





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”



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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.



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

LIFELONG TRUSTED PARTNER

To Customers:

is to be number one in the minds of customers and provides a professional team who emphasize the customer's 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.

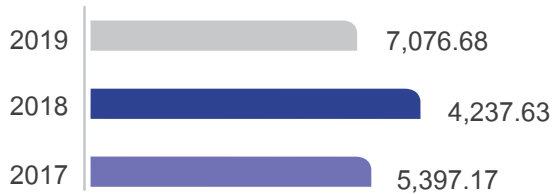
To Society and Community:

Is to create the digital services to society and community

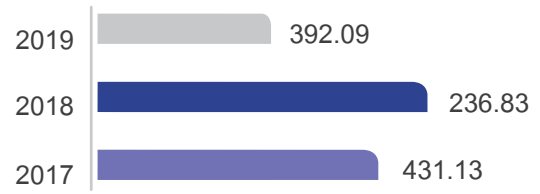


Financial Highlights

Total Revenue
(Unit: THB mil)



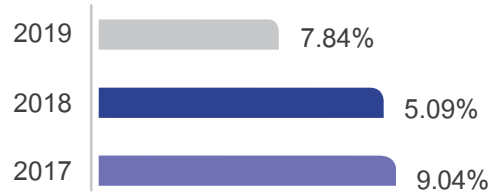
Net Profit
(Unit: THB mil)



Return on Equity



Return on Asset



	Consolidated financial statements		financial statements in which equity method is applied
Financial Highlights	2019	2018	2017
Total Assets (THB mil)	5,728.61	4,272.79	5,024.95
Total Liabilities (THB mil)	2,842.74	1,528.12	2,153.41
Total Shareholder's Equity (THB mil)	2,885.88	2,744.66	2,871.54
Total Revenues (THB mil)	7,076.68	4,237.63	5,397.17
Total Expense (THB mil)	6,532.61	3,887.70	4,808.46
Net Profits (THB mil)	392.09	236.83	431.13
Earning per Share (Baht)	1.90	1.15	2.09
Total Number of Employee (persons)	509	469	332
Total Number of Shares (shares) as of 31st December	206,320,897	206,320,897	206,320,897
Financial Ratio			
Liquidity Ratio (Times)	1.95	2.70	2.16
Gross Profit Margin (%)	15.39	18.96%	20.16%
Net Profit Margin (%)	5.54%	5.59%	7.99%
Debt to Equity Ratio (Time)	0.99	0.56	0.75
Dividend Yield (%)	5.41%	10.41%	6.61%

Significant Event in the year 2019



AIT attended the signing ceremony of Integrity Pact

Mr. Siripong Oontornpan, Chairman of Executive Committee and President of Advanced Information Technology Public Company Limited (“AIT”) attended the signing ceremony of Integrity Pact between Mr. Sorasak Phianavej, Secretary of the House of Representatives and 4 observers, Pol. Maj. Gen. Saengchai Suwattanakdee, Miss Sotthiya Arwichian, Mr. Somchat Chesrichai and Mr. Wichian Jessadakan, in order to declare an intention to perform duties with honesty and integrity in the information and communication technology project at the new Parliament Building at Chao Phraya River View meeting room, 4th floor, the Secretariat of the House of Representatives, the new Parliament Building (Kiakkai) on 22 March 2019.



AIT attended the MOU signing ceremony for the development and promotion project

Mr. Chodiwat Duntanasarn, Director and Senior Executive Vice President of Customer Relations Division (3rd from left) together with the management of Advance Information Technology Public Company Limited (“AIT”) attended the MOU signing ceremony for the development and promotion project and determination of the guidelines for underground communication cable network in Bangkok and the opening ceremony for the construction of an underground communication conduit network in Bangkok on 18 June 2019 at the open space and entrance of The Street Shopping Mall, Ratchadaphisek Road, with Pol.Gen. Aswin Khwanmuang, the Governor of Bangkok presided over the ceremony.



AIT has entered into a MOU with Hentong Optic-Electric

Advance Information Technology Public Company Limited (“AIT”), represented by Mr. Siripong Oontornpan, Chairman of Executive Committee and President, and Mr. Suraporn Raktaprachit, Senior Executive Vice President- Service Division has entered into a MOU with Hentong Optic-Electric, a global cable industry leader from China on 3 July 2019 at AIT building.



AIT donated AIT E-Library to Ban Tha Kratiam School, Tha Yang Sub-district, Tha Yang District, Phetchaburi Province

Ms. Netnapit Oontornpan, Senior Executive Vice President – Corporate Affairs Division of Advance Information Technology Public Company Limited, along with the management team donated the AIT E-Library together with computer equipment and sports equipment to Ban Tha Kratiam School, Tha Yang Sub-district, Tha Yang District, Phetchaburi Province, with a warm welcome from Ms. Punnika Ngampradit, the school director together with teachers and students on 23 November 2019. This is in order to create opportunities for underprivileged children in backcountry school that is insufficient and in need to have an access on the Information Technology.



AIT has entered into a contract with the State Railway of Thailand for the D-Ticket project

Mr. Apichai Nimgirawath, Senior Executive Vice President – Marketing and Sales Division of Advance Information Technology Public Company Limited (“AIT”) and Mr. Voravuth Mala, Deputy Governor of the Property Management & Development Department, acting on behalf of the Governor of the State Railway of Thailand (SRT) duly signed and entered into a contract for the development of ticket distribution and reservation system (D-Ticket). The Metro hired AIT to develop an application and ticketing system to support in all channels both online and offline in order to raise the service standards at the State Railway of Thailand on 23 December 2019.

Awards and Achievements



CGR 4 Stars

AIT was ranked in Corporate Governance Report of Thai Listed Companies 2019 by Thai Institute of Directors as “Very Good”



Best Dealer Award 2018 by VST ECS

Advance Information Technology Public Company Limited was awarded the Best Dealer Award 2018 by VST ECS, a distributor of IT products, in which Mr. Chodiwat Duntanasarn, Senior Executive Vice President of Customer Relations Division was appointed as a representative of the Company to receive the award on 26 March 2019 at the Siam Kempinski Hotel.



FY18 Top Services Partner of the Year, FY18 Architecture Excellence Security and FY18 Public Sector Partner of the Year by Cisco

Advance Information Technology Public Company Limited represented by Mr. Siripong Oontornpan, Chairman of Executive Committee and President was awarded FY18 Top Services Partner of the Year, FY18 Architecture Excellence Security and FY18 Public Sector Partner of the Year by Cisco at the Cisco Thailand & Indochina Partner Appreciation on 29 March 2019 held at Singha Park, Chiang Rai Province.



Outstanding Contribution Award 2018 by M.TECH

Mr. Chodiwat Duntanasarn, Senior Executive Vice President of Customer Relations Division was appointed as a representative of the Company to receive the Outstanding Contribution Award 2019 from Mr. Krisana Khemakorn, Country Manager, at M.TECH Partner Connected 2019 organized by M-Solutions Technology (Thailand) Company Limited, an expert in network & security solutions at Waldorf Astoria Bangkok, on Wednesday, 7 August 2019.



"ASEAN Partner of the year" by Cisco

Mr. Siripong Oontornpan, Chairman of Executive Committee and President of Advanced Information Technology Public Company Limited attended and was awarded the "ASEAN Partner of the Year" award at Cisco Global Partner Summit 2019 in Las Vegas, USA, organized by Cisco Systems Company Limited during 4–6 November 2019. This award was given to the partners with the best performance in ASEAN, assessed by excellence in innovation, business growth, customer satisfaction and their competitiveness of partners.



The Board of Directors



Mr. Thana Chaiprasit
Chairman of the Board



Mr. Siripong Oontornpan
President
Director



Mr. Chokechai Tanpoonsinthana
Independent Director
Chairman of the Audit Committee



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



Mr. Sripop Sarasas
Independent Director
Member of the Audit Committee



Mr. Thanarak Phongphatar
Independent Director



Mr. Suraporn Raktaprachit
Director



Mr. Kittisak Sopchokchai
Director



Mr. Pisak Charudilaka
Director



Mr. Chodiwat Duntanasarn
Director



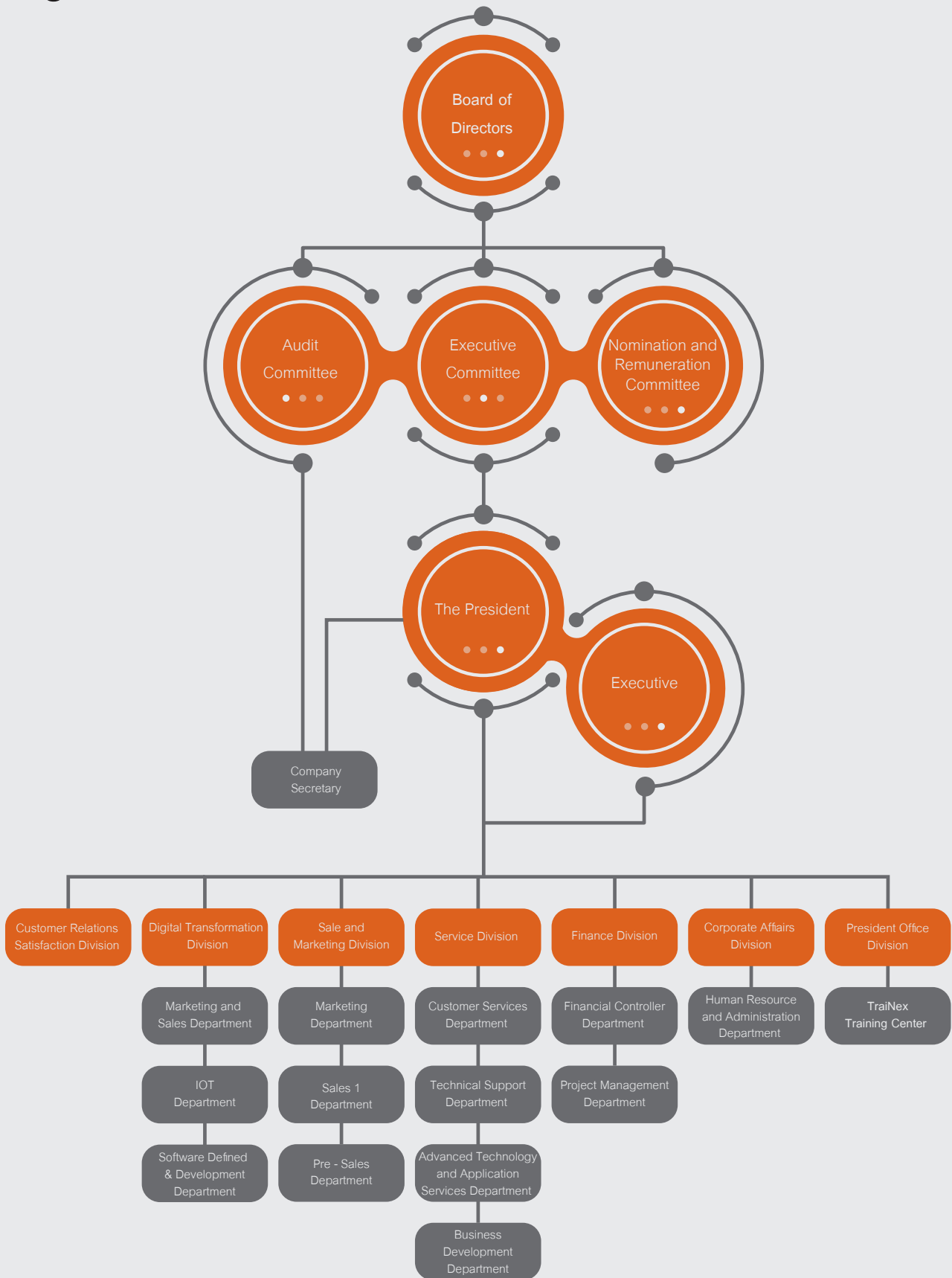
Mrs. Sasinet Baholyodhin
Director



Ms. Sarin Chandranipapongse
Company Secretary



Organization Chart



Determined to be an integrated IT executive. To be able to respond to the needs of customers in the digital age in all aspects perfectly.

Mr. Siripong Oontornpan
President



Mr. Thana Chaiprasit
Chairman of the Board



Message from the Chairman of the Board and the President

Dear Shareholders,

The overall performance of the company in the year 2019 shows that the company has earned the highest income and sales volume since the establishment of the company; we acquired over 7 Billion Baht and 12.5 Billion Baht, respectively. Besides, we obtained the highest income growth rate in 10 years although we were facing global economic fluctuations, business promotion measures invented by the government, organizational restructuring for enhancing competitiveness in the era of digital transformation, and digital economy promotion measures of the government. We have been through these challenges as we had been continuously awarded many high-value projects such as the New Parliament Project in Information and Communication Technology and its surrounded buildings, the High-speed Internet Service Project in Remote area Zone C (USO 2), and the D-ticket Project for State Railway of Thailand, etc.

Furthermore, we have been selected by CISCO Thailand Co., Ltd. to participate in “Project Destiny by Cisco”. For this project, they hired highly professional consultants specializing in coaching participants and conducting workshop to further develop the company products and sought new selling channels or methods. This is an important step of the company as we transformed the business for changes in digital transformation era and we have been awarded Cisco Best Partner of Year 2019 for Asian countries for distinctive growth of sales volume of Cisco technological products amongst other countries. This is our honor and pride in this year.

Although the company earned highest income and sales volume, due to economic challenges, highly competitive market, and increasing management cost, the net profit margin of the year 2019 is decreased to 5.54%, or by 0.89% comparing to the year 2018 whose net profit margin is 5.59%. Comparing to other businesses in the same sector, our profit margin is higher than profit average rate as before.

The year 2020 will be another challenging year that the Management and all employees will put the best effort to acquire higher profit than the last year. We will focus on high-profit sales rather than sales volume increase, reduce errors in project operation process and adapt ourselves to new technologies and selling methods, enhance operation efficiency of all section, and seek other business opportunities. We are confident that the target will be reached again this year.

Last but not least, on behalf of Board of Directors of Advance Information Technology PLC, we would like to express our sincere thanks to all shareholders, customers, business partners, financial institutes, Management, all employees, and all stakeholders for continuous support and trust which brought positive operating results over the last many years. We will continue growing and conduct the business with honesty for sustainable prosperity and thank in advance for your support as always.

Mr. Thana Chaiprasit
Chairman of the Board

Mr. Siripong Oontornpan
Chairman of Executive Committee &
the President

We are aware of
the customer's success.
We treat our customers as
business partners.

Mr. Chokechai Tanpoonsinthana

Chairman of the Audit Committee
Independent 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 2019, the Audit Committee was held 7 times, which were the meetings with the auditors but without any Company representatives as 3 times, for attending in order to monitor the progress of the operations as discussed and suggested by the auditors, and there were 4 the meetings with the management. 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 2019, the topic regarding to the topic regarding to tracking an issue from the previous inspections, an inventory management system, financial control systems, advanced payment and clear advanced payment control system, fixed asset control system, purchase control system, the Operation procedures of the project management Department and the maintenance Department that was reviewed and evaluated by the auditor, DIA Audit Company Limited.

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 2017 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 Audit Company Limited 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, Mr.Sumrit Prapawong, 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 2019 in order to present to the Board of Directors for an approval by the Annual General of Shareholders Meeting of 2019, the Audit Committee reviewed the performance, independence and appropriate of the remuneration and agrees to appoint Ms.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, on behalf of EY Office Limited as the Company's auditor for 2020 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 2020 is totaling 1,680,000 Baht (One million Six hundred and Eighty thousand Baht), which was reasonable increased by 5.00 percent from The Auditor's fee for the year 2019;
- 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 2019 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 regulation 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

Our duty is to select
the best and suitable products
and services. Which has
made us always
get the trust of customers.

Mr. Pongtep Polanun

Chairman of the Nomination and Remuneration Committee
Independent Director





Report of the Nomination and Remuneration Committee

Dear Shareholders,

The board of director appointed the nomination and remuneration committee to recruit a qualified and competent person to serve as a president, including remuneration policy, the procedures, and other benefits for the board of director, sub-committees, executive officers, as well as all employees with fairness by taking all parties' benefit as the main.

In 2019, the nomination and remuneration committee performed its duties under the charter and the scope of an authority assigned by the Board of Director, holding three meetings for consideration on the topics. The Nomination and Remuneration members who have a conflict of interest will be deprived of their voting right in the relevant motions. The committee will prepare a minute of meeting with opinion and recommendation to the Board of Director for any further consideration, which resulting as follow;

1. Recruiting, selecting, and nominating appropriated person to assume the position replacing the company's directors who retired by rotation.

The Nomination and Remuneration Committee revealed the company's directors and Audit Committee whose terms would expire in 2019 and nominate the replacing directors as the regulation from the Stock Exchange of Thailand by considering the person's degree, experience, and knowledge, which will be beneficial to the company.

2. Remuneration of the Board of Director

The Nomination and Remuneration Committee determined the remuneration, including monthly remuneration, meeting allowance, and pension of the year 2018 for the Board of Director and sub-committee, consisting the Board of Director, Audit Committee, and the Nomination and Remuneration Committee. The Board of Director will propose to the Shareholders' Meeting for an approval, as appropriate and relevant to the company performance, which the remuneration have to be comparable with the listed company that is in the same industry and similar in its size.

3. The replacing directors for the resigned directors

The Nomination and Remuneration Committee nominated the replacing directors for the resigned directors, whose terms would expire in 2021, considering the person who is qualified for the position according to the regulations of the Stock Exchange of Thailand by taking into account qualifications, experience, and knowledge which will be beneficial to the Company and proposed to the Board of Directors' Meetings for an approval before proposing to the annual general meeting of shareholders for further approval.

4. Setting a salary raise and annual bonus

The Nomination and Remuneration Committee considered the structure of setting the annual bonuses of employees in 2019 and the salary raise in 2020 together with the Financial Controller Department, which is at an appropriate rate and in accordance with the company performance.

The Nomination and Remuneration Committee consistently reports its performance to the Board of Director for an acknowledgement, operating with all competences cautiously and transparency, adhere to good governance principle for benefit of the company, shareholders, and stakeholders as a whole.

(Mr. Pongtep Polanun)
Chairman of the Nomination
and Remuneration Committee

ค่านิยม

- มีอาชีพ
- คุณธรรม
- ให้ความร่วมมืออย่างเป็นมิตร

Core Value

- Being Professional
- Virtual
- Friendly Collaboration



Detail of the Board of Directors and Management

| Mr. Thana Chaiprasit



Mr. Thana Chaiprasit

Chairman of the Board

Age 66

Date of Appointment as a Director : February 15, 2003

Educational Background : Ph.D. (Honorary) Doctor of Philosophy in Education, Ramkamhaeng 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 31 December 2019)

Personal Relationship with the Management : – None –

Illegal Record in the Past : – None –

Position in the company

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

Positions in other listed companies

1984 – Present : Vice Chairman of the Executive Committee, Osotspa PCL.

Position in other company / other entities

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.

| Mr. Siripong Oontornpan



Mr. Siripong Oontornpan

Director / President / Chairman of the Executive Board Committee / Member of the Nomination and Remuneration Committee (Authorized Signature)

Age 67

Date of Appointment as a Director : June 1, 1993

Educational Background

- : Doctor of Philosophy Program in Public Administration, Eastern Asia University
- : Master of Science (Computer Science), Western Michigan University, USA
- : Bachelor of Electrical Engineering, Western Michigan University, USA

Training Record

- Thai Institute of Directors Association (IOD)
- : Director Certification 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)
- : Senior Executive Program for Nation Building (NB11)
- : Thammasat Leadership Program (11)
- : Thammasat World Leadership Program: TWLP #2
- : Thammasat Golf Leadership Program #7

% Shareholding : 5.21% of paid up capital
(as of 31 December 2019)

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

Illegal Record in the Past : – None –

Position in the company

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

Positions in other listed companies

: – None –

Position in other company / other entities

2017 – Present : Director, Make me wine Company Limited
2017 – Present : Director, Rainier Development Company Limited
2012 – Present : Director, Loxley and AIT Holding Co., Ltd
2014 – 2017 : Chairman of the Board, SLA Asia Company Limited
2009 – 2013 : President, Thai Senior Professional Golfers Association

| Mr. Chokechai Tanpoonsinthana



Mr. Chokechai Tanpoonsinthana

Independent Director / Chairman of the Audit Committee

Age 72

Date of Appointment as a Director : February 15, 2003

Educational Background

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

Training Record

Thai Institute of Directors Association (IOD)

- : Director Certification Program (DCP), 3/2000
- : Audit Committee and Continuing Development Program (ACP), 8/2009
- : Monitoring the Internal Audit Function (MIA), 6/2009
- : Monitoring the System of Internal Control and Risk Management (MIR), 7/2009
- : Monitoring Fraud Risk Management (MFM), 1/2009
- : Monitoring the Quality of Financial Reporting (MFR), 12/2010
- : Advanced Audit Committee Program (AACP), Class 4/2010

% Shareholding : – None –

(as of 31 December 2019)

Personal Relationship with the Management : – None –

Illegal record in the past : – None –

Position in the company

2003 – Present : Independent Director and Chairman of Audit Committee, Advanced Information Technology PCL.

Positions in other listed companies

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.

Position in other company / other entities

2015 – 2018 : Advisor to the Executive Board of Director Banphaeo Hospital (Public Organization)
2013 – Apr 2019 : Independent Director/ Member of Audit Committee, Witcorp Products Ltd.
2011 – Oct 2019 : Member of the Appeal Committee The Stock Exchange of Thailand
2011 – Oct 2019 : Member of the Appeal Committee Thailand Futures Exchange (TFEX)
2010 – Apr 2018 : Advisor Thai City Electric Co.,Ltd.

| Mr. Pongtep Polanun



Mr. Pongtep Polanun

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

Age 66

Date of Appointment as a Director : February 15, 2003

Educational Background

- : M.S., (Economics), The National Institute of Development Administration
- : EMBA, (Executive Master of Business Administration), Sasin
Graduate Institute of Business Administration of Chulalongkorn University
- : B.S., Economics, Thammasat University

Training Record

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

% Shareholding : less than 0.01% of paid up capital
(as of 31 December 2019)

Personal Relationship with the Management : – None –

Illegal record in the past : – None –

Position in the company

2003 – Present : Vice Chairman of the Board/Chairman of Nomination and
Remuneration Committee/ Independent Director/ Member of
the Audit Committee, Advanced Information Technology PCL.

Positions in other listed companies

2012 – Present : Independent Director of Kiatnakin Bank PCL.

Position in other company / other entities

: – None –

| Mr. Sripop Sarasas



Mr. Sripop Sarasas

Independent Director / Member of the Audit Committee / Member of the Nomination and Remuneration Committee
Age 63

Date of Appointment as a Director : February 15, 2003

Educational Background

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

Training Record

- Thai Institute of Directors Association (IOD)
- : Director Certificate Program 22/2002 (Diploma)
- : Audit Committee Program 1 /2004
- : INSEAD: Advanced Management Programme (1994)

% Shareholding : – None –

(as of 31 December 2019)

Personal Relationship with the Management : – None –

Illegal record in the past : – None –

Position in the company

2003 – Present : Independent Director / Member of the Nomination and Remuneration Committee /
Member of the Audit Committee, Advanced Information Technology PCL.

Positions in other listed companies

May 2019 – Present : Independent Director / Chairman of the Audit Committee / Member of the
Nomination and Remuneration Committee Bangkok Airways PCL

2018 – Present : Chief Administrative Officer / Director / Member of the Nomination and Remuneration
Committee / Member of the Risk Management Committee / Member of the Corporate
Governance Committee Bangkok Dusit Medical Services PCL.

2011 – Present : Independent Director/ Chairman of the Audit Committee Golden Lime PCL.

2008 – Present : Independent Director/ Chairman of the Audit Committee, Kiattana Transport PCL.

2011 – May 2019 : Independent Director / Member of the Audit Committee / Member of the
Nomination and Remuneration Committee/ Chairman of the Corporate Governance
Committee Bangkok Airways PCL

2011 – 2018 : Independent Director/ Chairman of the Audit Committee Golden Lime PCL.

2008 – 2018 : Independent Director/ Member of the Nomination and Remuneration
Committee / Chairman of the Corporate Governance Committee Bangkok Dusit Medical Services PCL.

2003 – 2016 : Independent Director, The Royal Ceramic Industry PCL.

2003 – 2014 : Member of the Audit Committee The Royal Ceramic Industry PCL.

Position in other company / other entities

2018 – Present : Director, BDMS Asset Management Co.,Ltd.

2018 – Present : Director, BDMS Training Co.,Ltd.

2007 – Present : Director, Khan Co., Ltd.

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

| Mr.Thanarak Phongphatar



Mr.Thanarak Phongphatar

Independent Director

Age 64

Date of Appointment as a Director : April 5, 2012

Educational Background

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

Training Record

- : Thai Institute of Directors Association (IOD)
Director Certificate Program (DCP) 242/2017
- : 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 0.02% of paid up capital
(as of 31 December 2019)

Personal Relationship with the Management : – None –

Illegal Record in the Past : – None –

Position in the company

2012 – Present : Independent Director, Advanced Information Technology PCL.

Positions in other listed companies

2019 – Present : Independent Director, Zemico Securities PCL.

Position in other company / other entities

- Present : Managing Director, The Southern Palm (1978) Co., Ltd.
- : Executive Director, The Southern Palm Oil Industry (1993) Co., Ltd.
- 2018 – Present : Chairman GS1 Thailand (belonging to the Federation of Thai Industries)
- 2016 – Present : Vice Chairman The Federation of Thai Industries

| Mr. Kittisak Sopchokchai



Mr. Kittisak Sopchokchai

Director / Member of the Nomination and Remuneration Committee

Age 65

Date of Appointment as a Director : February 15, 2003

Educational Background

: Bachelor of Economics, Thammasat University

Training Record

: Thai Institute of Directors Association (IOD)

Director Accreditation Program 54/2006

: Thammasat leadership Program (TLP), May – Sep 2012

% Shareholding : 3.33% of paid up capital

(as of 31 December 2019)

Personal Relationship with the Management : – None –

Illegal record in the past : – None –

Position in the company

2010 – Present : Member of the Nomination and Remuneration Committee
Advanced Information Technology PCL.

2003 – Present : Director, Advanced Information Technology PCL.

Positions in other listed companies

2018 – Present : Director, Veranda Resort PCL.

Position in other company / other entities

2016 – Present : Director, Villanova Khaoyai Co.,Ltd.

: Director, Tonkoon Development Co.,Ltd

: Director, Sureetriboon Development 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, Sureetriboon Holding Co., Ltd.

1983 – Present : Chairman of the Board, Vichai Group

Vichai Trading (1983) Co.,Ltd.

Sound and Communication Co.,Ltd

Audio Engeneering Service Co.,Ltd.

Digital Control Co.,Ltd.

| Mr.Pisak Charudilaka



Mr.Pisak Charudilaka

Director

Age 67

Date of Appointment as a Director : April 20, 2007

Educational Background

: Master Degree in Political Science, Ramkhamhaeng University

: Bachelor of Laws, Ramkhamhaeng University

Training Record

: 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, Mr. Pisak's spouse)
(as of 31 December 2019)

Personal Relationship with the Management : – None –

Illegal record in the past : – None –

Position in the company

2007 – Present : Director, Advanced Information Technology PCL.

Positions in other listed companies

: -None-

Position in other company / other entities

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

| Mr. Suraporn Raktaprachit



Mr. Suraporn Raktaprachit

Director / Member of the Nomination and Remuneration Committee/
Executive Board Committee (Authorized Signature)

Age 65

Date of Appointment as a Director : March 3, 2003

Educational Background

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

Training Record

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

% Shareholding : 2.64% of paid up capital
(as of 31 December 2019)

Personal Relationship with the Management : – None –

Illegal record in the past : – None –

Position in the company

2003 – Present : Director/ Executive Board Committee/
Member of Nomination and Remuneration Committee/
Senior Executive Vice President – Service Division
Advanced Information Technology PCL.

Positions in other listed companies

: – None –

Position in other company / other entities

2013 – Present : Director, Asia Insurance PCL.
2012 – Present : Director, Loxley and AIT Holding Co.,Ltd.

| Mr.Chodiwat Duntanasarn



Mr.Chodiwat Duntanasarn

Director / Executive Board Committee (Authorized Signature)

Age 56

Date of Appointment as a Director : November 1, 2002

Educational Background

: Master Degree in Marketing, Wagner College, USA

: Bachelor of Business Administration, Assumption University

Training Record

: 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)

: Capital Market Academy - 27 (CMA-27)

% Shareholding : 3.39% of paid up capital (held by Mrs. Chantana Krassasarn, Mr.Chodiwat spouse, is another 1.27%)
(as of 31 December 2019)

Personal Relationship with the Management : – None –

Illegal record in the past : – None –

Position in the company

Aug 2019 – Present : Executive Board Committee, Advanced Information Technology PCL.

Jul 2019 – Present : Senior Executive Vice President - Customer Relations and Satisfaction Division,
Advanced Information Technology PCL.

2016 – Jul 2019 : Executive Vice President - Special Project, Advanced Information Technology PCL.

2007 – Present : Director, Advanced Information Technology PCL.

1995 – 2016 : Senior Executive Vice President-Sales Department,
Advanced Information Technology PCL.

Positions in other listed companies

: – None –

Position in other company / other entities

2016 – Present : Director, APT Meditech Co.,Ltd.

2015 – Present : Director, Rak baan rao Co.,Ltd.

| Mrs. Sasinet Baholyodhin



Mrs. Sasinet Baholyodhin

Director / Executive Board Committee (Authorized Signature)

Age 33

Date of Appointment as a Director : August 9, 2019

Educational Background

: Master Degree of MSc Marketing Management, Aston University, United Kingdom

: Bachelor of Business Administration, Mahidol University International College

Training Record

: Thai Institute of Directors Association (IOD)

Director Certificate Program 277/2019

: Thai Listed Companies Association

TLCA Executive Development Program (EDP15)

: Academy of Business Creativity, Sripatum University

Academy of Business Creativity (ABC6)

% Shareholding : 3.34% of paid up capital

(as of 31 December 2019)

Personal Relationship with the Management : Father: Mr. Siripong Oontornpan

Illegal record in the past : – None –

Position in the company

Aug 2019 – Present : Director, Advanced Information Technology PCL.

2017 – Present : Executive Vice President – President Office, Advanced Information Technology PCL.

2014 – 2016 : Assistant Vice President – Commercial Sales Department,
Advanced Information Technology PCL

Positions in other listed companies

: – None –

Position in other company / other entities

2016 – Present : Director, Genesis Data Center Co., Ltd.

| Mr. Asawin Kangvolkij



Mr. Asawin Kangvolkij

Senior Executive Vice President – Finance Division (Chief Financial Officer)

Age 58

Educational Background

: Master Degree in Economics, Western Michigan University, USA

Training Record 2019

: NYC Management

TFRS 9 “Financial Instrument – For non-financial institutions”

% Shareholding : – None –

(as of 31 December 2019)

Personal Relationship with the Management : – None –

Illegal record in the past : – None –

Position in the company

2017 – Present : Senior Executive Vice President- Finance Division
Advanced Information Technology PCL.

2009 – 2017 : Senior Executive Vice President- Finance and Corporate Strategy Division,
Advanced Information Technology PCL.

2007 – 2009 : Senior Executive Vice President- Corporate Strategy Division,
Advanced Information Technology PCL.

