in the near future.

When the Thai Government announced the Five Year ICT Master Plan 2014–2018, the Ministry of ICT has become the core agency for development and fast growth coming from the national ICT Plan. The initiative of the Thai ICT Plan is to coordinate the competitive capabilities of Thai ICT such that it succeeds in being a key leader in the region by the year 2020. This strategy, “Smart 2020 Thailand”, will be achieved through the promotion of a digital economy across all sectors – where the nation's economy is driven by applying digital technology to improve performance, and added value to the country's GDP according to government policies.

The digital economy is not just a matter of hardware or software, but includes infrastructure (such as broadband connectivity) and many other factors that need to be brought together into the digital economy. Such innovation would include more business through online social networks and subsequently more revenue too – while

also providing the government with a good channel to provide information back to the general population. A key AIT expertise is in installing large network infrastructures that can provide the connectivity needed to bring together all stakeholders across Thailand and the ASEAN Region. AIT is able to build and provide support to the Mobile Technology, Social Networks, Cloud Computing – and through to the relatively new expansion in information management technology for Big Data. AIT can bring all these technologies together in order to create the growth of the country's GDP and in order to meet the objectives of the Thailand ICT Master Plan.

Competitive Analysis

The competitive landscape in Thailand's ICT sector remains pretty much the same as in 2011, and AIT's competitors can be classified into 4 major industry groups as follows:

Computer Systems Group

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

Network Systems Group

- Datacraft Co., Ltd. (now Dimension Data)
- 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., and
- Datapro Computer Systems Co., Ltd.

Communication Systems Group

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

Software Systems Group

- MFEC Plc., and
- International Research Corporation Plc.

AIT competes in all of the above industry segments and we believe that our high level of certification with our strategic partner, Cisco Systems, gives AIT a competitive edge over the other competitors, especially those in the network systems group segment. AIT today is the highest certified local partner of Cisco Systems in Thailand.

The following strategy has been derived to gain competitive advantage over the above mentioned competitive companies:

Competitive Strategy

AIT will continue to actively participate in bidding for projects in both the government sector and the private sector. The main criteria to win bids are generally:

- The level of understanding of the project and its requirements
- The technical quality of the proposed solution
- Available human resources within the company and project references, and
- The project cost and financial status of the company

The company has set its competitive strategy to:

- Maintain only the highest quality of products and services
- Early engagement of the customer and offer advice on system design and planning
- Clearly understand the project's requirements and seek best fitting, innovative technologies and products to satisfy the customer's requirements
- Provide first-class after sales services with nationwide coverage through our readily established 7 service centers
- Maintain great relationships with our customers and foster the "AIT Service Mind"
- Continuously develop our human resources
- Increase flexibility and speed in solving problems, and
- Maintain great and honest relationships with our partners.

Risk Analysis

Due to the instability of business conditions in these current times, risk management continues to be an inevitable tool for any company – especially in order to continue running its business when an unexpected event occurs. Thus, it is necessary for AIT to have a tool to manage its business in current conditions as well as prepare itself to be ready for future competition. The Company has realized the impact of risk factors and therefore, has set measures to mitigate and maintain such risks to be within acceptable levels. The Company also regularly reviews and evaluates risk factors and new threats that could affect the Company and its stakeholders.

However, The Audit Committee confirms that the Company in 2003, established a Risk Sub-Committee, which reports to the Executive Board Committee, in order to manage and mitigate all project risks before implementing any projects. Project risk management is considered most crucial to ensuring the Company's financial performance

The main objective of managing risks is to ensure that the Company is able to achieve its goals and strategies, while continuing to create and maintain confidence with the Company's shareholders and stakeholders.

Risk Relating to Change of Technology

Due to the rapid change in the information and communication technology sector, the Company must always be on top of technological advances and trends to avoid any potential opportunity loss, or loss of its competitiveness.

The Company encourages its engineers and sales and marketing peoples, to regularly monitor technological developments and attend seminars to stay on top of their game. Apart from publicly available information, AIT works closely with its partners to clearly understand all aspects of developments in the target markets and key technology areas.

Risk Relating to Dependency on Major Customers

The Company predominantly earns revenues from sales and provided services of network system installation to TOT Corporation Plc. (TOT) and CAT Telecom Plc. (CAT), which accounts for approximately 50% of the Company's total revenue.

The proportion of sales coming from just these two key customers is considered quite high and is often seen as being a risk factor. However, the company believes it is important to mention that this situation is common in countries similar to Thailand.

The national infrastructure in Thailand is not yet fully developed; and in countries like Thailand it is often the Government's responsibility to invest into, and develop, that infrastructure. Therefore this investment cannot easily be matched by the private segment.

These two organizations, TOT and CAT are categorized as the telecommunication customer group in AIT and for the foreseeable future, the government will continue to substantially invest into building the national infrastructure.

infrastructure in Thailand to support other topics on the national IT agenda, such as e-education, broadband internet, and many other projects – all of which depend heavily on continuous development of the ICT Our customer can be classified as follows:

Customer Type	Customer	Revenue/Total revenue
Telecom I: Mobile & Wireless Group	CAT Public Limited Company	34%
Telecom II : Fixed line and Network Group	TOT Public Limited Company	12%
Enterprise : Fixed line and Network Group	State Enterprise, Private Company, Educational Institution	54%

Core Networking is one of the key and core competencies of AIT and the Company's level of expertise is likewise difficult to match in Thailand. It is therefore only natural that AIT proudly plays a role in that development both now and into the future.

The Company plans to continue to drive long term service contracts with the existing key accounts to further balance the project revenues.

Clearly, the Company has been striving to minimize the risk relating to the dependency on a few major customers and is constantly seeking opportunities to diversify its customer base.

It is likely that going forward revenues from an expanded customer base will be comparable to those from major customers. While of course the Company will continue to maintain its existing customer base to be as strong, or stronger, than it has always been.

Risk Relating to Dependency on Key Employees

The information and communication technology business highly depends on qualified human resources in terms of marketing, engineering and operation. These valuable human resources utilize their expertise in advising, designing and implementing the products and services that AIT provides.

At present, the Company has 308 employees which are divided into the following segments:

- Marketing & Sales
- Customer Service (Engineering)
- Software
- Project Management, and
- Finance & Administration

Most of our employees are engineers, each with approximately 4-6 years of work experience; and in the previous year, our employee's turnover rate was only an approximate 3-4%, – which is considered very low.

In order to retain its employees, the Company provides attractive compensation packages and provides a good working environment. The Company has also put in place an internal control system to prevent the risk of losing any single employee which may affect its business operations.

AIT has developed a multilevel organizational structure with minimized single points of impact, which even allows the Company to replace key employees in any situation or case in which they should become unavailable.

There are weekly internal meetings among the senior executives to acknowledge and discuss any potential problems and to determine immediate actions to mitigate any problem that might occur.

Risk Relating to Dependency on a Single Supplier

Normally, the Company purchases its products directly from the manufacturers or indirectly via the manufacturers distributors with representative offices in Thailand. Notably the Company is the key distributor and strategic partner of Cisco Systems, the world's leading manufacturer of information and communication technology in the IP (internet Protocol) segment.

In 2014, the Company's purchase of network equipments from Cisco Systems accounted for approximately 26% of the total cost of sales (cos) purchases.

The reason behind such high purchase amounts, each year, from Cisco Systems is based on the fact that Cisco's products have wide acceptance with customers in both local and international markets.

AIT has invested considerably in training its engineers and sales people to become Cisco certified. AIT has for many years now been a Cisco Gold Partner, which is the highest level of strategic partnership that a business may hold with Cisco Systems

The long term Gold Partnership means that the Company receives better support and discount structure from Cisco Systems, which is far better than other lower ranked business partners have available.

Nonetheless, in order to mitigate the risk of being overly dependent on any single supplier, the Company also partners with other well-known manufacturers, which are as reputable as Cisco Systems, just that these other manufacturers are the leading suppliers in their own fields of business.

Risk Relating to Project Delivery

ICT projects normally last between 6–12 months – but this is dependent upon the particular project size.

If the Company fails to deliver the project on time as stated in the contract, the Company may incur a financial penalty. To its credit, in the last 5 years, such occurrences have been minimal and the Company has been penalized less than 1 % of the project sales revenue, which by comparison with other project suppliers is considered extremely low.

The main reasons for the delay in project delivery are due mostly to delays which have been outside our control, such as time delays in the delivery of the equipment from the manufacturer and due to changes of installed equipment types.

In order to protect the Company from incurring any financial penalty, a well defined project management method is in use. This method closely monitors all stages of a project and seamlessly coordinates with AIT's resources, the customers and the manufacturers. Potential problems can therefore be identified early and their effect minimized or negated well in advance.

When the Company is selected for a project, it will constantly monitor and investigate the timing of product delivery. However, in some cases where our customers urgently need to use their ordered system, the Company will be able to install a standby system for their temporary use.

Foreign Exchange Rate Risk

Generally, at a point approximately 1 –2 months prior to the start of a project, the Company must estimate the project cost to use in the bidding or proposal process. If imported equipment is needed, this means that the project cost may be affected by fluctuations in foreign exchange rates.

As of 31 December 2014, the Company had a USD 10.3 million foreign currency trade account payable in foreign currencies and USD 9.3 million balance of FX forward contracts at the agreed rate of Baht 32.12–33.21 per USD 1 for the purchase of equipment.

Given that foreign exchange rates are nowadays often a potential risk, the Company has applied the following strategies for mitigation of any adverse effects:

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

In 2014, the Company prepared to utilize various financial tools to enhance efficiency in managing risks and keep these at a minimum and therefore to maximize benefits to the Company.

Risk Relating to Change in Government Policy

The ICT industry is considered to be the highest growth industry in Thailand – especially as the government has been fully promoting the industry by continuously investing in ICT systems and infrastructure. Major projects and policy are: a National Broadband Policy; an auction for 3G license operators; and high speed internet via a fiber optic network. The implementation of these projects is expected to bring more business opportunities to all players. However, any change in the government policy might also impact on the Company's business opportunities; therefore, the Company monitors such policies closely and shall inform investors as soon as a considerable policy change occurs.

Management Structure

As of December 31, 2014, the Company has four Committees: 1) The Board of Directors, 2) The Audit Committee, 3) The Nomination and Remuneration Committee, and 4) The Executive Board Committee.

The Board of Directors consists of:

Full Name	Position
1. Mr. Thana Chaiprasit	Chairman of the Board
2. Mr. Pongtep Polanun	Vice Chairman and Independent Director
3. Mr. Siripong Oontornpan	Director, Chairman of Executive Board Committee and President
4. Mr. Choekchai Tanpoonsinthana	Independent Director
5. Mr. Sripop Sarasas	Independent Director
6. Mr. Thanarak Phongphatar	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 signing with Mr. Suraporn Raktaprachit or Mr. Kijja Laoboonthai and with the Company's Seal affixed.

Definition of an Independent Director

Independent Directors are defined as Directors who do not hold any management position and are not employees of the Company or Subsidiary. They must additionally be independent of any major shareholders, management, and of any other related persons – and they must have the responsibility to determine if there is anything that may affect the equitable treatment of Shareholders. The qualifications to be an Independent Director are as follows:

- (1) Holds no more than 1% of the total voting stock of AIT, its parent company, its subsidiaries, its associated companies, major shareholders or a controlling person – including stocks held by connected persons of the Independent Director;
- (2) Is not, or has not ever been, an executive director, employee, staff member, or advisor who received a salary or a controlling person of AIT as follows; its parent company, its subsidiaries, its associated companies, its same-level subsidiaries, major shareholders or controlling persons of AIT unless the foregoing status has been ended for at least 2 years. This shall not include the Independent Director who was a government official or advisor of a government agency which was a major shareholder or acted as controlling persons of AIT;
- (3) Is not a person related by blood or legal registration, such as father, mother, spouse, sibling or child, including a spouse of the children, management, major shareholders, controlling persons, or persons to be nominated as management or a controlling person of AIT or its subsidiaries;
- (4) Has not, or has not had, a business relationship with AIT, its parent company, its subsidiaries, its associated companies or a controlling person, in the manner that may interfere with their independent judgment, or is not, or has not ever been, a major shareholder, management or controlling persons of any person having a business relationship with AIT, its parent company, its subsidiaries, its associated companies or controlling person unless the foregoing relationship has been ended for more than 2 years;

- (5) Is not, or has not ever been, an auditor of AIT, its parent company, its subsidiaries, its associated companies or a controlling person and is not a major shareholder, non-independent director, management, controlling persons or partner of an audit firm which employs auditors of AIT, its parent company, its subsidiaries, its associated companies or a juristic person who may have a conflict of interest unless the foregoing relationship has been ended for at least 2 years;
- (6) Is not, or has not ever been, any professional advisor including legal or financial advisor who received an annual service fee exceeding 2 million Baht from AIT, its parent company, its subsidiaries, its associated companies or a controlling person, and is not a major shareholder, non-independent director, management, controlling persons or partner of the professional advisor unless the foregoing relationship has been ended for at least 2 years;
- (7) Does not represent an AIT Board Member or its major shareholder or a shareholder who is related to an major AIT shareholder;
- (8) Does not run any business similar to, or materially competing with AIT or its subsidiaries or not being a material partner in any partnership, executive director, employee, staff, advisor who receives salary or holds more than 1% of total voting stock of the company which runs similar to, or materially competing business with AIT or its subsidiaries;
- (9) Have no characteristics which make him incapable of expressing independent opinions with regard to the AIT business.

Note: A holding of no more than 1% of total voting stock of AIT is in compliance with the minimum rules of stock holding as an Independent Director by the Securities and Exchange Commission and Stock Exchange of Thailand.

Authority, Duties and Responsibilities of the Board of Directors

1. Authority of the Board of Directors

- 1) Performs its duties with honesty, integrity and prudence, in accordance with the law, the Company's objectives and Articles of Association, and all resolutions of the Annual General Shareholders Meeting in order to carefully protect the Company's interests.
- 2) Determines the Company's policies, objectives, direction, business plans, and budgets including the supervision and management of the Company executives in accordance with the agreed business policies. The exception to this is those matters which legally require prior approval at the Annual General Shareholders Meeting before they may be implemented, such as for example: an increase/decrease in share capital; the issuance of debentures; the sale or transfer of the whole or part of the Company's business to others; the purchase/transfer of another business or 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 certain directors to form a part of a sub-committee as deemed appropriate, such as to the Executive Board Committee, the Audit Committee, or 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 Committee and shall report such appointments to the Annual General Shareholders Meeting.
- 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 a person as deemed appropriate within an appropriate 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 shall select one or more directors to be Vice Chairman of the Board and to select a director to be the President of the Company. The Board of Directors shall report such appointments to the Annual General Shareholders Meeting.
- 6) Appoint a director to be designated as one of the Company's authorized signatories and the Board of Directors has the authority to determine or revise/change the list of authorized signatories in which the Board of Directors shall report such appointments to the Annual General Shareholders Meeting.

- 7) Appoint and consider the compensation package and the terms & conditions of the employment of the President.
- 8) Appoint and consider the compensation of directors appointed to a Committee as well as other persons selected by the Board of Directors to perform the duties under the supervision of the Board of Directors. The Board of Directors shall report on these matters to the Annual General Shareholders Meeting.
- 9) Approve quarterly and annual financial statements in order to present to the shareholders at the Annual General Shareholders Meeting.
- 10) Arrange for the Annual General Shareholders Meeting as well as any Extraordinary General Meetings as required under the regulations as stated in the company's Articles of Association.
- 11) The Board of Directors shall convene for meeting at least once every quarter or as per the regulations as stated in the Company's Articles of Association.

2. Duties and Responsibilities of the Board of Directors

- 1) Determine the Company's direction and strategic plan, and control and regulate the plan to be implemented efficiently and effectively.
- 2) Set out the Company's policies and procedures in all aspects to ensure the Company's operation is in full compliance with the law, regulations and resolutions of the Annual General Shareholders Meeting; and as importantly the Company Code of Ethics.
- 3) Create the Company's control systems in order to maintain creditability and confidence; and ensure that the Company operationally complies with the law, shareholders' expectations, and stakeholders' concerns.
- 4) Control, regulate, and evaluate the management team's performances as well as the Company's performance.
- 5) Ensure that management has in place risk management policies, processes and controls, as well as an appropriate internal control system.

The Audit Committee consists of:

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

Corporate Secretary: Mr. Voravit Wattanakuljarus

Authority, Duties and Responsibilities of the Audit Committee

1. Authority of the Audit Committee

The Audit Committee has the authority to perform any act as determined by the Board of Directors as shown in Duties and Responsibilities of the Audit Committee:

- 1) Under its scope of authority, the Audit Committee is authorized to call for or order the management, heads of offices, or any employees to present opinions, attend meetings or submit any required or necessary documents.
- 2) Consider, select and nominate the Company's auditor as well as the auditor's remuneration to the Board of Directors, and propose this at the Annual General Shareholders Meeting for the Company's shareholders approval. Assess the auditor's performance and other tasks related to the audit.
- 3) Make the final decision in a case where the management team disagrees with the auditor on financial reports.
- 4) Consider the disclosure of Company information in any case where there is a connected transaction or transaction that may lead to a conflict of interest, so as to ensure accurateness, completeness, and at all times compliance with the laws and regulations.

- 5) Review the auditor's report of investigation and discuss with the management team the assessment policy and risk management.
- 6) Hire external advisors or specialists to make comments or give advice as necessary.
- 7) Set up a meeting with the auditor 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 there is 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 independence of the internal audit department. In addition, the Audit Committee may appoint, change or remove the head of the internal audit department or any other department responsible for internal audit tasks.
- 3) Review the Company's compliance 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, propose the auditor's remuneration, and attend a non-management meeting with the auditor at least once a year.
- 5) Review all connected transactions or transactions that may lead to conflicts of interest and so ensure that they are in compliance with the related laws and the regulations of the SET and that they are reasonable and bring the highest possible benefits 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 reports must contain the following information:
 1. An opinion on the accuracy, completeness and reliability of the Company's financial report
 2. An opinion on the adequacy of the Company's internal control system
 3. An opinion on the compliance with the laws on securities and exchange, the regulations of the SET and the laws relating to the Company's business
 4. An opinion on the suitability of the external auditor
 5. An opinion on transactions that may lead to conflicts of interest
 6. The number of Committee meetings held and the members' attendance record
 7. Any comments or opinions received by the Committee regarding its performance in accordance with its Charter
 8. 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 as assigned by the Board of Directors
- 7) Perform other tasks as requested by the Board of Directors and other tasks which the Audit Committee agrees to perform.

The Nomination and Remuneration Committee consists of :

Full 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. Pannawee Kaewmanee

Authority, Duties and Responsibilities of the Nomination and Remuneration Committee

1. Authority of the Nomination and Remuneration Committee

- 1) Consider and approve the selection and evaluation processes, as well as the compensation for the President.
- 2) Consider and approve proposals for the names of qualified candidates to the Board of Directors for their consideration and approval in the case of a vacancy in a director's position.
- 3) Consider and approve proposals for the name of a qualified candidate for the position of President to the Board of Directors for their consideration and approval.
- 4) Consider and approve proposals for the names of other candidates to the Board of Directors for their consideration and approval in positions whose functions, responsibilities and authorities are directly given by the Board of Directors.

2. Duties and Responsibilities of the Nomination and Remuneration Committee

- 1) Develop the criteria, selection and evaluation processes, as well as the compensation for the President.
- 2) Propose persons for approval of the Board of Directors in the case of a vacancy in a director's position resulting from any reason, other than the end of a term retirement from that position or to increase the numbers of directors. Once approved by the Board of Directors the resolution is put forward for the approval of the shareholders.
- 3) Propose to the Board of Directors the name of a person to receive approval from the Shareholder's Meeting in the case that there is a vacancy of a director position due to term retirement.
- 4) Propose to the Board of Directors for the approval of the President to retire from being an employee in the Company according to the current operating regulations.
- 5) Propose any person that the Board of Directors will then delegate its authority to perform a specific task for the Company.
- 6) Recommend the appropriate remunerations for each of the Company's Board of Directors and Committees and then propose to the Board of Directors for the approval of these remunerations at the Annual General Meeting.
- 7) Recommend appropriate bonus and salary increases for the management and employees to the Board of Directors for their approval.

The Executive Board Committee consists of:

Full Name		Position
1.	Mr. Siripong Oontornpan	Chairman of Executive Board Committee
2.	Mr. Suraporn Raktaprachit	Director
3.	Mr. Kijja Laoboonchai	Director

Secretary: Ms. Sarin Chandranipapongse

Authority, Duties and Responsibilities of the Executive Board Committee

1. Authority of the Executive Board Committee

- 1) Approve the appointment, change or removal of any management position, with the exception of 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 any change in the Company management structure, code of conduct or business processes of any division.

- 4) Approve the borrowing and lending of money or applying for credit approval from a financial institution; including a guarantee or payment of ordinary business transactions with a specific credit limit of each transaction that has already been agreed and assigned. The amount incurred in these transactions must be under a limit in accordance with the Company guidelines and authority limits which have already been reviewed by the Board of Directors. However, the aforementioned credit limit may be changed if appropriate according to the judgment of the Board of Directors.
- 5) Consider to enter into a commercial contract with a credit limit as determined by the Board of Directors.

2. Duties and Responsibilities of the Executive Board 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 the 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 in other roles and on duties and within authorities as determined and delegated by the Board of Directors.
- 5) Prepare the report on Company's financial and operating performance and report this performance to the Board of Directors each 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 issue. In addition, the above-mentioned authority excludes other issues for which the Company's regulations require the prior request and approval at the Annual General Shareholders Meeting.

Authority, Duties and Responsibilities of the President

- 1) Perform the duties as assigned by the Board of Directors or the Executive Board Committee under the Company's objectives, regulations and Articles of Association. In dealing with transactions, the Board of Directors has clearly approved maximum limit of each transaction. This limit should not exceed the limit approved by the Board of Directors. The maximum limit of each transaction however, may be appropriately revised upon the consideration and judgment of the Board of Directors. The delegation of authority to the President should not include any transaction in which the President or any other person involved may then have a conflict of interest (as determined through notification by the Securities and Exchange Commission) with the Company or its subsidiaries. Any duties performed should conform to the Notification by the Stock Exchange of Thailand in its article "Rules, procedures, and disclosures of any related party transactions of the listed company". An exemption to this is for any transaction which is a normal business transaction at market price and under the rules and regulations as specified by the Company.
- 2) Prepare the Company's business plan, business strategy, and yearly budget to be proposed to the Executive Board Committee.
- 3) Follow the business plan, business strategy, and yearly budget which have been approved by the Executive Board Committee.
- 4) Determine the organizational structure and scope of management to include every detail of selection, training, hiring, and employment termination.
- 5) Authorized to appoint or discharge an employee whose position is lower than that of the President.
- 6) Perform the Presidents duties at all times with honesty and prudence for the protection and benefit of the Company.

