

THE
3rd
DECADE

Advanced
Information
Technology
Public
Company
Limited



Annual Report 2012

THE **ICT SOLUTION**



starting up >> learning >> adapting >> growing

1992-2002





expanding >> achieving >> sharing

2003-2012

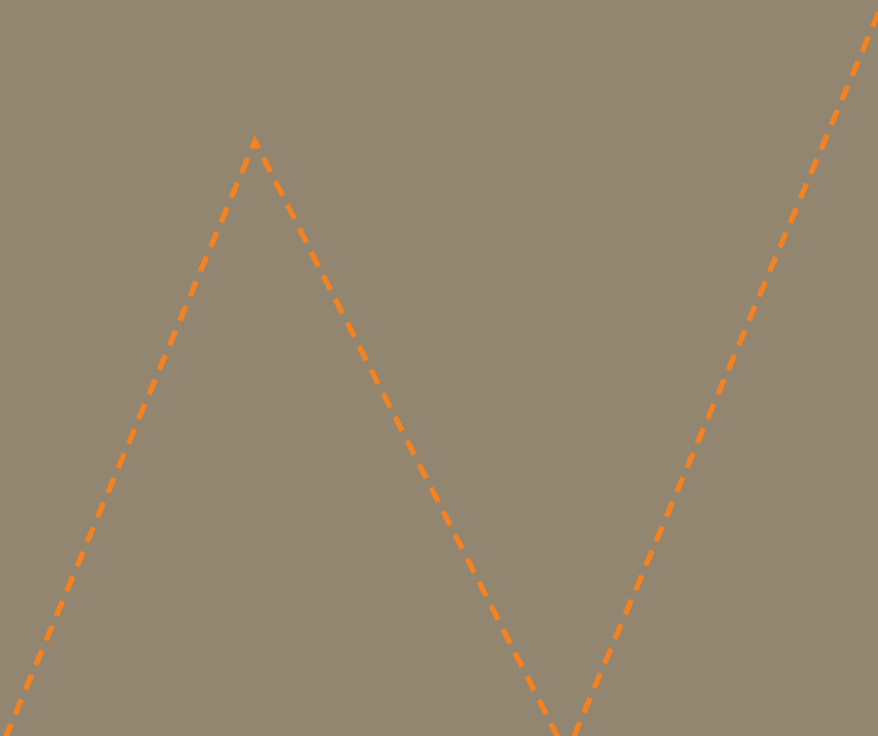




keeping up to our promises

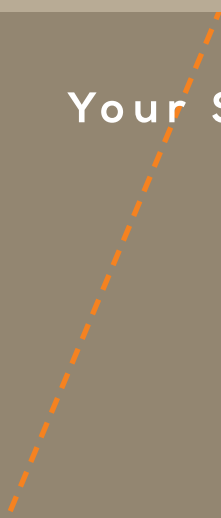
2013





the 3rd decade

Your Success is Our Success



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» Significant Events in 2012



1. During February 24 to 26, 2012, the Company provided training in regards to “Corporate Core Competency for a Sustainable Business Advantage” in order to provide a guide for everyone to work towards and achieve the same goal.



2. At the end of May 2012, Mr. Siripong Oontornpan, President & CEO, and the Company Executives celebrated the 20th Anniversary of AIT under the theme of “Your Success is Our Success”. This reflects the position of AIT to fully serve our clients needs. Many guests of honor joined in the celebrations.



3. The Cambodia Representative Office in Phnom Penh was officially opened at the end of June 2012.



4. On August 29, 2012, Mr. Siripong Oontornpan, President & CEO, received the “Good Tax Payer Award” to honor our Company for being a good role model in paying tax, according to the good corporate governance principles.

5. AIT-W1 expired on its maturity date of 5 years on September 28, 2012. With this, our paid up capital increased to 343,868,180 THB with 68,773,636 shares.

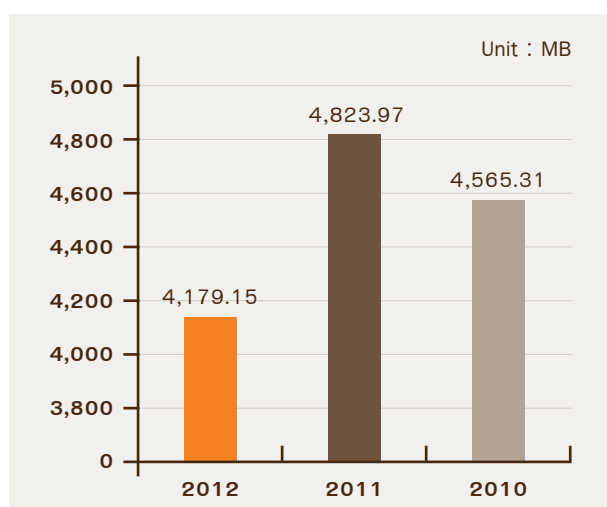
6. On November 8, 2012, The Board of Directors passed a resolution to purchase shares of TowerXasia Limited Company to 99.98% of registered capital. This represented an investment of 999,800 THB.

7. On November 8, 2012, The Board of Directors Meeting of Advanced Information Technology Public Company Limited (the “Company”) no. 4/2012 held on 8 November 2012 resolved to approve the investment in a Loxley & AIT Holding Co., Ltd, which operates a telecommunications network in Myanmar. The Company will invest in the Joint Venture for 50 percent of the registered capital of 200 million THB.

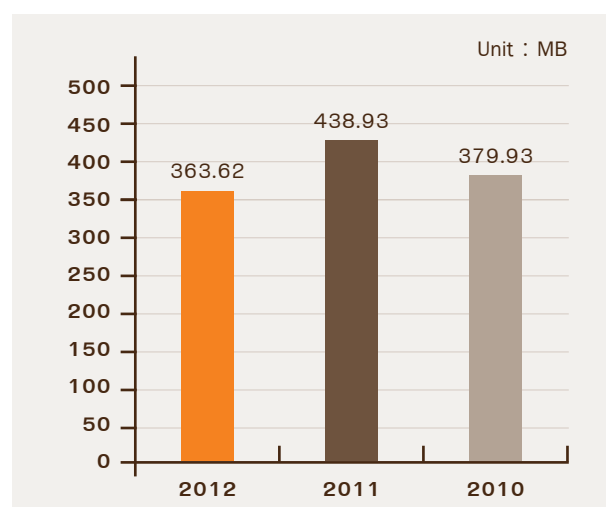
8. Held on November 8, 2012, The Board of Directors approved the sale of its shares in Maple Plus Limited Company, a subsidiary company, to the former shareholders of the company. The portion of selling was 55% of the registered capital representing 7.5 million THB. Thus, Maple Plus will no longer exist as a subsidiary of AIT.

» Financial Highlights

Total Revenues



Net Profits



Unit : MB

Separate Financial Statements			
	2012	2011	2010 (Restated)
Financial Results			
Total Assets	3,673.82	2,731.53	2,392.50
Total Liabilities	2,227.27	1,343.59	1,160.54
Total Shareholder's Equity	1,446.56	1,387.95	1,231.96
Total Revenues	4,179.15	4,823.97	4,565.31
Total Expenses	3,682.34	4,160.86	4,033.30
Net Profits	363.62	438.93	379.93
Basic Earning per Share (Baht)	5.35	6.57	5.97
Diluted Earning per Share (Baht)	5.35	6.43	5.69
Total Number of Employee (persons)	286	271	251
Total Number of Shares as of 31st December 2012	68,773,636	67,461,797	66,185,862
Financial Ratios			
Liquidity Ratio (Times)	1.60	1.96	2.02
Gross Profit Margin (%)	22.97	23.85	20.90
Net Profit Margin (%)	8.70	9.10	8.30
Debt to Equity Ratio (time)	1.54	0.97	0.94

» The Board of Directors



Mr. Thana Chaiprasit
Chairman of the Board



Mr. Siripong Oontornpan
President, CEO
Director



Mr. Chokechai Tanpoonsinthana
Independent Director Chairman
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. Suraporn Raktaprachit
Director



Mr. Kijja Laoboonthai
Director



Mr. Thanarak Phongphatar
Independent Director



Mr. Kittisak Sopchokchai
Director
Member of the Nomination
and Remuneration Committee