Positions in other listed companies

: – None –

Position in other company / other entities

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

| Mr. Promporn Ketudat



Mr. Promporn Ketudat

Senior Executive Vice President – Digital Transformation Division

Age 58

Educational Background

: Master's Degree: MS. in Computer Science, Lamar University, Beaumont, Texas, USA.

: Bachelor's Degree: BBA.- Accounting Major: Electronic Data Processing (EDP)

Thammasat University, Thailand

% Shareholding : – None –

(as of 31 December 2019)

Personal Relationship with the Management : – None –

Illegal record in the past : – None –

Training Record : More than 100 courses of Soft Skill, Technical, Sales, Business and Management

Position in the company

Jan 2020 - Present : Senior Executive Vice President - Digital Transformation Division
Advanced Information Technology PCL.

Positions in other listed companies

– None –

Position in other company / other entities

Oct 2012 – Oct 2019 : Operation Director, Service Provider Thailand and Myanmar, Cisco Systems (Thailand)

Oct 2009 – Oct 2012 : Regional Manager, Service Provider Thailand and Indochina, Cisco Systems (Thailand)

* Remark: Date of Appointment as Senior Executive Vice President at AIT on 13 January 2020

| Mrs. Netnapit Oontornpan



Mrs. Netnapit Oontornpan

Senior Executive Vice President – Corporate Affairs Division

Age 64

Educational Background

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

% Shareholding : 0.75% of paid up capital

(as of 31 December 2019)

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

Illegal record in the past : – None –

Position in the company

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

Positions in other listed companies

: – None –

Position in other company / other entities

2016 – Present : Director, Indeyard Co., Ltd

I Mr. Apichai Nimgirawath



Mr. Apichai Nimgirawath

Senior Executive Vice President – Marketing and Sales Division

Age 43

Educational Background

: Bachelor Degree in Computer Engineering, King Mongkut's University of Technology Thonburi

Training Record

Thai Institute of Directors Association (IOD)

: Director Certificate Program 262/2018

% Shareholding hareholding : – None –

(as of 31 December 2019)

Personal Relationship with the Management: – None –

Illegal record in the past : – None –

Position in the company

Jul 2019 – Present : Senior Executive Vice President- Marketing and Sales Division
Advanced Information Technology PCL.

2017 – Jun 2019 : Executive Vice President- Sales 2 Department
Advanced Information Technology PCL.

2012 – 2016 : Vice President- Enterprise Sale Department
Advanced Information Technology PCL.

Positions in other listed companies

: – None –

Position in other company / other entities

2016 – Present : Director, Genesis Data Center Co., Ltd.



I Mr.Boonlert Panja

Mr.Boonlert Panja

Vice President – Accounting (The person supervising accounting)

Age 46

Educational Background

: Master Degree of Accountancy, Chulalongkorn University

Training Record 2020

: Talk Comfortably about Accounting & Financial Analysis # 1/19

: Overview Thai Financial Reporting Stand # 1/19

: The Prevention of Corruption Under Anti-Money Laundering Law

: Auditing by Internal Control Review

: Auditors of the future: Perspective of Stakeholders and Audit Data Analytics

: Accounting Map for Preparing & Adjusting Accounting System

: The Effect of Applying New Thai Financial Reporting Standard – Revenue from Contracts with Customers (TFRS 15) & Lease (TFRS 16) – in Listed Company's Financial Statement's Preparation # 2

% Shareholding : less than 0.01% of paid up capital
(as of 31 December 2019)

Personal Relationship with the Management : – None –

Illegal record in the past : – None –

Position in the company

2003 – Present : Vice President - Accounting, Advanced Information Technology PCL.

Positions in other listed companies

: – None –

Position in other company / other entities

: – None –

| Ms. Sarin Chandranipapongse



Ms. Sarin Chandranipapongse

Company Secretary

Age 38

Educational Background

: Master Degree in International Business & Entrepreneurship

Marladsalen University, Sweden

: Bachelor of Law, Chulalongkorn University

Training Record

: Thai Institute of Directors

Company Secretary Program 81/2017

: Thai Listed Companies Association

Advances for Corporate Secretaries 2019

% Shareholding : – None –

(as of 31 December 2019)

Personal Relationship with the Management : – None –

Illegal record in the past : – None –

Position in the company

July 2017 – Present : Vice President – Company Secretary
Advanced Information Technology PCL.

2010 – June 2017 : Assistant Vice President – Company Secretary
Advanced Information Technology PCL

Positions in other listed companies

: – None –

Position in other company / other entities

: – None –



Changes in AIT Shares Held by Directors and Executives in 2019

Name – Last Name	Position	No. of shares held as of December 31, 2018	No. of shares held as of December 31, 2019	Increase/ (Decrease) in AIT's shares held in 2019	Percentage of shares held (%)
1. Mr. Thana Chaiprasit	Chairman of the Board	2,250,000	2,250,000	-	1.09
Spouse and underage child		-	-	-	-
2. Mr. Siripong Oontornpan	President, Nomination & Remuneration Committee, Chairman of Executive Board Committee	10,753,225	10,753,225	-	5.21
Spouse and underage child		1,552,497	1,552,497	-	0.75
3. Mr. Chokechai Tanpoonsinthana	Chairman of the Audit Committee, Independent Director	-	-	-	-
Spouse and underage child		-	-	-	-
4. Mr. Pongtep Polanun	Vice Chairman of the Board, Independent Director, Audit Committee, Chairman of the Nomination and Remuneration Committee	900	900	-	<0.01
Spouse and underage child		-	-	-	-
5. Mr. Sripop Sarasas	Independent Director, Nomination and Remuneration Committee, Audit Committee	-	-	-	-
Spouse and underage child		-	-	-	-
6. Mr. Suraporn Raktaprachit	Director, Nomination and Remuneration Committee, Executive Board Committee, Senior Executive Vice President -Service	5,455,885	5,455,885	-	2.64
Spouse and underage child		-	-	-	-
7. Mr. Thanarak Pongpatar	Independent Director	37,500	37,500	-	<0.02
Spouse and underage child		-	-	-	-
8. Mr. Kittisak Sopchokchai	Director, Nomination and Remuneration Committee	6,874,659	6,874,659	-	3.33
Spouse and underage child		-	-	-	-
9. Mr. Pisak Charudilaka	Director	-	-	-	-
Spouse and underage child		2,606,378	2,606,378	-	1.26
10. Mr. Chodiwat Duntanasarn	Director, Executive Board Committee, Senior Executive Vice President Customer Relations and Satisfaction	7,000,000	7,000,000	-	3.39
Spouse and underage child		2,600,000	2,620,000	20,000	1.27
11. Mrs. Sasinet Baholyodhin	Director, Executive Board Committee, Executive Vice President	6,898,115	6,898,115	-	3.34
Spouse and underage child		-	-	-	-
12. Mr. Asawin Kangvolkij	Senior Executive Vice President Finance and Corporate Finance and Strategy	-	-	-	-
Spouse and underage child		-	-	-	-
13. Mrs. Netnapit Oontornpan	Senior Executive Vice President Corporate Affairs	1,552,497	1,552,497	-	0.75
Spouse and underage child		10,753,225	10,753,225	-	5.21
14. Mr. Apichai Nimgirawath	Senior Executive Vice President Marketing and Sales Division	-	-	-	-
Spouse and underage child		-	-	-	-



General Information about the Company

Detail about Company's Securities

Issuer	: Advanced Information Technology Public Company Limited
Ticker	: AIT
First Listing Date	: 30 July 2003
Market Capitalization	: 3,889,464,953.30 Baht (as of 2 January 2020)
Paid-up Capital	: 1,031,604,485 Baht
Number of Shareholders	: 6,456 (as of 23 August 2019)
% Free float	: 69.60% (as of 13 March 2019)
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
Services centers	: Chonburi, Khonkaen, Chiangmai, Suratthani, Phitsunulok, Songkhla and Nakhon Ratchasima
Company's Registration	: 0107546000067
Tel	: 0-2275-9400
Fax	: 0-2275-9100, 0-2275-9200
Website	: www.ait.co.th

Auditors

Manee Rattanabunnakit CPA License Number 5313 and/or

Termphong Opanaphan CPA License Number 4501 and/or

Sumalee Reewarabandith CPA License Number 3970

EY Office Limited

33rd Floor, Lake Ratchada Office Complex, 193/136-137, Ratchadaphisek Road, Klongtoey, Bangkok 10110

Tel: (66) 2264-0777 Fax: (66) 264-0789-90

Securities Registrar

Thailand Securities Depository Company Limited

93 Ratchadaphisek Road, Dindang, Bangkok 10400

Tel: (66) 2009-9000

Fax: (66) 2009-9991

SET Contact center: (66) 2009-9000

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

E-mail: SETContactCenter@set.or.th

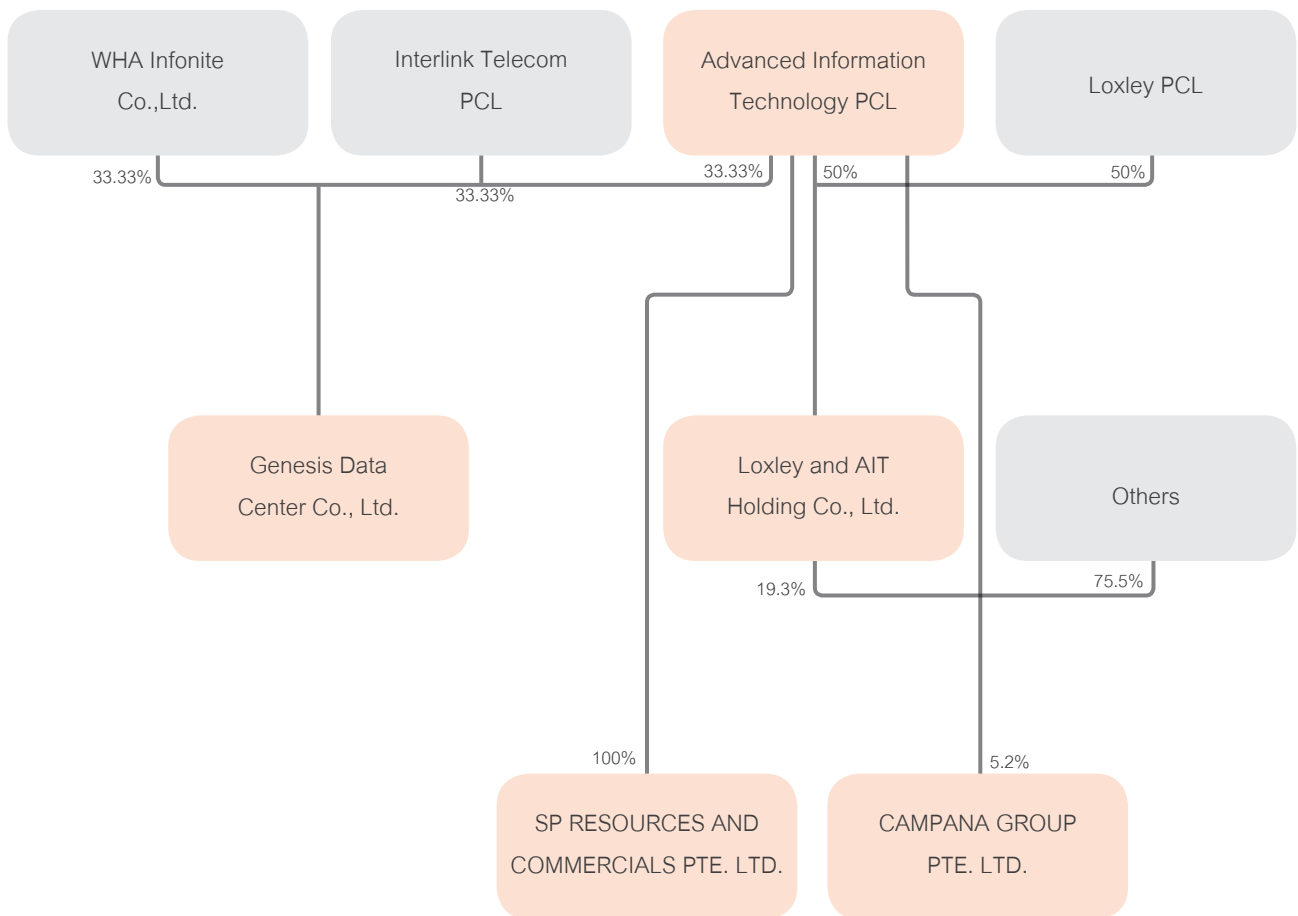
General Information on the Company

Company	Type of Business	Registered Capital	Par Value per Share	Paid-up Capital	% Share holding
Advanced Information Technology Public Company Limited 37/2 Sutthisarnvinichai Road, SamsenNok, HuayKwang, Bangkok, 10320	Relating to information and communications technology, including the maintenance and development of IT systems	1,031,640,485 Baht	5	1,031,640,485 Baht	-
Subsidiary					
SP RESOURCES AND COMMECIALS PTE. LTD. 80 Raffles Place #15-10, UOB Plaza, Singapore 048624	Trading spare parts, hardware accessories, and other businesses	1 Dollar Singapore	-	1 Dollar Singapore	100%
Joint - Venture					
Loxley & AIT Holding Co., Ltd. 2 SoiPhahonyothin 19, Phahonyothin Road, Jatujak Bangkok	Investment in Lump sum turnkey contracts for the installation of telecommunication works, electricity plants and sales of related equipment	200,000,000 Baht	100	200,000,000 Baht	50%
Genesis Data Center Co.,Ltd. 111/11-12 , Moo 11 Bang Chalong Bang Phli Samut Prakan 10540	Provide Data Center services such as server space rental and backup service	210,000,000 Baht	100	210,000,000 Baht	33.33%
Joint venture of the Company's joint venture					
CAMPANA GROUP PTE. LTD. 51 Changi Business Park Central 2, #04-11, The Signature, Singapore, 486066	Operator in the submarine optical fiber network	N/A	-	N/A	5.2%
Joint operation					
AWD Joint Venture 37/2 Sutthisarnvinichai Road, SamsenNok, HuayKwang, Bangkok, 10320	Shifting cable conduits underground throughout Bangkok area 2	-	-	-	50%

Dividend Policy

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

Shareholding Structure of the Company



Major Shareholders

Top 10 major shareholders as of the latest book closing date as of 31st December 2019:

Shareholder	No. of Shares	(%)
1. The Oontornpan Group ⁽¹⁾	30,803,005	14.93%
2. The Duntanasarn Group ⁽²⁾	10,821,800	5.25%
3. The Sopchokechai Group ⁽³⁾	9,829,659	4.76%
4. Thai NVDR Company Limited	7,117,241	3.45%
5. The Raktaprachit Group ⁽⁴⁾	6,307,353	3.06%
6. The Charudilaka Group ⁽⁵⁾	3,879,797	1.88%
7. Mr. Thana Chaiprasit	2,250,000	1.09%
8. Ramkhamhaeng Hospital PCL.	2,195,000	1.06%
9. Mr. Thawatch Tantimaet	2,178,000	1.06%
10. Mr. Ong-art Worawitlikit	2,070,000	1.00%
Other Shareholders	128,851,042	62.46%
1. The Oontornpan Group comprises of		
1. Mr. Siripong Oontornpan	10,753,225	5.21
2. Ms. Sasinet Baholyodhin	6,898,115	3.34
3. Ms. Sinanang Oontornpan	5,052,908	2.45
4. Mr. Sina Oontornpan	5,044,060	2.44
5. Mrs. Netnapit Oontornpan	1,552,497	0.75
6. Ms. Saowaluck Oontornpan	1,000,000	0.49
7. Mr. Prachumsak Oontornpan	285,000	0.14
8. Mr. Surathep Oontornpan	217,200	0.11
Total	30,803,005	14.93
2. The Duntanasarn Group comprises of:		
1. Mr. Chodiwat Duntanasarn	7,000,000	3.39
2. Mr. Samakorn Duntanasarn	1,100,000	0.54
3. Mrs. Chantana Krasaesan	2,620,000	1.27
4. Miss Anutch Duntanasarn	101,800	0.05
Total	10,821,800	5.25

Shareholder	No. of Shares	(%)
3. The Sopchokechai Group comprises of:		
1. Mr. Kittisak Sopchokechai	6,874,659	3.33
2. Mr. Titikorn Sopchokechai	1,500,000	0.72
3. Ms. Pimpaka Sopchokechai	1,255,000	0.61
4. Ms. Boonthida Sopchokechai	200,000	0.10
Total	9,829,659	4.76
4. The Raktaprachit Group comprises of:		
1. Mr. Suraporn Raktaprachit	5,455,885	2.64
2. Ms. Thippayachat Raktaprachit	850,968	0.42
3. Miss Patcharanan Raktaprachit	500	0.00
Total	6,307,353	3.06
5. The Charudilaka Group comprises of:		
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

Business Plan in 2020

The company has set a business plan for five years to be implemented during the period of 2017 -2022. The purpose is to adapt ourselves to global challenges in digital era. The plan was improved or included some specific matters as appropriate to each period of time. In 2020, our business plan to be implemented is as follows:

1. **Growing in System Integrator**-Our Company will continue expanding our existing customer base and looking for a new market to create new customer group.

2. **Expanding to IT-related business** - From our experience in recent years, we have to be more careful before entering into other businesses. Therefore, the Company will focus on IT-related businesses in which we have expertise.

3. **Increasing Recurring income** - our Company expects to increase revenue from maintenance service of our projects previously sold, and implementation of new subscription model which will be our new selling method.

4. **Launching new products or businesses** - We are currently doing research and developing IT-related products such as IOTs platform, etc.

5. **Seeking for opportunity potential investment** - Our Company is open for new interesting business investment but it will be under careful consideration.

6. **Maximizing profitability/Cost Efficiency** - In this year, our company will strive to maximize our profit rather than sales volume as in last year. We will put our effort to make the most out of our existing capital and resources.

7. **Enhancing employee's new skills and knowledge on changing technologies** - The Company will provide more trainings for employees to improve knowledge on techniques and management skills according to Company requirements.

8. **Improving work process to enhance efficiency** - The Company is trying to reduce some work processes which are likely to cause complications.

9. **Implementing digital system in our organization for highest efficiency** - The Company is implementing a new workflow system to reduce approval process time, and a new check-in system for site engineers allowing them to record their working time at work site instead of company headquarter. This will save their time and transportation cost.

In summary, the 9 plans mentioned above attach importance to 3 matters; making a profit, increased customers, and achieving highest operational efficiency.

Nature of Business

Currently, the Company's business has grown considerably. System Integrator ("SI") is our core business which generates more than 70% of total revenue. The rest are new business groups focusing on basic engineering extended on existing customer base such as the construction of substations and basic engineering related to ICT such as installation of underground cable conduit, etc.

AIT, The Company is a system integrator of Information Technology and telecommunication services provider, by designing a computer system and a computer communication system, which are integrating and working efficiently and effectively as the needs of the customers. A system with services of computer hardware, system software, application software, and computer network equipment. The Company has a comprehensive sales style or Turn Key, starting from understands the needs of customers, consulting, project planning, system design, installation operation, maintenance, as well as training for the clear understanding in operation, as shown in a diagram 1.1

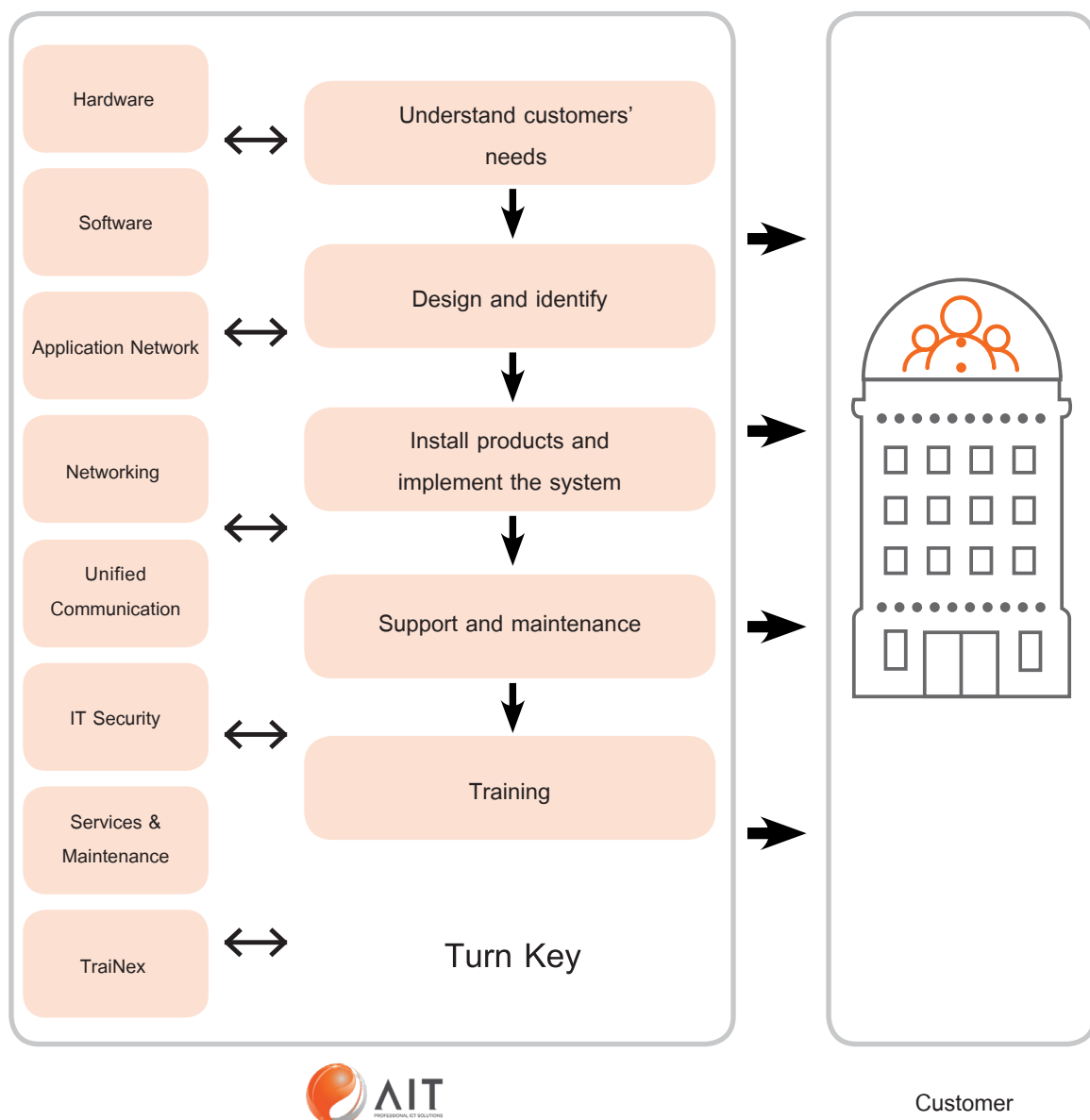


Diagram 1.1 The Business Operations of the System Integrator

The Company operates the SI business in accordance with 4 plans and structures, as follows;

1. Product Sales and Services

A project work is the main component in doing a business, which can be divided into 2 parts, a project from auction and a project from direct sale. The Company pays close attention to the needs of customers and offers a technology proposal that customers can be ensured on the best advanced technology. The understanding in business and the attention in detail of the project are the key to success in delivering the project and satisfying customers. The Company has sales team and pre-sales team that are highly in skills in order to ensure all project proposals are clear and accurate for both the Company and the customers. When starting the project, the project management department is taking the responsibility to execute the project properly and completely. The project manager will organize the team of trained expertise and engineer. The entire team will operate the project in accordance with the plans and procedures that have been trained. These are the fundamental foundation that makes the Company becomes successful up until these days.

The Company operates the projects with a range of value from thousands to hundred thousands THB, depending on the customers. At the present, the customer-base ranges from small company to large-scale company, including the government agency and the state enterprise. After the completion of delivering and training, the Company will start after-sales service and system maintenance for the customers.



Diagram 1.2 The component of ITIL system

2. Support and Maintenance Services

The maintenance services are available in all aspects are flexible and diverse, by designing to meet the needs of customers with over 25 years of experiences in various fields, such as project operation design, server and software network maintenance, by implementing Information Technology Infrastructure Library (ITIL) system to integrate with operations to ensure that the Company is able to provide service with consistent.

3. Managed Services

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

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

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

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

4. TraiNex Training Center

TraiNex Training Center (TraiNex), the Company's Information Technology training center, is opened to provide an IT training services for the customers by educating knowledge and understanding in the operation. There are also opportunities for business organizations and individuals in Information Technology industry to learn additional skills, with 3E's knowledge transfer philosophy, as follows;

Expert	Training with certified instructors by the global leading institutions
Experience	knowledge transfer from direct experiences related to the teaching cause
Experiment	Learning from complete and innovative equipment

In 2019, TRAINEX has developed new training services to provide learners the first-class learning experiences as learning and training center in information technology that meets the international standards. In addition, Mobile Test Center Service is opened as offsite examination center for convenience of those who want to do the test without disrupting their work. More importantly, the knowledge provided is derived from real experience of instructors with over 10 years of work experience.



TRAINEX has been appointed as Cisco Authorized Learning Partner and all instructors are qualified and certified as Cisco Certified Systems Instructor (CCSI) and Cisco Certified Internetwork Expert (CCIE), In addition, it has officially been appointed by CompTIA, Palo Alto, CWNP, in partnership with other partners, offering over 300 IT training courses, including Microsoft, Oracle, Red Hat, VMware, ITILL, PMP, Linux. Our test center has also been approved by the Authorized Test Center: PEARSON VUE, PSI (AWS, ISACA) and Scantron or Castle Worldwide as a test center with the ability to provide inspection and certification services, including advice to enhance efficiency and build on success for learners and organizations in the business sector. These ensure that TRAINEX can deliver excellent training courses in the information technology industry at all levels and is an international standardized testing center. In 2019, TRAINEX organized various booth activities to promote and publicize in order to be better known among target group, the activities include:

TRAINEX sponsored the MNR Net Challenge, a support event for Cisco Certified Network Associate (CCNA) certification exam, in collaboration with Faculty of Science and Information Technology, Mahanakorn University to organize a special training course for network preparation and publicize the testing center to participants and trainers on 2 - 3 March 2019





SNK Basic Network, an event organized by Siam Network in collaboration with Kasetsart University. In this event which was held on 7 April 2019, TRAINEX was honored to deliver a lecture to share knowledge and experience with the participants.

On 28 – 29 March 2019, TRAINEX had an opportunity to organized an exhibition booth at the Cisco Thailand&Indochina Partner Appreciation Event 2019 held at The Riverie by Katathani, Chiang Rai Province, to introduce and publicize our IT training courses to the customers, which has received a lot of attention from customers.



TRAINEX welcomed a faculty from Prince of Songkla University who visited TRAINEX, as well as sharing useful knowledge and experiences for technology development and other interesting activities on 31 May 2019.

TRAINEX attended and organized an exhibition booth at AIT Smart Connect 2019, the Company's annual customer experience conference, held on 18 – 20 October 2019 at Botanica Khao Yai Resort, in order to introduce and publicize our IT training courses to the customers, which has received a lot of attention from customers.



At the present, TraiNex Training Center is located at CW Tower B, 16th floor, Ratchadapisek Road, Bangkok, 10310 and has 1 sub-branch in Khon Kean province which its is located at Rianthai Building, Room no.700, 246 moo 23, soi 1, Maliwan Road, Tambon Ban Pet, Amphoe Mueang, Khon Kaen 40000. For more information, please refer to www.trainextrainingcenter.com.

Technology / System Services

The Company divides its technology businesses into the following divisions.

1. **IT Infrastructure and business cloud:** At present, the Company is considered one of the top experts in Thailand in designing and installing important infrastructure systems at the national level, especially the infrastructure based on the architecture called Software Defined. With market share number one in Software Defined Data, which the Company has successfully installed and has the largest market share in Software Defined Data Center, Software Defined Infrastructure and Software Defined WAN.

2. IT Innovation, AI and Big Data: The Company invested in the development of IOT (Internet of Things) platform. This year, the process is completed and ready for marketing and offering products and services to customers. Over the past 2 – 3 years, the Company has won many auctions related to Big Data and this year the Company starts to expand its business based on AI/Data Analytics and Face Recognition to support the market growth in more digitized areas. The Digital Transformation department was set up to be responsible for this part.

3. Infrastructure and Engineering: To further expand the business, the Company has remained steadfast in its commitment to continuously generate sales from engineering business, whether from installation of underground transmission lines or construction of substations.

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

(Core Networking)

AIT has built many core networks including nationwide networks for service providers such as TOT and CAT, metropolitan networks, networks for major university campus' and large enterprises, as well as all type of wireless networks. Core Networking is often also referred to as routing and switching, and which is at the very foundation of all computer networking. Routing and switching refers to forward data and voice or video packages within one network (switching) or over various individual networks (Routing). However, the world is transforming to the digital era and the Company is developing and connecting the technology boundaries to cope with the changes, to be able to support the needs of customers that are in the period of such changes.

Unified Communications

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

IT Security Solutions

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

Wireless Solutions

With the advent of notebooks, smart phones and more recently tablet technologies, the requirements for wireless access have also increased. This extra mobility is not only a question of convenience, but also adds to the efficiency of the services offered by many of our customers. The Company has been operating in those functions such as design and installation of wireless network in various organizations.

Data Centers/Cloud

The IT infrastructure of most enterprises is growing at all levels and increasingly is becoming more and more complex. Large enterprises are setting up centralized data centers which are being supported by global network topologies and distributed storage management strategies. To supply and manage such rapidly developing infrastructures demands focus, expertise and experience in cross-technologies. At the present, various business operations increasingly utilize Cloud technology, which it has enabled those businesses to have better computer resources management such as networking and data storage management. The Company has designed, installed, and tested data centers systems in various locations and has introduced customers with strategies to support the existing Cloud technology

Network Optimization

A network that is unable to meet the needs of the organizations will annoy users as well as decrease efficiency in that organization. The Company offers the network system health check and the management guidance to increase the network system efficiency, which affected on saving the customers' IT investment cost.

Business Applications

At the end of the day, business applications are what matters most when it comes to enterprise information technology. For without the applications and data, most IT infrastructure in the enterprise world would be unnecessary. Over the past twenty five years AIT has selected and developed a complete range of business applications to suit the needs of our customers such as; Transportation Systems, E-Government Support Systems, Enterprise Application Integration and Military Applications.

Revenue structure

	2019		2018		2017	
	THB mil.	%	THB mil.	%	THB mil.	%
Sales and service income	6,903.43	97.55	4,042.57	95.39	5,171.56	95.82
Rental income from equipment for lease	118.90	1.68	141.04	3.33	175.10	3.24
Other income	54.35	0.77	54.02	1.28	50.51	0.94
Total	7,076.68		4,237.63		5,397.17	

Industry and Competition

Krungsri Research has forecasted the industry trend of 2019 - 2021 that the government's digital economy policy will expand the infrastructure in various areas to promote access to digital services of the people. For example, the projects to install high-speed internet and improve of mobile phone signal in almost 30,000 villages in the marginal areas, installation of 10,000 free Wi-Fi hotspots, including the establishment of 600 community digital centers, as well as other policies such as the Eastern Economic Corridor (EEC) development plan. This includes the related businesses that will benefit from the telecommunications network installation business through more job opportunities from the network expansion plans or device replacement of the mobile phone operators in order to be in line with the telecommunications industry's growth trend and the driving force from other projects such as installation of underground cable, etc.

