



2016 Annual Report

Advanced Information Technology
Public Company Limited

รายงานประจำปี 2559 บริษัท แอ็ดวานซ์อินฟอร์เมชั่นเทคโนโลยี จำกัด (มหาชน)



ธ ทรงเป็น ดั่งหยาดฝน ขไลมจิต
ด้วยองค์พระ บารมี ปรีชาชาญ
มาบัดนี้ สิ้นแล้ว แลสิ้นสูญ
แปดสิบเก้า พระพรรษา องค์ราชำ

ทั่วทุกทิศ จำเริญ แผ่ไพศาล
ปวงผองไทย สุขสราญ ทั่วแดนดิน
แผ่นดินไทย อาตุร ถวิลหา
ครองแผ่นดิน โดยธรรมมา ณ ดวงใจ ไทยนรินทร์

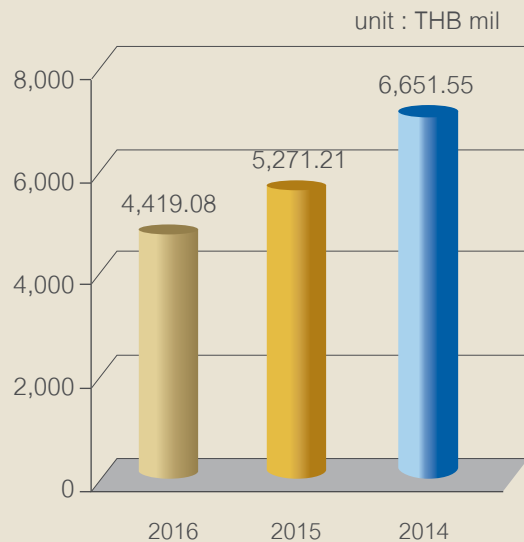


ปวงข้าพระพุทธเจ้า ขอน้อมเกล้าน้อมกระหม่อมรำลึกในพระมหากรุณาธิคุณหาที่สุดมิได้
ข้าพระพุทธเจ้า ผู้บริหารและพนักงาน บริษัท แอ็ดวานซ์อินฟอร์เมชันเทคโนโลยี จำกัด (มหาชน)

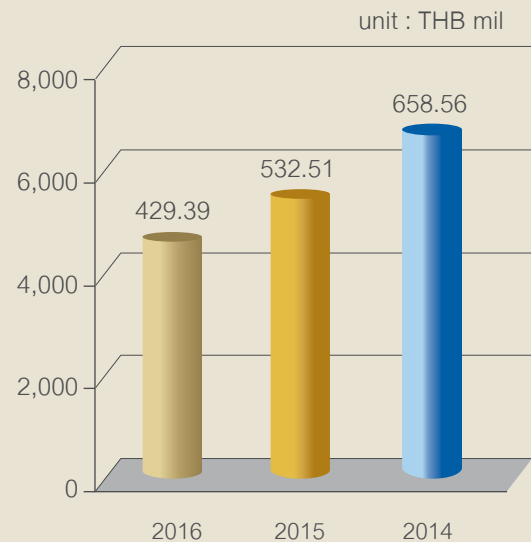


Financial Highlights

Total Revenue



Net Profit



unit : THB mil

	Financial Statements in which equity method is applied			Consolidated financial statements		
Financial Highlights	2016	2015	2014	2016	2015	2014
Total Assets	4,511.80	4,672.50	4,167.95			
Total Liabilities	1,627.80	1,810.15	1,486.65			
Total Shareholder's Equity	2,884.00	2,862.36	2,681.30			
Total Revenues	4,419.08	5,271.21	6,651.55			
Total Expense	3,848.38	4,601.09	5,807.64			
Net Profits (Equity holders of the Company)	429.39	532.51	658.56			
Basic Earning per Share (Baht)	2.08	2.58	3.19			
Total Number of Employee (persons)	321	312	308			
Total Number of Shares (shares) as of 31 st December	206,320,897	206,320,897	206,320,897			
Financial Ratios						
Liquidity Ratio (Times)	2.67	2.54	2.65			
Gross Profit Margin (%)	24.49%	23.67%	22.61%			
Net Profit Margin (Equity holders of the Company) (%)	9.72%	10.10%	9.90%			
Debt to Equity Ratio (Time)	0.56	0.63	0.55			

Highlight Events in the Year 2016



On February 19, 2016, Mr. Asawin Kangvolkij, Senior Executive Vice President, Finance and Corporate strategy of Advanced Information Technology Public Company Limited or AIT and Mrs. Morragot Kulatumyotin, Managing Director of Internet Thailand Public Company or INET signed MoU in order to appoint AIT to be Cloud Reseller to service INET-Cloud Infrastructure to the AIT customers



On February 24, 2016, Mr. Siripong Oontornpan, Chairman of the Executive Committee and President, Mr. Asawin Kangvolkij, Senior Executive Vice President, Finance and Corporate strategy, and Ms. Sasinet Oontornpan, Executive Vice President of Advanced Information Technology Public Company Limited attend 'New AIT: Moving Towards a Digital Thailand Society' as a speaker of the information and business direction, which ready for the completed organizational transformation to the Smart Company in the next 3 years to supporting towards competition and changing in ICT.

On March 24, 2016, the Board of Directors of AIT has resolved to approve an investment in Data Center business with WHA Infonite Holding Company Limited and Interlink Telecom Public Company Limited in the total amount of 70 Million Baht, new joint venture namely Genesis Data Center Company Limited. The Company invest in the total ratio equals to 1/3 (one-third) the total registered share of 210 Million Baht or 2.1 Million Shares. The Data Center project size is 624 racks on a plot land size of 5,277 square meters which is located at Amphoe Bangplee, Samutprakarn.



On April, 2016, the Company has professional developed the modernized training center to support various customers and changing the name from Train 4 to TrainNex.



On September 28, 2016, Mr. Siripong Oontornpan, Chairman of the Executive Committee and President and Assoc.Prof Dr.Sujate Jantarang President of Mahanakorn University of Technology signed MoU with Faculty of Information Science and Technology, Mahanakorn University of Technology in cooperation with academic exchanges and personnel exchanges in order to jointly develop students to respond to customer needs.

Board of Directors



Mr. Thana Chaiprasit
Chairman of the Board



Mr. Siripong Oontornpan
President
Director



Mr. Chokechai Tanpoonsinthana
Chairman of the Audit Committee
Independent Director



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



Mr. Sripop Sarasas
Member of the Audit Committee
Independent Director



Mr. Suraporn Raktaprachit
Director



Mr. Kijja Laoboonchai
Director



Mr. Thanarak Phongphatar
Independent Director



Mr. Kitisak Sopchokchai
Director



Mr. Pisak Charudilaka
Director

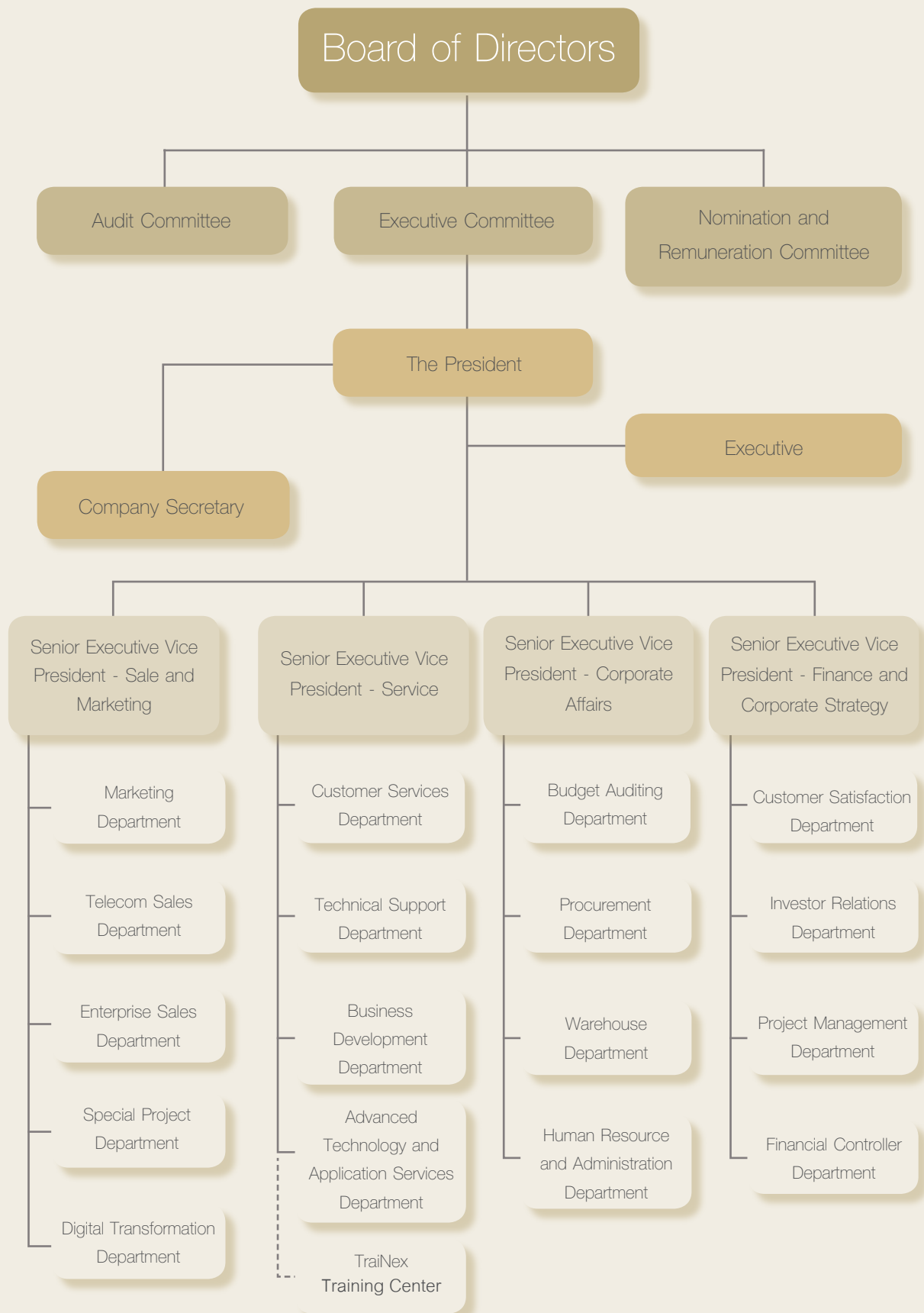


Mr. Chodiwat Duntanasarn
Director



Mr. Voravit Wattanakuljarus
Company Secretary

Organizational Chart





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

The past year of 2016 was enabling the unprecedented change for domestic economy especially the inadequate government investment in Information & Communication Technology industry (ICT) and the delayed disbursement of the government project. At the present, ICT industry has been faced to an era of critical Digital Transformation trends. Therefore, total revenues and net profit decreased 16.0% and 13.5%, respectively compared to the year of 2015, however, the Company was able to maintain gross profit margin, which was in line with the previous year, of 24.7%. The Company has indicated the importance of monitoring these trends and develop the Company proactively and strategically to support customer's demand. In addition, the Company also strived on employee development to be ready in order to offer a full range and complete solutions and services.

In the environment of change in 2017, rapidly changing in the technology in this digital era will continue to apparent. This digital era embraces the transformation of lifestyles and business models. With today's rapid technological change, many companies struggling with disruptive change and finally had to shut down the business unit. However, the Company could turn obstacles into opportunities by new generations of employees ready for changing and support from business partners which are the world's leading ICT firms. To achieve economic growth and sustainable development, the Company's directions for the year 2017 will more focus on the supporting of digital transformation by addressing 6 key pillars as follow;

1. System Integrator (SI) is our core business which the Company still focus to maintain its customer base and expand new customer services
2. Cloud Implementer is a building cloud business for the customers, mostly are the large organizations which have several subsidiaries, as a service combined with new scale to deduplication for both hardware and software. The Cloud Implementer system also allows the IT department to manage more effectively and greater reduce cost.
3. Data Virtualization (DV) is a data integration business approach the organizations to efficiency leverage large data or Big Data to perform predictive analytics and statistics as well as an advantage over the competition.
4. Security is the business that create a data security system to protect data from external factors which more essential for businesses.



5. IOT or Internet of Things is the future of business that connect the various devices, equipment, and tools to the internet in order to use efficiency and effectively.
6. Business Software is one essential element of the computer system which evaluated in accordance with the user demands.

From the 6 key pillars of the Company, it can be seen that the Company's business offers a full range and complete solutions and services to customers supporting towards Digital Transformation. By adopting such practices, the Company is confident in greater stability and sustainable growth in the future.

On behalf of the Board of Directors of Advanced Information Technology Public Company Limited, we would like to sincerely thank our Shareholders, Business Partners, Suppliers, Customers, Financial Institutions, Managements and Employees, as well as all Stakeholders for the continued support and trust, hence, the Company was still able to deliver great profitability in the past and continue to dedicate the attention to create sustainable operational efficiency in the future.

Since the passing of the King on October 13, 2016, Thailand has plunged into mourning with great sorrow of the Majesty King, Phra Bat Somdet Phra Paraminthra Maha Bhumibol Adulyadej Mahitalathibet Ramathibodi Chakkrinaruebodin Sayamminthrathirat Borommanatthabophit or Rama IX of Chakri dynasty. On behalf of the Chairman of the Board of Directors and the President of Advanced Information Technology Public Company Limited with the royal grace of immeasurable and unending worth and the greatest of blessings of The Royal Grace of His Majesty the late King Bhumibol Adulyadej, we join together with the Board, managements, and employees presented a commemoration of The Royal Grace of His Majesty. According to the Royal Speeches of the King, the Company determination and philosophy in accordance with the royal guidance on behalf of the company to achieve lasting benefits for the country.



Mr. Thana Chaiprasit
Chairman of the Board



Mr. Siripong Oontornpan
President Director



Report of the Audit Committee

Dear Shareholders

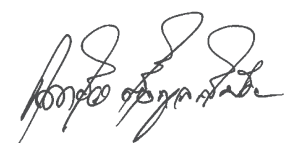
The Audit Committee performs its duties in accordance with the scope of authorities and responsibilities assigned by the Board of Directors. These duties are monitored to ensure that the executives and members of the Executive Committee perform their duties and manage the affairs of all stakeholders with integrity and responsibility in accordance with the Company policies.

In 2016, the Audit Committee was held 4 times, excluding the meetings with the auditors but without any Company representatives, and attending in order to monitor the progress of the operations as discussed and suggested by the auditors. Its main activities can be summarized as below.

1. To consider the quarterly and annual financial statements before present to the Board of Directors. The Audit Committee has questioned and listened to the explanations from the management and the auditors in order to the accuracy and completeness of the financial statement as well as the adequacy of disclosure, situations after the disclosure period and accounting adjustments that have significant impact on the financial statements to ensure that the financial statement was accurate in accordance with the regulations and standards of accounting principles that accounting system and financial statements are accurate and reliable. This including insuring that the financial statement disclosures are adequate and timely in order to beneficial to the investors and the users of financial statements.
2. To review and evaluate the internal control systems, the Audit Committee reviewed and gave opinions on the internal audit system's report of 2016, the topic regarding to operating procedure of Project Manager and following up the previous inspections of the control system of sales, the control system of advance payments and the cheque payment system, the control system of receivables, the control system of daily cash deposit, the budget management system, the control system of after selling expense that was reviewed and evaluated by the auditor, DIA and Associates Co., Ltd. The Board of Directors gave opinions that the Company's internal control system is sufficient and appropriate in accordance with the generally accepted criteria.
3. To realize the importance of the approval process procedure of the conflict of interest transactions in compliance with regulatory requirements and good corporate governance principles.

4. At each meeting, the Audit Committee reviewed and gave opinions regarding to their compliance with the Law of the Securities and Exchange Commission, the regulations of the Stock Exchange of Thailand, or other Laws relating to the Company's business. The report of the Company's operations for the year 2016 showed no significant issues regarding to non-compliance with the Securities and Exchange Commission Law, the regulations of the Stock Exchange of Thailand, or other laws relating to the Company's business.
5. The Audit Committee reviewed the performance, independence and appropriate of the remuneration and agrees to appoint DIA & Associates Co., Ltd as the Company's internal auditor. Its inspections and reports are useful for CG procedures in accordance with the regulations of the Stock Exchange of Thailand. The responsibility committees were nominated namely: Ms. Apinan Sripramoj, Mr. Satja Srewilai, Ms. Oranuch Kokam , Mr. Sumrit Prapawong, Ms. Chuleeporn Boonsiri or other officials which was appointed by the internal auditor.
6. The Audit Committee considered, selected, appointment proposed and remuneration proposed for the Company's auditor for 2016 in order to present to the Board of Directors for an approval by the Annual General of Shareholders Meeting of 2016, the Audit Committee reviewed the performance, independence and appropriate of the remuneration and agrees to appoint Ms. Manee Rattanabunnakit, a Certified Public Accountant of License No. 5313, or Mr. Termphong Opanaphan, a Certified Public Accountant of License No. 4501, or Ms. Sumalee Reewarabandith, a Certified Public Accountant of License No. 3970, on behalf of EY Office Limited as the Company's auditor for 2017 as the following reasons:
 - The standard of good performance, the professional practice of auditing, and the consistently of good performance;
 - The recommendation and clearly advice on the new standards of the accounting principles and guidelines;
 - The Auditor's fee for the year 2017 is totaling 1,400,000 Baht (One Million and Four Hundred Baht), which was reasonable increased by 8.95 percent from The Auditor's fee for the year 2016;
 - The audit firm and the auditors as the proposed lists above, have no relationship or conflict of interest with the Company, managements, major shareholders, or anyone related to such a person; therefore, the Audit Committee carried out its independent in audit and comment on the Company's financial statements.
7. The Audit Committee performed within the full scope of the authority as set in the Charter of the Audit Committee, and in accordance with the laws of the Securities and Exchange Commission and the regulations of the Stock Exchange of Thailand.

The Audit Committee's opinion that the Company's operation results for the year ended 31 December 2016 have been performed under the proper internal control system and appropriate internal control process. The financial reports are accurate, complete and reliable and in accordance with the laws, rules, and regulations related to the Company's business including the accurate disclosure to regulator institutions that are consistent with good corporate governance, transparency and reliability.



Mr. Chokechai Tanpoonsinthana
 Chairman of the Audit Committee

Contents

01	■	Financial Highlights
02	■	Highlight Events in the Year 2016
04	■	Board of Directors
05	■	Organization Chart
06	■	Message from the Chairman of the Board of Directors and the President
08	■	Report of the Audit Committee
11	■	Detail of the Board of Directors and Management
18	■	Board of Directors and Management' Shareholding Report of Year 2016 and 2015
19	■	General Information
20		General Information of the Company and associated companies
20		Dividend Policy
20		Shareholding Structure
21		Major Shareholders
22	■	Business Overview
22		Get to know the Business Overview of Advanced Information Technology PCL
24		Business Operations Overview
25		Revenue Structure
26		Business Objectives in 2017
26		Nature of Business
29		Industry and Competition
32		Risk Factors
36	■	Management Structure
46	■	Internal Control
49	■	Financial Information
49		Related Transaction
50		The Board of Directors' Responsibility for the Financial Statements
51		Report of the Independent Certified Public Accountants
56		Financial Statement
88		Management Discussion and Analysis
110	■	Corporate Governance
125	■	Corporate Social Responsibilities Report
143	■	Relationship with Investors

Detail of the Board of Directors and Management



Mr. Thana Chaiprasit

Chairman of the Board

Age 63

Education Background : Ph.D. (Honorary) Doctor of Philosophy in Education, Ramkhamhaeng University
: Ph.D. (Honorary) Doctor of Business Administration in General Management, Chandrakasem Rajabhat University
: Ph.D. (Honorary) Doctor of Arts in Innovation in Sports Management, Suan Sunandha Rajabhat University
: MINI MBA, Thammasart 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 2016)

Family Relationship : -None-

Illegal Record : -None-

Last 5 years experience (Listed Companies)

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

Last 5 years experience (Non-Listed Companies)

2014 - Present : The Board of Directors of The International Table Tennis Federation

2013 - Present : Honorary Executive Board Official of The Asian Table Tennis Union

1999 - Present : Treasurer of The National Olympic Committee of Thailand

1990 - Present : Chairman of the Board, Thanarom Co., Ltd.

1984 - Present : Vice Chairman of the Executive Committee, Osotsa Co., Ltd.

1981 - Present : Chairman of the Board, Siam Glass Industry Co., Ltd.



Mr. Siripong Oontornpan

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

Age 64

Education Background : Master of Science (Computer Science), Western Michigan University, USA
: Bachelor of Electrical Engineering, Western Michigan University, USA

Training Background Thai Institute of Directors Association (IOD)

: Director Certificate Program 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)

: Pillars for The Kingdom Program "V.I.P." Under the Royal Graciousness Class 1 (PVP)

Shareholding (%) : 5.21% of paid up capital
(as of 30 December 2016)

Family Relationship : Spouse of Mrs. Netnapit Oontornpan

Illegal Record : -None-

Last 5 years experience (Listed Companies)

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

Last 5 years experience (Non-Listed Companies)

2014 - Present : Chairman of the Board, SLA Asia Company Limited

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

2009 - 2013 : President, Thai Senior Professional Golfers Association



Mr. Chokechai Tanpoonsinthana

Independent Director / Chairman of the Audit Committee

Age 69

Education 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 Background Thai Institute of Directors Association (IOD)
: Directors 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 2016)

Family Relationship : -None-

Illegal Record : -None-

Last 5 years experience (Listed Companies)

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

Last 5 years experience (Non-Listed Companies)

2015 - Present : Advisor to the Board of Director, Banphaeo Hospital (Public Organization)
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 63

Education 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 Background Thai Institute of Directors Association (IOD)
: Accreditation Program Director 36/2005

Shareholding (%) : Less than 0.1% of paid up capital
(as of 30 December 2016)

Family Relationship : -None-

Illegal Record : -None-

Last 5 years experience (Listed Companies)

2012 - Present : Independent Director, 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

Last 5 years experience (Non-Listed Companies)

2010 - 2012 : Chairman of the Board, Krung Thai IBJ Leasing Co., Ltd.



Mr. Sripop Sarasas

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

Age 60

Education Background : MBA, University of Southern California, USA
 : Bachelor of Medical Technology, Chulalongkorn University

Training Background Thai Institute of Directors Association (IOD)
 : Director Certificate Program 22/2002 (Diploma).
 : Audit Committee Program 1/2004

Shareholding (%) : -None-
 (as of 30 December 2016)

Family Relationship : -None-

Illegal Record : -None-

Last 5 years experience (Listed Companies)

2011 - Present : Director / Chairman of the Audit Committee, Golden Lime PCL
 2011 - Present : Director / Chairman of the Audit Committee, Bangkok Airways PCL
 2008 - Present : Director / Chairman of the Audit Committee, Kiattana Transport PCL
 2008 - Present : Independent Director / Member of the Nomination and Remuneration Committee /
 Member of the Audit Committee, Bangkok General Hospital PCL
 2003 - Present : Independent Director / Member of the Nomination and Remuneration Committee /
 Member of the Audit Committee Advanced Information Technology PCL
 2003 - 2016 : Director, The Royal Ceramic Industry PCL
 2003 - 2014 : Member of the Audit Committee, The Royal Ceramic Industry PCL
 2008 - 2012 : Director / Member of the Audit Committee, Living land Capital PCL

Last 5 years experience (Non-Listed Companies)

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



Mr. Suraporn Raktaprachit

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

Age 62

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

Training Background Thai Institute of Directors Association (IOD)
 : Director Certificate Program 35/2003

Shareholding (%) : 2.64% of paid up capital
 (as of 30 December 2016)

Family Relationship : -None-

Illegal Record : -None-

Last 5 years experience (Listed Companies)

2013 - Present : Director, Asia Insurance 1950 PCL
 2003 - Present : Authorized Director / Executive Board Committee / Member of the Nomination and
 Remuneration Committee / Senior Executive Vice President - Service,
 Advanced Information Technology PCL

Last 5 years experience (Non-Listed Companies)

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



Mr. Kijja Laoboonchai

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

Age 58

Education Background : Master Degree in Industrial & System, Engineering Ohio University, USA
: Bachelor Degree of Engineering, Chulalongkorn University

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

Shareholding (%) : 0.06% of paid up capital (held by Mrs. Anintita Laoboonchai, spouse)
(as of 30 December 2016)

Family Relationship : -None-

Illegal Record : -None-

Last 5 years experience (Listed Companies)

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

Last 5 years experience (Non-Listed Companies)

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



Mr. Thanarak Phongphatar

Independent Director

Age 61

Education 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 Background : The Programmer for Senior Executive on Justice Administration Batch 10, Court of justice
: National Defense College 2004
: The Executive Program of Energy Literacy for a Sustainable Future Class 4, Thailand Energy Academy (TEA)

Shareholding (%) : less than 0.1% of paid up capital
(as of 30 December 2016)

Family Relationship : -None-

Illegal Record : -None-

Last 5 years experience (Listed Companies)

2012 - Present : Director, Advanced Information Technology PCL

Last 5 years experience (Non-Listed Companies)

Present : Managing Director, The Southern Palm (1978) Co., Ltd.
: Executive Director, The Southern Palm Oil Industry (1993) Co., Ltd.
2016 - Present : Vice Chairman The Federation of Thai Industries.



Mr. Kittisak Sopchokchai

Director / Member of the Nomination and Remuneration Committee

Age 62

Education Background : Bachelor of Economics, Thammasat University

Training Background Thai Institute of Directors Association (IOD)
 : Director Accreditation Program 54/2006
 : Thammasat Leadership Program (TLP), May - Sep 2012

Shareholding (%) : 3.23% of paid up capital

(as of 30 December 2016)

Family Relationship : -None-

Illegal Record : -None-

Last 5 years experience (Listed Companies)

2010 - Present : Member of the Nomination and Remuneration Committee,
 Advanced Information Technology PCL

2003 - Present : Director, Advanced Information Technology PCL

Last 5 years experience (Non-Listed Companies)

2016 - Present : Director, Villanova KhaoYai Co., Ltd.
 : Director, Tonkoon Development Co., Ltd.
 : Director, Sureetreeboon Development Co., Ltd.
 : Director, Veranda Resort and Spa Co., Ltd.

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

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

1983 - Present : President, Vichai Trading (1983) Co., Ltd.
 : President, Sound and Communication Co., Ltd.
 : President, Audio Engineering Service Co., Ltd.
 : President, Digital Control Co., Ltd.



Mr. Pisak Charudilaka

Director

Age 64

Education Background : Master Degree of Political Science, Ramkhamhaeng University
 : Bachelor Degree of Laws, Ramkhamhaeng University

Training Background Thai Institute of Directors Association (IOD)
 : 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, spouse)

(as of 30 December 2016)

Family Relationship : -None-

Illegal Record : -None-

Last 5 years experience (Listed Companies)

2007 - Present : Director, Advanced Information Technology PCL

Last 5 years experience (Non-Listed Companies)

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



Mr. Chodiwat Duntanasarn

Director / Senior Vice President - Special Project

Age 53

Education Background : Master Degree of Marketing, Wagner College, USA
: Bachelor Degree of Business Administration, Assumption University

Training Background Thai Institute of Directors Association (IOD)
: Director Certificate Program 72/2006
: Institute of Security Psychology, National Defense Studies Institute #96
: TLCA Executive Development Program #7 (EDP 7)

Shareholding (%) : 3.38% of paid up capital

(as of 30 December 2016)

Family Relationship : -None-

Illegal Record : -None-

Last 5 years experience (Listed Companies)

2016 - Present : Senior Vice President - Special Project
Advanced Information Technology PCL
2007 - Present : Director, Advanced Information Technology PCL
1995 - 2016 : Senior Vice President - Sales Department,
Advanced Information Technology PCL

Last 5 years experience (Non-Listed Companies)

Oct 2016 - Present : Director, APT Meditech Co., Ltd.,
2015 - Present : Director, Rak Baan Rao Co., Ltd.