Mr. Pisak Charudilaka
Director

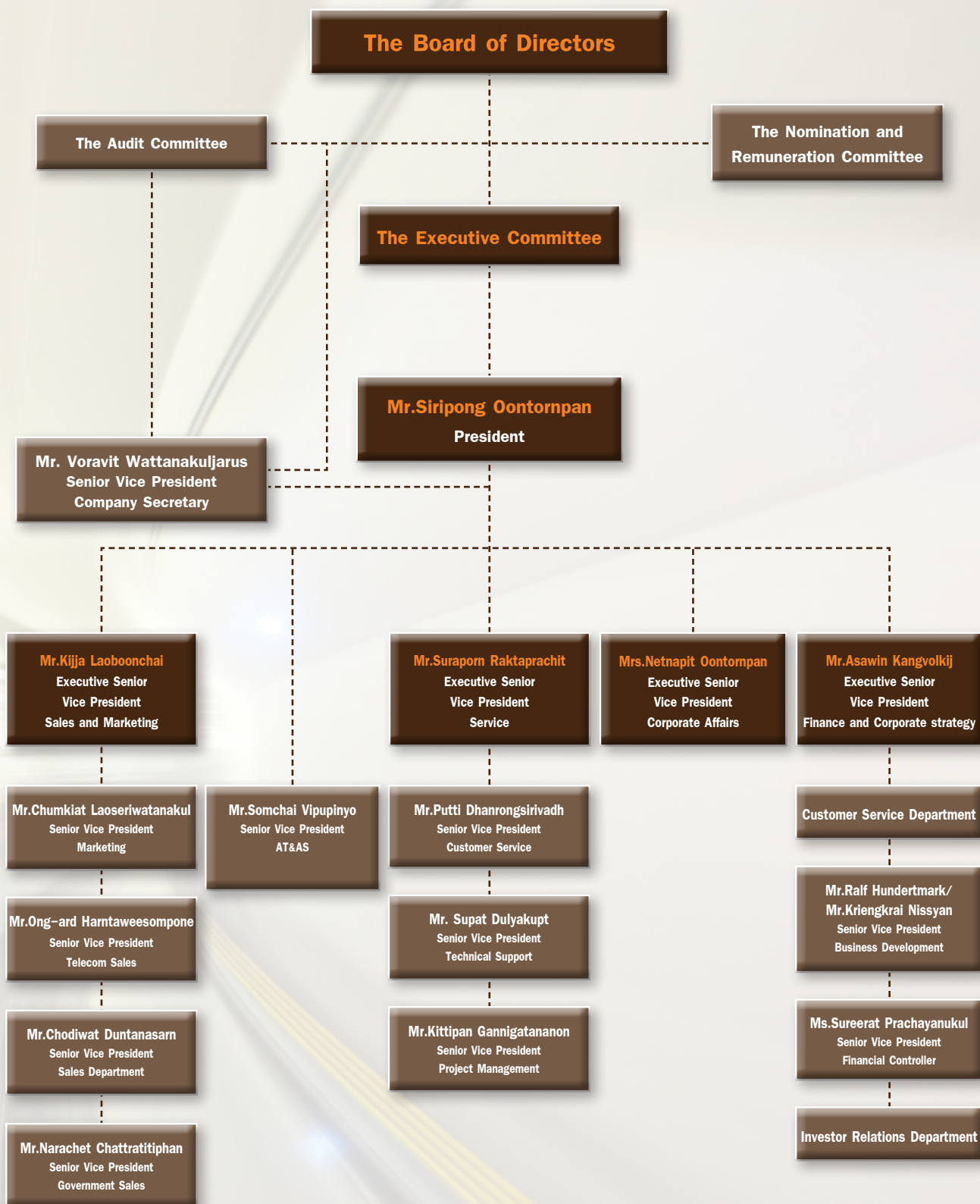


Mr. Chodiwat Duntanasarn
Director



Mr. Voravit Wattanakuljarus
Company Secretary

» Organization Chart





» MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE PRESIDENT

Dear Shareholders,

In this year Advanced Information Technology Public Company Limited, or AIT, has reached its 20th year in business and has gained this milestone as a respected and successful company. Throughout its journey, AIT has accumulated both domestic and international experience in business, information technology and telecommunications. Now we see that the company is renowned as one of the leading entrepreneurs for the country's information and technology network projects. At present, we are readying the company for its greater participation in our ASEAN Economic Community.

At the beginning of our first decade, AIT kicked off with just the smallest amount of capital. The company grew quickly; but with such growth, came the kind of challenges that all emerging companies encounter, such as using all its available assets as collateral in order to meet pressing funding needs. However, this just made AIT all the stronger and the company passed its first decade with a growing reputation and pride in its achievements.

The second decade of the company has been one of consolidation, as the vision and mission statement of the founders became reality. It was also the decade in which AIT entered the stock market in order to fund its continuing rapid growth; and it's been from this growth that AIT has built its success and acceptance with and by its customers, partners, financial institutions, agencies and international organizations. Evidence of how well the business of AIT is viewed is easily seen in the business awards we have been recognized for both within Thailand and internationally: The 'Best Performance' award by SET 2009; the Forbes Asia 200 Best-Under-A-Billion for two consecutive years; the SET Award for 'Most Outstanding CEO'; and more recently our Taxpayer Awards from the Revenue Department (2012 Rasadakornpipat) – all are excellent examples demonstrating the result of our good corporate governance principles; and proof too, of a business unit which acts according to its stated social responsibilities.

As we step forward into the next decade as a mature business, we will continue to accumulate more experience and see more growth in our business development and customer service capabilities. We also see AIT contributing a greater leadership role regionally in information technology and telecommunications (ICT) for both our domestic partners and strategic international partners as we and they grow.

We must of course step forward with care, while at the same time embracing the opportunities which will be presented to us, as regionally we will also meet new challenges, rules and regulations, as we and our neighboring countries progress towards and through the introduction of the ASEAN Economic Community (AEC) in 2015 – and so ensure our ongoing and sustainable successes.

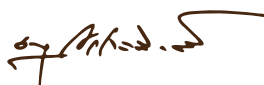
As part of our preparation for the AEC, we have already taken steps to ensure that we are ready for these new opportunities and challenges, including:

-
- Setting up a Regional Representative office in Cambodia; in a very short period we have already begun to take orders and as importantly to establish ourselves internationally. The work we are doing now in Cambodia will be more evident in 2013.
 - AIT has setup a Joint Venture operation with our strategic business partner Loxley Wireless Co., Ltd. (a subsidiary of Loxley PCL), to continue to drive the business of ICT systems, networks and infrastructure throughout the member countries of the AEC.
 - Acquired 99.98% of shares in a company named TowerXasia Co., Ltd., to carry out additional telecommunications business focusing on the generation of future recurring incomes.
 - The company is now working on a feasibility study in establishing a new office to operate SI (System Integrator) in Myanmar. The country's economy has a high potential to grow rapidly. According to our present operation and thing to do in the future, we are highly confident that we, together, will make AIT growing stronger and be ready for a regional competition (ASEAN Economic community) in the near future.

After careful consideration, we have decided to sell off the AIT 55% shareholding in the subsidiary company Maple Plus Co., Ltd. This company commenced business with AIT in May 2007. However, it is not able to meet growth targets. Management made a presentation to the Board of Directors to approve the withdrawal of investment in this subsidiary through selling the company shares at a Net Book Value, as at September 30, 2012, of THB 7.7 Million, and so remove the burden of future additional expenses.

In September 2012 the AIT and AIT ESOP Warrants, both of which had 5 year exercise periods, came to a successful and positive conclusion. These warrants were planned and created with the full support of the shareholders, investors, executive and employees of the company. The capital raised was used to provide additional support to our sales and also to improve our business processes.

We are deeply appreciative to everyone associated with our company; and we will hopefully continue to receive the trust and support, from all sectors, that we have enjoyed from the start, and throughout the past two wonderful decades. Together, we believe that the growth we have achieved over the past 20 years will continue strongly as we enter this, our next decade of success.



Mr. Thana Chaiprasit
Chairman of the Board of Directors



Mr. Siripong Oontornpan
President



» Report of the Audit Committee

Dear Shareholders,

The Audit Committee performs its duties and responsibilities within the authority assigned by the Board of Directors; this includes: to monitor the operation of the Company in order to ensure that the executives and board members perform their duties as approved by the Shareholders of the Company responsibly, and with honesty and integrity; and to manage the affairs of the Company at all times in accordance with its agreed and approved policies.

In 2012 the Audit Committee had a total of five meetings. Of which, one meeting was held with the auditor but without any Company representatives attending; while the other four meetings were held with the Company executives, auditor and internal auditors, as appropriate, to monitor the progress of the operations as discussed and suggested by both the internal and external auditors. The principle activities of the Audit Committee in 2012 were:

1. To review the quarterly and annual financial statements before presenting these to the Board of Directors. This is done in order to ensure that the financial statements are: prepared in accordance with all legal requirements and accounting standards, as per the generally accepted accounting principles; that the accounting and financial systems are accurate and reliable; and that the disclosure of the financial statements is adequate and on time for the benefit of all investors or other users of the financial statements. Where necessary, the Audit Committee sought clarification and explanation from the management and auditors to ensure: the accuracy and completeness of the financial statements; the adequacy of disclosure; that events after the balance sheet release date were checked; and finally it checked any accounting adjustments which could affect the financial statements.

2. To review and evaluate the Company's internal control system. The Audit Committee has reviewed and commented on the audit report of 2012 conducted by the internal auditors with regards to the Purchasing Control System; the Cheque Issuing Control Systems; Information Technology Control Systems; Salary Payment Control Systems; Sales Control Systems; Accounts Receivable Control Systems; Fixed Asset Control Systems; Administration and Human Resources Management Systems. The Audit Committee has also considered and provided comments on a report of the results of the annual Internal Audit Control System. The Audit Committee has the opinion that the Company has adequate Internal Control Systems in place and appropriate to the accepted criteria.