In addition, IDC Thailand reveals the ICT industry trends in the next 3 - 5 years, indicating that digital transformation and adoption of 3rd generation platform technologies such as Cloud Mobility, Big Data and Social will increase IT spending up to 540,000 million Baht by 2022. At present, digital transformation is not only considered as an overview of the business model to keep up with the intensifying competition, but it focuses more on the details of what the organization needs to contribute to real change.

Therefore, the information technology industry continues to grow with intense competition both from new competitors and rapidly changing technology. The Company therefore has to adapt itself in terms of personnel to keep up with market changes and seeks partners to meet the changing needs on a regular basis. Currently, many sectors tend to adapt to accommodate the changes to the digital age from the national level, in which the government has established the Ministry of Digital Economy and Society to be responsible for establishing the digital transformation policies in all relevant industrial sectors to be more modern, concrete and in line with changes in the digital age. Even the private sector has adapted itself to create added value in business operations.

Reference:

1. Krungsri Research, 2020. แนวโน้มธุรกิจ/อุตสาหกรรม ปี 2562 – 2564 ธุรกิจบริการระบบโทรศัพท์เคลื่อนที่. [Online System]. Source: https://www.krungsri.com/bank/getmedia/defc2edd-8726-4c64-991b-02ba46e25774/IO_Mobile_Operator_190116_TH_EX.aspx
2. IDC Thailand, 2020. ไอทีซีเผยแนวโน้มอุตสาหกรรมไอทีใน 3-5 ปีข้างหน้า. [Online System]. Source: <https://www.dailynews.co.th/it/695385>

The company finds it important and plans to follow up the technology and the transition closely in an issue that affects the customers and internal organisation both short-term and long-term. Moreover, the company has adjusted several projects to serve the transition by establishing the Digital Transformation Committee, which consists of two objectives, as follows;

1. To transform the organization to a smart company, with the policy to implement re-process engineering to gain effectiveness in management as more flexible and faster. The company is planning to implement an application and various technology for its management, as well as the policy of establishing an Intelligent Business Dash Board for the management to see an information in business aspects and accurately predict the changes, together with the organizational support of a digital company, both abstract and concrete in this near future.

2. To set the market direction, as to align with the technological transition and the customers demand of using and purchasing, since the new technology is replacing the old one. The Company has to build a new market based on its existed foundation by forming a digital transformation team to provide consulting services to customers who needed in various fields such as Data Center, Cloud, Big Data/Analytics, IoT, and Software Defined Network focusing on the infrastructure technology has expertised. The company also provides a service concluding a security in these technology, which clearly seen that these security technologies continue to be a foundation that the company sees it important, in order to cover new technologies for a security in usage and service. According to the marketing plans, the Company tried to find partners to expand the existing customers base. As the abovementioned, the revenues generated from a new technology business in digital information, counting as 10 percent, which the Company expected to grow.

The presentation and conduction of a new business model to the customers are one of the point the company sees it important. From the Business to Business (B2B), the company expanded its business channel to Business to Business to Customer (B2B2C) through a financial strength, which included a joint-venture of new businesses and ecosystem partners who have a technological strength to get involved in developing a business model. This is for an ultimate benefit of the customers, increase effectiveness in working and cost-reduction. The models of joint-venture and ecosystem partners generate long term revenues besides increase a competitiveness of the company. This has a positive effect, a decreased of marketing lead time, so the Company does not lose an opportunity that is shifting in the current technology transition.

Competitive Strategy

The Company focuses on doing business by paying attention to in-depth details, taking care of customers and considering customers as long-term partners. This is in line with the Company's mission "Your Success Is Our Success" in order to build credibility and expand business with both existing and new customers, without focusing on competitive pricing and reducing service quality. We believe that a good long-term relationship with customers and partners will contribute to trust and new business to the Company, continually.

Product & Service

- Maintain only the highest quality of products and services
- Clearly understand the project's requirements and seek best fitting, innovative technologies and products
- Provide first-class after sales services with nationwide coverage through our readily established 7 service centers

Customer

- Early engagement of the customer and offer advice on system design and planning
- Satisfy the customer's requirements and create maximum satisfaction
- Maintain great relationships with our customers and foster the "AIT Service Mind"

Personnel

- Maintain great relationships with our partners.
- Be sincere and honest relationships with our partners.

In bidding for projects in both the government sector and the private sector. The main criteria to win bids are generally:

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

Competitive Analysis

AIT's competitors can be classified into 3 major industry groups as follows:

1. Computer Systems Group



CDG Group	Forth Corporation Plc. Ltd.
Loxley Plc.	MFEC Plc.
Metro Systems Corporation Plc.	PCC Co., Ltd.
Samart Corporation Plc	SVOA Plc.
Yip In Tsoi Co., Ltd.	

2. Network Systems Group



Datapro Computer Systems Co., Ltd.	Forth Corporation Plc.
IBM (Thailand) Co., Ltd.	MFEC Plc.
Metro Systems Corporation Plc.	NetONE Network Solution Co., Ltd.
NTT Solutions (Thailand) Ltd.	Sky ICT Plc.
Tangerine Co., Ltd.	

3. Communication Systems Group



Jasmine International Plc.

Samart Corporation Plc.

United Communication Industry Plc.

Risk Analysis

Due to the instability of business conditions in these current times, risk management continues to be an inevitable tool for any business especially operating its business through an unexpected situation, including preparation for future competition to ensure that business operations are able to meet their goals while create and maintain credibility for shareholders and other stakeholders.

The Company is aware of the impact of risk factors and therefore has set measures to mitigate and maintain such risks to an acceptable level. The Company has also regularly reviewed and evaluated the risk factors and obstacles that may affect the Company and its stakeholders. In addition, the Company has also established the Project Risk Committee to be responsible for assessing risks for any project and reducing the negative factors affecting the success of the project, since the Company's sales are mostly in the form of projects.

Risk factors that may affect the business operations of the Company can be classified as follows:

1. Risk Relating to Change of Technology

Due to the rapid change in the information and communication technology sector, the Company must always be on top of technological advances and trends in order to avoid any potential opportunity loss, or loss of its competitiveness. In the near future, the trend will be to even more Cloud Technology and in the near future will come the Internet of Thing (IoT).

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

2. Risk Relating to Change in Government Policy

The Information Technology business is considered to be a business in a good growing direction, due to the government policies and the laws, which continuously supports the investment in developing the Information Technology system such as the government policy of Digital Economy that its initial operational plan is to promote the access to a high-speed internet (Broadband) at the villages, create an internet connection to be ASEAN regional hub and Government cloud development (G-Cloud). These policies are beneficial to the entrepreneurs in the industry to have an opportunity to participate in the auction. Therefore, if there are changes in these government policies, they may affect both positively and negatively on the business opportunities of the Company. However, the Company is monitoring and assessing the situation closely and will continued keep the investors up to date.

3. Risk Relating to Dependency on Major Customers

The majority of the Company's revenue comes from sales and network installation services for government agencies and state enterprises, which accounts for approximately 60% of the Company's total revenue. Although this may pose a risk, however, as the infrastructures in Thailand needs constant development, the investments are often coming from almost all of these agencies in order to support the national agenda in IT according to the policy framework of the Ministry of Digital Economy and Society. However, the Company has also expanded the long-term support and maintenance services (MA) for the project's customers and plans to expand its customer base to include new ones in order to maintain balance with the revenue from projects.

The Company has been striving to minimize the risk of dependency on a few major customers and is constantly seeking opportunities to diversify its customer base in the future. The additional revenue from expanding the customer base in the maintenance services (MA) will increase the proportion of revenue, while the Company can still maintain its existing customer base.

4. Risk Relating to Dependency on Key Employees

The information and communication technology business highly depend on qualified human resources in terms of marketing, engineering and project operation. These valuable human resources utilize their expertise in advising, designing and implementing the products and services provided by AIT. At present, the Company has 354 permanent employees, most of them are engineers, each with approximately 5 - 7 years of work experience. In 2019, our employee's turnover rate was only 4.71%. In order to retain its employees, the Company provides attractive compensation packages and good working environment that enhances quality of life at work. The Company has also established an internal audit system to prevent the risk of losing any key employee which may affect its business operations.

AIT has developed a multilevel organizational structure with minimized single points of impact, which even allows the Company to replace key employees in any situation or case in which they should become unavailable. There are weekly internal meetings among the senior executives to acknowledge and discuss any potential problems and to determine immediate actions to mitigate any problem that might occur.

5. Risk Relating to Dependency on Major Supplier

Normally, the Company purchases its products directly from the manufacturers or indirectly via the manufacturers distributors with representative offices in Thailand. Notably the Company is the key distributor and strategic partner of Cisco Systems, the world's leading manufacturer of information and communication technology in the IP (internet Protocol) segment. In 2019, the Company's purchase of network equipment from Cisco Systems accounted for approximately 22% of the total cost of sales. The reason behind such high purchase amounts, each year, from Cisco Systems is based on the fact that Cisco's products have wide acceptance with customers in both local and international markets.

However, The Company is aware that major supplier dependency can lead to high level of risk. The Company therefore has become a partner with other well-known suppliers, which are as reputable as Cisco. These suppliers are the leading manufacturers in their own fields of business. In addition, the Company has also received awards for guaranteeing success from that partner.

6. Risk Relating to New Customers

Bidding with a new customer inevitably comes with risk, from the background of customer, presentation of technologies to meet the needs of customer, including delivery and financial competence. The Company has therefore established a screening process before entering a bidding process, in which the Project Risk Committee is responsible for risk analysis before allowing any department to participate in a major bidding.

7. Risk Relating to Project Delivery

ICT projects normally last between 2 - 4 months but this is dependent upon the particular project size. If the Company fails to deliver the project on time as stated in the contract, the Company may incur a financial penalty. To its credit, in the last 5 years, such occurrences have been minimal and the Company has been penalized around 1% of the project sales revenue, which by comparison with other project suppliers is considered extremely low.

The main causes of project delays are often due to external factors beyond our control, such as delays in the delivery from suppliers and changes in installed equipment, etc. Upon the project implementation, the Company will constantly monitor and examine the project delivery period. 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. In order to prevent the Company from the penalty, clear and effective project management method is necessary. The said process requires close monitoring of project and seamlessly coordination between the Company, customers, and suppliers, which allow us to identify problems, minimize potential impacts in advance and determine prevention methods.

8. Risk Relating to Sales and service contract conditions

In entering into a commercial contract, it is possible for the parties to disagree with the conditions of the contract. Therefore, amendments to the terms and conditions of the contract are needed to be satisfactory to both parties, which may cause delays in delivery and payment of products and services. Especially with medium to large organizations, which are the main customers of the Company, tend to have inconsistent contract conditions. In order to minimize the risk, the management of the Company has appointed legal consultants to provide legal advice, as well as studying and reviewing the conditions of the contract to be in line with the needs of both buyers and sellers to meet international standards. This in order to make the contract standardized, referable and acceptable. In addition, the Company regularly reviews the contract terms in order to monitor and manage risks to prevent potential contractual problems.

9. Risk Relating to Foreign Exchange Rate Risk

Generally, at a point approximately 1-2 months prior to the start of a project, the Company must estimate the project cost to use in the bidding or proposal process. If imported equipment is needed, this means that the project cost may be affected by fluctuations in foreign exchange rates. As of 31 December 2019, the Company had outstanding balance of trade receivables and trade payable denominated in foreign currency of USD 5.5 million and USD 2.8 million, respectively, the Company has applied the following strategies for mitigation of any adverse effects:

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

In 2019, the Company prepared to utilize various financial tools to enhance efficiency in managing risks and keep these at a minimum and therefore to maximize benefits to the Company.

10. Risk Relating to Changes in financial reporting standards and related practices and laws

The Federation of Accounting Professions will issue a number of revised and new financial reporting standards. These financial reporting standards are aimed at alignment with the corresponding International Financial Reporting Standards. For example, the Financial Reporting Standards No.9 “Financial Instruments”, the Financial Reporting Standards No.15 “Revenue from Contracts with Customers” and the Financial Reporting Standards No.16 “Lease Agreement, including the regulations or laws such as the Labor Protection Act (No.7) B.E. 2562 (2019), the Land and Buildings Tax Act B.E. 2562 (2019), etc. These requirements or standards may affect the working procedures and systems within the Company, which must be revised or changed to meet the standards and to be in accordance with relevant regulations. In this regard, the finance and accounting department of the Company has closely controlled, monitored and understood the changes in the standards and regulations. There is also a coordination to acquire knowledge and create understanding with external auditors on a regular basis, including all departments related to changes in order to be prepared and make the working procedures and systems work correctly and appropriately.

11. Risk relating to uncontrollable / unpredictable situations

There were effects from various natural conditions such as storms, landslides, and earthquakes, which these situations affected the Company’s project to be uncontrollable. However, the Company has a risk management plan, according to the potential risks, to manage and perform properly in such situations.



Management structure

The Board of Directors consists of:

Full Name	Position
1. Mr. Thana Chaiprasit	Chairman of the Board
2. Mr. Pongtep Polanun	Vice Chairman and Independent Director
3. Mr. Siripong Oontornpan	Director, Chairman of Executive Board Committee and President
4. Mr. 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. Chodiwat Duntanasarn	Director
11. Mrs.Sasinet Baholyodhin ⁽¹⁾	Director

Company Secretary: Ms. Sarin Chandranipapongse

Remark : ⁽¹⁾Mrs. Sasinet Baholyodhin was approved and appointed as a director according to the resolution of the Board of Directors Meeting No. 5/2019 on 8 August 2019, replacing Mr. Kijja Laoboonchai, who tendered his resignation, effective from 9 August 2019 onwards.

Authorized Directors

The Company's authorized signatories as follow:

Scenario1: Mr.Siripong Oontornpan jointly signing with Mr.Suraporn Raktaprachit or Mr.Chodiwat Duntanasarn and with the company's Seal affixed. Or

Scenario2: Mrs.Sasinet Baholyodhin jointly signing with Mr.Suraporn Raktaprachit or Mr. Mr.Chodiwat Duntanasarn and with the company's Seal affixed.

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.
- (6) Encourage employees at all levels to have ethics and moral consciousness, comply with good corporate governance and business ethics.

The Composition of the Board of Directors

As of December 31, 2019, the Company has four Committees: 1) The Board of Directors, 2) The Audit Committee, 3) The Nomination and Remuneration Committee, and 4) The Executive Board Committee.

The Board of Directors consists of persons who have a knowledge and ability to play a key role in determining the Company's policy, together with the top executives in planning its operation short-term and long-term. This includes the determination of the financial policy and corporate overview. There is another important role in overseeing, monitoring and assessing the performances of the Company and the top executives to meet the goals.

There are seven non-executive directors

There are four executive directors

There are four independent directors, listed as Mr. Pongtep Polanun, Mr. Chokechai Tanpoonsinthana, Mr. Sripop Sarasas, and Mr. Thanarak Phongphatar. These four directors are qualified for the Company's requirement on the independent directors, equal to the minimum requirement of the Security and Exchange Commission or the Stock Exchange of Thailand

The Sub-committees

Directors	The Audit Committee	The Nomination and Remuneration Committee	The Executive Board Committee
1. Mr. Thana Chaiprasit	-	-	-
2. Mr. Pongtep Polanun	Director	Chairman	-
3. Mr. Siripong Oontornpan	-	Director	Chairman
4. Mr. Chokechai Tanpoonsinthana	Chairman	-	-
5. Mr. Sripop Sarasas	Director	Director	-
6. Mr. Thanarak Phongphatar	-	-	-
7. Mr. Kittisak Sopchokchai	-	Director	-
8. Mr. Pisak Charudilaka	-	-	-
9. Mr. Suraporn Raktaprachit	-	Director	Director
10. Mr. Chodiwat Duntanasarn ⁽¹⁾	-	-	Director
11. Mrs. Sasinet Baholyodhin ⁽²⁾	-	-	Director

Remark : ⁽¹⁾Mr. Chodiwat Duntanasarn was approved and appointed as an executive director according to the resolution of the Board of Directors Meeting No. 5/2019 on 8 August 2019.

⁽²⁾Mrs. Sasinet Baholyodhin was approved and appointed as an executive director according to the resolution of the Board of Directors Meeting No. 5/2019 on 8 August 2019.

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.

The Attendance of the Directors in 2019

Name	The Board of Directors	The Audit Committee	The Nomination and Remuneration Committee	The Shareholder's Meeting 2019
	Total 7 times (Total 11 Directors)	Total 4 times (Total 3 Directors)	Total 3 times (Total 5 Directors)	Total 1 times (Total 11 Directors)
1. Mr. Thana Chaiprasit	7/7	-	-	1/1
2. Mr. Pongtep Polanun	6/7	3/4	3/3	1/1
3. Mr. Siripong Oontornpan	5/7	-	3/3	1/1
4. Mr. Chokechai Tanpoonsinthana	7/7	4/4	-	1/1
5. Mr. Sripop Sarasas	6/7	4/4	3/3	1/1
6. Mr. Thanarak Phongphatar	7/7	-	-	1/1
7. Mr. Kittisak Sopchokchai	7/7	-	3/3	1/1
8. Mr. Pisak Charudilaka	7/7	-	-	1/1
9. Mr. Suraporn Raktaprachit	7/7	-	3/3	1/1
10. Mr. Kijja Laoboonchai ⁽¹⁾	4/4	-	-	1/1
Mrs.Sasinet Baholyodhin ⁽¹⁾	2/2	-	-	-
11. Mr. Chodiwat Duntanasarn	7/7	-	-	1/1

Remark : ⁽¹⁾Mrs. Sasinet Baholyodhin was approved and appointed as a director according to the resolution of the Board of Directors Meeting No. 5/2019 on 8 August 2019, replacing Mr. Kijja Laoboonchai, who tendered his resignation, effective from 9 August 2019 onwards.

The Company's Management consists of

Full Name	Position
1. Mr. Siripong Oontornpan	President
2. Mr. Suraporn Raktaprachit	Senior Executive Vice President - Service Division
3. Mr. Asawin Kangvolkij	Senior Executive Vice President - Corporate Finance and Strategy Division
4. Mrs. Netnapit Oontornpan	Senior Executive Vice President - Corporate Affairs Division
5. Mr. Chodiwat Duntanasarn	Senior Executive Vice President - Customer Relations and Satisfaction Division
6. Mr. Apichai Nimgirawath	Senior Executive Vice President - Sales and Marketing Division
7. Mr. Promporn Ketudat ⁽¹⁾	Senior Executive Vice President - Digital Transformation Division

Remark : ⁽¹⁾ Mr. Promporn Ketudat appointmented as Senior Executive Vice President on January 13, 2020

Company Secretary

The Board of Directors has appointed Ms. Sarin Chandranipapongse as a company secretary. The Board of Directors appointed by an appropriation, as she has a knowledge and capability in managing the Company secretary and positioning as Vice president of Company Secretary Department. In addition, the Company encourages the Company secretary to train and develop continuously. The Company secretary's profile and experiences were disclosed in the Annual Report.

The Role of the Company Secretary

1. To facilitate all Board of Directors' activities
2. To schedule the meeting of the Board of Directors and Sub-committee and conduct the Board of Directors' meeting and shareholders' meeting.
3. To follow up and coordinate with relevant people, for the compliance of the resolutions from the Board of Directors and shareholders' meeting, as well as to report the monitored-operation.
4. To provide primary legal advices, associated rules, and the Code of Conduct to the Board of Directors, accordance with the law.
5. To coordinate with the regulatory authorities, such as the Security and Exchange Commission and the Stock Exchange of Thailand, in disclosure the information to the authorities and the public with legally accurate.
6. To prepare and maintain the documents, as follows;
 - The Board of Directors Registration
 - The Notice of the Board of Directors meeting
 - The Minute of the Board of Directors meeting
 - The Annual Report
 - The Notice of the Shareholders' meeting and the Minute of the Shareholders' meeting
7. To conduct the Board of Director's Orientation and provide advices for a new director.
8. To communicate with the shareholders and appropriately provide the shareholders to know their rights and the Company's updated information.
9. To perform other actions specified by the Securities and Exchange Commission.
10. To act on duties appointed by the Company.

Remuneration of Directors and the Management

The Nomination and Remuneration Committee shall be responsible for proposing the guidelines and determining the remuneration for directors at the appropriate rate and comparable within the same industry and same business size. The survey data of the directors' compensation of the Thai Institute of Directors and the Stock Exchange of Thailand is used in consideration in determining the remuneration to the directors at the comparable rate of the same industry to motivate and be appropriated to the knowledge, ability and responsibilities of the directors. Monthly remuneration and meeting allowance for the Board of Director and Audit Committee are determined. The committee members who are members of the sub-committee will receive meeting allowance for the sub-committee as well.

The Nomination and Remuneration Committee will propose the remuneration results to the Board of Directors for consideration and then propose it to the Annual General Meeting of Shareholders for approval. For 2019, the remuneration of the various committees and sub-committees is still at the same rate, which has not been requested for approval at the 2019 Annual General Meeting of Shareholders

The Directors' Remunerations in the year of 2019

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

Unit: Baht

Name	Position	Remuneration Fee	Retainer	Annual	Total
			Monthly Fee	Pension	
1. Mr. Thana Chaiprasit	Chairman of the Board	100,000	300,000	978,260.87	1,453,260.87
2. Mr. Pongtep Polanun	Vice Chairman and Independent Director	102,000	156,000	652,173.91	910,173.91
3. Mr. Siripong Oontornpan	Director	85,000	156,000	652,173.91	893,173.91
4. Mr. Kittisak Sopchokchai	Director	119,000	156,000	652,173.91	927,173.91
5. Mr. Suraporn Raktaprachit	Director	119,000	156,000	652,173.91	927,173.91
6. Mr. Thanarak Phongphatar	Independent Director	119,000	156,000	652,173.91	927,173.91
7. Mr. Kijja Laoboonchai ⁽¹⁾	Director	68,000	91,000	652,173.91	811,173.91
Mrs. Sasinet Baholyodhin ⁽¹⁾		34,000	65,000	-	99,000.00
8. Mr. Chokechai Tanpoonsinthana	Independent Director	119,000	156,000	652,173.91	927,173.91
9. Mr. Sripop Sarasas	Independent Director	102,000	156,000	652,173.91	910,173.91
10. Mr. Pisak Charudilaka	Director	119,000	156,000	652,173.91	927,173.91
11. Mr. Chodiwat Duntanasarn	Director	119,000	156,000	652,173.91	927,173.91
Total		1,280,000	1,860,000	7,500,000	10,640,000

- 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. 1/2019 approved a resolution to grant the pension to the Directors for the total amount of 7.5 Million Baht
 4. ⁽¹⁾ Mrs. Sasinet Baholyodhin was approved and appointed as a director according to the resolution of the Board of Directors Meeting No. 5/2019 August 2019, replacing Mr. Kijja Laoboonchai, who tendered his resignation, effective from 9 August 2019 onwards.

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

Unit: Baht

Name	Position	Remuneration Fee	Monthly	Total
			retainer Fee	
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	340,000	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

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

Unit: Baht

Name	Position	Remuneration Fee	Total
1. Mr. Pongtep Polanun	Chairman	75,000	75,000
2. Mr. Siripong Oontornpan	Director	60,000	60,000
3. Mr. Sripop Sarasas	Director	60,000	60,000
4. Mr. Kittisak Sopchokchai	Director	60,000	60,000
5. Mr. Suraporn Raktaprachit	Director	60,000	60,000
Total		315,000	315,000

- 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

Managements Remuneration 2019

The Company set a criteria in the Managements remuneration, based on the knowledge, ability, experiences, and annual performances, as well as the comparison with other companies in the same industry and similar in its size.

Lists of Remuneration for the Directors and Executives

		2019	2018	2017
1. The Audit Committee	Short-term employee benefits	4	5	5
2. Directors who are a member of the Executive Board Committee and Managements	Short-term employee benefits	59	66	73
	Post employee benefits	8	4	9
3. Directors who are not a member of the Audit Committee and the Managements	Short-term employee benefits	4	6	6

Employees

As of 31 December 2019, The Company has in total of 509 employees, divided into these following divisions;

Divisions	Total Employees (person), as of 31 December 2019
1. Sales and Marketing	69
2. Finance	82
3. Service	303
4. Corporate Affairs	41
5. Customer Satisfaction	2
6. President Office	12
Total	509

Remark: The number of employees in the table includes the executives.

Monetary Remuneration

In 2019, the Company reviewed the policy of the employee remuneration in accordance with the Company's short-term and long-term operation results; there are payment of monetary remuneration to employees such as salary, bonus, and allowance (without directors and executives' exclusive according to the SEC) of the total 590.70 million THB.

Human Resources Development Policy

The human resources development policy focuses on building up employees' competences to compete with the market to support the expansion of business in the future by planning the organizational structure and human resources appropriately. The human resources development takes place at all levels, preparing to perform well to achieve the business goals. The development is divided to three areas.

1. Knowledge Development The Company's human resources development has a policy to develop the personnel to be ready for the changes in innovation and technology, mainly focuses in keeping and developing the former talented personnel. The Company is also recruiting a specialist in new technology to help working in the Company, for developing the employees to be valuable and quality resources and prepared to be a main power in the future, under the concept "The personnel is the foundation of the business". In the previous year, there are a number of issues in the technology trends that the business sectors have to adapt for a better management. Therefore, the Company has to develop the personnel in new technologies, such as Internet of Things for Business, Python for Network, Cloud Technology, SDN Associate, and Big Data Foundation.

2. Skill Development Human Resource Management of a various business sector has to develop their personnel to keep up with the technology, which will enable the Company to grow with strength and quality. The personnel development was practiced continuously by training the personnel to be ready in a rapid technological change and the expansion of the business. The training plan of the human resource development focuses on a technical skill and soft skill, for the personnel to have knowledge to be successfully operated. This includes the ability to work with the others effectively. The policy of human resource development has set to be the key drivers and be responsive on the Company's vision and strategy to meet the goals. The Company human resource developments are as follow;

- The human resource development on the Technical Skill

The Company are promoting the employees to have knowledge skills in special technical aspect for an operation in various technologies, including a network, systems, and software, for the personnel to have a technical skill in the form of the collaboration technical skill. This can be seen in the employees training program to support and be certified by the Information Technology Professional Examination, as to guarantee the employees' qualification to ensure and create customers confidence that in the previous year there is a development of the personnel in this area. The Company intends to develop the human resources in order to have occupational competences to operate and meet the Company standard.

- The human resource development on the Soft Skill

The Company believes that in order for the Company to be successful, it is not created by only a variety of technical knowledge and skill each personnel has. To have a high quality and less conflict work which partially helped by the relationship between employees that make all works successful and align on the set standard. The Company assigns the human resources in each level to develop on the soft skills, as believe in the importance of team working, human resource management, communication between each others, such as the leader, subordinate, co-worker, and customers. The Company introduces an annual training and developing plan for employees by inviting a speaker and expert with a direct knowledge and experiences in each fields to lecture and educate the employees. In 2018, there are the trainings as follows;

1. Being Professional & Accountable Leader. This course creates professionalism to the Company's personnel, where the characteristics and professional features are an important element of an effective leadership in the organization. In addition, the professionalism affects the responsibilities in thought, words, and actions, especially when mistakes occur. These personal responsibilities come with honesty and integrity, which are the main component of being a professional.

2. Personality and Presentation Skills. A development on making each personnel to have a good personality and trustable image and that will create a good corporate image. One factor that make a Company successful in the business is the "personnel", to create the best work from each personal effort to fulfill the expecting goals.

3. Future Leaders Program. Preparing to understand the management to form an executive through a learning process, future leader forming system. This is the preparation of a new generation to succeed in the future.

- The human resources development on Ability. The Company develops on its capacity development, knowledge on the working area, with high intension to develop on an occupational competence, which the operation will rely on the Company's standard. For example, encourages the employees to take a test and get a certificate in a various fields to further fulfill its knowledge and create a career path concretely.



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 Executive Vice President - Advanced Technology and Application Services Department, two Executive Vice Presidents - Services Division, Executive Vice President Finance Division and Executive Vice President - Marketing and Sales Division, 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 international 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 duties and their segregation in order to ensure that there is a control system of checks and balances through the use of proper written authority and approval levels and limits. Guidelines for connected and related transactions have also been developed to ensure compliance with all relevant laws.

4. Information & 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 2019 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 has 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 results of sufficiency of internal control system evaluation of the company in the year 2019 had an average score of 87%. 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 Company has established an internal audit charter, aligned with the standard of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The internal audit charter was approved by the Board of Directors resolution no.4/2010.

The Internal Audit results in year 2019 are as follows:

1. Internal Audit No. 4/2018

An Inventory Management System

1. Operational manual
2. Structure unit
3. Job discription and Task division
4. Result of the inventory counting observation
5. Goods issued
6. Product borrowing
7. Report stock movement
8. Insurance
9. Insuring the goods transported to the customer

Tracking an issue from the previous inspections in the first and second of the year 2018

1. Internal Audit No. 1/2018

- Financial control system
- Fixed asset control system

2. Internal Audit No. 2/2018

- Cost of sales recognition and Record system

2. Internal Audit No. 1/2019

Financial Control Systems

1. Organizational structure
2. Operations manual
3. Policy and Regulaion
4. Job description
5. Task division
6. Operational control

Advanced payment and Clear advanced payment control system

1. Advanced payment and Clear advanced payment not through work floww
2. Advanced payment approval limit
3. Advanced payment clear

3. Internal Audit No. 2/2019

Fixed Asset Control System

1. Organization Structure
2. Operation manual
3. Job discription
4. Task Division
5. Fixed asset couting policy
6. Operation control

Purchase Control System

1. Reviewing purchase requested documents
2. Price comparison
3. Seller assessment

4. Internal Audit No. 3/2019

The Operation Procedures of the Project Manager Department

1. Initiating processes
2. Planning processes
3. Executing processes
4. Monitoring & Controlling processes
5. Closing processes

The Operation Procedures of the Maintenance Department

1. Preventive maintenance system
2. Corrective maintenance system



Financial Information

Related party transactions

During the year, the Company had significant business transactions with the related parties which are conducted fairly at market prices. Such transactions, which are summarized below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	2019	2018	Transfer pricing policy
Transactions with joint arrangement			
Other income	1	-	Agree-upon price
Transactions with the related party			
Sales of goods and services	-	23	Market price

As at 31 December 2019 and 2018, the balance of the accounts between the Company and those related parties are as follows:

(Unit: Million Baht)

	2019	2018
Trade accounts receivable - related party		
Related company (related by a common director)	121	146
Other receivables - related party		
Joint arrangement	1	-
Advance to related party		
Joint arrangement	3	-

Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Million Baht)

	2019	2018
Short-term employee benefits	67	77
Post-employment benefits	8	4



The Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the financial statements of the Advanced Information Technology Public Company Limited including other related financial information which publish in the Annual Report. The financial statements are 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 accompanying the consolidate financial statements and the separate financial statements of Advanced Information Technology Public Company Limited which comprise the statement of financial position as at 31 December 2019, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements were audited by an independent external auditor, EY Company Limited. The Board also responsible to prepare and disclose information to support 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 the Advanced Information Technology Public Company Limited are accurate in accordance with the generally accepted accounting standards and the related regulations.