Mr. Asawin Kangvulkij

Senior Executive Vice President - Finance and Corporate Strategy

Age 55

Education Background : Master Degree of Economics, Western Michigan University, USA

Shareholding (%) : -None-

(as of 30 December 2016)

Family Relationship : -None-

Illegal Record : -None-

Last 5 years experience (Listed Companies)

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

Last 5 years experience (Non-Listed Companies)

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



Mrs. Netnapit Oontornpan

Senior Executive Vice President - Corporate Affairs

Age 61

Education Background : Master Degree of Inter - Communication, Western Michigan University, USA

Shareholding (%) : 0.62% of paid up capital

(as of 30 December 2016)

Family Relationship : Spouse of Chairman of the Executive Committee

Illegal Record : -None-

Last 5 years experience (Listed Companies)

2003 - Present : Senior Executive Vice President - Corporate Affairs,
Advanced Information Technology PCL



Ms. Sureerat Prachayanukul

Executive Vice President - Financial Controller

Age 45

Education Background : Master Degree of Accountancy, Thammasat University

Shareholding (%) : 0.09% of paid up capital

(as of 30 December 2016)

Family Relationship : -None-

Illegal Record : -None-

Last 5 years experience (Listed Companies)

2003 - Present : Executive Vice President - Financial Controller,
Advanced Information Technology PCL



Mr. Voravit Wattanakuljarus

Company Secretary

Age 58

Education Background : Master Degree of Economics, University of North Texas, USA.

Training Background Thai Institute of Directors Association (IOD)

: Company Secretary Program 9/2009

Shareholding (%) : -None-

(as of 30 December 2016)

Family Relationship : -None-

Illegal Record : -None-

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

Last 5 years experience (Listed Companies)

2009 - Present : Executive Vice President - Company Secretary Advanced Information
Technology PCL

Board of Directors and Management' Shareholding Report of Year 2016 and 2015

Unit: % of the total shares

Name		Position	Common Stock (as of 30 Dec 2016)	
			2016	2015
1.	Mr. Thana Chaiprasit	Chairman of the Board	1.09	1.09
2.	Mr. Siripong Oontornpan	The Chairman of the Executive Committee, Nomination and Committee, the President	5.21	5.21
3.	Mr. Chokechai Tanpoonsinthana	Chairman of the Audit Committee, Independent Director	-	-
4.	Mr. Pongtep Polanun	Vice Chairman of the Board, Independent Director, Audit Committee, Nomination and Remuneration Committee	>0.01	>0.01
5.	Mr. Sripop Sarasas	Independent Director, Nomination and Remuneration Committee, Audit Committee	-	-
6.	Mr. Suraporn Raktaprachit	Director, Nomination and Remuneration Committee, Executive Board Committee, Senior Executive Vice President - Service	2.64	2.64
7.	Mr. Kijja Laoboonchai	Senior Executive Vice President - Sales and Marketing	>0.01	>0.01
8.	Mr. Thanarak Pongpatar	Independent Director	>0.01	>0.01
9.	Mr. Kittisak Sopchokchai	Director, Nomination and Remuneration Committee	3.23	2.99
10.	Mr. Pisak Charudilaka	Director	-	-
11.	Mr. Chodiwat Duntanasarn	Executive Vice President - Project Sales Department	3.38	3.38
12.	Mr. Asawin Kangvolkij	Senior Executive Vice President - Finance and Corporate Finance and Strategy	-	-
13.	Mrs. Netnapit Oontornpan	Senior Executive Vice President - Corporate Affairs	0.62	0.62
14.	Ms. Sureerat Prachayanukul	Executive Vice President - Financial Controller	0.09	0.09

General Information

Issuer	:	Advanced Information Technology Public Company Limited
Ticker	:	AIT
Listing Date	:	30 July 2003
Market Capitalization	:	5,312,760,000 Baht (as of 10 January 2017)
Paid-up Capital	:	1,031,604,485 Baht
Number of Shareholders	:	6,009 (as of 30 August 2016)
% Free float	:	71.79%
Type of Business	:	Relating to information and communications technology, including the maintenance and development of IT systems
Head Office	:	37/2 Sutthisarn Road, Samsennok, HuayKwang, Bangkok 10320
Branch	:	7 branches, consist of Chonburi, Khonkaen, Chiangmai, Suratthani, Phitsanulok, Songkhla, Nakhonratchasima
Company's Registration	:	0107546000067
Tel.	:	0-2275-9400
Fax.	:	0-2275-9100, 0-2275-9200
Website	:	http://www.ait.co.th

Auditors

Ms. Manee Rattanabunnakit	CPA License Number 5313 and/or
Mr. Termphong Opanaphan	CPA License Number 4501 and/or
Ms. Sumalee Reewarabandith	CPA License Number 3970

EY Office Limited

Address : 33rd Floor, Lake Ratchada Office Building, 193/136-137, New Ratchadaphisek Road,
Klongtoey, Bangkok 10110

Tel. : 0-2264-0777

Fax. : 0-2264-0789-90

Securities Registrar

Thailand Securities Depository Company Limited

93 Ratchadaphisek Road, Dindang, Bangkok 10400

Tel. : 0-2009-9000

Fax. : 0-2009-9991

SET Contact center : 0-2009-9000

Website : <http://www.set.or.th/tsd>

E-mail : SETContactCenter@set.or.th

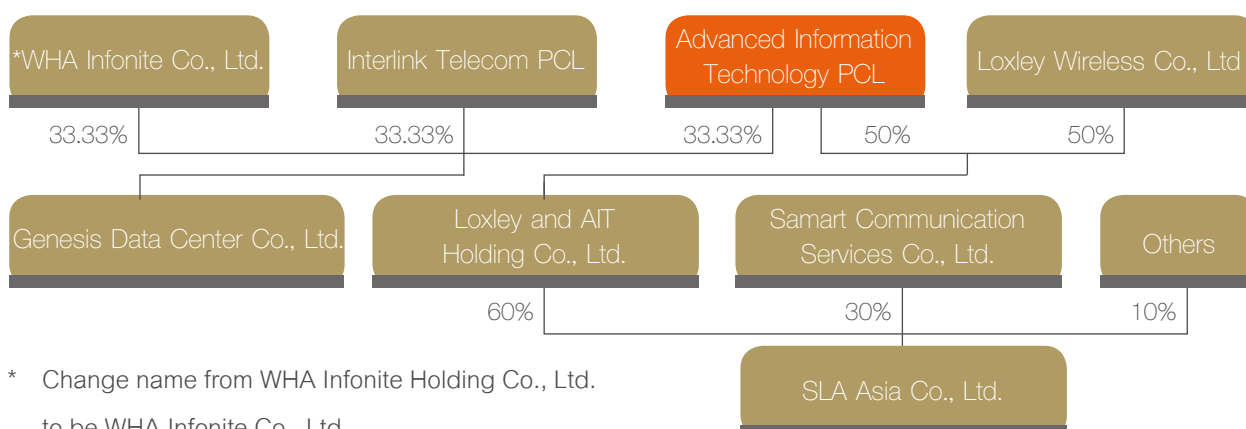
General Information of the Company and associated companies

Company	Annual Report 2015 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, Samsaennok, Huaykwang, Bangkok	Relating to information and communications technology, including the maintenance and development of IT systems	1,031,640,485	5	1,031,640,485	-
Joint venture					
Loxley & AIT Holding Co., Ltd. 2 Soi Phahonyothin 19, Phahonyothin Road, Jatujak, Bangkok	Lump sum turnkey contracts for the installation of telecommunication works, electricity plants and sales of related equipment	270,000,000	100	150,000,000	50%
Genesis Data Center Co., Ltd. 111/11-12, Moo 11, Bang Chalong, Bang Phli, Samut Prakan	Provide Data Center services such as server space rental and backup service	210,000,000	100	111,000,000	33.33%
Associated companies					
SLA Asia Co., Ltd. 2 Soi Phahonyothin 19, Phahonyothin Road, Jatujak, Bangkok	Provide services as a contractor for telecommunications in the domestic and international	30,000,000	100	30,000,000	60%

Dividend Policy

The Company's dividend payout policy 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



Major Shareholders

Top 10 major shareholders as of 30 August 2016

Shareholder	No. of Shares	%
1. The Oontornpan Group ⁽¹⁾	30,066,845	14.57%
2. Thai NVDR Company Limited	13,648,185	6.62%
3. The Sopchokechai Group ⁽²⁾	8,969,859	4.35%
4. The Duntanasarn Group ⁽³⁾	6,990,000	3.39%
5. The Raktaprachit Group ⁽⁴⁾	5,845,953	2.83%
6. CITIBANK NOMINEES SINGAPORE PTE LTD-UBS AG LDN BRANCH A/C CLIENT NRBS	4,217,200	2.04%
7. The Charudilaka Group ⁽⁵⁾	3,879,797	1.88%
8. Ms. Parntip Lekmanee	2,800,000	1.36%
9. Mr. Thawatch Tantimaet	2,513,000	1.22%
10. Mr. Thana Chaiprasit	2,250,000	1.09%
Other Shareholders	125,165,058	60.65%
1. The Oontornpan Group;		
1. Mr. Siripong Oontornpan	10,753,225	5.21%
2. Ms. Sasinet Oontornpan	6,837,345	3.31%
3. Ms. Sinanang Oontornpan	5,006,138	2.43%
4. Mr. Sina Oontornpan	4,989,290	2.42%
5. Mrs. Netnapit Oontornpan	1,278,647	0.62%
6. Mrs. Saowaluck Oontornpan	985,000	0.48%
7. Mr. Suratthep Oontornpan	217,200	0.11%
Total	30,066,845	14.57%
2. The Sopchokechai Group;		
1. Mr. Kittisak Sopchokchai	6,449,859	3.13%
2. Mr. Titikorn Sopchokchai	1,300,000	0.63%
3. Ms. Pimpaka Sopchokchai	1,020,000	0.49%
4. Ms. Boonthida Sopchokchai	200,000	0.10%
Total	8,969,859	4.35%
3. The Duntanasarn Group;		
1. Mr. Chodiwat Duntanasarn	6,970,000	3.38%
2. Mr. Anupong Duntanasarn	20,000	0.01%
Total	6,990,000	3.39%
4. The Raktaprachit Group;		
1. Mr. Suraporn Raktaprachit	5,455,885	2.64%
2. Ms. Thippayachat Raktaprachit	390,068	0.19%
Total	5,845,953	2.83%
5. The Charudilaka Group;		
1. Mrs. Soyson Charudilaka	2,606,378	1.26%
2. Ms. Apiporn Charudilaka	651,994	0.32%
3. Mr. Apimuk Charudilaka	621,425	0.30%
Total	3,879,797	1.88%

Business Overview

Get to know the Business Overview of Advanced Information Technology PCL

Our business is The System Integrator or “SI” or the designer of computer system and computer communication system in order to be able to work altogether efficiently and effectively agreeing with the customer’s demand of work. The components of system consist of computer hardware, system software, application software, and computer network system equipment. Our sale is in the feature of completeness or Turn Key including the consultation, project planning, system design, implementation, installation, training, and maintenance.

Our mission statement is “Your success is our success” which is a key to guide our daily operations. The goal of the Company is alliance with customers and believe that our knowledge and experiences are proactively drive value and growth to the customers and/or lead them to development of an operation management with intelligently and efficiently techniques.

Solution

The services provided by AIT range in scope from strategic advice and IT master planning through technical support on the equipment, purchasing support and product supply, implementation and commissioning, and system testing including the complete maintenance and training and maintenance support.

AIT realizes ICT as the core infrastructure components to connect between various devices, such as computers and servers, wired and wireless networks, data centers. As an experienced ICT solution provider and system integrator, AIT has established core ICT capabilities in many organizations.

The following is an overview of the components which AIT supply, implement and support through maintenance and training;

Core Networking

Core Networking is often referring to a Router and Switch, which is at the foundation of all computer networking. Routing and switching refer to forward data and voice or video packages through one network (switching) and through various individual networks (Routing).

AIT has built core networking including nationwide networks for ICT service providers, such as TOT and CAT, networks for educational institutions, universities, and large enterprises, as well as all type of wireless networks.

At the present, most of the IT infrastructure of government and private enterprises is growing across all levels and increasingly 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, technology expertise and experience, and above all, focus.

Worldwide, the demand for network availability and bandwidth is rapidly growing. It was text yesterday will be video tomorrow. We are in the middle of this transformation and our current broadband is just the beginning. AIT has well prepared for future situations in order to be able to successfully serve our customers through this transformation and go forward to the future.

Unified Communications

Unified communications (UC) describes the broad wealth of integrated services available such as Instant Messaging, IP Phone, Video Conference, Telepresence, Interactive Whiteboard, integrated voicemail, e-mail, SMS, and facsimile. The integration of all these individual services into 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, while, the ongoing transition to networked economies and new paradigms such as cloud technology makes the securing our customer's systems and data more important. Businesses are increasingly dependent on IT to facilitate their activities and 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 recently tablet technologies, the demand for wireless network has also increased. This extra mobility is not only a question of convenience, but also adds to the service provider efficiency. We have on hand a vast depth of experience in designing and implementing wireless networks throughout many enterprises.

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.

Supplying and managing such rapidly developing infrastructures demands focus, expertise and experience in cross-technologies.

Currently many enterprises are well on self-adaptation into the Cloud or a so-called 'Journey to the Cloud'. This adoption of modern cloud technologies will empower the business in advance of virtualization technologies and provide an easier optimized usage of hardware resources, such as 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 challenges for the 'CIO (Chief Information Officer)'. A network that is not complete with the business requirements is frustrating users and the Company performance. 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 communication, education, government, and consumer. Many residential, business, and mobile IP networking, which faced to an era of critical Digital Transformation trends of combined vision and audition, online society, and advanced collaboration applications in term of "visual networking" and deliver a visual online consume high bandwidth. Thus, AIT has to expand bandwidth to supply sufficient capacity trends.

Business Applications

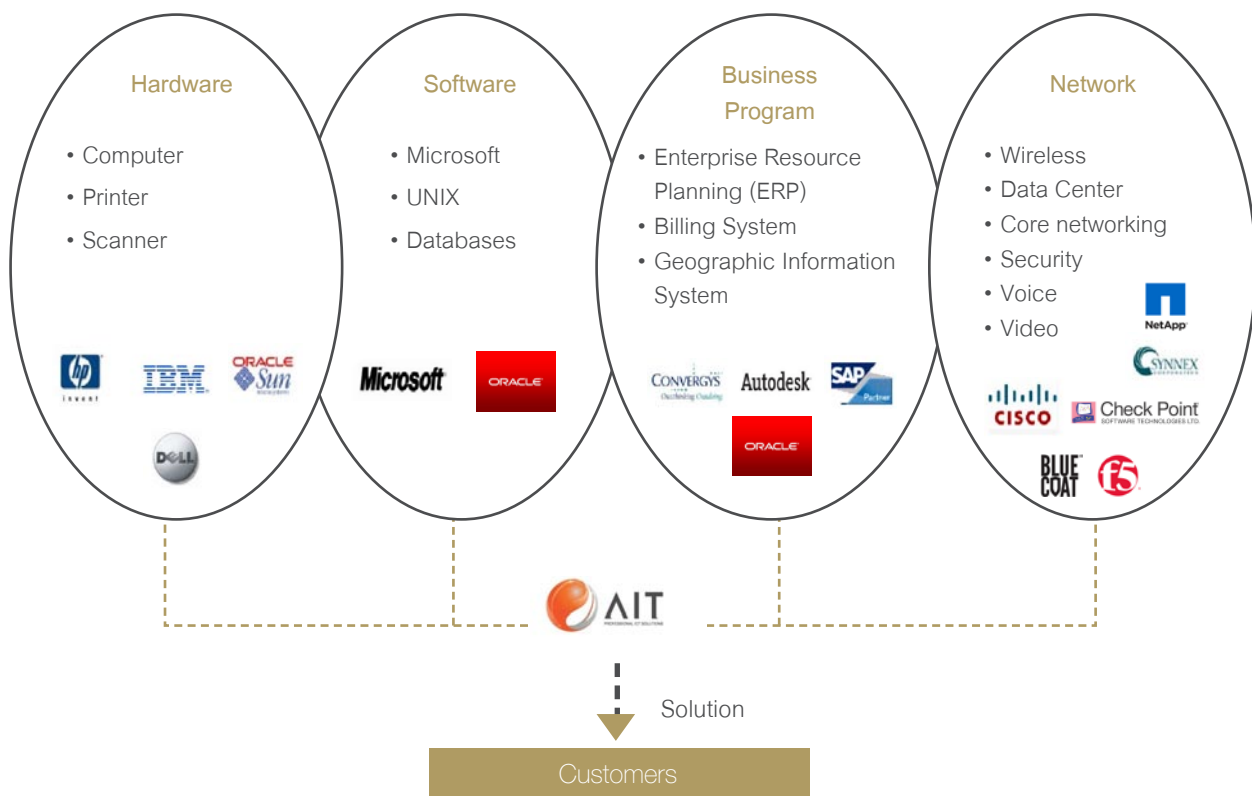
At the end of the day, business applications are an important issue when mention to Enterprise Information Technology. Without the business applications and data, IT infrastructure in the business world mean nothing. Over the past 20 years, AIT has selected and developed a complete range of business applications to response the customers' needs in various aspects as follows;

- Management Information Systems (MIS, BIS, etc.)
- Transportation Systems (Ticketing, Resource Planning, etc.)
- Geographical Information Systems (GIS)
- Billing and Charging Systems
- Customer Relationship Management (CRM)
- Enterprise Application Integration (EAI)
- Education Systems
- E-Government Support Systems, and
- Military Applications

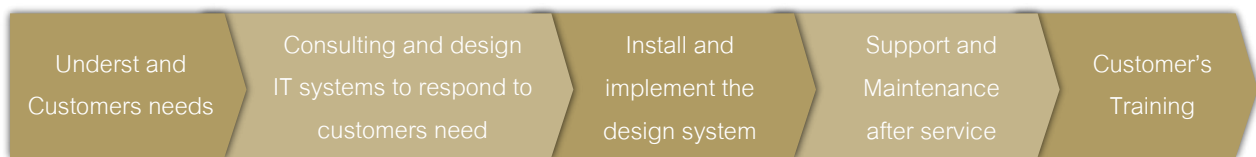
AIT has an experience and expertise, ready to service its customers with;

- Identifying and preparing documentations of the business requirements
- Providing Solutions and business benefits
- Planning the integration of existing systems
- Utilizing resources and efficiency operation to both the Company and customers by apply proven project management methods and provide the beneficial services to customers in time and budget.

Business Operations Overview



As a System Integrator and ICT Solution Provider, the Company provides complete solutions since consulting, designing, installation and implementation, project management, supporting & maintenance, and application training. The aforementioned processes are as follows:



Consulting and designing IT system according to the customers' needs

AIT has successfully built and maintained their reputations in the Thailand ICT industry for a long time. The Company achieves acceptance from government and ICT sectors including participates in related practice projects as Prime Contractor, Subcontractor, and Consortium according to the requirements of the project proposal.

- Expertise and the combination of multiple perspectives
- Internationally recognized portfolio
- Key strategic alliances or partners
- Strong financial status
- Operating experiences from small to large projects
- Risk reduction in techniques, project operation, and financial especially in complex projects

AIT partners consist of the various distinctive aspects of technology entrepreneurship, such as Cisco System, Oracle/SUN, IBM, HP, DELL Autodesk, Convergys, SAP, Microsoft, F5, Net App, Blue Coat, Check Point and Symantec, etc.

Besides the headquarters in Bangkok, the Company also have service centers located in 7 provinces, which consist of Chonburi, Khonkaen, Chiangmai, Suratthani, Phitsanulok, Songkhla, Nakhonratchasima.

Revenue structure

	2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Sales and service income	6,470.79	97	5,027.05	95	4,197.18	95
2. Rental and service income	76.64	1	129.21	2	160.79	4
3. Gain on the sale of investments in subsidiary	-	-	37.28	1	-	-
4. Other income	104.12	2	77.67	2	61.11	1
Total	6,651.55		5,271.21		4,419.08	

Business Objectives in 2017

From the rapidly changing in the global economy and social towards Digital Transformation and the reforming Thailand's Economic Model toward Thailand 4.0 in order to achieve economic growth and sustainable development, the Company's directions for the year 2017 will more focus on the supporting of digital transformation by addressing 6 key pillars as follow;

1. System Integrator (SI) is a integration business that provide the customers the customized software solutions to combine the various elements as a ICT system or a solution, which consist of Hardware systems, Software systems, Network systems, and Application Software systems. This integration services include consulting, designing, implementation, training, and maintenance.
2. Cloud Implementor is a building cloud business for the customers in both the private and government sectors. These organizations mostly are large organizations which have several subsidiaries. The Cloud Implementor system also allows the IT department to manage more effectively and greater reduce cost.
3. Data Virtualization (DV) is a data integration business approach the organizations to efficiency leverage large data or Big Data to perform predictive analytics and statistics as well as an advantage over the competition.
4. Security is the business that create a data security in computer and communication systems.
5. IOT or Internet of Things is the business that connect the various devices, such as mechanisms, mechanicals, instruments, or other devices to the internet to use effectively, easy management, convenience, and cost saving.
6. Software businesses are including Application Software, System Software, and Software Define Network (SDN), which is enabling organizations to accelerate application deployment and delivery, reducing IT costs through policy-enabled workflow automation.

From the changing in the Company's directions for the year 2017, it can be seen that the Company's business offers a full range and complete solutions and services to customers supporting towards Digital Transformation.

The Board of Directors have the responsibilities to revise and formulate the vision and mission to encourage managements and employees in order to move forward in the same direction. In addition, the Board of Directors consider and revise the vision and mission of the Company at least every 5 years including regularly monitoring that the management team are able to execute the Company's direction and strategies.

Nature of Business

AIT is a leading Thai System Integrator and ICT Solution provider 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 and can be categorized in 2 main focuses: projects from a bidding process and direct sales. In both scenarios, AIT continuously strives to maintain awareness of its customers' needs and requirements to clearly advise customers on 'the best practices' technological advances. Understanding the customer's business and the project requirements is the key to our success in project delivery and customer satisfaction. We operate highly skilled teams of

sales and pre-sales to ensure that the project requirements are clearly understand as well as the customers' understand.

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 success.

Our projects value ranges from a hundred thousand Baht to over thousand million Baht, which is directly proportional to the sizes of our customers, from small enterprises to to Fortune Magazine Top 500 global organize lists and government agencies.

After the project delivery, implementation and commissioning, AIT will commence its after-sales support services for its customers.

2. Support and Maintenance Services

CARE4 is a flexible, multi-faceted support and maintenance program which designed in accordance with the requirement of our customers. With almost 20 years of experience in designing, implementing, optimizing and maintaining networks, servers and software solutions, AIT is the service partner that our customer's need.

CARE4 program consists of:

- 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 aligned business processes with the Information Technology Infrastructure Library system (ITIL) 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
- License Management

3. Managed Services

Under the AIT[®] Managed Services option, our customers are able to transfer their daily management responsibilities to the Company as the strategic partner. This ensures to improve, effective and efficient operations including production support, build and lifecycle maintenance activities. AIT Managed Services can be offered for certain defined partly or the whole infrastructure foundation system, such as;

- Managed IT Infrastructure
- Managed Network Infrastructure
- Managed Security
- Managed Communication (VoIP)

At the present, there has been clear that the needs of our customers shift into Managed Services increasingly. 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 directly impact the business operation.

Maintaining the IT infrastructure has become more complex, undertaking, and the requirements of employees has increased considerably. Managing multiple vendors and integration partners is time consuming and often troublesome. A modern Managed Service company like AIT is able to take 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. TraiNex Training Center



TraiNex Training Center is the leading IT training center in Thailand and Southeast Asia and awarded as a Cisco Authorized Learning Partner. We commit to deliver superior and innovative training services to private enterprises and retail customers related to ICT industry with philosophy knowledge toward the “3 E’s”; Training with certified instructors by the global leading institutions (Expert) knowledge transfer from direct experiences related to the teaching cause (Experience) and Learning from complete and innovative equipment (Experiment). Teaching at TraiNex Training Center, the required professional certification are Cisco Certified Systems Instructor (CCSI) and Cisco Certified Internetwork Expert (CCIE). Thus, the Training Center is ensured that it can provide Cisco and other programs to deliver superior ICT training services.

Industry and Competition

The past year of 2016 was enabling the unprecedented change for domestic economy especially in the Information & Communication Technology industry (ICT), which has been faced to an era of critical Digital Transformation trends. The Company has indicated the importance of monitoring these trends and designed to investing in the data center in the form of Co-location (the colocation space is a facility for renting computing servers as Web Server, Mail Server, Database Server, etc., the service providers require the comprehensive resources, such as electrical system, backup Power, and devices for an Internet connection, including other supporting, such as IP Address, Program or Application Software, Tool, Web-mail, File Server, etc. a speed of internet is start from 100 mbps to 1000 mbps and more stable than general internet) provides a range of 600 Racks, which was a joint venture with 2 public companies and will operate in second quarter of the year 2017 under the name of Genesis Data Center.

In the environment of change in 2017, rapidly changing in the technology in this digital era will continue to apparent. This digital era embraces the transformation of lifestyles and business models. With today's rapid technological change, many companies struggling with disruptive change and finally had to shut down the business unit. However, the Company could turn obstacles into opportunities by new generations of employees ready for changing and support from business partners which are the world's leading ICT firms, such as Cisco, SAP, NetApp, Palo Alto, F5, and Symantec. Thus, the year 2017 will be another challenging year for the Company in terms of enter into new businesses with expert team specialist in the field of integrating ICT and new generation of employees, who specialist in the field of digital technology. Moreover, the Company has been focusing on developing new businesses that brings us successfully serve our customers a full range and complete products and services through the leading excellent quality, standards, and reliable in Thailand. The Company has led this opportunity besides the network systems installation, which is a full range and complete Cloud Implementor services include consulting, implementation, and development of an in-depth analysis of business system services. The Company offers the various technologies, such as Big Data, Data Virtualization (analyzing “virtual” data to quantitative data including number, chart, graph, and others), Data Modeling offers an effective data management to evaluate the Business Intelligence Report that can be used to predict the probability of business or Predictive Analytics. From the technology as mentioned above, we are able to respond to customer's need to efficiency analysis large data from several sources with real-time predictive analytics of both causes and periods as well as offer the recommendations on statistics, environments, and conditions to accurately supporting business decisions.

It also important to enter the business into neighboring countries or the CLMV countries (CLMV include Cambodia, Laos, Myanmar, and Vietnam, which are the countries in ASEAN that has potential to grow continuous, plenty of abundant natural resources, and low labour cost) that is similar to Thailand in all aspects. Presentation of development plans and improve IT systems supporting management in client countries with our expertise and our business partners, this proposed business models will drive business opportunities for the Company to attract new business segment.

Through the digital innovation, the Company has been focusing on developing new digital technology to transforming customer's business in order to reduce cost and provide customer convenience. The challenge's objectives base on simple, intelligent, automatic, and secure, for example, Internet of Everything system, can communicate and automatically operating as well as M2M (Machine-2-Machine), but more convenience than Wifi and Bluetooth because of its connectivity without need of human.

At the present, most of service providers are offering greater services and communication tools, for example marketing through social media. In the future, a number of modern E-Commerce will be increased which will provide the customers easily accessible products and services every time and everywhere, while the service providers are able to serve customer throughout various channels or Omni-Channel to deliver the best in customer service. Hence, the utmost emphasis on development professionals with business partners will increase the opportunities for the future.

Competitive Analysis

Thailand continuing to be highly competitive in Thailand ICT sector as well as the previous year, our 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. Ltd.
- Loxley Plc.

Network Systems Group;

- Dimension Data Co., Ltd. (For merly Datacraft Co., Ltd.)
- IBM Co., Ltd.
- NetONE Network Solution Co., Ltd.
- IBM (Thailand) Co., Ltd.
- NCR Thailand Co., Ltd.
- Forth Corporation Plc.
- Siemens (Thailand) Co., Ltd.