The Company's Management Team consists of:

Full Name	Position
1. Mr. Siripong Oontornpan	President
2. Mr. Kijja Laoboonchai	Senior Executive Vice President – Sales and Marketing
3. Mr. Suraporn Raktaprachit	Senior Executive Vice President – Service
4. Mr. Asawin Kangvolkij	Senior Executive Vice President – Corporate Finance and Strategy
5. Mrs. Netnapit Oontornpan	Senior Executive Vice President – Corporate Affairs
6. Mr. Krit Khongchuanark	Senior Vice President – Project Management
7. Mr. Kriengkrai Nissyan	Senior Vice President – Business Development
8. Mr. Chumkiat Laoseriwatanakul	Senior Vice President – Marketing
9. Mr. Chodiwat Duntanasarn	Senior Vice President – Sales Department
10. Mrs. Pannawee Kaewmanee	Senior Vice President – Human Resource and Administration
11. Mr. Putti Dhamrongsirivadh	Senior Vice President – Customer Service
12. Mr. Ralf Hundertmark	Senior Vice President – Business Development
13. Mr. Somchart Tachussriwattana	Senior Vice President – AT&AS / VP-System Integration
14. Mr. Supat Dulyakupt	Senior Vice President – Technical Support
15. Ms. Sureerat Prachayanukul	Senior Vice President – Financial Controller
16. Mr. Ong-ard Harntaweessompone	Senior Vice President – Telecom Sales
17. Mr. Voravit Wattanakuljarus	Senior Vice President – Corporate Secretary

The Directors' Remunerations in 2014:

Unit: Baht

Full Name	Position	Remuneration Fee Total	Annual Salary Total	Annual Gratuity	Annual Total
1. Mr. Thana Chaiprasit	Chairman of the Board	120,000.00	180,000.00	2,217,391.30	2,517,391.30
2. Mr. Pongtep Polanun	Vice Chairman and Independent Director	72,000.00	96,000.00	1,478,260.87	1,646,260.87
3. Mr. Siripong Oontornpan	Director	72,000.00	96,000.00	1,478,260.87	1,646,260.87
4. Mr. Kittisak Sopchokchai	Director	60,000.00	96,000.00	1,478,260.87	1,634,260.87
5. Mr. Suraporn Raktaprachit	Director	72,000.00	96,000.00	1,478,260.87	1,646,260.87
6. Mr. Thanarak Pongphatar	Independent Director	60,000.00	96,000.00	1,478,260.87	1,634,260.87
7. Mr. Kijja Laoboonchai	Director	72,000.00	96,000.00	1,478,260.87	1,646,260.87
8. Mr. Chokechai Tanpoonsinthana	Independent Director	72,000.00	96,000.00	1,478,260.87	1,646,260.87
9. Mr. Sripop Sarasas	Independent Director	72,000.00	96,000.00	1,478,260.87	1,646,260.87
10. Mr. Pisak Charudilaka	Director	72,000.00	96,000.00	1,478,260.87	1,646,260.87
11. Mr. Chodiwat Duntanasarn	Director	72,000.00	96,000.00	1,478,260.87	1,646,260.87
Total		816,000.00	1,140,000.00	17,000,000.00	18,956,000.00

Remarks: The Directors' compensation is according to the resolution of the Annual General Shareholder Meeting No.1 /2009 on April 24th, 2009:

1. The Chairman of the Board of Directors received a remuneration fee of 20,000 Baht per meeting and received a monthly salary of 15,000 Baht;
2. A Director received a monthly remuneration fee at 12,000 Baht and received monthly salary at 8,000 Baht; According to AGM No. 1/2014 on 8th April 2014, the resolution was to pay a total annual gratuity to The Board of Directors 17.0 million Baht.

The Audit Committee's Remuneration:

Unit: Baht

Full Name	Position	Remuneration Fee Total	Annual Salary Total	Annual Total
1. Mr. Chokechai Tanpoonsinthana	Chairman	120,000	180,000	300,000
2. Mr. Pongtep Polanun	Director	90,000	120,000	210,000
3. Mr. Sripop Sarasas	Director	75,000	120,000	195,000
	Total	285,000	420,000	705,000

Remarks: The Directors' compensation is according to the resolution of the Annual General Shareholders Meeting No.1 /2009 on April 24th, 2009

1. The Chairman received a remuneration fee of 20,000 Baht per meeting and received monthly salary at 15,000 baht.
2. A Director received a monthly remuneration fee of 15,000 Baht and received a monthly salary of 10,000 Baht.

The Nomination and Remuneration Committee's Remuneration:

Full Name	Position	Remuneration Fee Total	Annual Salary Total	Annual Gratuity	Annual Total
1. Mr. Pongtep Polanun	Chairman	80,000	-	-	80,000
2. Mr. Siripong Oontornpan	Director	60,000	-	-	60,000
3. Mr. Sripop Sarasas	Director	45,000	-	-	45,000
4. Mr. Kittisak Sopchokchai	Director	60,000	-	-	60,000
5. Mr. Suraporn Raktaprachit	Director	60,000	-	-	60,000
	Total	305,000	-	-	305,000

Remarks: The Directors' compensation is according to the resolution of the Annual General Shareholders Meeting No.1 /2009 on April 24th, 2009

1. The Chairman received a remuneration fee of 20,000 Baht per meeting and received monthly salary at 15,000 baht.
2. A Director received a monthly remuneration fee of 15,000 Baht and received a monthly salary of 10,000 Baht.

Directors Remuneration:

Unit: Million's of Baht

Committee	Transaction	2014	2013	2012 (Restated)
1. Audit Committee	Short-term employee benefits	6	4	5
2. Directors who are a member of the Executive Board Committee and Management	Short-term employee benefits and Post-employment benefits	125 2	118	128
3. Directors who are not a member of the Audit Committee and the Executive Board Committee	Short- term employee benefits	7	5	6

Internal Control

Risk Management

Since the Company revenues are mostly based on projects awarded from bidding, the Company has realized that the risk of not winning the projects may harm the Company's financial status. Therefore, the Company decided to incorporate a risk management policy as a major part of business management. The Company also set up a risk committee to be in charge of executing the Company's risk management policy. The main responsibilities of the risk committee are as follows:

- Identifying the key risks to the Company from various perspectives ranging from financial status through to project management, technology issues, and the external and internal business environment.
- Providing guidelines and managing and controlling the Company risk such that the risks are within an approval level and thus delivering both a project completion and financial return to the Company.

Internal control

The Company has a policy to have and maintain an efficient and effective internal control system. The Board of Directors 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 will 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 Committee and the Audit Committee play major roles in overseeing the implementation of the Company's risk management system. Risk is an integral part of business activities therefore 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 through the use of proper written authority and approval levels and limits. Guidelines for connected and related transactions have also been developed to ensure compliance with all relevant laws.

4. Information and Communication

The Company has implemented a management information system to assist in decision making. Critical information and data is collected, analyzed and stored in the Company's database. Two-way communications are both effective and efficient within the Company. At the Board of Directors level, information and supporting documentation are provided to all members in order to make more informed decision making possible.

5. Monitoring

EY Office Limited, the Company's external auditors, who conducted the audit of the 2014 financial statements, concluded that there was no material deficiency in the Company's accounting and financial control system.

The monitoring system is handled by the management team and the Board of Directors 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 of Directors 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 of Directors found that the internal control system was operating effectively.

Internal Audit

The company has hired DIA and Associates Co., Ltd., who provides internal audit services, to perform the internal audit. The internal audit department reports directly to the Audit Committee, Managing Director and 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 subjects for Internal Audit in year 2014 are as follows:

1. Internal Audit No. 1/2014

1. Monitoring the controlling payroll systems. (Human Resources)
 - 1.1 Policies, rules and regulations relating to the Labor Law
 - 1.2 Remuneration and benefits policies
 - 1.3 Criteria for Remuneration and benefits
 - 1.4 Accounting records and related reports
2. Management System and resource management
 - 2.1 Company's policy on the process of recruitment
 - 2.2 Employee filing system
 - 2.3 Development of human resources system within the organization

2. Internal Audit No. 2/2014

1. Purchasing System
 - 1.1 The purchase request
 - 1.2 Approval of purchase and vendor selection
 - 1.3 User Acceptance
 - 1.4 Order tracking
 - 1.5 Accounting records and related reports
2. Check payment and financial position controlling
 - 2.1 Preparation of documents and payment vouchers
 - 2.2 approval of the payment
 - 2.3 Preparation of check payment and controlling system
 - 2.4 Reducing the amount payable
 - 2.5 Accounting records and related reports

3. Internal Audit No. 3/2014

1. Fixed assets controlling system
 - 1.1 The purchase request
 - 1.2 Approval of purchase and vendor selection
 - 1.3 Fixed assets counting
 - 1.4 Storage and issuing assets number
 - 1.5 filing of asset controlling
 - 1.6 The suitability of the insurance.
 - 1.7 Calculation of depreciation and accounting record
 - 1.8 The practice for counting the physical asset
 - 1.9 Asset Maintenance
 - 1.10 transfer or disposal of asset
 - 1.11 Accounting records and related reports
2. Auditing on Commission calculation

4. Internal Audit No. 4/2014

1. Control of Inventory Management
 - 1.1 Quantification of order
 - 1.2 The duration of the order
 - 1.3 Received – paid inventories
 - 1.4 Observation of inventory count including obsolete and expired goods
 - 1.5 Monitoring results from the count and the variance of the count
 - 1.6 The storage of inventories
 - 1.7 Accounting record of inventories
 - 1.8 Preparation of management reports
2. Follow-up the result from the previous audit

The internal audit department conducts its activities by referring to the publication International Standards for the Professional Practice of Internal Auditing as its framework. All the internal audit staff members are provided with the correct training and the necessary methodology to carry out the operational, compliance, financial and information technology audits effectively. Commencing in 2010, the company has followed the process according to its ‘Audit Committee Charter’ in order to maintain an effective internal control function into the future. The ‘Audit Committee Charter’ was approved by the Board of Directors resolution No.4/2010.

Moreover, the Company employs its internal control according to the international standards of the Committee of Sponsoring Organization of the Treadway Commission (COSO)

Financial Information

Related Transactions

The company has issued guidelines regarding the related transaction in compliance with the requirements of the SEC's notification and the Stock Exchange of Thailand as well as related laws that are as follows:

Related Transactions in 2014

Transaction	Items	Value (Baht)	Related Company	Related Parties	Price Policy
Sell service	Maintenance	1,258,896.92	Osotspa Co., Ltd.	Director	Normal price
Sell goods	Software and training	1,827,164.00	Kirz Co., Ltd	Subsidiary	Normal price
Purchase service	Internet subscriber/Server rent	978,551.60	Kirz Co., Ltd	Subsidiary	Condition/price are better than the previous supplier
Purchase service	Insurance premium	680,828.00	Asia Insurance (1950) Public Co.,Ltd	Director	The best price compared to others
Purchase goods and service	Audio/visual device system computer power supply.	944,990.00	Vichai Trading (1983) Co., Ltd.	Director	Competitive agreed-upon price
	Baht Total	5,690,430.52			

Board of Directors' Responsibility for Financial Reporting

The Board of Directors are responsible for the Advanced Information Technology Public Company Limited's financial statements and to the Advanced Information Technology Public Company Limited and its Subsidiaries' consolidated financial statements, which includes 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 transparently disclosed in the notes to the financial statements for the Company shareholders and investors.

The Board of Directors has provided and maintained a risk management system, together with appropriate and efficient internal controls, so as to ensure that the accounting records are accurate, reliable and adequate in order to protect its assets and to uncover any weakness that may be present so as to prevent fraud or any other materially irregular operations.

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

The financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries have been examined by an external auditor of Ernst and Young Office Limited. The external auditor conducted the audits and expressed an opinion in accordance with generally accepted auditing standards. The external auditor was provided with all of the Company's records and related data as they 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 to be satisfactory and that it provides credibility and reliability to the Advanced Information Technology Public Company Limited's financial statements and to the Advanced Information Technology Public Company Limited and its Subsidiaries' consolidated financial statements for the year ended 31 December 2014. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principles and any related regulations.



Mr. Thana Chaiparsit
Chairman of the Board



Mr. Siripong Oontornpan
Chairman of Executive Board Committee & President

Report of Independent Auditor

To the Shareholders of Advanced Information Technology Public Company Limited

I have audited the accompanying consolidated financial statements of Advanced Information Technology Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Advanced Information Technology Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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 subsidiaries and of Advanced Information Technology Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

EY Office Limited

Bangkok: 19 February 2015

Financial Statements

Statement of financial position

Advanced Information Technology Public Company Limited and its subsidiaries

As at 31 December 2014

(Unit: Baht)

		Consolidated Financial Statements		Separate Financial Statements	
	Note	2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	7	1,312,984,000	180,060,517	1,310,793,236	177,429,229
Trade and other receivables	8	1,319,765,351	2,020,243,529	1,312,601,099	2,011,925,746
Unbilled receivables		372,995,005	740,236,368	371,625,688	739,275,428
Inventories	9	578,241,618	1,215,763,650	573,324,739	1,214,215,849
Other current assets		83,898,817	51,995,061	71,254,563	41,720,503
Total current assets		3,667,884,791	4,208,299,125	3,639,599,325	4,184,566,755
Non-current assets					
Restricted bank deposits	10	9,613,896	14,919,101	–	5,484,745
Investments in subsidiaries	11	–	–	30,316,618	59,649,800
Investments in jointly controlled entity and associate	12	66,290,537	50,118,723	74,999,850	49,999,900
Property, plant and equipment	13	169,606,776	104,323,144	136,542,340	62,873,070
Equipment for lease and services	14	180,518,626	174,756,427	70,835,996	112,369,484
Goodwill		4,391,837	4,391,837	–	–
Intangible assets	15	45,039,304	47,955,491	15,276,286	11,356,845
Deferred tax assets	25	15,041,223	15,978,642	19,282,980	19,424,363
Other non-current assets		9,561,092	9,917,043	8,114,261	9,158,960
Total non-current assets		500,063,291	422,360,408	355,368,331	330,317,167
Total assets		4,167,948,082	4,630,659,533	3,994,967,656	4,514,883,922

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

Statement of financial position (continued)

Advanced Information Technology Public Company Limited and its subsidiaries

As at 31 December 2014

(Unit: Baht)

Note	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Liabilities and shareholders' equity				
Current liabilities				
Bank overdrafts and short-term loans				
from financial institutions	16	18,192,889	16,206,594	-
Trust receipts		-	451,995,298	-
Trade and other payables	17	688,674,549	887,369,993	656,748,201
Unbilled payables		399,791,939	338,038,195	399,791,939
Current portion of long-term loans	18	135,107,141	45,491,727	7,988,706
Current portion of liabilities under finance lease agreements	19	25,449,291	17,344,848	23,736,848
Income tax payable		18,647,046	40,154,685	18,647,046
Advanced receipts from customers		21,453,704	152,437,523	18,491,222
Provision for penalty on project delay		518,400	9,500,000	518,400
Other current liabilities	20	77,839,704	99,829,920	77,401,768
Total current liabilities		1,385,674,663	2,058,368,783	1,203,324,130
Non-current liabilities				
Long-term loans, net of current portion	18	443,300	39,861,583	443,300
Liabilities under finance lease agreements, net of current portion	19	43,450,730	28,622,810	43,450,730
Provision for long-term employee benefits	21	52,076,815	50,642,976	50,298,399
Provision for contingent liability from legal case	30.4	5,000,000	17,000,000	-
Total non-current liabilities		100,970,845	136,127,369	94,192,429
Total liabilities		1,486,645,508	2,194,496,152	1,297,516,559

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

Statement of financial position (continued)

Advanced Information Technology Public Company Limited and its subsidiaries

As at 31 December 2014

(Unit: Baht)

Note	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Shareholders' equity				
Share capital				
Registered				
206,320,897 ordinary shares of Baht 5 each				
(2013: 206,320,908 ordinary shares				
of Baht 5 each)				
22	1,031,604,485	1,031,604,540	1,031,604,485	1,031,604,540
Issued and fully paid-up				
206,320,897 ordinary shares of Baht 5 each				
	1,031,604,485	1,031,604,485	1,031,604,485	1,031,604,485
Share premium	303,437,091	303,437,091	303,437,091	303,437,091
Retained earnings				
Appropriated-statutory reserve				
23	97,200,000	64,081,001	97,200,000	64,081,001
Unappropriated				
	1,238,035,065	1,004,603,900	1,265,209,521	1,028,650,439
Equity attributable to owners of the Company	2,670,276,641	2,403,726,477	2,697,451,097	2,427,773,016
Non-controlling interests of the subsidiaries	11,025,933	32,436,904	–	–
Total shareholders' equity	2,681,302,574	2,436,163,381	2,697,451,097	2,427,773,016
Total liabilities and shareholders' equity	4,167,948,082	4,630,659,533	3,994,967,656	4,514,883,922

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

Statement of financial position

Advanced Information Technology Public Company Limited and its subsidiaries

For the year ended 31 December 2014

(Unit: Baht)

Note	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Profit or loss:				
Revenues				
Sales and service income	6,470,787,736	5,888,419,338	6,308,909,687	5,770,244,547
Rental and service income from equipment for lease	76,639,933	76,493,546	76,639,933	76,493,546
Other income	104,119,975	58,319,492	91,933,507	58,213,565
Total revenues	6,651,547,644	6,023,232,376	6,477,483,127	5,904,951,658
Expenses				
Cost of sales and service	5,023,808,672	4,495,606,036	4,879,536,714	4,395,354,293
Cost of equipment for lease	42,988,843	43,086,831	42,988,843	43,086,831
Selling expenses	352,073,710	314,711,682	344,241,501	304,266,347
Administrative expenses	388,765,565	432,635,193	357,613,457	378,920,040
Total expenses	5,807,636,790	5,286,039,742	5,624,380,515	5,121,627,511
Profit before share of loss from investments in jointly controlled entity and associate, finance cost and income tax expenses	843,910,854	737,192,634	853,102,612	783,324,147
Share of loss from investments in jointly controlled entity and associate	12 (8,828,136)	(281,177)	-	-
Profit before finance cost and income tax expenses	835,082,718	736,911,457	853,102,612	783,324,147
Finance cost	(11,881,066)	(35,154,251)	(6,158,279)	(32,604,716)
Profit before income tax expenses	823,201,652	701,757,206	846,944,333	750,719,431
Income tax expenses	25 (186,052,974)	(153,933,691)	(185,256,938)	(159,099,416)
Profit for the year	637,148,678	547,823,515	661,687,395	591,620,015
Other comprehensive income:				
Actuarial loss	21 -	(1,477,723)	-	(1,477,723)
Income tax effect	25 -	295,545	-	295,545
Other comprehensive income for the year	-	(1,182,178)	-	(1,182,178)
Total comprehensive income for the year	637,148,678	546,641,337	661,687,395	590,437,837
Profit (loss) attributable to:				
Equity holders of the Company	658,559,478	567,617,194	661,687,395	591,620,015
Non-controlling interests of the subsidiaries	(21,410,800)	(19,793,679)		
			637,148,678	547,823,515
Total comprehensive income attributable to:				
Equity holders of the Company	658,559,478	566,435,016	661,687,395	590,437,837
Non-controlling interests of the subsidiaries	(21,410,800)	(19,793,679)		
	637,148,678	546,641,337		
Basic earnings per share				
26 Profit attributable to equity holders of the Company	3.19	7.74	3.21	8.07

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 subsidiaries

For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated Financial Statements						
		Equity attributable to owners of the Company			Equity			
		Issued and paid-up share capital	Share premium	Retained earnings	Total equity attributable to owners of the Company	attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
				Appropriated	Unappropriated			
Balance as at 1 January 2013		343,868,180	303,437,091	34,500,000	777,224,072	1,459,029,343	191	1,459,029,534
Increase share capital		687,736,305	-	-	-	687,736,305	-	687,736,305
Dividend paid	29	-	-	-	(309,474,187)	(309,474,187)	-	(309,474,187)
Transferred to statutory reserve	23	-	-	29,581,001	(29,581,001)	-	-	-
Total comprehensive income for the year		-	-	-	566,435,016	566,435,016	(19,793,679)	546,641,337
Increase in equity attributable to non-controlling interests of the subsidiaries		-	-	-	-	-	52,230,392	52,230,392
Balance as at 31 December 2013		1,031,604,485	303,437,091	64,081,001	1,004,603,900	2,403,726,477	32,436,904	2,436,163,381
Balance as at 1 January 2014		1,031,604,485	303,437,091	64,081,001	1,004,603,900	2,403,726,477	32,436,904	2,436,163,381
Dividend paid	29	-	-	-	(392,009,314)	(392,009,314)	-	(392,009,314)
Transferred to statutory reserve	23	-	-	33,118,999	(33,118,999)	-	-	-
Total comprehensive income for the year		-	-	-	658,559,478	658,559,478	(21,410,800)	637,148,678
Decrease in equity attributable to non-controlling interests of subsidiary from the dissolution of subsidiary		-	-	-	-	-	(171)	(171)
Balance as at 31 December 2014		1,031,604,485	303,437,091	97,200,000	1,238,035,065	2,670,276,641	11,025,933	2,681,302,574

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 subsidiaries

For the year ended 31 December 2014

(Unit: Baht)

	Note	Separate Financial Statements				
		Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
				Appropriated	Unappropriated	
Balance as at 1 January 2013		343,868,180	303,437,091	34,500,000	777,267,790	1,459,073,061
Increase share capital		687,736,305	-	-	-	687,736,305
Dividend Paid	29	-	-	-	(309,474,187)	(309,474,187)
Transferred to statutory reserve	23	-	-	29,581,001	(29,581,001)	-
Total comprehensive income for the year		-	-	-	590,437,837	590,437,837
Balance as at 31 December 2013		1,031,604,485	303,437,091	64,081,001	1,028,650,439	2,427,773,016
Balance as at 1 January 2014		1,031,604,485	303,437,091	64,081,001	1,028,650,439	2,427,773,016
Dividend paid	29	-	-	-	(392,009,314)	(392,009,314)
Transferred to statutory reserve	23	-	-	33,118,999	(33,118,999)	-
Total comprehensive income for the year		-	-	-	661,687,395	661,687,395
Balance as at 31 December 2014		1,031,604,485	303,437,091	97,200,000	1,265,209,521	2,697,451,097