3. At each meeting held, the Audit Committee has at all times considered comments in regards to their compliance with the law of the Securities and Exchange Commission, the regulations of the Stock Exchange of Thailand and any other laws relating to its business. The review of its operations in the year 2012 showed no past issues of substance regarding non-compliance with the Securities and Exchange Commission Law, nor Regulations of the Stock Exchange of Thailand, nor of any other law relating to its business.

4. The Audit Committee has determined and selected, then nominated and recommended compensation for 2013 annual audit to present to the Board of Directors for approval by the Annual General Shareholders Meeting in 2013. The Audit Committee has considered performance, independence, and appropriate compensation and, thus, has nominated Mr. Khitsada Lerdwana, a certified auditor of License No. 4958 or Mr. Supachai Phanyawattano, a certified auditor of License No. 3930 or Mrs. Chonlaros Suntiasvaraporn, a certified auditor of License No. 4523, each being of the office of Ernst & Young as auditors the company in 2013, for the following reasons:

- Their standard of good work, their expertise in conducting an audit, and their consistently good performance
- Their precisely good advices and consults on the new standard of accounting system.
- Audit Fee for year 2013 remains in the rate of 2012.
- Neither the offices of the auditors, nor any of the auditors as proposed above, have any relationship or interest with the Company's executives, major shareholders or anyone related to such persons, therefore, the Audit Committee finds that there shall be independence in auditing and the review of the financial statements of the Company.

5. At the Board of Directors Meeting, 4/2012, on November 8, 2012, the Board of Directors approved, as proposed by the management, to withdraw its investment in its subsidiary company Maple Plus Co., Ltd., for the reason that the operational results did not meet the management targets and that there is a trend that would see the operating expenses increasing. To resolve the problem, the Board of Directors has resolved to withdraw its investments in this subsidiary. The stock will be sold back to the original shareholders and directors of the subsidiary company at the Net Book Value of the company at a price, as at September 30, 2012, of Thai Baht 13.6 million. Advanced Information Technology Plc. sold all shares held in Maple Plus Co., Ltd. in December 2012 valued of 13.6 Million Baht.

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

The Audit Committee is of the opinion that the Company operations within the accounting period from January 1, 2012 to December 31, 2012 has been performed with proper internal control and appropriate internal audit. The financial reports are accurate, complete and reliable in compliance with the laws, rules and regulations related to the Company's business, including the correct disclosure to regulations that are consistent with good corporate governance, transparency and reliability.



Mr. Chokechai Tanpoonsinthana
Chairman of the Audit Committee

» Details of the Company's Board of Directors and Management



Mr. Thana Chaiprasit
Chairman of the Board

Age 58

Educational Background

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

% **Shareholding** (as of 31 December 2012) 1.09% of paid up capital

Personal Relationship with the Management - None -

Illegal Record in the Past - None -

Work Experience Over the Past 5 Years (Listed Company)

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

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

- 1981 - Present Chairman of the Board, Siam Glass Industry Co., Ltd.
- 1990 - Present Chairman of the Board, Thanarom Co., Ltd.
- 1984 - Present Deputy Chairman of the Board, Osotspa Co., Ltd.
- 1997 - Present Managing director Osotspa Insurance Co., Ltd.
- 2010 - Present Member, National Economic and Social Advisory Council
- 2005 - Present Director, International Table-Tennis Federation
- 2004 - Present Chairman South East Asia, Table - Tennis Federation
- 2004 - Present Deputy Chairman, Asian Table Tennis Union
- 1999 - Present Treasurer, National Olympic Committee of Thailand



Mr. Siripong Oontornpan
Authorized Director/
President/CEO/Chairman of
the Executive Committee/
Member of the Nomination
and Remuneration Committee

Age 60

Educational Background

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

Training Record

- DCP 36/2003
- National Defense College 2004
- Capital Market Academy #12
- Advanced Security Management Program (ASMP3)
- Pillars for The Kingdom Program The Royal Initiative for Advanced Leadership (RIAL 1)

% **Shareholding** (as of 31 December 2012) 8.94% of paid up capital

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

Illegal Record in the Past - None -

Work Experience Over the Past 5 Years (Listed Company)

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

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

2009 - Present President, Thai Senior Professional Golfers Association



**Mr. Chokechai
Tanpoonsinthana**

Independent Director /
Chairman of the
Audit Committee

Age 64

Educational Background

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

Training Recording Record

Thai Institute of Directors

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

% **Shareholding** (as of 31 December 2012) - None -

- Personal Relationship with the Management - None - Illegal record in the past - None -

Work Experience Over the Past 5 Years (Listed Company)

- 2000 - Present Independent Director/ Member of Audit Committee, Thai Stanley Electric Plc.
- 2003 - Present Independent Director and Chairman of Audit Committee, Advanced Information Technology Plc.
- 2004 - 2011 Independent Director/ Member of Audit Committee United Securities Plc.
- 2007 - 2011 Independent Director/ Member of Audit Committee Member of Nomination & Remunerations Committee Thai Agro Energy Plc.
- 2008 - 2011 Independent Director/ Chairman of Audit Committee United Securities Plc.

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

- 2011 - Present Member of the Appeal Committee Thailand Futures Exchange Plc.
- 2011 - Present Member of the Appeal Committee The Stock Exchange of Thailand



Mr. Pongtep Polanun

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

Age 57

Educational Background

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

Training Record

Thai Institute of Directors

- Accreditation Program Director 36/2005

% **Shareholding** (as of 31 December 2012) 0.14% of paid up capital

- Personal Relationship with the Management - None -

Illegal record in the past - None -

Work Experience Over the Past 5 Years (Listed Company)

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

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

- 2010-2012 Chairman of the Board, Krung Thai IBS Leasing Co., Ltd
- 2003-2012 Audit Committee Phatra Securities Plc



Mr. Sripop Sarasas

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

Age 55

Educational Background

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

Training Record

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

% **Shareholding** (as of 31 December 2012) - None -

- Personal Relationship with the Management - None -

Illegal record in the past - None -

Work Experience Over the Past 5 Years (Listed Company)

- 2003 - Present Independent Director/ Member of the Nomination and Remuneration Committee/
Member of the Audit Committee, Advanced Information Technology Plc.
- 2003 - Present Director/ Member of the Audit Committee, The Royal Ceramic Industry Plc.
- 2008 - Present Director/ Member of the Audit Committee, Bangkok General Hospital Plc.
- 2008 - Present Director/ Member of the Audit Committee, Kietthana Logistics Plc.
- 2008 - 2012 Director/ Member of the Audit Committee, Livingland Capitol Pic.

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

- 2011 - Present The Chairman of the Audit Committee/ Director ,Golden Lime Co., Ltd.



Mr. Suraporn Raktaprachit

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

Age 57

Educational Background

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

Training Record

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

% **Shareholding** (as of 31 December 2012) 2.59% of paid up capital

- Personal Relationship with the Management - None -

Illegal record in the past - None -

Work Experience Over the Past 5 Years (Listed Company)

- 2003 - Present Authorized Director/ Executive Committee/
Member of Nomination and Remuneration Committee/
Executive Senior Vice President - Service
Advanced Information Technology Plc.



Mr. Kijja Laoboonchai

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

Age 53

Educational Background

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

Training Record

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

% **Shareholding** (as of 31 December 2012) 0.53% of paid up capital

- Personal Relationship with the Management – None –

Illegal record in the past – None –

Work Experience Over the Past 5 Years (Listed Company)

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



**Mr. Thanarak
Phongphatar**

Independent Director

Age 57

Educational Background

- Master of Science in Information and Computer and Information Sciences,
THE GEORGIA INSTITUTE OF TECHNOLOGY, ATLANTA, USA
- Bachelor Degree of Engineering Chulalongkorn University

Training Record

- National Defense College 2004

% **Shareholding** (as of 31 December 2012) 0.02% of paid up capital

- Personal Relationship with the Management – None –

Illegal Record in the Past – None –

Work Experience Over the Past 5 Years (Listed Company)

- 2012 – Present Director, Advanced Information Technology Plc

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

- 1987 – Present Managing Director, Southern Palm (1978) Co.,Ltd.
- 1993 – Present Vice President, Southern Palm Oil Industry (1993) Co., Ltd.
- 2012 – Present Deputy Secretary General of the Federation of Thai Industries
- 2012 – Present Chairman of IMT-GT Joint Business Council of Thailand



Mr. Kittisak Sopchokchai

Director /
Member of the Nomination and
Remuneration Committee

Age 58

Educational Background

- Bachelor of Economics, Thammasat University

Training Record

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

% **Shareholding** (as of 31 December 2012) 4.25% of paid up capital
(held by Mrs. Kingporn Sopchokchai, Mr. Kittasaks spouse)

- Personal Relationship with the Management - None -

Illegal record in the past - None -

Work Experience Over the Past 5 Years (Listed Company)

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

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

- 2010 - Present President, To-a Electronics (Thailand) Co.,Ltd.
- 2007 - Present Director, KSP Square Co., Ltd.
- 2006 - Present Managing Director, Sureetriboon Holding Co., Ltd.
- 2005 - Present Director, Oaktree Co., Ltd.
- 1985 - Present President, Audio Engeneering Service Co., Ltd.
- 1986 - Present President, Digital Control Co., Ltd.
- 1983 - Present Managing Director, Vichai Trading (1983) Co., Ltd.