- Loxbit Plc.
- Datapro Computer Systems Co., Ltd.

Communication Systems Group;

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

Software Systems Group;

- MFEC Plc.
- International Research Corporation Plc.

From the aforementioned industry groups, the Company firmly believe that doing business with strategic partners, such as Cisco Systems (Thailand) Ltd. will help AIT strengthen our competitive advantage especially in the network systems segment. At the present, AIT received the highest quality service of Local Partner in Thailand.

The Company's business strategies are as below in order to accomplish its goals and its advantages over the aforementioned competitors.

The Company's strategies

The Company regularly participate in bidding of the projects' auctions, both the government and the private sectors. The selection criteria that used to determine the winning bid of an auction are generally;

- The level of understanding of the project and its requirements
- The technical quality of the proposed projects
- Capability procedure of its personnel with the reference of the projects
- The project value and financial status of the Company

The Company has established its competitive strategy as follow;

- Maintain the highest quality of products and services
- Provide communication services the customer from the beginning as well as offer advice on system design and planning
- Fully understanding the project's requirements and seek the quality products and innovative technologies to provide better responses to customers' satisfaction
- Provide the best after-sales service with 7 service centers nationwide
- Maintain good relationships with our customers
- Continuous improvement in respect of its personnel development
- Improve flexibility and efficient problem solving
- Maintaining good relationships and honesty with our partners.

Risk Factors

Given that the instability of business conditions today, Risk Management continues to be an inevitable tool for any business especially operating its business through an unexpected situation. Thus, it is necessary for AIT to have an essential tool to manage its business in the current circumstance as well as enhance itself to be ready for future competition.

The Company realized the impact from risk factors and therefore, AIT has established the measurement in order to risk reduction to the accepted levels. The Company also regularly reviews and evaluates risk factors and new threats which could affect to the Company and its stakeholders.

Besides, The Company established the Risk Committee in 2003 in order to efficiency risk management for implementing any projects. Project risk management is considered as the most crucial to the Company's revenue. The main objectives of risk management are ensuring that the Company is able to achieve its goals and strategies, while continuing create and maintain the confidence to the Company's shareholders and stakeholders.

Risk from Change of Technology

Due to the rapidly changing in the Information and Communication Technology industry, the Company has indicated the importance of strived on maintain the leading of technology in order to prevent loss opportunities or loss of its competitiveness. In the near future, the trends of Cloud Technology and Internet of Everything (IoE) will be increased towards Digital Transformation.

The Company encourages its engineers and sales including marketing, to regularly monitor technological developments and to regularly attend related seminars maintain the leading in the ICT industry. Besides, AIT also operate businesses closely with its partners to clearly understand all aspects of the market and key technology developments.

Risk from Dependency on Major Customers

The Company predominantly earns revenues from sales and services of network system installation for TOT Corporation Plc. (TOT) and CAT Telecom Plc. (CAT), which revenues contribution is approximately around 38% of the Company's total revenue. The Company realized the aforementioned risk factors from two key customers. As the national infrastructures in Thailand has not yet fully developed, Major infrastructure investments and developments are often coming from the Government sector in order to support national directions of Digital Economy, National Broadband, and other projects, which related to ICT infrastructure investments.

Core Networking service is a specific skill which is difficult for competitors to imitate enter the Thailand' market. Hence, The Company is enhanced to be well-positioned as the leading ICT infrastructure service provider in the current and future.

Our customers consist of State Enterprise and Private Company, which can be classified as follows:

Customer Type	Customer	Revenue / Total revenue
Telecom I : Mobile & Wireless Group	CAT Public Limited Company	25
Telecom II : Fixed line and Network Group	TOT Public Limited Company	13
Enterprise : Fixed line and Network Group	State Enterprise, Private Company, Educational Institution, etc	62

In addition, The Company plans to continue to drive long term maintenance assistant (MA) services 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 in the future.

It is likely that going forward revenues from maintenance assistant (MA), which can contribute higher revenue proportion comparable to revenues from major customers, as well as maintain its existing customer base.

Risk from Dependency on Key Employees

The nature of Information and Communication Technology business highly depending on high-caliber human resources in term of marketing, engineering, and project operation. These high-caliber human resources including advising, designing and implementing the product sales and services. At the present, the Company has totaling 312 skilled and experienced employees in various departments.

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

Most of our employees are engineers, which have work experienced approximately 4-6 years and our employee's turnover rate was approximately 8% in the previous year.

In order to retain its employees, the Company provides attractive compensation packages and good working environment. The Company also established the internal control system to prevent the risk of losing key employees which may affect its business operations.

AIT has developed a multi-level organizational structures and compensate policy, in which to replace key employees in any emergency situations.

There are the internal meetings weekly between the executives to acknowledge and discuss any problems to immediately determine the necessary actions to reduce problems that might occur.

Risk from Dependency on a Single Suppliers more than 30%

Normally, the Company purchases its products directly from the manufacturers or the distributors, which have representative offices in Thailand. The Company is the key distributor and strategic partner with Cisco Systems (Thailand), which is the world's leading the manufacturer of Information and Communication Technology in the IP (internet Protocol) segment.

In 2016, the Company purchase of network equipment from Cisco Systems accounted for approximately 41% of the total cost of sales. The reason behind such high purchase volumes in each year from Cisco Systems because of Cisco's products have wide acceptance from both local and international customers.

Besides, AIT has invested considerably in training its engineers and sales employees in accordance with Cisco's certified. AIT has appointed as a Gold Partner from Cisco Systems, which is the highest level of strategic partnership for many years.

The long term Gold Partnership encourages the Company to receive better support in both technical and discount, which is greater than lower ranked partnerships. Nevertheless, in order to mitigate the risk of being overly dependent on single supplier, the Company also partners with other well-known manufacturers as reputable as Cisco Systems, which are the leading suppliers in their own fields of business.

Risk from Delivery the Projects

Deliver periods of the ICT projects normally range approximately 6-12 months depending on the sizes of each project. If the Company unable to deliver the project on time as stated in the contract, the Company responsibility for the penalty. In the last 5 years, the Company has been penalized average around 1% of the total project sales revenue, which considered as a low level when compare with other suppliers in the same business.

The main reasons for the delay in project delivery are mostly due to external factors delays outside our control, such as the delay of the equipment delivery from the manufacturers or the change of installed equipment types. To protect the Company from the penalty, the project management method has to clearly defined. This method requires closely monitor to all processes of a project and seamlessly coordinate with AIT's resources, customers, and manufacturers. Therefore, potential problems can be identified earlier and their effect can be minimized or prevent in advance.

After the Company is selected for a project, we will constantly monitor and examine 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 usage.

Risk from Foreign Exchange Rate

Generally, the Company must estimate the project costs at a point approximately 1-2 months prior to the beginning of the project for the auction processes. If the Company need to partly import equipment from international, the project cost may be affected from the fluctuation of the foreign exchange rates. As of 31 December 2016, the Company had the foreign currency trade account payables totaling USD 7.0 million and the balance of FX forward contracts totaling USD 6.8 million at the agreed rate of Baht 34.73-35.78 per USD 1.

Given an aforementioned risk, the Company has applied the risk reduction by;

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 2016, the Company prepared to utilize various financial tools to enhance efficiency in managing risks to maximize benefits to the Company.

Risk from Change in Government Policy

ICT business is considered as the high growth industry in Thailand, most especially as the government continuously promotes its industry by major government's projects which continuously investing in ICT systems and infrastructure, such as the Digital Economy policy. The government also establishes the early stage of an action plan to promote accessing broadband Internet in village and establishes a connection to the Internet as a Regional Hub of ASEAN or the 3G and 4G license auctions. The implementation of these projects and policies is expected to bring more business opportunities to every enterprise. However, any change in the government policy might also impact on the Company's business opportunities. Therefore, the Company regularly monitors such policies closely and shall inform investors as soon as a major policy change.

Risk from Economic Situations

The global economy remains quite volatile, especially due to the largest trade partners, such as China and the United States, both of whom have been at the heart of many past economic problems. As a result, customers have been slow to implement their budgets to develop or change technologies within their organizations, in both the public and private sectors. Investments most recently have been in a slowdown.

Risk from Uncontrollable / Unpredictable Situations

In the event of natural disaster, which cannot control and usually cannot predict, may affect any business to be in a slowdown. Clearly evidence of this was the flooding in 2011 which affect the Company in order to unable to deliver projects to its customers. As a result, revenue did not meet the goals and was even lower than the revenue in 2010. In 2015, Thailand suffered a severe and lengthy dry spell that has dramatically impacted agricultural productivity. The followed effect has been a decreased purchasing power from both the agricultural and private sectors.

In 2016, Thailand was affected from natural disaster, such as severe dry spell in the first half of the year and heavy rain that may cause flooding in many areas. This uncontrollable event of any natural disaster may affect the Company's operating systems.

Risk from intensive competition of Game Changer and New Players from entered the AEC

Lately 2015, Thailand officially entered the ASEAN Economic Community (AEC). It is expected that many multinational companies will now enter into the AEC market. The new format of the competition has been changed from what the Company previously experienced.

Management Structure

As of December 31, 2016, the Company has 4 Committees comprising the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, and the Executive Board Committee.

The Board of Directors consists of:

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 Committee and President
4. Mr. Chokechai 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

Authorized Directors

The Company's authorized Directors consisted of Mr. Siripong Oontornpan signs with Mr. Suraporn Raktaprachit or Mr. Kijja Laoboonthai cosign with the Company's seal affixed.

Scope of the 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 not more than 1% of the total voting shares of AIT, its parent company, its subsidiaries, its associated companies, major shareholders or a controlling person - including stocks that held by related 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, its parent company, its subsidiaries, its associated companies, major shareholders or a controlling person unless the foregoing status has been ended for at least 2 years. This shall not include the Independent Director who used to be a government official or advisor of a government agency which was a major shareholder or acted as controlling persons of AIT;

3. Is not be a person that related to blood or legal registration, such as father, mother, spouse, sibling or child, including a spouse of the children, managements, 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 persons in the manner that may interfere with their independent judgement, or is not, or has not ever been, a major shareholders, managements 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 at least 2 years;
5. Has not, or has not ever been, an auditor of AIT, its parent company, its subsidiaries, its associated companies or a controlling persons and is not a major shareholders, non-independent directors, managements, 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. Has not, or has not ever been, any professional advisor including legal or financial advisor who received an annual service fee exceeding Baht 2 million from AIT, its parent company, its subsidiaries, its associated companies or a controlling persons, and is not a major shareholders, non-independent directors, managements, controlling persons or partner of the professional advisor unless the foregoing relationship has been ended for at least 2 years;
7. Does not represent as an AIT Board Member or its major shareholders or a shareholders who related to major AIT shareholders;
8. Does not operate 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 shares of the Company which operates similar to, or materially competing business with AIT or its subsidiaries;
9. Has no characteristics which make incapable of expressing independent opinions with regard to the AIT business. Note: A holding of no more than 1% of total voting shares of AIT is in compliance with the minimum rules of stock holding as an Independent Director by the Securities and Exchange Commission and the 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:

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

The Audit Committee has Duties and Responsibilities as determined by the Board of Directors as follows:

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:
 - a) An opinion on the accuracy, completeness and reliability of the Company's financial report
 - b) An opinion on the adequacy of the Company's internal control system
 - c) An opinion on the compliance with the laws on securities and exchange, the regulations of the SET and the laws relating to the Company's business
 - d) An opinion on the suitability of the external auditor
 - e) An opinion on transactions that may lead to conflicts of interest
 - f) The number of Committee meetings held and the members' attendance record
 - g) Any comments or opinions received by the Committee regarding its performance in accordance with its Charter
 - h) Any other transaction which, according to the Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities 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:

	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. Sinanang Oontornpan

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:

Name	Position
1. Mr. Siripong Oontornpan	Chairman of Executive Board Committee and President
2. Mr. Suraporn Raktaprachit	Senior Executive Vice President - Service
3. Mr. Kijja Laoboonchai	Senior Executive Vice President - Sales and Marketing

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 aforementioned 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, strategy plan, and estimated annual budget to propose to the Executive Board Committee.
3. Follow the business plan, strategy plan, and estimated annual budget which have been approved by the Executive Board Committee.
4. Determine the organizational structure and management framework to include every details of selection, training, hiring, and termination of the Company's employees.
5. Empower to appoint or discharge an employee whose position is lower than the President
6. Perform with honesty and prudently for the protection and benefit of the Company.

The Company's Management consists of:

Name	Position
1. Mr. Siripong Oontornpan	The Chairman of the Executive Committee and 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. Mrs. Pannawee Kaewmanee	Executive Vice President - Human Resource and Administration
7. Ms. Sureerat Prachayanukul	Executive Vice President - Financial Controller
8. Mr. Chodiwat Duntanasarn	Executive Vice President - Spceial Project
9. Mr. Ong-ard Harntaweessompone	Executive Vice President - Telecom Sales, Act. Vice President - Service Sales Telecom Sales
10. Mr. Chumkiat Laoseriwatanakul	Executive Vice President - Marketing
11. Mr. Krit Khongchuanark	Executive Vice President - Project Management
12. Mr. Kriengkrai Nissyan	Executive Vice President - Business Development
13. Mr. Ralf Hundertmark	Executive Vice President - Business Development
14. Mr. Theeramate Vuttipadhpibul	Executive Vice President - Business Development
15. Mr. Supat Dulyakupt	Executive Vice President - Technical Support, Act. Vice President - Presale Account 1, Presales Specialist - Technical Support
16. Mr. Putti Dhamrongsirivadh	Executive Vice President - Customer Service
17. Mr. Somchart Tachussriwattana	Executive Vice President - AT&AS / VP-System Integration
18. Mr. Voravit Wattanakuljarus	Executive Vice President - Company Secretary

The Directors' Remunerations in the year of 2016

The details of the Board of Director's Remuneration are as follows:

Name	Position	Remuneration Fee	Monthly retainer fee	Annual Pension	Total
1. Mr. Thana Chaiprasit	Chairman of the Board	125,000	300,000	1,956,521.70	2,381,521.70
2. Mr. Pongtep Polanun	Vice Chairman and Independent Director	102,000	156,000	1,304,347.83	1,562,347.83
3. Mr. Siripong Oontornpan	Director	85,000	156,000	1,304,347.83	1,545,347.83
4. Mr. Kittisak Sopchokchai	Director	119,000	156,000	1,304,347.83	1,579,347.83
5. Mr. Suraporn Sopchokchai	Director	102,000	156,000	1,304,347.83	1,562,347.83
6. Mr. Thanarak Pongphatar	Independent Director	119,000	156,000	1,304,347.83	1,579,347.83
7. Mr. Kijja Laoboonchai	Director	102,000	156,000	1,304,347.83	1,562,347.83
8. Mr. Chokechai Tanpoonsinthana	Independent Director	119,000	156,000	1,304,347.83	1,579,347.83
9. Mr. Sripop Sarasas	Independent Director	119,000	156,000	1,304,347.83	1,579,347.83
10. Mr. Pisak Charudilaka	Director	119,000	156,000	1,304,347.83	1,579,347.83
11. Mr. Chodiwat Duntanasarn	Director	119,000	156,000	1,304,347.83	1,579,347.83
Total		1,230,000	1,860,000	15,000,000	18,090,000

Note :

1. The Chairman of the Board receives remuneration rate of 25,000 Baht per meeting and monthly retainer fee of 25,000 Baht per month
2. The Director receives remuneration rate of 17,000 Baht per meeting and monthly retainer fee of 13,000 Baht per month
3. The Annual General Meeting no. 1/2016 approved a resolution to grant the pension to the Directors for the total amount of 15.0 Million Baht

The details of The Audit Committee's Remuneration are as follows:

Name	Position	Remuneration Fee	Monthly retainer fee	Total
1. Mr. Chokechai Tanpoonsinthana	Chairman	100,000	300,000	400,000
2. Mr. Pongtep Polanun	Director	60,000	240,000	300,000
3. Mr. Sripop Sarasas	Director	80,000	240,000	320,000
Total		240,000	780,000	1,020,000

Note :

1. The Chairman of the Board receives remuneration rate of 25,000 Baht per meeting and monthly retainer fee of 25,000 Baht per month
2. The Director receives remuneration rate of 20,000 Baht per meeting and monthly retainer fee of 20,000 Baht per month

The details of The Nomination and Remuneration Committee's Remuneration are as follows:

Name	Position	Remuneration Fee	Total
1. Mr. Pongtep Polanun	Chairman	50,000	50,000
2. Mr. Siripong Oontornpan	Director	40,000	40,000
3. Mr. Sripop Sarasas	Director	40,000	40,000
4. Mr. Kittisak Sopchokchai	Director	40,000	40,000
5. Mr. Suraporn Raktaprachit	Director	40,000	40,000
Total		210,000	210,000

Note :

1. The Chairman of the Board receives remuneration rate of 25,000 Baht per meeting
2. The Director receives remuneration rate of 20,000 Baht per meeting

Directors and Managements Remuneration:

Unit: Baht

Committee	Transaction	2016	2015	2014
1. The Audit Committee	Short-term employee benefits	6	7	6
2. Directors who are a member of the Executive Board Committee and Managements	Short-term employee benefits / Post-employment benefits	90 8	84 2	125 2
3. Directors who are not a member of the Audit Committee and the Managements	Short-term employee benefits	7	9	7

Audit Fee

The resolution of the Annual General Shareholders Meeting no. 1/2016 appointed Miss Manee Rattanabunnakit, a certified auditor of License No. 5313, or Mr. Termphong Opanaphan, a certified auditor of License No. 4501, or Ms. Sumalee Reewarabandith, a certified auditor of License No. 3970 to audit the Company's for 2016. The previous audit fees are shown as below:

Unit: Baht

Transactions	2016	2015	2014
Audit Fee of Advanced Information Technology Public Company Limited	1,285,000	1,330,000	1,330,000
- Annual audit fee	685,000	700,000	700,000
- Quarterly audit fee	600,000	630,000	630,000

Internal Control

Project Risk Management

As the Company revenues are mainly coming from project auction, the Company bestows serious attention on risks from project sales. Therefore, the Company has established an Enterprise Risk Management Policy and Framework as a major part of business management. The Company also set up the Project Risk Committee, comprised of Senior Executive Vice President - Advanced Technology and Application Services, Senior Executive Vice President - Services, Senior Executive Vice President - Corporate Finance and Strategy, and Senior Executive Vice President - Sales and Marketing, to responsible for evaluate the Company's risks including financial performance, project management, and technical from both internal and external factors in mitigating risks to an acceptable level. The project's achievements are able to make the Company an appropriated return.

Internal control

The Board of Directors and the executives are directly responsible for maintaining the internal control system including reviewing its efficiency on a regular basis in order to prevent the shareholders' investments and the Company's assets. The internal control system covers the areas of finance, operation, compliance and risk management. The effectiveness of the internal control and risk management systems provide the Company 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
- Prevention of the Company's assets including proper control and maintain
- Efficiency, effectiveness business operation and maximize our resources
- Effective achievement of the Company's objectives and strategies

The summarize of the key internal control systems implemented by the Company are as follows:

1. Organization & Control Environment

The Company has facilitated the appropriated organization chart and environmental as a core internal control foundation. The Company has formulated business plans complete with vision, objectives, strategies, and budgets as well as determined evaluation criteria from the operation. It has continues 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 transactions of financial, purchasing and risk management, etc.

2. Risk Assessment

All departments are required to evaluate the effectiveness of the business transaction's risks. The Risk Management Committee and the Audit Committee play major roles in overseeing the implementation of the Company's risk management system to an acceptable level.

3. Management Control

The Company has separated responsibilities over the various management in order to ensure that there is a management control system 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 & Communication

The Company has implemented a management information & Communication system to assist in decision making. Critical information and data are 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

The Company's external auditors, EY Office Limited, who appointed as the audit of the 2016 consolidated financial statements of Advanced Information Technology Public Company Limited and its subsidiary and separate statements of financial position in accordance with the generally accepted accounting standards.

The Company established the monitoring system by the executives and the Board of Directors to assess adherence to operation 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 have evaluated the Company's internal control system in accordance with the assessment form provided by the Securities and Exchange Commission Thailand (SEC) in the following 5 areas: organization and control environment; risk management; management control; information and communication system; and monitoring system. The Board of Directors concluded that the overall internal control system is adequate and effective.

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

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

The internal audit of the Company encourages to apply for the standards of the Standards for the Professional Practice of Internal Auditing, the Institution of Internal Auditors. The policy establishes risk management framework which is independent, accurate, and reinforces the resources adequately.

The Internal Audit results in year 2016 are as follows:

1. Internal Audit No. 4/2015

Operating Procedure of Project Manager

1. The operations manual
2. Separation of duties
3. Examination of the operating system
4. Project data storage

Follow-up inspections of previous inspections of the control system of sales.

1. The operations manual
2. Create and approve BUP (Build-up Price)
3. Refund of guarantee contracts (LG)
4. Evidence collection from obtained projects (duplicated contract / LOI / Po in)

2. Internal Audit No. 1/2016

Advance Payment Control System

1. The operations manual and the operating regulations
2. Separation of duties
3. Examination of the operating system
4. Accounting entry

Cheque payment Control System

1. The operations manual and the operating regulations
2. Separation of duties
3. Examination of the operating system
4. Accounting entry

3. Internal Audit No. 2/2016

Account Receivables Control System and Daily Receiving Money System

1. The operations manual
2. Approval authority
3. Separation of duties and job descriptions
4. Examination of the operating system
5. Create a report
6. Accounting entry

4. Internal Audit No. 3/2016

Budget Management System

1. The operations manual and the budget management regulations
2. Approval authority
3. Separation of duties and job descriptions
4. Examination of the operating system

After Selling Expense Control System

1. The operations manual and the operating regulations
2. Organization chart
3. Job descriptions
4. Separation of duties
5. Examination of the operating system

In 2010, developed its internal control aligned with the integrated framework of the Committee of Sponsoring Organizations of the Tread way Commission (COSO), 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.

Financial Information

Related party transactions

During the years, the Company has no significant business transactions with related parties.

Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

Related parties	Related transactions	Financial statements in which equity method is applied	Consolidated financial statements	Separate financial statements	
		2016	2015	2016	2015
Audit committee	Short-term employee benefits	6	7	6	7
Management and executive directors	Short-term employee benefits	90	96	90	91
		8	8	8	8
Directors who are not members of the audit committee or	Short-term employee benefits	7	9	7	9

The Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the consolidated financial statements of Advanced Information Technology Public Company Limited and its subsidiary and separate statements of financial position including other related financial information which publish in the annual report. The financial statements prepared in accordance with the generally accepted accounting principles that are appropriate in the circumstances and reasonableness of accounting estimates with careful consideration including transparent disclosures of important information in the notes to the financial statements which beneficial to shareholders and investors.

The Board of Directors established the appropriated risk management and internal control systems as well as evaluation to be efficient and up to standard and ensure that the Company's financial statements contain adequate and appropriated information in order to prevent any fraudulent activities or detect significantly abnormal operating. The Board of Directors appointed the Audit Committee to responsible for review of the accounting policy and quality of the Company's financial statements, internal control system, internal audit system, risk management system as well as consider any related transactions. The Audit Committee's opinion shall be provided in the Report of the Audit Committee which represented in this Annual Report.

The consolidated financial statements of the Company and its subsidiary and separate statements of financial position were audited by an independent external auditor, EY Company Limited. The Board also responsible to prepare and disclose information to upport the auditor to review and gave opinion in accordance with Thai Standards on Auditing. The auditor's opinion shall be provided in the Report of the independent external auditor which represented in this Annual Report.

In conclusion, the Board of Directors gave opinions that the internal control systems of the Company are appropriate and ensure that the Company's financial statements of for the consolidated financial statements of Advanced Information Technology Public Company Limited and its subsidiary and separate statements of financial position as at December 31, 2016 are accurate in accordance with the generally accepted accounting standards and the related regulations.



Mr. Thana Chaiprasit
Chairman of the Board
and President



Mr. Siripong Oontornpan
Chairman of Executive Committee

Independent Auditor's Report

To the Shareholders of Advanced Information Technology Public Company Limited

Opinion

I have audited the accompanying financial statements in which equity method is applied of Advanced Information Technology Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2016, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Advanced Information Technology Public Company Limited for the same period.

In my opinion, the financial statements in which equity method is applied and the separate financial statements referred to above present fairly, in all material respects, the financial position of Advanced Information Technology Public Company Limited as at 31 December 2016, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

The Company has disclosed its policies on revenue recognition for sales and services provided under contracts, cost estimates for projects under contracts and provision for anticipated losses on projects in Note 4.1 a) and Note 4.1 b) to the financial statements. I identified revenue recognition and estimation of anticipated losses on projects to be areas of significant risk in the audit. This is because the amount of revenue that the Company recognises from such contracts in each period forms a significant portion of the Company's total revenue. In addition, the process of measurement, the determination of appropriate timing of recognition, and the estimation of anticipated losses are areas requiring management to exercise significant judgement to assess the percentage of completion, the probability of loss, and the measurement of anticipated loss. There are therefore risks with respect to amount and timing of the recognition of revenue and provisions for anticipated losses on projects.

I assessed and tested the internal controls put in place by the Company over the process of entering into contracts, estimates of project costs and revisions thereto, recognition of revenue and estimation of percentage of completion and anticipated losses under contracts by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.

I also selected major contracts and randomly selected additional samples and performed the following procedures:

- Read the contracts to consider the conditions relating to revenue recognition.
- Inquired with the Company's engineers/the project managers about the terms of and risks associated with these contracts relevant to revenue recognition and estimates of anticipated loss.
- Made enquiries of the Company's engineers/the project managers, gained an understanding of the Company's process to assess the percentage of completion and cost estimates for projects, compared estimates of project costs to the project budgets approved by authorised person, and on a sampling basis, examined relevant documents and considered the rationale for budget revisions, compared past estimates with actual project costs in order to evaluate the project management's competency in estimating project costs, checked actual costs to supporting documents and performed an analytical review to compare the percentage of completion estimated by the Company's engineers/the project managers to the percentage of completion derived from the actual costs incurred.
- Evaluated the anticipated losses on projects assessed by the management through a comparative analysis of the actual cost incurred to the cost estimates for projects.
- Examined the accounting transactions related to revenue recognition that were recorded through journal vouchers, in order to detect any irregularities.
- Reviewed the disclosures made in the notes to the financial statements with respect to the basis of revenue recognition and the estimation of anticipated losses.

Allowance for doubtful accounts

As discussed in Note 4.3 to the financial statements, the allowance for doubtful accounts relies on various assumptions. Therefore, the management is required to exercise considerable judgement in determining the assumptions to be used in estimating allowance for doubtful accounts that are expected to be incurred when debtors have difficulty making payment. Allowance for doubtful accounts is significant since, as at 31 December 2016, the Company had significant balances of trade accounts receivable (accounting for 29% of total assets). There is therefore risk with respect to the amount of the allowance for doubtful accounts.