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

Cash flow statement

Advanced Information Technology Public Company Limited and its subsidiaries

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	823,201,652	701,757,206	846,944,333	750,719,431
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	113,309,838	94,077,716	79,159,136	72,005,007
Allowance for doubtful accounts (reversal of allowance for doubtful accounts)	(5,439,513)	44,232,019	(5,418,270)	44,232,019
Share of loss from investments in jointly controlled entity and associate	8,828,136	281,177	-	-
Loss on the dissolution of subsidiary	-	-	147,425	-
Provision for impairment of investment	-	-	28,333,382	-
Provision for penalty on project delay (reversal)	(763,232)	9,500,000	(763,232)	9,500,000
Provision for contingent liability from legal case (reversal)	(12,000,000)	17,000,000	-	-
Loss (gain) on sales of equipment	366,599	-	(6,167)	-
Provision for long-term employee benefits	10,147,116	10,120,769	9,640,472	7,750,728
Unrealised gain on exchange	(252,111)	(9,624,029)	(266,637)	(9,624,029)
Interest expenses	14,210,188	42,204,775	8,487,401	38,861,263
Profit from operating activities before changes in operating assets and liabilities	951,608,673	909,549,633	966,257,843	913,444,419
Operating assets (increase) decrease				
Trade and other receivables	705,917,691	(165,007,979)	704,742,917	(172,650,575)
Unbilled receivables	367,241,363	77,390,534	367,649,740	78,351,474
Inventories	637,522,032	(752,990,425)	640,891,110	(752,632,532)
Other current assets	(15,123,381)	10,851,529	(26,574,293)	(2,475,940)
Other non-current assets	355,951	(184,533)	1,044,699	(288,418)
Operating liabilities increase (decrease)				
Trade and other payables	(201,527,916)	(209,587,622)	(210,511,215)	(185,900,759)
Unbilled payables	61,753,744	5,225,602	61,753,744	5,225,602
Advanced receipts from customers	(130,983,819)	(29,049,472)	(130,548,865)	(32,446,908)
Provision for penalty on project delay	(8,218,368)	-	(8,218,368)	-
Other current liabilities	(22,135,352)	(45,387,240)	(22,232,206)	(47,367,632)
Provision for long-term employee benefits	(8,713,277)	(6,878,446)	(7,615,008)	(6,878,446)
Cash from (used in) operating activities	2,337,697,341	(206,068,419)	2,336,640,098	(203,619,715)
Interest paid	(14,085,372)	(42,217,441)	(8,487,401)	(38,998,745)
Income tax paid	(220,443,802)	(179,972,544)	(206,623,194)	(167,562,821)
Net cash from (used in) operating activities	2,103,168,167	(428,258,404)	2,121,529,503	(410,181,281)

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

Cash flow statement (continued)

Advanced Information Technology Public Company Limited and its subsidiaries

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Cash flows from investing activities				
(Increase) decrease in restricted bank deposits	5,305,205	(7,082,134)	5,484,745	2,352,222
Cash received from non-controlling interests of subsidiary from its share increment	-	7,350,000	-	-
Cash paid from sale of investments in subsidiary	-	(42,644,874)	-	(58,650,000)
Cash received (payment) from the dissolution of subsidiary	(171)	-	852,375	-
Cash payment for investments in jointly controlled entity and associate	(24,999,950)	(25,399,950)	(24,999,950)	(24,999,950)
Cash received from sales of equipment	22,615	-	17,942	-
Cash payment for purchase property, plant and equipment	(111,564,912)	(56,840,137)	(109,490,331)	(44,554,712)
Cash payment for purchase equipment for lease and services	(62,653,972)	(14,373,673)	-	(8,923,608)
Cash payment for purchase computer software	(7,609,812)	(2,200,905)	(5,735,803)	(2,200,905)
Net cash used in investing activities	(201,500,997)	(141,191,673)	(133,871,022)	(136,976,953)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	1,986,295	(365,714,026)	-	(360,000,000)
Increase (decrease) in trust receipts	(451,995,298)	451,995,298	(451,995,298)	451,995,298
Cash receipt from long-term loans	95,709,280	35,084,307	709,280	-
Repayment of long-term loans	(45,512,149)	(32,161,157)	(38,063,150)	(30,430,175)
Increase in liabilities under finance lease agreements	22,932,363	36,552,538	26,918,872	40,268,706
Proceeds from increase in share capital	-	687,736,305	-	687,736,305
Dividend paid	(391,864,178)	(309,362,287)	(391,864,178)	(309,362,287)
Net cash from (used in) financing activities	(768,743,687)	504,130,978	(854,294,474)	480,207,847
Net increase (decrease) in cash and cash equivalents	1,132,923,483	(65,319,099)	1,133,364,007	(66,950,387)
Cash and cash equivalents at beginning of year	180,060,517	245,379,616	177,429,229	244,379,616
Cash and cash equivalents at end of year	1,312,984,000	180,060,517	1,310,793,236	177,429,229

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

Notes to consolidated financial statements

Advanced Information Technology Public Company Limited and its subsidiaries

For the year ended 31 December 2014

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, installation, service, ongoing maintenance, training and lumpsum turnkey for information and communication technology network systems and the renting of computers and electronic equipment. The 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 Thai Financial Reporting 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 28 September 2011, 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 Advanced Information Technology Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014 percent	2013 percent
Kirz Co., Ltd.	Sale and services of software system and computer system and provide high – speed internet	Thailand	51	51
Tower X Asia Co., Ltd.	Sale telecom equipment and provides consultation related to the telecom business	Thailand	–	100
BKK Broadband Co., Ltd. (60 percent owned by Kirz Co., Ltd.)	Provide high-speed internet	Thailand	60	60

During the year 2014, Tower X Asia Co., Ltd. has registered discontinue business and liquidate (as described in Note 11 to the financial statements).

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and will continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investments in subsidiaries and associates under the cost method, have been prepared solely for the benefit of the public.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations

TSIC 15	Operating Leases – Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets – Web Site Costs

Financial Reporting Standard Interpretations

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
Accounting Treatment Guidance for Stock Dividend	

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the financial reporting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether

control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity to account for an investment in a jointly controlled entity using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

The management of the Company and its subsidiaries believes that these standards will not have any impact on the Company and its subsidiaries' financial statements as the Company and its subsidiaries have already applied the equity method to an investment in a jointly controlled entity.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

4. Significant accounting policies

4.1 Revenues and expenses recognition

a) Revenues

Sales and service income

Revenues from the sale, design, installation, service, ongoing maintenance, training and lump sum turnkey for 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 receivables" in the statement of financial position.

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 revenues are 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 sales, design, installation, service, ongoing maintenance, training and contract lump sum turnkey for 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 inventories or “unbilled payables” 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 are 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 the collection of receivables. The allowance is generally based on collection experience and an 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 consists of the cost of materials, labour, subcontract works and other relevant expenses.

4.5 Investments

Investments in subsidiaries, jointly controlled entity and associate are accounted for in the separate financial statements using the cost method. Allowance for impairment loss will be made when the recoverable amounts are lower than the cost of investments.

4.6 Property, plant, equipment and equipment for lease and services and depreciation

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

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

Building	20 years
Building improvement	5 years
Furniture, fixtures and office equipment	5, 10 years
Computers	3, 5 years
Equipment used in projects	3, 5 years
Vehicles	5 years
Equipment for lease	Lease period (3.5 – 5.5 years)
Equipment for services	5, 10, 15 years

Depreciation is included in determining income.

No depreciation is provided for land and asset under installation.

An item of property, plant, equipment and equipment for lease and services is recognised 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 is included as profit or loss when the asset is recognised.

4.7 Intangible assets and amortisation

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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 assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Customer relationship	5 years
Computer software	10 years

4.8 Goodwill

Goodwill is initially recorded at cost, equal to the excess of the cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.9 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.

4.10 Long-term leases

Leases of plant and 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 profit or loss over the lease period. The equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases of plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency.

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 end of reporting period.

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries performs impairment reviews in respect of the property, plant, equipment, equipment for lease and services and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carries out annual impairment reviews in respect of goodwill. 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 the information available, reflects the amount that the Company and its subsidiaries 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 profit or loss.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

4.14 Provisions

Provisions are recognised when the Company and its subsidiaries 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.

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current 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.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward, to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets, to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity, if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrealised 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 financial reporting standards at times 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, installation, service, ongoing maintenance, training and lump sum turnkey for information and communication technology network systems

In estimation of revenues and costs of sales, design, installation, service, ongoing maintenance, training and lump sum turnkey for 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 in order 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 in regards to 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.

Property, plant, equipment and equipment for lease and services and depreciation

In determining depreciation of building, equipment and equipment for lease and services, the management is required to make estimates of the useful lives and residual values of the Company and its subsidiaries's, building, equipment and equipment for lease and services and to review estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant, equipment and equipment for lease and services 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 judgment in regards to the forecast of future revenues and expenses relating to the assets, subject to the review.

Goodwill, intangible assets and amortisation

The initial recognition and measurement of goodwill and intangible assets, and the 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.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The subsidiary has contingent liabilities as a result of litigation. The management has used judgement to assess of the results of the litigation and recorded provision for contingent liability as described in Note 30.4 to the financial statements.

6. Related party transactions

During the years, the Company and its subsidiaries had not significant business transactions with related parties.

Directors and management's benefits

During the year ended 31 December 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

Related parties	Related transactions	Consolidated Financial Statements		Separate Financial Statements	
		2014	2013	2014	2013
Audit committee	Short-term employee benefits	6	4	6	4
Management and executive directors	Short-term employee benefits	125	115	115	106
	Post-employment benefits	2	3	2	3
Directors who are not members of the audit committee or management committee	Short-term employee benefits	7	5	7	5

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Cash	648	391	465	325
Bank deposits	1,312,336	179,670	1,310,328	177,104
Total	1,312,984	180,061	1,310,793	177,429

As at 31 December 2014, bank deposits in savings accounts and fixed deposits carried interests between 0.1 – 1.25 percent per annum (2013: 0.1 – 1.8 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
<u>Trade receivables – related party</u>				
Aged on the basis of due dates				
Past due				
Not yet due	–	–	994	–
3–6 months	–	–	498	–
Total trade receivables – related party	–	–	1,492	–
<u>Trade receivables – unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	396,592	599,836	390,093	598,268
Past due				
Up to 3 months	433,551	897,742	431,632	891,452
3–6 months	308,327	128,602	308,237	128,543
Over 6–12 months	66,211	198,946	66,109	198,817
Over 12 months	148,037	222,959	147,781	222,455
Total	1,352,718	2,048,085	1,343,852	2,039,535
Less: Allowance for doubtful accounts	(44,541)	(46,981)	(44,331)	(46,749)
Total trade receivables – unrelated parties, net	1,308,177	2,001,104	1,299,521	1,992,786
<u>Other receivables</u>				
Receivable from sale of investment	–	7,500	–	7,500
Receivable under installment	11,588	14,640	11,588	14,640
Total	11,588	22,140	11,588	22,140
Less: Allowance for doubtful accounts	–	(3,000)	–	(3,000)
Total other receivable, net	11,588	19,140	11,588	19,140
Total trade and other receivables – net	1,319,765	2,020,244	1,312,601	2,011,926

Most of the overdue trade accounts receivables balances are those receivables 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 debts is adequate in the current circumstance.

9. Inventories

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Equipment and work in progress	545,222	1,193,123	540,305	1,191,575
Goods in transit	53,851	43,472	53,851	43,472
Total	599,073	1,236,595	594,156	1,235,047
Less: Allowance for diminution in value of inventories	(20,831)	(20,831)	(20,831)	(20,831)
Inventories – net	578,242	1,215,764	573,325	1,214,216

10. Restricted bank deposits

These represent fixed deposits of the Company and its subsidiary pledged with the banks to secure credit facilities.

11. Investments in subsidiaries

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

(Unit: Million Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2014	2013	2014 (percent)	2013 (percent)	2014	2013
Tower X Asia Co., Ltd.	–	1	–	100	–	1.0
Kirz Co., Ltd.	65	65	51	51	58.6	58.6
Total					58.6	59.6
Less: Allowance for impairment of investments					(28.3)	–
Investments in subsidiaries, net					30.3	59.6

During the years 2014 and 2013, the subsidiary companies did not pay a dividend.

Investment in Tower X Asia Co., Ltd.

On 28 October 2014, the Extraordinary General Meeting No. 1/2557 of Tower X Asia Co., Ltd., passed a resolution to dissolve its continue on business by registering the dissolution with the Ministry of Commerce on 31 October 2014. The liquidation was completed on 8 December 2014 whereby the Company received the returned money amounting to Baht 0.9 million.

Investment in Kirz Co., Ltd.

As at 31 December 2014, the management of the Company set up allowance for impairment of investments in subsidiary amounting to Baht 28.3 million, in order to reflect the future expected return on investments.

12. Investments in jointly controlled entity and associate

(Unit: Million Baht)

			Consolidated Financial Statements					
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2014	2013	2014 (percent)	2013 (percent)	2014	2013
Investment in jointly controlled entity								
Loxley & AIT Holding Co., Ltd.	Lump sum turnkey contracting for the installation of communication tools, electricity plants and sales of related equipment	Thailand	50	50	75	50	66	50
Investment in associate								
Optic Mate Co., Ltd. (owned by Kirz Co., Ltd)	Sale of telecom equipment	Thailand	40	40	-	-	-	-
					75	50	66	50

(Unit: Million Baht)

			Separate Financial Statements					
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2014	2013	2014 (percent)	2013 (percent)	2014	2013
Investment in jointly controlled entity								
Loxley & AIT Holding Co., Ltd.	Lump sum turnkey contracting for the installation of communication tools, electricity plants and sales of related equipment	Thailand	50	50	75	50	66	50
					75	50	66	50

On 18 November 2014, the Company additionally invested Baht 25 million in Loxley & AIT Holding Co., Ltd., (additionally called up 25 percent, equivalent to a total of 75 percent).

For the year ended 31 December 2014, the Company and its subsidiaries have recognised their share of loss from investments in jointly controlled entity and associated company in the consolidated financial statements amounting to Baht 8.8 Million (2013: Baht 0.3 million).

13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated Financial Statements							
	Land	Building and improvement	Furniture, fixture and office equipment	Computers	Equipment used in projects	Vehicles	Asset under installation	Total
Cost								
As at 1 January 2013	-	15,590	19,054	89,575	45,682	527	-	170,428
Additions	-	9,747	3,170	16,597	23,759	184	3,383	56,840
Transferred from subsidiary	-	2,465	7,667	24,795	13,732	755	-	49,414
As at 31 December 2013	-	27,802	29,891	130,967	83,173	1,466	3,383	276,682
Additions	35,718	30,135	3,270	10,583	35,178	64	-	114,948
Disposals/write-off	-	-	(1,838)	(981)	-	-	-	(2,819)
Transfer to equipment for services (Note 14)	-	-	-	-	-	-	(3,383)	(3,383)
As at 31 December 2014	35,718	57,937	31,323	140,569	118,351	1,530	-	385,428
Accumulated depreciation								
As at 1 January 2013	-	8,543	14,190	79,160	20,945	82	-	122,920
Depreciation for the year	-	2,583	2,679	9,409	20,720	121	-	35,512
Transferred from subsidiary	-	633	5,038	6,412	1,090	754	-	13,927
As at 31 December 2013	-	11,759	21,907	94,981	42,755	957	-	172,359
Depreciation for the year	-	5,082	3,223	13,866	23,573	148	-	45,892
Depreciation on disposals/write-off	-	-	(1,636)	(794)	-	-	-	(2,430)
As at 31 December 2014	-	16,841	23,494	108,053	66,328	1,105	-	215,821
Net book value								
As at 31 December 2013	-	16,043	7,984	35,986	40,418	509	3,383	104,323
As at 31 December 2014	35,718	41,096	7,829	32,516	52,023	425	-	169,607
Depreciation for the year								
2013 (Baht 20.7 million included in cost of sales and service, and the balance in administrative expenses)								35,512
2014 (Baht 23.6 million included in cost of sales and service, and the balance in administrative expenses)								45,892

(Unit: Thousand Baht)

	Separate Financial Statements						
	Land	Building and improvement	Furniture, fixture and office equipment	Computers	Equipment used in projects	Vehicles	Total
Cost							
As at 1 January 2013	-	15,590	19,054	89,575	45,682	527	170,428
Additions	-	9,228	3,038	8,616	23,672	-	44,554
As at 31 December 2013	-	24,818	22,092	98,191	69,354	527	214,982
Additions	35,718	28,702	1,766	8,801	34,503	-	109,490
Disposals	-	-	(57)	-	-	-	(57)
As at 31 December 2014	35,718	53,520	23,801	106,992	103,857	527	324,415
Accumulated depreciation							
As at 1 January 2013	-	8,543	14,190	79,160	20,945	82	122,920
Depreciation for the year	-	2,160	2,036	6,239	18,649	105	29,189
As at 31 December 2013	-	10,703	16,226	85,399	39,594	187	152,109
Depreciation for the year	-	4,355	2,192	8,400	20,757	105	35,809
Depreciation on disposals	-	-	(45)	-	-	-	(45)
As at 31 December 2014	-	15,058	18,373	93,799	60,351	292	187,873
Net book value							
As at 31 December 2013	-	14,115	5,866	12,792	29,760	340	62,873
As at 31 December 2014	35,718	38,462	5,428	13,193	43,506	235	136,542
Depreciation for the year							
2013 (Baht 18.6 million included in cost of sales and service, and the balance in administrative expenses)							29,189
2014 (Baht 20.8 million included in cost of sales and service, and the balance in administrative expenses)							35,809

As at 31 December 2014, certain items of building and equipment were fully depreciated but are still in use. The gross carrying amount before deducting the accumulated depreciation of those assets amounted to approximately Baht 143 million (2013: Baht 106 million) (The Company only: Baht 136 million, 2013: Baht 101 million).

14. Equipment for lease and services

(Unit: Thousand Baht)

	Consolidated Financial Statements				Separate Financial Statements
	Equipment for lease	Equipment for services	Equipment for services under installation	Total	Equipment for lease
Cost					
As at 1 January 2013	228,454	–	–	228,454	228,454
Transferred from subsidiary	–	88,007	–	88,007	–
Additions	8,924	5,450	–	14,374	8,924
As at 31 December 2013	237,378	93,457	–	330,835	237,378
Additions	–	58,790	481	59,271	–
Transfer from equipment (Note 13)	–	3,383	–	3,383	–
As at 31 December 2014	237,378	155,630	481	393,489	237,378
Accumulated depreciation					
As at 1 January 2013	83,070	–	–	83,070	83,070
Transferred from subsidiary	–	21,779	–	21,779	–
Depreciation for the year	41,381	9,291	–	50,672	41,381
As at 31 December 2013	124,451	31,070	–	155,521	124,451
Depreciation for the year	41,533	15,358	–	56,891	41,533
As at 31 December 2014	165,984	46,428	–	212,412	165,984
Allowance for impairment loss					
As at 1 January 2013	558	–	–	558	558
As at 31 December 2013	558	–	–	558	558
As at 31 December 2014	558	–	–	558	558
Net book value					
As at 31 December 2013	112,369	62,387	–	174,756	112,369
As at 31 December 2014	70,836	109,202	481	180,519	70,836
Depreciation for the year for consolidated financial statements					
2013 (all included in cost of equipment for lease and services)					50,672
2014 (all included in cost of equipment for lease and services)					56,891
Depreciation for the year for separate financial statements					
2013 (all included in cost of equipment for lease and services)					41,381
2014 (all included in cost of equipment for lease and services)					41,533

As at 31 December 2014, certain items of equipment for lease and services were fully depreciated but are still in use. The gross carrying amount before deducting the accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 29 million (2013: Baht 25 million) (The Company only: Baht 17 million, 2013: Baht 17 million).

As at 31 December 2014, the subsidiary had equipment for services with net book values of Baht 9 million (2013: Baht 10 million) which were acquired under finance lease agreement.

15. Intangible assets

The net book value of intangible assets as at 31 December 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	Customer relationship and licences	Computer software	Total	Computer software
As at 31 December 2014:				
Cost	43,057	23,552	66,609	21,679
<u>Less</u> Accumulated amortisation	(15,070)	(6,500)	(21,570)	(6,403)
Net book value	27,987	17,052	45,039	15,276
As at 31 December 2013:				
Cost	43,057	15,943	59,000	15,943
<u>Less</u> Accumulated amortisation	(6,459)	(4,586)	(11,045)	(4,586)
Net book value	36,598	11,357	47,955	11,357

A reconciliation of the net book value of intangible assets for the years 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Net book value at beginning of year	47,955	10,591	11,357	10,591
Acquisition of computer software	7,609	2,201	5,736	2,201
Increase of customer relationship from acquisitions of subsidiary	-	43,057	-	-
Amortisation	(10,525)	(7,894)	(1,817)	(1,435)
Net book value at end of year	45,039	47,955	15,276	11,357

16. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate	Consolidated Financial Statements	
	(Unit: Thousand Baht)	2014	2013
Bank overdrafts	MOR	10,393	10,207
Promissory notes	SD+2	7,800	6,000
		18,193	16,207

Bank overdrafts of the subsidiary are guaranteed by the pledged of the fixed deposit of the subsidiary and the subsidiary's director and secured by a mortgage of land of the subsidiary's director.

Promissory notes of the subsidiary are guaranteed by the pledge of the savings deposit of the subsidiary's director and the subsidiary's director.

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Trade payables				
Related party	–	6	97	197
Unrelated parties	585,061	784,464	557,422	763,031
Total trade payables	585,061	784,470	557,519	763,228
Other payables	1,724	341	1,674	293
Accrued expenses	101,890	102,559	97,555	101,045
Total trade and other payables	688,675	887,370	656,748	864,566

18. Long-term loans

(Unit: Million Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Long-term loans	135	85	8	46
Less: Current portion of long-term loans	(135)	(45)	(8)	(38)
Long-term loans, net of current portion	–	40	–	8

The loan agreements contain several covenants which, among other things, require the Company and subsidiary to maintain certain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in to the agreements.

In the year 2011, the Company obtained a total of credit facility of Baht 100 million from a local commercial bank for acquisition of equipment for project works. The loan carries an interest rate of 5.7% per annum. The loan principal and interest are repayable from April 2012 – March 2015, totaling 36 installments of Baht 3.1 million each and the loan is unsecured.

In the year 2013, the subsidiary obtained total of credit facility of Baht 137.5 million from a local commercial bank to use in its operation. The loans carry interest at a rate of MLR+1.25 per annum. The loan principal and interest are repayable from October 2013 – April 2018 and the loans are secured by the pledge of fixed deposits of the subsidiary and guaranteed by the subsidiary's director.

As at 31 December 2014, the subsidiary was unable to maintain the financial ratio stipulated in the loan agreements with the commercial bank. Under the conditions in the agreement, the lender therefore has the right to call for immediate repayment of the long-term loan. The subsidiary has, therefore, classified long-term loans of Baht 127 million as due at call. However, the subsidiary was granted a waiver from compliance with the financial ratio by the bank in February 2015.