Mr. Pisak Charudilaka

Director

Age 59

Educational Background

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

Training Record

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

% **Shareholding** (as of 31 December 2012) 1.39% of paid up capital
(held by Mrs. Soison Charudilaka, Mr. Pisak's spouse)

- Personal Relationship with the Management - None -

Illegal record in the past - None -

Work Experience Over the Past 5 Years (Listed Company)

- 2007 - Present Director, Advanced Information Technology Plc.

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

- 2005 - Present Station Manager Present Region 2 office, The Custom Department



Mr. Chodiwat Duntanasarn

Director /
Senior Vice President – Sales
Department

Age 49

Educational Background

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

Training Record

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

% Shareholding (as of 31 December 2012) 4.50% of paid up capital

- Personal Relationship with the Management – None –

Illegal record in the past – None –

Work Experience Over the Past 5 Years (Listed Company)

- 2002 – Present Director, Advanced Information Technology Plc.
- 1995 – Present Senior Vice President– Sales Department,
Advanced Information Technology Plc.



Mr. Asawin Kangvolkij

Executive
Senior Vice President –
Finance and Corporate Strategy

Age 50

Educational Background

- Master Degree in Economics, Western Michigan University, USA

% Shareholding (as of 31 December 2012) 0.05% of paid up capital

- Personal Relationship with the Management – None –

Illegal record in the past – None –

Work Experience Over the Past 5 Years (Listed Company)

- 2009 – Present Executive Vice President– Finance and Corporate strategy,
Advanced Information Technology Plc.
- 2007 – 2009 Executive Vice President – Corporate strategy,
Advanced Information Technology Plc.



Mrs. Netnapit Oontornpan

Executive

Senior Vice President –
Corporate Affairs

Age 57

Educational Background

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

% **Shareholding** (as of 31 December 2012) 0.61% of paid up capital

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

Illegal record in the past – None –

Work Experience Over the Past 5 Years (Listed Company)

2003 – Present Executive Senior Vice President – Corporate Affairs,
Advanced Information Technology Plc



**Ms. Sureerat
Prachayanukul**

Senior Vice President
Financial Controller

Age 40

Educational Background

- Master Degree in Accountancy, Thammasat University

% **Shareholding** (as of 31 December 2012) 0.12% of paid up capital

- Personal Relationship with the Management – None –

Illegal record in the past – None –

Work Experience Over the Past 5 Years (Listed Company)

2003 – Present Senior Vice President financial Controller,
Advanced Information Technology Plc.

Directors' and Management Shareholding Report of Year 2012

Name – Last Name	Position	Common Stock (as at 31 Dec 2012)				
		AIT	AIT ⁽¹⁾		Maple Plus ⁽²⁾	
			2011	2010	2011	2010
1. Mr. Thana Chaiprasit	Chairman of the Board		1.11	1.09	-	-
2. Mr. Siripong Oontornpan	President, CEO, Recruitment & Remuneration Committee, Chairman of the Management Committee		9.06	8.94	-	-
3. Mr. Chokechai Tanpoonsinthana	Chairman of the Audit Committee, Independent Director		-	-	-	-
4. Mr. Pongtep Polanun	Vice Chairman of the Board, Independent Director, Chairman of the Nomination and Remuneration Committee, Audit Committee		0.14	0.14	-	-
5. Mr. Sripop Sarasas	Independent Director, Nomination and Remuneration Committee		-	-	-	-
6. Mr. Suraporn Raktaprachit	Authorized Director, Management Committee, Remuneration Committee, Executive Senior Vice President – Service	Director	2.59	2.59	1 share	1 share
7. Mr. Kijja Laoboonchai	Authorized Director/ Management Committee/Executive Senior Vice President – Sales and Marketing		1.14	0.53	-	-
8. Mr. Thanarak Pongpatar	Independent Director		-	0.02	-	-
9. Mr. Kittisak Sopchokchai	Director, Nomination and Remuneration Committee		-	-	-	-
10. Mr. Pisak Charudilaka	Director		-	-	-	-
11. Mr. Chodiwat Durtanasam	Senior Vice President – Sales Department, Director		4.55	4.50	1 share	1 share
12. Mr. Asawin Kangvolkij	Executive Senior Vice President – Corporate Finance and Strategy		0.05	0.05	-	-
13. Mrs. Netnapi Oontornpan	Executive Senior Vice President – Corporate Affairs		0.58	0.61	-	-
14. Ms. Sureerat Prachayanukul	Senior Vice President – Financial Controller	Director	0.08	0.12	1 share	1 share

⁽¹⁾ AIT: Advance Information Technology Plc.

⁽²⁾ Maple Plus: Maple Plus Co., Ltd.

Unit: % of paid up capital

Unit: The number of total shares is 200,000

» General Information About the Company

Details About the Company's Securities

Issuer	:	Advanced Information Technology Public Company Limited
Ticker	:	"AIT"
First Listing Date	:	30 July 2003
Market Capitalization	:	4,057,644,524 million Baht (As of 31 December 2012)
Registered Capital	:	345,000,000 Baht
Paid-up Capital	:	343,868,180 Baht
Number of Shareholders	:	3,797 (As of 31 December 2012)
% Free Float	:	65.98%

Type of Business	:	Relating to information and communications technology, including the maintenance and the development of IT system
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Head office	:	37/2 Sutthisarn Road, Samsennok, Huay Kwang, Bangkok 10320
Company's Registration #	:	0107546000067
Tel	:	0-2275-9400
Fax	:	0-2275-9100 and 0-2275-9200
Website	:	www.ait.co.th

Auditors

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

Ernst and Young office Limited

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

Securities Registrar

Thailand Securities Depository Company Limited

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

The Stock Exchange of Thailand, Capital Market Academy Building

2/7 Moo 4 (Northpark Project), Vibhavadi-Rangsit Road,
Thung Song Hong, Laksi, Bangkok 10210
Tel: (66) 2596 9000 Fax: (66) 2832 4994-6

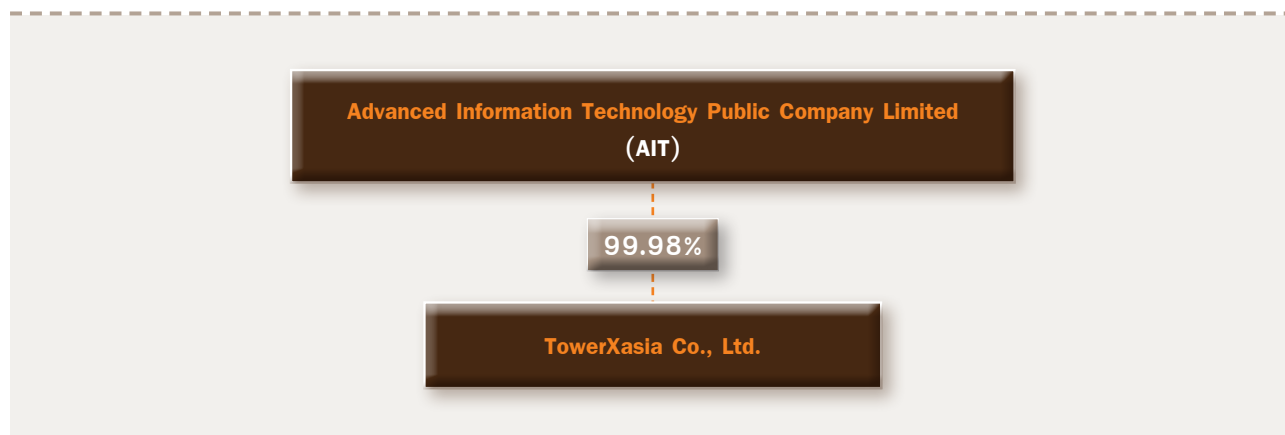
» General Information on the Company and its Subsidiaries

Company	Type of Business	Registered Capital (Baht)	Par Value per Share (Baht)	Paid-up Capital (Baht)	% Shareholding
Advanced Information Technology Public Company Limited 37/2 Sutthisarnvinijchai Road, Samsen Nok, Huay Kwang, Bangkok 10320	Relating to information and communications technology, including the maintenance and the development of IT system	345,000,000	5	343,863,180	-
Subsidiaries TowerXasia Co., Ltd. 124 Ladprao 64 Wangthonglang, Wangthonglang District Bangkok 10320	Consulting and selling equipment related to telecommunication	1,000,000	100	1,000,000	99.98%

» Dividend Policy

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

» Shareholding Structure of the Company



» Major Shareholders

Top 10 major shareholders as of the latest book closing date as of 31 December 2012