I assessed and tested the internal controls relevant to the calculation of allowance for doubtful accounts by making enquiry of responsible executives, gaining an understanding of the related controls and selecting representative samples to test the operation of the designed controls. I also assessed the assumptions and methods used by the Company in calculating allowance for doubtful accounts, applying the following procedures:

- Gained an understanding of the assumptions to assess the allowance for doubtful accounts. I also assessed the consistency of the application of the assumptions and the rational for recognition of allowance for doubtful accounts set aside on a specific basis.
- Analyzed data on the aging of trade accounts receivable and movements in trade accounts receivable to identify groups of debtors with indications of slower than usual payment.
- Reviewed of subsequent receipt after the date of the financial statements.
- Considered any trade accounts receivable that were in dispute.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Miss Manee Rattanabunnakit



Manee Rattanabunnakit

Certified Public Accountant (Thailand) No. 5313

EY Office Limited

Bangkok: 16 February 2017

Statement of financial position

Advanced Information Technology Public Company Limited

As at 31 December 2016

(Unit: Baht)

	Note	Financial statements in which equity method is applied		Separate financial statements	
		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	7	1,873,907,114	1,291,640,703	1,873,907,114	1,291,640,703
Current investments - trading securities	8	25,176,276	504,834,424	25,176,276	504,834,424
Trade and other receivables	9	1,330,547,122	1,596,037,767	1,330,547,122	1,596,037,767
Unbilled receivables		432,726,758	302,834,151	432,726,758	302,834,151
Inventories	10	268,810,555	462,819,780	268,810,555	462,819,780
Other current assets		94,545,980	21,586,582	94,545,980	21,586,582
Total current assets		4,025,713,805	4,179,753,407	4,025,713,805	4,179,753,407
Non-current assets					
Investments in joint ventures	11	75,545,563	57,776,456	111,999,750	74,999,850
Property, plant and equipment	12	123,918,954	125,886,838	123,918,954	125,886,838
Equipment for lease and services	13	215,729,084	246,664,187	215,729,084	246,664,187
Intangible assets	14	25,078,670	21,978,872	25,078,670	21,978,872
Deferred tax assets	22	37,476,083	31,900,866	37,476,083	31,900,866
Other non-current assets		8,334,592	8,543,069	8,334,592	8,543,069
Total non-current assets		486,082,946	492,750,288	522,537,133	509,973,682
Total assets		4,511,796,751	4,672,503,695	4,548,250,938	4,689,727,089

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

Statement of financial position (continued)

Advanced Information Technology Public Company Limited

As at 31 December 2016

(Unit: Baht)

		Financial statements in		Separate	
		which equity method is applied		financial statements	
	Note	2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	15	630,240,614	745,164,586	630,240,614	745,164,586
Unbilled payables		569,838,943	638,749,794	569,838,943	638,749,794
Current portion of long-term loans	16	51,360,000	51,689,807	51,360,000	51,689,807
Current portion of liabilities under finance lease agreements	17	21,997,104	22,676,506	21,997,104	22,676,506
Income tax payable		32,277,553	21,443,092	32,277,553	21,443,092
Advanced receipts from customers		50,774,264	36,489,160	50,774,264	36,489,160
Provision for penalty on project delay		78,522,525	53,038,305	78,522,525	53,038,305
Other current liabilities	18	71,502,133	75,516,006	71,502,133	75,516,006
Total current liabilities		1,506,513,136	1,644,767,256	1,506,513,136	1,644,767,256
Non-current liabilities					
Long-term loans, net of current portion	16	28,960,000	80,320,000	28,960,000	80,320,000
Liabilities under finance lease agreements, net of current portion	17	28,689,018	24,810,439	28,689,018	24,810,439
Provision for long-term employee benefits	19	63,639,216	60,249,580	63,639,216	60,249,580
Total non-current liabilities		121,288,234	165,380,019	121,288,234	165,380,019
Total liabilities		1,627,801,370	1,810,147,275	1,627,801,370	1,810,147,275

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

Statement of financial position (continued)

Advanced Information Technology Public Company Limited

As at 31 December 2016

(Unit: Baht)

	Note	Financial statements in which equity method is applied		Separate financial statements	
		2016	2015	2016	2015
Shareholders' equity					
Share capital					
Registered					
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
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	20	103,160,449	103,160,449	103,160,449	103,160,449
Unappropriated		1,445,793,356	1,424,154,395	1,482,247,543	1,441,377,789
Total shareholders' equity		2,883,995,381	2,862,356,420	2,920,449,568	2,879,579,814
Total liabilities and shareholders' equity		4,511,796,751	4,672,503,695	4,548,250,938	4,689,727,089

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

Statement of comprehensive income

Advanced Information Technology Public Company Limited

For the year ended 31 December 2016

(Unit: Baht)

		Financial statements in which equity method is applied	Consolidated financial statements	Separate financial statements
Note	2016	2015	2016	2015
Profit or loss				
Revenues				
Sales and service income	4,197,182,715	5,027,050,727	4,197,182,715	4,927,716,827
Rental income from equipment for lease	160,788,690	129,206,457	160,788,690	129,206,457
Gain on the sales of investments in subsidiary	-	37,282,486	-	-
Other income	61,109,660	77,672,609	61,109,660	77,196,305
Total revenues	4,419,081,065	5,271,212,279	4,419,081,065	5,134,119,589
Expenses				
Cost of sales and service	3,193,191,870	3,847,759,374	3,193,191,870	3,764,164,170
Cost of equipment for lease	97,593,605	88,230,124	97,593,605	88,230,124
Selling expenses	256,887,967	311,265,842	256,887,967	306,952,460
Administrative expenses	300,707,058	353,834,554	300,707,058	316,270,467
Total expenses	3,848,380,500	4,601,089,894	3,848,380,500	4,475,617,221
Profit before share of loss from investments in joint ventures, finance cost and income tax expenses	570,700,565	670,122,385	570,700,565	658,502,368
Share of loss from investments in joint ventures 11	(19,230,793)	(8,462,727)	-	-
Profit before finance cost and income tax expenses	551,469,772	661,659,658	570,700,565	658,502,368
Finance cost	(1,546,534)	(5,073,298)	(1,546,534)	(622,629)
Profit before income tax expenses	549,923,238	656,586,360	569,154,031	657,879,739
Income tax expenses 22	(120,530,853)	(134,092,390)	(120,530,853)	(135,321,872)
Profit for the year	429,392,385	522,493,970	448,623,178	522,557,867

Statement of comprehensive income (continued)

Advanced Information Technology Public Company Limited

For the year ended 31 December 2016

(Unit: Baht)

		Financial statements in which equity method is applied	Consolidated financial statements	Separate financial statements
Note	2016	2015	2016	2015
Other comprehensive income:				
<i>Other comprehensive income not be reclassified to profit or loss in subsequent periods</i>				
Actuarial gain	6,110,213	-	6,110,213	-
Effect from income tax	(1,222,043)	-	(1,222,043)	-
Other comprehensive income for the year	4,888,170	-	4,888,170	-
Total comprehensive income for the year	434,280,555	522,493,970	453,511,348	522,557,867
Profit (loss) attributable to				
Equity holders of the Company	429,392,385	532,508,929	448,623,178	522,557,867
Non-controlling interests of the subsidiaries	-	(10,014,959)		
	429,392,385	522,493,970		
Total comprehensive income attributable to				
Equity holders of the Company	434,280,555	532,508,929	453,511,348	522,557,867
Non-controlling interests of the subsidiaries	-	(10,014,959)		
	434,280,555	522,493,970		
Basic earnings per share	23			
Profit attributable to equity holders of the Company	2.08	2.58	2.17	2.53

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

Statements of changes in shareholders' equity

Advanced Information Technology Public Company Limited

For the year ended 31 December 2016

(Unit: Baht)

Consolidated financial statements

	Equity attributable to owners of the Company								
	Issued and paid-up share capital	Share premium	Retained earnings		Unappropriated in subsidiary	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries		Total shareholders' equity
			Appropriated	Shareholding proportion of equity			Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	
Note									
		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
Balance as at 1 January 2015		-	-	-	532,508,929	-	532,508,929	(10,014,959)	522,493,970
Total comprehensive income for the year									
Deficit on investments in subsidiary arising as a result of acquisition of additional shares at a price over than the net book value of the subsidiary at the acquisition date		-	-	-	-	(11,099,916)	(11,099,916)	11,099,916	-
Dividend paid	26	-	-	-	(340,429,150)	-	(340,429,150)	-	(340,429,150)
Transferred to statutory reserve	20	-	-	5,960,449	(5,960,449)	-	-	-	-
Decrease in equity attributable to non-controlling interests of the subsidiaries from the disposal of investments in subsidiary		-	-	-	-	11,099,916	11,099,916	(12,110,890)	(1,010,974)
Balance as at 31 December 2015		1,031,604,485	303,437,091	103,160,449	1,424,154,395	-	2,862,356,420	-	2,862,356,420

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

Statements of changes in shareholders' equity (continued)

Advanced Information Technology Public Company Limited

For the year ended 31 December 2016

(Unit: Baht)

Financial statements in which equity method is applied

Note	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated	Unappropriated	
Balance as at 1 January 2016	1,031,604,485	303,437,091	103,160,449	1,424,154,395	2,862,356,420
Profit for the year	-	-	-	429,392,385	429,392,385
Other comprehensive income for the year	-	-	-	4,888,170	4,888,170
Total comprehensive income for the year	-	-	-	434,280,555	434,280,555
Dividend paid	-	-	-	(412,641,594)	(412,641,594)
Balance as at 31 December 2016	1,031,604,485	303,437,091	103,160,449	1,445,793,356	2,883,995,381

Separate financial statements

Balance as at 1 January 2015	1,031,604,485	303,437,091	97,200,000	1,265,209,521	2,697,451,097
Total comprehensive income for the year	-	-	-	522,557,867	522,557,867
Dividend Paid	-	-	-	(340,429,150)	(340,429,150)
Transferred to statutory reserve	-	-	5,960,449	(5,960,449)	-
Balance as at 31 December 2015	1,031,604,485	303,437,091	103,160,449	1,441,377,789	2,879,579,814
Balance as at 1 January 2016	1,031,604,485	303,437,091	103,160,449	1,441,377,789	2,879,579,814
Profit for the year	-	-	-	448,623,178	448,623,178
Other comprehensive income for the year	-	-	-	4,888,170	4,888,170
Total comprehensive income for the year	-	-	-	453,511,348	453,511,348
Dividend paid	-	-	-	(412,641,594)	(412,641,594)
Balance as at 31 December 2016	1,031,604,485	303,437,091	103,160,449	1,482,247,543	2,920,449,568

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

Cash flow statement

Advanced Information Technology Public Company Limited

For the year ended 31 December 2016

(Unit: Baht)

	Financial statements in which equity method is applied	Consolidated financial statements	Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	549,923,238	656,586,360	569,154,031	657,879,739
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Unrealised gain from changes in value of investments	(176,274)	(4,834,424)	(176,274)	(4,834,424)
Depreciation and amortisation	142,263,255	153,062,138	142,263,255	128,685,732
Allowance for doubtful accounts (reversal)	(1,722,545)	7,553,318	(1,722,545)	7,553,318
Share of loss from investments in joint ventures	19,230,793	8,462,727	-	-
Loss (gain) on the sales and dissolution of subsidiaries	-	(37,282,486)	-	316,618
Provision for penalty on project delay	26,104,125	52,519,905	26,104,125	52,519,905
Loss (gain) on sales and write-off of building improvement and equipment	(34,666)	366,670	(34,666)	429,374
Gain on sales of equipment for services	-	(28,474)	-	-
Provision for long-term employee benefits	10,541,453	10,357,624	10,541,453	9,951,181
Unrealised loss (gain) on exchange	(6,879,985)	824,798	(6,879,985)	824,798
Interest expenses	6,209,990	9,723,572	6,209,990	5,272,903
Profit from operating activities before changes in operating assets and liabilities	745,459,384	857,311,728	745,459,384	858,599,144
Operating assets (increase) decrease				
Trade and other receivables	267,213,190	(299,734,475)	267,213,190	(290,989,986)
Unbilled receivables	(129,892,607)	68,819,857	(129,892,607)	68,791,537
Inventories	194,009,225	106,042,091	194,009,225	110,504,959
Other current assets	(69,041,418)	50,334,908	(69,041,418)	51,717,160
Other non-current assets	208,477	(1,154,221)	208,477	(428,808)
Operating liabilities increase (decrease)				
Trade and other payables	(116,363,368)	83,912,974	(116,363,368)	85,572,351
Unbilled payables	(68,910,851)	238,957,855	(68,910,851)	238,957,855
Advanced receipts from customers	14,285,104	17,485,983	14,285,104	17,997,938
Cash paid for penalty on project delay	(619,905)	-	(619,905)	-
Other current liabilities	(3,905,776)	(1,596,458)	(3,905,776)	(1,937,201)
Cash paid for long-term employee benefits	(1,041,604)	-	(1,041,604)	-
Cash from operating activities	831,399,851	1,120,380,242	831,399,851	1,138,784,949
Interest paid	(4,663,457)	(9,753,515)	(4,663,457)	(5,302,846)
Income tax paid	(116,493,652)	(147,605,910)	(116,493,652)	(145,143,712)
Net cash from operating activities	710,242,742	963,020,817	710,242,742	988,338,391

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

Cash flow statement (continued)

Advanced Information Technology Public Company Limited

For the year ended 31 December 2016

(Unit: Baht)

	Financial statements in which equity method is applied	Consolidated financial statements	Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Decrease (increase) in current investments	479,834,422	(500,000,000)	479,834,422	(500,000,000)
Decrease in restricted bank deposits	-	173,254	-	-
Cash payment for investments in subsidiary	-	-	-	(50,000,000)
Proceeds from the sales and dissolution of subsidiaries	-	77,667,750	-	80,000,000
Cash payment for investments in joint ventures	(36,999,900)	-	(36,999,900)	-
Proceeds from sales of equipment	89,241	449,980	89,241	341,911
Proceeds from sales of equipment for services	-	200,000	-	-
Cash payment for purchase plant and equipment	(38,488,469)	(31,445,357)	(38,488,469)	(31,003,537)
Cash payment for purchase equipment for lease and services	(65,364,246)	(268,256,257)	(65,364,246)	(261,298,415)
Cash payment for purchase computer software	(4,888,489)	(9,252,341)	(4,888,489)	(9,030,340)
Net cash from (used in) investing activities	334,182,559	(730,462,971)	334,182,559	(770,990,381)
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans from financial institutions	-	(8,394,858)	-	-
Cash receipt from long-term loans	-	158,000,000	-	158,000,000
Repayment of long-term loans	(51,689,807)	(42,424,099)	(51,689,807)	(34,422,199)
Cash receipt from sales and lease back under finance lease agreement	31,937,647	-	31,937,647	-
Decrease in liabilities under finance lease agreements	(29,910,745)	(20,704,475)	(29,910,745)	(19,700,633)
Dividend paid	(412,495,985)	(340,377,711)	(412,495,985)	(340,377,711)
Net cash used in financing activities	(462,158,890)	(253,901,143)	(462,158,890)	(236,500,543)
Net increase (decrease) in cash and cash equivalents	582,266,411	(21,343,297)	582,266,411	(19,152,533)
Cash and cash equivalents at beginning of year	1,291,640,703	1,312,984,000	1,291,640,703	1,310,793,236
Cash and cash equivalents at end of year	1,873,907,114	1,291,640,703	1,873,907,114	1,291,640,703
Supplemental cash flows information				
Non-cash transactions				
Purchase of building improvement and equipment for which no cash has been paid	2,632,453	-	2,632,453	-
Purchase of computer software for which no cash has been paid	1,140,984	-	1,140,984	-

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

Notes to financial statements

Advanced Information Technology Public Company Limited

For the year ended 31 December 2016

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 repair and maintenance, training and lump sum 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 The separate financial statements present investments in joint ventures under the cost method.

3. New financial reporting standards

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

During the year, the Company has adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. 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 standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. 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 standards.

The management of the Company believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard will not have any significant impact on the Company's financial statements because the management has decided to continue accounting for such investments under the cost method in the separate 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 repair and 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 maintenance income

Rental and maintenance income are recognised over the period of rental and maintenance.

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 repair and 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 in the statement of financial position.

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 equipment, labour, subcontract works and other relevant expenses.

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in joint ventures are accounted for in the financial statements in which equity method is applied using the equity method.
- c) Investments in joint ventures 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.

The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of 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 - 6	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

The intangible assets are carried at cost less accumulated amortisation and 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.

The estimated useful lives of computer software is 10 years.

4.8 Related party transactions

Related parties comprise individuals or enterprises 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 or enterprise which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.9 Long-term leases

Leases of 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.

4.10 Foreign currencies

The financial statements are presented in Baht, which is also the Company's 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.

4.11 Impairment of assets

At the end of each reporting period, the Company 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. 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.

An impairment loss is recognised in profit or loss.

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

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats 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.

4.13 Provisions

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

4.14 Income tax

Income tax 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 recognises deferred tax liabilities for all taxable temporary differences while it recognises 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 reviews and reduces 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 records deferred tax directly to shareholders' equity, if the tax relates to items that are recorded directly to shareholders' equity.

4.15 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrealised gains and losses from the translation are recognised in profit or loss.

4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Estimation of revenues and costs of sales, design, installation, service, ongoing repair and 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 repair and 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 project, based on information from the engineers/project managers. These estimates are regularly revisited or whenever the actual costs incurred significantly vary from the estimation.

Allowance for doubtful accounts

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

Provision for loss/penalty on project delay

The management apply their judgements in estimating the loss/penalty on project delay they expect to be realised on each project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in cost of equipment, labour, other relevant expenses and the current situation.

6. Related party transactions

During the years, the Company has no significant business transactions with related parties.

Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

Related parties	Related transactions	Financial statements in which equity method is applied			
		2016	2015	Consolidated financial statements	Separate financial statements
Audit committee	Short-term employee benefits	6	7	6	7
Management and executive directors	Short-term employee benefits	90	96	90	91
	Post-employment benefits	8	8	8	8
Directors who are not members of the audit committee or management committee	Short-term employee benefits	7	9	7	9

7. Cash and cash equivalents

(Unit: Thousand Baht)

	2016	2015
Cash	280	376
Bank deposits	924,377	990,124
Highly liquid investments		
Unit trusts in fixed income open-ended fund - Cost	945,903	300,154
Add: Unrealised gain from changes in value of investments	3,347	987
Unit trusts in fixed income open-ended fund - Fair value	949,250	301,141
Total cash and cash equivalents	1,873,907	1,291,641

As at 31 December 2016, bank deposits in savings accounts, fixed deposits and highly liquid investments carried interests between 0.10 - 1.61% per annum (2015: 0.10 - 1.60% per annum).

8. Current investments - trading securities

(Unit: Thousand Baht)

	Cost		Fair value	
	2016	2015	2016	2015
Unit trusts in fixed income open-ended fund	25,000	500,000	25,176	504,834
Add: Unrealised gain from changes in value of investments	176	4,834		
Total current investments - trading securities	25,176	504,834		

9. Trade and other receivables

(Unit: Thousand Baht)

	2016	2015
<u>Trade accounts receivable</u>		
Aged on the basis of due dates		
Not yet due	686,389	787,587
Past due		
Up to 3 months	225,631	667,251
3 - 6 months	193,576	51,618
6 - 12 months	202,910	38,327
Over 12 months	72,202	98,749
Total	1,380,708	1,643,532
Less: Allowance for doubtful accounts	(50,161)	(51,884)
Total trade accounts receivable - net	1,330,547	1,591,648
<u>Other receivable</u>		
Receivable under installment	-	4,390
Total other receivable	-	4,390
Total trade and other receivables - net	1,330,547	1,596,038

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

10. Inventories

(Unit: Thousand Baht)

	2016	2015
Equipment and work in progress	259,045	441,694
Goods in transit	9,766	41,957
Total	268,811	483,651
Less: Allowance for diminution in value of inventories	-	(20,831)
Inventories - net	268,811	462,820

During the year, the Company reversed the write-down of cost of inventories by Baht 21 million.

11. Investments in joint ventures

11.1 Details of investments in joint ventures:

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and other companies. Details of these investments are as follows:

(Unit: Million Baht)

Joint ventures	Nature of business	Country of incorporation	Shareholding percentage		Investment under cost method		Investment under equity method	
			2016	2015	2016	2015	2016	2015
Loxley & AIT Holding Co., Ltd.	Lump sum turnkey contracting for the installation of communication tools, electricity plants and sales of related equipment	Thailand	(%) 50.00	(%) 50.00	75	75	39	58
Genesis Data Center Co., Ltd.	Data center service	Thailand	33.33	-	37	-	37	-
					112	75	76	58

On 22 September 2016, the Company invested in 39,999 ordinary shares of Baht 100 each, totaling Baht 4 million or 33.33% of the issued and paid-up share capital of Genesis Data Center Co., Ltd.

On 14 November 2016, the Extraordinary General Meeting of the shareholders of Genesis Data Center Co., Ltd. approved an increase in its registered share capital from Baht 12 million (120,000 ordinary shares of Baht 100 each) to Baht 210 million (2,100,000 ordinary shares of Baht 100 each) through the issuance of 1,980,000 ordinary shares with a par value of Baht 100 per share. The Company acquired 660,000 ordinary shares, or 33.33% of its registered share capital. This company called up 50% of the new shares, and the Company paid up in full. As at 31 December 2016, the Company had commitments of approximately Baht 33 million in respect of the uncalled portion of its investment in this company.

11.2 Share of comprehensive income

During the years, the Company recognised its share of loss from investments in the joint ventures in the financial statement in which equity method is applied as follows:

(Unit: Million Baht)

Joint ventures	Share of loss from investments in joint ventures during the year	
	2016	2015
Loxley & AIT Holding Co., Ltd.	(19.0)	(8.5)
Genesis Data Center Co., Ltd.	(0.2)	-
	(19.2)	(8.5)

11.3 Summarised financial information about material joint ventures

Summarised information about financial position.

(Unit: Million Baht)

	Loxley & AIT Holding Co., Ltd.		Genesis Data Center Co., Ltd.	
	2016	2015	2016	2015
Cash and cash equivalent	1.2	0.7	90.7	-
Other current assets	-	85.5	1.3	-
Non-current assets	76.3	29.7	18.7	-
Other current liabilities	(0.1)	(0.4)	(0.3)	-
Net assets	77.4	115.5	110.4	-
Shareholding percentage (%)	50.00	50.00	33.33	-
Carrying amounts of joint ventures based on equity method	38.7	57.8	36.8	-

Summarised information about comprehensive income.

(Unit: Million Baht)

	For the years ended 31 December			
	Loxley & AIT Holding Co., Ltd.		Genesis Data Center Co., Ltd.	
	2016	2015	2016	2015
Revenue	0.1	76.2	-	-
Cost of sales	-	(68.1)	-	-
Selling and administrative expense	(2.1)	(6.3)	(0.5)	-
Share of loss from investments in subsidiaries	(36.0)	(18.8)	-	-
Loss	(38.0)	(17.0)	(0.5)	-
Other comprehensive income	-	-	-	-
Total comprehensive income	(38.0)	(17.0)	(0.5)	-

12. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Building and building improvement	Building improvement under construction	Furniture, fixture and office equipment	Computers	Equipment used in projects	Vehicles	Total
Cost								
As at 1 January 2015	35,718	53,520	-	23,801	106,992	103,857	527	324,415
Additions	-	1,134	-	872	5,932	23,066	-	31,004
Disposals/write-off	-	(5,761)	-	(6,971)	(66,400)	(2,664)	(527)	(82,323)
As at 31 December 2015	35,718	48,893	-	17,702	46,524	124,259	-	273,096
Additions	-	808	8,114	2,262	7,528	22,409	-	41,121
Disposals/write-off	-	(7)	-	(637)	(3,127)	(252)	-	(4,023)
As at 31 December 2016	35,718	49,694	8,114	19,327	50,925	146,416	-	310,194
Accumulated depreciation								
As at 1 January 2015	-	15,058	-	18,373	93,799	60,351	292	187,873
Depreciation for the year	-	5,763	-	2,134	7,638	25,305	48	40,888
Depreciation on disposals/write-off	-	(5,789)	-	(6,941)	(66,173)	(2,309)	(340)	(81,552)
As at 31 December 2015	-	15,032	-	13,566	35,264	83,347	-	147,209
Depreciation for the year	-	5,449	-	1,858	8,628	27,099	-	43,034
Depreciation on disposals/write-off	-	(7)	-	(611)	(3,125)	(225)	-	(3,968)
As at 31 December 2016	-	20,474	-	14,813	40,767	110,221	-	186,275
Net book value								
As at 31 December 2015	35,718	33,861	-	4,136	11,260	40,912	-	125,887
As at 31 December 2016	35,718	29,220	8,114	4,514	10,158	36,195	-	123,919
Depreciation for the year								
2015 (Baht 25.3 million included in cost of sales and service, and the balance in administrative expenses)								40,888
2016 (Baht 27.1 million included in cost of sales and service, and the balance in administrative expenses)								43,035

As at 31 December 2016, 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 115 million (2015: Baht 75 million).

13. Equipment for lease and services

(Unit: Thousand Baht)

	Equipment for lease	Equipment for services	Equipment for lease under installation	Equipment for services under installation	Total
Cost					
As at 1 January 2015	237,378	155,630	-	481	393,489
Additions	157,451	3,952	103,848	3,005	268,256
Disposals	-	(193)	-	-	(193)
Decrease from sales of investments in subsidiary	-	(159,389)	-	(3,486)	(162,875)
As at 31 December 2015	394,829	-	103,848	-	498,677
Additions	65,364	-	-	-	65,364
Transfer in (out)	103,848	-	(103,848)	-	-
As at 31 December 2016	564,041	-	-	-	564,041
Accumulated depreciation					
As at 1 January 2015	165,984	46,428	-	-	212,412
Depreciation for the year	85,471	11,948	-	-	97,419
Depreciation for disposals	-	(22)	-	-	(22)
Decrease from sales of investments in subsidiary	-	(58,354)	-	-	(58,354)
As at 31 December 2015	251,455	-	-	-	251,455
Depreciation for the year	96,299	-	-	-	96,299
As at 31 December 2016	347,754	-	-	-	347,754
Allowance for impairment loss					
As at 1 January 2015	558	-	-	-	558
As at 31 December 2015	558	-	-	-	558
As at 31 December 2016	558	-	-	-	558
Net book value					
As at 31 December 2015	142,816	-	103,848	-	246,664
As at 31 December 2016	215,729	-	-	-	215,729
Depreciation for the year					
2015 (all included in cost of equipment for lease and services)					97,419
2016 (all included in cost of equipment for lease)					96,299

As at 31 December 2016, 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 17 million (2015: Baht 17 million).

14. Intangible assets

The net book value of intangible assets as at 31 December 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	2016	2015
Cost	36,696	30,709
<u>Less</u> Accumulated amortisation	(11,617)	(8,730)
Net book value	25,079	21,979

A reconciliation of the net book value of intangible assets for the years 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	2016	2015
Net book value at beginning of year	21,979	15,276
Acquisition	6,029	9,030
Amortisation	(2,929)	(2,327)
Net book value at end of year	25,079	21,979

15. Trade and other payables

(Unit: Thousand Baht)

	2016	2015
Trade accounts payable		
Related party	2	1
Unrelated parties	498,846	598,711
Total trade accounts payable	498,848	598,712
Other payables	17,086	4,283
Accrued expenses	114,307	142,170
Total trade and other payables	630,241	745,165

16. Long-term loan

(Unit: Million Baht)

	2016	2015
Long-term loan	80	132
Less: Current portion	(51)	(52)
Long-term loan, net of current portion	29	80

Movements in the long-term loans account for the year ended 31 December 2016 are summarised below.

(Unit: Million Baht)

Balance as at 1 January 2016	132
<u>Less: Repayment</u>	(52)
Balance as at 31 December 2016	80

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

17. Liabilities under finance lease agreements

(Unit: Million Baht)

	2016	2015
Liabilities under finance lease agreements	52.5	48.3
Less: Deferred interest	(1.8)	(0.8)
Total	50.7	47.5
Less: Portion due within one year	(22.0)	(22.7)
Liabilities under finance lease agreements - net of current portion	28.7	24.8

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 3 - 5 years. Upon the expiration of the agreements, the Company has the right to purchase the computer equipment at prices specified in the agreements.