19. Liabilities under finance lease agreements

(Unit: Million Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Liabilities under finance lease agreements	69.9	47.0	68.1	41.0
Less: Deferred interest	(1.0)	(1.1)	(0.9)	(0.7)
Total	68.9	45.9	67.2	40.3
Less: Portion due within one year	(25.4)	(17.3)	(23.7)	(13.4)
Liabilities under finance lease agreements – net of current portion	43.5	28.6	43.5	26.9

The Company entered into agreements to sell and lease back computer equipment for project works. These agreements are regarded as finance lease agreements. The liabilities under the agreements are payable on monthly and quarterly basis. The term of agreements are generally 2 – 4 years. Upon the expiration of the agreements, the Company has the right to purchase the computer equipment at prices specified in the agreements.

The subsidiary has entered into the finance lease agreement and hire purchase agreement for rental of equipment for services for use in its operations, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 2 – 3 years.

As at 31 December 2014, the Company and its subsidiary have future minimum lease payments required under the finance lease agreements and hire purchase agreement as follows:

(Unit: Million Baht)

	Consolidated Financial Statements		
	Less than 1 year	1 – 3 years	Total
Future minimum lease payments	26.0	43.9	69.9
Deferred interest expenses	(0.6)	(0.4)	(1.0)
Present value of future minimum lease payments	25.4	43.5	68.9

(Unit: Million Baht)

	Separate Financial Statements		
	Less than 1 year	1 – 3 years	Total
Future minimum lease payments	24.2	43.9	68.1
Deferred interest expenses	(0.5)	(0.4)	(0.9)
Present value of future minimum lease payments	23.7	43.5	67.2

20. Other current liabilities

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Value added tax payable	494	24,918	488	24,916
Undue output tax	27,338	31,149	27,338	31,149
Withholding tax payable	48,404	42,462	48,077	42,203
Others	1,604	1,301	1,499	1,221
Total Other current liabilities	77,840	99,830	77,402	99,489

21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employee after they relive from the company.

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Provision for long-term employee benefits				
at beginning of year	50,643	45,923	48,273	45,923
Current service cost	8,423	8,283	7,972	5,913
Interest cost	1,724	1,837	1,668	1,837
Benefits paid during the year	(8,713)	(6,878)	(7,615)	(6,878)
Actuarial loss	-	1,478	-	1,478
Provision for long-term employee benefits				
at end of year	52,077	50,643	50,298	48,273

Long-term employee benefit expenses included in the profit or loss consist of the following:

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Current service cost	8,423	8,283	7,972	5,913
Interest cost	1,724	1,837	1,668	1,837
Total expense recognised in profit or loss	10,147	10,120	9,640	7,750
Line items in profit or loss under which such expenses are included				
Cost of sales and service	2,730	1,942	2,670	1,405
Selling and administrative expenses	7,417	8,178	6,970	6,345

Key actuarial assumptions used for the valuation are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2014 (percent per annum)	2013 (percent per annum)	2014 (percent per annum)	2013 (percent per annum)
Discount rate	4	4	4	4
Future salary increase rate (depending on age of employee)	3 – 6	3 – 6	3 – 6	3 – 6
Staff turnover rate (depending on age)	3 – 6	3 – 6	3 – 6	3 – 6

The amount of defined benefit obligation and experience adjustments for the current year and the past three years are as follows:

(Unit: Thousand Baht)

	Defined benefit obligations		Experience adjustments on the obligations	
	Consolidated Financial Statements	Separate Financial Statements	Consolidated Financial Statements	Separate Financial Statements
Year 2014	52,007	50,298	–	–
Year 2013	50,643	48,273	3,598	3,598
Year 2012	45,923	45,923	–	–
Year 2011	38,466	37,501	–	–

22. Share capital

On 8 April 2014, the 2014 Annual General Meeting of the Company's shareholders passed a resolution approving the reduction in the registered capital from Baht 1,031,604,540 (206,320,908 ordinary shares of Baht 5 each) to Baht 1,031,604,485 (206,320,897 ordinary shares of Baht 5 each). The Company registered the reduction with the Ministry of Commerce on 21 April 2014.

23. 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 profit 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.

24. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Salaries, bonus, commission and other employee benefits	787,337	667,948	746,274	639,358
Installation and services expenses	631,158	1,108,012	564,507	1,094,945
Repair and maintenance expenses	337,897	241,872	337,687	241,747
Depreciation and amortisation	113,310	94,078	79,159	72,005
Entertainment expenses	60,894	57,330	59,502	56,875
Purchase inventories	2,839,225	3,413,611	2,796,165	3,391,383
Changes in inventories	752,715	(768,876)	713,025	(768,876)

25. Deferred tax assets / Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Current income tax:				
Current income tax charge	185,116	165,710	185,116	165,710
Deferred tax:				
Relating to origination and reversal of temporary differences	937	(11,865)	141	(6,700)
Effects of the changes in the tax rate	–	89	–	89
Income tax expense reported in the statement of comprehensive income	186,053	153,934	185,257	159,099

The amount of income tax relating to each component of other comprehensive for the years ended 31 December 2014 and 2013 are as follows:

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Actuarial losses	–	296	–	296
Income tax income reported in the other comprehensive income	–	296	–	296

The reconciliation between accounting profit and income tax expenses is shown below.

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Accounting profit before income tax expenses	823,202	701,757	846,944	750,719
Applicable tax rate	20%	20%	20%	20%
Accounting profit before income expense tax multiplied by applicable tax rate	164,640	140,351	169,389	150,144
Effects of changes in the tax rates	–	89	–	89
Effects of:				
Non-deductible expenses	16,690	10,020	16,690	10,020
Additional expense deductions allowed	(1,423)	(1,394)	(1,423)	(1,394)
Others	6,146	4,868	601	240
Total	21,413	13,494	15,868	8,866
Income tax expenses reported in the statement of comprehensive income	186,053	153,934	185,257	159,099

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax assets				
Allowance for doubtful accounts	9,600	11,388	9,600	11,388
Allowance for impairment of equipment for lease	112	112	112	112
Intangible asset from business combination	(5,597)	(7,319)	-	-
Provision for long-term employee benefits	10,415	10,128	10,060	9,654
Receivables under forward contracts	(592)	(3,630)	(592)	(3,630)
Provision for penalty on project delay	103	1,900	103	1,900
Provision for contingent liability from legal case	1,000	3,400	-	-
Total	15,041	15,979	19,283	19,424

As at 31 December 2014, a subsidiary has unused tax losses amounting to Baht 31 Million (2013: Baht 24 million) on which deferred tax assets have not been recognised as the subsidiary believes unused tax losses may not be utilised in future.

26. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Profit attributable to equity holders of the Company (Thousand Baht)	658,559	567,617	661,687	591,620
Weighted average number of ordinary shares (Thousand Shares)	206,321	73,296	206,321	73,296
Basic earnings per share (Baht)	3.19	7.74	3.21	8.07

27. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

The Company and its subsidiaries's business operations involve 2 principal segments: (1) sales and service and (2) rental of equipment. The Company and its subsidiaries measured segment performance based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. During year ended 31 December 2014 and 2013, there were no material activities pertaining to the rental segment. For this reason, no related financial information has been presented by either industry segment or geographical area.

Geographic information

The Company and its subsidiaries are mainly operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customers

In year 2014, the Company and its subsidiaries have revenue from two major customers in the amount of Baht 2,193 million and Baht 823 million, respectively which derived from sales and service income (2013: Baht 2,027 million and Baht 751 million, respectively).

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

28 Provident fund

The Company, its subsidiary and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530, contributed to the fund monthly at the rate of 5 – 15 percent of basic salary. The fund, which is managed by SCB Asset Management Company Limited and AIA Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2014, the Company and its subsidiary contributed Baht 23.6 million (2013: Baht 23.3 million) (The Company only: Baht 22.8 million, 2013: Baht 21.7 million) to the fund.

29. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends in respect of the year 2013 operating results	The 2014 Annual General Meeting of the Company's shareholders held on 8 April 2014	206.3	1.00
Interim dividends in respect of the retained earnings	The Board of Directors' meeting of the Company held on 7 August 2014	185.7	0.90
Total dividends for 2014		392.0	1.90
Final dividends in respect of the year 2012 operating results	The 2013 Annual General Meeting of the Company's shareholders held on 5 April 2013	189.1	2.75
Interim dividends in respect of the retained earnings	The Board of Directors' meeting of the Company held on 8 August 2013	120.4	1.75
Total dividends for 2013		309.5	4.50

30. Commitments and contingent liabilities

30.1 Operating lease commitments

The Company and its subsidiaries 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 3 years.

The Company and its subsidiaries have future minimum lease payments required under these leases arrangements as follows:

(Unit: Million Baht)

	As at 31 December			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Payable within				
Less than 1 year	12.9	17.2	9.9	14.1
1 to 3 years	14.7	12.5	12.1	10.4

30.2 Obligations relating to undelivered and unrendered contracts

1. The Company have contracts related to for selling goods and rendering services that are undelivered and unrendered to their customers of approximately Baht 2,368 million (2013: Baht 3,896 million).
2. The Company has engaged in various contracts, with a total contract value for future services rendering of Baht 119 million (2013: Baht 196 million), to lease the electronic equipment to companies of which the government is a major shareholder, government agencies, various schools and private companies. The Company has obliged to complete the equipment installation and render maintenance services for these equipment in accordance with the conditions stipulated in the contracts.

30.3 Guarantees

As at 31 December 2014, there were outstanding bank guarantees of approximately Baht 1,278.0 million (2013: Baht 1,627.4 million) which have been issued by banks on behalf of the Company, subsidiary, counterparty and consortium, in respect of certain performance bonds as required in the ordinary course of its businesses. These included letters of guarantee amounting to Baht 1,275.6 million (2013: Baht 1,625.0 million) to guarantee contractual performance and Baht 2.4 million (2013: Baht 2.4 million) to guarantee payments due to creditors.

30.4 Litigation

In August 2012, a civil suit was filed against the subsidiary by a counterparty, seeking payment of the Inter Connection Charge service fee of Baht 16.0 million and interest of Baht 1.2 million, or a totaling Baht 17.2 million, plus interest at 7.5% per annum on principal of Baht 14.9 million, computed from the day after the date the lawsuit was filed to the date payment is completed. The grounds for the case were that the subsidiary had not paid service fees between August 2010 – May 2011. At present, the case is in the conciliation and examination of evidence phase and the outcome is unknown. However, the subsidiary had set up provision for contingent liabilities from the litigation of Baht 17 million in year 2013's financial statements, based on the opinions of the management of the subsidiary.

Subsequently, in year 2014, the previous shareholders of subsidiary has issued bank guarantee to Kirz Company Limited (subsidiary) for guarantee the contingent liabilities from the litigation amounting to Baht 12 million. The management of the subsidiary has reversed such provision for contingent liabilities from litigation amounting to Baht 12 million.

31. Financial instruments

31.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise of cash and cash equivalents, trade and other receivables, restricted bank deposits, bank overdrafts, short-term loans, trust receipts, trade and other payables and long-term loans. 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 and other receivables. 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 trade and other receivables as stated in the statements of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, other receivable, bank overdrafts, short-term loans, trust receipts and long-term loans. However, as 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, classified by type of interest rate, are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on their maturity dates, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated Financial Statements											
Fixed interest rates				Floating		Non-interest		Effective			
Within 1 year		1 - 5 years		interest rate		bearing		Total		interest rate	
2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013

(percent per annum)

Financial assets

Cash and cash equivalents	1,187	125	-	-	-	-	126	55	1,313	180	0.1 - 1.3	0.1 - 1.8
Trade and other receivables	12	15	-	-	-	-	1,308	2,005	1,320	2,020	6.0	6.0
Restricted bank deposits	10	15	-	-	-	-	-	-	10	15	1.7	1.5 - 1.8
	1,209	155	-	-	-	-	1,434	2,060	2,643	2,215		

Financial liabilities

Bank overdrafts and short-term

loans from financial

institutions	-	-	-	-	18	16	-	-	18	16	2.5 - 7.4	2.5 - 7.8
Trust receipts	-	452	-	-	-	-	-	-	-	452	-	1.0 - 1.2
Trade and other payables	-	-	-	-	-	-	689	897	689	897	-	-
Long-term loans	8	38	-	-	128	47	-	-	136	85	5.5, 5.7	5.5, 5.7
	8	490	-	-	146	63	689	897	843	1,450		

(Unit: Million Baht)

	Separate Financial Statements											
	Fixed interest rates				Floating		Non-interest		Effective			
	Within 1 year		1 – 5 years		interest rate		bearing		Total		interest rate	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(percent per annum)											
Financial assets												
Cash and cash equivalents	1,185	122	-	-	-	-	126	55	1,311	177	0.1 – 1.3	0.1 – 1.8
Trade and other receivables	12	15	-	-	-	-	1,301	1,997	1,313	2,012	6.0	6.0
Restricted bank deposits	-	5	-	-	-	-	-	-	-	5	-	1.5 – 1.8
	1,197	142	-	-	-	-	1,427	2,052	2,624	2,194		
Financial liabilities												
Trust receipts	-	452	-	-	-	-	-	-	-	452	-	1.0 – 1.2
Trade and other payables	-	-	-	-	-	-	657	874	657	874	-	-
Long-term loans	8	38	-	8	-	-	-	-	8	46	5.7	5.7
	8	490	-	8	-	-	657	874	665	1,372		

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 it appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2014, the Company had outstanding balance of trade accounts payable denominated in foreign currency of USD 10.3 million (2013: USD 7.6 million) and had certain forward exchange contracts which had been made to cover the purchase of inventories totaling USD 9.3 million (2013: USD 14.7 million), at exchange rates ranging between Baht 32.12 to Baht 33.21 per USD (2013: Baht 30.17 to Baht 32.29 per USD).

31.2 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 statements of financial position.

A fair value is the amount at 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.

32. Capital management

The primary objective 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.

The group manages its capital position with reference to its debt-to-equity ratio. As at 31 December 2014, the Group's debt-to-equity ratio was 0.6:1 (2013: 0.9:1) and the Company's was 0.5:1 (2013: 0.9:1).

33. Events after the reporting period

On 19 February 2015, the Board of Directors' meeting No. 1/2558 of the Company passed a resolution to propose the payment of a dividend in respect of the retained earnings of Baht 1.10 per share, which is an addition of an interim dividend payment of Baht 0.90 per share. The Company will propose to the Annual General Meeting of the Company's shareholders that such dividend be paid.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2015.

Management Discussions and Analysis

1. Overview

1.1 Summary of Operational Results and Factors Making Significant Changes

In 2014 the company achieved the highest revenues and net profit since the date of company establishment. As a result of winning several big projects at the end of the Year 2013, the company was able to gradually recognize significant income in the first half of 2014. However in the second half of 2014, the company did not win similarly big projects as it had done at the end of the previous Year 2013. Therefore the income of the second half of 2014 was lower when compared to the income of the first half of 2014.

KIRZ Co.,Ltd, a subsidiary company, had no significant changes in revenue in 2014. Its operation continues to be a loss, however the losses were decreased from those in 2013. During 2014, KIRZ was in the process of an installation of its own network circuits. These network circuits have been completed in accordance with the annual plan; and as a result, ongoing service costs will now be reduced and its operation will begin to achieve profit performance.

TowerX Asia Co., Ltd., another subsidiary, had been an investment since the end of the Year 2012 – but it had still not been operational. The Executive Committee therefore decided to terminate the company. The liquidation was completed in the 4th Quarter of 2014.

In 2014, according to the Consolidated Financial Statement, the company had total revenue of Baht 6,651.55 Million – which is an increase of Baht 628.32 Million over the Year 2013 – which equaled Baht 6,023.23 Million. This therefore means an increase of 10.43 percent. The company net profit for the Year 2014 is Baht 637.15 Million – which is an increase of Baht 89.33 Million from the Year 2013 – and which equaled Baht 547.82 Million. This therefore means an increase of 16.31 percent.

The factors affecting an increase in revenue were: the company achieved success according to its planned strategy; maintaining the existing customer base; finding new customers for the existing base; and the expansion of its business to other countries.

1.2 Describing how the Economy and Industry Affected the Operation

The State economy as a whole was affected by political unrest since the end of the year 2013. This continued until the middle of the year 2014 – and resulted in a shrinking economy in early 2014 – due to a severe reduction in spending in both the private and public sectors. The industrial sector shrank as well. Later in the middle of 2014, the political situation was resolved; however reduced purchasing power remained. The export sector of Thailand, according to world economics, is still in a slowdown. By the end of 2014 the Thai economy tended to grow slowly – with the main driving forces being from the sectors of export, tourism and government spending. Government spending in particular was focused on investment in irrigation as the fiscal year started.. As a result, industrial production and the services sectors have recovered – while private sector spending is still in slowdown. Despite these conditions, the company won many projects at the end of the year because government IT projects were awarded budgets for project tasks – especially projects for the security of information which may have been affected by the political unrest and the historical threat of drought.

Moreover, this was a time for replacement of aged equipment due to equipment redundancy. During mid-2014, the economy still remained depressed while the government was in a stage of change. This resulted from a decline in government spending. At the end of 2014, the government budget policy was to emphasize a focus on irrigation, transportation and logistics. Therefore, the company's projects on hand had become fewer at the end of 2014.

The Thai political and economic situation had a lesser effect on the company's subsidiary than for the company. This was because the use of internet is now an essential need in everyday life for both individuals and business operations. The subsidiary's customers are mainly legal entities – therefore revenues are quite constant – except that private sector's spending is in decline. Therefore, an expansion of the customer base has become more difficult. Competition based on price alone is now far more than before. However, the new KIRZ Fiber optic network, which is wholly-owned, will help us gain more advantage in this competitive marketplace.

1.3 Links to Policies, Strategies & Selecting a Business Decision.

The company's sales reflect the defined management strategies. Those strategies were as follows:-

- 1.3.1 Maintain the original customer base: The company's proportion of revenues, from State enterprises concerned with telecommunications, is approximately 50 percent of total revenue. This proportion indicates that company is still able to maintain its main customer base.
- 1.3.2 Expanding of the base to include new customers: in 2014 the company's revenue showed that the revenues were from new large customers, new government agencies and new State enterprises – including new a new customer base including companies such as: PTT Plc. and its subsidiaries, The Stock Exchange of Thailand and the Bangkok Mass Transit System Plc. .
- 1.3.3 Increase Recurring income: the company's revenue from maintenance services of equipment and telecommunication systems increased by 192.12 million baht, or 46.81%, from Baht 410.45 Million in 2013 to Baht 602.59 Million in 2014. The management wants the company to continue to grow steadily in this sector so that its investment in Kirz, a subsidiary that has a service business in internet networks, is one of the company's strategies for recurring income.
- 1.3.4 Expand into new businesses or to customers in other countries: in 2014, the company's revenue increased from projects with customers in Cambodia. Revenue increased by Baht 10.23 Million, or 114.17%, from Baht 8.96 Million in 2013 to Baht 19.19 Million in 2014. This is due to the fact that the company has set up a representatives office to take care of potential customers in the area. In early 2014 the company has also set up an ICT training center to give service to general customers – and to train project customers after it has won the projects. This is to serve the needs of our customers and to reduce external training costs from other suppliers.

Moreover, the company has expanded business through Loxley and AIT Holding Co., Ltd. At present, there is progress on project for the Laos Land Title Deed Management and it is likely that the company will win this project. Other projects are also in early stages.

1.4. Description by Product Line

The products and services of the company, and its subsidiaries, can be classified as follows:

1.4.1 AIT's business unit grouped by revenue type:

- 1.4.1.1 Sales consist of sales of equipment, sales of software and sales of turnkey project or implementation projects until completed, and then delivered to the customer;
- 1.4.1.2 Business Revenue from services including consultation, design, installation and maintenance of equipment;
- 1.4.1.3 Business of rental equipment. This is revenue from the rental of computer equipment.

Most of its revenue comes from government and enterprise customers including: CAT Telecom PCL., TOT PCL, The Social Security Office, The Office of the Higher Education Commission, the Directorate of Communications and Electronics of the Royal Thai Air Force and major private companies, etc.

1.4.2 KIRZ Co.Ltd. business unit grouped by revenue type:

- 1.4.2.1 Business from service provider networks (Local Loop) and the Internet
- 1.4.2.2 Businesses from providing data centers
- 1.4.2.3 Business of providing WIFI
- 1.4.2.4 Business of providing IP Multimedia
- 1.4.2.5 Business from the sale of computer and electronics equipment or the sale of projects to the public and private sectors

Most of KIRZ Co. Ltd. revenue is from private companies – both large and small businesses with good financial credit.

1.5 Disclose Compared to the Forecast

For the Year 2014, the company had forecasted revenues in the separate statements of Baht 6,200 Million. The actual operations however equaled Baht 6,651.55 Million.

The company revenues exceeded the forecasted revenue because: in 2014 there were many projects delivered – and these included projects that had been obtained in late 2013 and which were delivered in 2014.