Shareholder	No. of Shares	%
1. The Oontornpan Group ⁽¹⁾	10,767,569	15.66%
2. Thai NVDR Company Limited	4,704,417	6.84%
3. The Sopchokechai Group ⁽²⁾	3,297,100	4.79%
4. The Duntanasarn Group ⁽³⁾	3,196,650	4.65%
5. The Raktaprachit Group ⁽⁴⁾	2,390,625	3.48%
6. Citibank Nominees Singapore PTE Ltd. – UBS AG London Branch – NRBS IPB Client SEG	2,218,500	3.23%
7. Mr. Somsak Laoworawit	1,660,000	2.41%
8. The Charudilaka Group ⁽⁵⁾	1,362,550	1.98%
9. Mr. Boonkiat Uesudkij	1,200,000	1.74%
10. Ms. Parntip Lekmanee	995,000	1.45%
Other Shareholders	36,981,225	53.77%
1. The Oontornpan Group comprises of		
1. Mr. Siripong Oontornpan	6,150,540	8.94%
2. Ms. Sasinet Oontornpan	2,236,500	3.25%
3. Mr. Sina Oontornpan	795,000	1.16%
4. Ms. Sinanang Oontornpan	580,695	0.84%
5. Ms. Saowaluck Oontornpan	425,850	0.62%
6. Mrs. Netnapit Oontornpan	418,250	0.61%
7. Mr. Surathep Oontornpan	160,734	0.23%
Total	10,767,569	15.66%
2. The Sopchokechai Group comprises of		
1. Mrs. Kingporn Sopchokechai	2,921,400	4.25%
2. Mr. Titikorn Sopchokechai	180,700	0.26%
3. Ms. Pimpaka Sopchokechai	180,000	0.26%
4. Ms. Boontida Sopchokechai	15,000	0.02%
Total	3,297,100	4.79%
3. The Duntanasarn Group comprises of		
1. Mr. Chodiwat Duntanasarn	3,096,650	4.50%
2. Mr. Anupong Duntanasarn	100,000	0.15%
Total	3,196,650	4.65%
4. The Raktaprachit Group comprises of		
1. Mr. Suraporn Raktaprachit	1,784,625	2.59%
2. Ms. Thippayachat Raktaprachit	206,000	0.30%
3. Ms. Pacharanun Raktaprachit	200,000	0.29%
4. Mr. Nutdanai Raktaprachit	200,000	0.29%
Total	2,390,625	3.48%
5. The Charudilaka Group comprises of		
1. Mrs. Soyson Charudilaka	952,550	1.39%
2. Ms. Apiporn Charudilaka	210,000	0.31%
3. Mr. Apimuk Charudilaka	200,000	0.29%
Total	1,362,550	1.98%

»» Our Business

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

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

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

Solutions

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

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

Core Networking

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

AIT has built many core networks including nationwide networks for services providers such as TOT and CAT, metropolitan networks, large campus networks for major universities and large enterprises, as well as all type of wireless networks.

Most of the IT infrastructure of the government and enterprise is growing across all levels and increasingly is becoming more complex. Large enterprises are increasingly setting up centralized data centres which are being supported by global network topologies and distributed storage management strategies.

Supplying and managing these fast evolving set-ups demands evolutionary process frameworks, cross-technology expertise and experience, and above all, focus.

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

Unified Communication

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

IT Security Solutions

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

Wireless Solutions

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

Data Centers / Cloud Technologies

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

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

Network Optimization

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

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

Video Solutions

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

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

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

Business Applications

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

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

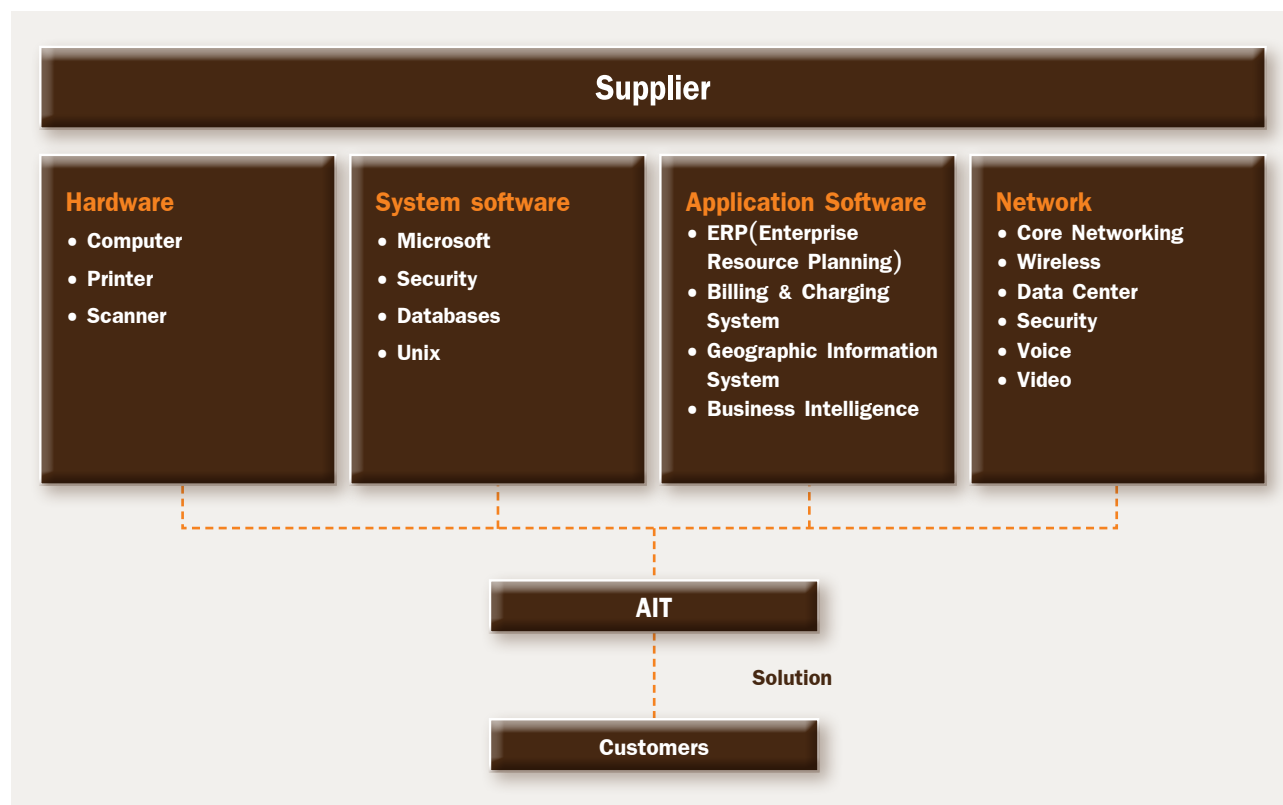
- Management Information Systems (MIS, BIS, etc.)
- Transportation Systems (Ticketing, Resource Planning, etc.)
- Geographic Information Systems (GIS)
- Operational Support Systems (OSS)
- Billing and Charging Systems
- Enterprise Resource Planning (ERP)
- Customer Relationship Management (CRM)
- Enterprise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

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

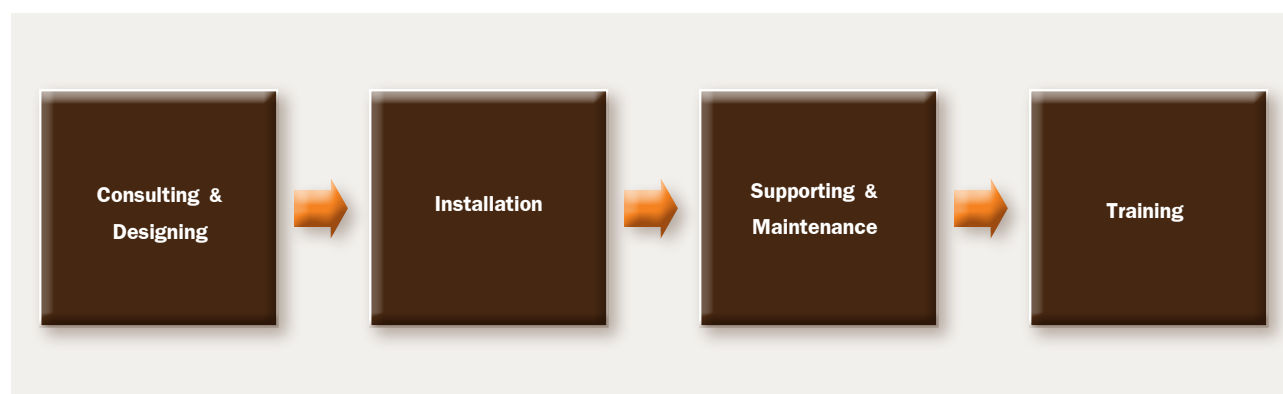
- Identifying and documenting their business requirements
- Planning delivery of the solution and business benefits
- Planning for integration of existing systems
- Assigning appropriate skills and resources, both at AIT and their clients company
- Applying proven project management methods, and
- Continuously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

Overall Business Operations

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



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



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

AIT offers:

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

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

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

Maple Plus

One key focus area of AIT is the supply of advanced geographical information systems (GIS). For a number of years now AIT has held a 55% majority interest in Maple Plus Co., Ltd., with the balance of 45% being held by a group of well experienced and professional GIS personnel.