Mr. Thana Chaiprasit
Chairman of the Board

Mr. Siripong Oontornpan
Chairman of Executive Board
Committee and President



Independent Auditor's Report

To the Shareholders of Advanced Information Technology Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Advanced Information Technology Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated 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 referred to above present fairly, in all material respects, the financial position of Advanced Information Technology Public Company Limited and its subsidiary and of Advanced Information Technology Public Company Limited as at 31 December 2019, 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 Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions 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 to 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 5.1 a) and Note 5.2 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.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group'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 Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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.

I am responsible for the audit resulting in this independent auditor's report.



Manee Rattanabunnakit

Certified Public Accountant (Thailand) No. 5313

EY Office Limited

Bangkok: 13 February 2020

ค่านิยม

- มีอาชีพ
- คุณธรรม
- ให้ความร่วมมืออย่างเป็นมิตร

Core Value

- Being Professional
- Virtual
- Friendly Collaboration

Statement of financial position

Advanced Information Technology Public Company Limited and its subsidiary As at 31 December 2019

(Unit: Baht)

	<u>Note</u>	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	8	190,182,417	1,265,754,776	190,182,394	1,265,754,776
Trade and other receivables	9	2,268,609,813	1,500,184,085	2,268,609,813	1,500,184,085
Unbilled receivables	10	1,705,038,508	560,204,904	1,705,038,508	560,204,904
Inventories	11	745,931,039	267,951,173	745,931,039	267,951,173
Advances for goods and services		156,426,249	-	156,426,249	-
Other current assets		150,809,097	186,802,253	150,809,097	186,802,253
Total current assets		5,216,997,123	3,780,897,191	5,216,997,100	3,780,897,191
Non-current assets					
Investment in subsidiary	12	-	-	23	23
Investments in joint ventures	14	38,025,873	71,678,704	169,999,700	169,999,700
Investments in related party	15	84,990,500	84,990,500	84,990,500	84,990,500
Property, plant and equipment	16	101,898,287	109,350,191	101,898,287	109,350,191
Equipment for lease	17	120,564,670	97,584,550	120,564,670	97,584,550
Intangible assets	18	36,190,005	37,203,503	36,190,005	37,203,503
Withholding tax deducted at sources		12,766,899	12,766,899	12,766,899	12,766,899
Deferred tax assets	26	67,863,310	45,239,422	67,863,310	45,239,422
Other non-current assets		49,316,171	33,074,939	49,316,171	33,074,939
Total non-current assets		511,615,715	491,888,708	643,589,565	590,209,727
Total assets		5,728,612,838	4,272,785,899	5,860,586,665	4,371,106,918

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

Statement of financial position (continued)

Advanced Information Technology Public Company Limited and its subsidiary As at 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Short-term loan from finance institution	19	400,000,000	-	400,000,000	-
Trade and other payables	20	738,499,038	642,788,389	738,499,038	642,788,412
Unbilled payables		713,542,362	484,001,533	713,542,362	484,001,533
Current portion of liabilities under financial arrangement agreements					
Income tax payable	21	42,586,522	29,131,532	42,586,522	29,131,532
Advances received from customers		32,404,789	-	32,404,789	-
Provision for penalty on project delay		544,483,659	94,465,716	544,483,659	94,465,716
Other current liabilities		115,548,813	90,760,126	115,548,813	90,760,126
Total current liabilities	22	94,983,283	59,976,510	94,983,283	59,976,510
Non-current liabilities		2,682,048,466	1,401,123,806	2,682,048,466	1,401,123,829
Liabilities under financial arrangement agreements	21	62,918,329	43,951,850	62,918,329	43,951,850
Provision for long-term employee benefits	23	97,768,596	83,048,075	97,768,596	83,048,075
Total non-current liabilities		160,686,925	126,999,925	160,686,925	126,999,925
Total liabilities		2,842,735,391	1,528,123,731	2,842,735,391	1,528,123,754

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

Statement of financial position (continued)

Advanced Information Technology Public Company Limited and its subsidiary As at 31 December 2019

(Unit: Baht)

	<u>Note</u>	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
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	24	103,160,449	103,160,449	103,160,449	103,160,449
Unappropriated		1,445,109,775	1,298,789,765	1,579,649,249	1,404,781,139
Other components of shareholders' equity		2,565,647	7,670,378	-	-
Total shareholders' equity		2,885,877,447	2,744,662,168	3,017,851,274	2,842,983,164
Total liabilities and shareholders' equity		5,728,612,838	4,272,785,899	5,860,586,665	4,371,106,918

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

Statement of comprehensive income

Advanced Information Technology Public Company Limited and its subsidiary As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss					
Revenues					
Sales and service income		6,903,424,041	4,042,567,063	6,903,424,041	4,042,567,063
Rental income from equipment for lease		118,903,864	141,041,783	118,903,864	141,041,783
Other income		54,349,873	54,018,786	54,349,873	54,018,786
Total revenues		7,076,677,778	4,237,627,632	7,076,677,778	4,237,627,632
Expenses					
Cost of sales and service		5,882,791,366	3,301,124,264	5,882,791,366	3,301,124,264
Cost of equipment for lease		59,139,930	89,383,684	59,139,930	89,383,684
Selling and distribution expenses		215,309,296	185,029,145	215,309,296	185,029,145
Administrative expenses		375,369,613	312,163,525	375,369,613	312,163,525
Total expenses		6,532,610,205	3,887,700,618	6,532,610,205	3,887,700,618
Profit before share of loss from investments in joint ventures, finance cost and income tax expenses		544,067,573	349,927,014	544,067,573	349,927,014
Share of loss from investments in joint ventures	14	(28,548,100)	(38,556,812)	-	-
Profit before finance cost and income tax expenses		515,519,473	311,370,202	544,067,573	349,927,014
Finance cost		(8,940,201)	(982,139)	(8,940,201)	(982,139)
Profit before income tax expenses		506,579,272	310,388,063	535,127,372	348,944,875
Income tax expenses	26	(114,486,391)	(73,554,494)	(114,486,391)	(73,554,494)
Profit for the year		392,092,881	236,833,569	420,640,981	275,390,381
Other comprehensive income:					
<i>Other comprehensive income to be classified to profit or loss in subsequent periods</i>					
Share of other comprehensive income from investments in joint venture	14	(5,104,731)	7,670,378	-	-
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>		(5,104,731)	7,670,378	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss - net of income tax	23, 26	4,328,239	-	4,328,239	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		4,328,239	-	4,328,239	-
Other comprehensive income for the year		(776,492)	7,670,378	4,328,239	-
Total comprehensive income for the year		391,316,389	244,503,947	424,969,220	275,390,381
Basic earnings per share	27				
Profit attributable to equity holders of the Company		1.90	1.15	2.04	1.33

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

Cash flow statement

Advanced Information Technology Public Company Limited and its subsidiary For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before tax	506,579,272	310,388,063	535,127,372	348,944,875
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	86,681,703	117,900,964	86,681,703	117,900,964
Allowance for doubtful accounts	42,741,417	14,926,658	42,741,417	14,926,658
Share of loss from investments in joint ventures	28,548,100	38,556,812	-	-
Provision for penalty on project delay	39,503,720	13,660,126	39,503,720	13,660,126
Loss on sales and write-off of building improvement and equipment	3,376	254,833	3,376	254,833
Loss on write-off of equipment for lease	-	1,582	-	1,582
Provision for long-term employee benefits	30,115,382	12,497,644	30,115,382	12,497,644
Unrealised (gain) loss on exchange	16,087,298	(9,740,400)	16,087,298	(9,740,400)
Interest expenses	8,940,201	1,389,292	8,940,201	1,389,292
Profit from operating activities before changes in operating assets and liabilities	759,200,469	499,835,574	759,200,469	499,835,574
Operating assets (increase) decrease				
Trade and other receivables	(804,395,503)	789,362,250	(804,395,503)	789,362,250
Unbilled receivables	(1,164,606,315)	(126,024,630)	(1,164,606,315)	(126,024,630)
Inventories	(367,654,133)	37,839,228	(367,654,133)	37,839,228
Other current assets	(156,426,249)	-	(156,426,249)	-
Advances for goods and services	34,914,761	(80,835,141)	34,914,761	(80,835,141)
Other non-current assets	(16,241,232)	3,865,464	(16,241,232)	3,865,464
Operating liabilities increase (decrease)				
Trade and other payables	86,898,419	(653,480,737)	86,898,396	(653,480,737)
Unbilled payables	229,540,829	24,246,693	229,540,829	24,246,693
Advances received from customers	311,372,297	6,662,996	311,372,297	6,662,996
Cash paid for penalty on project delay	(14,715,033)	-	(14,715,033)	-
Other current liabilities	34,981,872	319,409	34,981,872	319,409
Cash paid for long-term employee benefits	(9,984,563)	(1,770,000)	(9,984,563)	(1,770,000)
Cash from operating activities	(1,077,114,381)	500,021,106	(1,077,114,404)	500,021,106
Interest paid	(8,496,639)	(1,389,292)	(8,496,639)	(1,389,292)
Income tax paid	(100,000,491)	(118,243,792)	(100,000,491)	(118,243,792)
Net cash from (used in) operating activities	(1,185,611,511)	380,388,022	(1,185,611,534)	380,388,022

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

Cash flow statement (continued)

Advanced Information Technology Public Company Limited and its subsidiary For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2562	2561	2562	2561
Cash flows from investing activities				
Decrease in short-term loans to related party	-	18,000,000	-	
Proceeds from sales of equipment	-	19,739	-	19,739
Cash payment for purchase of building improvement and equipment	(17,459,420)	(15,594,753)	(17,459,420)	(15,594,753)
Cash payment for purchase of equipment for lease	(74,003,944)	(24,888,842)	(74,003,944)	(24,888,842)
Cash payment for purchase of computer software	(3,990,977)	(2,355,714)	(3,990,977)	(2,355,714)
Net cash used in investing activities	(95,454,341)	(24,819,570)	(95,454,341)	(42,819,570)
Cash flows from financing activities				
Increase in short-term loans from financial institution	400,000,000	-	400,000,000	-
Repayment of long-term loans	-	(28,960,000)	-	(28,960,000)
Increase in liabilities under financial arrangement agreements	32,421,469	24,293,281	32,421,469	24,293,281
Dividend paid	(226,927,976)	(371,349,210)	(226,927,976)	(371,349,210)
Net cash from (used in) financing activities	205,493,493	(376,015,929)	205,493,493	(376,015,929)
Net decrease in cash and cash equivalents	(1,075,572,359)	(20,447,477)	(1,075,572,382)	(38,447,477)
Cash and cash equivalents at beginning of year	1,265,754,776	1,286,202,253	1,265,754,776	1,286,202,253
Cash and cash equivalents at end of year	190,182,417	1,265,754,776	190,182,394	1,247,754,776
	-	-	-	(18,000,000)
Supplemental cash flows information				
Non-cash transactions				
Purchase of building improvement and equipment for which no cash has been paid	5,118,237	1,592,903	5,118,237	1,592,903
Purchase of computer software for which no cash has been paid	627,219	1,427,905	627,219	1,427,905

Statements of changes in shareholders' equity

Advanced Information Technology Public Company Limited and its subsidiary For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements					
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	Total shareholders' equity
			Appropriated	Unappropriated		
Balance as at 1 January 2018	1,031,604,485	303,437,091	103,160,449	1,433,333,631	-	2,871,535,656
Profit for the year	-	-	-	236,833,569	-	236,833,569
Other comprehensive income for the year	-	-	-	-	7,670,378	7,670,378
Total comprehensive income for the year	-	-	-	236,833,569	7,670,378	244,503,947
Dividend paid	-	-	-	(371,377,435)	-	(371,377,435)
Balance as at 31 December 2018	1,031,604,485	303,437,091	103,160,449	1,298,789,765	7,670,378	2,744,662,168
Balance as at 31 December 2018 - as previously reported	1,031,604,485	303,437,091	103,160,449	1,298,789,765	7,670,378	2,744,662,168
Cumulative effect of change in accounting policy for revenue recognition	-	-	-	(23,148,233)	-	(23,148,233)
Balance as at 31 December 2018 - as restated	1,031,604,485	303,437,091	103,160,449	1,275,641,532	7,670,378	2,721,513,935
Profit for the year	-	-	-	392,092,881	-	392,092,881
Other comprehensive income for the year	-	-	-	4,328,239	(5,104,731)	(776,492)
Total comprehensive income for the year	-	-	-	396,421,120	(5,104,731)	391,316,389
Dividend paid	-	-	-	(226,952,877)	-	(226,952,877)
Balance as at 31 December 2019	1,031,604,485	303,437,091	103,160,449	1,445,109,775	2,565,647	2,885,877,447

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

Statements of changes in shareholders' equity (continued)

Advanced Information Technology Public Company Limited and its subsidiary For the year ended 31 December 2019

(Unit: Baht)

	Note	Separate financial statements				
		Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
				Appropriated	Unappropriated	
Balance as at 1 January 2018		1,031,604,485	303,437,091	103,160,449	1,500,768,193	2,938,970,218
Profit for the year		-	-	-	275,390,381	275,390,381
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	275,390,381	275,390,381
Dividend paid	30	-	-	-	(371,377,435)	(371,377,435)
Balance as at 31 December 2018		1,031,604,485	303,437,091	103,160,449	1,404,781,139	2,842,983,164
Balance as at 31 December 2018 - as previously reported		1,031,604,485	303,437,091	103,160,449	1,404,781,139	2,842,983,164
Cumulative effect of change in accounting policy for revenue recognition	4	-	-	-	(23,148,233)	(23,148,233)
Balance as at 31 December 2018 - as restated		1,031,604,485	303,437,091	103,160,449	1,381,632,906	2,819,834,931
Profit for the year		-	-	-	420,640,981	420,640,981
Other comprehensive income for the year		-	-	-	4,328,239	4,328,239
Total comprehensive income for the year		-	-	-	424,969,220	424,969,220
Dividend paid	30	-	-	-	(226,952,877)	(226,952,877)
Balance as at 31 December 2019		1,031,604,485	303,437,091	103,160,449	1,579,649,249	3,017,851,274



Notes to consolidated financial statements

Advanced Information Technology Public Company Limited and its subsidiary For the year ended 31 December 2019

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 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 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Advanced Information Technology Public Company Limited (“the Company”) and S P Resources and Commercials Pte. Ltd. (“the subsidiary”), which is a company incorporated in Singapore.
- b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary company are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.

- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiary and joint ventures under the cost method.

2.4 The Company has joint arrangements which assessed as joint operations between the Company and other joint operators. The Company recognises its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, to the separate financial statements, the details as follows:

Name of entity	Nature of Business	Country of incorporation	Interest in joint operations	
			2019 Percent	2018 Percent
AWD Joint Venture	Construction	Thailand	50	-

In May 2019, AWD Joint Venture entered into an agreement on a project of shifting cable conduits underground throughout Bangkok with Krungthep Thanakom Company Limited. AWD Joint Venture is a joint arrangement which is treated as a joint operation among the Company and other two companies, with the Company having an interest of 50% under the joint venture agreement.

3. New financial reporting standards

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

During the period, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes

TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The Company adopted TFRS 15 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2019, and the comparative information was not restated. The Company elects to apply the following practical expedients.

- Not restate completed contracts as at 1 January 2019 for which the entity has transferred all of the goods or services identified in accordance with the previous accounting policy;
- Not restate the contracts that were modified before 1 January 2019 but reflect the aggregate effect of all of the modifications that occur before such date when identifying the performance obligations, determining the transactions price and allocating the transaction price to the performance obligations.

The cumulative effect of the change is described in Note 4.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations

regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Group's assets and liabilities by approximately Baht 56 million.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 3 to the financial statements, during the current year, the Group has adopted TFRS 15 using the modified retrospective method of adoption. The cumulative effect of initially applying TFRS 15 is recognised as an adjustment to retained earnings as at 1 January 2019. Therefore, the comparative information was not restated.

The effect of the changes in accounting policies due to the adoption of TFRS 15 on the beginning balance of retained earnings for 2019 comprises:

(Unit: Million Baht)	
Impact on retained earnings as at 1 January 2019	
Service-type warranties	(28.9)
Related tax	5.8
Total	(23.1)

The amounts of adjustments affecting the statements of financial position as at 31 December 2019 and the statements of comprehensive income for the year ended 31 December 2019 are summarised below.

The amounts of adjustments affecting the statements of financial position as at 31 December 2019 and the statements of comprehensive income for the year ended 31 December 2019 are summarised below.

(Unit: Million Baht)

	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of financial position			
Assets			
Unbilled receivables	1,760.3	(55.3)	1,705.0
Inventories	638.9	107.0	745.9
Total assets	2,399.2	51.7	2,450.9
Liabilities			
Advance received from customers	461.1	83.4	544.5
Total liabilities	461.1	83.4	544.5
Shareholders' equity			
Retained earnings	1,938.1	(31.7)	1,906.4
Total shareholders' equity	1,938.1	(31.7)	1,906.4
Total liabilities and shareholders' equity	2,399.2	51.7	2,450.9
Statement of comprehensive income			
Profit or loss:			
Sales and service income	7,042.1	(138.7)	6,903.4
Cost of sales and service	5,989.8	(107.0)	5,882.8
Profit for the year	1,052.3	(31.7)	1,020.6
Earnings per share (Baht):			
Basic earnings per share	5.10	(0.15)	4.95

The nature of the adjustment is described below.

Service-type warranties - The Company has determined that service-type warranties should be recognised as revenue over the periods in which the service will be provided. Previously, revenue was recognised in full upon delivery of the services.

5. Significant accounting policies

5.1 Revenue recognition

a) Revenues from contract with customer

The Company considers that the contracts with customers are obtained when the Company is committed by the contracts with customers to transfer to the rights and obligations. The Company identifies the performance obligations in the contracts and allocates the transaction price to the performance obligations in the contracts.

Revenue arising from contracts with customers are recognised when control of goods or service have passed to customers at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to customers, excluding value added tax.

The Company transfers the control either over time or at a point in time depending upon conditions of contracts and laws applied to such contracts. The Company transfers control of assets over time if one of the following criteria is met:

- the customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs;
- the entity's performance creates or enhances an asset that the customer controls as the asset is created; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

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 and long-term are recognised over time when services have been rendered taking into account the stage of completion, measuring based on information provided by the Company's engineers/the project managers.

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Unbilled receivables" in the statement of financial position.

The obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Advance received from customers" in the statement of financial position.

The service-type warranties provided customers with a service in addition to the assurance with agreed-upon specifications are recognised as revenue over the periods in which the service is provided.

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, and allowances to customers.

Service revenues are recognised when the services have been rendered taking into account the stage of completion.

Maintenance income is recognised over the period of maintenance.

Rental income

Rental income is recognised over the period of rental.

b) Interest income

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

5.2 Cost of sales and income

Costs of sales, design, installation, service, ongoing repair and maintenance, training, contract lump sum turnkey for information and communication technology network systems and long-term construction 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.

5.3 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.

5.4 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.

5.5 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.

5.6 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 non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- c) Investments in joint ventures are accounted for in the consolidated financial statements using the equity method.

- d) Investments in subsidiary and 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.

5.7 Property, plant, equipment and equipment for lease/Depreciation

Land is stated at cost. Building, equipment and equipment for lease 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 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
Equipment for lease	Lease period	3 - 6 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 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.

5.8 Intangible assets

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 are 10 years

5.9 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.

5.10 Long-term leases

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

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.

5.11 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.

5.12 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 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.

5.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company 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 defined benefit plans are recognised immediately in other comprehensive income.

5.14 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.

5.15 Income tax

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

Current tax

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

Deferred tax

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

The Company 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.

5.16 Derivatives

Forward exchange contracts

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

5.17 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.

6. 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 percentage of completion

Revenues from sale, design, installation, service, ongoing repair and maintenance, training, lump sum turnkey for information and communication technology network systems and long-term construction are recognised over time when services have been rendered taking into account the stage of completion, the management has exercised 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 according to output method to reflect the Company's performance obligation to complete, based on information from the engineers/project managers.

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.

Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess the results of the litigation and recorded the provisions as described in Note 31.5 to the financial statements

7. Related party transactions

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

(Unit: Million Baht)

	2019	2018	Transfer pricing policy
<u>Transactions with joint arrangement</u>			
Other income	1	-	Agree-upon price
<u>Transactions with the related parties</u>			
Sales of goods and services	-	23	Market price

As at 31 December 2019 and 2018, the balance of the accounts between the Company and those related parties are as follows:

(Unit: Million Baht)

	2019	2018
Trade accounts receivable - related party (Note 9)		
Related company (related by a common director)	121	146
Total trade receivables - related party	121	146
Other receivables - related party (Note 9)		
Joint arrangement	1	-
Total other receivables - relate party	1	-
Advance to related party (Note 9)		
Joint arrangement	3	-
Total advance to related party	3	-

Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Million Baht)

	2019	2018
Short-term employee benefits	67	77
Post-employment benefits	8	4

8. Cash and cash equivalents

(Unit: Thousand Baht)

	2019	2018
Cash	402	280
Bank deposits	189,780	932,224
Highly liquid investments		
Unit trusts in fixed income open-ended fund - Cost	-	325,667
Add: Unrealised gain from changes in value of investments	-	7,584
Unit trusts in fixed income open-ended fund - Fair value	-	333,251
Total	190,182	1,265,755

As at 31 December 2019, bank deposits in savings accounts and fixed deposits carried interests between 0.10 - 1.00 % per annum (2018: bank deposits in savings accounts, fixed deposits and highly liquid investments carried interests between 0.10 - 1.22% per annum).

9. Trade and other receivables

(Unit: Million Baht)

	2019	2018
<u>Trade receivables - related party (Note 7)</u>		
Aged on the basis of due dates		
Past due		
Over 3 - 6 months	-	23,426
Over 6 - 12 months	-	131,565
Over 12 months	130,436	-
Total	130,436	154,991
Less: Allowance for doubtful accounts	(9,117)	(9,117)
Total trade receivables - related party, net	121,319	145,874
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	1,249,345	430,181
Past due		
Up to 3 months	451,812	526,888
3 - 6 months	339,716	76,661
Over 6 - 12 months	45,288	63,264
Over 12 months	91,291	308,080
Total	2,177,452	1,405,074
Less: Allowance for doubtful accounts	(74,348)	(50,764)
Total trade receivables - unrelated parties, net	2,103,104	1,354,310
Total trade receivables - net	2,224,423	1,500,184
<u>Other receivables</u>		
Other receivables - related party (Note 7)	1,391	-
Other receivables - unrelated parties	39,873	-
Advance to related party (Note 7)	2,923	-
Total other receivables	44,187	-
Total trade and other receivables - net	2,268,610	1,500,184

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. Unbilled receivables

(Unit: Thousand Baht)

	2019	2018
Unbilled receivables	1,724,196	560,205
Less: Allowance for doubtful accounts	(19,157)	-
Total unbilled receivables - net	1,705,039	560,205

11. Inventories

(Unit: Thousand Baht)

	2019	2018
Equipment and work in progress	736,016	232,595
Goods in transit	9,915	35,356
Total	745,931	267,951

12. Investment in subsidiary

On 6 September 2018, the Board of Directors' meeting of the Company passed a resolution to invest in ordinary shares of S P Resources and Commercial Pte. Ltd., a newly established company in Singapore, principally engaged in the trading of spare parts and hardware accessories and in the other business operations. The investment amounted to SGD 100,000 representing 100% of the registered share of this company. On 25 September 2018, this company registered with the share capital of 1 SGD.

At the present, the subsidiary is on process of closing.

13. Joint arrangements - joint operations

Financial information of the Company and the joint arrangement which is the joint operations as described in Note 2.4 to the financial statements are presented including in the separate financial statement as below.

(Unit: Million Baht)

	As at 31 December 2019			
	The Company	The joint arrangement	Elimination entries	Separate financial statements
Summarised information about financial position:				
Current assets	5,213	121	(117)	5,217
Non-current assets	644	-	-	644
Current liabilities	2,677	122	(117)	2,682
Non-current liabilities	161	-	-	161
Unappropriated retained earnings	3,019	(1)	-	3,018

(Unit: Million Baht)

	For the year ended 31 December 2019			
	The Company	The joint arrangement	Elimination entries	Separate financial statements
Summarised information about profit or loss:				
Total revenues	7,070	121	(114)	7,077
Total expenses	(6,525)	(122)	114	(6,533)
Profit before finance cost and income tax expenses				
tax expenses	545	(1)	-	544
Finance cost	(9)	-	-	(9)
Profit before income tax expenses	536	(1)	-	535
Income tax expenses	(114)	-	-	(114)
Profit for the year	422	(1)	-	421

14. Investments in joint ventures

14.1 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		Investments under cost method		Investments under equity method	
			2019	2018	2019	2018	2019	2018
			(%)	(%)				
Loxley & AIT Holding Co., Ltd.	Invest in the business of lump sum turnkey contracting for the installation of communication tools, electricity plants and sales of related equipment	Thailand	50.00	50.00	100	100	-	24
Genesis Data Center Co., Ltd.	Data center service	Thailand	33.33	33.33	70	70	38	48
					170	170	38	72

14.2 Share of comprehensive income

During the years, the Company recognised its share of comprehensive income from investments in the joint ventures in the consolidated financial statements as follows:

(Unit: Million Baht)

Joint ventures	Consolidated financial statements			
	Share of loss from investments in joint ventures during the year		Share of other comprehensive income from investments in joint ventures during the year	
	2019	2018	2019	2018
Loxley & AIT Holding Co., Ltd.	(18.5)	(21.4)	(5.1)	7.7
Genesis Data Center Co., Ltd.	(10.0)	(17.2)	-	-
	(28.5)	(38.6)	(5.1)	7.7

14.3 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.	
	2019	2018	2019	2018
Cash and cash equivalents	9.6	9.9	-	8.3
Other current assets	-	-	32.3	32.2
Building and equipment	-	-	419.5	443.2
Non-current assets	-	37.4	3.2	5.2
Current portion of long-term loans	-	-	(23.5)	(0.1)
Current portion of liabilities under financial lease agreements	-	-	(2.3)	(1.8)
Other current liabilities	(0.2)	(0.2)	(4.7)	(24.7)
Long-term loans	-	-	(109.9)	(115.4)
Liabilities under finance lease agreements	-	-	(199.3)	(202.6)
Net assets	(9.4)	47.1	115.3	144.3
Shareholding percentage (%)	50.00	50.00	33.33	33.33
Carrying amounts of joint ventures based on equity method	-	23.6	38.4	48.1

Summarised information about comprehensive income.

(Unit: Million Baht)

	For the years ended 31 December			
	Loxley & AIT Holding Co., Ltd.		Genesis Data Center Co., Ltd.	
	2562	2561	2562	2561
Revenue	-	-	40.2	8.8
Depreciation expense	-	-	(26.6)	(26.4)
Selling and administrative expense	(0.4)	(0.8)	(28.3)	(20.3)
Interest expense	-	-	(15.4)	(13.7)
Share of loss from investments in associate	(36.5)	(41.9)	-	-
Loss	(36.9)	(42.7)	(30.1)	(51.6)
Other comprehensive income	(10.2)	15.3	-	-
Total comprehensive income	(47.1)	(27.4)	(30.1)	(51.6)

14.4 Investment in joint venture with capital deficit

The Company recognised share of losses from investment in Loxley & AIT Holding Co., Ltd., until the value of the investments approached zero. Subsequent losses incurred by this joint venture have not been recognised in the Company's accounts since the Company has no obligations, whether legal or constructive, to make any payments on behalf of this joint venture.

15. Investments in related party

(Unit: Million Baht)

Company's name	Shareholding percentage		Cost	
	2019	2018	2019	2018
	(%)	(%)		
Campana Group Pte. Ltd. (related by common director)	5.20	5.84	85	85

During the year 2019, Campana Group Pte. Ltd. issued 60,000 shares. However, the Company did not purchase the shares. As a result, the Company's shareholding in this company decreased from 5.84% to 5.20% of its registered share capital.

16. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Building and building improvement	Furniture, fixture and office equipment	Computers	Equipment used in projects	Total
Cost						
As at 1 January 2018	35,718	69,408	19,959	50,149	166,653	341,887
Additions	-	2,151	868	4,227	9,942	17,188
Disposals/write-off	-	(2,513)	(2,040)	(3,196)	(2,376)	(10,125)
As at 31 December 2018	35,718	69,046	18,787	51,180	174,219	348,950
Additions	-	711	2,475	6,134	13,258	22,578
Disposals	-	-	(7)	(28)	(241)	(276)
As at 31 December 2019	35,718	69,757	21,255	57,286	187,236	371,252
Accumulated depreciation						
As at 1 January 2018	-	26,686	14,141	40,653	131,760	213,240
Depreciation for the year	-	7,885	1,981	6,211	20,133	36,210
Depreciation on disposals/write-off	-	(2,513)	(2,028)	(3,193)	(2,116)	(9,850)
As at 31 December 2018	-	32,058	14,094	43,671	149,777	239,600
Depreciation for the year	-	6,718	1,819	5,486	16,003	30,026
Depreciation on disposals	-	-	(7)	(26)	(239)	(272)
As at 31 December 2019	-	38,776	15,906	49,131	165,541	269,354
Net book value						
As at 31 December 2018	35,718	36,988	4,693	7,509	24,442	109,350
As at 31 December 2019	35,718	30,981	5,349	8,155	21,695	101,898
Depreciation for the year						
2018 (Baht 20.1 million included in cost of sales and service, and the balance in administrative expenses)						36,210
2019 (Baht 16.0 million included in cost of sales and service, and the balance in administrative expenses)						30,026

As at 31 December 2019, 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 183 million (2018: Baht 175 million).

17. Equipment for lease

(Unit: Thousand Baht)

	Equipment for lease	Equipment for lease under installation	Total
Cost			
As at 1 January 2018	583,290	-	583,290
Additions	14,120	10,769	24,889
Write-off	(394,828)	-	(394,828)
As at 31 December 2018	202,582	10,769	213,351
Additions	64,159	9,845	74,004
Transfer in (out)	10,769	(10,769)	-
As at 31 December 2019	277,510	9,845	287,355
Accumulated depreciation			
As at 1 January 2018	433,479	-	433,479
Depreciation for the year	76,555	-	76,555
Depreciation on write-off	(394,268)	-	(394,268)
As at 31 December 2018	115,766	-	115,766
Depreciation for the year	51,024	-	51,024
As at 31 December 2019	166,790	-	166,790
Allowance for impairment loss			
As at 1 January 2018	558	-	558
Decrease during the year	(558)	-	(558)
As at 31 December 2018	-	-	-
As at 31 December 2019	-	-	-
Net book value			
As at 31 December 2018	86,816	10,769	97,585
As at 31 December 2019	110,720	9,845	120,565
Depreciation for the year			
2018 (all included in cost of equipment for lease)			76,555
2019 (all included in cost of equipment for lease)			51,024

As at 31 December 2019, certain items of equipment for lease 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 72 million (2018: None).

18. Intangible assets

The net book value of intangible assets as at 31 December 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	2019	2018
Cost	62,171	57,553
Less Accumulated amortisation	(25,981)	(20,349)
Net book value	36,190	37,204

A reconciliation of the net book value of intangible assets for the years 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	2019	2018
Net book value at beginning of year	37,204	38,556
Acquisition	4,618	3,784
Amortisation	(5,632)	(5,136)
Net book value at end of year	36,190	37,204

19. Short-term loan from financial institution

As at 31 December 2019, short-term loan from financial institution carry interest at rates of 2.10% 2.15% per annum and due within January to March 2020 (2018: None).