The Company has future minimum lease payments required under the finance lease agreements as follows:

(Unit: Million Baht)

As at 31 December 2016

	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	22.8	29.7	52.5
Deferred interest expenses	(0.8)	(1.0)	(1.8)
Present value of future minimum lease payments	22.0	28.7	50.7

(Unit: Million Baht)

As at 31 December 2015

	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	23.1	25.2	48.3
Deferred interest expenses	(0.4)	(0.4)	(0.8)
Present value of future minimum lease payments	22.7	24.8	47.5

18. Other current liabilities

(Unit: Thousand Baht)

	2016	2015
Value added tax payable	9,304	19,319
Undue output tax	25,078	17,887
Withholding tax payable	35,345	36,724
Others	1,775	1,586
Total other current liabilities	71,502	75,516

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employee after they retire, was as follows:

(Unit: Million Baht)

	2016	2015
Provision for long-term employee benefits at beginning of year	60,250	50,298
Included in profit or loss:		
Current service cost	8,395	8,099
Interest cost	2,146	1,853
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	(1,395)	-
Financial assumptions changes	3,094	-
Experience adjustments	(7,809)	-
Benefits paid during the year	(1,042)	-
Provision for long-term employee benefits at end of year	63,639	60,250

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

(Unit: Thousand Baht)

	2016	2015
Cost of sales and service	5,658	5,318
Selling and administrative expenses	4,883	4,634
Total expenses recognised in profit or loss	10,541	9,952

The Company expects to pay Baht 3 million of long-term employee benefits during the next year (2015: Baht 6 million).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 18 years (2015: 17 years).

Significant actuarial assumptions used for the valuation are summarised below:

(Unit: Thousand Baht)

	2016	2015
Discount rate	3	4
Salary increase rate	3 - 6	3 - 6
Staff turnover rate	2 - 7	3 - 6

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below.

(Unit: Million Baht)

	2016	2015	2016	2015
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(6)	7	(4)	5
Salary increase rate	6	(5)	5	(5)
Staff turnover rate	(6)	7	(5)	4

20. 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% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

21. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Financial statements in which equity method is applied	Consolidated financial statements	Separate financial statements	
	2016	2015	2016	2015
Salaries, bonus, commission and other employee benefits	593,519	693,574	593,519	664,727
Installation and services expenses	326,947	468,865	326,947	432,111
Repair and maintenance expenses	545,321	375,365	545,321	375,182
Depreciation and amortisation	142,263	153,062	142,263	128,686
Penalty on project delay	26,104	52,520	26,104	52,520
Entertainment expenses	65,443	60,815	65,443	60,349
Purchase inventories	1,836,229	2,437,678	1,836,229	2,379,057
Changes in inventories	27,543	135,247	27,543	76,270

22. Deferred tax assets / Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	Financial statements in which equity method is applied	Consolidated financial statements	Separate financial statements	
	2016	2015	2016	2015
Current income tax:				
Current income tax charge	127,328	147,940	127,328	147,940
Deferred tax:				
Relating to origination and reversal of temporary differences	(6,797)	(13,848)	(6,797)	(12,618)
Income tax expense reported in the statement of comprehensive income	120,531	134,092	120,531	135,322

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

(Unit: Thousand Baht)

	2016	2015
Deferred tax on actuarial gain	1,222	-
	1,222	-

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

(Unit: Thousand Baht)

	Financial statements in which equity method is applied	Consolidated financial statements	Separate financial statements	
	2016	2015	2016	2015
Accounting profit before income tax expenses	549,923	656,586	569,154	657,880
Applicable tax rate	20%	20%	20%	20%
Accounting profit before income expense tax multiplied by applicable tax rate	109,985	131,317	113,831	131,576
Effects of:				
Non-deductible expenses	12,221	10,817	12,221	10,817
Additional expense deductions allowed	(4,129)	(1,910)	(4,129)	(1,910)
Others	2,454	(6,132)	(1,392)	(5,161)
Total	10,546	2,775	6,700	3,746
Income tax expenses reported in the statement of comprehensive income	120,531	134,092	120,531	135,322

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

Statements of financial position		
	2016	2015
Deferred tax assets		
Unrealised gain from change in value of investments	(705)	(1,164)
Allowance for doubtful accounts	10,355	10,699
Receivables under forward contracts	(784)	(404)
Allowance for impairment loss of equipment for lease	112	112
Provision for penalty on project delay	15,705	10,608
Provision for long-term employee benefits	12,728	12,050
Liabilities under finance lease agreements	65	-
Total	37,476	31,901

23. 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.

24. 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's business operations involve 2 principal segments: (1) sales and service and (2) rental of equipment. The Company 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 years ended 31 December 2016 and 2015, 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 is mainly operates 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 2016, the Company has revenue from two major customers in the amount of Baht 1,082 million and Baht 585 million, respectively which derived from sales and service income (2015: Baht 1,994 million and Baht 630 million, respectively).

25. Provident fund

The Company 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% of basic salary. The fund, which is managed by SCB Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2016, amounting to approximately Baht 24 million (2015: consolidated financial statements: Baht 25 million The Company only: Baht 24 million) were recognised as expenses.

26. Dividend paid

Dividends	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Final dividends of 2014	Annual General Meeting of the Company's shareholders held on 10 April 2015	227.0	1.10
Interim dividends of 2015	Board of Directors' meeting of the Company held on 6 August 2015	113.4	0.55
Total for 2015		340.4	1.65
Final dividends of 2015	Annual General Meeting of the Company's shareholders held on 8 April 2016	309.5	1.50
Interim dividends of 2016	Board of Directors' meeting of the Company held on 11 August 2016	103.1	0.50
Total for 2016		412.6	2.00

27. Commitments and contingent liabilities

27.1 As at 31 December 2016, the Company had capital expenditure of Baht 2 million, relating to building improvement (2015: None).

27.2 Operating lease commitments

The Company has entered into several lease agreements in respect of leases of buildings and vehicles. The terms of the agreements are generally between 1 and 3 years.

As at 31 December 2016 and 2015, the Company has future minimum lease payments required under these operating leases contracts as follows:

(Unit: Million Baht)

	2016	2015
Payable:		
In up to 1 year	9	9
In over 1 year and up to 3 years	10	16

27.3 Obligations relating to undelivered and unrendered contracts

1. The Company has contracts related to selling goods and rendering services that are undelivered and unrendered to its customers of approximately Baht 1,655 million (2015: Baht 1,562 million).
2. The Company has engaged in various contracts, with a total contract value for future services rendering of Baht 303 million (2015: Baht 344 million), to lease the electronic equipment to companies of which the government is a major shareholder, government agencies and private companies. The Company has obliged to complete the equipment installation and render services for these equipment in accordance with the conditions stipulated in the contracts.

27.4 Guarantees

As at 31 December 2016, there were outstanding bank guarantees of approximately Baht 836 million (2015: Baht 1,088 million) which have been issued by banks on behalf of the Company and consortium, in respect of certain performance bonds as required in the ordinary course of its business. These included letters of guarantee amounting to Baht 834 million (2015: Baht 1,086 million) to guarantee contractual performance and Baht 2 million (2015: Baht 2 million) to guarantee payments due to creditors.

28. Fair value hierarchy

As at 31 December 2016 and 2015, the Company had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

31 December 2016				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Highly liquid investments				
Unit trusts in fixed income open-end fund	-	949	-	949
Current investments - trading securities				
Unit trusts in fixed income open-end fund	-	25	-	25
Receivables under forward contracts	-	4	-	4

(Unit: Million Baht)

31 December 2015				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Highly liquid investments				
Unit trusts in fixed income open-end fund	-	301	-	301
Current investments - trading securities				
Unit trusts in fixed income open-end fund	-	505	-	505
Receivables under forward contracts	-	2	-	2

29. Financial instruments

29.1 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, current investments, trade and other receivables, trade and other payables, long-term loans and liabilities under finance lease agreements. 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, current investments, other receivable, long-term loans and liabilities under finance lease agreements. 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.

As at 31 December 2016 and 2015, 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)

	Fixed interest rates				Floating interest rate		Non-interest bearing		Total		Effective interest rate	
	Within 1 year	1 - 3 years										
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Financial assets											(% per annum)	
Cash and cash equivalents	775	884	-	-	949	301	150	107	1,874	1,292	0.1 - 1.6	0.1 - 1.6
Current investments	-	-	-	-	25	505	-	-	25	505	2.3	2.1 - 3.1
Trade and other receivables	-	4	-	-	-	-	1,331	1,592	1,331	1,596	-	6.0, 6.5
	775	888	-	-	974	806	1,481	1,699	3,230	3,393		
Financial liabilities												
Trade and other payables	-	-	-	-	-	-	630	745	630	745	-	-
Long-term loans	51	52	29	80	-	-	-	-	80	132	4.3	4.3
Liabilities under finance lease agreements	22	23	29	25	-	-	-	-	51	48	0.0 - 4.3	0.0 - 5.9
	73	75	58	105	-	-	630	745	761	925		

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 2016, the Company had outstanding balance of trade accounts payable denominated in foreign currency of USD 7 million (2015: USD 8 million) and had certain forward exchange contracts which had been made to cover the purchase of inventories totaling USD 7 million (2015: USD 7 million), at exchange rates ranging between Baht 34.73 to Baht 35.78 per USD (2015: Baht 34.96 to Baht 36.34 per USD).

29.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

30. 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 Company manages its capital position with reference to its debt-to-equity ratio. As at 31 December 2016, the Company's debt-to-equity ratio was 0.6:1 (2015: 0.6:1).

31. Events after the reporting period

1. On 30 January 2017, the Company additionally invested Baht 25 million in Loxley & AIT Holding Co., Ltd. (additionally called up 25%, equivalent to a total of 100%).
2. On 16 February 2017, the Board of Directors' meeting of the Company passed a resolution to propose the payment of a dividend in respect of the operating results of 2016 of Baht 1.50 per share, which is an addition of an interim dividend payment of Baht 0.50 per share. The Company will propose to the Annual General Meeting of the Company's shareholders that such dividend be paid.

32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 16 February 2017.

Management Discussion and Analysis

Summary of Advanced Information Technology Public Company Limited

Statement of Financial Position

As at 31st December

(Unit: Thousand Baht)

Statement of Financial Position	Financial Statements in which equity method is applied				Consolidated financial statements	
	2016	%	2015	%	2014	%
Assets						
Current assets						
Cash and cash equivalents	1,873,907	41.53	1,291,641	27.64	1,312,984	31.50
Current investments - trading securities	25,176	0.56	504,834	10.80	-	0.00
Trade and other receivables	1,330,547	29.49	1,596,038	34.16	1,319,765	31.66
Unbilled receivables	432,727	9.59	302,834	6.48	372,995	8.95
Inventories	268,811	5.96	462,820	9.91	578,242	13.87
Other current assets	94,546	2.10%	21,587	0.46%	83,899	2.01%
Total current assets	4,025,714	89.23%	4,179,754	89.45%	3,667,885	88.00%
Non-current assets						
Restricted bank deposits	-	0.00%	-	0.00%	9,614	0.23%
Investments in jointly controlled entity and associate	75,545	1.67%	57,776	1.24%	66,290	1.59%
Property, plant and equipment	123,919	2.75%	125,887	2.69%	169,607	4.07%
Equipment for lease and services	215,729	4.78%	246,664	5.28%	180,519	4.33%
Goodwill	-	0.00%	-	0.00%	4,392	0.11%
Intangible assets	25,079	0.56%	21,979	0.47%	45,039	1.08%
Deferred tax assets	37,476	0.83%	31,901	0.68%	15,041	0.36%
Other non-current assets	8,335	0.18%	8,543	0.18%	9,561	0.23%
Total non-current assets	486,083	10.77%	492,750	10.55%	500,063	12.00%
Total assets	4,511,797	100.00%	4,672,504	100.00%	4,167,948	100.00%

Statement of Financial Position (continued)

As at 31st December

(Unit: Thousand Baht)

Statement of Financial Position (continued)	Financial Statements in which equity method is applied				Consolidated financial statements	
	2016	%	2015	%	2014	%
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	-	0.00%	-	0.00%	18,193	0.44%
Trade and other payables	630,241	13.97%	745,165	15.95%	688,675	16.52%
Unbilled payables	569,839	12.63%	638,750	13.67%	399,792	9.59%
Current portion of long-term loans	51,360	1.14%	51,690	1.11%	135,107	3.24%
Current portion of liabilities under finance lease agreements	21,997	0.49%	22,676	0.49%	25,449	0.61%
Income tax payable	32,278	0.72%	21,443	0.46%	18,647	0.45%
Advanced receipts from customers	50,774	1.13%	36,489	0.78%	21,454	0.51%
Provision for penalty on project delay	78,522	1.74%	53,038	1.14%	518	0.01%
Other current liabilities	71,502	1.58%	75,516	1.62%	77,840	1.87%
Total current liabilities	1,506,513	33.39%	1,644,767	35.20%	1,385,675	33.25%
Non-current liabilities						
Long-term loans, net of current portion	28,960	0.64%	80,320	1.72%	443	0.01%
Liabilities under finance lease agreements, net of current portion	28,689	0.64%	24,810	0.53%	43,451	1.04%
Provision for long-term employee benefits	63,639	1.41%	60,250	1.29%	52,077	1.25%
Provision for contingent liability from legal case	-	0.00%	-	0.00%	5,000	0.12%
Total non-current liabilities	121,288	2.69%	165,380	3.54%	100,971	2.42%
Total liabilities	1,627,801	36.08%	1,810,147	38.74%	1,486,646	35.67%
Shareholders' equity						
Share capital : Registered, issued and fully paid-up	1,031,604	22.86%	1,031,604	22.08%	1,031,604	24.75%
Share premium	303,437	6.73%	303,437	6.49%	303,437	7.28%
Retained earning						
Appropriated-statutory reserve	103,161	2.29%	103,161	2.21%	97,200	2.33%
Unappropriated	1,445,793	32.04%	1,424,155	30.48%	1,238,035	29.70%
Equity attributable to owners of the Company	2,883,995	63.92%	2,862,357	61.26%	2,670,276	64.07%
Non-controlling interests of the subsidiaries	-	0.00%	-	0.00%	11,026	0.26%
Total shareholders' equity	2,883,995	63.92%	2,862,357	61.26%	2,681,302	64.33%
Total liabilities and shareholders' equity	4,511,797	100.00%	4,672,504	100.00%	4,167,948	100.00%

Statement of Comprehensive Income

For the Year ended 31st December

(Unit: Thousand Baht)

Profit or Loss	Financial Statements in which equity method is applied				Consolidated financial statements	
	2016	%	2015	%	2014	%
Revenues						
Sales and service income	4,197,183	94.98%	5,027,051	95.37%	6,470,788	97.28%
Rental income from equipment for lease	160,789	3.64%	129,206	2.45%	76,640	1.15%
Gain on the sales of investments in subsidiary	-	0.00%	37,282	0.71%	-	0.00%
Other income	61,110	1.38%	77,673	1.47%	104,120	1.57%
Total revenues	4,419,081	100.00	5,271,212	100.00%	6,651,548	100.00%
Expenses						
Cost of sales and service	3,193,192	72.26%	3,847,759	73.00%	5,023,809	75.53%
Cost of equipment for lease	97,594	2.21%	88,230	1.67%	42,989	0.65%
Selling expenses	256,888	5.81%	311,266	5.91%	352,074	5.29%
Administrative expenses	300,707	6.80%	353,835	6.71%	388,765	5.84%
Total expenses	3,848,381	87.09%	4,601,090	87.29%	5,807,637	87.31%
Profit before share of loss from investments in jointly controlled entity and associate, finance cost and income tax expenses	570,701	12.91%	670,122	12.71%	843,911	12.69%
Share of loss from investments in jointly ventures	(19,231)	(0.44)%	(8,463)	(0.16)%	(8,828)	(0.13)%
Profit before finance cost and income tax expenses	551,470	12.48%	661,659	12.55%	835,083	12.55%
Finance cost	(1,547)	(0.03)%	(5,073)	(0.10)%	(11,881)	(0.18)%
Profit before income tax expenses	549,923	12.44%	656,586	12.46%	823,202	12.38%
Income tax expenses	(120,531)	(2.73)%	(134,092)	(2.54)%	(186,053)	(2.80)%
Profit for the Year	429,392	9.72%	522,494	9.91%	637,149	9.58%
Other comprehensive income for the year	4,888	0.11%	-	0.00%	-	0.00%
Total comprehensive income for the year	434,280	9.83%	522,494	9.91%	637,149	9.58%
Profit (loss) attributable to						
Equity holders of the Company	429,392	9.72%	532,509	10.10%	658,559	9.90%
Non-controlling interests of the subsidiaries	-	0.00%	(10,015)	(0.19)%	(21,411)	(0.32)%
	429,392	9.72%	522,494	9.91%	637,148	9.58%
Basic earnings per share	2.08		2.58		3.19	

Cash Flow Statement

For the Year ended 31st December

(Unit: Thousand Baht)

	Financial Statements in which equity method is applied	Consolidated financial statements	
Cash Flow Statement	2016	2015	2014
Cash flows from operating activities			
Profit before tax	549,923	656,586	823,202
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities			
Unrealized gain from changes in value of investments	(176,274)	(4,834)	-
Depreciation and amortisation	142,263	153,062	113,310
Allowance for doubtful accounts (reversal)	(1,723)	7,553	(5,440)
Share of loss from investments in joint ventures	19,231	8,463	8,828
Loss (gain) on the sales and dissolution of subsidiaries	-	(37,282)	-
Provision for penalty on project delay	26,104	52,520	(763)
Reversal of provision for contingent liability from legal case	-	-	(12,000)
Loss (gain) on sales and write-off of building improvement and equipment	(35)	367	367
Gain on sales of equipment for services	-	(28)	-
Provision for long-term employee benefits	10,541	10,357	10,147
Unrealized loss (gain) on exchange	(6,880)	825	(252)
Interest expenses	6,210	9,723	14,210
Profit from operating activities before changes in operating assets and liabilities	745,459	857,312	951,609

Cash Flow Statement (continued)

For the Year ended 31st December

(Unit: Thousand Baht)

	Financial Statements in which equity method is applied	Consolidated financial statements	
Cash Flow Statement (continued)	2016	2015	2014
Operating assets (increase) decrease			
Trade and other receivables	267,213	(299,735)	705,918
Unbilled receivables	(129,893)	68,820	367,241
Inventories	194,009	106,042	637,522
Other current assets	(69,041)	50,335	(15,124)
Other non-current assets	208	(1,154)	356
Operating liabilities increase (decrease)			
Trade and other payables	(116,363)	83,913	(201,528)
Unbilled payables	(68,911)	238,958	61,754
Advanced receipts from customers	14,285	17,486	(130,984)
Cash paid for penalty on project delay	(620)	-	(8,219)
Other current liabilities	(3,906)	(1,597)	(22,135)
Cash paid for long-term employee benefits	(1,042)	-	(8,713)
Cash from operating activities	831,400	1,120,380	2,337,697
Interest paid	(4,663)	(9,753)	(14,085)
Income tax paid	(116,494)	(147,606)	(220,444)
Net cash from operating activities	710,243	963,021	2,103,168
Cash flows from investing activities			
Decrease (increase) in current investments	479,834	(500,000)	-
Decrease in restricted bank deposits	-	173	5,305

Cash Flow Statement (continued)

For the Year ended 31st December

(Unit: Thousand Baht)

	Financial Statements in which equity method is applied	Consolidated financial statements	
Cash Flow Statement (continued)	2016	2015	2014
Proceeds from the sales and dissolution of subsidiaries	-	77,668	-
Cash payment for investments in joint ventures	(37,000)	-	(25,000)
Proceeds from sales of equipment	89	450	23
Proceeds from sales of equipment for services	-	200	-
Cash payment for purchase plant and equipment	(38,488)	(31,446)	(111,565)
Cash payment for purchase equipment for lease and services	(65,364)	(268,256)	(62,654)
Cash payment for purchase computer software	(4,888)	(9,252)	(7,610)
Net cash from (used in) investing activities	334,183	(730,463)	(201,501)
Cash flows from financing activities			
Decrease in bank overdrafts and short-term loans from financial institutions	-	(8,395)	1,986
Decrease in trust receipts	-	-	(451,995)
Cash receipt from long-term loans	-	158,000	95,709
Repayment of long-term loans	(51,690)	(42,424)	(45,512)
Cash receipt from sales and lease back under finance lease agreement	31,938	-	-
Decrease in liabilities under finance lease agreements	(29,911)	(20,704)	22,932
Dividend paid	(412,496)	(340,378)	(391,864)
Net cash used in financing activities	(462,159)	(253,901)	(768,744)
Net increase (decrease) in cash and cash equivalents	582,266	(21,343)	1,132,923
Cash and cash equivalents at beginning of year	1,291,641	1,312,984	180,061
Cash and cash equivalents at end of year	1,873,907	1,291,641	1,312,984

Overview

Summary of the Operation

For the year 2016, Advanced Information Technology PCL. (AIT) reported total revenue and share of loss from its investment in the joint venture without revenue from its subsidiary as in the year 2014 and 2015. As the Company sold its total shares of Kirz Ltd. to the existing shareholders in Q3, 2015 due to its payback period was being longer than the expectation and the operation results in 2014 and 2015 was being loss in earnings. The main revenue of the Company came from being a Systems Integrator (SI) by integrating all kinds of systems and equipment, relating to ICT, apply to match with the needs of each organization or solution. The types of revenue can be categorized as follows:

1. Sales, including revenue from the sale of equipment, software and turnkey projects or project development completed in good working condition and then deliver it to its customer.
2. Services, including revenue from consult, design, installation and the maintenance of the equipment.
3. Systems and equipment for rent such as revenue from licensing system software and from the rental of computer equipment.

The main revenues of AIT came from a small number of major customers, which are either government agencies, State Enterprises, public organization and public agencies. Hence, the changes in political and government budget significantly effect on the Company's results. The overall performance of the Company shows as the table below;

The table shows the changes in the overall Company's performance:

Items	2016	2015	2014
Total Revenue (MB)	4,419.08	5,271.21	6,651.55
Changes in Revenue from Prior Year (MB)	(852.13)	(1,380.34)	628.32
Changes in Revenue from Prior Year (%)	(16.17)%	(20.75)%	10.43%
Profit Attributable to Equity Holders of the Company (MB)	429.39	532.51	658.56
Changes in Net Profit from Prior Year (MB)	(103.12)	(126.05)	90.94
Changes in Net Profit from Prior Year (%)	(19.36)%	(19.14)%	16.02%

For the Company's operation results in 2016, the total revenue and net income decreased from the year 2014 and 2015, because in 2016, the number of large projects that the Company received decreased because of auction for the projects decreased as a result of government policy, the priority government projects included stimulate investment in transport infrastructures such as highway network to link with key areas in the country, double track rail project, and extend mass transit system (BTS), etc. While, the government and private companies suspended non-urgent projects included investments in the ICT. Moreover, most of the large projects were unable to execute on plan, such as broadband infrastructure project in 70,000 villages nationwide from 35,000 villages, which expected budget of totaling 1.3 billion baht. TOT PCL was assigned to jointly take charge of high-speed fiber optic cable broadband project in nationwide with the budget of 2,000 million baht, however, this project delayed nearly 1 year. In late 2016, the government stimulated this ICT project again so that high-speed fiber optic cable broadband could reinvest in the year 2017, this is an opportunity for the Company to obtain for the future projects.

For the Company's operation results in 2015, the company's consolidated total revenue and net profit decreased from 2014, because in 2015, the number of large projects that the Company received decreased because of auction for the projects decreased as a result of budget decreased in the ICT sector in 2015 and continually decreased in 2016. The government was prudently spending due to the economic slowdown in the country and nationwide. Meanwhile, the private sectors also slow down any non-urgent investments.

For the Company's operation results in 2016, the company's consolidated total revenue decreased 852.13 million baht or 16.17% from 2015, and net profit attributable to equity holders of the Company in 2016 decreased 103.12 million baht or 19.36% from 2015. Similar to the Company's operation results in 2015 which also represented the decrease in the Company's revenue and net profit from 2014.

Comparison with Estimation

For the year 2016, the Company had estimated revenues of 5,000 million baht in accordance with the economic situations. However, the actual results of the Company were totaling of 4,419.08 million baht, which lower that the expectations because of the economic situations and the delayed projects.

For the year 2015, the Company had estimated revenues of 6,800 million baht in the beginning of the year. However, in middle of 2015, the Company had changed the estimated revenue to be in accordance with actual economic conditions by adjusting earnings to be around 5,000-5,500 million baht. This was able to compared with the actual results of the Company were totaling of 5,271.21 million baht, which in accordance with the Management estimation.

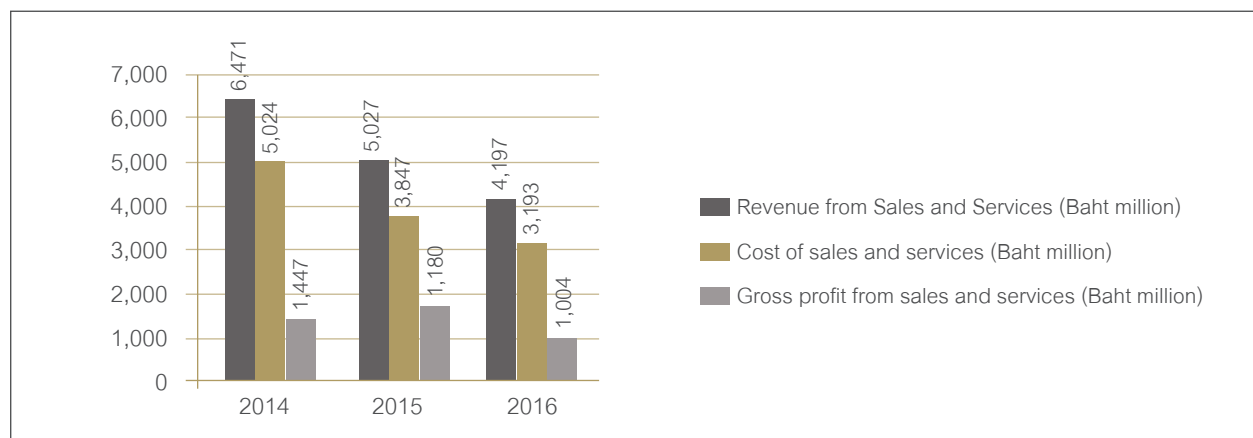
Operation Results and Profitability

The main revenues of the Company came from projects that were obtained the bid auction from government agencies, state enterprises and large private companies. Therefore, the factors that affect changes in income can be divided into;

- Revenue from sales and services including revenue from sales of systems and equipment as well as after-sales maintenance services in the same project. The revenue from sales and services in the consolidated financial statements of 2016 and 2015 came from revenue from sales and services of both the Company and its subsidiary.
- Revenue from the rental of systems and computer equipment including maintenance during the lease term.

Revenue from Sales and Services

Analysis of changes in revenues and costs can be shown as follows: -



The Chart of Revenue, Cost, and Gross Profit

From the chart above, revenue from sales and services of the Company continued decrease for the year 2014 to 2016, mainly from the recent economic slowdown in the past 2-3 years, tension between the superpowers countries, and political uncertainty which lead to the decrease of the project auctions. Revenue from sales and services in the year 2016 decreased 829.87 million baht or 16.51% from the year 2015, while revenue from sales and services in the year 2015 decreased 1,443.74 million baht or 22.31% from the previous year.