Maple Plus was specifically established to develop GIS systems for the Thai market and today many renowned companies, such as TOT, the Provincial Waterworks Authority and the Department of Lands are among Maple's leading customers.

Revenue structure of Advanced Information Technology Public Company Limited

Unit : million baht

	2010		2012		2012	
	Baht	%	Baht	%	Baht	%
1. Sales and services revenues	4,519.99	99.01	4,723.87	97.92	4,055.68	97.05
2. Rental and service from equipment for lease	18.89	0.41	65.67	1.36	75.27	1.80
3. Others	26.43	0.58	34.43	0.71	48.20	1.15
Total	4,565.31		4,823.97		4,179.15	

Business Objectives / Mission / Vision

Business Objectives in 2011

The Company's business objectives for the year 2011 were determined to be as follows:

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

Vision

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

Mission

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

Key Corporate Objectives (KCO)

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

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

AIT DNA

In early 2012, AIT initiated a series of programs which would specifically focus on identifying and enhancing the core competencies of the Company. We consider this to be an important initiative, especially as we move closer to AEC, the ASEAN Economic Community, in 2015. AIT DNA has two primary goals within the program:

Firstly we focus on four key values that want to continuously develop within our people. We call this KON-D and it focuses on the core competencies of:

- building knowledge and experience;
- working within our team of professionals;
- being nice to work with; and finally,
- on working with integrity and discipline.

Our second focus, which we know as PTC3, looks closely on those processes which will see the organization build and expand its capacity and competitive advantage. Additionally, this focus monitors how the Company works and is perceived both internally and externally. There are five key core competencies which we focus on here:

- our professionalism;
- our teamwork and cooperation;
- our customer focus;
- our creative thinking; and,
- the credibility of our company.

The Company has developed the AIT DNA programs for us to work at all times professionally, competently, and in accordance with good corporate governance principles, and in order for us to meet our corporate goals for now and into the future.

Nature of Business Operations

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

Product Sales and Services

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

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

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

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

Support and Maintenance Services

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

The AIT Care4 program provides:

- Protection from unwanted downtime
- Always-available support services
- Direct access to engineers who know your system and install base
- Transparent incident handling
- Nationwide coverage and support centers, and
- Predictable costs.

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

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

Managed Services

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

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

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

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

Training Services

Now, more than ever, technology is changing the way we do business and day-to-day work. Technology is overcoming what used to end at the nations boundaries; and companies need talented people with the skills and know-how to further drive their business forward into these newly globalized networked economies.

Take a look around, technology is everywhere, from government agencies, to education Institutions, and from factories to hospitals. Basically all businesses now are harvesting the power of networks. Well trained people resources are needed, not only to deliver the solutions, but also to maintain the underlying infrastructure once it is in place.

Whether our customers are designing and implementing Cisco-based network solutions, or if they are running a large corporate network, the AIT Cisco Certified Training Center (ACCTC) is there to train their teams to be ready for our client's future servicing demands.

Industry and Competition

ICT Industry 2012 Review and 2013 Outlook

The unexpected and widespread flooding in the second half of 2011 impacted the entire ICT industry and resulted in a shortage of IT hardware supplies and, at times, the collapse of telecom infrastructures. The consequences from this crisis were reflected in a negative growth of the market in 4Q11. Together with the ongoing global economic uncertainties, 2012 was shaping up to be potentially a dismal year for the ICT Industry. Nevertheless, IDC (<http://www.idc.com/>), forecast a total, year on year, increase in ICT spending of just over 10%, with mobile data being a key growth factor.

Mobile subscriptions are reaching now approximately 80 million, of which almost 80% are pre-paid (fixed lines are now almost 7 million). Mobile penetration is now hovering around an overall 113%. All indications is that there is a change in consumer behavior and an increasing use of mobile data services.

Thailand's mobile market has been slowing for the past few years, and as the growth continued to decline, operators began to bank on the long awaited 3G Licenses to stimulate new growth. Just prior to 2012, Thailand announced the appointment of a new regulator, the National Broadcasting and Telecommunications Commission (NBTC). They put in a lot of positive work throughout 2012 and on December 11, 2012, after many years of anticipation and waiting, NBTC announced that three mobile phone operators had won the auction for 3G licenses for the 2.1GHz spectrum, which is the international standard for 3G in voice and internet services. The three winners of the auction are subsidiaries of the mobile operators Advanced Info Services (AIS), DTAC and True Move. Each immediately commenced the expansion of their 3G networks and report that they will launch their commercial 3G services in Bangkok and the major Thai cities in early 2013.

In early 2012, many organizations took up the concept of virtual resource management, used by software applications, to migrate from the old host to more cloud-based systems in order to reduce their dependence internal IT. Due to the flood disaster of 2011, many businesses also initiated plans to provide centralized backup. The Communication Authority of Thailand (CAT) and TOT Corporation PLC (TOT), as well as the ICT Ministry, initiated plans to develop a Virtualized Data Center to provide a backup center service (Pay-as-you-go). In this way, an organization can choose to use the service which is most convenient and easy for them to manage. This service is crucial for providing Business Continuity and Disaster Recovery (BC/DR) in times of national and international crisis.

In the past, most companies in Thailand used either desktop or notebook computing to operate their businesses. When the flood crisis in late 2554 (2011) other devices, such as tablets and smart mobiles began to be used more extensively in order to overcome the problems brought about, for example, by the flooding, and allowed businesses to be more successful in their work and to increase their productivity while in the field and unable to use an office.

Throughout 2555 (2012), these devices which are considered as 'Workforce Computing', began to be applied widely within an organization or Bring Your Own Device (BYOD). This saw a marked increase in business activity and productivity. The use of these devices in an organization also saw a rise in the corresponding risk of loss or exposure of confidential business information – which meant the need to protect and manage these devices under a trust management system (Cisco (Cisco ISE) Identify Service Engine was found to help protect against loss that might occur with business information in these devices).

The year 2555 (2012) saw a huge increase in the numbers of newly registered cars. The government initiated a stimulus scheme (after the flooding) which saw a big expansion for the Thai automotive industry– and added more than 2 million new cars to the already overloaded roads. A subsequent forecast expansion of many MRT lines during 2556 (2013) indicates the seriousness of the traffic problems. Therefore its forecast that corporations will attempt to have more employees work outside as a mobile worker and need to develop the infrastructure to support a Mobile Workforce with data center consolidation.

2556 (2013) we expect to be a year of bandwidth expansion to handle connection through a nationwide network (Carrier Routing System) for service providers, ISP's of digital media, providers of electronic transactions and Mobile Worker operators (with connection speeds of up to 100 GB) will be among the major networks around the country needed to handle the increase in data traffic from users around the country – and, as importantly, for the AEC in the near future.

When the AEC (Asian Economic Community) commences in 2558 (2015), many foreign companies will look to open branches within the country. Connectivity with branch offices in Thailand will consequently require much larger bandwidth and higher security. This service, called 'Carrier Ethernet Exchange' to Network Service Provider (NSP) can connect internationally with the likes of Leased Line connections across the country with good Service Level Agreement (SLA).

The growth in ICT investment and spending will be likely to be energetic with the further adoption of Cloud-based services. Additionally, the rise and expansion of mobile computing in both enterprise and personal transaction will continue to see huge increase in data demand – the launch of 3G should be just in time to help ease the expected data congestion.

Competitive Analysis

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

Computer Systems Group

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

Network Systems Group

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

Communication Systems Group

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

Software Systems Group

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

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

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

Competitive Strategy

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

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

The company has set its competitive strategy to:

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

Risk Analysis

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

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

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

Risk Relating to Change of Technology

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

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

Risk Relating to Dependency on Major Customers

The Company predominantly earns revenues from sales and provided services of network system installation to TOT Corporation Plc. (TOT) and CAT Telecom Plc. (CAT), which accounts for approximately 50% of the Company's total revenue. The proportion of sales coming from just these two key customers is considered quite high and is often seen as being a risk factor. However, the company believes it is important to mention that this situation is common in countries similar to Thailand. The national infrastructure in Thailand is not yet fully developed; and in countries like Thailand it is often the Government's responsibility to invest into, and develop, that infrastructure. Therefore this investment cannot easily be matched by the private segment.

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

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Customer Type	Customer	Revenue/Total revenue
Telecom I: Mobile & Wireless Group	CAT Public Limited Company	34.1%
Telecom II : Fixed line and Network Group	TOT Public Limited Company	20.6%
Enterprise : Fixed line and Network Group	State Enterprise, Private Company, Educational Institution	45.3%

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

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

Clearly, the Company has been striving to minimize the risk relating to the dependency on a few major customers and is constantly seeking opportunities to diversify its customer base. It is likely that going forward revenues from an expanded customer base will be comparable to those from major customers. While of course the Company will continue to maintain its existing customer base to be as strong, or stronger, than it has always been.