20. Trade and other payables

(Unit: Thousand Baht)

	2019	2018
Trade accounts payable	643,215	581,548
Other payables	9,597	3,810
Accrued expenses	85,687	57,430
Total trade and other payables	738,499	642,788

21. Liabilities under financial arrangement agreements

(Unit: Thousand Baht)

	2019	2018
Liabilities under financial arrangement agreements	105.7	73.8
Less: Deferred interest	(0.2)	(0.7)
Total	105.5	73.1
Less: Portion due within one year	(42.6)	(29.1)
Portion due more than one year	62.9	44.0

The Company entered into financial arrangement agreements to purchase computer equipment and services for project works. The liabilities under the agreements are payable on monthly, quarterly and yearly bases and the terms of agreements are generally 3 - 5 years.

The Company has future minimum payments required under the financial arrangement agreements as follows

(Unit: Million Baht)

	As at 31 December 2019		
	Less than 1 year	1 - 5 years	Total
Future minimum payments	42.8	62.9	105.7
Deferred interest expenses	(0.2)	-	(0.2)
Present value of future minimum payments	42.6	62.9	105.5

(Unit: Million Baht)

	As at 31 December 2019		
	Less than 1 year	1 - 5 years	Total
Future minimum payments	29.7	44.1	73.8
Deferred interest expenses	(0.6)	(0.1)	(0.7)
Present value of future minimum payments	29.1	44.0	73.1

22. Other current liabilities

(Unit: Thousand Baht)

	2019	2018
Value added tax payable	-	24,261
Undue output tax	65,873	14,298
Withholding tax payable	26,321	19,398
Others	2,789	2,020
Total other current liabilities	94,983	59,977

23. 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: Thousand Baht)	
	2019	2018
Provision for long-term employee benefits		
at beginning of year	83,048	72,320
Included in profit or loss:		
Current service cost	11,690	10,579
Interest cost	2,198	1,919
Past service costs and gains or losses on settlement	16,227	-
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	823	-
Financial assumptions changes	8,673	-
Experience adjustments	(14,905)	-
Benefits paid during the year	(9,985)	(1,770)
Provision for long-term employee benefits at		
end of year	97,769	83,048

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities of Baht 16 million as a result. The Company reflects the effect of the change by recognising past service costs as expenses in the income statement of the current period.

The Company expects to pay Baht 3 million of long-term employee benefits during the next year (2018: Baht 11 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 16 years (2018: 16 years).

Significant actuarial assumptions used for the valuation are summarised below.

	2019	2018
	(% per annum)	(% per annum)
Discount rate	2	3
Salary increase rate	0 - 6	3 - 6
Staff turnover rate	0 - 7	2 - 7

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below.

(Unit: Million Baht)

	2019	2018	2019	2018
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(8)	9	(6)	8
Salary increase rate	10	(8)	8	(7)
Staff turnover rate	(8)	9	(7)	8

24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside 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.

25. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	2019	2018
Salaries, bonus, commission and other employee benefits	653,819	524,312
Installation and services expenses	486,004	446,246
Repair and maintenance expenses	525,021	438,679
Depreciation and amortisation	86,682	117,901
Penalty on project delay	39,504	13,660
Entertainment expenses	56,330	58,016
Purchase inventories	4,644,778	1,160,025
Changes in inventories	(400,832)	61,743

26. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

	2019	2018
Current income tax:		
Current income tax charge	132,405	80,703
Deferred tax:		
Relating to origination and reversal of temporary differences	(17,919)	(7,149)
Income tax expense reported in profit or loss	114,486	73,554

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	2019	2018
Deferred tax on actuarial gain		
	1,081	-

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounting profit before income tax expenses	506,579	310,388	535,127	348,945
Applicable tax rate	20%	20%	20%	20%
Accounting profit before income expense tax multiplied by applicable tax rate	101,316	62,078	107,025	69,789
Effects of:				
Non-deductible expenses	10,245	10,191	10,245	10,191
Additional expense deductions allowed	(4,608)	(6,538)	(4,608)	(6,538)
Share loss from joint ventures	5,709	7,711	-	-
Others	1,824	112	1,824	112
Total	13,170	11,476	7,461	3,765
Income tax expenses reported in profit or loss	114,486	73,554	114,486	73,554

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Statements of financial position	
	2019	2018
Deferred tax assets		
Unrealised gain from change in value of investments	-	(1,417)
Allowance for doubtful accounts	20,524	11,976
Receivables under forward contracts	67	(82)
Provision for penalty on project delay	23,641	18,152
Provision for long-term employee benefits	19,554	16,610
Revenue from contracts with customers	4,077	-
Total	67,863	45,239

27. 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.

28. Segment information

Operating segment information is reported in a manner consistent with the internal reports of the Group 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 Group's Board of Directors.

The Group's business operations involve 2 principal segments: (1) sales and service and revenue from construction contracts (2) rental of equipment. The Group 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 the years ended 31 December 2019 and 2018, 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 Group 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 2019, the Group has revenue from a major customer in the amount of Baht 1,879 million which derived from sales and service income (2018: revenue from two major customers in the amount of Baht 847 million and Baht 549 million, respectively).

29. 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 rates 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 2019, amounting to Baht 28 million (2018: Baht 29 million) were recognised as expenses.

30. Dividend paid

Dividends	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Final dividends of 2017	Annual General Meeting of the Company's shareholders held on 10 April 2018	288.8	1.4
Interim dividends of 2018	Board of Directors' meeting of the Company held on 9 August 2018	82.6	0.4
Total for 2018		371.4	1.8
Final dividends of 2018	Annual General Meeting of the Company's shareholders held on 11 April 2019	123.8	0.6
Interim dividends of 2019	Board of Directors' meeting of the Company held on 8 August 2019	103.2	0.5
Total for 2019		227.0	1.1

31. Commitments and contingent liabilities

31.1 Capital commitments

As at 31 December 2019, the Company had no capital commitments (2018: capital commitments relating to purchase of equipment for lease of Baht 34 million).

31.2 Operating lease and service commitments

The Company has entered into several lease agreements in respect of leases of buildings and vehicles and service agreements. The terms of the agreements are generally between 1 and 5 years.

As at 31 December 2019 and 2018, the Company has future minimum payments required under these contracts as follows:

	(Unit: Million Baht)	
	2019	2018
Payable:		
In up to 1 year	16	14
In over 1 year and up to 5 years	19	14

31.3 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 7,121 million (2018: Baht 2,456 million). The Company expects to satisfy the performance obligations within 10 years.
2. The Company has engaged in various contracts, with a total contract value for future services rendering of Baht 167 million (2018: Baht 139 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.

31.4 Guarantees

1. As at 31 December 2019, there were outstanding bank guarantees of Baht 1,977 million (2018: Baht 1,012 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 1,975 million (2018: Baht 1,010 million) to guarantee contractual performance and Baht 2 million (2018: Baht 2 million) to guarantee payments due to creditors.
2. The Company and other companies have provided a written undertaking to a bank to guarantee a long-term loan of Genesis Data Center Co., Ltd., which is a joint venture of the Company. The Company's guarantee is limited to Baht 87 million.

31.5 Litigation

In 2019, the Company was sued for fines in a lawsuit case brought by the government claiming damages for a breach of contract because the Company failed to complete work. At present, the case is being considered by the Civil Court. However, the Company has recorded provision for the contingent liabilities amount of Baht 77 million which the management believes that it is sufficient in the current situation.

32. Fair value hierarchy

As at 31 December 2019 and 2018, the Company had the assets that were measured at fair value using level 2 as follows

	(Unit: Million Baht)	
	2019	2018
Assets measured at fair value		
Highly liquid investments		
Unit trusts in fixed income open-ended fund	-	333

33. Financial instruments

33.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise of cash and cash equivalents, trade and other receivables, short-term loans, trade and other payables and liabilities under financial arrangement 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 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 receivables and short-term loans 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, short-term loans and liabilities under financial arrangement 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 2019 and 2018, 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 – 5 years									
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Financial assets											(% per annum)	
Cash and cash equivalents	181	780	-	-	-	333	9	153	190	1,266	0.1 - 1.0	0.1 - 1.2
Trade and other receivables	-	-	-	-	-	-	2,269	1,500	2,269	1,500	-	-
	181	780	-	-	-	333	2,278	1,653	2,459	2,766		
Financial liabilities												
Short-term loan	400	-	-	-	-	-	-	-	400	-	2.1 - 2.2	-
Trade and other payables	-	-	-	-	-	-	738	643	738	643	-	-
Liabilities under financial arrangement agreements	43	29	63	44	-	-	-	-	106	73	0.0 - 2.6	0.0 - 3.7
	443	29	63	44	-	-	738	643	1,244	716		

Foreign currency risk

The Company exposures to foreign currency risk arises mainly from trading transactions 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 2019 and 2018, the balances of financial assets and liabilities denominated in foreign currency are summarised below.

Foreign currency	As at 31 December 2019			
			Contractual exchange rate	
	Bought amount	Sold amount	Bought	Sold
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	4.7	4.5	30.17 - 30.40	30.16 - 30.42

Foreign currency	As at 31 December 2018			
	Bought amount	Sold amount	Contractual exchange rate	
			Bought	Sold
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	5.4	5.0	32.22 - 33.32	32.53 - 33.11

As at 31 December 2019, the Company has outstanding balance of trade receivables and trade payables denominated in foreign currency of USD 5.5 million and USD 2.8 million, respectively (2018: USD 6.0 million and USD 5.9 million, respectively).

33.2 Fair values of financial instruments

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

34. 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 2019, the Company's debt-to-equity ratio was 0.9:1 (2018: 0.5:1).

35. Event after the reporting period

On 13 February 2020, 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 2019 of Baht 1.40 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.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 13 February 2020.



Management Discussion and Analysis

Statement of Financial Position

Advanced Information Technology Public Company limited For the year ended 31st December 2019

(Unit: Thousand Baht)

Statement of Financial Position	2019	%	2018	%	2017	%
Assets						
Current Assets						
Cash or cash equivalent	190,182	3.32%	1,265,755	29.63%	1,286,202	25.60%
Trade and other receivable	2,268,610	39.60%	1,500,184	35.11%	2,297,037	45.71%
Unbilled receivable	1,705,039	29.77%	560,205	13.11%	434,180	8.64%
Short-term loans to related parties	-	0.00%	-	0.00%	18,000	0.36%
Inventories	745,931	13.02%	267,951	6.27%	305,790	6.09%
Advances for goods and services	156,426	2.73%	-	0.00%	-	0.00%
Other current assets	150,809	2.63%	186,802	4.37%	104,694	2.08%
Total current assets	5,216,997	91.07%	3,780,897	88.49%	4,445,934	88.48%
Non-current assets						
Investment in joint ventures	38,026	0.67%	71,679	1.68%	102,565	2.04%
Investment in related parties	84,991	1.48%	84,991	1.99%	84,991	1.69%
Property, plant, and equipment	101,898	1.78%	109,350	2.56%	128,647	2.56%
Equipment for lease and service	120,565	2.10%	97,585	2.28%	149,253	2.97%
Intangible assets	36,190	0.63%	37,203	0.87%	38,556	0.77%
Withholding tax deducted at sources	12,767	0.22%	12,767	0.30%	-	0.00%
Deferred tax assets	67,863	1.19%	45,239	1.06%	38,090	0.76%
Others non-current assets	49,316	0.86%	33,075	0.77%	36,940	0.74%
Total non-current assets	511,616	8.93%	491,889	11.51%	579,041	11.52%
Total assets	5,728,613	100.00%	4,272,786	100.00%	5,024,945	100.00%
Liabilities and shareholders' equity						
Current liabilities						
Short-term loan from finance institution	400,000	6.98%	-	0.00%	-	0.00%
Trade and other payables	738,499	12.89%	642,788	15.04%	1,294,280	25.76%
Unbilled payables	713,542	12.46%	484,002	11.33%	459,755	9.15%
Current portion of long-term loans	-	0.00%	-	0.00%	28,960	0.58%

Statement of Financial Position (Continued)

For the year ended 31 December 2019

(Unit: Thousand Baht)

Statement of Financial Position	2019	%	2018	%	2017	%
Current portion of liabilities under financial arrangement agreements	42,587	0.74%	29,132	0.68%	23,277	0.46%
Income tax payable	32,405	0.57%	-	0.00%	24,773	0.49%
Advance receipts from customers	544,484	9.50%	94,466	2.21%	87,803	1.75%
Provision for penalty on project delay	115,549	2.02%	90,760	2.13%	77,100	1.53%
Other current liabilities	94,983	1.66%	59,976	1.40%	59,629	1.19%
Total current liabilities	2,682,049	46.82%	1,401,124	32.79%	2,055,577	40.91%
Non-current liabilities						
Liabilities under financial arrangement agreements	62,918	1.10%	43,952	1.03%	25,513	0.51%
Provision for long - term employee benefits	97,769	1.70%	83,048	1.94%	72,320	1.44%
Total non-current liabilities	160,687	2.80%	127,000	2.97%	97,833	1.95%
Total liabilities	2,842,736	49.62%	1,528,124	35.76%	2,153,410	42.85%
Shareholders' equity						
Issued and fully paid-up share capital	1,031,604	18.01%	1,031,604	24.14%	1,031,604	20.53%
Share premium account	303,437	5.30%	303,437	7.10%	303,437	6.04%
Retained earnings						
Appropriated-statutory reserve	103,160	1.80%	103,160	2.42%	103,160	2.05%
Unappropriated	1,445,111	25.23%	1,298,790	30.40%	1,433,334	28.52%
Other components of shareholders' equity	2,565	0.04%	7,670	0.18%	-	0.00%
Total shareholders' equity	2,885,877	50.38%	2,744,662	64.24%	2,871,535	57.15%
Total liabilities and shareholders' equity	5,728,613	100.00%	4,272,786	100.00%	5,024,945	100.00%

Statement of Comprehensive Income

For the year ended 31 December 2019

(Unit: Thousand Baht)

Statement of Comprehensive Income	2019	%	2018	%	2017	%
Revenues						
Sales and service income	6,903,424	97.55%	4,042,567	95.40%	5,171,566	95.82%
Rental income from equipment for lease	118,904	1.68%	141,042	3.33%	175,094	3.24%
Other income	54,350	0.77%	54,019	1.27%	50,508	0.94%
Total revenues	7,076,678	100.00%	4,237,628	100.00%	5,397,168	100.00%
Expenses						
Cost of sales and service	5,882,791	83.13%	3,301,125	77.90%	4,168,388	77.23%
Cost of equipment for lease	59,140	0.84%	89,384	2.11%	91,526	1.70%
Selling expenses	215,309	3.04%	185,029	4.37%	241,397	4.47%
Administrative expenses	375,370	5.30%	312,163	7.37%	307,147	5.69%
Total expenses	6,532,610	92.31%	3,887,701	91.75%	4,808,458	89.09%
Profit before share of loss from investments in joint ventures, finance cost and income tax expenses	544,068	7.69%	349,927	8.25%	588,710	10.91%
Share of loss from investments in joint ventures	(28,548)	(0.40%)	(38,557)	(0.91%)	(30,981)	(0.57%)
Profit before finance cost and income tax expenses	515,520	7.29%	311,370	7.35%	557,729	10.33%
Finance cost	(8,940)	(0.13)%	(982)	(0.02)%	(1,190)	(0.02)%
Profit before income tax expenses	506,580	7.16%	310,388	7.33%	556,539	10.31%
Income tax expenses	(114,486)	(1.62)%	(73,554)	(1.74)%	(125,409)	(2.32)%
Profit for the year	392,094	5.54%	236,833	5.59%	431,130	7.99%
Other comprehensive income:						
Other comprehensive income to be reclassified to profit						
<i>or loss in subsequent periods</i>						
- Share of other comprehensive income from investments in joint venture	(5,105)		7,670		-	
Other comprehensive not to be reclassified to profit						
<i>or loss in subsequent periods</i>						
- Actuarial loss – net of income tax	4,328		-		-	
Other comprehensive income for the year	(777)		7,670		-	
Total comprehensive income for the year	391,317	5.53%	244,504	5.59%	431,130	7.99%
Basic earnings per share	1.90		1.15		2.09	

Statement of Cash Flow

For the year ended 31 December 2019

(Unit: Thousand Baht)

Statement of Cash Flow	2019	2018	2017
Cash flow from operating activities			
Profit before tax	506,579	310,388	556,539
Adjustment to reconcile profit before tax to net cash provided by (paid from) operating activities			
Depreciation and amortization	86,682	117,900	131,429
Allowance for doubtful accounts	42,741	14,927	(5,207)
Share of loss from investments in joint ventures	28,548	38,557	30,980
Provision for penalty on project delay (reversal)	39,504	13,660	3,874
Loss on sales of equipment for services	3	255	112
Loss on write-off of equipment for lease	-	2	-
Transfer equipment to cost of project	-	-	2,594
Provision for long-term employee benefits	30,115	12,498	11,636
Unrealized loss (gain) on exchange	16,087	(9,740)	(3,866)
Interest expenses	8,940	1,389	3,627
Profit from operating activities before changes in operating assets and liabilities	759,200	499,836	731,718
Operating assets (increase) decrease			
Trade and other receivables	(804,396)	789,362	(957,255)
Unbilled receivables	(1,164,606)	(126,025)	(1,454)
Inventories	(367,654)	37,839	(36,980)
Advances for good and services	(156,426)	-	-
Other current assets	34,914	(80,835)	(9,281)
Other non-current assets	(16,241)	3,865	(28,606)

Statement of Cash Flow (Continued)

For the year ended 31 December 2019

(Unit: Thousand Baht)

Statement of Cash Flow	2019	2018	2017
Operating liabilities increase (decrease)			
Trade and other payables	86,899	(653,481)	662,327
Unbilled payables	229,541	24,247	(110,084)
Advanced receipts from customers	311,372	6,663	37,029
Cash paid for penalty on project delay	(14,715)	-	(5,297)
Other current liabilities	34,982	320	(12,008)
Cash paid for long-term employee benefits	(9,985)	(1,770)	(2,955)
Cash from operating activities	(1,077,115)	500,021	267,154
Interest paid	(8,497)	(1,389)	(3,627)
Income tax paid	(100,001)	(118,244)	(133,528)
Net cash from (used in) operating activities	(1,185,612)	380,388	129,999
Cash flows from investing activities			
Decrease (increase) in current investments	-	-	25,176
Decrease (increase) in loan of related parties	-	18,000	(18,000)
Cash payment for investments in joint ventures	-	-	(58,000)
Cash paid for investments in related party	-	-	(84,991)
Proceed from sales of equipment for services	-	20	19
Cash payment for purchase building improvement and equipment	(17,459)	(15,595)	(48,332)
Cash payment for purchase equipment for lease	(74,004)	(24,889)	(19,249)
Cash payment for purchase computer software	(3,991)	(2,355)	(17,617)
Net cash from (used in) investing activities	(95,454)	(24,819)	(220,994)
Cash flows from financing activities			
Increase in short-term loan from financial institution	400,000	-	-
Repayment of long-term loans	-	(28,960)	(51,360)
Increase (decrease) in liabilities under finance lease agreement	32,421	24,293	(1,896)
Dividend paid	(226,928)	(371,349)	(443,455)
Net cash from (used in) financing activities	205,493	(376,016)	(496,711)
Net decrease (increase) in cash and cash equivalents	(1,075,573)	(20,447)	(587,705)
Cash and cash equivalents at beginning of year	1,265,755	1,286,202	1,873,907
Cash and cash equivalents at end of year	190,182	1,265,755	1,286,202

Overview

Summary of the operation

In 2019, the operating performance of Advanced Information Technology Public Company Limited was the Company's turnover and recognition of profit (loss) from the investment in joint ventures and subsidiaries. The main revenue of the company came from being a system integrator which integrated the systems and equipment related to information and communication technology and applies them to meet the needs of each organization or known as a solution.

1. Sales such as revenue from selling equipment, software and Turnkey projects or project developed or completed in good working condition and then deliver it to its customer.
2. Services such as revenue from consulting, designing, installation, training, as well as equipment maintenance.
3. System and equipment for lease such as revenue from licensing system and leasing computer equipment.

Most of the company's revenue comes from a small number of large-scale customers, which are the government agencies, state enterprises, and government sector. Changes in politics and public expenditure budgets therefore have a profound effect on performance, especially in 2019, the Company's revenue increased significantly, mainly due to the Company entering into several large-scale project contracts with the government sector in which the auction of such projects had been postponed in the previous years as a result of delays in the procurement process. Therefore, the operating results of the increased revenue and net profit can be seen at the below table:

Items	2019	2018	2017
Total revenue (MB)	7,076.68	4,237.63	5,397.17
Increase (decrease) of changes in revenue from prior year	2,839.05	(1,159.54)	978.09
Increase (decrease) of percentage changes in revenue from prior year	67.00%	(21.48)%	22.13%
Profit Attributable to Equity Holders of the Company (MB)	392.09	236.83	431.13
Increase (decrease) of changes in net profit from prior year	155.26	(194.30)	1.74
Increase (decrease) of percentage changes in net profit from prior year	65.56%	(45.07)%	0.41%

The overall Thai economy has started to slowdown since the beginning of 2019. Exports contracted continuously as the economic slowdown of partner countries. Private investment contracted accordingly. The government spending also contracted due to regular expenditure, but the capital expenditure from the government still expanded, despite the contraction in some periods, especially at the end of the year because of the 2020 Budget Act which has not been announced.

In the midst of the overall economic downturn in the whole system, in 2019, the Company had the highest total revenue since the establishment of the Company. This is because the Company has entered into contracts in many large-scale projects with the government sector, in which the auction of such projects had been postponed in the previous years. In 2019, the Company delivered a large-scale project worth more than 1,000 million Baht, which was the largest project the Company has ever received. The revenue from large projects the Company delivered included the New Parliament Project in Information and Communication Technology, the High-Speed Internet Service Project in Remote Area and the Core and Access Switch for Core Network Replacement and SDN project.

For the Company's performance in 2018, the total revenue and net profit decreased from those in 2017 and 2016. This is because in 2018, the government budget focused on infrastructure and transportation, but the overall public expenditure on technology and communications did not increased significantly. In addition, there was a delay in the procurement process causing the postponement of large project auction. In 2018, the Company delivered several large-scale projects worth more than 100 million Baht, such as the project to install high-speed internet and improve mobile signal in the remote areas, the Data Center Project of Icon Siam, the project of substation construction in Lop Buri and Saraburi Province for the Provincial Electricity Authority and the project of Network System for Krung Thai Computer Service. These projects had high values but had relatively low gross profit margins due to the high competition and relatively low number of projects in the market.

As for the performance in 2017, the Company had higher total revenue and net profit compared to those in 2016 and 2018, because in 2017, the Company entered into contracts of the large-scale projects that had been delayed from the previous year auction such as the Village Broadband Internet Project or Net Pracharat, which was a high value project but with low gross profit margin due to the sale of hardware and very high competition. As a result, the rate of change in net profit increased at a lower rate than the increase in revenue.

For the Company's performance in 2019, in the consolidated financial statements, total revenue increased by 2,839.05 million Baht or 67.00% from that in 2018. The net profit in 2019 increased 155.26 million Baht or 65.56% from that in 2018.

Comparison and Estimation

In 2019, the Company revised its estimated revenue from 5,000 million Baht at the beginning of the year to 7,000 million Baht in the middle of the year. Compared to the actual performance, in which the Company's total revenue was 7,076.68 Baht, it can be seen that the actual performance was closed to the estimated value due to many large-scale communication technology projects that had been delayed from the previous year auction or the projects with the delayed investment by government from previous years and started the investment and auction in 2019.

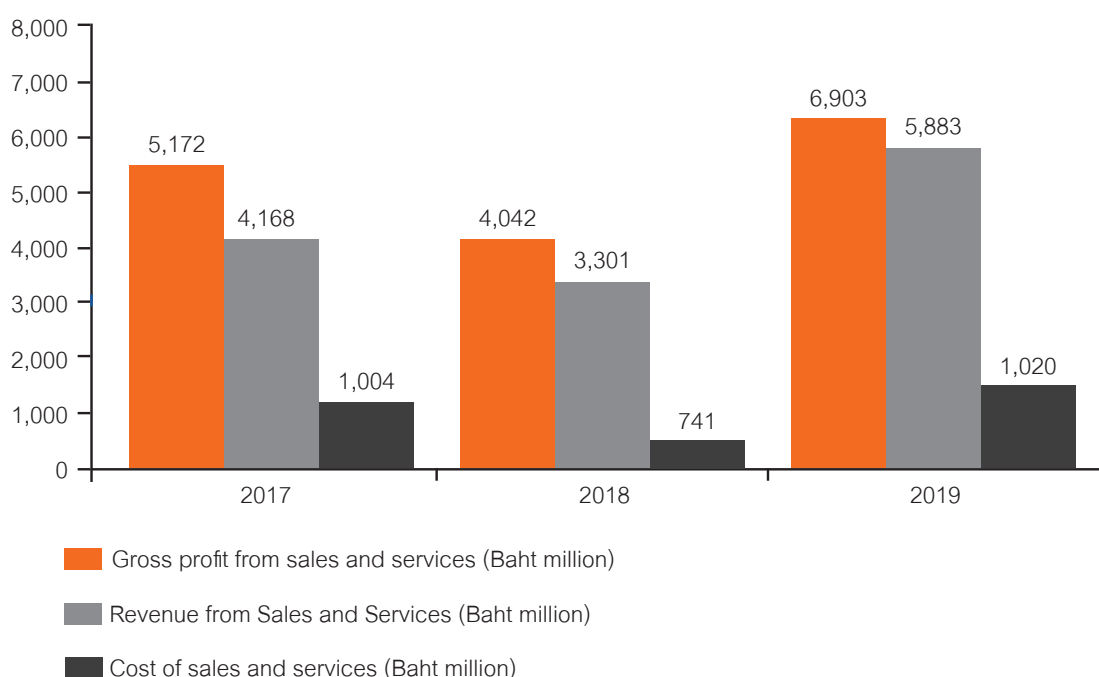
In 2018, the estimated revenue of the Company was 6,000 million Baht. The actual revenue was 4,238.89 million Baht which was lower compared to the estimated revenue. This is due to the decrease in number of projects in the market as the result of the delay in procurement process, leading to postponement of scheduled auctions for the large projects.

As for the operation in 2017, the estimated revenue of the Company was 6,000 million Baht. The actual revenue was 5,397.17 million Baht which was higher compared to the estimated revenue. This is a result of the economic recovery and government spending from projects that had been postponed from previous years.

Performance and Profitability

The main revenue of the Company came from the projects which the Company won the auction from government agencies, state enterprises, government sector and large private companies. Therefore, the changes in revenue can be divided into:

- Revenue from sales and services, consisting of revenue from sales of systems or equipment, construction of buildings and facilities for installing computer and telecommunication equipment as well as after-sales maintenance services within the same project.
- Revenue from the systems and computer equipment for lease including maintenance during the lease term.



The Chart of Revenue, Cost, and Gross Profit from Sales and Services

From the chart above, it can be seen that in 2019, revenue from sales and services of the Company significantly increased compared to those in 2017 and 2018. This is mainly due to the fact that the Company has worked on several large-scale communication technology projects, in which the auctions of these projects had been postponed or the government investment was delayed in the previous years. The revenue of sales and services in 2019 increased from that in 2018 by 2,860.86 million Baht or 70.77%.

For the performance in 2018, the revenue from sales and services of the Company decreased compared to that in 2017. This is mainly due to the decrease in number of large-scale projects and postponement of procurement for large-scale projects. However, the government spending in 2017 was expanded in order to stimulate the economy. As a result, revenue from sales and service in 2017 were higher than that in 2018. Revenue in 2018 decreased from that in 2017 by 1,129 million Baht or 21.83%.

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

Range of Revenue, recognized by projects	2019		2018		2017	
	No. of Projects	Revenue (MB)	No. of Projects	Revenue (MB)	No. of Projects	Revenue (MB)
More than 1,000 million baht	1	1,826	-	-	-	-
500 – 1,000 million baht	1	618	-	-	-	-
100 – 500 million baht	5	776	4	1,090	8	1,762
50 – 100 million baht	17	1,200	9	598	18	1,254
20 – 50 million baht	29	917	28	791	25	753
10 – 20 million baht	36	512	40	567	32	471
Less than 10 million baht	929	1,015	816	996	791	932
Income from adjustment in accordance with financial reporting standards TFRS 15	-	38	-	-	-	-
Total	1,018	6,903	897	4,042	874	5,172

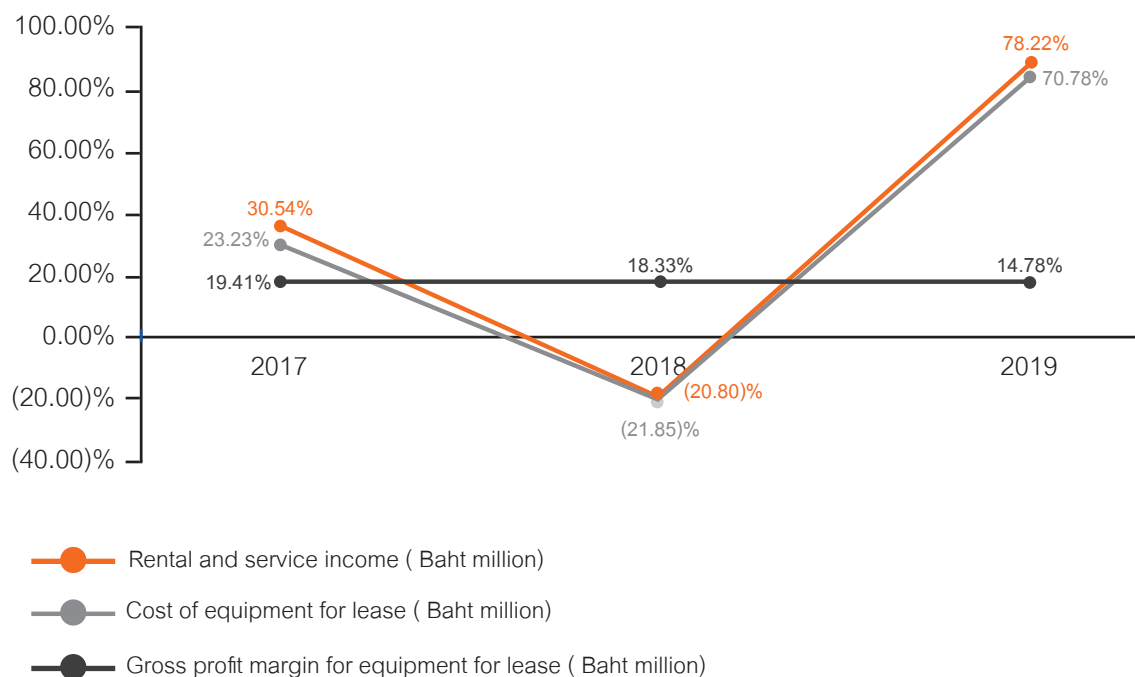
From the comparison table of revenue, sizes and the number of projects sales and service, it found that in 2019, the Company had 1,018 projects with recognized revenue that those increased from 2018 and 2017. The increased revenue was come from the large project that worth more than 500 million Baht, which was the highest revenue recognition from the projects since the establishment of the Company. When comparing the revenue proportion, it was found that the revenue from the projects over 500 million baht was 2 projects with the revenues of 2,444.47 million baht or 35.41% of the sales and service revenue recognized by the year 2019. In addition, the project with revenue recognition during 50 – 100 million Baht in 2019 had increased compared to 2018, but the number of projects and incomes were similar to that of 2017. And also the project with revenue recognition during 20 – 50 million Baht had a significant increase in revenue compared to 2018 and 2017, despite the similar number of projects. While the project with revenue recognition during 100 – 500 million Baht, the Company had recognized the decreased in the revenue and the number of project comparing to 2017 and 2018, this is because they took the large-scale project worth more than 500 million Baht that proceed instead.