2 Result of Operations and Profitability

2.1 Describes Status and Significant Changes

Significant changes for operations can be determined from the following financial ratios:

Financial Ratio	2014	2013	2012
Profitability ratio			
Gross profit margin	22.61	23.91	23.03
Operating profit margin	11.16	11.38	10.91
Cash flow from operation to net income	287.73	(63.11)	5.43
Net profit margin	9.58	9.10	8.76
Return on equity	24.90	28.13	25.75
Efficiency ratio			
Return on asset	14.48	13.17	11.40
Return on fixed asset	238.54	272.33	203.15
Asset turnover	1.51	1.45	1.30

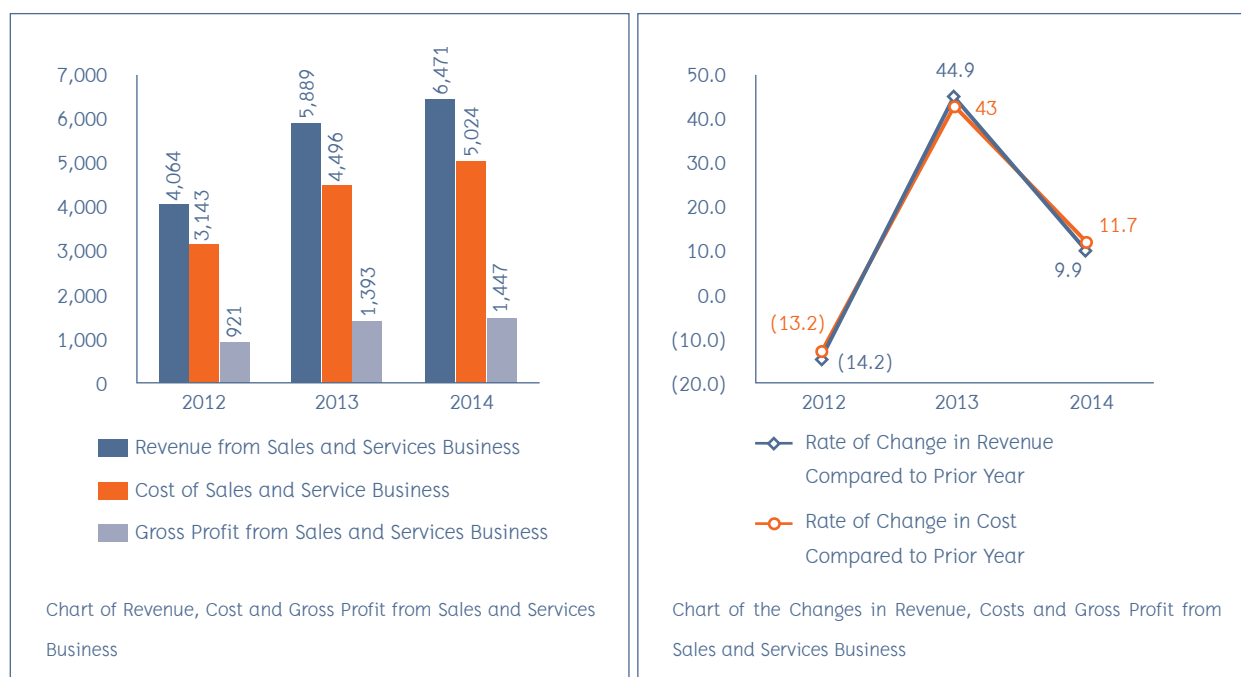
From the above ratios important changes in financial ratios are explained as follows:

- Gross profit margin ratio in 2014, which is 22.61%, was a decrease from those in 2013 and 2012, which were 23.91 % and 23.03% respectively. The reason is some large projects in 2014 were low profit margin projects, such as: the Social Security Office's projects, and which caused the overall gross margin rate to decrease.
- The cash flow from operation to net income ratio in 2014 and 2012 had positive figures because in those years the company had more efficiently collected from trade accounts receivable. Therefore the amount of collection was higher than the amount of revenue recognition. However in 2013 many projects had been scheduled to be delivered closer to the end of the year. Therefore the amount of revenue recognition was higher than the collection amount. So, in this case the ratio of cash flow from operation to net income is negative.
- Net profit margin in 2014, which was 9.58%, was higher than in 2013 and 2012 – which were 9.10% and 8.76% respectively. This increase is from higher sales turnover to cover fixed expenses.
- The Return on Equity in 2014 was 24.9%, which is a decrease from 2013 and 2012 – which were 28.13% and 25.75%, respectively. Although the net profit and net profit margin in 2014 is higher than for 2013 and 2012, the return on equity decreased. This was because of the increase of the company share capital and paid up capital at the end of 2013. This resulted in numbers of a higher base in the calculations.
- The efficiency in operation ratio, which has 3 ratios in above table, moved in the same direction. In accordance with the increase of sales in each year, there is an increase in the return on assets, fixed assets and also the assets turnover.

2.2 Describe the factors or causes for a significant increase or decrease:

2.2.1 Revenue from Sales and Services:

The analysis of revenue and cost are as follows:-



From the charts above, the revenues from sales and services of the company have continuously increased. In 2014, the company had revenue from sales and services of Baht 6, 470.79 Million, which was an increase of Baht 582.37 Million, or 9.89%, over Year 2013. This increase is as a result of changes in the revenue of the AIT alone - because the revenues of Kirz are quite constant. The analysis of revenue has been made on the basis of quantity and size of projects.

Table Comparing Revenues from Sales and Services

Total Project by Revenue Recognition	No. of Projects		
	2014	2013	2012
>100 MB	11	14	8
50-100 MB	12	23	5
20-50 MB	50	17	40
10-20 MB	35	20	22
<10 MB	718	535	537
No. of Projects (Projects)	826	609	612
Revenue of project value >100 MB (MB)	2,466	2,680	1,276
Revenue of project 50 - 100 MB (MB)	847	1,746	343
Revenue of project 20 - 50 MB (MB)	1,776	598	1,387
Total revenue from sales and services business project (MB)	6,471	5,889	4,064

From the comparison of revenues from the sales and services business, it can be seen that in 2014 revenue from projects of more than Baht 50 Million is less than that of 2013. However, the projects that resulted in a big increase in revenue are from the projects sized between Baht 20-50 Million. The quantity of projects is also quite high. The majority of projects in this group belong to CAT Telecom and TOT PCL. The 2013 revenues mainly come from projects sized more than Baht 50 Million – which were less than the amount of these projects in 2012.

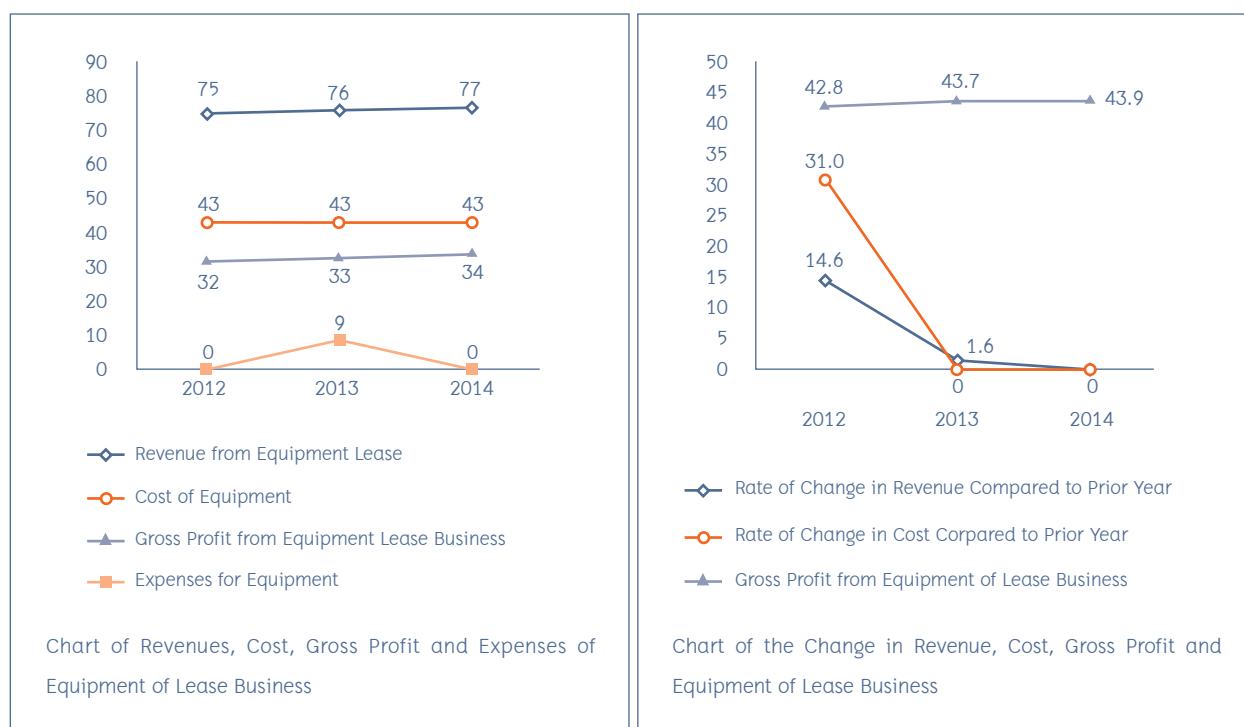
The cost of sales and services for projects for this business mainly consist of: project submission and bidding expenses; the cost of equipment; the cost of application software and costs of development; the cost of design and installation; all together with the cost of operations and after sales service staffing. The increase or decrease in the cost of sales and services varied in proportion to the increase or decrease in revenues. As shown in the graph above, in the year 2014, the cost of sales and services is Baht 5,023.81 Million which is an increase of baht 528.20 Million, or 11.75%, from Baht 4,495.61 Million in 2012. The increase in revenue is less than cost of sales and services in 2014 – because the large projects obtained had lower profit margins. While the cost of sales and services in 2013 increased Baht 1,352.84 Million, or 43.05%, from that of 2012 – which was Baht 3,142.77 million. The change rate of cost in 2013 is close to the change rate of revenue – amounting to 44.90%.

The cost of sales and services in 2014 of the subsidiary, Kirz, did not change much from last year's sales in 2013. The costs of sales can be defined according to their main products as follows:

- Cost of services from Local loop and Internet – which are charges of service from intranet and domestic internet and aboard, rental cost of node space for connecting points and depreciation of equipment in the local loop.
- Cost of services for the Kirz Data Center – which include for example: depreciation of equipment, electricity, office rent, and administration expenses in the data center.
- Cost of services from Wifi service – which include for example: depreciation of Wifi equipment, office rent and network charge for connection to Wifi equipment.
- Cost of services from IP Multimedia services – which include for example: airtime for VoIP and depreciation of equipment.
- Cost of sales of computer and electronics equipment or project sales of government agencies and private sectors – which include for example:.. cost of goods sold and software.

2.2.2 Revenue and cost of equipment for lease business:

Revenue from the equipment lease business came from the leasing of telecommunications and computer equipment. Most our customers are state owned enterprise, government agencies and educational institutions. The performance of the equipment for lease business can be summarized as follows:



From the charts above, considering the investment expenditures in equipment rental, it is seen that in the Year 2014 and 2012 an investment has not been added, but in 2013, there was an increased investment in equipment for rent of Baht 9 Million.

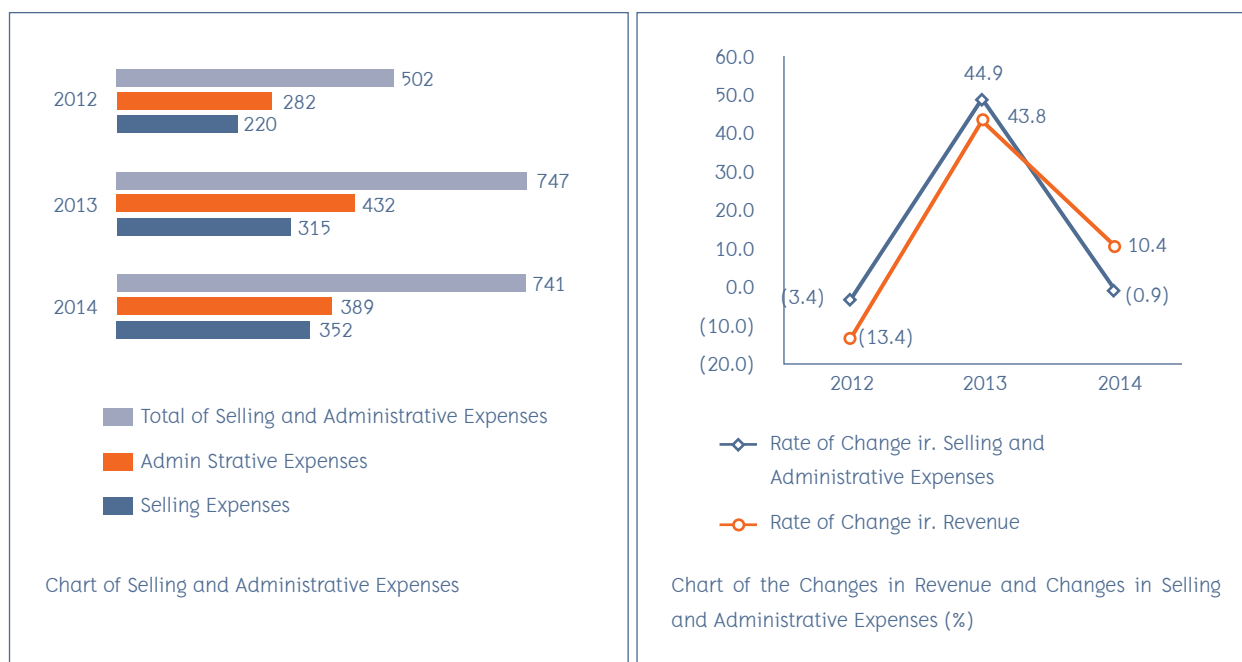
Considering the changes in income from lease: the cost of equipment lease and margin is relatively constant year-on-year from 2012 to 2014. This is because there is no new active projects and as yet, no lease contracts have expired. As a result, the rate of income changes for the Years of 2013 and 2014 have changed very little. However looking at the rate changes, income and costs for 2012 shows that the changes are rather high – but this is because the company had just delivered an equipment lease in 2011. The revenue is partly recognized in 2011, but fully recognized in 2012. That caused the revenue and costs of lease in 2012 to be higher.

2.2.3. Other income:

Other income is the income that is related to the core business of the company, but is listed as other income mainly as it comes from: sales promotion revenue from foreign suppliers; reversal for doubtful accounts; and reversal of allowance for fines and damage from lawsuits that had been recorded in the previous years. In 2014, other income was Baht 104.12 Million, which is an increase from Baht 45.80 Million in 2013. Revenues from a sales promotion campaign soared to Baht 49.41 Million because of: the high amount of salesorders in early 2014; reversal of damage from lawsuits of Baht 12.00 Million; reversal of allowance and doubtful debt of Baht 15.35 Million; interest received Baht 6.89 Million; profit from foreign exchange rates of Baht 6.59 Million. The other income in 2013 came from a sales promotion campaign of Baht 29.67 Million and a reversal of allowance for doubtful debt of Baht 5.30 Million. In addition, reversal of allowance for fines, from late project delivery, of Baht 20.48 Million. As a result, total other income for 2013 was Baht 9.51 Million, which is an increase from that of 2012 – which was equal to Baht 48.20 Million.

2.2.4 Selling and Administrative Expenses:

Selling and administrative expenses in the period from 2012–2014 are shown for each year in the tables below:

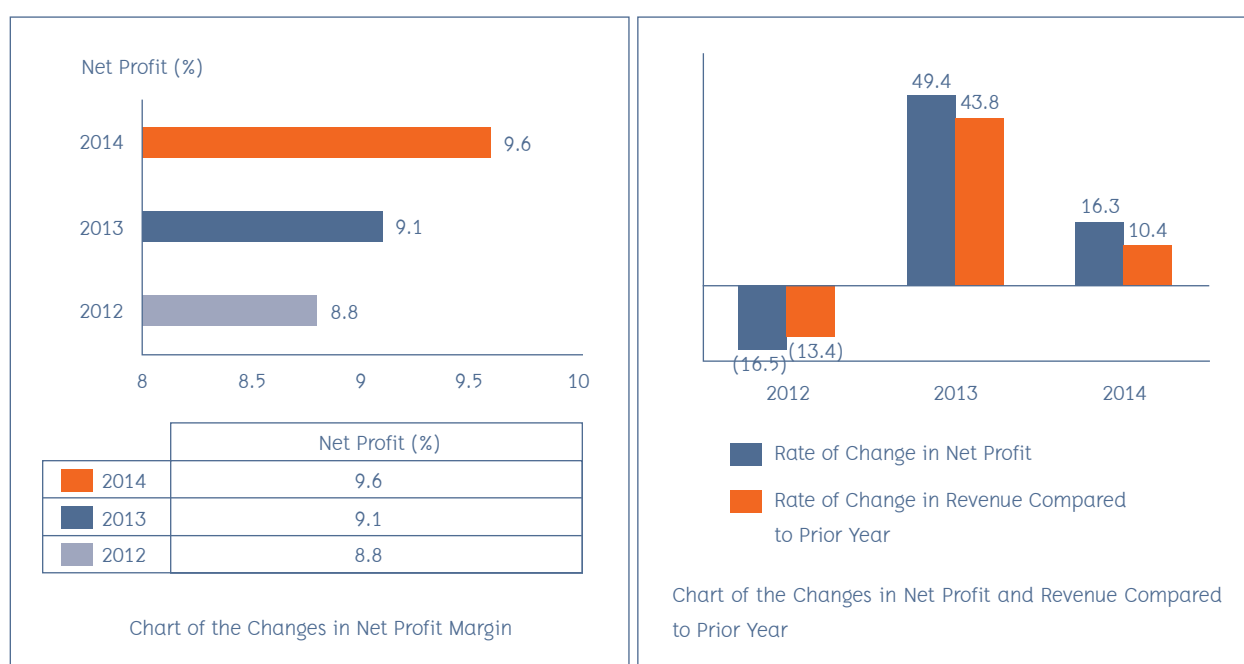
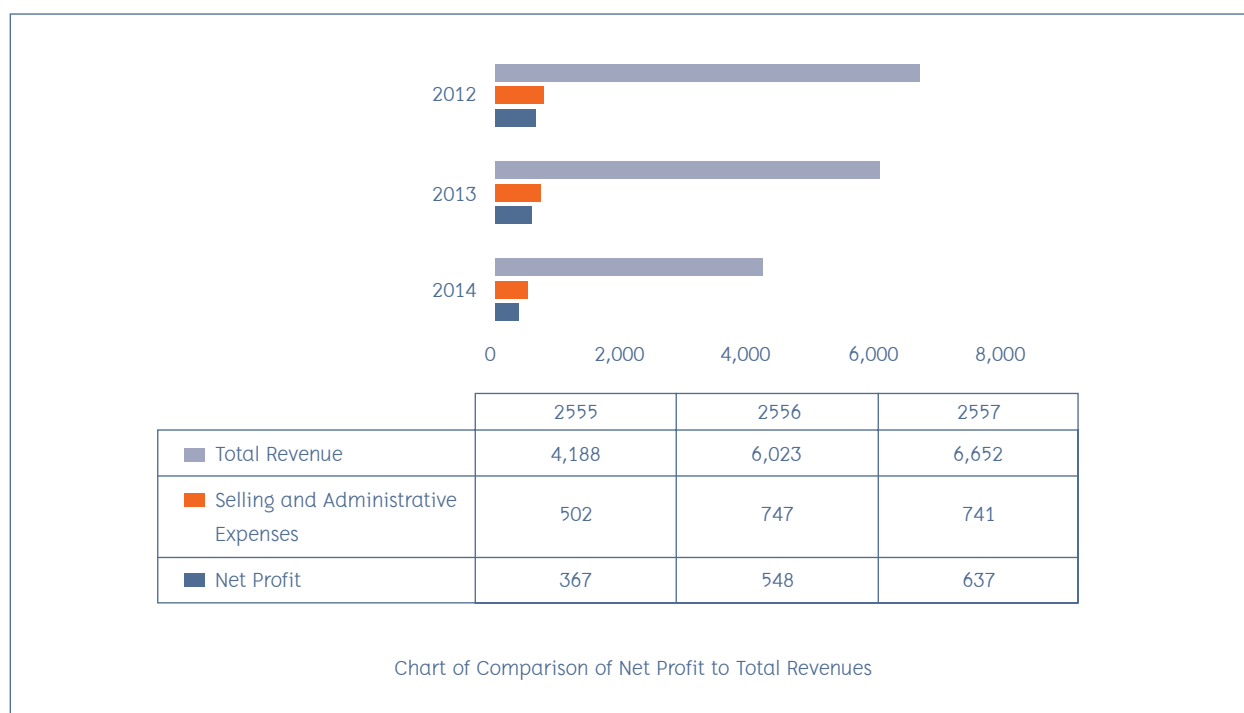


Selling and Administrative Expenses typically vary in line with revenue. In 2014 however, the Selling and Administrative expenses totaled Baht 740.84 Million – which was a decrease from Baht 747.35 Million in 2013, this represented a Baht 6.51 Million, or 0.87%, decrease. The rate of change in revenue increased to 10.43%. This was as a result of a reduction in allowances for doubtful debt, fines for late project delivery, and lesser fees from the financial advisor in the year – net with an increase of expenses – which varied in line with revenue – for example: employee expenses, bonuses and other office expenses.

The changes to the selling expenses and administration of 2013 remained consistent with changes in income, that is, expenses incurred in the sale and management of 2013, which equaled Baht 747.35 Million. This was an increase of Baht 245.63 Million, or 48.96%, from 2012. This was more than the rate of change of income – which equaled 43.82% mainly due to an increase of the expenses associated with employees and allowances. In addition, the rate of increase of rising costs, in part, comes from the total expenses in sales and management of the subsidiary, Kirz.

2.2.5 Net profit and Net Profit Margin:

The change in net profit usually varies in line with the change in revenue. However, the increase or decrease of some expenses was not in line with the change in revenue. As a result, the rate of change in revenue and profit were also not in line during the period of 2011–2013. The significant financial matters can be summarized as follows:



Net profit in 2014 was Baht 637.15 Million, which was a increase from Baht 547.82 Million in 2013 – which represents a Baht 89.33 Million, or a 16.31%, increase. This resulted from the total revenue from projects in 2014 increasing 10.43% from those in 2013. The growth rate of profit is higher than the growth rate of revenue, which resulted from allowances for doubtful debts and allowance for fines from lawsuits recorded in 2013 and reversed back in 2014. Therefore, net profit rate in 2014 equals a 9.58% increase from that in 2013 – which equaled to 9.10%

Net profit in 2013 was Baht 547.82 Million, which was a increase from Baht 367.73 Million in 2012 – which represents a Baht 181.09 Million, or a 49.38%, increase. This resulted from the total revenue from projects in 2013 being much higher than those in 2012 – such that it generated enough profit to cover fixed costs and additional allowances for doubtful debts in 2013 – together with the

losses from the operation from the subsidiary Kirz. In addition, a tax rate reduction from 23% to 20% in 2013 was beneficial to the net profit margin – which increased from 8.76% in 2012 to 9.10% in 2013.

3. Capability to Manage Assets

3.1 Quality of Account Receivables plus an Analysis of the Age, Set-up and Sufficiency of Allowance for Doubtful Debts

The AIT's trade accounts receivable and trade accounts receivable-overdue accrued mainly from Government agencies and State enterprises which have sometimes lengthy steps, and take some time for the process to work, in their organizations in which executives of the company are expected to be paid in full. The total allowance that is reserved in the financial statements is adequate. The company recorded total allowance for doubtful debt for losses that may arise from a bill which has not yet received payment. Considerations are generally based on experience and aging analysis features.

In the case of account receivables of Kirz limited, a subsidiary company, in which receivables are mainly from a monthly fee. If debtors default conditions, the debtor will not be able to use the service, so minimal billing problems occur or are found. For customers which are expected to be unpaid, the company has been making an allowance.

It can be seen that in 2014 accounts receivable balances, as a whole, are equal to Baht 1,319.76 Million, which is a decrease of Baht 700.48 Million, or 34.67%, from that of 2013 – which equalled Baht 2,020.24 Million. This decrease of accounts receivable partly comes from the reduction of debt that is over 6 months old in 2014 – which was equal to Baht 214.25 Million, which is a decrease Baht 207.66 Million, or 49.22%, compared with 2013 – which equalled Baht 421.91 Million. This shows that outstanding accounts receivables that are aging for a long time can still be billable.

3.2 Inventories, Deteriorated or Obsolete.

Inventories listed in the financial statement are mainly for works in progress which are not yet completed in accordance with the terms of the contract delivery process. The policy of purchase of AIT is to make an order to suppliers when receiving purchase orders or contracts from customers. Therefore, there is no problem in holding inventories in the warehouses or inventory which is obsolete. Allowance for impairment of inventory means that work in progress has been suspended. Therefore, it is recorded as an allowance for work in progress.

For the operations of our subsidiary Kirz Limited, most of the entries are a service, thus derogatory item or obsolete products from remaining on stock shelves for a long time are very little.