Risk Relating to Dependency on Key Employees

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

At present, the Company has 286 employees which are divided into the following segments:

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

Most of our employees are engineers, each with approximately 4-6 years of work experience; and in the previous year, our employee's turnover rate was only an approximate 2-3%, - which is considered very low.

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

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

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

Risk Relating to Dependency on a Single Supplier

Normally, the Company purchases its products directly from the manufacturers or indirectly via the manufacturers distributors with representative offices in Thailand. Notably the Company is the key distributor and strategic partner of Cisco Systems, the world's leading manufacturer of information and communication technology in the IP (internet Protocol) segment. In 2012, the Company's purchase of network equipments from Cisco Systems accounted for approximately 40% of the total cost of sales (cos) purchases.

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

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

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

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

Risk Relating to Project Delivery

ICT projects normally last between 6–12 months but this is dependent upon the particular project size. If the Company fails to deliver the project on time as stated in the contract, the Company may incur a financial penalty. To its credit, in the last 5 years, such occurrences have been minimal and the Company has been penalized less than 1 % of the project sales revenue, which by comparison with other project suppliers is considered extremely low.

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

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

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

Foreign Exchange Rate Risk

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

As of 31 December 2012, the Company had a USD 14.7 million foreign currency trade account payable in foreign currencies and USD 12.3 million balance of FX forward contracts at the agreed rate of Baht 30.60–31.45 per USD 1 for the purchase of equipment.

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

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

In 2012, the Company prepared to utilize various financial tools to enhance efficiency in managing risks and keep these at a minimum and therefore to maximize benefits to the Company.

Risk Relating to Change in Government Policy

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

» Management structure

As of December 31, 2012, the Company has four Committees: 1) The Board of Directors, 2) The Audit Committee, 3) The Nomination and Remuneration Committee, and 4) The Executive Committee.

The Board of Directors consists of:

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

Corporate Secretary : Mr. Voravit Wattanakuljarus

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

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 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 quaterly and annual financial statements in order to present to the shareholders at the Annual General Shareholders Meeting.
- 10) Arrange for the Annual General Shareholders Meeting as well as any Extraordinary General Meetings as required under the regulations as stated in the company's Articles of Association.
- 11) The Board of Directors shall convene for meeting at least once every quarter or as per the regulations as stated in the Company's Articles of Association.

2. Duties and Responsibilities of the Board of Directors

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

The Audit Committee consists of:

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

Corporate Secretary : Mr. Voravit Wattanakuljarus

Authority, Duties and Responsibilities of the Audit Committee

1. Authority of the Audit Committee

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

- 1) Under its scope of authority, the Audit Committee is authorized to call for or order the management, heads of offices, or any employees to present opinions, attend meetings or submit any required or necessary documents.
- 2) Consider, select and nominate the Company's auditor as well as the auditor's remuneration to the Board of Directors, and propose this at the Annual General Shareholders Meeting for the Company's shareholders approval. Assess the auditor's performance and other tasks related to the audit.
- 3) Make the final decision in a case where the management team disagrees with the auditor on financial reports.
- 4) Consider the disclosure of Company information in any case where there is a connected transaction or transaction that may lead to a conflict of interest, so as to ensure accurateness, completeness, and at all times compliance with the laws and regulations.
- 5) Review the auditor's report of investigation and discuss with the management team the assessment policy and risk management.
- 6) Hire external advisors or specialists to make comments or give advice as necessary.
- 7) Set up a meeting with the auditor without the management team or company representatives.

2. Duties and Responsibilities of the Audit Committee

- 1) Review the accuracy of the Company's quarterly and annual financial reports in accordance with generally accepted accounting principles and ensure there is adequate disclosure.
- 2) Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient and ensure the independence of the internal audit department. In addition, the Audit Committee may appoint, change or remove the head of the internal audit department or any other department responsible for internal audit tasks.
- 3) Review the Company's compliance with the laws on securities and exchange; the regulations of the Stock Exchange of Thailand (the 'SET'); and the laws relating to the Company's business.
- 4) Consider, select and nominate an independent person to be the Company's auditor, propose the auditor's remuneration, and attend a non-management meeting with the auditor at least once a year.
- 5) Review all connected transactions or transactions that may lead to conflicts of interest and so ensure that they are in compliance with the related laws and the regulations of the SET and that they are reasonable and bring the highest possible benefits to the Company.
- 6) Prepare reports to be signed by the Chairman of the Audit Committee and disclosed in the Company's Annual Report. These reports must contain the following information:
 1. An opinion on the accuracy, completeness and reliability of the Company's financial report
 2. An opinion on the adequacy of the Company's internal control system
 3. An opinion on the compliance with the laws on securities and exchange, the regulations of the SET and the laws relating to the Company's business
 4. An opinion on the suitability of the external auditor
 5. An opinion on transactions that may lead to conflicts of interest
 6. The number of Committee meetings held and the members' attendance record
 7. Any comments or opinions received by the Committee regarding its performance in accordance with its Charter

8. Any other transaction which, according to the Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities as assigned by the Board of Directors
- 7) Perform other tasks as requested by the Board of Directors and other tasks which the Audit Committee agrees to perform.

The Nomination and Remuneration Committee consists of:

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

Secretary : Ms. Pannawee Kaewmanee

Authority, Duties and Responsibilities of the Nomination and Remuneration Committee

1. Authority of the Nomination and Remuneration Committee

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

2. Duties and Responsibilities of the Nomination and Remuneration Committee

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

The Executive Committee consists of:

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

Secretary : Ms. Sarin Chandranipapongse

Authority, Duties and Responsibilities of the Executive Committee

1. Authority of the Executive 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 judgement of the Board of Directors.
- 5) Consider to enter into a commercial contract with a credit limit as determined by the Board of Directors.

2. Duties and Responsibilities of the Executive Committee

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

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

Authority, Duties and Responsibilities of the President

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

The Company's Management Team consists of:

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

The Directors' Remunerations in 2012

Full Name	Position	Remuneration Fee Total	Monthly Salary Fee Total	Annual Gratuity	Annual Total
1. Mr. Thana Chaiprasit	Chairman of the Board	40,000.00	180,000.00	1,695,652.17	1,915,652.17
2. Mr. Pongtep Polanun	Vice Chairman and Independent Director	60,000.00	96,000.00	1,130,434.78	1,286,434.78
3. Mr. Siripong Oontornpan	Director	48,000.00	96,000.00	1,130,434.78	1,274,434.78
4. Mr. Kittisak Sopchokchai	Director	60,000.00	96,000.00	1,130,434.78	1,286,434.78
5. Mr. Suraporn Raktaprachit	Director	60,000.00	96,000.00	1,130,434.78	1,286,434.78
6. Mr. Chartchai Yenbamroong ⁽¹⁾	Independent Director	-	32,000.00	1,130,434.78	1,162,434.78
7. Mr. Thanarak Pongphatar ⁽²⁾	Independent Director	48,000.00	64,000.00	-	112,000.00
8. Mr. Kijja Laobonchai	Director	36,000.00	96,000.00	1,130,434.78	1,262,434.78
9. Mr. Chokechai Tanpoonsinthana	Independent Director	60,000.00	96,000.00	1,130,434.78	1,286,434.78
10. Mr. Sripop Sarasas	Independent Director	60,000.00	96,000.00	1,130,434.78	1,286,434.78
11. Mr. Pisak Charudilaka	Director	60,000.00	96,000.00	1,130,434.78	1,286,434.78
12. Mr. Chodiwat Duntanasarn	Director	60,000.00	96,000.00	1,130,434.78	1,286,434.78
	Total	592,000.00	1,140,000	12,999,999.97	13,687,999.97

Remarks: (1) Mr. Chartchai Yenbamroong was still a director until AGM No.1/2012 on April, 6 2012.
(2) Mr. Thanarak Pongphatar was received a position as a new director approved from AGM No.1/2012 on April 6, 2012
(3) The remunerations listed are according to the resolution from the Annual General Shareholders Meeting No. 1/2009 on April 24th, 2009:
The Chairman of the Board of Directors received a remuneration fee of 20,000 Baht per meeting and received a monthly salary of 15,000 Baht;
1. A Director received a monthly remuneration fee at 12,000 Baht and received monthly salary at 8,000 Baht;
2. According to AGM No. 1/2011 on 8th April 2011, the resolution was to pay a total annual gratuity to The Board of Directors 11.5 million Baht.

The Audit Committee's Remuneration

Full Name	Position	Remuneration Fee Total	Monthly Salary Total	Annual Gratuity	Annual Total
1. Mr. Chokechai Tanpoonsinthana	Chairman	80,000	180,000	-	260,000
2. Mr. Pongtep Polanun	Director	60,000	120,000	-	180,000
3. Mr. Sripop Sarasas	Director	60,000	120,000	-	180,000
	Total	200,000	420,000	-	620,000

Remarks: The Directors' compensation is according to the resolution of the Annual General Shareholders Meeting No.1/2009 on April 24th, 2009
1. The Chairman received a remuneration fee of 20,000 Baht per meeting and received monthly salary at 15,000 baht.
2. A Director received a monthly remuneration fee of 15,000 Baht and received a monthly salary of 10,000 Baht.