In 2018, the Company had a total of 897 projects with recognized revenue which increased from that in 2017. However, the revenue decreased, especially when compared to that in 2017. This is due to the changes in revenue. In 2018, the number of large-scale projects that worth more than 50 million Baht decreased and the value of the revenue also decreased. There were only 13 projects of this type with revenue of 1,688 million Baht, accounting for 41.76% of total revenue from sales and services and construction contracts, indicating decreased number of large-scale project and postponement of project auctions.

In 2017, the Company had a total of 874 projects with recognized revenue which was slightly lower than that in 2018. However, the recognized revenue in 2017 was higher than that in 2018 because most of revenue in 2017 came from large-scale projects that worth more than 50 million Baht.

Cost of sales and services and construction contracts was depending on the nature of the project, such as cost of large-scale project included costs from submission and auction, equipment purchase, software purchase and system development, designing and installation and sub-contracts for the construction of buildings for equipment installation as well as costs related to staffs in the project operation, etc. Cost of maintenance services included warranty, sub-contract for maintenance, and costs related to staffs and transportation for system or equipment maintenance at customer's site. Normally, an increase or decrease in the costs of sales and services is varied depending on the increase or decrease in the revenues.

However, due to the relatively high competition in terms of technology and price due to the limited number of projects in the market, most of the projects were from the government sector and state enterprises, while private investment was somewhat contracted due to economic conditions. In addition, some projects had high value but there were only sales of hardware (which had low margin). As a result, the overall gross profit margin of the projects decreased, especially in 2019, as can be seen from the diagram below.



From the chart, it can be seen that the Company's cost of sales and services in 2019 increased by 2,581.67 million Baht or 78.22% from that in 2018, while the revenue in 2018 decreased by 70.78%. This shows that the rate of increase in cost was higher than the rate of increase in revenue due to relatively high competition. In addition, some projects had high value but there were only sales of hardware which had low margin. The Company had a record of the provision for penalty on some projects delay which was included in the cost of sales.

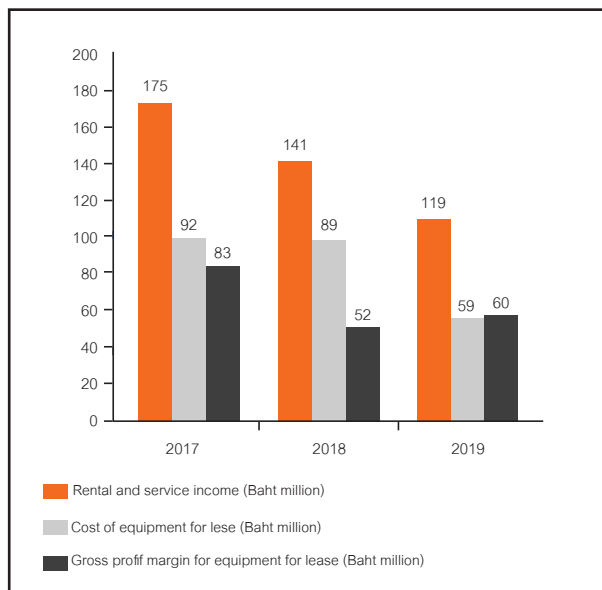
In 2018, cost of sales and services decreased by 867.62 million Baht or 20.80% from that in 2018, while the rate of decrease in revenue in 2018 was 21.85%. This shows that the rate of decrease in cost was slightly lower than the rate of decrease in revenue due to the provision for penalty on some projects delay which were included in the cost of sales.

In 2017, cost of sales and services increased by 975.19 million Bath or 30.54% from that in 2016, while the rate of increase in the revenue in 2017 was 23.23%. This shows that the rate of increase in cost was higher than the rate of increase in revenue. In other words, the gross profit margin in 2017 decreased. This is because the Village Broadband Internet Project or Net Pracharat, which was a very high value project with low gross profit margin since it was only the hardware sales with no additional installation service fees. In addition, the competition was relatively high resulting in a decrease in the overall gross profit margin of the Company.

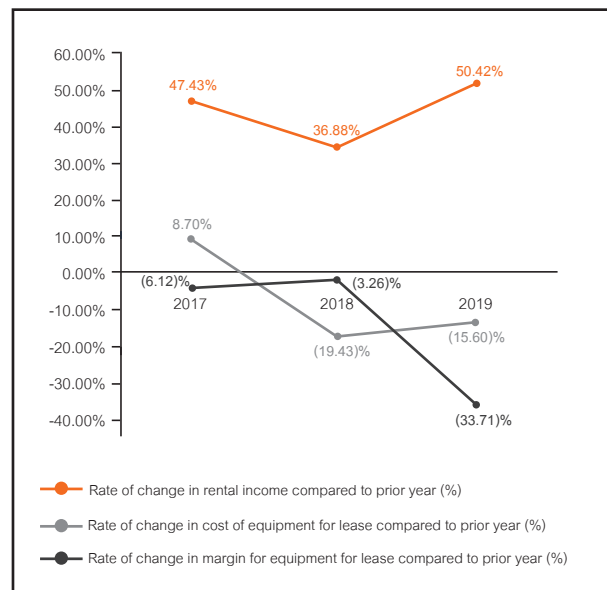
The chart above shows the comparison of changes in revenue and costs, the rates of change of revenue and costs during 2017 – 2018 were similar. As a result, the gross profit margin in 2018 slightly changed compared to that in 2017. According to the chart, the gross profit margin was approximately 18.33-19.41%. However, in 2019, the rates of changes in revenue and costs were different. The gross profit margin in 2019 changed from 18.33% to 14.78%.

Revenue and Cost of System and Computer Equipment for Lease

The revenue from systems and computer equipment for lease is the revenue from leasing telecommunication and computer equipment, in which the customers of the Company were state enterprises, government agencies and financial institutions. The performance of leasing system and computer equipment can be summarized as the financial highlights as follows: -



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



The Chart of Changes in Revenue, Cost, and Gross Profit of System and Computer Equipment for Lease

From the chart above, the revenue from lease decreased from that in 2017 due to the expiration of the equipment lease agreements and some of the expiration equipment lease project which did not renew the contract. In addition, in 2019, the gross profit margin of the rental equipment increased to 50.42% from that of 2018, which was equal to 36.88% since some rental equipment projects had been fully depreciated but they had been renew the contract, resulting the gross profit margin increased. In addition, there was an increase in investment in equipment leasing projects in 2019, which some projects had been delivered and will result in continuous lease revenue in the future.

In 2018, lease revenue decreased due to the expiration of the lease agreements for equipment and leasehold rights and the decrease in investment in equipment leasing projects, while the remaining leasing projects had indifferent gross profit margins, therefore the rates of decreases in revenue and costs of equipment leasing projects were similar.

In 2017, the lease revenue of the Company increased steadily by 175.09 million Baht or 8.70% from that in 2016, while the rate of change in cost of equipment leasing decreased by 6.12%, indicating that the gross profit margin of equipment leasing increased compared to that in 2016.

Other Revenue

Other revenue is the revenue related to the core business of the Company, which is shown in other revenue. Most of other revenue mainly came from sales promotion derived from the orders of foreign sellers according to the promotion conditions for each type of products and services, reversal of doubtful accounts, reversal of provision of penalty and reversal of provision of losses from lawsuit recorded in the previous years.

In 2019, other revenue was 54.35 million Baht, slightly increased from that in 2018 which was 54.02 million Baht. This is mainly due to the gain from temporary adjustment of investment value, because there were large-scale projects that required a lot of funds during 2019. Therefore, the investment must be temporarily adjusted by changing to cash and cash equivalents. At the same time, there were also foreign exchange losses. However, the Company had higher sales promotion revenue from the main suppliers as the purchase volume increased. Other revenue mainly consisted of sales promotion and interest received.

In 2018, other revenue was 54.02 million Baht and similar to that in 2017 which was 50.51 million Baht. Other revenue comprised of sales, interest received and foreign exchange gain which were 38.66, 7.46 and 4.87 million Baht, respectively.

In 2017, other revenue was 50.51 million Baht, decreased by 10.60 million Baht from that in 2016 which was 61.11 million Baht. This is mainly due to the decrease in revenue from sales promotion because the large-scale projects did not use equipment purchased from the main suppliers that had previously provided the revenue from sales promotion. However, most of other revenue in 2017 mainly came from sales promotion of 33.12 million Baht, which decreased according to the revenue for the projects that sold promotional equipment.

Selling and Administrative Expenses

The selling and administrative expenses of the year 2017–2019, can be shown in the following comparison;

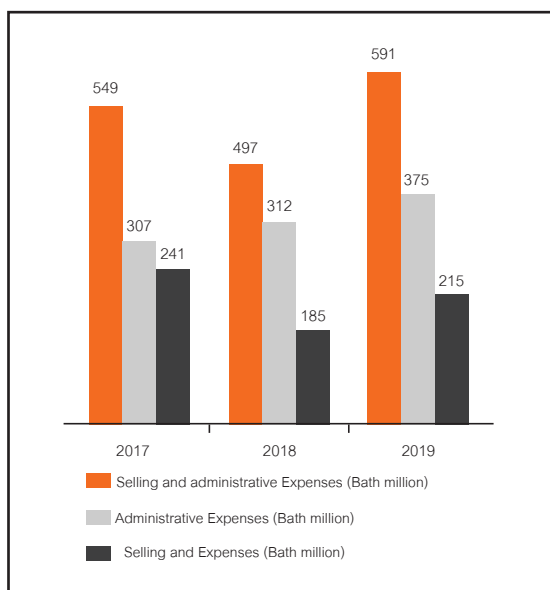
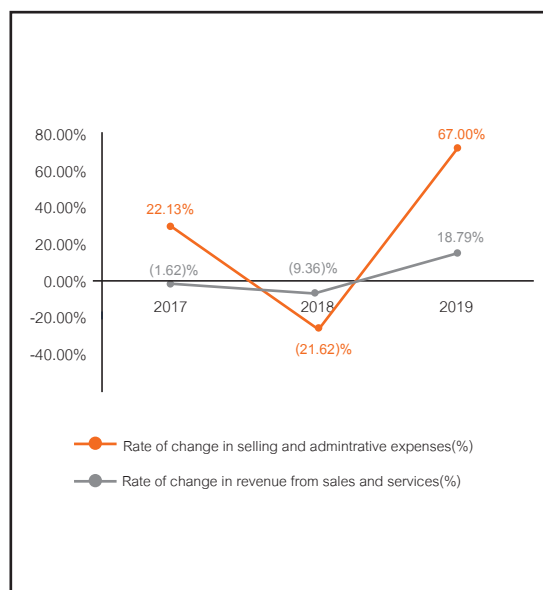


Chart of the Balance of Selling and Administration Expenses of Each Year



Comparison Chart of Changes in Revenues from Sales, Services, and Rate of Changes in Selling and Administration Expenses

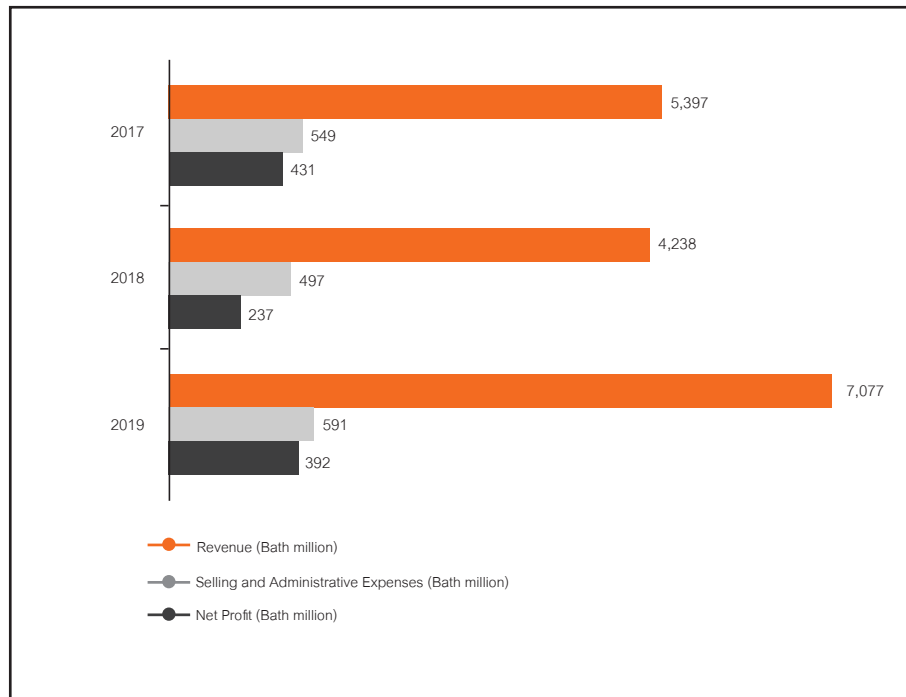
In general, selling and administrative expenses increase or decrease in accordance with the increase or decrease in revenue. In 2019, selling and administrative expenses of the Company was 590.68 million Baht, decreased by 93.50 million Baht or 18.79%, while total revenue in 2019 increased by 67.00%. These changes were in the same direction but at a very different rate because a part of selling and administrative expenses was fixed cost which did not increase as revenue increased. Therefore, higher change in revenue could cover the fixed selling and administrative expenses, resulting in lower rate of fixed cost and the increased rate of selling and administrative expenses was less than the increased rate of revenue.

In 2018, selling and administrative expenses of the Company was 497.19 million Baht, decreased by 52.35 million Baht or 9.36%, while total revenue in 2018 decreased by 21.62%. Changes in selling and administrative expenses were not in the same direction because a part of selling and administrative expenses was fixed cost which did not decrease as revenue decreased. As the result, the increased rate of selling and administrative expenses was less than the increased rate of revenue.

In 2017, selling and administrative expenses of the Company changed in the opposite direction. Selling and administrative expenses of the Company was 548.5 million Baht, decreased by 9.05 million Baht or 1.62%, while total revenue in 2017 increased by 22.13%. Changes in selling and administrative expenses were not in the same direction because the Company gained no commission from some large-scale projects, resulting in the decrease in selling expenses.

Net Profit and Net Profit Margin

Normally, the change in net profit is usually directly proportional to and at the same rate as the change in the revenue, as shown in the diagram below. However, the increase or decrease in some expenses was not in the same direction with the revenue, therefore the rates of changes in revenue and net profit were not at the same rate. Changes in revenue and net profit during 2017–2019 can be summarized as follows:



Comparison Chart in Net Profit, Selling and Administrative Expenses, and Revenue

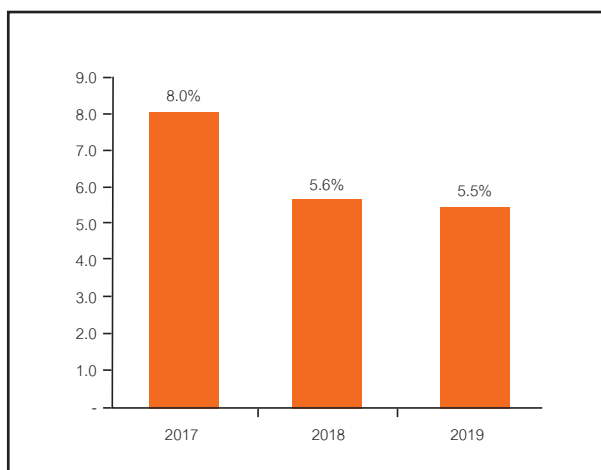
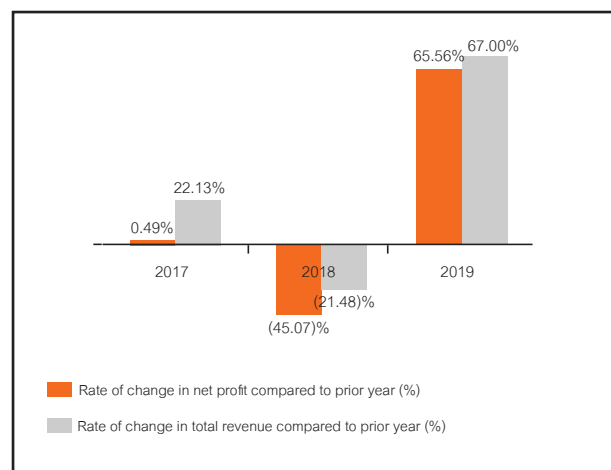


Chart of Net Profit Margin



The Chart of Changed Rate in Net Profit compared to the changed in Total Revenue in the Previous Year

In 2019, the net profit of the Company increased by 155.26 million Baht or 65.56% from that in 2018 due to increase in revenue, which increased in the same rate of the increased total revenue that was equal to 67%. It was found that in 2019, the Company took the large-scale project with a lower gross margin than those in 2018. However, some administrative expenses were fixed cost which did not increase as the increased revenue. Therefore, the increased rate of the selling and administrative expenses were lower which could compensate for the lower gross profit margin. As a result, the change rate of net profit increased similar to the change rate of total revenue

In 2018, the net profit of the Company decreased by 194.30 million Baht or 45.07% from that in 2017 due to increase in revenue. However, compared to the rate of decrease in total revenue which was 21.48%, it was found that the net profit margin decreased at a higher rate. This is because in 2018, the Company had large-scale projects with relatively low gross profit margin. In addition, a part of selling and administrative expenses was fixed cost which did not decrease as revenue decreased, resulting in lower rate of change in net profit compared to rate of change in revenue.

In 2017, the net profit of the Company increased by 0.5% from that in 2016 due to increased revenue. However, compared to the rate of increase in total revenue which was 22.13%, it was found that the net profit increased at a lower rate. This is because in 2017, the Company had large-scale projects with relatively low gross profit margin. In addition, there were higher share of loss from investments in 2017, resulting the increased rate of net profit was lower than the change rate in revenue.

Analysis of the Financial Ratios

The financial analysis reflects the operating result, which can be seen from the financial data, as follows;

Financial Ratio (Unit: Percent)	2019	2018	2017
Profitability Ratio			
Gross Profit Margin	15.39	18.96	20.16
Operating Profit Margin	6.57	6.15	9.49
Cash Profit Ratio	(257.09)	147.81	25.63
Net profit margin	5.54	5.59	7.99
Efficiency Ratio			
Return on Equity	13.93	8.43	14.98
Return on Assets	7.84	5.09	9.04
Return on Fixed Assets	223.00	146.33	182.19
Asset Turnover Rate	1.42	0.91	1.13

From the above ratio, the financial ratio with significant changes, can be described as follows;

- The gross profit margin in 2019 continued to decrease from those in 2017 and 2018. This is because most of the projects the Company acquired had relatively low gross profit margin due to relatively high competition from limited number of projects. In addition, there were only hardware sales in some projects with low gross profit margin. Especially in 2019, there was an extremely large-scale project to sell hardware, but it also resulted in very low gross profit margin in 2019. It was also caused by the provision of penalties for late delivery of the project in progress which were included in cost of sales and services.

- Cash profit ratio in 2019 was negative because the operations of large-scale projects were awaiting delivery on a periodic basis. The company had invested a lot of money in equipment and service fees during installation, therefore the cash spent was higher than the cash received. The cash profit ratios during 2017-2018 were positive, indicating that the amount collected from the accounts receivable was higher than recognized revenue. The cash profit ratio in 2018 increased from that in 2017, which was mainly due to the payments from outstanding receivables from the previous year.

- The net profit margin during 2017 – 2019 decreased, which was mainly due to the nature of the projects with low gross profit margin from selling only hardware. Especially in 2019, there was a extremely large-scale project selling only hardware and it also significantly reduced gross profit margin. In addition, the highly competitive market also resulted in competitive pricing and decrease in gross profit margin. However, the extremely increased revenue could cost per expenses which were not directly related to revenue with a reduced rate of increase. In other words, the increased revenue could cover fix cost of the Company. As result, the net profit margin of the year 2019 was similar to the net profit rate of the year 2018.

- Return on equity may increase or decreases depending on the turnover of the Company's net profit each year as well as the changes in return on assets and fixed assets. In other words, the return on equity in 2019 was higher than those in 2018 and 2017, in accordance with the higher net profit in 2019 due to the significant increase in revenue.

- The assets turnover ratio may increase or decrease depending on revenue in each year. Total revenue in 2019 was higher than those in 2017 and 2018, resulting in an increase of assets turnover ratio in 2019 compared to those in 2017 and 2018.

Asset Management Capability

Trade Accounts Receivable

Most of the company's overdue the trade accounts receivable were mainly government agencies, government organizations and state enterprises which had procedures and required longer time in the processes. The Company's executives expected to receive full payment and the total allowance for doubtful accounts shall be sufficient in order to reserve for overdue accounts receivable from private enterprises. The Company recorded the allowance for doubtful accounts by estimated losses from the accounts receivable collection, which generally based on collection experience and analysis of aging components.

The trade accounts receivable and other receivables in 2019 increased by 768.43 million Baht or 51.22% from that in 2018 due to the increase in revenue and receivables with relatively long billing credit. In addition, the Company got large-scale projects with long delivery period. As result, the trade Accounts receivable in 2019 increased.

The trade accounts receivable and other receivables in 2018 decreased by 796.85 million Baht or 34.69% from that in 2017 due to decreased revenue. In addition, in 2018, the Company received payments from the receivables with relatively long billing credit and the Company got large projects with long delivery period which was carried over from the accounts receivable in 2017, resulting in the trade Accounts receivable in 2018 decreases.

In analyzing the account receivables classified by receivable aging, can be shown as the table below;

Account Receivable classified by aging	Unit : Thousand THB			Increase (Decrease)	
	2019	2018	2017	2019 VS 2018	2018 VS 2017
Trade Accounts Receivable - related Parties					
Not yet due	-	-	197,356	-	(197,356)
Under 3 months past due	-	-	-	-	-
3-6 months past due	-	23,426	-	(23,426)	23,426
6-12 months past due	-	131,565	-	(131,565)	131,565
Over 12 months past due	130,436	-	-	130,436	-
Total Trade Accounts Receivable – unrelated Parties	130,436	154,911	197,356	(24,475)	(42,365)
Less: Allowance for doubtful accounts	(9,117)	(9,117)	-	-	(9,117)
Total Trade Accounts Receivable – unrelated Parties,net	121,319	145,874	197,356	(24,555)	(51,482)
Trade Accounts Receivable and Other Receivable					
Not yet due	1,249,345	430,181	488,306	819,164	(58,125)
Under 3 months past due	451,812	526,488	1,054,393	(74,676)	(527,505)

Account Receivable classified by aging	Unit : Thousand THB			Increase (Decrease)	
	2019	2018	2017	2019 VS 2018	2018 VS 2017
3-6 months past due	339,716	76,661	208,492	263,055	(131,831)
6-12 months past due	45,288	63,264	181,936	(17,976)	(118,672)
Over 12 months past due	91,291	308,080	211,508	(216,789)	96,572
Total Trade Accounts Receivable – unrelated Parties	2,177,452	1,405,074	2,144,635	772,378	(739,561)
Less: Allowance for doubtful accounts	(74,348)	(50,764)	(44,954)	(23,584)	(5,810)
Total Trade Accounts Receivable – unrelated Parties, net	2,103,104	1,354,310	2,099,681	748,794	(745,371)
Other Receivable	44,187	-	-	44,187	-
Trade Accounts Receivable and Other Receivable	2,268,610	1,500,184	2,297,037	768,426	(796,853)

From the table above, it can be seen that in 2019 the trade accounts receivable from unrelated parties that increased significantly from that in 2018 were undue receivables, which increased by 819.16 million Baht or 190.42%. The trade increase in accounts receivable was mainly from the New Parliament Project in Information and Communication Technology of the Secretariat of the House of Representatives, the Computer Equipment Trading and Network Development Project of the Office of the Permanent Secretary for Higher Education, Science, Research and Innovation and the Core and Access Switch for Core Network Replacement and SDN project of Krung Thai Computer Service Company Limited. Additional 3-6 months overdue receivables were due to relatively long inspection process in accordance with customer's procedures. However, not only the increased the trade accounts receivable came from the revenue during inspections, but some of the trade accounts receivable also decreased considerably. Especially, the trade accounts receivable with more than 12 months past due had decreased by 216.79 million Baht or 70.37%, due to receipt of payment from the state enterprise and government agencies that had inspected and completed the amendment of the project contract during the year.

The receivables aging of related parties reduced to more than 12 months overdue because Campana was in the process of starting their business and the capital increase has not yet been as planned. As a result, the receivables aging of related parties increased. However, Campana have a formal payment plan which is expected to be paid according to the specified period.

In addition, in 2019, the Company's other receivables increased because the Company had an advanced for goods and product which was waiting return from supplier due to the cancellation of that project.

In 2018, the trade accounts receivable significantly decreased due to the increase in revenue which resulted in the decrease in undue the trade accounts receivable and the trade accounts receivable with not over 6-12 months overdue. In addition, the Company could collect payments from state enterprises with high debt value. Therefore, the trade accounts receivable with not over 3 months overdue decreased. There were some projects that are in the payment process by government agencies and state enterprises, which took quite a long time in consideration process, resulting in increased receivables with more than 12 months overdue. Campana, a related company, was in the process of commencing operations and investing in the project. Repayment was therefore delayed and resulted in increased receivables with less than 6 months overdue.

Inventory

Most of the inventories shown in the financial statements were the projects in progress which has not been completed in accordance with the contract delivery conditions. According to the Company's purchase policy, an order was made only after the Company received the purchase order or contract from the customer. Therefore, there was no defect in the backlog of the warehouse and obsolete products, although the Company's core activities are technology business which poses high risk regarding product obsolescence.

The inventories in 2019 were 745.93 million Baht, which increased by 477.98 million Baht or 178.38% from that in 2018, which is equal to 267.95 million Baht. This is because the Company got several large-scale projects with took longer operation period. Therefore, at the end of 2019, the Company had quite a lot of equipment and work in progress for delivery according to the schedule, resulting in increase of inventories in 2019 compared to that in 2018.

The inventories in 2018 were 267.95 million Baht which decreased by 37.84 million Baht or 12.37% from that in 2017 as the Company delivered several projects at the end of 2018.

Investment

As at 31 December 2019, the Company has invested in subsidiaries, joint ventures, and related companies, are as follows;

Investment in subsidiaries

The Board of Directors' meeting of the Company passed a resolution on September 6, 2018, to invest in ordinary shares of S P Resources and Commercial Pte. Ltd., a newly established company in Singapore, principally engaged in the trading of spare parts and hardware accessories and in the other business operations. On 25 September 2018, this company registered with the share capital of 1 SGD, representing 100% of the registered share of this company. However, at the end of the year 2019, the S P Resources and Commercial Pte.Ltd., was on process of closing due to changing companyplans to invest in foreign companies.

Investment in joint ventures

The Company has invested in 2 joint ventures, namely;

1) Loxley and AIT Holding Company Limited, which is a joint venture of Loxley Public Company Limited and AIT, which each are holding 50% of the company and has an investment of 100 million THB or 100% of the paid-up capital.

2) Genesis Data Center Company Limited, which is a joint venture of 3 companies, WHA Infonite Holding Company Limited, Interlink Telecom Public Company Limited and AIT, which each are holding 33.33% of the shares. The Company has an investment of 70 million THB or 100.00 percent of the paid-up capital

Investment in related companies

During the year 2017, there was an investment in the related company on 11 April 2017, the Board Director of the Company approved to invest in Campana Group Pte.Ltd., which is an established company in Singapore and the joint venture of Loxley and AIT Holding Company Limited. The Company purchased shares in Loxley and AIT Holding Company Limited intead that has waived the investment in the amount of 2.5 million USD (28,365 ordinary shares of 86.38 USD per share)

During the year 2018, Campana Group Pte.Ltd., has increased its capital to 105,639 shares. However, the company has no additional investment, resulting, the shareholding proportion has decreased from 8.04% to 6.19% of the registered capital of that company.

During the year 2019, Campana Group Pte.Ltd., has increased its capital to 60,000 shares. However, the company has no additional investment, resulting, the shareholding proportion has decreased from 6.19% to 5.20% of the registered capital of that company.

Investment Expenditure in Systems or Equipment for Lease

List of Investment Expenditure	2019	2018	2017
Investment expenditure in equipment for lease (million THB)	74.00	24.89	19.25

From the table showing the investment expenditure in equipment for lease during 2017 – 2019, the Company has increased its investment in systems or equipment for lease. This is because, in 2019, the Company has made additional investments in equipment lease projects for the state enterprises and private organizations, which depends on the procurement policy of customers who want to rent to use the equipment rather than buy it. However, continuous investment in rental equipment projects would help make the company's income not much change. In 2018, the Company made additional investments in the equipment lease projects to ensure complete system equipment for the renewal of the lease agreements and equipment lease projects for the state enterprises which were still under installation.

Other Elements in the Financial Statement with the Significant Changes

Assets

Cash or cash equivalents in 2019 decreased by 1,075.57 million Baht or 84.97%. This is mainly due to the investments in several large-scale projects which are under the operation. Therefore, cash and cash equivalents decreased from the year 2018.

Unbilled receivables in 2019 increased by 1,144.83 million Baht or 204.36%. This is because some large-scale projects are already in the operation and the revenue was recognized based on the completed work. For example, parts of the New Parliament project in Information and Communication Technology, the high speed internet project in remote areas, and the project to bring the communication system underground in Bangkok area. These projects had not yet reached the invoice. This resulted in an increase in unbilled receivables from the year 2018.

Other current assets decreased 35.99 MB or 19.27%, mainly due to the maintenance fee, which had been a rather long warranty period of more than 1 year. It has been shown in the other non-current asset, and also cause by the prepaid expenses brought from 2018 and amortized in 2019.

Equipment for lease of the year 2019 increased by 22.98 MB or 23.55 percent, due to the additional investment in new equipment rental project in during the year.

Deferred tax assets of the year 2019 increased by 22.62 MB or 50.00 percent, mainly due to the increased deferred income tax for allowance for doubtful accounts and the provision for penalty on projects delay in during the year 2019. And the effect of adoption of the financial reporting standard regarding revenue from contracts with customers.

Other non-current assets increased by 16.24 million Baht or 49.10% due to the increased in prepaid project maintenance fees covering the service period of over 1 year.

Liabilities

In 2019, the short-term loans from financial institutions increased by 400.0 million Baht or 100.0% from that in 2018. This is because during 2019, the Company has invested in many large-scale projects and these projects are under delivery and inspection process. Therefore, the Company needed to obtain loans from financial institutions. In 2018, there was no large-scale project, the working capital in the Company was therefore sufficient.

Trade and other payables in 2019 increased from those in 2018 by 95.71 million Baht or 14.89%. Similarly, the unbilled payables in 2019 increased from that in 2018 by 229.54 million Baht or 47.43%. This is because in 2019, several large-scale projects are being processed or awaiting delivery which have cost of sales and service, although the invoices have not been received and the invoice from the increased service providers according to project size. Therefore, Trade and other payables and unbilled payables in 2019 increased.

The current portion liabilities under financial arrangement agreements increased by 13.46 million Baht or 46.19 %. This is because during 2019, the Company requested a loan under the financial arrangement agreements to be suitable of the project with long billing periods.