All inventories in 2014 totaled to Baht 578.24 Million, which represents a Baht 637.52 Million, or 52.43%, decrease from 2013 – which equalled Baht 1, 215.76 Million.

3.3 Investment and Impairment

For investments in subsidiaries and/or investments in the joint venture, which show in the consolidated financial statements as a cost-only method, the company will record a loss from the impairment of the value of the investment when expected return on investments is lower than the cost price.

The company's investments have 2 parts:

3.3.1 Investments in subsidiaries which have 2 companies as follows:-

- Kirz Co., Ltd.- as of December 31, 2014, the company has investments of Baht 58.50 Million. But the performance of the subsidiary has now had 2 years of consecutive losses. The management of the company has been considering recording impairment of investments in the subsidiary of Baht 28.30 Million. So that the net book value of such an investment reflects the company's future earnings forecast that they receive from investments.

- TowerXasia Co., Ltd. the company had an investment amount of Baht 1.00 Million, but at the October 28th, 2014, Extraordinary General Meeting of shareholders on the TowerXasia No. 1/2014 resolution, its liquidation was registered with the Ministry of Commerce to quit the company after October 31st, 2014. On December 8th, 2014, when the settlement was completed, the management canceled a consulting project for the communications business of TowerXasia Co., Ltd.

3.3.2 Investment in the jointly control entity and associate

Investment in the jointly controlled entity:

Loxley and AIT Holdings Company, which is a joint venture between the company and the Loxley wireless co., Ltd. With each party holding 50% of the total shares of the company. As of December 31, 2014, the company has a total investment of Baht 75.00 Million, after the company paid another Baht 25 Million in investment to Loxley and AIT Holding Co., Ltd. during the Year 2014 (i.e.:another 25% of paid up capital, for a total of 75% paid up in registered capital). During 2014 the company recognized a loss on the venture share control and shares in the company consolidated financial statements amounting to Baht 8.83 Million.

Investment in associate:

Optic mesh Co., Ltd., which is a company 40% held by Kirz Co.,Ltd., is set up for the sale and installation of telecommunication equipment.

3.4 Important Parts of other Assets and the Reasons for the Change

The important parts of other assets which have had significant change are as follows:

- 3.4.1 Unbilled is a completed work, but which has not yet been paid or invoiced to the customer – this contains a remaining amount for 2014 equalling to Baht 373.00 Million, which represents a Baht 367.24 Million, or 49.61 %, decrease compared to Baht 740.24 Million in 2013. This is due to unbilled projects during the end of 2013, but the completions were made during 2014. Together with the fact that those large projects have not come in during the 2014. Therefore, unbilled items are decreased.
- 3.4.2 Other current assets mainly consist of prepaid expenses, purchase tax which is not due, cash advances, etc. Current assets items which increased significantly in 2014 are maintenance projects paid in advance.

4. Liquidity and Sufficiency of Funds

4.1 Sources and utilization of fund and appropriation of funding structure

4.1.1 Sources of fund are as follows:-

- 4.1.1.1. Bank overdraft and short term loans
- 4.1.1.2. Long term loans from financial institutions
- 4.1.1.3. Liabilities under financial lease

4.1.2 Utilizations of funds are as follows:-

- 4.1.2.1. Equipment for lease and service
- 4.1.2.2. Land, buildings and equipment
- 4.1.2.3. Investments in jointly controlled entities
- 4.1.2.4. Pay back to trust receipt payable
- 4.1.2.5. Pay back of long term loan

The appropriation of the funding structure can be determined from the ratio of fiscal policy analysis as per the table below:

Financial Policy Ratio	Consolidated Financial Statements		
	2014	2013	2012
Debt to Equity Ratio	0.55	0.90	1.53

The ratio of debt to equity in 2014, which equaled to 0.55 and in 2013 equalled 0.90 indicates that the source of the funds is coming from shareholders' equity – rather than borrowing. It also shows that the company has stability and liquidity. In 2014 the company had not invested in large projects. Therefore, it has a high working capital. In the later part of the Year 2013, the company had called for more paid-up capital. Debt to equity ratio is then less than 1. While the ratio in 2012 equalled 1.53 – because during 2012 the company had a source of funds from a loan, rather than shareholders. This resulted from projects that had not yet been completed in accordance with the criteria set out in the invoice and billing agreement with the customer. It is also a task that takes quite a long time due to delays and frustration in the acceptance process. Therefore, funding sources from borrowing increases when a new project is obtained.

Financial Policy Ratio	Separated Financial Statements		
	2014	2013	2012
Dividend payout Ratio	62.36	55.22	75.76

The dividend payout ratio is calculated from the separated financial statements of the company since it has profitable operations. As seen in the past, the company has acquired through profits and at the same time it has paid dividends continuously. The dividend payout ratio is higher than the dividend payout policy of the company – which is defined as no less than 40%.

4.2 Investment expenditure, describe the purpose and funding sources:

Investment expenditures of the company and its subsidiaries in 2014 are summarized as follows:

Investment items	Objectives	Source of Fund	Million Baht
1. Purchase of Land, Building and Equipment			
Land and Office Building	Used as head office building of the company and to reduce costs of monthly rental fees	Cash and Cash equivalent	60.66
Equipment Spare parts and Office equipment	For customer service, which is in warranty and maintenance contract, and for use in the office of the company.	Cash and Cash equivalent	50.90
2. Investment expenditure on network devices and circuits.	To increase the profit margin by reducing the cost of leasing the circuit from another supplier and to ease network management for service.	Long term loan from financial institution.	62.65
3. Investment expenditure on jointly controlled entities	For expansion of new business in foreign countries	Cash and Cash equivalent	25.00

4.3 Adequacy of Liquidity

Liquidity ratio from consolidated financial statements can be shown as follows:

Ratio	2014	2013	2012
Liquidity Ratio (Times)	2.65	2.04	1.60
Quick Ratio (Times)	2.17	1.43	1.38
Cash Ratio (Times)	1.22	(0.20)	0.01
Trade Account Receivables Turnover (Times)	2.94	2.18	1.91
Average Days Sales Outstanding (Days)	122	165	188
Inventory Turnover (Times)	5.65	5.41	6.17
Average Days Sales Period (Days)	64	67	58
Accounts Payable Turnover (Times)	4.36	3.44	2.73
Average Days Payable Outstanding (Days)	83	105	132
Cash Cycle (Days)	104	127	115

The Company's liquidity ratio shows that all of the liquidity ratios during the 2012–2014 period are in good condition except in 2013 where the cash ratio was minus 0.20. The reason is that at the end of 2013, there were a lot of projects obtained at the same times and which were mostly due for completion at the end of 2013. Therefore even when most of the projects were delivered on time during that period, payment from customers cannot be made within the year due to the credit term of the contracts – therefore cash flow and cash ratio showed as a minus. However, starting in 2012 and through to 2014, the company's operations increased in both sales volume and profit continuously. Moreover, the situation of accounts receivable that have not been paid and had already been set as doubtful debts, have gradually been paid and then have been reversed back from allowances for doubtful debts. Also most of the unbilled receivable projects can be delivered and invoiced to customers. Inventory has decreased with the completed projects, such that cash and cash-equivalents for 2014 equals Bhat 1,312.98 Million, which is an increase of Baht 1,132.92 Million, or 629.19%, in comparison to that of 2013 –which equals Baht 180.06 million.

4.4 Ability to repay debt and to comply with the terms of loans and. ability to procure additional funding sources

The ability to pay the debt on the part of the consolidated financial statements determines the financial ratios below:

Financial Policy Ratio	Consolidated Financial Statements		
	2014	2013	2012
The ratio of interest payments	213.42	(0.48)	9.28

The ratio of interest payments mainly reflects the AIT result of operations of the company, since its subsidiary contains a very little amount and has no effect in the ratio analysis. Analysis based on the cash flow from operations, before interest expense and income taxes, is used to consider whether that it has ability to pay interest payments or not. From the table above it shows that in 2014

and 2012, the company has a positive ratio, that is, with enough cash flow to pay debt interest payments due to company profit results and can collect from trade accounts receivable. In the 2013 ratio however, the ability to pay interest is negative, because at the end of 2013, the company has just delivered and invoiced to customer, but did not receive payments from the trade accounts receivable – which were made at the end of the year, thus resulting in cash flow from operations being negative.

Kirz Co.,Ltd. which is a subsidiary, however has performance losses that means it cannot hold a position in the financial ratios as specified in the loan contract with the Bank. Under the terms of the loan contract they are entitled to a refund in the full amount at once. Therefore the long-term loan of Baht 120 Million is classified as long-term loans due immediately. However, in early 2015 the Bank has issued a letter to ease the financing terms for the subsidiary. The Bank consent that the subsidiary has not been in default with the conditions of the loan contract.

5. The loans obligation and management of obligation outside financial statement

The company has estimated liabilities and obligations of liabilities that may arise in 4 sections:

5.1 Obligations relating to lease contract

The company and its subsidiaries participated in operational leasing contracts relating to building leases and vehicle for a period ranging from 1 to 3 years, which is in addition to the financial statement as of December 31, 2014. The minimum amount that must be paid in the future under all operating leases are as follows:

(Unit: Million Baht)

Due Payment	Consolidated Financial Statements	Separated Financial Statements
Within 1 year	12.9	9.9
1 to 3 years	14.7	12.1

5.2 Obligation on sale or service contract

The company has sales or service contracts which have not yet been delivered or serviced, such as equipment rental and maintenance service contracts in the future – according to the terms specified in the contract – which are outside the financial statements as of December 31, 2014, and can be summarized as follows:

(Unit: Million Baht)

Types of Contract	Amount
Sales or service contracts which have not yet been delivered or serviced	2,368
Electronic equipment lease which must service according to contract in the future	119

5.3 Guarantee

The company has a letter of guarantee issued by a bank on behalf of the company and consortium. With the company as guarantor, this amount remains at Baht 1,278.0 Million which is related to practical obligations to certain of the company's business as usual. Obligations outside the financial statement as of December 31, 2014, by a separate letter of guarantee, are as follows:

(unit: million baht)

Types of LG	Amount
Performance letter of guarantee	1,275.6
Payment letter of guarantee	2.4

5.4 Prosecution Cases

In the 2013 financial statement, the company's subsidiary records estimated liabilities that may arise of Baht 17 Million. Due in 2012, the subsidiary was sued in a civil lawsuit by a company to pay an interconnection charge of Baht 16.0 Million, plus interest for Baht 1.2 Million, or a total of Baht 17.2 Million and to pay interest at a rate of 7.5% per year from a Baht 14.9 Million principal. Since the day the next day Sue onwards until the finish. Later in 2014, the shareholders in the subsidiary issued a letter of guarantee to its subsidiaries so that a debt burden guarantor could arise from legal prosecution of the above 12.0 million. A subsidiary company, thus reversing an estimate of liabilities that may arise from such lawsuits as a number of other revenue 12.0 million. At present, such cases are being referred to mediation, and witnesses, and the result is unknown.

6. Factors that affect Performance in the Future

It can be summarized as following:

1. The stability of the Government, as policy makers, and the Information Technology business: the business is considered to have very good growth due to the Government's policies and the law - which receives support for the development of ICT continuously, such as the "Digital Economy Policy" etc. Therefore, Government policy changes in these kinds of projects will result in both positive and negative aspects of the operations of the company.
2. Overall economic conditions, which may be divided into:
 1. Domestic economy that affects purchasing power both from the public and private sectors.
 2. The international economy affects the currency exchange rate, international transport systems, etc.
 3. The ICT business is changing rapidly. The company needs to stay in the ICT leadership position in order to avoid losing business opportunities and competitiveness through: good management of the availability of personnel; Good cooperation from business partners; etc, to name just a few.

The company is very much aware of the above factors, therefore the company can monitor the impact which may arise from a change in the factors mentioned above - and which will be presented to investors so that they know both positive and negative movements on a regular basis.

Good Corporate Governance

According to the Corporate Governance Center at the Stock Exchange of Thailand there are 5 items necessary for effective good corporate governance policies, namely:

1. Rights of Shareholders
2. Equality of Shareholders' Rights
3. Roles of Stakeholders
4. Information Disclosure and Transparency
5. The Committees' Responsibility

1. Rights of Shareholders

Being its owners, the Company treats its shareholders with all the fundamental rights as determined by law. Additionally, the Company has a policy to ensure its shareholders are kept up-to-date with important corporate information through the Stock Exchange of Thailand and its website at www.ait.co.th in both Thai and English. The rights of the shareholders are as described in the following sections 1.1 thru 1.6

1.1 The Shareholder's Meeting

The Company determines that the Annual General 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 are eligible for attending the Annual General Shareholders Meeting and casting a vote are required to be registered on the shareholders book on what is called 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 Annual General Shareholders Meeting and after the date the Board of Directors gives approval for the Annual General Shareholders Meeting. Once the Board of Directors has approved the record date this also sets the list of shareholders eligible for attending the Annual General Shareholders Meeting and that date shall not be changed. In some urgent cases, the Company may also need to call an Extraordinary General Meeting.

The Company held the 2014 Annual General Shareholders Meeting No.1/2014 at 10am on April 10th, 2014 at the Grand Ballroom on the 3rd floor of the Golden Tulip Sovereign Hotel Bangkok, 92 Soi Saengcham, Rama 9 Road, Bangkok, Huaykwang, Bangkok, 10320. The Company Directors attended the meeting, along with the Senior Executive Auditors of EY Office Limited who had conducted the report on the financial results and observed the Shareholder Meetings - including the vote counting. Mr. Khitsada Lerdwana, Ms. Aporn Wilartsakdanon from EY Office Limited and Mr. Nipat Pinsaeng from Nipat Pinsaeng Law Office Co., Ltd. The Chairman conducted the meeting as required by law. All agenda items were approved at this Meeting.

1.2 Invitation Letter for the Annual General Shareholders Meeting in Advance of the Scheduled Meeting

The Company appointed Thailand Securities Depository Company Limited, a securities registrar, to send invitation letters to eligible shareholders 14 days in advance of the Annual General Shareholders Meeting; these invitation letters included: the date, time, venue for the Meeting; a detailed agenda with the objectives and reasons; supporting documentation and information for decision making; a resolution of the Board of Directors; reports on the past meeting resolutions; the recent Annual Report; and finally a proxy form and procedures.

In order to inform the shareholders to prepare for the upcoming Annual General Shareholders Meeting, an announcement is also published three (3) days prior to the meeting date by newspaper; additionally the AIT corporate web site at www.ait.co.th publishes the same detail prior to the scheduled Shareholder Meeting. The reason these steps are taken is to encourage all shareholders, including institutional ones, to attend the Company's Shareholders Meetings.

1.3 Proxy to Attend Meetings and Vote

In order to uphold their rights by themselves, a shareholder is permitted to give a proxy to their representative or to an Independent Director. By identifying the representative details in the proxy form, as specified by the Ministry of Commerce, the shareholders representative may attend the Annual General Shareholders Meeting and vote on behalf of the shareholder. The Company has published a proxy form on the corporate website at www.ait.co.th along with detailed information and procedures for its use.

1.4 Annual General Shareholders Meeting Facilitation

The Company has a policy to support and facilitate the shareholders, including institutional investors, to attend the general meetings of shareholders by selecting the meeting venues where the mass transit system are available and sufficient for the shareholders to conveniently commute to attend the meeting. The Company facilitated a warm welcome to all shareholders and to assist with the shareholder registration process prior to the scheduled Annual General Shareholders Meeting start time; as well as being on hand to provide banquet food, snacks and refreshments to the shareholders throughout the event.

1.5 Operation of the Annual General Shareholders Meeting

Prior to the start of the Annual General Shareholders Meeting, in accordance with the Company's regulations, the Chairman will ensure that all shareholders are informed on the voting procedure for each agenda item. The meeting attendees are welcome to raise discussion questions or make comments and recommendations for each agenda item. The Executive will answer all questions clearly. According to the Annual General Meeting No.1/2014, the Company has adopted an E-Voting system and barcode machine for registration, having being made available in order to better facilitate its shareholders and to ensure the transparency within the meeting. In addition, at the meetings, the Company does no bundling of several items into a single vote; such as, for example, the election of directors are only ever voted on a one-by-one vote.

Moreover, the Company appoints an independent party of scrutineers/inspectors to count and/or validate votes at the Annual General Meetings or Extraordinary General Meetings. Such scrutineers/inspectors shall be disclosed at the meeting and recorded in the minutes.

The Chairman conducts the meeting in order of each agenda item. No additional agenda items are added without prior notification to the shareholders. The Chairman provides a summary of the result of each agenda item vote.

1.6 Reporting Practice of Conflicts of Interest

The Company follows Section 89/1 4 of the Securities and Exchange Commission Act (1992), which was amended by the Securities and Exchange Commission Act (No.4) (2008). The Act determines that each member of the Company's Board of Directors and its Executives must report to the Company all and any interests that they and their related persons hold. This interest is related to its management or its subsidiaries and is in accordance with the announcement of the Capital Market Commission Th. No.2/2009 dated January 26th, 2009 which stated the requirements to comply to Good Governance. The Board of Directors has set the guidelines and determines to report the interest of the Directors, Executives and their related persons as follows:

1. Determines that the Company Directors and Executives and related persons are required to report their interests from their initial designation to the post; and also within 7 working days of any change to their interests or their related persons interest; and to report according to the report form requirements and submit this report to the Corporate Secretary to retain for audit purposes
2. Determines that the Corporate Secretary must within 7 working days submit the reports of interests, and any changes, to the Chairman and Audit Committees from the date of receiving that report in order for the Audit Committee to add to the Annual General Shareholders Meeting agenda if necessary. Approval of guidelines and reporting procedures was made by the Company's Board of Directors No.3/2009 dated May 12, 2009 to account for potential conflicts of interest of the Company's Directors, Executives and their related persons. These requirements commenced July 1, 2009. It should be noted that if any such person has a conflict of interests on any agenda item, that person therefore has no right to vote on that agenda item

1.7 Action after the Annual General Shareholders Meeting

The Company sends the minutes of Annual General Shareholders Meeting, including the recorded details for each agenda item and a description of the voting and vote tabulation procedures used. All are declared before the meeting commences, including an opportunity for shareholders to ask questions or raise issues, questions and answers, resolutions, voting results of each agenda item containing approving, dissenting, and abstaining votes, and list the Board Members who attended or missed the meetings to The Stock Exchange of Thailand and the Exchange Commission within 14 days of the Meeting; additionally, the minutes are published on the corporate website at www.ait.co.th so as to inform all investors and shareholders. Video and audio records of the Annual General Shareholders Meeting may be requested by individual shareholder or other investors.

2. Equality of Shareholders' Rights

The Board of Directors maintains the policy of always providing equal treatment to all shareholders, as follows:

2.1 Proposed Meeting Agenda and Documentation

Prior to the date of Annual General Shareholders Meeting an individual shareholder is eligible to propose items for the agenda that they believe would be beneficial to the Company performance.

The Company notifies shareholders through the stock Exchange of Thailand and the corporate website at www.ait.co.th prior to 30 days before Annual General Meeting of shareholder's date. As the Company's shareholders consist of both Thai and foreigners, in order to facilitate transparency of information and communication to all shareholders, the Company provides documentation for Meetings in both Thai and English. Additionally the corporate website is provided in both Thai and English versions. The Company also provides the opportunity for shareholders to propose matters to be included as an agenda at the Shareholder meetings and send their questions in advance via the Company's website or e-mail: ir@ait.co.th.

2.2 Access to Company Information.

A shareholder of the Company may access information on AIT which is distributed and available equally to all shareholders through one of the following channels. All stakeholders have equal access to the company's public information, including reporting of news and leads, whether inside the company or outside the company through the company's website, by phone, letter or e-mail to the Corporate Secretary Office:

- i) Telephone: 02-275-9400
- ii) Corporate Website: www.ait.co.th
- iii) E-Mail: ir@ait.co.th

2.3 Protection Against an Abuse of Insider Information

Establish policy to prevent relevant executives and employees to misuse the Company's inside information for personal benefit or others' advantages and ensure executives 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 regulations. Protection of inside information is required by law. Every Director and executive shall regularly submit to the Board a report on their ownership of the company's shares and this information shall be disclosed at the quarterly Board Meetings. The Company policy is to adhere to strict business ethics, integrity, and morality in order to reassure customers, trade partners, investors, and shareholders. The codes of conduct are set out 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 intent. In the case that any employee is found breaching the regulations, such employee shall be considered having made a serious wrongdoing and may be punished in accordance to the regulations allowed.

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 at all times keep the company's secrets and/or inside information confidential.
2. Directors, management executives and employees of the Company shall not disclose any inside information or exploit it for their own benefits or others' benefits in a direct or indirect way and with or without financial benefit.
3. Directors, management executives and employees of the Company shall not trade, transfer, or pass the Company's securities and/or inside information to anyone and this includes their spouses, children and related persons. Those who infringe this clause are considered to have made a serious wrongdoing.
4. Educate directors and executives on their duty to report their securities holdings of their and their spouses as well as their children and also to inform them of the penalty for 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 holdings of company's directors and executives 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 may affect the securities pricing. 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 person.

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

3. Rights and Roles of the Stakeholders

The Company is aware of rights of all its stakeholders and has a policy to maintain their confidence. It gives appropriate importance to all stakeholders: the shareholders; employees; customers; trade partners; competitors; the public and society overall. The Company has equal fiduciary duties toward all groups of stakeholders to allow at all times secure, ethical and beneficial business operations. To that end, the Board of Directors has established, in writing, a Code of Business Ethics consisting of practices as follows:

“Since there is no moral guide in the world to describe how this behavior should be done or omitted so as to completely cover in all situations, the Codes of Business Ethics is not intended to be in so detailed. The Company shall rely on our employees to reflect upon what it should do, but should not ignore the situation that happened to them in person.

If any employee is unsure in their own judgment as to how or whether to act or not, the company has a suggestion to those employees to address the following questions to help them determine an action on their own:

- Are your actions are legal or not? Was it in accordance with the rules of the company or not?
- Can “feel” that your actions are appropriate or not? Do you think you can explain it to other employees of the Company or a regulatory authority, that your actions are acceptable or not?
- Can you explain your actions to the Public with a clear conscious if your actions were to become news.
 - A Code of Ethics for Executives to the various Stakeholders (see below), and
 - A Code of Ethics for Employees (see Section 9.2)

A copy of the Codes of Ethics has been disseminated to all executives and employees. The use and practice of the Code of Ethics is supervised and promoted across the Company to ensure that all stakeholders are treated and protected according to their fundamental rights.