Comparison of Revenue, Size, and Number of Projects from Sales and Services

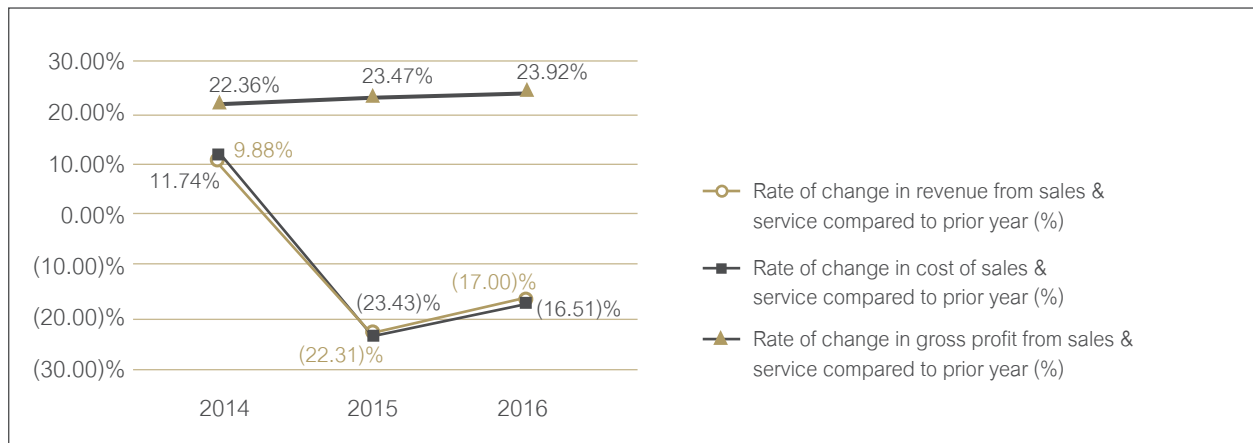
(Separated Financial Statements)

	2016		2015		2014	
Rage of revenues recognition by projects	No. of projects	Revenue (MB)	No. of projects	Revenue (MB)	No. of projects	Revenue (MB)
More than 100 million baht	5	866	4	577	10	2,523
Between 50-100 million baht	13	868	7	479	11	777
Between 20-50 million baht	37	1,063	77	2,383	50	1,776
Between 10-20 million baht	32	469	40	587	35	510
Less than 10 million baht	799	931	850	902	709	723
Total (No. of projects)	886	4,197	978	4,928	815	6,309

From the comparison table above of revenue, size and number of projects from sales and services in 2016, revenues decreased mainly came from dramatically changed of the project' revenue ranges more than 20 million baht. The project' revenue ranges 20-50 million baht, which is the largest proportion of total revenues, accounted for 25.32% in the year 2016 decreased from 48.33% in the previous year in term of both number and value. While, the project' revenue ranges over 50 million baht increased in term of both number and value when compared with 2015, the number of projects were totaling 18 projects and revenues were totaling 1,734 million baht in the year 2016 increased from 11 projects and 1,056 million baht in 2015 respectively. Moreover, the small projects revenue ranges less than 10 million baht slightly increased from 2015 and the proportion of total revenues accounted for 22.18%. Revenue from sales and services in 2016 represented that the government agencies, state enterprises and large private companies decreased the investments in the project ranges more than 20 million baht and the Company have higher potentials to obtained the project' revenue ranges over 50 million baht.

For the year 2015, revenues mainly came from revenues from the project' revenue ranges 20 - 50 million baht, which accounted for 48.36% of total revenues, while, the small projects ranges less than 10 million baht accounted for 18.30% of total revenues. The number of large projects ranges more than 50 million baht were totaling 11 projects, decreased from 2014, while the number of total projects increased 163 projects or 20.00% from 2014 as the results of reduce in the expenses of the government agencies and state enterprises. Hence, the number of large-scale projects reduced, while the small-scale projects increased.

Cost of sales and services were depending on the nature of a projects, such as costs of the company project includes costs from filing and bidding, purchasing of equipment, purchasing of system software and development, designing and installation, and costs related to staffs in the project operation, etc. And cost of maintenance services are mainly come from warranty maintenance, sub-contract for maintenance, and costs related to staffs for transportation of system maintenance or equipment at customers' avenue, etc. Normally, an increase or decrease in the cost of sales and services changes in line with the revenues.



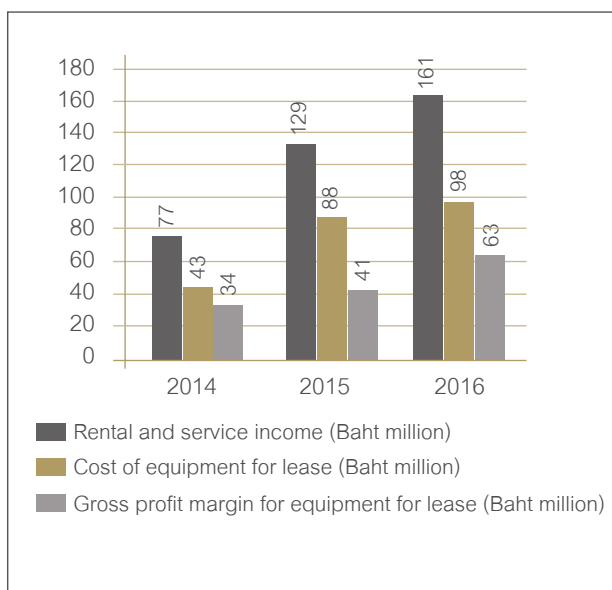
The Chart of changes in Revenue and Cost of Sales and Services

From the chart above, the Company's cost of sales and services in the year 2016 decreased 654.57 million baht or 17.00% from 2015, while the total revenues from sales and services decreased 16.51% from the previous year, which in line with the costs. The cost of sales and services in the year 2015 also decreased 1,176.05 million baht or 23.43% from 2014, while the total revenues from sales and services decreased 22.31%.

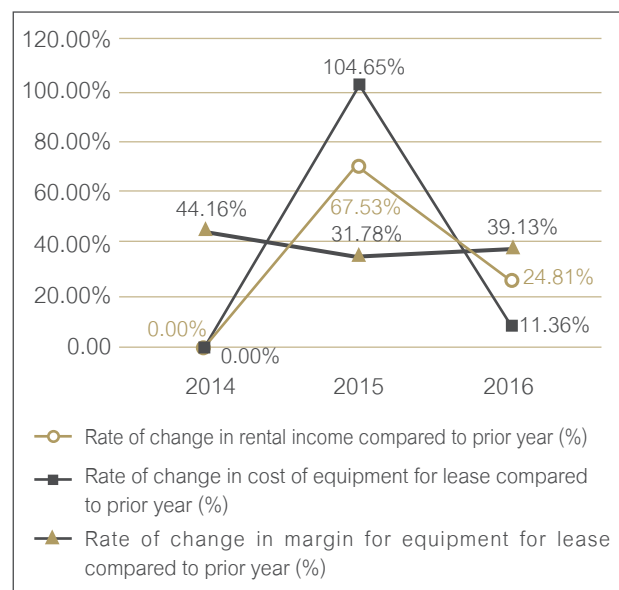
The rate of changes in revenue and cost of sales and services were stable according to the historical rate in the year between 2014 to 2016. As the chart above, the Company is able to remain the gross profit margin of 22.36% to 23.92% in the year between 2014 to 2016 respectively.

Revenue and Cost of Equipment for Lease

Rental income of equipment for lease mainly come from the rental of telecommunication and computer equipment by government agencies, state enterprises, and financial institutions. The performance of the rental system and computer equipment can be summarized as follows;



The Chart of Revenue, Cost, and Gross Profit of Equipment for Lease



The Chart of changes in Revenue, Cost, and Gross Profit of Equipment for Lease

From the chart above, the revenues of equipment for lease continually increased from the year 2014 to 2016 because the demand for the investment in equipment and system for lease projects were significantly increased from the year 2015 and 2016. However, the rate of changes in revenues and costs of equipment for lease were moving in opposite directions mainly because gross profit margin of each project are very different. For example, gross profit margin in the year 2015 was quite low, while than gross profit margin in the year 2016 was very high depending on the projects.

In the year 2016, the revenues of equipment for lease increased 31.58 million baht or 24.81% from 2015, while the rate of changes in costs of equipment for lease increased 11.36% represented that gross profit margin in the year 2016 was higher than 2015.

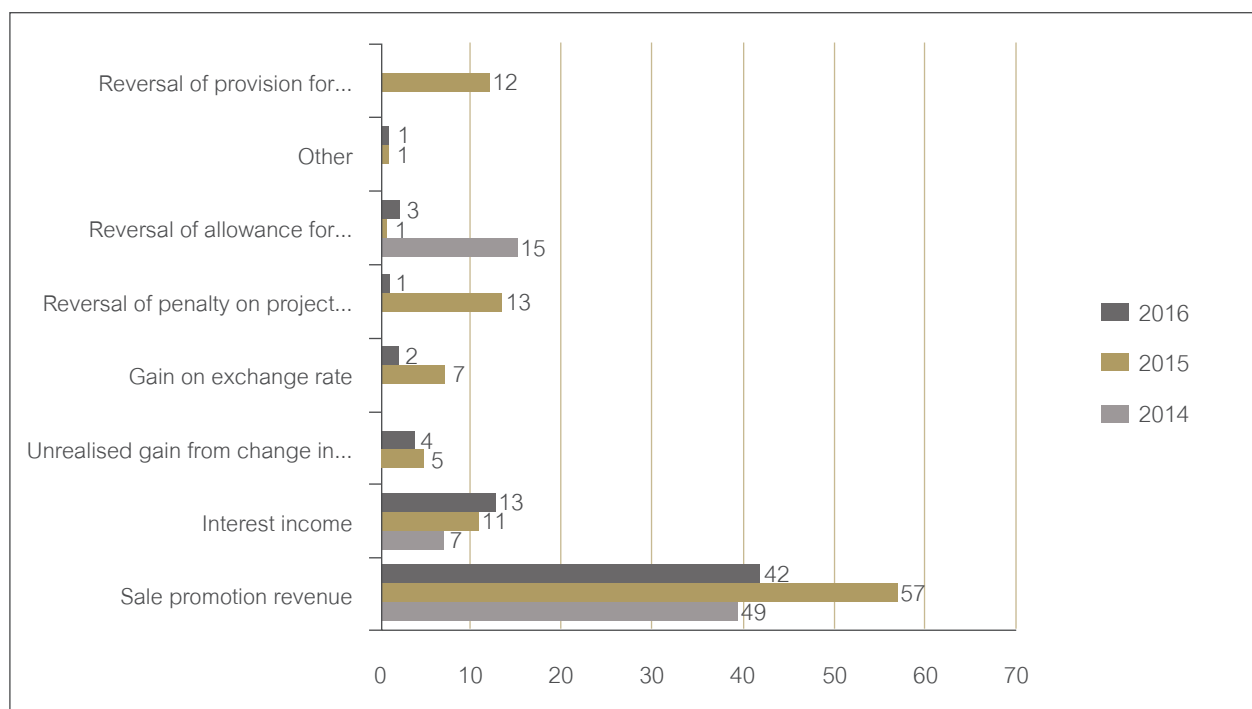
Other Income

Other income is related to our core business, mainly come from earning promotions from an increase overseas suppliers according to the sales promotion, the reversal of allowance for doubtful debt, and the reversal of provision for contingent liability from legal case as recorded in the past.

In the year 2016, other income was 61.11 million baht decreased 16.56 million baht or 21.32% from 77.67 million baht in the year 2015. This mainly came from a decrease of earning promotions of totaling 15.15 million baht in accordance with a descending order from the decreased auctions in the year 2016.

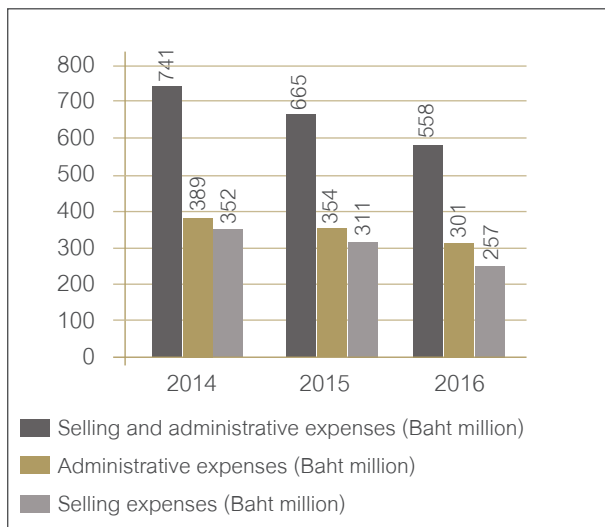
In the year 2015, other income was 77.67 million baht decreased 26.45 million baht or 25.40% from 104.12 million baht in the year 2014, mainly because of a decrease in the reversal of provision for project delay of totaling 12.22 million baht, the reversal of allowance for doubtful debt of totaling 12.23 million baht, and the reversal of provision for contingent liability from legal case of totaling 12.00 million baht with no balance in 2015. While, an increase in sales promotions of totaling 7.74 million baht and interest income of totaling 4.06 million baht.

Other Income can be shown in chart below;

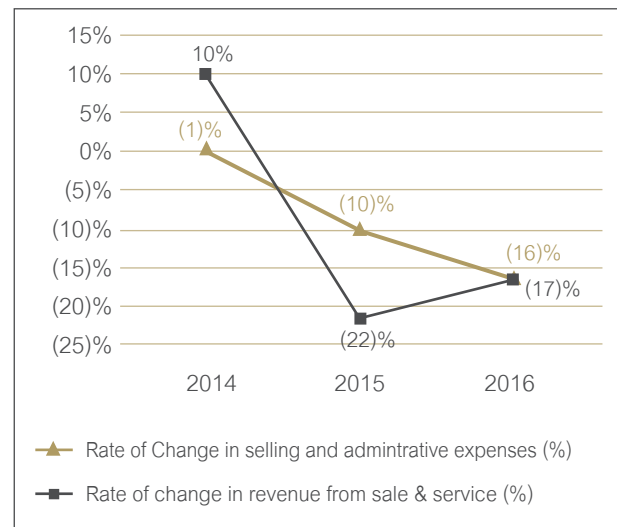


Selling and Administrative Expenses

The Comparison of Selling and Administrative Expenses between the year 2014 to 2016 are shown as follows;



The Chart of Selling and Administrative Expenses



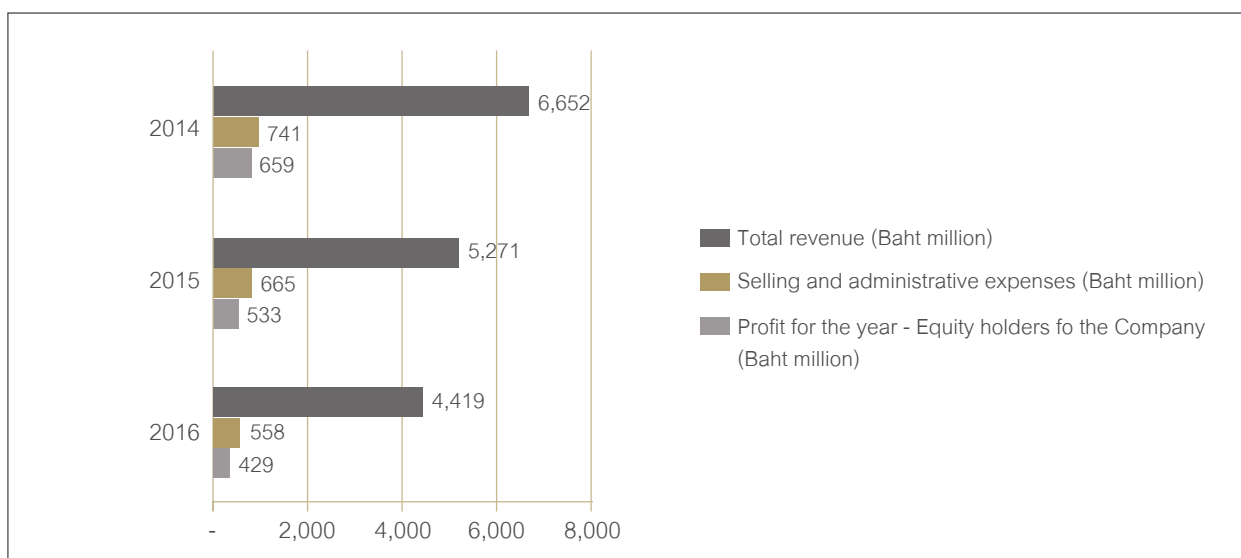
The Chart of changes in Revenue and Selling and Administrative Expenses

Normally, the selling and administrative expenses will change in line with the changes of the revenues. The selling and administrative expenses in the year 2016 decreased 107.51 million baht or 16.16% from 2015, which is in accordance with the decrease in revenues of 16.51%.

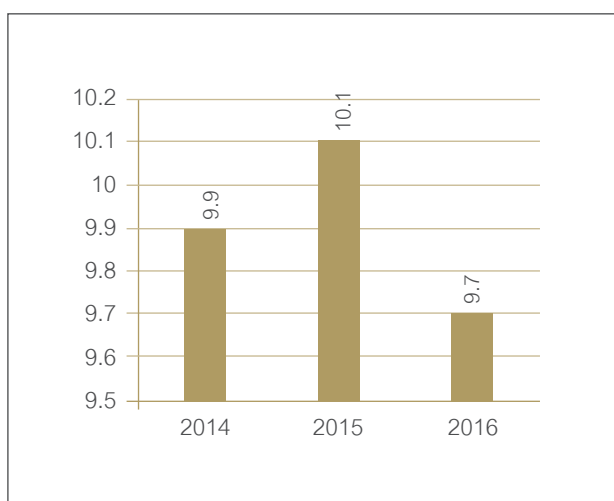
The selling and administrative expenses in the year 2015 decreased 75.74 million baht or 10.22% from 2014, in line with the decrease in revenues. However, the rate of decreases in selling and administrative expenses was less than the rate of decreases in revenues, which was totaling 22.31% because the total revenues in 2015 was higher decreased compared to the previous year. The selling and administrative expenses decreased mainly came from a decrease of costs related to employees such as bonus and commission, while the allowance for doubtful accounts increased.

Net Profit and Net Profit Margin

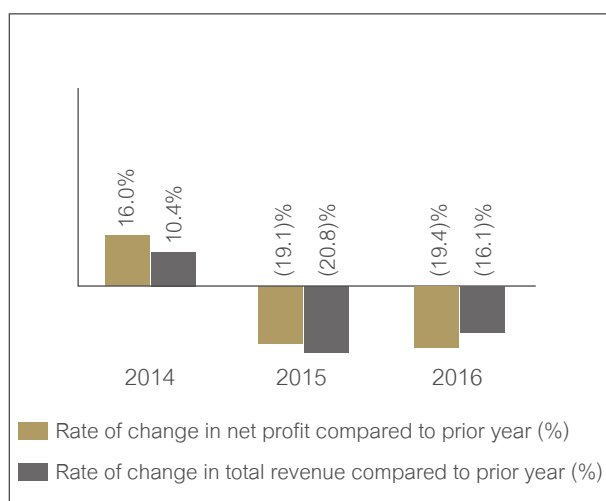
Normally, the net profit will change in line with the changes of the revenues in the similar rates as can be seen from the chart below. However, the increase or decrease in some items may not related to revenues. The rate of changes in net profit and net profit margin between the year 2014 to 2016 are shown as follows;



The Comparison of Revenue, Selling and Administrative Expenses, and Net Profit of the Company



The Chart of Net Profit Margin



The Chart of changes in Revenue and Net Profit

In the year 2016, net profit decreased 103.10 million baht or 19.36% from 2015, in accordance with the decrease in revenues. However, the rate of decreases in net profit was higher than the rate of decreases in the total revenues, which was totaling 16.17%. Because of the higher loss of the investment in the joint venture in the year 2016, while the total revenues decreased.

Net profit for the year 2015 decreased 126.05 million baht or 19.14% from 2014, in line with the decrease in revenues of 20.75%. However, total revenues in the consolidated financial statements included gains on sales of investments under the equity method from sold its total shares of Kirz Ltd., the Company's subsidiary, of 37.28 million baht. Without using one-time gains from sales of investment, the rate of decreases in total revenues decline to 21.31%. The differences were mainly due to an increase in income from deferred income tax from the provisions for office rental, which was acquired in late 2014 and not included in the consolidated financial statements in Q4 2015 as a loss. As a result, the net profit for the year 2015 increased to 10.10% from 9.90% in 2014.

Analysis of the Financial Ratios

The financial ratios that reflect the results of operation can be determined from the financial information as follows;

Financial Ratio (%)	2016	2015	2014
Profitability Ratio			
Gross Profit Margin	24.49	23.67	22.61
Operating Profit Margin	11.24	10.80	11.49
Cash Flow From Operation to Net Income	144.99	174.30	282.38
Net Profit Margin (Profit attributable to equity holders of the Company)	9.72	10.10	9.90
Efficiency Ratio			
Return on Equity	14.94	19.21	25.74
Return on Asset	9.35	12.05	14.97
Return on Fixed Asset	160.53	189.73	245.35
Asset Turnover	0.96	1.19	1.51

The financial ratios that have significantly changed can be explained as follows;

- Gross profit margin trended to increase since 2014 to 2016 because of an effectiveness in the project cost structures. Besides, the Company obtained higher maintenance service projects, which cause to higher gross profit margin. Normally, gross profit margin of the maintenance service projects shall be higher than purely sales of equipment. However, this financial ratios decline in 2014 as in that year some large projects have low margins, for example the projects for the Social Security Office. As a result, the overall gross profit margin for the year 2014 lower than 2015 and 2016.
- Cash Flow from Operation to Net Income was positive during the year 2014 to 2016, which presented that the Company had potentials to collect payment from account receivables higher than the revenues recognition. However, Cash Flow from Operation to Net Income ratio trended to decrease since 2014 in accordance with a decrease in net profit and revenues of the Company.
- Net profit margin of the year 2014 was similar to 2016 but lower than 2015 because the Company gained on disposal of investments in using the equity method without included the Kirz Ltd.' operating results as loss in Q4 2015 to the consolidated financial statements.
- Efficiency ratio for the year 2015, which can be categorized to 4 sub-ratios as the above table, trended to continually decrease because of the declined revenues as ICT projects from the government and private companies have been suspended. Thus, return on equity, return on asset, return on fix assets and asset turnover also decreased.

Assets Management Capability

Account Receivables

The Company's overdue account receivables were mainly from government agencies and state enterprises which take much time for each process to receive full payment. As the result, the total allowance for doubtful accounts shall be sufficient in order to reserve for overdue account receivables from government agencies and private enterprises. The Company recorded the allowance for doubtful accounts by estimated losses from the account receivables collection, which generally based on collection experience and analysis of aging components.

Trade and other receivables of the year 2016 decreased 265.49 million baht or 16.63% from 2015 according to the revenues from delivered projects during Q4 2016 decreased when compared to Q4 2015.

Trade and other receivables of the year 2015 increased 276.27 million baht or 20.93% from the year 2014. Trade receivables increased mainly due to the Company significantly increased in the number of projects completed in late 2015.

The analysis of account receivables classified by aging as shown in this table below;

Classified by aged on the basis of due dates	(Unit : Thousand Baht)			Increase (Decrease)	
Trade account receivable-unrelated parties	2016	2015	2014	2016 VS 2015	2015 VS 2014
Not yet due	686,389	787,587	396,592	(101,198)	390,995
Past due up to 3 months	225,631	667,251	433,551	(441,620)	233,700
Past due 3-6 months	193,576	51,618	308,327	141,958	(256,709)
Past due over 6-12 months	202,910	38,327	66,211	164,583	(27,884)
Past due over 12 months	72,202	98,749	148,037	(26,547)	(49,288)
Total	1,380,708	1,643,532	1,352,718	(262,824)	290,814
Less Allowance for doubtful accounts	(50,161)	(51,884)	(44,541)	1,723	(7,343)
Total trade account receivable-unrelated parties, net	1,330,547	1,591,648	1,308,177	(261,101)	283,471
Other receivables	-	4,390	11,588	(4,390)	(7,198)
Total trade and other receivables - net	1,330,547	1,596,038	1,319,765	(265,491)	276,273

The above table shows that overdue account receivables for less than 3 months in the year 2016 decreased from the previous year because of an improvement in the project managements, such as accounts receivable collection process. As the revenues from delivered projects during Q4 2016 decreased from Q4 2016 results as declined in account receivables. While, the outstanding account receivables for 3-6 months and for 6-12 months in the year 2016 increased from the previous year due to long durations of agreement adjustment processes as main customers are government agencies and state enterprises. Moreover, the system development projects take much time for the inspection processes as well as fluctuating demands so that the total overdue account receivables trended to increase.

In the year 2015, the overdue account receivables for more than 6 months steadily declined because the inspection processes or conditions and payment processes of are government agencies and state enterprises mostly completed. While, the Company was able to operating more efficiency new delivered projects in order to

reduce the duration of internal process of the government agencies and state enterprises. It can be seen that in the year 2015, the outstanding account receivables for over 3 months declined significantly. The account receivables largely increased in overdue account receivables for less than 3 months during Q4 2015.

Inventories

Inventories in the consolidated financial statements mainly are equipment and work in progress, which has not yet completed in order to the terms of the contract delivery process. The policy of purchases of AIT is mostly make to an order after received purchase order or contracts from their customers. Therefore, the Company shall not have any problem of holding inventory and obsolete inventory. Allowance for diminution in value of inventories is the suspended of equipment and work in progress, therefore it is recorded as the provision for diminution of an allowance for of work in progress during the year 2016.

The inventories hardly accounted in the consolidated financial statements for the year 2014 of Kirz Co., Ltd. due to its main revenues came from services. As a result, the problems of holding inventory and obsolete inventory were very less.

The inventories in the year 2016 was 268.81 million baht, a continuously decrease of 462.82 million baht and 578.24 million baht from the year 2015 and 2014 respectively. The main reasons were the recession in the global and Thailand economy and the slow pace of recovery. Therefore, the number of auctions for the large projects from the government agencies, state enterprises and large private companies decreased continuously.

Investment

As at December 31, 2015, the Company accounted for its investment in the joint venture into 2 subsidiaries as follow;

- 1) Loxley & AIT Holdings Co., Ltd., which is a joint venture between Loxley Wireless Co., Ltd. and AIT by each party holding 50% of the total shares. The Company invested of totaling 75.00 million baht as the paid-up capital of 75.0%.
- 2) Genesis Data Center Co., Ltd., which was found in the year 2016 as a joint venture between 3 organizations, WHA Infonite Holding Company Limited, Interlink Telecom Public Company Limited, and AIT, by each party holding 33.33%. The Company invested of totaling 37.00 million baht as the paid-up capital of 52.9%.

In the year 2016, the Company accounted share of loss from investments in Loxley & AIT Holdings Co., Ltd. of totaling 19.0 million baht, a retained loss of totaling 36.57 million baht and share of loss from investments in Genesis Data Center Co., Ltd. of totaling 0.2 million baht.

Its investment in the joint venture in the year 2016 increased 17.77 million baht or 30.75% from 2015 mainly due to investments in Loxley & AIT Holdings Co., Ltd. of totaling 37.0 million baht and accounted net loss for its investment in the joint venture using the equity method from both associates

At the end of Q3 2015, the Company has sold its investment in Kirz Co., Ltd. to the existing shareholders, which accounted profit on disposal of equity method for the consolidated financial statements. However, it shows losses on the sales of investment for the separated financial statements by using cost method. The calculation is compared in the table below:

Investment (Unit: '000 Baht)	Equity Method	Cost Method
Investment Value on the date	42,718	108,650
Impairment from Investment in 2014	-	(28,333)
Net Asset Value	31,618	80,317
Deficit on investment due to change in proportion	11,100	-
Total Net Asset Value	42,718	80,317
Sale price of investments in subsidiary	80,000	80,000
Gain (Loss) on the sale of investment in 2015	37,282	(317)

Capital Expenditure on Equipment for Rent

Capital Expenditure	2016	2015	2014
Capital Expenditure on Equipment for Rent (MB)	65.36	268.26	62.65

The above table shows the capital expenditure on equipment for rent during the years 2014 to 2016, the Company and its subsidiaries have invested in equipment for rent continually. In the year 2016, the Company invested in rental equipment for a state enterprise, mostly were replacement the full term of the lease equipment. Investment budget in the year 2015 included an investment in software for lease system to a financial institution and investment in equipment rental for state enterprises. In the year 2014, the large proportion of investments was rental equipment of Kirz Co., Ltd, as the expenses for cabling and network infrastructure services to customers.

The equipment for rent and services for the year 2016 decreased 30.94 million baht or 12.54% from the previous year due to a decrease in depreciation of equipment and amortization of software license from investment in equipment for rent in 2016.

The equipment for rent and services for the year 2015 increased 66.15 million baht or 36.64% from 2014 because the Company obtained projects of equipment for lease and rental of software license in 2015, while the depreciation of equipment declined.