Income tax payable increased by 32.40 million Baht or 100.00%. This is because the withholding tax in 2018 was higher than the income tax. There was therefore no income tax payable. However, in 2019, the net profit and income tax were higher than the withholding tax, resulting in accrued income tax payable.

Advanced receipts from customers in 2019 increased by 450.02 million Baht or 476.38% from that in 2018 due to the receiving advance payment from large-scale projects, especially the New Parliament Project in Information and Communication Technology.

Provision of penalty on projects delay in 2019 increased by 24.79 million Baht or 27.31% from that in 2018, mainly because the recording of provision for penalty on projects delay for the project submitted to customer did not deliver on time.

Other current liabilities in 2019 increased representing by 35.01 MB or 58.37 % from that in 2018, mainly due to the increased unpaid output tax of service income, which was in the process of payment.

The liabilities under financial arrangement in 2019 increased from those in 2018 by 18.97 million Baht or 43.15%. This is because the Company used credits under the financial management agreements for the projects with long collection period.

Provision for long-term employee benefits in 2019 increased from 2018 representing by 14.72 MB or 17.73%, because the change rates for the employer terminates the employment for the employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. And also at the end of the year 2019, the discount rate for calculating liabilities with long-term employee benefits which was based on the interest rate of the long-term bonds had decreased. Therefore, Provision for long-term employee benefits of the year 2019 increased.

Shareholders' Equity

In 2019, the Company's Shareholders' increase of 141.22 MB or an increase of 5.15% from 2018, by the increase came from operation of the year 2019 which decreased by dividend payment in during 2019. As the same reason, the increased Shareholders' in 2019 increase of 126.88 MB or an increase of 4.42 % by the increase came from net profit in 2018 which decreased by dividend payment in during 2017

Capital Structure

The appropriateness of the capital structure can be determined by the financial policy ratio analysis, as shown in the table below;

Financial Policy Ratio	Consolidated Financial Statement		
	2019	2018	2017
Debt to Equity Ratio (Times)	0.99	0.56	0.75

The debt to equity ratio in 2019 was 0.99, indicating that more external sources of funds were used compared to funds from shareholders. This is because in 2019, the Company got several large-scale projects with highest value the Company has ever entered into contract. These projects required a lot of funds in the operation, especially the projects from the government sector and state enterprises which took quite a long time in inspection and payment process. These external sources of funds include interest-bearing funds, consisting of loans from financial institutions and loans from financial leases with interest-bearing debt and non-interest funds such as accounts payable, accrued expenses and other liabilities. It can be seen that the ratio of interest-bearing funds shown as total liabilities was 17.78%, indicating that although the Company's liabilities increased, it did not significantly affect the interest expenses. In addition, the interest rates on loans from financial institutions were relatively low.

For operations in 2017 and 2018, the Company's revenue was within the normal range. In other words, there was no extremely large-scale project and the debt to equity ratios were 0.75 and 0.56, respectively. This indicates that the major source of funds came from the shareholders rather than loans as reflected the financial stability of the Company. The debt to equity ratio in 2017 was relatively high compared to that in 2018 because the accounts payable for large-scale projects provided relatively long credit term in accordance with the delivery and billing period from customers who have already paid these accounts payable during 2018 since the Company has already delivered the project and received payment.

Financial Policy Ratio	Separated Financial Statement		
	2019	2018	2017
Dividend Payout Ratio (%)	93.14	75.19	91.52

The dividend payout ratio is calculated from the separate financial statements because it is considered the performance of the Company in terms of net profit. It can be seen that in the past, the Company has always been profitable and paid dividend continuously, in which the actual dividend payout ratio was higher than the Company's dividend policy which was set at 40% minimum.

Liquidity Analysis

For the liquidity ratio from the consolidated financial statements can be shown as follows:

Ratio	2019	2018	2017
Liquidity Ratio (Times)	1.95	2.70	2.16
Quick Ratio (Times)	1.55	2.37	1.95
Cash Flow Ratio (Times)	(0.59)	0.22	0.07
Accounts Receivable Turnover (Times)	2.33	1.75	2.38
Average Collection Period (Days)	155	206	151
Inventory Turnover Rate (Times)	11.72	11.82	14.83
Average Inventory Period (Days)	31	30	24
Payable Turnover (Times)	4.27	2.22	2.74
Average Payment Period (Days)	84	162	131
Cash Conversion Cycle (Days)	102	79	44

The liquidity in above table shows that for the liquidity ratio in 2019: 1) the quick ratio decreased from that in 2018 due to the increase in current liabilities as a result of many large-scale projects which required more investment and a lot of funds from financial institutions, accounts payable and other related liabilities, therefore the liquidity ratio decreased to 1.95, but it was still considered to be at a high level; 2) The accounts receivable turnover in 2019 was close to that in 2017, when the revenue from delivered projects was high and with similar characteristics of receivables since most customers were government agencies and state enterprises which took quite a long time in inspection process; 3) The repayment periods in 2019 were shorter than those in 2017-2018. This is because many suppliers of large-scale projects were new suppliers or the suppliers with infrequent transactions in the past. Therefore, the credit terms were shorter. However, the average repayment period was between 60-90 days, which was a long-term credit term.

During 2017-2018, the Company's overall liquidity ratio was at a good level: 1) the current ratio was in the rate as current assets were 2 times more than current liabilities, similarly, the quick ratio was at a high level; 2) The company's net profit was in cash, as can be seen from the positive cash flow ratio; 3) The collection period was relatively long, especially in 2018 since most customers were government agencies and state enterprises which took quite a long time in contract amendment and inspection process as there were many delivery and inspection locations; 4)

During 2017-2018, the credit terms were relatively long due to the back-to-back payment used in large-scale projects for the payment to suppliers; and 5) Cash cycle of the Company which represented the duration of the cash flow from the payment to the payables to the collection period from receivables. In 2019, the cash cycle was longer than that in 2018 due to longer collection period as a result of 3) mentioned above.

Interest Payment Ability

The debt repayment capacity in the consolidated financial statements is determined by the financial ratios below;

Financial Policy Ratio	Consolidated Financial Statement		
	2019	2018	2017
Interest Coverage Ratio (Times)	(106.67)	585.01	330.79

The interest coverage ratio primarily reflected the Company's performance because the monetary amounts of the subsidiaries were very small in the consolidated financial statements, they did not affect the ratio analysis, which considered the cash flow from the operation before interest payable and income tax. It can be seen that from 2017 to 2018, the Company had positive and very high interest coverage ratios, indicating that the Company had sufficient cash flow for interest payment. This is because the Company's turnover was profitable and the Company could collect debts from trade accounts receivable. In 2019, the interest coverage ratio decreased because the Company got many large-scale projects with highest value the Company has ever received. These projects required large amounts of capital and it took a long time to get inspection before reaching the payment process because it was a customer of a state enterprise or a government agency, resulting in accrued interest payable and decrease in interest coverage ratio.

Debt Commitment

The Company has debt commitment and estimates of contingent liabilities, which can be divided, into 4 parts;

1. Capital commitments

The Company and its subsidiaries had no capital commitments.

2. Operating lease and service commitments

The Company and its subsidiaries had agreed on the operating lease agreements in leasing buildings, vehicles, Office equipment and service agreements. The terms of the agreements are generally between 1 and 5 years, which are excluded from the financial statement, as at 31 December 2019. The minimum amount to be paid in the future under the operating lease agreements, are as follows:

(Unit : Million THB)

Period	Amount
Within 1 year	16
1 to 5 years	19

3. Obligation relating to sales or services contracts

The Company had a sale contracts with customers who have not yet delivered or provided services, the equipment for lease agreement must be serviced according to the contract in the future and maintenance services according to the conditions specified in the contract, which is excluded from the financial statement, as at 31 December 2019, which can be summarized as follows:

(Unit : Million THB)

Type of Contract	Amount
Sales and services to customers which have not yet delivered or provided	7,121
Leasing of electronic equipment, fees that must be serviced in the future.	167

4. Guarantees

4.1 Letters of guarantee issued by banks

The Company has letters of guarantee issued by banks on behalf of the Company and consortium, of which the Company is the guarantor with the remaining amount of 1,977 million THB that is related to certain performance commitments in the normal business of the Company, which the commitments is excluded from the financial statement, as at 31 December 2019, the letter of guarantee can be classified as follows:

(Unit : Million THB)

Type of Guarantees	Amount
Guarantee of performance according to the contract	1,975
Guarantee payment to creditors	2

4.2 Guarantee signing

The Company and other companies have provided a written undertaking to a bank to guarantee a long-term loan of Genesis Data Center Co., Ltd., which is a joint venture of the Company. The Company's guarantee is limited to Baht 87 million.

Factors affecting the Company's performance in the future

The main risk factors affecting business operations are external factors, especially the government sector's role in economic management policy and public investment expenditures. This is because most high value technology projects come from the government sector and most of the Company's customers are government agencies, government organizations and state enterprises. Therefore, political stability is an important factor for government stability. In addition, the economic factors push forward the government to establish economic policies and set the public expenditures to be suitable for the economic conditions at various times. The Company has observed and tried to adapted to such uncontrollable external factors that

In addition, rapid technological change is a key factor for the Company's operational planning. The Company has kept track of the trend of new technology and developed knowledge of personnel to support and be able to adapt with new technological innovations in a timely manner.

In addition, foreign exchange risk is also a very important factor due to high and fast fluctuation of Thai Baht value last years. However, the Company has reduced risk of currency fluctuation by using financial instruments from financial institutions. From all external risk factors, the Company has adapted and searched for tools to support and deal with the above risk factors.



Corporate Governance

The Board of Directors recognizes the importance of good corporate governance, therefore implementing good corporate governance principles as a tool to add value and promote the Company's sustainable business growth, which will strengthen the managerial system to be efficient, transparent, and auditable to build confidence to shareholders, investors, stakeholders, and all related parties. This year, the Company has disclosed the corporate governance information in accordance with CG Code

Corporate Governance Policy

The Company continuously adheres and follows good corporate governance based on sufficiency and adhering good governance, to be the organization that is transparent and auditable, including operates business that cares about society, community, and environment, as well as supports the personnels to be good people with morality and improves a quality of working life, to be a sustainable organization.

In the year 2019, the Company was evaluated in corporate governance for listed companies 2019 as "Very good" (4 stars) level, according to the survey of corporate governance of 667 Thai listed companies from the Thai Institute of Directors with the Securities and Exchange Commission and the Stock Exchange of Thailand. This is also including the assessment result of the Annual General Meeting of Shareholders 2019, organized by Thai Investors Association, the Company result was 96%, reflecting that the Board of Directors paid attention to good corporate governance and has always considered improving the practices.

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 is 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 2019 Annual General Shareholders Meeting No.1/2019 on April 11th, 2019 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.Kamonkan Pongpanit 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 and checking the accuracy of the vote at the meeting. 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 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 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 and the Managements 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, 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. The directors and the executives shall report their interests from their initial designation and any change in their interests within 7 working days in accordance with the report form for interests of directors and executives and submit the report to the corporate secretary to proceed and retain for audit purposes.
2. The corporate secretary shall submit the report of interests, and any change, to the chairman and audit committees within 7 working days from the date of receiving the said report and report to the Board of Directors in the next meeting.
3. At the end of the year, the Company secretary shall prepare a report on the conflict of interest and submit to the directors and executives for data verification or the purpose of disclosure in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2).

However, in the Shareholders' Meeting, the directors who have an interest or involve in any agenda will abstain from voting in such agenda.

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 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 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 provides the opportunity for shareholders to propose matters to be included as an agenda at the Shareholder meetings and send their questions in advance via the Company's website or e-mail: companysecretary@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:

1. Tel : 0-2275-9400
2. Website: www.ait.co.th
3. E-mail: companysecretary@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

Pursuant to Section 59 of the Securities and Exchange Act B.E. 2535 (1992), the directors, executives, and auditors of the Company are required to disclose changes in their securities holdings and derivatives, and this includes their spouses and underage children to allow the investors and the shareholders to acknowledge and monitor the movement of securities of such persons who are in a position or status that may know inside information of the Company and may exploit such information for their own benefits before the information is disclosed to the public. In addition to the regulatory requirements, when securities holdings of directors and executives are changed, such information will be added to an agenda to be reported to the Board of Directors at the Board of Directors' meeting on a quarterly basis.

In addition, the Company has policy and adheres to ethics, integrity, and honesty in operating business with customers, partners, investors, and shareholders, by determining guidelines in "Business Code of Conduct" manual under the title "Insider information usage and securities trading" for the directors, executives, and employees at all levels adhering and applying to secure important data and news from being disclosed, accessed to sources of information arbitrary or with impure intentions. For violation, the directors, executives, and employees with a serious offense shall be subjected to disciplinary sanctions, the details can be found in the topic "Insider information control" and has published such manuals on the Company's website.

3. Roles of Stakeholders

The Company recognizes the rights of stakeholders and has policies to give confidence by giving priority to stakeholders, including shareholders, employees, customers, partners, competitors, as well as the public and society as a whole. There is a cooperation between different group of stakeholders according to the roles and duties in order for the Company's business to operate well with stability and response to fair benefits for all parties, therefore, The Board of Directors has provided the "Code of Conduct" guide which specifies responsibility to the stakeholders to be used as practices by the relevant departments, as well as to inform and encourage all directors, managers, and staffs to work and conduct business activities to protect and ensure basic rights of stakeholders 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**

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 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 (form 56-2), the Annual Registration Statement (form 56-1) and via the Company's website at 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 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.

Investor Relations

The Company has established the Investor Relations unit to support and be a key function to disseminate information, answer all questions, including listen and exchange any opinions with shareholders, analysts, institutional investors, and relevant institutes. The Company's investor relations is Ms. Sinanang Oontornpan, for more information, the contact channels are available on three channels

1. Tel : 0-2275-9400
2. Website : <https://investor.ait.co.th/>
3. E-mail : ir@ait.co.th

Investor Relations Activities

In 2019, the Company opens an opportunity for investors, analysts, shareholders, and institutional investors to access the data, operating performance, business growth strategy, including major events throughout year with Q&A sections. The previous year, there are activities, as follows;

1. An Opportunity Day, counted one times by the Stock Exchange of Thailand
2. An Analyst Meeting, to provide information on the Company's performance quarterly, counted four times.
3. A Company Visit from the institutional investors, retail investors, analysts, to inquire about the Company information by group and individual, counted one times.
4. Earning Release for each quarter, counted four times.
5. Meet the Press, to inform the business direction of the Company for the year 2019, counted one time.
6. Other activities such as participating in providing information to investors in the Money Talk Channel and the annual conference by Kaohoon newspapers, counted two times.



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 Audit Co., Ltd. to be its Internal Auditor. Mr. Apinan Sripamont is now the appointed head of the Internal Audit Department and he reports to the Audit Committee on a quarterly basis.

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 31th December 2018, 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 The Role of Chairman and President

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.

5.4 Orientation Program for new Directors

The Board of Directors has set up the committee charter to determine the scope, guidelines, as well as the rules and regulations of the Company, which require that new directors shall be informed with the Company's business policy, relevant information, laws and regulations. An orientation shall be organized for new directors. The Board of directors has assigned the President and the Company Secretary to prepare a summary of information for the new directors, as well as to prepare useful information and documents, including meeting records. In addition, new directors are required to visit the establishment in order to understand the industry and business operations of the Company, as well as to clarify the nature of business and operating strategies by the President and Executive Director.

5.5 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)

Development and Training of The Director in 2019

Name of the Directors	Details
1.Mr. Chokechai Tanpoonsinthana	- Participated in the EY Annual Seminar 2020 by EY Company Limited.
2. Mr. Sripop Sarasas	- Participated in the EY Annual Seminar 2020 by EY Company Limited.
3. Mr. Kijja Laoboonchai ⁽¹⁾	- Participated in The Executive Program in Energy Literacy for a Sustainable Future #13 by Thailand Energy Academy
4. Mrs. Sasinet Baholyodhin ⁽¹⁾	- Participated in Director Certificate Program #277/2019 by Thai Institute of Directors

Remark ⁽¹⁾ Mrs. Sasinet Baholyodhin was approved and appointed as a director according to the resolution of the Board of Directors Meeting No. 5/2019 on 8 August 2019, replacing Mr. Kijja Laoboonchai, who tendered his resignation, effective from 9 August 2019 onwards.

5.6 Self-Evaluation of the Directors

1. Self-Evaluation of the Board of Directors and Sub-Committees

The Company holds an evaluation of the Board of Directors and the sub-committee performance once a year, to evaluate its performance efficiency according to good corporate governance and this will help the Board of Directors to review their own works, issues, and obstacles throughout the year and utilize the evaluation to improve their performances. The criteria on the evaluation of the Board of Directors and the individuals, covers six topics, consists of the structure and qualification of the Board of Directors, roles and responsibilities of the Board of Directors, the Board of Directors' meeting, the duties of the directors, the relationship with the Management department, and the self-development of the directors and the development of the executives.

In 2019, the Board of Directors' meeting no.6/2019 on 7 November 2019, the Company secretary submitted the Board of Directors' evaluation form to the directors, consists of the evaluation form for the Board of Directors, the Audit Committee, and the Nomination and Remuneration Committee, to evaluate the performances of the Committee and the individuals. The results of the performances of the Board of Directors and the sub-committee can be concluded as follows;

The Board of Directors/ Sub-Committee	The Evaluation on the Performance of the Committee (Percentage)	The Evaluation on the Performance of the Individual Directors (Percentage)
The Board of Directors	85%	87%
The Audit Committee	88%	86%
The Nomination and Remuneration Committee	80%	79%

2. Self-Evaluation of the Chairman of the Executive Board Committee and President

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 confidential information which is not 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.

Sub-Committees

The Board of Directors has appointed three sub-committees, consists of the Audit Committee, the Nomination and Remuneration Committee, and the Executive Committee, to operate on specific matters and propose the matters to the Board of Directors for an approval by setting a charter for the sub-committee to define the scope of authority, which is disclosed on the Company website.

1. The Audit Committee

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. They should ensure the independence of the internal audit system in approval of the appointment / relocation / termination the head of Internal Audit, selection and appointment of auditor, consideration of the independent, meeting with the auditors more than once a year without the management department. They should also consider the transaction or transactions that may have conflicts of interest in accordance with the criteria. Preparing a report of the Audit Committee for the disclosure in the annual report signed by the Chairman of the Audit Committee. The Audit Committee had four ordinary meetings and the attendance record of each director is presented under the topic "The Board of Directors Meeting Schedule", the list of the Audit Committee is as follows;

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

Secretary : Ms. Sarin Chandranipapongse

* All directors are knowledgeable and experienced in reviewing the reliability of the Company's financial statements.

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 connector 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) Review, select, propose, appoint, or terminate the independent person to act as the Company's auditor and offer remuneration to such person, including attending the meeting with the auditor without a participation from management team 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 share holders and general investors,
- (7) Perform other tasks as requested by the Board of Directors and other tasks which the Audit Committee agrees to perform.

2. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall be responsible for determining the remuneration and proposing it to the Board of Directors for an approval in the shareholders' meeting if the shareholders find it appropriate by considering the expected benefits from the Board of Directors and be comparable within the same industry. The Company set a policy in determining the remuneration to the directors at the comparable rate of the same industry to motivate and be appropriated to the knowledge ability and responsibilities of the directors. The Board of Directors remuneration in 2018 can be found in the topic "The Board of Directors Remuneration". There are three ordinary meetings as the attendance record of each director is presented under the topic "The Board of Directors Meeting Schedule", the list of the Nomination and Remuneration Committee is as follows;

Name	Position
1. Mr. Pongtep Polanun	Chairman of the Nomination and Remuneration
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.
- (8) Prepare the report of the Nomination and Remuneration Committee that disclosed in the Company's annual report, which that report must be signed by the Chairman of the Nomination and Remuneration and commented as of the SET's requirements.

3. The Executive Board Committee

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 Division
3. Mr.Chodiwat Duntanasarn ⁽¹⁾	Senior Executive Vice President - Customer Relations and Satisfaction Division
4. Mrs.Sasinet Baholyodhin ⁽²⁾	Executive Vice President – President Office Division

Secretary: Ms. Sarin Chandranipapongse

Remark ⁽¹⁾ Mr.Chodiwat Duntanasarn was approved and appointed as an executive director according to the resolution of the Board of Directors Meeting No. 5/2019 on 8 August 2019.

⁽²⁾ Mrs.Sasinet Baholyodhin was approved and appointed as an executive director according to the resolution of the Board of Directors Meeting No. 5/2019 on 8 August 2019.

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.

- (6) Responsible for studying the possibility of investing in new projects and be empowered in approving all direct investments or investment with the juristic person or the others in various ways to operate the business on purposes. The investment must not be over THB 20 million per a project and THB 100 million per year, including other investments such as shareholding and other relevant action.

The conditions of new investment projects are as follows;

1. The investment project must be relevant to the core business or the ICT business of Advanced Information Technology PCL.
2. The investment project must be studied and clearly presented a feasibility study.
3. The investment project must be an investment as a joint venture, not giving a loan or a financial assistance.
4. The investment project must be reported to the Board of Directors every time after investing in that project.
5. The investment project must not be relevant or connected to the directors or the managements of the Company in accordance with the regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

If uncleared with the abovementioned conditions, the investment project has to be taken back and approved by the Board of Directors prior any investment.

2. Duties and Responsibilities of the Executive Board Committee

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

The above mentioned authority excludes the interrelated transactions, acquisition or liquidation of the listed Company's important assets according to the regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The Company shall abide by the SET regulations and requirements on any issue. In addition, the above-mentioned authority excludes other issues for which the Company's regulations require the prior request and approval at the Annual General Shareholders Meeting

Nomination and Appointment of Directors and Top Executives

1. Independent Directors

Name	Position
1. Mr. Pongtep Polanun	Independent Director
2. Mr. Chokechai Tanpoonsinthana	Independent Director
3. Mr. Sripop Sarasas	Independent Director
4. Mr. Thanarak Phongphatar	Independent Director

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.

The definition of independent directors is the same as the minimum requirements of the SEC. or the SET. The Independent directors shall not hold shares exceeding 1% of the total number of voting shares of the Company.

2. Nomination of Directors and Executives

2.1 Guidelines for nomination and qualifications of directors

Nomination and Appointment of Directors

Appointment of the Directors shall be determined by many qualifications such as knowledge, skills, and experience related to the business. The Nomination and Remuneration Committee is responsible for review of the qualifications and performances of the candidates in appointment of the Directors.

The Board of Directors is well aware of the benefits of the diversity of the Board of Directors, therefore focuses on transparency in the nomination of the candidates, without restrictions on gender, age, education level, professional experience, skills and knowledge. The Nomination and Remuneration Committee is responsible for review of the qualifications and performances taking into account the benefits of the diversity of candidates or directors who retire by rotation or resign. The Nomination and Remuneration Committee also considers necessary skills that are lacking in the Board of Directors in order to be in line with the Company's business strategy and propose it to the Board of Directors for an approval. After that, the list of proposed directors will be proposed to the shareholders' meeting to elect the directors.

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

2.2 The criteria and procedures of selecting the candidates for the director appointment

The criteria and procedures of selecting the directors are set to be determined in shareholders' meeting by counting the majority votes in accordance with the following criteria and procedures;

- (1) Each shareholder shall have one vote per one share.
- (2) Each shareholder shall use his or her vote according to (1) to elect one or several directors. However, dividing the votes is not possible.
- (3) The candidate with the highest votes will be elected as the directors, where the number of elected directors is equal to the required directors of each time. In the case of the elected candidates have equal votes and the numbers of directors are over the requirement, the President shall have a casting vote.

2.3 The Nomination of key management positions and 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) Vice President

When the positions of Vice President upward 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.

The Governance and Operations of Subsidiaries and Joint Ventures

The Company opened 1 subsidiary named SP Resources and Commercials Pte. Ltd., and 3 joint ventures named Loxley and AIT Holdings Ltd., Data Center Co., Ltd. and Campana Group Pte. Ltd. The Company has sent high-level executives to be the representatives to perform the governance to control and manage and be responsible for the operations of the joint ventures, in order to maintain the interest in the Company's investment, as follows;

Name	Subsidiary	Joint Venture		Joint Venture of the Company's Joint
	SP Resources and Commercials Pte. Ltd.	Loxley and AIT Holding Co., Ltd.	Genesis Data Center Co., Ltd.	Campana Group Pte. Ltd.
1. Mr. Siripong Oontornpan	-	Director	-	-
2. Mr. Suraporn Raktaprachit	-	Director	-	Director
3. Mr. Asawin Kangvolkij	-	Director	-	-
4. Mrs. Sasinet Baholyodhin	-	-	Director	-
5. Mr. Apichai Nimgirawath	-	-	Director	-
6. Mr. Kriengkrai Nissyan	Director	-	-	-

Prevention policy to protect against Insider Information

The Company has a policy and method to prevent the directors, executives, and employees from misuse of the Company's inside information for their own benefits, which has been included in the Code of Conduct guide on "Insider Information Usage and Securities Trading" to be used as a guideline in the said matters by the directors, executives, and employees. The details are 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.

Audit Fee

In 2019, the auditor's remuneration is listed below;

- An annual audit fee and a quarterly audit fee, amounted THB 16 million
- Other compensation to the audit fee, - none -
- The Company audit fee of the last three years is as follows;

Transactions	2019	2018	2017
Audit Fee of Advanced Information Technology Public Company Limited	1,600,000	1,490,000	1,400,000
- Annual audit fee	880,000	800,000	740,000
- Quarterly audit fee	720,000	690,000	660,000

The Level of Understanding and Implementation of the corporate governance principle for the listed companies in 2019

The Board of Directors acknowledges the CG Code and recognizes the roles as a leader in creating sustainable values for the business and evaluating the overall CG Code implementation, once a year. For the year 2019, the matter has considered and reviewed and also recorded in the minutes of the Board of Directors Meeting No. 6/2019.

The Compliance with Principles of Good Corporate Governance in Other Matters

The Company regularly reviews the guidelines in accordance with good corporate governance principles. 2019, the Company has complied good corporate governance, except for the following matter;

(1) The Company has three independent directors who have been in position more than 9 years, consisting of Mr. Chokechai Tanpoonsinthana, Mr. Pongtep Polanun, and Mr. Sripop Sarasas. These 3 independent directors have knowledge, abilities, and well understanding in the Company business, and are also accepted by the financial market and capital market sector. In 2019, they have been providing useful advices as the independent directors and the audit guidelines of the Audit Committee. Long-term experience of these directors allows them to better understand in the Company business. The details of each position of independent directors of the Company are as follows:

Name	Appointed Date of the Independent Director	Year(s) (Appointed date-31 December 2018)
Mr. Thanarak Phongphatar	5 April 2012	7 Years 7 Months
Mr. Chokechai Tanpoonsinthana	15 February 2003	16 Years 10 Months
Mr. Pongtep Polanun	15 February 2003	16 Years 10 Months
Mr. Sripop Sarasas	15 February 2003	16 Years 10 Months

(2) All members of the Nomination and Remuneration Committee should be independent directors. At present, the Nomination and Compensation Committee has 5 members, consisting of 2 independent directors, 2 executive directors and 1 director. Mr. Pongtep Polanun is an independent director who is the chairman of the Nomination and Remuneration Committee.



Corporate Social Responsibilities Report (Sustainability Report)

Advanced Information Technology PLC has realized and paid attention over sustainable development, where managing in accordance with good corporate governance principles and Business ethics, considering all stakeholders and always operating business with responsibility over society, community, and environment. In this regard, the Company has established the Corporate Social Responsibility Committee to determine policies and operation guidelines to comply with the business goals and current situation, where leading to the business sustainable development.

The Corporate Social Responsibility Committee

- | | |
|------------------------------|---|
| 1. Mrs.Netnapit Oontornpan | Senior Executive Vice President – Corporate Affairs Division |
| 2. Mrs.Pannawee Kaewmanee | Executive Vice President – Human Resource and Administration Department |
| 3. Ms.Sureerat Prachayanukul | Executive Vice President – Financial Controller Department |
| 4. Mr.Krit Khongchuanark | Executive Vice President – Project Management Department |

Social Responsibility Policy



* Full policy of the Corporate Social Responsibility is published on www.ait.co.th

The Company has considered the sustainable development issues according to their importance level for the proper operation, by determining the vision and mission that represent the importance of the stakeholders, which is part of the regular business operations. The Company has analyzed and defined the criteria for considering the Company's stakeholders, as follows;

1. Define the business process framework by applying the supply chain or value chain to be a guideline for identifying stakeholders and responsible issues that linked to each other.
2. Identify stakeholders and social responsible issues according to the defined business process framework, including considering the effects from each business process, which the Company is able to monitor stakeholders in each process and social responsibility issues in various dimensions.