The Code of Ethics for Executives requires that all Company executives shall properly treat the shareholders, employees, customers, traders, creditors, competitors and the society overall as follows:

Executives to Shareholders

1. Perform their duties with integrity, transparency and fairness to ensure any decision-making provides optimal benefits to all relevant groups
2. Perform their duties professionally with knowledge, expertise, intention, carefulness, knowledge application and managerial skill
3. Report complete and actual organizational situations on the regular basis
4. Do not attempt to benefit themselves or any other outside 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 with any matter which may cause any conflicts of interest

Executives to Employees

1. Provide appropriate remuneration to the employees, based on the employees’ knowledge, capabilities and as appropriate including benefits which exceeds than those required by law
2. Provide employees with equal opportunity for human resources development
3. Avoid any unfairness that may threaten or pressure or affect the work stability of employees
4. Create work environmental conditions with concerns of safety to employees’ lives, physical conditions, health and assets
5. Abide by the laws and regulations relevant to the employees

Executives to Customers

1. Produce products and services with quality and ongoing quality in order to benefit the Company
2. Disclose complete and accurate information relevant to products and services
3. Provide guarantees under appropriate conditions
4. Do not deliver damaged or defective products and services to customers
5. Establish a system to allow the customers to query the Company products and services and respond quickly to the customer's questions or comments
6. Keep customer information confidential and do not exploit such confidentiality with dishonest purposes for personal benefit or the benefit of outside persons
7. Adhere to the customers' requirements and conditions strictly. In a case that the conditions may not be met, the executives must quickly inform the customer and work to jointly reach a solution

Executives to Traders or Creditors

The Company conforms to its principle of business operations in order to respect the admission of the Creditors that they have strictly complied with all the terms and conditions agreed upon in a transaction and strictly follow each covenanted condition. The practices are as follows:

1. Strictly follow the traders and creditors' conditions. In a case that the conditions are not met, the executives shall inform them beforehand to jointly find a solution and protect against any damage
2. Do not request or receive personal benefits from or give benefits to trade partners, debtors or creditors for dishonest purposes
3. Report financial information accurately and completely

Executives to Competitors

1. Abide by the rules of competition
2. Avoid tarnishing or making accusations against competitors or their products without integrity, information and truth
3. Do not access a customer's confidential information without integrity or appropriateness

Executives to Society Overall

1. Support any activities that benefit the public, the community and society overall
2. Return the Company's partial profit to society-related activities regularly
3. Do not do anything that impairs natural resources or the environment
4. Continuously implant consciousness of our responsibility to the public, community and society amongst employees at all levels
5. Abide and supervise according to the law and regulations established by any supervision unit

Moreover, the Company has procedures on whistle-blowing for related parties or stakeholders through company website at .co.th

4. Information Disclosure and Transparency

- 4.1 The Board of Directors shall be responsible for financial statements and general information for shareholders and general investors with transparency, accountability and punctuality with explanation information provided 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 website at .co.th in both Thai and English languages for disseminating to the investors, the shareholders and the stakeholders as determined by the law, 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.

- 4.2 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 an 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.

5 The Committees Responsibilities

5.1 The Structure and Responsibilities of Committees

The Company has four (4) committees: the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, and the Executive Committee. These committees have been formed in order to provide a proper assignment of duties and authority to provide for a clear direction and the most efficient Company operation. The Board of Directors shall determine the corporate goal, and determine roles, duty 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 compliant 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. Additionally, the Nomination and Remuneration Committee shall consider compensation packages for the Company's management and employees in terms of bonus and annual salary increases, and then propose these at the Board of Directors' meeting for approval. Furthermore the Board of Directors shall set the internal control systems, internal audit department, and the measures for effectively managing risk. The Board of Directors shall also set out a monitoring plan and review the performance regularly at the Board of Directors' meeting. The Company has hired an outsource company, DIA and Associates Co., Ltd., to be its Internal Auditor. Mr. Apinan Sripramont is now the appointed head of the Internal Audit Department and he reports to the Audit Committee on a quarterly basis. The Audit Committee has also appointed Mr. Voravit Wattanakuljaras, the AIT Company Secretary, to be directly responsible for internal audit. The Office of Corporate Internal Audit reviews the effectiveness of internal controls and reports the findings to the Audit Committee and the Board, which then assesses the system by asking questions of the management on the implementation of guidelines/recommendations to improve internal controls. In summary, in assessing the Company's internal control against the five compositions, namely Control Environment, Risk Assessment, Control activities, Information and Communication, and Monitoring Activities, the Board concluded that the Company's internal control system is adequate and suitable. The Company has provided enough employees to efficiently implement the system.

5.2 Balance of Power of Non-Executive Directors

According to the Company's Regulations No.14, the Board of Directors will comprise of at least five (5) directors who possess experience in various fields. As of 31st December 2013, the Board of Directors consisted of 11 directors; of which, four (4) directors are executives and the remaining seven (7) were non-executives. Therefore executives form approximately 36 percent of the total directors.

The number of independent directors follows the principles of good governance set out by the stock Exchange of Thailand. The Chairman of the Board of Directors is not an independent director.

5.3 Self-Assessment by the Board of Directors

The Company evaluates the performance of the Chairman of the Executive Board Committee and President at the end of the year by The Nomination and Remuneration Committee and they will propose to the Board of Directors. To obtain approval, the results of evaluating the performance of the Chairman of the Executive Board Committee and President are considered confidential information which is not be disclosed. The performance of the Chairman of the Executive Board Committee and President was assessed by the following 3 criteria: a measure of performance, assessment of leadership and management, budgeting and evaluation projects. The assessment will be used to determine the rate of increase in salaries of Chairman of the Executive Board Committee and President. The assessment will be presented to the Board of Directors for approval.

5.3 The Chairman of the Executive Board Committee and President's Performance Assessment

The Nomination and Remuneration Committee, in charge of the annual performance assessment of the Chairman of the Executive Board Committee and President, must forward the assessment outcome to the Board for endorsement. Therefore, the performance assessment of the Chairman of the Executive Board Committee and President is considered as confidential information and cannot be disclosed. The performance assessment for the Chairman of the Executive Board Committee and President has 3 parts as follows: Corporate Key Performance (KPI) Achievements, Leadership Competency, Efficiency on Budget and Project Management. The performance appraisal outcome, dictating the pay rise for the Chief Executive Officer, is presented to the Board for future approval.

5.4 Succession Plan

The Board is aware that the quality of the organization is reflected from employees the Company growth. The company's sustainability is based on the creation of personnel with the ability to pass forwards their mission. It has inherited the spirit of the founder including the culture of the organization from generation to generation. The policy provides the management with a focus on human resource management and development of an efficient way to achieve the vision, mission and values.

The company has selected persons who will be responsible for key administrative positions at all levels to ensure proper transparency and to ensure that the Company has hired executives with professionalism, neutrality and non-involvement in politics. They also understand the culture and conduct of the business of the company. The company has a well-defined succession plan follows.

1. Chairman of the Board of Director / Managing Director.

When executives, CEO or President positions are vacant or who are unable to perform the duties of their the position; The company will have a management system to appoint the executives who are the same level acting as a secondary until the recruitment and selection of personnel qualified in accordance with the Company has taken place and that they shall also have the vision, knowledge, ability and experience with appropriate to the corporate culture considered by the Nomination and Remuneration Committee who will advise the Board of Directors to nominate deserving individuals as members to the meeting of shareholders.

2. Senior Vice President / Vice President

When the positions of Senior Vice President / Vice President are vacant or they are unable to conduct their position, the Company has a succession plan which is as follows:

1. Analysis of the business of the Company's strategic plans, investment plans and expansion plan

2. Assess the readiness of people to be consistent with the strategy of the company both in the short and long term
3. Plans to establish the availability of manpower by recruit staff or to prepare to replace the resigned employees
4. Develop recruitment and training plan in advance before employees will retire or resign.
5. Define the knowledge, skills, personality and attitudes of good wishes of employees in each position and develop an individualized plan.
6. Selection and evaluation employee's performance and assessment of potential employees to consider their appropriate job.
7. Utilize KPI tools to test and evaluate personnel to analyze their potential.

5.5 Committee Meetings

The Audit Committee shall be responsible for supervising and ensuring the accuracy of the financial statements' preparation procedures and efficiency of the Company's internal control system. The should consider the independence of the internal audit department, approved the appointment/transfer/termination head of Internal Audit, selected and appointed of Auditor Consider the independent, meeting with the auditor than 1 times per year without management. They should also consider the transaction or transactions that may have conflicts of interest in accordance with the criteria. Prepare a report of the Audit Committee for disclosure in the annual report signed by the Chairman of the Audit Committee. Besides this, the Audit Committee has the duty to ensure the Company abides by the relevant laws. The Audit Committee's duties and responsibilities are described in Item Management structure.

In 2014, the Audit Committee had six(6) ordinary meetings with the following attendance record for each of the directors from 2012 to 2014:

List of Directors	Number of Meetings		
	2012	2013	2014
1. Mr. Chokechai Tanpoonsinthana	5/5	7/7	6/6
2. Mr. Pongtep Polanun	5/5	7/7	6/6
3. Mr. Sripop Sarasas	5/5	6/7	5/6

Remuneration shall be determined by the Board of Directors, and then proposed to the Annual General Shareholders Meeting for approval. If the shareholders review that the proposed remuneration is appropriate, regarding the benefits for 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 2014 will be appeared on the table in Management Structure Section.

In 2014, the Nomination and Remuneration Committee had two (2) ordinary meetings with the following attendance record for each of the directors from 2012 to 2014:

List of Directors	Number of Meetings		
	2012	2013	2014
1. Mr. Pongtep Polanun	2/2	4/4	2/2
2. Mr. Siripong Oontornpan**	2/2	4/4	2/2
3. Mr. Kittisak Sopchokchai * **	2/2	4/4	2/2
4. Mr. Suraporn Raktaprachit **	2/2	4/4	2/2
5. Mr. Sripop Sarasas * **	2/2	3/4	2/2

Remark : * The Nomination and Remuneration Committee meeting No. 2/2011 was a Special Agenda Meeting regarding a plan for the assistance of flood victims. Thus, the Nomination and Remuneration Committee rejects receiving the remuneration fee.

5.6 Nomination of Director and Independent Director

Recruiting individuals to serve as directors and senior executives is determined by many factors such as knowledge, skills, and experience with the business. For consideration by the executive, The board will consider those who are competent and experienced.

The board of directors also gives emphasis on the transparency of director nomination, so that the Company has the policy to give the right to shareholders to propose appropriate candidates for election to the board. The Nomination and Remuneration Committee is responsible for review of the qualification and performance of the candidates or those directors who retired by rotation. And propose to the Board of Directors to obtain approval, and then the Board will present the list of the shareholders who elect the directors.

5.7 Qualification of Director

A person who serves as a Director of the company shall possess the knowledge, ability, personal contribution and shall have at the following qualifications:

1. To have the qualifications with no prohibited characteristics as specified by the law on public company's limited, including have no manner indicating a lack of trustworthiness to manager the company from the reviews of shareholders according to the Securities and Exchange Commission regulations.
2. To have knowledge, skill or experience in the electronic industry or accounting, finance or business administration or any other field as the Board deems appropriate; however, at least 1 executive director shall have working experience related to the company business.
3. To devote time especially for making key decision and handle duties for the best interest of the company and able to participate in all the Board and shareholder meetings unless unable due to a necessity or unexpected emergency.
4. To have a moral, ethical, and any other features that may be required by law or deemed appropriate by the Board.

5.8 Board of Directors' Meeting

The Board has policy to schedule Board's meetings of at least five times a year. The meetings are normally pre-scheduled for the entire year and informed to the entire Board.

The Board of Directors shall meet every quarter with a pre-determined schedule or a special meeting may be called by the Chairman as necessary. Each meeting shall comprise of more than 50 percent of total directors. A Board of Directors' member unable to attend a meeting shall inform the Company approximately one to two (1 - 2) days prior to that meeting. To facilitate all directors in the meeting, the Company organizes the meeting at the Company's head office. The meeting invitation

letter includes a clear meeting agenda and supporting meeting documents which will be delivered to all directors at least seven (7) days prior to the meeting for their information and review; however in a case of urgency this may not always be possible. These procedures 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 or future review or investigation.

The time assigned for a meeting will be allocated by the Chairman in order to allow enough time 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 2014, the Company's board of directors had six (6) ordinary meetings with the following attendance record for each of the directors from 2012 to 2014:

List of Directors	Number of Meetings			
	Board Meetings			Shareholder Meeting
	2012	2013	2014	ประจำปี 2557
1. Mr. Thana Chaiprasit	2/5	5/8	6/6	Attended
2. Mr. Chokechai Tanpoonsinthana	4/5	8/8	6/6	Attended
3. Mr. Pongtep Polanun	5/5	8/8	6/6	Attended
4. Mr. Siripong Oontornpan	4/5	8/8	6/6	Attended
5. Mr. Kittisak Sopchokchai	5/5	8/8	5/6	Attended
6. Mr. Suraporn Raktaprachit	5/5	8/8	6/6	Attended
7. Mr. Sripop Sarasas	5/5	7/8	6/6	Attended
8. Mr. Kijja Laoboonchai	3/5	7/8	6/6	Attended
9. Mr. Phisak Charudilaka	5/5	8/8	6/6	Attended
10. Mr. Chodiwat Duntanasarn	5/5	8/8	6/6	Attended
11. Mr. Thanarak Pongphatar *	4/5	7/8	5/6	Attended

Company Secretary: Mr. Voravit Wattanakuljarus

Remark : * Mr. Thanarak Phongphatar received a position as a Director after the BOD meeting No.1/2012.

A total of 24 agenda items were proposed for review in 2014. 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 General Shareholders Meeting, determination of the book closing date for eligibility to attend the Annual General Shareholders Meeting, evaluation of the substantiation of the internal control system for 2014, budget of 2014 and the determination of the Board of Directors' meeting in 2014. The company secretary of the Company attended all of the Board of Directors' meetings, took the minutes of meetings, prepared documents and provided advice on the related laws and regulations. The minutes of the meetings covered all the important data related to each agenda item and included a detailed explanation from the management team as well as comments made by each director; each item agenda was resolved with a unanimous vote from the Board of Directors. All documents were retained systematically.

5.9 Self Evaluation of the Board of Directors

The Company requires the Board Directors to perform self-assessments to reflect efficiency under the principles of good corporate governance and their performance. The aim of the self evaluation of the Board of Directors is in having results available in which to improve its performance. The Board of Directors' Meeting No. 6/2014 dated 18th December 2014 approved the self evaluation

form and assigned the Board of the Directors to perform a self evaluation of 2013 for six (6) topics: its structure and qualification, its roles, duties and responsibility, the Board of Directors' Meeting, the Directors' Performance, its relationship with the management, and self development of the Directors and the Executive Development. The result can be concluded that the Board performed its duties in compliance with the good governance principles and the code conduct. The Board took part in establishing the company's policy, vision, business plan, and annual budget. The structure and composition of the Board were appropriate and board meetings were arranged efficiently. The assessment concluded that Board duties according to corporate governance and corporate ethics play an important role in the policy vision and business plan. The structure and composition of the Board are appropriate, by an average 97 percent of the evaluation is satisfactory. The Board of Directors conducted its self evaluation with the average score of 'Good'.

The Company has made an assessment of their compliance with the Board of Directors annually. The Board of Directors has reviewed the work, issues and obstacles during the past year in order to optimize the performance. The Board collectively define the criteria for evaluating the performance of the Board. The evaluation of performance requirements will comply with corporate governance principles and responsibilities of the Board of Directors. The Board of Directors will conduct self-assessments once a year. In 2014, the Company secretary delivered the forms to the Board Members so that they would evaluate their performance both as the whole board and as individuals.

5.10 Remuneration

The 2014 Annual General Shareholders Meeting determined the directors' remuneration level is based on that paid for those in the same industry and with the same responsibilities. 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 Management Structure section.

5.11 New Directors and an Orientation Program for a new Board Member

The Board of Directors shall conduct an orientation for new directors to acknowledge the Company's business policies, laws and regulations. It shall hand over a director's manual to each new director. New Directors will receive an orientation program. The Company Secretary and Managing Director are assigned by the Board of Directors to provide information to new Directors as well as provide other useful information including the minutes from the past several meetings. Company visits will be set up for the new Directors to understand the industry and the Company's operation including the clarification of business operation and strategy from Managing Director and Executive Director. In 2014, the Company had no new Directors..

5.12 Development and training of Directors

The Board of Directors has a policy to support and facilitate training and learning for its Directors to ensure their continued improvement and performance, both internal and external training courses. All Directors must attend training for understanding of performance of their duties in the capacity as Directors. The Board of Directors realize the significance of their participation in training or seminars in various courses or development of their knowledge and skills. The Board of Directors attends training courses organized by the Thai Institute of Directors Association (IOD), namely, Director Certificate Program (DCP), Director Accreditation Program (DAP), Advanced Audit Committee Program, Monitoring the Quality of Financial Reporting (as per Details of the Company's Board of Directors and Managements on pages 11-17)

Corporate Social Responsibilities Report

This report was prepared in accordance with the Disclosure of Corporate Social Responsibility Report Guidelines promulgated by the Stock Exchange of Thailand. Our Report follows next.

Corporate Social Responsibilities Policies

The Management Committee No. 7/2013 approved the establishment of the Corporate Social Responsibility Committee on September 19, 2014 in order to formulate the Company policies and guidelines, and to implement its corporate social responsibility and environmental sustainability. In addition, the Management Committee No. 7/2013 approved the CSR policy as follows:

- 1) Human Rights: The company focus is fundamental human rights in order to promote respect of the rights and freedoms by not discriminating and to promote equality in gender and class; and to be against child labor abuses;
- 2) Labor Practice: The company ensures that its wage levels are appropriate. Also that any improvements, re-structuring or re-organization, will be carried out with it's responsibilities within the legal framework of Thailand;
- 3) Environment: The company has a clear environmental policy and strict practices such as: A measure to reduce its environmental impact by implementing activities of the organization in order to maintain and preserve the ecology and environment of its local community;
- 4) Fair Business Conduct: The company is committed to conduct its business in a fair way; and to pay attention to the ethical practice of law and respect for the rules of society;
- 5) Consumer Responsibility: The Company focus is on providing good service to ensure customer satisfaction and to promptly respond to and handle customer complaints. The Company will strive to fix any defects which may occur as a result of production and/or the provision of services. Additionally, the Company expects to receive goods and services from its suppliers in the same manner, and to strive to maintain lasting good relationships with both its customers and suppliers;
- 6) Community Participation and Development: The Company is considerate of the needs of the community and encourages its people to partner with stakeholders who live and work around our business premises. This is so to assist the local community in improving its educational, cultural and social endeavours; and to being part of the ongoing effort to improve their quality of life including to encourage and support employee participation in volunteer work and other activities within the community;
- 7) Anti-Corruption The Company has anti-corruption policies and strategies in order to promote the performance of the staff, including a risk management plan for anti-corruption. In addition, the Company aims to foster an awareness of the relevancy of its anti-corruption policies and strategies in both practice and theory.

NOTE: Since Kirz is a subsidiary of the Advanced Information Technology Public Co., Ltd., its operations will reflect the same social, environmental and stakeholder responsibilities, listed above, of the Company.

Vision

AIT is committed to be the premier ICT solution provider across our target markets. The Company is consistently achieving excellent financial and operating results. Our key differentiator is in our key asset – our people! We have established a team of highly motivated professionals who are, dedicated to the success of our customers and their businesses. Operational excellence governs each of the administrative units of AIT as we strive to be the best at what we do, both internally and externally. Our Mission Statement: Your Success is our Success.

Mission

To select products and services with the very best quality, and a price based on our customer knowledge. Additionally, these products and services are to comply with good corporate governance management and practices.

Key Corporate Objectives (KCO)

To ensure compliance with the policies and practices of business, the Company has set the following KCO goals for the organization:

1. To always satisfy our customers and to strive for the highest success;
2. To maximize revenue and net profit; and,
3. To enhance the competitiveness of the Company and to always manage the Company in accordance with good corporate governance principles.

Corporate Core Competency or AIT DNA

The Company has developed the AIT DNA programs for us to work at all times professionally, competently, and in accordance with good corporate governance principles, in order for us to meet our corporate goals for now and into the future. AIT DNA contains five key core competencies which we focus on here:

- Our professionalism;
- Our teamwork and cooperation;
- Our customer focus;
- Our creative thinking; and
- Our Company credibility.

Stakeholder Identification

The criteria to identify stakeholder are as follows:

1. The Company has to define its business process framework by applying the supply chain or value chain to serve as a guide to identifying stakeholders and their associated responsibilities.
2. The Company has to identify stakeholders and social responsibilities issues in accordance with its business process framework – and also to consider the impact between as a result of its business processes. Thus the Company is able to identify the stakeholders in each process and their associated social responsibilities as noted in the following table.

Stakeholder	Need	Output	Guideline
Shareholders	<ul style="list-style-type: none"> - Sustain good performance with risk monitoring - Treat, and keep informed all shareholders equally. - Operations are done fairly and transparently 	<ul style="list-style-type: none"> - Hold the Annual General Meeting one time/year - pay dividends in alignment with the Company 's policy - Hold an Analyst Meeting and Opportunity Day four times each year and provide an Investor Relations Officer to answer questions on the phone to investors - Analysts or investors are able to participate in the meeting with management to get useful information. - Provide information with equality, transparency and with up-to date detail through many channels 	<ul style="list-style-type: none"> - Operates in accordance with the good corporate governance and the framework of social responsibility.
The Board of Directors	<ul style="list-style-type: none"> - Operations are done fairly and transparently in order to grow corporate sustainability - Treat all stakeholders fairly 	<ul style="list-style-type: none"> - Hold the Board of Directors Meeting every quarter - Pay attention to related transactions - provide information completely and in a timely fashion - Participate in good corporate Governance processes. - Self-development to meet the requirement of the Directors dutie. 	<ul style="list-style-type: none"> - Operates in accordance with good corporate governance
Employee	<ul style="list-style-type: none"> - Reasonable Compensation - Reasonable Benefits - Stability and career path development - Focusing on the development of the competencies of our employees-plus provide the opportunity to improve for everybody. - Ongoing care for the safety, environment, life, health and property of employees. 	<ul style="list-style-type: none"> - Annually examine commensurate compensation in the market - Provident Fund, Life and Health Insurance - Develop in advance an individual recruitment and training plan - Provide orientation and other training for developing skills-as well as technical training for both the domestic and international authorities. Remuneration would be adjusted in accordance with the professional qualifications gained. - Provide an annual health check by facilitating a team of doctors from the Phyathai 2 Hospital and follow-up treatment after the initial medical examination. - Provide specialized training for staff to know how to react to a workplace fire. - Improve the environment inside the workplace in accordance staff requirements. 	<ul style="list-style-type: none"> - Treat employees fairly, with continuous development our staff in order that they are able to receive remuneration, and other benefits, that are comparable with leading companies in the same industry. We also will strive to provide a good working environment- with the safety, hygiene and workplace being conducive for effective work.