Other items in the financial statement which have significantly changed Assets

Between 2014 and 2016, the Company's cash and bank deposits in savings accounts were quite high due to revenues from the capital increase, while no new large projects were obtained in 2015. As a result, the bank deposits in savings accounts partly shifted to investment in trading securities in order to higher return than bank deposits in savings accounts. In the year 2016, the investment in trading securities mostly accounted for cash and cash equivalents because the duration of due was less than 3 months. Thus, cash and cash equivalents increased 582.27 million baht, while short-term investments in trading securities decreased 479.66 million baht. For the year 2015, investment in trading securities mostly maturity less than 3 months so that short-term investments in trading securities increased 504.83 million baht from 2015.

Unbilled receivables in the year 2016 increased 129.89 million baht or 42.89% from 2015 due to unbilled receivables were accounted during the long durations of the inspection processes after the Company successfully delivered a project. While, unbilled receivables in the year 2015 decreased 70.16 million baht or

18.81% from 2014 due to an invoice was issued to collect payment from unbilled receivables in late 2014.

Other current assets of the year in 2016 increased 72.96 million baht or 337.98% from the previous year because an increase in prepaid of the maintenance cost and the warranty of maintenance projects in accordance with an increase in revenues from maintenance services. While other current assets of the year 2015 decreased 62.31 million baht or 74.27% due to a decrease in prepaid expenses carried forward from end-of-year 2014.

Liabilities

Trade and other payables for the year 2016 decreased 114.92 million baht or 15.42% from the previous year in accordance with a decrease in the number of projects on hand and the total purchasing order.

Unbilled payables for the year 2016 decreased 68.91 million baht or 10.79% from 2015 due to a decrease in the number of delivered projects and an invoice was issued to collect payment from the successfully delivered projects including the expiration of the project warranty. As a result, unbilled payables for the year 2015 increased 238.96 million baht or 59.77% from the previous year as the number of delivered projects in late 2015 were higher than late 2014.

Current portion of long-term loans due within one year for 2015 decreased 83.42 million baht or 61.74% from the year 2014 because at the end of Q4 2014, the subsidiary was unable to maintain the financial ratio covenants in a long-term loan agreement. As a result, the total of long-term loans was accounted for current portion of long-term loans due within one year. However, in Q3 2015 the Company sold its investment in the subsidiary, therefore, this transaction of a subsidiary, Kirz Co., Ltd., was not calculated in the consolidated financial statements. Hence, long-term loans of subsidiaries decreased.

Advanced receipts from customers for the year 2016 increased 14.29 million baht or 39.15% from the previous year because received an advance payment for the turnkey projects as well as increased in advanced receipts from customers for the year 2015 in amount of 15.04 million baht or 70.08%, when compared to 2014.

Provision for penalty on project delay for the year 2016 increased 25.48 million baht or 48.05% from 2015, mainly came from the provision for overdue on the project completion date agreement. In the year 2015, the provision of penalty for project delay also increased 52.52 million baht or over 100.00% from 2014 as gradually recorded for the provision for penalty on project delay since Q2 2015.

Current portion of long-term loans for the year 2016 decreased 51.36 million baht or 63.94% from the previous year from the Company repaid long-term debt, which has been start borrowing since in early 2015, in order to invested in rental license system projects. This transaction caused to the long-term loan in the year 2015 increased 79.88 million baht or over 100.00% from the year 2014.

Liabilities under finance leases agreements for the year 2015 decreased 18.64 million baht or 42.90% from 2014 due to the Company repaid liabilities under finance lease agreements according to an installment payment as specified in the contract. Most of contracts incurred in the year 2014, therefore, the liabilities under finance leases agreements for the year 2014 were higher than 2015.

Provision for contingent liability from legal case for the year 2015 decreased 5.00 million baht or over 100.00% from the year 2014 due to these liabilities were belonging to the subsidiary, Kirz Co., Ltd., from was being sued by TOT PCL. However, the Company sold its investments in Kirz Co., Ltd., in Q3 2015, therefore the provision of such liability was not included in the consolidated financial statements.

Shareholders' Equity

Total shareholders' equity of the Company for the year 2016 increased 21.64 million baht or 0.76% from the previous year from the net profit of the year 2015 deduct the dividend payments during the year 2015. In addition, total shareholders' equity of the Company for the year 2015 increased 181.05 million baht or 6.75% from the previous year from the same reason as the year 2016. Besides, the Company have increased its legal reserves to reach 10% of the registered capital in the year 2015.

Capital Structure

The appropriated capital structure can be determined by financial ratios analysis as the table below;

Financial Policy Ratio	Financial Statements in which Equity Method is applied	Consolidated Financial Statements	
	2016	2015	2014
Debt to Equity Ratio (Times)	0.56	0.63	0.55

The debt to equity ratio of the year 2014, 2015, and 2016 were totaling 0.55, 0.63, and 0.56 respectively. This represented that the major sources of funding came from the shareholders rather than loans as reflected in the financial stability of the Company. The main reason to maintain debt to equity ratio below 1.00 times was the Company received payment from the capital increase in late 2013, from 343,868,180 baht to 1,031,604,485 baht. Since the mid-year 2014, the Company has not obtained any large projects as well as a very high net working capital. Thus, the Company designed to invest more in trading securities.

Dividend

Financial Policy Ratio	Separated Financial Statement		
	2016	2015	2014
Dividend Payout Ratio (%)	91.00	63.17	62.36

The dividend payout ratio is calculated from the separated financial statements as determined directly to the performance of AIT, as the positive operating results. From the historical in the past, it can be seen that the Company has strong positive results with ability to pay steady dividends. The actual dividend payout was higher than the Company's dividend policy, not less than 40% of net profit after income tax deduction.

Liquidity Ratio Analysis

The liquidity ratio analysis for the financial statements are as follows:

Liquidity Ratio	2016	2015	2014
Liquidity Ratio (Times)	2.67	2.54	2.65
Quick Ratio (Times)	2.41	1.94	2.17
Cash Ratio (Times)	0.45	0.64	1.23
Trade Account Receivables Turnover (Times)	2.38	2.87	2.94
Average Collection Period (Days)	151	125	122
Inventory Turnover (Times)	9.00	7.56	5.65
Average Days Sales Period (Days)	40	48	64
Account Payable Turnover (Times)	2.42	3.12	4.36
Average Days Payable Outstanding (Days)	149	116	83
Cash Cycle (Days)	43	57	104

The liquidity ratio in the above table shows that, the Company's liquidity ratio has improved over the years 2014 to 2016 throughout 1) liquidity ratio, the ratio of current assets over current liabilities were exceed more than two times. 2) quick ratio also at a high level 3) net profit of the Company was converted in the form of cash, as shown by the positive cash ratio 4) average collection period, the ratio was increased as the main customers are government agencies and state enterprises, which have long durations of agreement adjustment processes in order to take much time for each process to receive full payment 5) average day payable outstanding was continually longer since the year 2014 to 2016, as a results of the payment of the large projects was back to back, and 6) cash cycle of the Company, which represented the duration of the cash flow from the payment to the creditor to the collection period from debtor, became shorter.

Interest Payments Ability

The ability to repay debt in the consolidated financial statements can be considered from the financial ratio below;

Financial Policy Ratio	Financial Statements		
	in which Equity Method is applied	Consolidated Financial Statements	
	2016	2015	2014
The Ratio of Interest Payments (Times)	616.53	247.75	213.42

The ratio of interest payments primarily reflects the performance of AIT because of a very small amounts of payment from its subsidiaries in the consolidated financial statements during the year 2015 and 2014. Thus, this payment has no effect to the ratio of interest payments. Moreover, the ability to repay interests of the Company can be determined from the cash flow from operations before interest and income taxes. As a result, it can be seen that during in the years 2014 to 2019, the Company had a positive and very high ratio of interest payments. Therefore, the Company has sufficient cash flow in order to repay interests with positive operating results and ability to collect payment from trade receivables.

Loans Obligation

The Company's loan obligations and estimations can be categorized into 4 parts as follow;

1. Obligations on operating leases

The Company has entered into operating leases related to the rental of buildings and vehicles over the contract period from 1 to 3 years, which is not calculated in the financial statements. As of 31st December 2016, the minimum amounts to be paid under operating leases are as follows;

(Unit: Million Baht)

Due Payment	Amount
Within 1 Year	9.1
1-3 Years	9.9

2. Obligation related to the sale or service agreement

The Company has sales contracts with customers, which have not been delivered or serviced, and equipment rental contracts to be serviced and maintenance in the future under the conditions specified in the contract, which is not calculated in the financial statements. As of 31st December 2016, the details of contracts can be summarized as follows;

(Unit: Million Baht)

Types of Contract	Amount
Sales or Service Contracts which have not been delivered or serviced	1,655
Electronic equipment lease for services in the future according to contracts	303

3. Guarantees

The Company has letters of guarantee which have been issued by banks on behalf of the Company and consortium as the outstanding bank guarantees of 836 million baht, in respect of obligations required in the ordinary course of its businesses. The obligation is not calculated in the financial statements, as of 31st December 2016, the letters of guarantee can be classified as follows;

(Unit: Million Baht)

Types of Contract	Amount
Performance Letter of Guarantee	834
Payment Letter of Guarantee	2

Factors that affect the Company's performance in the future

The main risk factors that affect the company's business was the rapidly changing in Information & Communication Technology industry. Thus the Company has indicated the importance of monitoring these trends and has been focusing on developing new generation of employees, supporting towards the technological innovations. Besides, other factors are the unprecedented change for the global economy, which is projected to experience a continuing gradual recovery in accordance with the political situations both inside and outside Thailand, and the massive fluctuations of the Thai currency. The political situations including a power shift between the superpowers countries as well as global political uncertainty, which affecting governments policies around the world, tension between the superpowers can be causing a long term impact on the War. Domestic political agendas still waiting for clarity, which results in the reduced or delayed investments of the government and private sectors. In summary, the Company also challenging on development and to be ready towards all factors.

Corporate Governance

The Board of Directors recognize the importance of good corporate governance. Therefore, the Company has adopted corporate governance as a tool to add value and support the sustainable growth of the Company. This will enhance management efficiency, transparency and accountability, thereby strengthening the trust and confidence from shareholders, investors, stakeholders and all related parties of the Company. The Board of Director focuses on good corporate governance practices and set them up as policies - which are always up to date. As the result, in the year 2016, the Company received rating scored of “good” (3 stars), according to the survey of corporate governance of listed companies of 601 companies from the Institute of Directors (IOD), together with the SEC and the Stock Exchange of Thailand.

The Company creates awareness of the importance and principles of good corporate governance and brings it into practice for all employees. The Executive Committee and external internal audit company, DIA & Associates Limited Company by Mr. Apinan Sripramoj, acts as a leader of internal audit team under the supervision of the Audit Committee including report the results to the Audit Committee and Board of Directors.

According to the Principle of Good Corporate Governance for Listed Companies in the Stock Exchange of Thailand, there are 5 items necessary as follows;

1. Rights of Shareholders
2. Equitable treatment of Shareholders
3. Roles of Stakeholders
4. Information Disclosure and Transparency
5. Responsibilities of the Board of Directors

1. Rights of Shareholders

The Company treats its shareholders as the owners with all the fundamental rights as determined by law. Additionally, the Company has a policy to ensure its shareholders are provided up-to-date important corporate information, the shareholders' meeting, etc. The rights of the shareholders are as described in the following sections;

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 share register book at the record date. The number of shares for each shareholder are entitled to cast votes shall follow the details on the share register book at the record date. The record date shall be scheduled within two (2) months before the Annual General Shareholders Meeting and after the date the the Board of Directors gives approval for the Annual General Shareholders Meeting. Once the Board of Directors has approved the record date, this date shall not be changed.

The Company held the 2016 Annual General Shareholders Meeting No. 1/2016 on April 8th, 2016 at 10 a.m. at the Grand Ballroom on the 3rd floor of the Golden Tulip Sovereign Hotel Bangkok

(Formerly Radisson), 92 Soi Saengcham, Rama 9 Road, Bangkok, Huaykwang, Bangkok, 10320. All Company's Directors attended the meeting, along with Ms. Manee Rattanabunnakit and Ms. Apsorn Wilartsakdanon from EY Office Limited who had conducted the report on the financial results and Mr. Nipat Pinsaeng from Law Office Co., Ltd. as an observed of the Shareholder Meetings - including the vote counting. EY Office Limited and The Chairman conducted the meeting as required by law. All agenda items were approved at this Meeting.

1.2 Invitation Letter for the Shareholder's Meeting in Advance

The Company appointed the Thailand Securities Depository Co. Ltd. (TSD), a securities registrar, to deliver a shareholder meeting invitation to eligible shareholders at least 14 days in advance and provides the shareholder adequate information specifying the date, time, place and agenda including concerned matters with the objectives and reasons; supporting documentation and information for decision making; a resolution of the Board of Directors; reports on the previous meeting resolutions; the Annual Report; and a proxy form and procedures. An announcement is also published three (3) days prior to the meeting date on newspaper so that each shareholder shall have sufficient time to analyze the information in advance. Additionally, The Company also published in the Company's website at <http://www.ait.co.th> 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 form and Voting procedures

In order protect all shareholders to have their basic rights, a shareholder who cannot attend the meeting themselves by granting proxy to their representatives or an independent director. The names, credentials and qualifications of the assigned independent directors will be stated in the meeting notice according to a requirement by the Ministry of Commerce. The Company prepares the meeting notice including Proxy Form, supplementary documentation, and the procedure on the Company's website at <http://www.ait.co.th> prior to the meeting date.

1.4 The Shareholder's Meeting facilitate

The Company has a policy to support and facilitate the shareholders, including institutional investors, to attend the general meetings of shareholders by arrange the appropriate location where the mass transportation is available and sufficient for the shareholders to conveniently commute to attend the meeting. Furthermore, the Company shall provide convenience to all shareholders at the appropriate time and location including assist at the shareholder registration process 1 hour prior to the Shareholders Meeting start time, as well as provide banquet food, snacks and refreshments to the shareholders throughout the meeting.

1.5 The Shareholder's Meeting process

Prior to the beginning of the Shareholders Meeting, the Chairman shall inform the shareholders on the voting procedure for each agenda item in accordance with the Company's

regulations. The attendees are welcome to raise the questions, comments, and recommendations for each agenda. The Directors shall provide an answer all questions clearly. The Chairman shall organize the agenda according to the proposed agenda and will not add any agenda without noticing the shareholders in advance. According to the Annual General Meeting No.1/2016, the Company facilitate the shareholders' meeting with 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 is only ever voted on a one-by-one vote.

Moreover, the Company appoints an independent party of scrutineers/inspectors as a vote counting at the Annual General Meetings or the Extraordinary General Meetings and disclosed the result of each agenda and recorded in the minutes.

1.6 Conflicts of Interest Report

The Company in accordance with Section 89/14 of the Securities and Exchange Commission Act B.E. 2535, which was amended by the Securities and Exchange Commission Act (No.4) B.E. 2551. The Act determines that directors and executives are required to report any conflict of interests of personal and their related persons. 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 Corporate 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 submit the reports of interests, and any changes, to the Chairman and Audit Committees within 7 working days 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 Process after the Shareholder's Meeting

The Company delivers 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 Securities and Exchange Commission within 14 days after the Meeting; additionally, the minutes are published on the corporate website at <http://www.ait.co.th> as to inform all investors and shareholders.

2 Equitable treatment of Shareholders

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

2.1 Disclosure the Shareholder's Meeting Agenda and Documentation on the Company's website

Prior to the Annual General Shareholders Meeting, an individual shareholder shall have an opportunity to propose additional matter in the agenda that would be beneficial to the Company performance. The Company notifies shareholders through the Stock Exchange of Thailand and the corporate website at <http://www.ait.co.th> prior at least 30 days before the Annual General Meeting of shareholder's date in order for the shareholders to have adequate time to be prepared for the meeting. As the corporate website consist of 2 languages, Thai and English in order to facilitate transparency of information and communication to all shareholders, both Thai and Foreigners. The Company also provide 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 Channels for the Company's information and complaints

All stakeholders of the Company are able to access information of AIT equally, which is distributed and available equally to all shareholders through the various following channels including reporting of news and leads through the Company's website, phone, letter, and e-mail to the Corporate Secretary Office:

Tel : 02-2759400
Website : <http://www.ait.co.th>
E-Mail : ir@ait.co.th

The question, complaint, and recommendation shall be forwarded to the related departments to investigate and inform back to the reporter.

2.3 Prevention policy to protect against Insider Information

Establish policy to prevent relevant executives and employees to misuse the Company's inside information for personal benefit and ensure that executives report their shareholdings every time when shareholding changes (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 Directors and executives shall regularly submit to the Board a report on their shareholdings of AIT's shares and disclose quarterly at the Board Meetings.

The Company's 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, executives and employees of the Company shall at all times keep the company's secrets and/or inside information confidential.
2. Directors, 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, 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. Roles of 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 the Code of Business Ethics practices in writing and encourages all directors, managers, and staffs to work and conduct business activities to protect all shareholders to have their basic rights as follow;

“Since there is no the guidelines and standards of the Code of Business Ethics in the world that 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 employees are 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 and action on their own:

- Are your actions being legally or not? Is it in accordance with the Company's regulations 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? “

Code of conduct: Executives shall be proper treat to the shareholders, employees, customers, traders, creditors, competitors and the society overall as follows:

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 accurate 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

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 regularly
5. Abide by the laws and regulations relevant to the employees

Customers:

1. Provide products and services with quality including maintain its quality standard
2. Disclose complete and accurate information relevant to products and services
3. Provide guarantees under appropriate time and conditions
4. Do not deliver damaged or defective products and services to customers
5. Establish a system to allow the customers to question or comment on the Company's products and services and quickly respond
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

Traders and/or Creditors:

The Company confirms 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 trade partners 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 or give benefits to trade partners, debtors or creditors for dishonest purposes
3. Report financial information accurately and completely

Competitors:

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

Social:

1. Support any activities that benefit the public, the community and society overall
2. Return the partial of Company's profit to society-related activities regularly
3. Do not do anything that impacts 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

4. Information Disclosure and Transparency

4.1 The Board of Director's Responsibility to Financial Statement

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 <http://www.ait.co.th> in both Thai and English languages for disseminating to the investors, the shareholders and the stakeholders as determined by the regulation of the Securities Exchange Commission, 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 Interrelated Transactions in Substantiated Details

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 are 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 regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

5. Responsibilities of the Board of Directors

5.1 Structures and Responsibilities of the Board

The Board of Directors comprised of 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 experiences in various fields. As of 31st December 2016, the Board of Directors consisted of 11 directors; of which, four (4) directors are executives and the remaining seven (7) are non-executives. Therefore, executive directors totaling approximately 36 percent of the total directors. The number of independent directors are 4 directors or totaling approximately 36 percent of the total directors in accordance with the principles of good governance set out by the stock Exchange of Thailand.

5.3 Self-Evaluation of 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 then they will propose to the Board of Directors for an approval. The results of evaluating the performance of the Chairman of the Executive Board Committee and the President are considered as a confidential information which is not be disclosed. The performance of the Chairman of the Executive Board Committee and the President was evaluated base on 3 criteria: a measure of performance, evaluation of leadership and management, budgeting and project evaluation. The evaluation will be used to determine the salary raise percentage of Chairman of the Executive Board Committee and the President and then present to the Board of Directors for an approval.

5.4 Succession plan

The Board of Directors recognizes that employees are key driving force of the quality organization. The challenge for the business is a building personnel with knowledge and ability which readiness to keep pace with sustainable business expansion. In addition, they have inherited the spirit of the founder including the culture of the organization from generation to generation. Thus, the Company has developed a policy encourages the managements to enhance personnel development in an efficient way to achieve the vision, mission and values.

The Company has recruit eligible persons to responsible for key management positions at all levels in accordance with the qualifications as proper and transparency, and to ensure that the Company has recruited 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 / President

The Board of Directors has developed a succession plan for the Company's Chief Executive Officer and executives when these positions become vacant. The Company have a management policy to appoint the executives who work at the same level acting as a secondary position 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 developed a succession plan detail as follows:

1. Analysis of the business circumstantial of the Company's strategic plans, investment plans and expansion plan.
2. Assess the employees' performance 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 and training staff and prepare to replace the resigned employees.
4. Develop recruitment and training plan in advance before employees 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 Sub-Committees

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 more than 1 time 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 2016, the Audit Committee had four (4) ordinary meetings with the following attendance record for each of the directors from 2014 to 2016:

	Name	No. of Meetings		
		2014	2015	2016
1	Mr. Chokechai Tanpoonsinthana	6/6	5/5	4/4
2.	Mr. Pongtep Polanun	6/6	5/5	3/4
3.	Mr. Sripop Sarasas	5/6	5/5	4/4

The Nomination and Remuneration Committee sets the evaluation criteria for the executives. The remuneration shall be determined by the Board of Directors, and then proposed to the Shareholders' Meeting for approval. The meeting will give approval, if the proposed remuneration is appropriate regarding to the benefits of directors, which comparable to the remuneration for the Board of Directors in the same industry. Basis of remuneration for the Board of Directors shall be determined accordingly in accordance with the remuneration in the same industry as incentives and appropriate for their knowledge, capability and responsibility. The directors' remuneration 2016 will be appeared in Management Structure Section.

In 2016, the Nomination and Remuneration Committee had two (2) ordinary meetings with the following attendance record for each of the directors from 2014 to 2016:

	Name	No. of Meetings		
		2014	2015	2016
1	Mr. Pongtep Polanun	2/2	2/2	2/2
2.	Mr. Siripong Oontornpan	2/2	2/2	2/2
3.	Mr. Kittisak Sopchokchai	2/2	2/2	2/2
4.	Mr. Suraporn Raktaprachit	2/2	2/2	2/2
5.	Mr. Sripop Sarasas	2/2	2/2	2/2

5.6 The Nomination of Directors and Independent Directors

Appointment of the Directors shall be determined by many qualifications such as knowledge, skills, and experience related to the business. The nomination of the Directors also gives emphasis on transparent and clear nomination of well-profiled directors. The Nomination and Remuneration Committee is responsible for review of the qualifications and performances of the candidates or those directors who retire by rotation or resign and propose to the Board of Directors for an approval, and then the Board will present the proposed directors into the shareholders' meeting agenda to elect the directors.

5.7 Qualifications of Directors

The person who will be appointed as the Company's Director must meet the qualification by considering the knowledge, ability, personal talent as the following qualifications;

1. To have the qualifications with no prohibited characteristics as specified by the Act of Public Company 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 and the Stock Exchange of Thailand regulations.
2. To have knowledge, skill or experience in the ICT industry or accounting, finance or business administration or any other field as the Board deems appropriate.
3. To devote time especially for making key decision and responsibility duties for the beneficial for the Company and be able to participate in all the Board and Shareholder's Meetings, unless unable due to a necessity or unexpected emergency.
4. To have a moral, ethical, and any other qualifications that meet the requirement of law or deemed appropriate by the Board.

5.8 Meeting of the Board of Directors

The Board of Directors has policy to schedule Board's meetings at least five meetings throughout the year. The meetings are normally pre-scheduled for the entire year and informed to the entire Board. The Board of Directors shall meet with a pre-determined schedule or a special meeting that may be called by the Chairman if it necessary. Each meeting shall comprise of directors 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 consider the significant matter, each Board meeting requires a quorum of two-thirds of directors to participate. 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 agendas and supporting meeting documents will be set in advance, which will be delivered to all directors at least seven (7) days prior to the meeting so that each director shall have sufficient time to analyze the information in advance. However, in a case of urgency this may not always be possible. 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 sufficient time to review 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 opinions.

In 2016, the Company's board of directors had seven (7) ordinary meetings with the following attendance record for each of the directors from 2014 to 2016:

	Name	No. of Meetings			
		Board Meetings			The Shareholder's Meeting 2016
		2557	2558	2559	
1.	Mr. Thana Chaiprasit	6/6	6/6	5/7	Attended
2.	Mr. Chokechai Tanpoonsinthana	6/6	6/6	7/7	Attended
3.	Mr. Pongtep Polanun	6/6	6/6	6/7	Attended
4.	Mr. Siripong Oontornpan	6/6	6/6	5/7	Attended
5.	Mr. Kittisak Sopchokchai	5/6	6/6	7/7	-
6.	Mr. Suraporn Raktaprachit	6/6	6/6	6/7	Attended
7.	Mr. Sripop Sarasas	6/6	6/6	7/7	Attended
8.	Mr. Kijja Laoboonthai	6/6	5/6	6/7	Attended
9.	Mr. Phisak Charudilaka	6/6	6/6	7/7	Attended
10.	Mr. Chodiwat Duntanasarn	6/6	5/6	7/7	Attended
11.	Mr. Thanarak Pongphatar	5/6	6/6	7/7	Attended

Company Secretary: Mr. Voravit Wattanakuljarus

The propose important agendas in the shareholders' meeting 2016 including review of the Company's financial statements, determine the annual remuneration for the Board of Directors, determine the Auditor's fee, appropriate legal reserve and allocation of profit, determine the dividend payment date, determine the Annual General Shareholders Meeting date, determine the book closing date for existing shareholders who is able to attend the Shareholders Meeting, evaluate the substantiation of the Good Corporate Governance principle for 2016, budget of 2016 and determine the schedule of Board of Directors' meeting in 2016. The company secretary requires to attend all of the Board of Directors' meetings, take minutes of meetings, prepare documents and provide 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 of Directors to perform self-assessment to reflect efficiency under the principles of good corporate governance. The results of the self-evaluation of the Board of Directors are used in order to improve their performance. The Board of Directors' Meeting No. 7/2016 was held at dated 13rd December 2016 to approved the self-evaluation form and assigned the Board of the Directors to perform a self-evaluation of 2016 consist of six (6) topics: The Directors' structure and qualification / the Directors' roles, duties and responsibility / the Board of Directors' Meeting / the Directors' Performance / relationship with the managements / and self-development of the Directors and the Executive. The result can be concluded that the Board of Directors performed its duties in compliance with the good corporate governance principles and the code of conduct. The Board of Directors are an essential part in establishing the Company's policy, vision, and business plan. The structure and composition of the Board of Directors were appropriate and the Board of Directors' Meetings were organized efficiently, which average scored of the evaluation is satisfactory totaling 91 percent or 'Good'.

The Board of Directors encouraged self-evaluation of each director to be conducted annually to allow the directors to collectively evaluate the performance of themselves and identify issues or any roadblocks for further performance improvements. The Board of Directors collectively define the criteria for evaluating the performance of the Board of Directors. The evaluation of performance requirements complies with good corporate governance principles and responsibilities of the Board of Directors. The Board of Directors encouraged self-assessments once a year. In 2016, the Company secretary delivered the self-evaluation forms to the Board members to evaluate the performance in both as whole Board of Directors and as individuals.

5.10 Remuneration

The 2016 Annual General Shareholders Meeting determined the directors' remuneration level based on the directors' remuneration of the Company in the same industry and similar sizes. The Board of Directors, The Audit Committee's Directors are paid the remuneration as a meeting allowance and monthly retainer fee. The directors who are appointed as the Sub-Committees are also paid the remuneration as a sub-meeting allowance. The remuneration details are described in Management Structure section. Basis of remuneration for the Board of Directors would be paid at the same rate of the Shareholders' Meeting no. 1/2015

5.11 Orientation Program for new Directors

The Board of Directors shall conduct an orientation for new directors to acknowledge the Company's business policies, laws and regulations. In 2016, no appointment of a new Directors. Each new Directors shall hand over a director's manual and an orientation program. Company Secretary and Managing Director are appointed as designated by the Board of Directors to prepare and present the document to new Directors including related useful information, such as the minutes from the past several meetings. Arrange the 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 2016, no appointment of a new Directors.