Table of the Company's Stakeholders

Stakeholders	Stakeholder's Expectation	Examples of Engagement
Shareholder and Investor	<ul style="list-style-type: none"> • Good performance an sustainable under appropriate risk management • Treat and provide information to shareholders equally • Transparent of the Company's operation • Company information is easily accessible and sufficient for investment decisions 	<ul style="list-style-type: none"> • Hold the Annual General Meeting 1 time a year • Pay the dividend in accordance with the Company's policy • Assign investor relations officer to answer any questions on the phone to shareholders and investors • Provide the opportunities for analysts or investors to meet with executives to inquire useful information through the Company's activities such as Analyst Meeting, Company Visit, Opportunity Day and Meet the Press, etc. • Provide information through various channels with equal, transparent and up-to date
The Board of Director	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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
Customer	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Provide sales staff and pre-sale staff to create understanding and provide appropriate advice according to customer needs, understand and give advice appropriately according to customer needs. • Sell quality products that meet the needs of most customers • Prepare customer satisfaction survey • Develop direct hot-line system for hearing problems and notifying relevant parties to solve problems for customers without delay

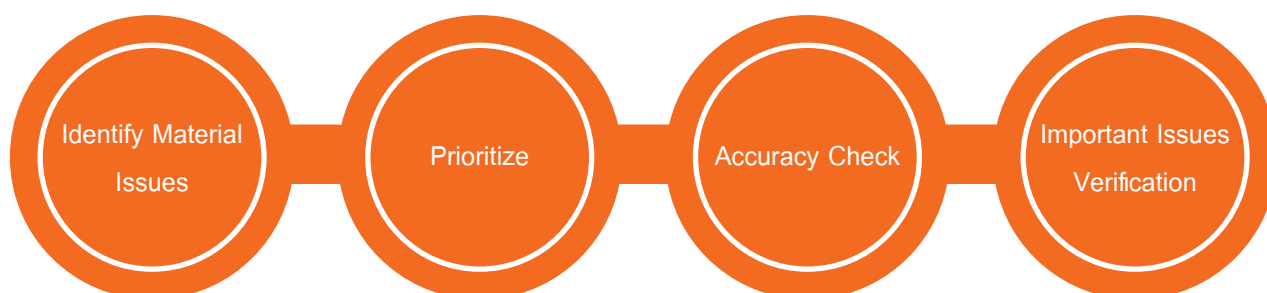
Stakeholders	Stakeholder's Expectation	Examples of Engagement
		<ul style="list-style-type: none"> • Hold annual AIT Smart Connect event to build good relationships with customers • Strictly adhere to the Code of Conduct practices on "Policy and Treatment of Customers"
Employee	<ul style="list-style-type: none"> • Reasonable Compensation and Benefits • Stability and career path • Work-life balance • Good communication between management and staff • Realize the significance of the development of the employees by give an opportunity to all employees with fairness • The environment friendly for safety of both health and asset of employees 	<ul style="list-style-type: none"> • Regularly survey the compensation of the market every year • Provide provident fund, life and health insurance • Provide training for employees to developing skills as well as technical training in both domestic and international • Improve working environment with safety and good hygiene, such as ozone treatment within the building, cutting trees around the building, changing fire extinguishers location, etc. • Promote activities for better quality of life of employees by providing space for different exercises such as badminton club, football club, yoga class, Zumba class, etc. • Hold the AIT Business Direction event as a communication channel between executives and employees • Provide the AIT Intranet that allows employees to access information and news of the Company faster

Stakeholders	Stakeholder's Expectation	Examples of Engagement
Supplier	<ul style="list-style-type: none"> • Operate business with transparency and fairness • Trust and Reliable • Maintain good relationship 	<ul style="list-style-type: none"> • Arrange the annual seminar for partners to maintain good relations • Comply with trade terms and agreements • Strictly adhere to the Code of Conduct practices on "Policy and Treatment of Business Partners / Creditors"
Creditor	<ul style="list-style-type: none"> • Pay interest and repayment principal on time • Repayment to creditors as a system 	<ul style="list-style-type: none"> • 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 • Strictly adhere to the Code of Conduct practices on "Policy and Treatment of Business Partners / Creditors"
Sub-Contractor	<ul style="list-style-type: none"> • Operate business with transparency and fairness • Trust and Reliable • Maintain good relationship 	<ul style="list-style-type: none"> • Define criteria for selection of external sub-contractors, such as technical capabilities, expertise and experience, financial status, business reputation, history of complaints and litigation, etc.
Competitor	<ul style="list-style-type: none"> • Operate business in transparent and fairness 	<ul style="list-style-type: none"> • Create fairly competition conditions together • Strictly adhere to the Code of Conduct practices on "Policy and Treatment of Competitors"
Social	<ul style="list-style-type: none"> • Support activities that benefit to the community and public 	<ul style="list-style-type: none"> • Hold the ATI E-Library Project for schools in remote areas • Provide students the opportunities to learn and practices through AIT Internship 2018 and Co-operative Education program in each year

Stakeholders	Stakeholder's Expectation	Examples of Engagement
Regulatory agency and government	<ul style="list-style-type: none"> • Compliance with the Securities and Exchange Act • Cooperation in driving state policies 	<ul style="list-style-type: none"> • Cooperate by using the Company's area as a polling station • Respond to government policies related to the Company's business such as Digital Economy and EEC, etc. • Comply with rules, regulations and laws and be ready to cooperate in activities beneficial to the public sector

Determination of Sustainability Issues

The Company applies the criteria for determining issues that are significant to the business operation and related to the stakeholders, which affected the Company's sustainability, by evaluating contents and creating management guidelines in accordance with these 4 principles, as follow;



1. Identify Material Issues: The Company will consider opportunities and challenges, including the sustainability issues related to Information Communication Technology industry as well as the stakeholders' expectations and the business direction. The Company determine the Sustainability Issues as follow;

Sustainability Framework	Material Topics	Stakeholders				
		Internal	External			
		Employees	Shareholders/ Investor	Customers	Business Partners	Society
Sustainable Organization Management	The good corporate governance and Business Ethics	●	●	●	●	
	The project risk management	●	●	●	●	
Value Chain Management	The responsibility on products and services			●	●	
	Responding to customer needs and satisfaction			●		
	The involvement and equitable treatment of the stakeholders	●		●	●	
Employee Development	Human right	●				
	The promotion and development on the potential of the employees	●				
	Safety and hygiene at work	●				
Social and Environmental Management	Efficient use of resources	●				●
	Return the community by creating a digital					●

2. **Prioritize:** The Company takes the material issue to prioritize its importance, by considering the stakeholders' attention and the impacts that may affect in the business.



3. **Accuracy Check:** The Company will verify the accuracy to determine the operational guidelines on the important issues and present relevant information in the Sustainability Development Report. Including disclosing information on the Company website.

4. **Important Issues Verification:** The Company reviews related issues for the information assurance and applying information to indicate the important sustainability issues in the future.

Sustainable Organization Management

The good corporate governance and Business Ethics

Operation Practice with Fairness

The Company is committed to conducting business in a fair and ethical manner, paying attention to legal compliance and respecting social rules and regulations. The Board of Directors has stipulated its commitment in the corporate social responsibility policy and also encourages all directors, managers, and employees to strictly adhere to the guidelines specified in the "Code of Conduct" guide of the Company in order to operate the business with honesty, integrity and fairness. It also covers the administration of all stakeholders, i.e. shareholders, employees, customers, competitors, business partner, creditors including society and environment in order to achieve business goals that will lead to sustainable growth of an organization. The details of "Code of Conduct" guide can be found on the Company website.

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 under the topic of “Respect to Human Rights” in the Annual report page no. 180
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

Anti-Corruption

The Company is aware of an importance of conducting business with integrity and has a policy to treat all groups of stakeholders in accordance with the corporate governance code and code of conduct. In addition, the Company has committed to anti-corruption for both internal and external corruption of all forms, direct or indirect, to ensure that the Company has a policy for determining responsibility, guidelines and requirements for appropriate operations, and to ensure that decisions and business practices that may be at risk of corruption are carefully considered and performed. The Company has therefore established a “Anti-Corruption Policy” in written in order to be used as a guideline for operations and business decisions of directors, executives and employees. This anti-corruption policy has been considered and approved by the resolution of the Board of Directors Meeting No. 5/2019 on 8 August 2019, with the following details:

Definition

Corruption refers to bribery of any form, whether offering, giving, pledging, promising, requests, claims, giving or receiving assets or other benefits that are considered inappropriate for government officials, government agencies, private agencies, or any other person doing business with the Company, either direct or indirect, for the said person to act or refrain from performing their duties in order to obtain or maintain any other improper business interests, unless otherwise allowed by the laws, regulations, announcements, local traditions or trade practices.

Anti-Corruption Policy

Directors, executives, and employees of the Company are prohibited from conducting or accepting or supporting corruption of all forms, both direct and indirect. This also applies to the subsidiaries. Compliance with the anti-corruption policy shall be reviewed on a regular basis, as well as reviews of practices to be in line with changes in business, regulations, announcements and legal requirements.

Duties and responsibilities

1. The Board of Directors has a duty and responsibility to set policies and supervise to provide an efficient anti-corruption system to ensure that the management realizes and gives importance to anti-corruption and cultivate a good corporate culture.
2. The Audit Committee is responsible for reviewing financial and accounting reporting system, internal control system, internal audit system and risk management system to ensure that they meet international standards, concise, appropriate, modern and effective.

3. Executives and employees of the Company shall not neglect or ignore when they see any actions that are considered corruption which may be negatively affected the Company. Such actions shall be reported to the supervisor or responsible person via the specified reporting channels and the employees shall cooperate in the investigation.

4. Executives and employees of the Company shall not call for, accept or receive any other unrighteous benefits from stakeholders, and shall be cautious and avoid entertainment reception by the Company's stakeholders who may gain benefits from performance of employees or executives of the Company.

Guidelines for Compliance with Anti-Corruption Policy

1. Directors, executives, and employees of the Company shall comply with an anti-corruption policy and business, Code of Conduct guide and shall not be involved in any corruption, direct or indirect.

2. Directors, executives, and employees shall not use their authority assigned by the Company to seek personal benefits or provide benefit to their family, friends or close persons, either direct or indirect, throughout the business process, such as actions by any unrighteous means in order to distribute personal goods or services to the Company or to compete in business, direct or indirect, etc.

3. Executives and employees of the Company shall not neglect or ignore when they see any actions that are considered corruption which may be negatively affected the Company. Such actions shall be reported to the supervisor or responsible person via the specified reporting channels and the employees shall cooperate in the investigation.

4. Executives and employees of the Company shall not call for, accept or receive any other unrighteous benefits from stakeholders, and shall be cautious and avoid entertainment reception by the Company's stakeholders who may gain benefits from performance of employees or executives of the Company.

5. If employees are in doubt, hesitant, or are under pressure to involve in corruption, they can consult with their supervisor, human resource department or a person assigned by the Company to be responsible for monitoring of code of conduct at any time, or employees can make a complaint through the specified reporting channels. The informant or the complainant will be protected fairly and all information is treated as confidential.

6. Executives and employees of the Company shall cooperate in promoting the internal practices of the organization with the department responsible for internal control and internal audit and providing information and monitoring of the operating results if any corruption or corruption information is observed. The informant or the complainant will be protected fairly and all information is treated as confidential.

Terms of Operation

1. This anti-corruption policy shall apply to all aspects of the human resource management process, from recruitment or selection of personnel, promotion, training, performance appraisal, and compensation. Supervisors at all levels shall communicate and create understanding with employees in the business activities under their responsibility and control the operation for more efficiency.

2. Any action under the anti-corruption policy shall adhere to the principles, corporate governance code, code of conduct guide, including the regulations and operating manual of the Company as well as other practices subsequently specified by the Company.

Channels for Reporting Corruption or whistleblowing

The Board of Directors has assigned the Audit Committee to consider and acknowledge clues, complaints, and any action that is suspected to be a corruption within the Company, direct or indirect, through the anti-corruption complaint center as specified in this policy.

The details of clues or complaints shall be sent along with the name, mailing address and telephone number of the complainant to the following channels:

The details of clues or complaints shall be sent along with the name, mailing address and telephone number of the complainant to the following channels:

1. Email : AC@ait.co.th
2. Mail: Sealed letter

To Chairman of the Audit Committee
Advanced Information Technology Public Company Limited
37/2 Sutthisan Winitchai Road, Samsen Nok Sub-district,
Huai Khwang District, Bangkok 10320

The persons who can report clues or complaints about corruption are all groups of stakeholders of the Company, namely shareholders, customers, business partners, competitors, creditors, government sector, community, society, executives and employees of the Company. Regardless of the method described above, the complainants will be protected by legal rights or guidelines set forth by the Company.

Complainant or Whistleblower Protection and Confidentiality

The company will protect the whistleblower, complainant, informant, witness or those involved in the complaint. The Company will protect and keep all information and documents that can identify the whistleblower, complainant, informant, witness or related person confidential.

The company will not demote, punish or take any action which negatively affects the employees who deny the corruption in any way, even though such action may result in loss of business opportunity.

Punishment

If the directors, executives and employees of the Company violate, neglect, ignore or intentionally do not comply with the anti-corruption policy, it is considered a disciplinary offense. The company will determine the penalty according to the Company's regulations. If such action is against the law, it can lead to prosecution.

Other Relevant Policies and Manuals

Directors, executives, and employees of the company are responsible for studying and understanding this policy together with other policies and manuals of the Company, including: 1. Good Corporate Governance, 2. Corporate Social Responsibility Policy, 3. Code of Conduct and 4. Company Regulations.

In Addition, The Company has policy to treat partners equally and fairly with integrity, comply with the stakeholders' contract and understand the anti-corruption internally and externally as determined in the Company's "Code of Conduct" manual on "Anti-Corruption" for the directors, executives, and all employees to perform

as a guideline. In addition, there are procedures to prevent such matters, as follows;

- Risk management - the Company has the internal audit unit to inspect the operations of all departments according to the risk issues, including the risks of corruption. If found that any departments has insufficient internal control or corruption, the inspection results will be reported to the Audit Committee and senior executives with the guidelines for prevention and internal control improvement
- Commitment to create consciousness and not being a cause of corruption.

Anti-Corruption	2019	Unit
The number of fraud offenses or ethics violations	0	case
The number of resigned directors due to the Company's corporate governance	0	case

Whistleblowing

In 2019, the Company has established the "Whistleblowing Policy" to provide the opportunities to the directors, executives, employees and all stakeholders of the Company to report the clues, complaints or suggestions regarding violation of laws, regulations or Code of Conduct, corruption, financial reporting irregularities or deficiencies in the company's internal control system through the following channels:

1. Email: AC@ait.co.th
2. Website: www.ait.co.th/en/sustainability/corporate_governance/whistleblower
3. Mail: Sealed letter

To Chairman of the Audit Committee
Advanced Information Technology Public Company Limited
37/2 Sutthisan Winitchai Road, Samsen Nok Sub-district,
Huai Khwang District, Bangkok 10320

Whistleblower Protection and Confidentiality

The Company also attaches great importance to the privacy and security of whistleblower or complainant, with the option to keep them anonymous if they believe that such disclosure will cause insecurity or damage. However, the disclosure of identity allows the Company to report progress and explain the facts after the investigation.

The company will keep the information of the whistleblower or the complainant and the relevant information as confidential without disclosing any information to the unrelated person unless it is required to be disclosed by the Company's rules or regulations of the law and relevant regulations.

Procedures

1. In case there is sufficient evidence to support a claim or complaint, a full investigation shall be conducted with the aim of making sure whether or not an action in question has been committed. The investigation varies according to the situation which will be conducted under the confidentiality of information. Whistleblower or complainant may be contacted for additional information.

2. The investigation team will inform the progress to the whistleblower or the complainant (in case they disclosed their identity) and report the facts after the conclusion of the investigation through appropriate communication channels and keep all relevant files confidential. If there is an important matter, it will report to the Board of Directors.

Penalties

Anyone who acts intentionally or negligently, does not comply with this policy, including bully, intimidate, discipline or discriminate with an offensive method against the whistleblower/complainant or those involved, it is considered a disciplinary offense. The company will determine the penalty according to the Company's regulations. If such action is against the law, it can lead to prosecution.

Meet the press, to inform the business direction of the company for the year 2019 on March 5, 2019



Disclosure and Reporting

The Company recognizes the importance of disclosing and reporting of useful information for both investment decisions and the selection of its products and services to allows all stakeholders to access information of AIT equally. The Company has assigned the Board of Directors to be responsible for financial reporting, including adequate disclosure of connected transactions, and also established an investor relations department to provide financial and company information on business direction. In addition, Presale has been established to provide product information and to understand customer needs. Call Center has also been established to provide advice or useful information regarding after sales service. In addition, the Company has also disclosed information on the Company's website for easier and faster data access.

Project Risk Management

The Company is mainly engaged in the sales and installation services. The project management for the implementation of the operation plan is therefore essential. The Company is aware of the effects of potential risks and therefore has regularly reviewed the risk factors and obstacles as well as established the Project Risk Committee to be responsible for assessing project risks and reducing negative factors affecting the success of the project.

- | | |
|-----------|--|
| 1 person | Executive Vice President – Advanced Technology and Application Services Department |
| 2 persons | Executive Vice President – Services Division |
| 1 person | Executive Vice President – Finance Division |
| 1 person | Executive Vice President – Sales and Marketing Division |

Value Chain Management

The responsibility on products and services

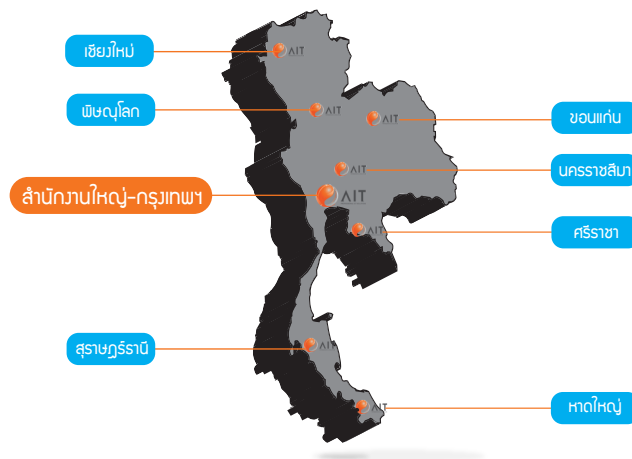
The Company attaches great importance to the quality of products and services delivered to customers. Good relationships with business partners can lead better understanding of the characteristics of products and services. The company has been successful in building and maintaining its reputation in the information and communication technology industry in the Thailand for a long time and is widely accepted in the public and private sectors. The company has been involved in various projects in various roles, such as the Prime Contractor, Subcontractor, Consortium, depending on the nature of the project proposed by the Company. In addition, the company has many business partners which are technology leaders known in many fields in order to maximize efficiency and effectiveness and increase competitiveness. Main business partners in information technology business still include Cisco, HP, VMware, Oracle and Veritas, the main partner in the infrastructure and cloud business is F5 and the main partners in the security business are Palo Alto, Fortinet, Symantec, Trend Micro and Splunk.



In 2019, the Company was trusted by business partners in offering products to satisfy customers. For the guarantees of capability in offering excellent technology services, the Company has been awarded with many awards, including Best Dealer Award 2018 by VSTECs; Outstanding Contribution Award 2018 by M.TECH; Enhanced Security Partner of the Year 2018 by Fortinet; APJ Channel Partner Award 2018 by Solarwinds; Fastest Growth Partner of the Year FY2019 and Partner Sale of the Year FY2019 by NetApp; FY18 Top Services Partner of the Year, FY18 Architecture Excellence Security and FY18 Public Sector Partner of the Year by CISCO (Thailand); and ASEAN Partner of the year by CISCO.



Besides our headquarters in Bangkok, we have a further seven (7) services centers strategically located in across Thailand in Chonburi, Khonkaen, Chiang Mai, Suratthani, Phitsanulok, Songkhla and Nakhon Ratchasima. This ensures that we provide proper project support throughout the country. In addition, in the year 2019, the Company has developed the service of AIT Call Center for accessing the service and requesting the suggestions faster.



Customer Needs and Satisfaction

The Company strongly believes in building confidence and bringing satisfaction to all customers who have continuously supported the Company. Thus, the Company has established and equitable customer treatment policy in the Code of Conduct guide. The details are as follows:

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 inform any problem on the products or improper services as any complaints in order to provide immediately remedies and for further improvements of products and services.
6. Keep customer information confidential and do not exploit such confidentiality with dishonest purposes for personal benefit or the benefit of outside persons.
7. Strictly adhere to the customers' requirements and conditions. In case where the Company is unable to comply with the conditions, the customers shall be notified in advance in order to reach a solution together.

In addition, the Company has conducted a customer satisfaction survey to collect information and issues to analyse and develop various services in order to meet the needs of customers and create maximize benefits. In 2019, the Company received score of satisfaction in the Speed in services at 92.51%, the Quality of services and improvement at 93.86% and the overall satisfaction at 93.19%.



The overall satisfaction

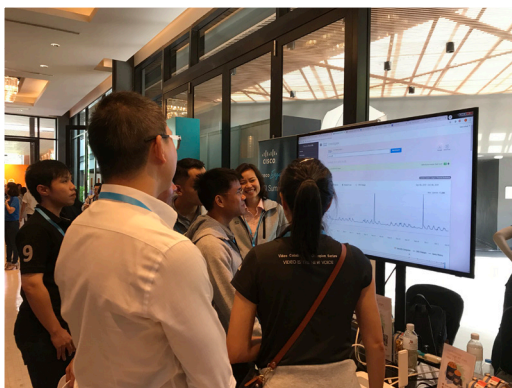
Involvement and equitable treatment of the stakeholders

The Company attaches great importance to all stakeholders and encourages participation by giving the stakeholders the opportunities to participate in activities which provide knowledge and new technology updates such as training, conference, exhibition booth, etc. This is in order to build a good relationship and to understand the Company's operating model. In 2019, the Company organized many activities such as:



Cisco Next-Generation Firewall Overdrive

An event organized by the Company to update security technology for the customers, on 5 April 2019 at Cisco Company Limited, The Offices at Central World



Cisco FSI Summit 2019

The Company attended and organized an exhibition booth to provide information on SA-WAN Solution to the attendees. This event was held by Cisco Systems (Thailand) Company Limited during 4 – 6 October 2019, at Hua Hin Marriott Resort & Spa.



TOT Move Beyond

An event held by the Company for TOT's customers in order to provide information on technology updates and solutions. The event also received cooperation from partners in providing knowledge and advice to increase the efficiency of the organization. This event was held on 22-24 November 2019, at T Pattaya Hotel.



PTT Group Executive Workshop "Digital Oil & Gas Operator of the Future"

An event organized by Cisco Systems (Thailand) Company Limited. The Company sponsored this event and organized an exhibition booth to provide PTT Groups' customers the information on Cisco Umbrella, a platform for Cloud security. This event was held on 20 – 22 September 2019, at Atta Lakeside Resort, Khao Yai.



AIT Smart Connect 2019

An annual conference organized by the Company to show appreciation to the customers for their continued support and trust in the Company. The event also received cooperation from partners in providing business information, including technology updates and new solutions, as well as providing services and recommendations to maximize business efficiency. This event was held on 18 – 20 October 2019, at Botanica Khao Yai Resort.

Employee Development

Respect to Human Rights

The Company realizes the importance of human rights as the foundation of human resource development which is strongly related to creating value in our business. This includes fair and equitable treatment of labor without discrimination based on race, religion, sex, color, ethnicity and actions against child labor and sexual harassment. The Company recognizes that human resources are more important than business operations in creating value and increasing productivity. Therefore, the Company will improve its working environment and conditions for better quality of life of employees and to provide employees the opportunity to show their potential as well as to further improve their skills. 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.

Legal Compliance	2019	Unit
The number of disputes from labor law violations	0	case
The amount of compensation or penalty from labor law violation	0	million THB
The number of complaints in human rights violations within the organization	0	case

Human Resource Management and Development

1. Human Resource management

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



- **Recruitment and Selection**

The Company attaches great importance to and continuously applies proactive approaches in recruiting high-caliber human resources at all levels including of internship program for university students. After joining an internship program, any student who has demonstrated their potential and ability will have an opportunity to work for the Company after graduation. In addition, the company participates in the job fairs at leading institutions and universities in order to create a good image and relationships between the Company and leading educational institutions and universities.



In 2019, the company participated in the Roadshow events at leading universities such as Kasetsart University, Suranaree University of Technology, Chiang Mai University, King Mongkut's Institute of Technology Ladkrabang, etc.

The Company operates business as a contract for IT system project, therefore the Company will hire contract employees to serve each projects. However, this is a good opportunity for the Company to evaluate those contract employees, including previous results, if found that there are high capable employees, they may be able to continue as regular employees.

AIT Internship Program 2019 The internship program is opened for students during the school break in order to create opportunities for students to involve in working as well as enhance skills, knowledges, and experiences in real operation with the Company, which will help the students to increase their potentials before entering the labor market in the future.



Cooperative Education Program 2019. This program provides opportunities for students who are interesting in 1-semester internship, to learn in-depth work and be part of the team like the Company's employees in real places and enable to practice thinking, planning, and solving problems on real situation under the recommendations and advices from the Company's employees.

- **Performance Management**

The Company has an equitable performance appraisal policy which is in accordance with the policies and strategies of all business lines by applying KPIs approach based on business plan across the Company. The performance appraisals are performed twice a year to allow the Company to closely monitor and review employee performance in order to develop its business operation.

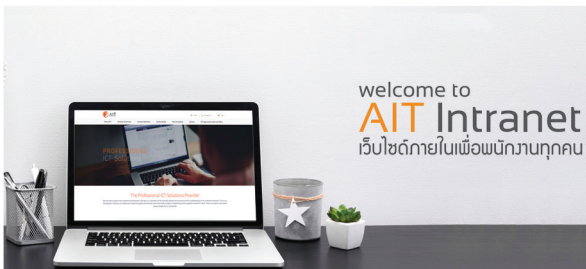
- **Welfares and Benefits**

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. In addintion, The company provides various benefits to the employees, both welfares required by law such as social security, provident fund, and benefits other than those required by law such as health insurance, life and accident insurance, as well as various types of subsidy such as emergency loans, medical expenses for parents etc.

Providenta 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.
Annual 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	Due to the employees' father, mother, spouses and children sickness, the Company also covered the medical expenses.

- Human Resources Management and Development Information Systems

The Company applies 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.



AIT Intranet

The internal website was developed by the Company and opened for service this year to serve as an electronic media that allow employees to access and receive company information faster. It is a source of information, news and various activities within the company and is accessible by all employees.

- 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 2019, the Company organized many activities and events to encourage relationship and engagement between executives and employees and among employees. The Company also supported activities that employees are interested in such as yoga, Zumba, badminton, etc.



AIT Moving Forward 2019

An event organized to communicate with the employees about business direction and objectives of the Company as well as to provide opportunities for close meetings between executives and employees.



Workflow on Mobile : AIT App Center

A mobile application for employees with a variety of functions such as news updates, request for a leave of absence, request for document approval. This application can access to the use of E-Slip system to promote Smart Company, in line with today's digital age and also helps reduce paper consumption in the organization.



AIT Sport Day 2019

An event organized annually to promote teamwork and to build good relationships between departments.



AIT Appreciation Party 2019

An activity for promote good relationships within the organization and to build relationships between the management and employees, as well as showing appreciation to all employees for their work hard.



Football AIT Cup 2019

The Company's annual football match in which employees can form their teams on a voluntary basis and compete for trophies. This activity does not only promote good health of employees but also builds good relationships between employees.



2. Human Resources Development

Career Path

Employee Training

The Company continuously encourage and 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 value and also code of conduct in accordance with AIT strategy and business direction.

- **Career Path**

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**

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:

1. Added skills, which able to work with higher skills on both solve the problem and creativity including business expertise.

2. 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.

At the present, the Company has plan to train the employees at all levels, including internal and external trainings as well as TraiNex training center, where employees enable to train to develop their skills and expertise in order to fully promote knowledge and understanding to work efficiently and effectively, with more professional.

Internal Training: To support and develop the potential of executives and employees to be able to work in response of the Company's goals and strategies with maximum efficiency and effectiveness. The Company has designed and developed courses for the internal training, which can be divided in 3 levels, as follow;

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 Staffs

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.



In 2019, the Companies' training expenses in both domestic and international totaling Baht 9.9 million. And the training of all employee totaling 11,000 hours per year, the average is 32 hours/person/year.

Summary of Training of the Company's management and employees in 2019

Training	Frequency (times)	Number of Participants (person)
In-House Training		
Managements	1	38
Supervisor	3	26
Employees	7	112
Training	Frequency (times)	Number of Participants (person/training)
Public Training		
Managements	20	2
Supervisor	41	1
Employees	149	2

3. 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;

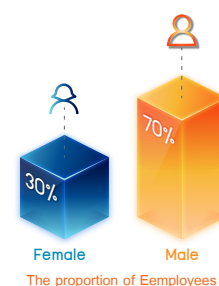
- Job Competency
- Technical Competency
- Role Specific Competency
- Job Skills

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.



Employees Information Table

	Unit	2017	2018	2019
Employees Information				
Total Employees	person	321 ¹	469	509
Classified by gender				
• Male	person	n/a	335	356
• Female	person	n/a	134	153

	Unit	2017	2018	2019
Classified by age				
• Over 50 years	person	n/a	25	25
• 30 – 50 years	person	n/a	313	328
• Under 30 years	person	n/a	131	156
The proportion of permanent employees to total employees	percentage	n/a	73	70
Newly recruited employees	person	n/a	76	198
The proportion of new employees to total employees	percentage	n/a	16.2	38.8
Number of voluntarily resigned employees	person	n/a	56	52
The proportion of voluntarily resigned employees to total employees	percentage	8.2	11.9	10.2
Personnel Development				
Number of training hours	hours	18,940	11,418	11,000
Training expenditure	million Baht	13.2	11.3	9.9

Remark: ⁽¹⁾ The number only include permanent employees, not contract employees
n/a = Data that has not been recorded.

Occupational Safety and Health

The Company attaches great importance to safety of the life and property of employees by providing a safe and hygienic working environment such as ozone treatment within the building, cutting trees and improve the landscape around the building, etc. along with providing protection devices, controlling and reducing the potential risk of accidents in workplace. In addition, the Company has also provided virtual training and practice for potential emergencies or accidents.

In 2019, the Company provided the annual firefighting training and fire drill, and appointed the main person responsible for each floor and first aid team so that immediate assistance can be provided. In addition, the Company also renovated the installation area for and inspected for fire extinguisher to be available at all times. In this year, there was no statistic record of an accident or fire in the workplace.





Safety and Occupational Health	2019	Unit
Number of death employees	1	person
Number of employees with accident during operation	0	person
Number of employees with work-related illness	0	person

Social and Environmental Management

Efficient use of resources

The Company is aware of its duties and responsibilities towards the environment, and therefore the Company has set the policies and practices towards society, communities, and environment in the Code of Conduct guide to be used as the guidelines by directors, executives, and employees. The details are as follows:

1. Support any activity that is beneficial to society, communities, and environment as a whole
2. Return part of the Company's profits to society-related activities on a regular basis
3. Not taking any actions that are harmful to natural resources and the environment
4. Continuously instill consciousness of our responsibilities to the public, community and society amongst employees at all levels

5. Strictly perform or control in accordance with the spirit of the law and regulations established by regulatory agencies

In addition, the Company has a policy to promote the education and training on the environment for its employees in order to instill and raise awareness of environmental responsibility in operations as follows:

- Cultivate the concept of environmental responsibility to employees to achieve better understanding and appreciation of the importance of environmental stewardship by providing staff the environmental training in accordance with international standards ISO4001: 2004 and other management standards.
- Organize the campaign to raise the awareness of importance of nature and environment and through various activities such as turning off lights while not in use and using double-sided paper, etc.

Digital Society for the Benefit of Society

The Company recognizes the importance of supporting the development of quality of life and prosperity for Thai communities and society. In addition, the Company has continuously instilled awareness among employees regarding social, community and environmental responsibility through media and internal activities. Over the past years, the Company has organized activities under the framework and the guidelines as follows:

1 Create of good relationships with both public and private organizations, as well as community leaders at various levels, in order to build and maintain good relationships and cooperation in sustainable and concrete community development, such as providing the company's space as a polling station, etc.

2 Donate materials and funds to improve the quality of life of the community such as computer equipment, sports equipment, clothing and food to poor children

The Company believes that to be successful in business and to achieve the goals, it not only depends on the Company but also the stakeholders. Therefore, the Company attaches importance to education in Thailand, which is an important tool in improving the quality of life, believing that education is an important foundation for sustainable development of society and the country and can develop and enhance the well-being of Society. In 2019, the Company organized many activities to transfer knowledge on information technology as well as to promote the access to technology in the remote areas. The activities or program organized by the Company are as follows:





AIT E-Library: An electronic library project for schools in the remote areas. The company has carried out this project for 5 consecutive years to promote knowledge in the form of electronic libraries and create opportunities to access information technology for Thai children in small schools that lack of personnel with the collaboration by the Office of the Basic Education Commission (OBEC) in the support and development of educational software/hardware systems. In 2019, the Company delivered AIT E-Library system

(E-Book system developed from content, exercises and tests for grade 1-6), and donated educational and sports equipment to a small and underprivileged schools, Ban Tha Kratiam School, Tha Yang Sub-district, Tha Yang District, Phetchaburi Province.



In addition, the Company paid attention on university, by improving the quality of education, as being part of the development in the quality of the information technology to Thai teenagers. The tertiary education is important to produce potential personnel to support the future changes and business growth. The Company has previously signed the MOU with 2 institutes, King Mongkut's Institute of Technology Ladkrabang and Mahanakorn University of Technology, to educate and introduce career in various fields, also the Company has organized activities to share experiences to students in various university. On 4 February 2018, King Mongkut's University of Technology Thonburi awarded an honorary plaque to Ms. Netnapit Oontornpan, Senior Executive Vice President, Corporate Affairs, who was appointed as a representative of the Company to receive the plaque, as the Company continued to supporting the university educationally.

LIFELONG TRUSTED PARTNER



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