Stakeholder	Need	Output	Guideline
Customer	<ul style="list-style-type: none"> - Maintain and improve customer satisfaction. - Provide fast response to any customer need. - Conduct business with our customers with the highest code of ethics and client confidentiality. 	<ul style="list-style-type: none"> - Understand our customers and respond with knowledge to provide them the optimal quality solutions. - Provide Hot-line Support for our customers. - Provide seminars to clients which allow our customers engage our executives and staff at all levels. - Operate the Company with strict ethical considerations. 	<ul style="list-style-type: none"> - Focus on providing the services and products necessary to meet customer needs in the short and longer term. Plus the identification and development of their potential partners to help the Company more optimally respond to customer needs.
Supplier	<ul style="list-style-type: none"> - Working together with fairness and building trust and a cooperative relationship 	<ul style="list-style-type: none"> - Provide annual seminars to partners in order to maintain good relationships with each other. 	<ul style="list-style-type: none"> - Operate on commercial terms and abide by any Agreements.
Sub-Contractor	<ul style="list-style-type: none"> - Work together for - Fairness - Trust Building - Good relationships and cooperation with each other. 	<ul style="list-style-type: none"> - Selection Criteria, which includes partners from outside, who have the following: the technical capabilities; expertise; experience; financial status; business records relating to any complaints and litigation; and finally, policies of risk management for multiple clients. 	<ul style="list-style-type: none"> - Operate on fair commercial terms and abide by any Agreements.
Competitor	<ul style="list-style-type: none"> - Operations are done fairly and with transparency. 	<ul style="list-style-type: none"> - Mutually create conditions for fair competition. 	<ul style="list-style-type: none"> - Operate under fair rules of competition and do not use dishonesty.
Creditor	<ul style="list-style-type: none"> - Pay interest and repay principal on time. - The repayment of creditors is monitored by a system. 	<ul style="list-style-type: none"> - Strengthening relationships in different ways and provide suggestions and/or complaints. - The Company uses a Cash Management System to facilitate the payment of creditors and be able to manage refunds. 	<ul style="list-style-type: none"> - Follow the conditions of the Contract and/or Agreement and any obligation to creditors.
Society	<ul style="list-style-type: none"> - Supporting activities that benefit to the community and public. 	<ul style="list-style-type: none"> - Provide an AIT E-Library. 	<ul style="list-style-type: none"> - Conduct business with integrity, environmental responsibility and social participation.
Government	<ul style="list-style-type: none"> - Support activities that benefit the community and public. 	<ul style="list-style-type: none"> - In cooperation, the Company is available as a polling station. 	<ul style="list-style-type: none"> - Operate legally and cooperate for benefits to the public sector.

The Selection Process on Social Responsibility Issues

The Company has set forth the following criteria when considering social responsibility issues which may have significant impact on the Company performance, as follows:

1. Any short term impact on the financial status of the Company IT business;
2. Anything which may be a concern or of interest to a stakeholder in issues related to the technology business in the areas where business is located, such as: researching, interviewing, group meetings and consultations with stakeholders;
3. The standards and rules in an international IT business;
4. IT Business Practices.

According to the criteria above, the Company has selected 2 types of CSR Projects, as follows:

1. Human Resource Development Projects (CSR in process).
2. Supporting education for Poor Schools Projects (CSR after process).

In more detail:

1. Human Resource Development Projects (CSR in process)

Employees are considered, not only as direct stakeholders in the supply chain of the Company, but also key assets of the Company. The Company operates business as a contractor of turnkey IT system projects which provides services ranging from consulting through to other services such as design, installation, leasing, equipment maintenance, maintenance management and data center management. All such procedures require human resources to be a key factor in adding value to goods and services. It is clear that the lack of such resources will directly affect the normal operation of the Company. Thus, the Company depends on its employees in order to drive sustainable company growth.

Human Resource Management and Development Policy

1. Human Resource Management

- **Recruitment**

The Company continuously applies proactive approaches in its recruitment to find capable people at all levels, including: an apprentice program for university students to source and attract newly graduated candidates through the launch of Campus Tours and Activities Programs in leading Universities. This helps us create a good image for new graduates from well-known Institute and Universities. In fact, as the AIT business acts as contractor in many IT projects; the Company therefore often hires contract-based employees to support certain projects. Such a methodology also provides the Company with a good opportunity to consider the performance of contracted employees before accepting them as future regular employees.

- **Performance Management**

The Company ensures an equitable and appropriate evaluation system through the application of a KPI approach; plus a focus on corporate competency methodologies aligned to strategic business planning at all levels of the Company.

- **Human Resources Management and Development Information Systems Policy**

The Company uses technology applications, developed by Human Resources Information Systems, to support both HRM & HRD functions by: increasing speed of work; lowering operational costs and through data accuracy. An HR Portal services platform monitors manhour, workload, and benefit services. This is also applied to personnel recruitment and development, such as: online candidate applications; knowledge systems; the management of competency assessment systems; and an individual development plan (IDP) system.

Furthermore, the Company fully utilizes its data to support HRM & HRD Policy decisions for sustainable organizational achievements.

- **Remuneration & Benefits Policy**

The Company formulates remuneration, benefits and a welfare scheme through job analysis and evaluation of all positions, responsibilities and their performances at all levels throughout AIT. The Company essentially determines the corporate remuneration, benefits and welfare policies being compatible to an organizational position related to the skill, accountability, knowledge, and competence related to the business operation and economic situation – with a comparative analysis amongst businesses in the same, and different, industries. This analysis should ensure that our employees receive appropriate remuneration, benefits and welfare packages that are competitive in the labor market or among leading companies in the industry. Employees receive many benefits as follows:

Provident fund

The Company provides provident fund to all employees when they have passed a trial period. The size of the provident fund as of 31 December 2014 was Baht 230 Million. Employees who have been working more than 3 years will receive partial benefit from the Company – while those who have been working more than 5 years will receive their whole benefit.

Life-Insurance

The company provides life insurance, accident insurance and insurance disability due to illness to all employees with the amount of insurance coverage at Baht 6 Million.

Health Insurance

In case of illness, employees can use the health insurance which covers treatment at a hospital for 24 hours – with a total amount of Baht 178,300 being available each year.

Health Check

The company provides an annual health check for all employees to give information about their health and to promote good health. When the results are released, the Company will provide a doctor to consult on their results.

Medical Expenses for Families

In case where fathers, mothers, spouses and children of employees are sick, the company will cover medical bills to the amount of Baht 10,000–15,000.

Employee Loan

The Company provides two types of loans:

1. Emergency loans for which the amount approved is less than one times their salary and the maximum is not less than Baht 20,000.
2. Staff housing loan which the maximum amount approved is up to 20 times their salary but less than Baht 200,000.

This is to provide financial assistance to employees when it is necessary and to build morale. The Company provides a low interest rate for the above mentioned loans under the criteria set by the Company.

- **Employee Relations & Engagement Policy**

The company concentrates on employee relations and engagement at all levels of employees throughout AIT – and also implants them into the corporate values along with corporate culture by building synergetic working-styles. Hence, these things bring about the

best cooperation amongst each individual level throughout the Company. In 2014, there were a number of ER&EE programs and activities to build synergy among the employees, executive and the organization as a whole, e.g.: the AIT athletic activities; Build to Build program; and other activities, focusing on Employee Relations, of the Company.

2. Human Resources Development Policy

The Company has a consolidated HRD policy to continuously develop the knowledge and ability of employees at all levels for achieving the businesses needs. The Company believes our employees to be the most valuable and fundamental success factors leading to the Company achieving business mission success. Therefore, the Company aspires to develop employees in all careers at all levels by harmonizing all aspects of development tools for increasing their: skill, knowledge, capability through corporate culture and code of conduct in accordance with AIT strategy and business operations.

- **Career Development Policy**

The Company defines a career development policy by which the Company further supports employees in all careers to be continuously developed in their qualifications, knowledge and abilities, In particular, a competency approach has been applied to categorize the required business capabilities to Core competency, Core Values, Managerial Competency and Functional Competency for analysis, planning, and leading to individual competency development with diversified development tools for all employee levels. Thus, our employees might be developed to create their own high potential to support sustainable growth and prepare for business expansion throughout AIT.

- **Employee Training**

In-house Training

To encourage and develop employees to facilitate the organization's strategies and goals most effectively and efficiently. The Company therefore conducts training KHON-D (Knowledge, Happiness, Ownership, Nice service and Discipline) courses deemed necessary, as follows:

For top and management executives

The managerial competency program, courses have been designed for management level in order to develop managerial competency to strengthen and management skills leadership and management skills for executive as well as prepare promotion qualifications in the future for pre-executive or talented employees. For example: core skills for a future leaders course.

For operational staff

The functional competency program courses have been designed for developing and enhancing functional knowledge and functionality related to operational responsibilities and increasing the skill of employees for each career and division concerned such as with Project Management courses, Marketing and Sales Management courses, presentation courses, etc.

For all employees

The Generic Competency Program courses have been designed to ensure that the employees could perform their work in accordance with the corporate culture with the most efficiency; such as the Orientation course for new employees, Effective communication, Courses for corporate culture, business English courses, etc.

External Training

In addition to In-house Training, AIT supports all executives and employees to acquire knowledge and skill from training in certified courses conducted or instructed by external reputable institutes both locally and internationally in order to enhance their expertise,

knowledge, ability and also making relationships through associated networks in the same business and occupations. An example of training is engineer training with Cisco in both domestic and international countries to update a new technology.

Talent Management Policy

Developing and maintaining a high potential human resource in the organization plan are as follows:

1. Collecting the regarding functional competency in order to grade the competency of each employee. Besides this, the approach to data collection is via a One-on-One interview, divided into the categories as follows:
 - Job Competency
 - Technical Competency
 - Role Specific Competency
 - Job Skills
2. Collecting data and analysis competency of each employee
3. Summarize the data and rank their competency to identify what skills they lack and how to improve their skill sets
4. Put all the information to develop the employees of the Company under the Company's core competencies and core values.
5. Create a employee development plan under the scope of the Company core competencies and core values

Summary of Training to Management and Employees of the Company in 2014

Training	Frequency (times)	Number of Participants
In-House Training		
Managements	2	41
Employees	2	216
Total		
External Training		
Managements	20	20
Employees	171	171
Total	195	448

Training Expenses in 2014

In 2014, the Company training expenses for both domestically and internationally was a total amount of Baht 4.7 Million. The total training of all employees was 1,026 hours in 2014 – with an average of 6 hours/ person/year – which is more than the standard of the Department of Labor which requires just 6 hour/ person/year. The internal and external training courses are listed in the table below:

Table of Examination Results of Employees

Year	The number of employees who took an exam	The number of employee who passed an exam	%
2014	17	17	100
2013	20	20	100
2012	24	24	100

2. AIT E-Library Projects (CSR after process)

The Company focuses on development of poor schools – which can be divided in 2 ways:

1. Supporting material and tools of knowledge in an Electronic Library (AIT E-Library) with the cooperation of the Office of Basic Education Commission to support and develop software/hardware related to education.

The Company has operated this project since last year and the details are as follows:

Project Name:	Electronic Library (AIT E-Library) for poor and remote schools
Initial:	The Company realizes that the development of education is important and also believes that such education will leverage a higher quality of life. Besides, Most of school in remote areas are rather small and lack human resources. Thus, the AIT E-Library was initiated to serve those schools in remote areas.
Objective:	To support material and tools of knowledge in Electronic Library (AIT E-Library)
Target:	Community-Society and small and poor schools that provide 1-6 Prathom classes.
Method:	To explore the eligible school and present data to discuss approach options on how to assist those targeted schools with the cooperation of the Office of Basic Education Commission to support and develop software/hardware related to education.
Assistance Type :	Setting up an E-Book system which contains the content, exercises and tests for the Prathom 1-6 classes. For the longer term goal, the Company would like to reduce paper used and be able to provide access information more easily
Frequency:	2 times per year
Success Indicator:	In the beginning project

2. Supporting fund for programs or schools that provide youth competition in the contest especially for High Technology.

In addition, the Company also plans to assist in temporary help – such as when there is a disaster or a request for help from the school or temple.

CSR policy consists of 9 practices as follow:

1. Good Corporate Governance

With an awareness of the importance of good governance, the Company's Board of Directors has been employing, for many years, a good corporate governance initiative. This was enacted not only as a tool to add more value, but also to: promote the Company's sustainable growth; to increase management efficiency, transparency and accountability; and as importantly, to continue to build confidence with its shareholders, stakeholders and all other relevant parties. The Company's Board of Directors continues to monitor, supervise, and where possible, to improve the use of good corporate governance policies throughout the Company. In 2014, the Company Corporate Governance Practices were scored as 'Good' from a field of some 526 listed companies which were surveyed in depth by the Thai Institute of Directors Association (IOD). The survey was conducted with the full support of the Securities Exchange Commission (SEC) and the (Stock Exchange of Thailand (SET). The Company at all times reminds its employees to be aware of its commitment to, and practice of, good corporate governance policies. The Executive Committee and the Internal Audit Department (which is outsourced to the company DIA and Associates Co., Ltd., under supervision of the Audit Committee) and represented by Mr. Apinan Sripramont, as the appointed head of the Internal Audit Department, reported an evaluation of the Company's good corporate governance policies to the Audit Committee and the Board of Directors.

2. Fair Operation Practice

The Company conducted business and manage the Company's operation ethically. The Board of Directors has provided the Business Ethics manual for the Company's directors, executives and employees to adhere as their practical guidelines on integrity, honesty, standardization, quality, moral and fairness. The Business Ethics was posted on the Company's website (www.ait.co.th). It also covers the administration of all stakeholders, i.e. shareholders, employees, customers, competitors, business partner, lenders including societies and environment. The Company has set a code of Ethics for Employees as follows:

- a) Abide by the laws of any and all countries in which they practice, and conform to the Company's Rules and Regulations
- b) Build trustful relationships between the Company and regulatory authorities
- c) 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
- d) Keep confidentiality of the customers, trade partners and other organizations
- e) Do not use insider information for personal benefit
- f) Do not gamble
- g) Do not have any conflicts of interest and do not attempt to benefit themselves when conducting business with a customer
- h) Refrain from accepting gifts or other kinds of benefits with high value particularly when it's off the season according to the country's customs
- i) Refrain from giving or accepting bribes or any other motivation, and do not ask others to give or accept bribes on their own behalf
- j) Refrain from violating intellectual property (IP) by setting in place a practice such that all employees have to sign a paper regarding computer use and abuse and not violating intellectual property. In addition, the Company formulates the policy regarding its ICT system and audits the use of software from all employees in order to protect software which was violated or was not related to their work.

If any employee infringes the Code of Ethics, he or she shall be penalized according to regulations. The Company established these codes of conduct for employees to abide by strictly and without deviation. All employees will adhere to a code of personal integrity.

Additionally, any stakeholder is permitted to communicate with and inform the Company's Board of Directors if they learn of any instances of occurrences including, but not limited to, illicitness, accuracy of financial statements, flaws in the internal control system or infringement against the Company's codes of conduct.

The Company provides a contact telephone number of the Company's Board of Directors through the corporate website at www.ait.co.th. More details on the treatment of stakeholders are disclosed in the section **"Good Corporate Governance"** under **"Clause 3. Rights and Roles of the Stakeholders"**.

3. Anti-Corruption

The Company does not encourage or expect the receiving person to ignore his/her duty and/or return favor from the giving of inappropriate gifts, property or other benefits. The Company policy on anti-corruption is defined within the topic **"Receiving and giving present, property or other benefits policies"** in the Company's Business Ethics to be adopted, complied with, and posted on the Company's website (www.ait.co.th).

In 2013, the Company noted the following activities regarding corruption:

- There has been no case of misconduct on corruption or breach of ethics.
- No director has resigned due to the issues of corporate governance.

In practice

- In risk management terms, the Company has an audit department to monitor all departments in accordance with the risk of each. This includes the risk of fraud and corruption. If a department has insufficient internal controls or was found fraudulent, these monitored results will be reported to the Audit Committee executives with guidelines for the prevention and improvement of the internal control systems.
- Encourage the creation of awareness in order to not to be the cause of any corruption. The Company also recognizes the importance of the fight against corruption including attendance at a meeting held with the Private Sector Alliance of Thailand to the fight against corruption – so as to be completely informed on the ideals and practices of anti-corruption.

4. Respect of Fundamental Human Rights

The Company stresses its attention on the value and respect of human rights. The Company considers this the basic foundation of human resource development and of which strongly relates to creating value in our business. In fact, we consider our human resources as one of the key factors in increasing business value and productivity. Therefore the Company will, at all times, look to provide a good working environment and conditions for all its employees. This is in order to give a good quality of working life, and at the same time providing opportunities for our employees to demonstrate their abilities, together with training programs to further increase their skill levels. To achieve this, our Company focuses on the following practices:

1. To encourage and support employees to respect in human rights protection. Also to regularly monitor our business to ensure no violation of any human rights.
2. To encourage employees to monitor and so ensure that our operations comply with the human rights regulations within the Company. Also to provide a working system that focuses on proper working and safety conditions with the regulations set by the Company.
3. To develop employees by providing training programs and promotions in order to increase their skills and abilities.
4. To provide fair working conditions and suitable remuneration to all employees.

5. To provide correct petition procedures to any employee who considers that they were treated unfairly.
6. To provide for the proper welfare of all employees in matters such as annual leave, overtime payment and basic nursing care, for example, as needed.
7. To encourage employees to balance their working and personal lives; to apply sufficiency economic philosophies in their lives; to help to ‘give back’ to society; and to do good things in accordance with the dharma principles of Buddhism.
8. To disclose necessary Company financial information to our employees in order to provide a clear understanding of our business situation.
9. To respect our employee’s expression of opinion, including the freedom of expression without interference, accessibility to information and opinion through the Media; and the accessibility to communication channels so that they may freely listen to other interesting person’s voices and opinions.

5. Equal Treatment of Labor Force

The Company highly regards all of the employees as valuable resources and they are a major factor in driving the Company business performance in achieving its goals. As a result, it is the Company’s policy to treat employees fairly in all respects for employment opportunities, reasonable remuneration, promotion, and welfare in the following respects:

1. Respect for the right to work pursuant to fundamental human right principles. For more details, please see more in Clause 4 under the topic of “Respect for Fundamental Human Rights”
2. Define “Compensation and Benefits Policy”, regarding to employee motivation, internal impartiality and compensation standards, and job value to the Company. The Company essentially determines corporate compensation, benefit and welfare policy being compatible to position accountability, knowledge, and competence with business operations and is kept up-to-date as compared to leading companies in industrial competition.

6. Responsibility to Customers

The Company strongly believes in building confidence and bringing satisfaction to all of its customers. Since their trust is critical to our business, the Company promotes the following policies:

1. Determination to provide and produce commodities and services that are suitable in order to satisfy customers’ needs.
2. Provide high-quality products and services at reasonable prices.
3. Provide accurate information without any exaggeration that may cause misunderstandings on product’s quality and quantity, or special conditions for each product and service.
4. Formulate procedures that permit customers to inform themselves on any drawbacks on the products or improper services – because any complaints are valuable for the Company to come up with immediate remedies and improvements for problematic products and services.
5. Provide effective after sale services for our customer’s convenience.
6. Guard each and all customer’s information as top secret and refuse to use it for personal benefit.
7. Support all activities that will strengthen, as well as maintain, a long-lasting and healthy relationship between the Company and its customers.

More details on the Company responsibility to customers is disclosed in the section “Good Corporate Governance” under “Clause 3. Rights and Roles of the Stakeholders”.

7. Development of Community and Society

The Company is well aware that its existence and prosperity today is owing to the support from communities and the society, hence, the Company places robust emphasis and support on the development of quality of life, prosperity of the communities and Thai society. For the past period, the activities undertaken by the Company under such scope and practical guideline are as follows:

1. Strengthen good relationship with the organizations, both from public and private sectors, as well as the community leaders in various levels so that the works for community development can be harmoniously coordinated on sustainable and concrete basis.
2. To provide the buildings, materials including funds to oversee the livelihood condition and safety of the communities, for instance, donation of computer, solar cells, clothes, and food to the poor students,
3. To cultivate consciousness to the Company's employees on responsibility to the society, community and environment via media and internal activities continually.

8. Environmental Care

The Company recognizes the duties and responsibilities to environment, the Company has policies to:

1. Operate the business by taking into consideration of conservation and security standard, and also be civility to follow the law and related regulations.
2. Be responsible to utilize natural resources in form of raw materials, investments, human resources, and energies in prudent manners.

In 2014, the Company has undertaken activities regarding the environment as follows:

- Buildup of awareness among the employees to employ resources at the optimal level, and stimulation of their consciousness to pay attention on the environment and to use resources through an annual energy-saving campaign.
- Provide a good working environment and good health in the workplace in order to secure lives and the property of its employees. The company also realizes the importance of security for the performance of its employees by providing annual training for disasters such as fire – using a fire training simulator.. Besides this the Company has set up a primary person responsible in case of an emergency – and who also makes sure that the exit are clear with no barriers to exit or entry at all times. In 2014, there was no reported statistics of any accident or fire in the AIT workplaces.

Relationship with Investors

The Board of Directors places a great emphasis on the accuracy, completeness, transparency and wide disclosure when reporting the financial and any 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 channels and published media. The Company has also set up to take care of the disclosure of information to shareholders, analysts, and other related institutions. The Investor Relations Department is located at the AIT Head Office.

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

1. Website: www.ait.co.th The Company provides important information on the website, including a list of the Board of Directors, share price, annual report and other information for shareholders such as a list of the 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. Telephone +66(0)2275-9400 contact to Ms. Sarin Chandranipapongse or Ms. Natchaya Leartchaisirisakun
3. Email: ir@ait.co.th
4. Quarterly attending "Opportunity Day" at the Stock Exchange of Thailand. This event is for investors who are interested in our company, and will have a chance to meet our CEO presenting the company's direction.



On August 15th, 2014, Mr. Siripong Oontornpan, Chairman of Executive Board Committee and President, together with Ms. Sithea San, the CEO of the First Cambodia Company, signed an MOU to develop an ICT network system business together in Cambodia. The ‘First Cambodia Company’ is the longest established, leading Systems Integration and Solutions Provider in Cambodia.



On October 22nd, 2014, Mr. Siripong Oontornpan, Chairman of Executive Board Committee and President, joined the debate on the topic of ‘The Digital Economy’, which was organized by Nomura Securities Co., Ltd. (Thailand) at the Grand Hyatt Erawan Hotel .The event discussed and debated the vision for the government policy to utilize a digital framework to help develop the economic growth of the country.

During the year, the Company finalized the purchase of the land and buildings for a plot of land of size 0-3-80 rai (380 sqm). The plot included an existing 4-story office building. The address in fact is the current AIT headquarters at 37/2 Suthisarnvinijchai Rd., Samsaennok, Huaykwang, Bangkok 10320. This reason for this purchase was due to the great location of the plot and building, together with the strength of our financial statements, and finally the opportunity to avoid the risk of future rent increases.



THE ICT SOLUTION

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