5.12 Development and training of Directors

The Board of Directors has set a policy to support and facilitate Directors for the training and learning programs to ensure that their continually improvement and performance, both internal and external training programs. All Directors must attend training program for understanding the performance of their duties. The Board of Directors realize the significance of their participation in training or seminars by attend various programs 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 (AACP), Monitoring the Quality of Financial Reporting (MFR) (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 Sustainability Reporting Guidelines which announced by the Stock Exchange of Thailand as follow;

Corporate Social Responsibilities Policies

According to the executive committee's meeting no. 7/2013 on September 19, 2014, the committee has approved the establishment of the Corporate Social Responsibility Committee in order to determine the policies and guidelines for Corporate Social Responsibility procedure. On September 19, 2014, the executive committee has approved the Corporate Social Responsibility policies as follow;

- 1) **Human Rights** The Company focuses on fundamental of human rights and promote the respect of the human rights and liberty by not discriminate and promote equality in gender, class including anti to child labor abuse.
- 2) **Labor Practice** The Company has ensured that the wage levels are appropriated. The improvements, re-structural and re-organization will operate with our responsibilities under the legal framework of Thailand.
- 3) **Environment** The Company has clear environmental policy and strictly comply with, such as reduce the environmental impact in every activities in the organization in order to maintain and preserve the ecology and environment of the communities where the Company is located.
- 4) **Fair conducting business** The Company strives to conduct business with fairness and ethics including respects to the environmental laws and the rules of society.
- 5) **Consumer Responsibility** The Company focus on good services to maximize customer satisfaction and sincere with the customer complaints including try to solve various defects that may occur from production and / or services, meanwhile, the Company is expecting to deserve goods and services in the same way from the suppliers as well as maintain long lasting relationships with both customers and suppliers.
- 6) **Community Participation and Development** The Company considers the needs of the community and encouraging people to participate with stakeholders who related with our business areas in term of improvement on education, culture, society, and quality of life. And also encourage and support all employees participate in potential volunteering activities with the community.
- 7) **Anti-Corruption** The Company has an anti-corruption policy and strategy to promote the performance of leaders and employees including risk management plan. In addition, the Company aims to foster an awareness of the relevant regarding anti-corruption in both abstract and concrete. Since Kirz Company Limited is a subsidiary of Advanced Information Technology Public Co., Ltd., its operation will perform in accordance with social, environmental and stakeholder responsibility as well.

Vision

AIT vision is to be a key player in driving Thailand's Digital Society in order to provide more accessibility opportunities for our customers everywhere and every time

Mission

“Your success is our success”

To Customers

Is to be number one in the minds of customers and provides a professional team who emphasize the customers' benefits and success beyond the features.

To Employees

Is to encourage them to be a professional and create the stability of work and family life.

To Shareholders

Is to build confidences and maximize return to shareholders.

To Partners

Is to create trust to business partners to drive business growth opportunities and sustainable success together.

To Society and Community

Is to create the digital services to society and community

Identify Stakeholders

The criteria to identify stakeholders are as follow;

1. The Company defines its business process framework by applying supply chain or value chain as a guidance in order to identify stakeholders and the responsibility issues which related with each other.
2. The Company identifies stakeholders and social responsibilities issues in accordance with its business process framework including consider the related impact from the business operation processes. Thus, the Company is able to identify stakeholders in each process and each social responsibility in various dimensions.

Stakeholders	Need	Processes	Guideline
Shareholder	- Good performance an sustainable under appropriate risk management - Treat and provide information to shareholders equally - Transparent of the Company's operation	- Hold the Annual General Meeting 1 time a year - Pay the dividend in accordance with the Company's policy - Attend the Opportunity Day 4 times a year and assign investor relations officer to answer any questions on the phone to shareholders and investors - Analysts or investors are able to request the company visit with managements for useful information - Provide information through various channels with equal, transparent and up-to date	Operates in accordance with the good corporate governance and the framework of social responsibility

Stakeholders	Need	Processes	Guideline
The Board of Director	- Transparent of the Company's operation in order to sustainable growth - Fair treatment to all stakeholders	- Hold the Board of Directors' meeting every quarter - Realize the significance of the related transactions - Provide adequate, complete, and timely information - Participate in good corporate government - Self-development of the Board of Directors relating their responsibilities	Operates in accordance with the good corporate governance
Employee	- Reasonable Compensation - Reasonable Benefits - Stability and career path - Realize the significance of the development of the employees by give an opportunity to all employees with fairness - Realize the significance of the environment friendly for safety of both health and asset of employees	- Regularly survey the compensation of the market every year - Provide provident fund, life and health insurance - Develop recruitment and training plans in individually in advance - Provide orientation and training for employees to developing skills as well as technical training in both domestic and international that are authorities concerned and appropriate adjust remuneration in accordance with their qualifications - Provide the annual medical check-up by facilitate doctors from Phyathai 2 International Hospital and follow-up after a medical treatment - Provide Firefighting Training and emergency evacuation in 2016 - Improve the working environment in accordance with the characters of each department	Treat employees with fairness and continually develop our employees for the remuneration and other benefits which are comparable to the leading companies in the same industry. The Company also provide a good environment with safety, hygiene and beneficial for work effectively
Customer	- Satisfy to our customers - Ready to listen and respond to customer's needs - Code of ethics of doing business with customers, such as protect the confidentiality of their clients	- Understand customers and give the guardians including service the quality products - Provide Hot-line to receive the problems and assign the related officers to solve the problems in time - Arrange the seminars for customers by providing executives to participate with customers - Operate business under the code of conduct requirements	Realize on providing services and products that meet customer's needs including develop the potential employees to respond to the customers' need in all aspects

Stakeholders	Need	Processes	Guideline
Supplier	- Operate business with fairness including build trust, relations and cooperation with each supplier	- Arrange the annual seminar for partners to maintain good relations	Operating on commercial terms and abide by the agreement
Sub-Contractor	- Operate business with fairness including build trust, relations and cooperation with each Sub-Contractor	- Selection criteria including technical quality, expertise, experience, financial status, reputation, complaints and illegal background, service policy, and risk management of multiple clients	Operating on commercial terms and abide by the agreement
Competitor	- Operate business with transparent and fairness	- Create fairly competition conditions together	Operating under the rules of competition and avoid dishonest method
Creditor	- Pay interest and repayment principal on time - Repayment to creditors as a system	- Strengthening relationships in different ways including receive suggestions or complaints - The company uses Cash Management System to facilitate the payment to creditors and be able to manage repayment as a system	Operating follow the conditions of the contract or agreement and obligations to creditors
Social	- Support activities that benefit to the community and public	- Create AIT E-Library	Operate business with integrity together with corporate social responsibilities
Government	- Support activities that benefit to the community and public	- Provide the company as an election point - Respond to the Government's policies which related to our business, such as Digital Economy and national broadband	Legally operate and cooperation which beneficial to the government sector

The selection criteria for Corporate Social Responsibility Issues

The Company has set the selection criteria to determine the social responsibility issues which critical impact on the Company performance as follow;

1. The impact on short term financial status of IT business
2. The concerned and attractive issues of stakeholders related to technology business issue in the related with our business areas, such as exploring, interviewing, group meeting and consulting to stakeholders, etc.
3. The international standards and regulations of IT business.
4. IT Business practice standards.

Sustainable Development Issue



According to the aforementioned criteria, the Company selected 2 CSR projects as follow:

1. Human Resource Development Project (CSR in process)
2. Support education for poor and remote school Project (CSR after process)

1. Human Resource Development Project (CSR in process)

Employees are considered as the direct stakeholders of the Company supply chain management as Key Assets of the Company that operate business as a contractor of IT system based on Turnkey Projects which provide range of services from consult, design, installation, apply, increase in usability, equipment maintenance, leasing, maintenance management, and Data Center management. In all such procedures require human resources as a key factor to added value of all the finished goods and services. It is clear that lack of such human resources directly effects of the normal operation of the Company. Thus, it is essential to recognizes that employees are key driving force of the sustainable growth of the Company.

Human Resource Management and Development Policy

1. Human Resource management

Human Resources management is emphasis on various dimensions of procedure as follow;

- **Recruitment and Selection**

The Company continuously applies proactive approaches in recruit high-caliber human resources at all levels including of apprentice program for university students by sourcing and attracting new-graduated candidates by attending the job fair, launching Campus Tour and Activities Programs with leading institutions and universities in order to creates the Company a good image. As AIT' business is mainly a contractor of IT projects, therefore, the Company usually hires contract employees to support to any given projects. However, it is a great opportunity for the Company to pre-consider the employee performance and able to recruit the high-caliber employee as a permanent employee.

- **Performance Management**

The Company ensured that the evaluation system policy in each business department strategy is equitable and appropriate through applying KPIs approach and corporate competencies methodologies aligning to business strategic planning at all levels.

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

The Company apply the developed technology to the Human Resources Information Systems in order to support both HRM & HRD functions as well as increasing speed of work, lower operation cost, and data accuracy and efficiency. Besides, the developed technology is also applied for HR management services, power and performance system analysis, training and development system, and welfare and benefit management services including the personnel recruitment and development, such as application online and knowledge systems, managing competency assessment systems and individual development plan (IDP) system. Furthermore, the Company fully utilizes all data to support in HRM & HRD Policy decision for sustainable organization achievement.

- **Welfares and Benefits Policy**

The Company has set the remuneration, benefit, and welfare scheme by evaluate all positions, responsibilities and performances at all levels of the Company. In addition, the Company essentially determines corporate remuneration, benefit and welfare policy as compatible with the business operation and economics situation including comparative analysis with business in the same industry. The Company ensures that our employees will receive an appropriated remuneration, benefit and welfare package which is competitive among other leading companies in the same industry. Employees receive many benefits, such as provident fund, life insurance, health insurance, and emergency loan, etc. as follow;

Provident fund

The Company provides provident fund to all employees after probation period. Employees who have worked more than 3 years will receive partial benefits from the Company while employees who have worked more than 7 years will receive the whole benefits.

Life Insurance

The Company provides life insurance, accident insurance and disability insurance due to illness to all employees by separate levels of employees and managements.

Health Insurance

Due to employee sickness, all employees can use health insurance from the Company which covered the treatment at the hospitals for 24 hours.

Medical Check-up

The Company provides the annual medical check-up for all employees to acknowledge their health and encourage good health. The Company will also provide doctors for consult after the result come out.

Medical expenses for family

Due to the employee' fathers, mothers, spouses and children sickness, the Company also covered the medical expenses.

- **Employee Relation & Engagement Policy**

The Company encourages the relationship and engagement between all employees at all levels both managements and employees and also enhances them for work as a teamwork, build corporate value and culture by synergy working-styles. In the previous year, the Company organized various activities, such as AIT athletic activities to build relationship among employees.

2. Human Resources Development Policy

The Company continuously develop the HRD policy of employees at all levels in order to achieve the business's needs as the Company always realized the important of human resources as valuable and key factors leading the Company to achieve the business' goal. Therefore, the Company aspires to develop employees in all careers at all levels by harmonizing all aspects of development tools for improving their skill, knowledge, and capability through corporate culture and code of conduct in accordance with AIT strategy and business direction.

- **Career Path Policy**

The Company sets up the career path policy for employees in all careers at all levels in order to continuous develop their knowledge and abilities. Particularly, Competency approach also applies to categorize for the employee requirements, such as Core Competency, Core Value, Managerial Competency, and Functional Competency for planning analysis and gaining individual competency development with diversified development tools for all employee levels. Thus, our employees are able to be developed to create higher potential to support sustainable growth of the Company.

- **Employee Training**

In-house Training

The Company designs and establishes the training program namely, KHON-D (Knowledge, Happiness, Ownership, Nice service and Discipline) for internal which is separate follows:

For management executives

The Company emphasizes on Training and Development programs for management level in order to strengthen the leadership and management skills together with enhance personnel expertise for efficiency to increase its management's efficiency as well as preparation for promotion in the future in accordance with career path progression. In addition, the Company also encourages all business departments to highly competitive and be the leader of the current business both at the present and in the future, such as leadership skills building, etc.

For operational staffs

The Company provides Training and Development programs for operation staffs by arrange functional competency program according to each position, knowledge, and responsibility. The training programs have been designed for developing and enhancing functional knowledge related to operational responsibilities and increasing performance of employees, such as Project Management, Financial and Accounting Standard, Computer and Technology usage, Marketing and Sales skill, Presentation, etc.

For all employees

The Company provides Training and Development programs for all employees as the Generic Competency Program to ensure that the employees are able to perform their work in accordance with the corporate culture in the most efficiency, such as Orientation for new employees, Effective communication, Corporate culture, English for business, etc.

External Training

Besides of the In-house Training, the Company also provides the training certified programs to all executives and employees to acquire knowledge and skill from external reputation institutions or organizations, both local and international in order to improve their knowledge and ability as well as building relationship between associated networks in the same business and occupation, such as organizes engineer training with Cisco in both domestic and international for up-to-date technology.

Talent Management Procurement

Developing and maintaining a high-caliber human resources planning of the Company are as follows;

1. Collecting the data regarding to Function Competency in order to select and prioritize the competency of each employee. Besides, the data collection is a One-by-One interview, which divided its categories as follows;
 - Job Competency
 - Technical Competency
 - Role Specific Competency
 - Job Skills
2. Collecting the data and analysis Competency of each employee
3. Summarize all data and prioritize each employee's Competency to categorize their expertise or adequate skills as well as how to improve their expertise, skills, and training.
4. Collecting all information to develop the employee's performance under the Company's core competencies and core values.
5. Organizing the employee developing plan under the Company's core competencies and core values framework.

The Company plans diversify its resource developments into 4 dimensions or “4S”, which are 1. Staff 2. Software 3. Standard and 4. Service. The most important part that the Company relying on is Staff, The Company believes that the directions of sustainable “Human Assets” management are the foundation to the utmost importance in achieving long term success in the same objectives. Therefore, the main objectives of the training are as follows:

- Added skills, which able to work with higher skills on both solve the problem and creativity including business expertise.
- Create positive attitudes at work, this training is able to enhance the employees the knowledge and expertise and fulfill employees needs and expectations including provides career path for the future in order to encourage employees for efficiency work for the Company.



Summary of Training of the Company’s management and employees in 2016

Training	Frequency (times)	Number of Participants (person)
In-House Training		
Managements	1	8
Supervisor	1	28
Employees	14	309
Total	16	345
External Training		
Managements	4	5
Employees	37	82
Total	41	87

Expenses Training of the Company’s management and employees in 2016

In 2016, the Company’ training expenses in both domestic and international totaling Baht 9.5 million. And the training of all employee totaling 17,100 hours per year, the average is 57 hours / person / year.

Results of the employees' examination

Year	No. of employees who register for the exam	No. of employees who pass an exam	%
2016	30	30	100
2015	24	24	100
2014	17	17	100
2013	20	20	100
2012	24	24	100

CSR in process in 2016

Advanced Information Technology Public Company Limited or "AIT" gives a priority to the worth of education development coordinated with support and promote excellence of technology for the youth. We think that we could not achieve our goal not only by ourselves but together with interested person. One of the methods that we focus on is education development. We believe such development take a crucial part of the value of human capital supported an economic growth and sustainable development. Thus, we created many educations' campaign in several dimension emphasized technologies expertise for the future of Thailand.

In the past year, AIT and Faculty of Information Science and Technology, Mahanakorn University of Technology, agreed to sign on memorandum of understanding (MOU) in order to exchange knowledge and personnel. Such MOU specifies term of exchanges as follow;

1. Business and industrial technology development toward to Thailand 4.0 based on Value-Based-Economy or Innovation Economy. Such Development make institutions have to adapt and develop their staffs, products, and innovation in service in the age of artificial intelligence. Besides, the stability, security, and velocity of network system should correspondingly develop. Moreover, it gave the university an opportunity to pass on their knowledge to the publics. Thus, the publics had an ability to develop their staffs systematically co-responding with institution or industrial's demand regarded to global competition.
2. In term of staff's developments, both parties exchanged their knowledge by gave the other opportunity to visit or educate in their working place. The university could visit the AIT's offices and plants. On the other hand, the AIT could train in the university's courses. Besides, undergraduates could intern with the AIT. This kind of development ensured and guaranteed the staffs' progression led to efficient operating business.
3. In term of AIT's business, the university allowed the AIT to announce and publicize news and activities.

The recent activities of the Company, for the example as follow;

1. Participated in composing the university's curriculum depend on market's demand
2. Participated in educational advice to undergraduate cooperated with educational advisor from each university.

3. Encourage the employees for a technological knowledge seminar
4. Set up a recruitment booth in the universities

Advanced Information Technology Public Company Limited and Faculty of Information Science and Technology, Mahanakorn University of Technology, agreed to sign on memorandum of understanding (MOU) for exchanging the knowledge, staffs and undergraduates' training in order to develop the efficiency and the future capability on 28th September, 2016 at Instructor club meeting room, 2nd floor, building E, Mahanakorn University of Technology.



Counselling information technology career activity in undergraduates' orientation of 2016, which held by HR team and alumni on 5th August, 2016 at Q206 room, building Q, faculty of Information Science and Technology, Mahanakorn University of Technology.



TraiNex, the official training institution under Advanced Information Technology Public Company Limited (AIT), together with MNR Training Group exchanged technological information by the campaign named “MSMUT Guest Lecturer”. The content of the campaign was “QoS on network” educated to postgraduates in faculty of Information Science and Technology. The objective of the campaign was to share a fundamental knowledge of Quality of Service (QoS) on the network in both theoretical section and practical section form direct experience and specialize lecturer, Mr. Wisit Jansudthiprasert (CCIE Collaboration) and Mr. Kittipong Yemphaka (CCIE Routing & Switching). This campaign was in return for society with the intention of training education progression.



The AIT supported King Mongkut's University of Technology Thonburi's activity named “Tour KMUTT@SIT 2016” which gave a students' chance to visit and attend the activity. This program enhances the high school students who interested in studying information technology to understand each teaching course including real experience with equipment, information technology tools, and real training avenue. The total attendees were approximately 100 students. The alumni of SIT was responsibility for all information technology workshop, such as classroom for network's theory, how to hack website code, or WIP Camp#8, and other workshop over 10 activities. The participated students are able to join more than 1 activity as they interested and ability.



Advanced Information Technology Public Company Limited participated in computer's jobs fair together with the leading university such as;

- CE Smart Career, KMITL was the job fair for Student Recruitment as an internship of King Mongkut's Institute of Technology Ladkrabang
- SIT Career Day, KMUTT, Faculty of Information Technology at King Mongkut's University of Technology Thonburi provides the opportunities for students to directly apply to the leading IT enterprises
- Engineering Career Day, Faculty of Engineering at Chiang Mai University



The results of the AIT's educational developed activities were;

- Public Relations the AIT to all undergraduate students
- Increase opportunities to discover new innovation in order to develop the Company and business
- Improve information technology's staffs to satisfied market demand efficiently

2. AIT electronic Library Project (CSR after process)

The Company focuses on development for poor and remote school which can be divided into 2 directions as follows;

- Supporting the materials and tools of knowledge through Electronic Library (AIT E-Library) in cooperate with the Office of The Basic Education Commission in order to support and develop software/hardware which related to education. In the previous year, the Company organizes this project as details below;

Name : Electronic Library (AIT E-Library) for poor and remote school

Initial : The Company realizes the important of the education development and also believes that such an education is able to leverage higher quality of life. Besides, most of schools in rural area are rather small and lack of human resources. Thus, AIT E-Library was established in order to serve poor and remote schools.

Objective : To support materials and tools of knowledge in Electronic Library (AIT E-Library)

Target group : Community-Society or small poor school that provide primary school, grade 1-6

Method : Survey the eligible school and present to targeted school in order to discuss the directions in cooperate with the Office of the Basic Education Commission in order to support and develop software/hardware which related to education.

Assistance Type : The Company will assist by provide an E-Book system which contains content, exercise and test for primary school, grade 1-6. For long term goal, it can be able to reduce paper used and access information easily and fast.

Frequency : 2 times a year

Success Indicator : In the beginning

- Funding support for projects or schools that organize youth competition in the High Technology contest

In addition, the Company also plans the temporary additional support, such as a disaster or a request for help from the schools or temples as well.

CSR policy consists of 9 practices as follow:

1. Good Corporate Governance

With the Company's Board of Directors has awareness of the importance of good corporate governance, thus, it was enacted as a tool to added value and promote sustainable growth for the Company in order to increase management efficiency, transparency and accountability as well as build confidence to all shareholders, investors, 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 2016, the Company's Corporate Governance Practices were rating 'Good' (3 score) from the survey result of total 601 listed companies which were disclosed by Thai Institute of Director 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 always reminds all 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 Sripamont, 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. Operation Practice with Fairness

The Company conducted business and manage operation ethically. The Board of Directors 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. 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 Code of Ethics for Employees as follows;

1. Respect the laws and regulations of any and all countries in which they practice, and conform to the Company's Rules and Regulations
2. Build the relationships between the Company and regulatory authorities
3. Provide services with integrity, transparency, and professionally to ensure that customers receive the Company's services at its high standard of knowledge, expertise, and fairness
4. Keep confidentiality of the customers, trade partners, and other organizations
5. Not allow to use insider information for personal stock trading
6. Not allow for the gambler
7. Not allow to have any conflicts of interest and not allow to attempt the personal benefits with the Company's customers
8. Not allow to receive any gifts or other kinds of benefit, which have high value or particularly when it's not an occasion of each country traditional
9. Not allow to give or receive any bribes or other motivation, and not allow to ask other people to give or receive any bribes on their own behalf
10. The Company has policy and practice on Intellectual Property or Copyright as the Company ensures that the employees have to sign in the agreements of the amendments of Thailand's Computer Crime Act and Intellectual property infringement. The Company established its policy for ICT system usage and monitor software system usage of all employees in order to protect violated software which not related to the work

If any employees infringe the Code of Ethics, he or she shall be penalized according to regulations. The Company es-tablished 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 stakeholders are permitted to communicate with and inform the Company's Board of Directors if they are 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. 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 conducted the Anti-Corruption policy, which 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 the presents, bribes 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 the previous year, the Company noted the following activities regarding corruption:

- There was no case of corruption or against the ethics.
- There was no director resigned due to the corporate governance issues.

In practice

- According to the risk management, the Company has appointed an internal audit department in order to monitor all departments in accordance with the risk issues of each company including the risk of fraud and corruption. If any department has insufficient internal controls or fraud, those monitoring results will be reported to the Audit Committee and executives with the guidelines for prevention and improving the internal control system.
- Encourage to create awareness in order to prevent the corruption.

Besides. The Company also realizes the significance of the anti-corruption policies in practice by organize the business ethics training for all employees to prevent the corruption. The Company also attend fraud prevention projects, which held by the private sector alliance of Thailand for the concepts and directions against corruption.

4. Respect to Human Rights

The Company respects the important of human rights as the basic foundation of human resources development, which strongly related to value added to 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. And also regularly monitor our business to ensure no violation of any human rights.
2. To encourage employees to a monitor the operations comply with the Company human rights regulations.
3. To provide working environment with safety and suitable remuneration to all employees.

4. To develop employees by provide appropriated training programs and promotions in order to increase their skills and abilities.
5. To provide the appropriated benefit to all employees according to their potentials.
6. To provide correct petition procedures to any employee who considers that they were treated unfairly.
7. To provide the proper welfare of all employees, such as annual leave, overtime payment and basic nursing care, for example, as needed
8. To encourage employees to balance their working and personal life as well as apply sufficiency economic philosophies to enhance employees to 'give back' to society and to do good things in accordance with the dharma principles of Buddhism.
9. To disclose necessary information to our employees in order to provide a clear understanding of our business operation and situation.
10. To respect our employee's expression of opinions without any interference. The company also provides the communication channels for employees and stakeholders to receive opinion or suggest.

5. Equal Treatment to Labor Force

The Company highly realizes that all employees are the valuable resources of the Company as a major factor to drive the Company business performance in achieving its goals. As a result, the Company's policy is to treat employees with fairness in all respects for opportunities, remuneration, promotion, transfer, and welfare in the following respects;

1. Respect for the human rights in accordance with the fundamental human rights 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 the same industry.

6. Responsibility to Customers

The Company strongly believes in building confidence and bringing satisfaction to all customers which continued support to the Company. Thus, the Company established the policies to Customers as follows;

1. Strive to provide products and services that are up-to-date in order to satisfy customers' needs
2. Provide high-quality products and services to customers at reasonable prices
3. Provide accurate information without any exaggeration that may cause to misunderstanding on product's quality and quantity, or special conditions for each product and service.

4. Facilitate procedures that allow customers to inform any problems on the products or improper services as any complaints are valuable for the Company in order to protect and solve immediately remedies and for further improvements of products and services.
5. Provide after sale services to our customers in convenience and effective.
6. Secure all customer's confidential as a priority and refuse to use it for personal benefits.
7. Support all activities that strengthen a long-lasting 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 aware of its responsibility to community and the society in order to support on the development of the quality of life, prosperity of the community and Thai society. For the past period, the Company has undertaken activities regarding to the scope and practical guideline as follows;

1. Strengthen good relationship with the organizations, both 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 equipment and materials including funds to oversee the livelihood condition and safety of the communities, for instance, donation of computers, 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 Preservation

The Company recognizes the duties and responsibilities to environment, which established the policies as follow;

1. Operate the business by consider of the conservation and security standard of environment
2. Responsible for utilize natural resources in term of raw materials, investments, human resources, and energies in prudent manners.

In 2016, the Company has undertaken activities regarding the environment as follows;

- **Buildup the awareness among the employees to maximize our resources at the optimal level**, and stimulation of their consciousness to realize the important of the environment and to efficient resources usage through an annual utility-saving and recycle paper usage campaign.
- **Provide a good environment and sanitation in the workplace** to secure live and property of all employees. The Company also organizes training on disasters such as firefighting and fire extinguisher training which annually. Besides, the Company has set the key person to responsibility of any emergency and ensure that there are no barriers at the emergency exit. In 2016, there was no statistics of the accident or fire from work.

Relationship with Investors

The Board of Directors realizes the significance of accurate, complete, transparent, and thorough disclosure of the financial and other general information including that information that may impact on share price. The Company shall disclose such information through the Stock Exchange of Thailand publication and also assign Investor Relations department for supporting any information of the Company to investors, analysts, and relevant institutions.

The Company disclosed information for shareholders and investors through Website : <http://www.ait.co.th> to facilitate such an accurate information including the Board of Directors, financial information, stock information, and annual report.

Moreover, the Company also provides shareholder information such as major shareholders, shareholder's meeting, dividend policy including answering any questions and clarifying any information of the Company. Investors can submit the questions form through The Company's website and contacting Ms. Sinanang Oontornpan, investor relations department, telephone number +66(0)2275-9400 or email address ir@ait.co.th. Besides, the Company regularly join SET's Opportunity Day every quarter to business information and direction to investors.

Corporate Social Responsibilities of the year 2016



Ms. Netnapit Oontornpan, Senior Executive Vice President, Corporate Affairs together with corporate managements and employee representatives, donated the “Electronic Library together with school supplies and sport equipment” to Ban Khamin School and Ban Khamin Phu Ngoen Brunch School in Kalasin province on May 12, 2016.



The Company held a competitive Sport Day between May 27-29, 2016 at Welcome World Beach Resort & Spa Hotel, Pattaya, Chon Buri in order to create an effective relationship between manager and employees and managements.



Ms. Netnapit Oontornpan, Senior Executive Vice President, Corporate Affairs together with corporate managements and employee representatives, donated the “Electronic Library together with school supplies and sport equipment” to Pho Kham Prachasan School in Kalasin province on Nov 22, 2016.



On December 2, 2016 the Company created fire prevention and safety education programs in order to safe work environment.

Your Success is Our Success



บริษัท แอ็ดวานซ์อินฟอร์เมชันเทคโนโลยี จำกัด (มหาชน)
Advanced Information Technology Public Company Limited
37/2 ถนนสุทธิสารวินิจฉัย แขวงสามเสนนอก เขตห้วยขวาง กรุงเทพฯ 10320
โทรศัพท์ 02-275-9400 โทรสาร 02-275-9100, 02-275-9200
37/2 Suthisarnvinichai Rd., Samsaenok, Huaykwang 10320 Bangkok, Thailand
Tel: +66 (0) 2275-9400 Fax: +66 (0) 2275-9100, +66 (0) 2275-9200 www.ait.co.th