The Nomination and Remuneration Committee's Remuneration

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

Directors Remuneration

Unit: Million's of Baht

Committee	Transaction	2012	2011	2010 (Restated)
1. Audit Committee	Short-term employee benefits	5	4	3
2. Directors who are the member of the Executive Committee and Management	Short-term employee benefits and Post- employment benefits	124	133	108
3. Directors who are not member of the Audit Committee and the Executive Committee	Short- term employee benefits	6	5	4

Other Benefits

Advanced Information Technology Public Company Limited has an issue of 3,000,000 units of warrants to the Company's directors and/ or employees under the EMPLOYEE STOCK OPTIONS PLAN (ESOP). These warrants were issued on October 1st, 2007 and will expire in 5 years from that date. The period to exercise warrants is set as being the last working day of August each year. The ratio to exercise the right of 1 unit is per 1 common share and the price is 10 Baht per share.

The last exercise of warrants (ESOP) on August 28, 2012 is summarized as follows:

1. Number of persons who submitted to exercise their rights 25 persons
2. Number of exercised warrants 681,250 units
3. Amount of money received from the exercise 6,812,500 Baht

» Internal Control

Risk Management

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

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

Internal control

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

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

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

1. Organization & Control Environment

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

2. Risk Assessment

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

3. Management Control

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

4. Information and Communication

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

5. Monitoring

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

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

Ernst and Young office Limited, the Company's external auditors, who conducted the audit of the 2012 financial statements, concluded that there was no material deficiency in the Company's accounting and financial control system.

Internal Audit

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

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

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

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

» Financial Information

Related party transactions

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

(Unit: Million Baht)

	Consolidated Financial Statements		Separate Financial Statements		Transfer Pricing Policy
	2012	2011	2012	2011	
Transactions with subsidiary companies (eliminated from the consolidated financial statements)					
Purchases of goods and service	-	-	3	4	Competitive agreed-upon price
Transactions with related companies					
Sales and service income	6	63	1	52	Competitive agreed-upon price
Purchases of goods and service	13	90	13	86	Competitive agreed-upon price

As at 31 December 2012 and 2011 the balances of the accounts between the Company and those related parties are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade and other payables – related party (Note 16)				
Vichai Trading (1983) Co., Ltd.	2	-	2	-
Total trade and other payables – related party	2	-	2	-

Directors and management's benefit

During the year ended 31 December 2012 and 2011, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

Related parties	Related transactions	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Audit committee	Short-term employee benefits	5	4	5	4
Management and executive directors	Short-term employee benefits	123	131	120	129
	Short-term employee benefits	5	4	4	4
Directors who are not members of the audit committee or management committee	Short-term employee benefits	6	5	6	5

Board of Directors' Responsibility for Financial Reporting

The Board of Directors are responsible for the Advanced Information Technology Public Company Limited's financial statements and to the Advanced Information Technology Public Company Limited and its Subsidiaries' consolidated financial statements, which includes the financial information presented in this Annual Report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles using careful judgment and the best estimation important information is adequately and transparently disclosed in the notes to the financial statements for the Company shareholders and investors.

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

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

The financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries have been examined by an external auditor of Ernst and Young office Limited. The external auditor conducted the audits and expressed an opinion in accordance with generally accepted auditing standards. The external auditor was provided with all of the Company's records and related data as they requested. The auditor's opinion is presented in the Auditor's Report as part of this Annual Report.

The Board of Directors considers the Company's overall internal control system to be satisfactory and that it provides credibility and reliability to the Advanced Information Technology Public Company Limited's financial statements and to the Advanced Information Technology Public Company Limited and its Subsidiaries' consolidated financial statements for the year ended 31 December 2012. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principles and any related regulations.



Mr. Thana Chaiprasit
Chairman of the Board



Mr. Siripong Oontornpan
President

Report of Independent Auditor

To the Shareholders of Advanced Information Technology Public Company Limited

I have audited the accompanying consolidated financial statements of Advanced Information Technology Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2012, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Advanced Information Technology Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advanced Information Technology Public Company Limited and its subsidiaries and of Advanced Information Technology Public Company Limited as at 31 December 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

Ernst & Young office Limited

Bangkok: 14 February 2013

Financial Statement

Statement of financial position

Advanced Information Technology Public Company Limited and its subsidiaries

As at 31 December 2012

(Unit: Baht)

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents	7	245,379,616	217,149,463	244,379,616	215,461,148
Trade and other receivables	8	1,877,928,699	1,017,921,782	1,877,928,699	1,017,921,782
Unbilled receivables		823,205,393	615,237,152	823,205,393	603,692,009
Inventories	9	461,583,317	570,995,209	461,583,317	569,549,065
Other current assets		21,095,478	55,138,853	21,092,708	55,105,099
Total current assets		3,429,192,503	2,476,442,459	3,428,189,733	2,461,729,103
Non-current assets					
Restricted bank deposits	10	7,836,967	8,690,922	7,836,967	8,690,922
Investments in associate	11	24,999,950	-	24,999,950	-
Investments in subsidiaries	12	-	-	999,800	10,999,400
Building improvement and equipment	13	47,508,064	46,959,709	47,508,064	46,864,025
Equipment for lease	14	144,826,363	185,420,234	144,826,363	185,420,234
Intangible assets	15	10,590,754	8,741,109	10,590,754	8,711,715
Other non-current assets		8,870,542	9,263,179	8,870,542	9,117,780
Total non-current assets		244,632,640	259,075,153	245,632,440	269,804,076
Total assets		3,673,825,143	2,735,517,612	3,673,822,173	2,731,533,179

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

Statement of financial position (continued)

Advanced Information Technology Public Company Limited and its subsidiaries

As at 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions		360,000,000	-	360,000,000	-
Trade and other payables	16	1,074,432,624	668,167,104	1,074,386,127	667,807,352
Unbilled payables		332,812,593	257,785,185	332,812,593	257,619,463
Current portion of long-term loans	17	33,235,036	24,801,252	33,235,036	24,801,252
Income tax payable		42,007,121	102,770,016	42,007,121	102,758,710
Other current liabilities	18	295,922,139	203,689,595	295,922,139	202,901,150
Total current liabilities		2,138,409,513	1,257,213,152	2,138,363,016	1,255,887,927
Non-current liabilities					
Long-term loans, net of current portion	17	42,981,015	50,198,748	42,981,015	50,198,748
Provision for long-term employee benefits	19	45,922,930	38,465,520	45,922,930	37,501,170
Total non-current liabilities		88,903,945	88,664,268	88,903,945	87,699,918
Total liabilities		2,227,313,458	1,345,877,420	2,227,266,961	1,343,587,845
Shareholders' equity					
Share capital					
Registered					
69,000,000 ordinary shares of Baht 5 each		345,000,000	345,000,000	345,000,000	345,000,000
Issued and fully paid-up					
68,773,636 ordinary shares of Baht 5 each (31 December 2011: 67,492,472 ordinary shares of Baht 5 each)	20	343,868,180	337,462,360	343,868,180	337,462,360
Share premium	20	303,437,091	293,131,830	303,437,091	293,131,830
Retained earnings					
Appropriated-statutory reserve	22	34,500,000	34,500,000	34,500,000	34,500,000
Unappropriated		764,706,223	718,833,205	764,749,941	722,851,144
Equity attributable to owners of the Company		1,446,511,494	1,383,927,395	1,446,555,212	1,387,945,334
Non-controlling interests of the subsidiaries		191	5,712,797	-	-
Total shareholders' equity		1,446,511,685	1,389,640,192	1,446,555,212	1,387,945,334
Total liabilities and shareholders' equity		3,673,825,143	2,735,517,612	3,673,822,173	2,731,533,179

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

Statement of comprehensive income

Advanced Information Technology Public Company Limited and its subsidiaries

For the year ended 31 December 2012

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit or loss:				
Revenues				
Sales and service income	4,063,835,420	4,735,411,147	4,055,677,135	4,723,866,004
Rental and service income from equipment for lease	75,271,766	65,669,059	75,271,766	65,669,059
Other income	48,954,400	34,302,425	48,202,297	34,438,518
Total revenues	4,188,061,586	4,835,382,631	4,179,151,198	4,823,973,581
Expenses				
Cost of sales and service	3,142,768,321	3,619,545,761	3,138,825,228	3,614,398,747
Cost of equipment for lease	43,067,671	32,875,165	43,067,671	32,875,165
Selling expenses	219,791,024	241,372,304	217,124,347	239,332,066
Administrative expenses	281,923,402	278,223,293	283,322,388	274,253,447
Total expenses	3,687,550,418	4,172,016,523	3,682,339,634	4,160,859,425
Profit before finance cost and income tax expenses	500,511,168	663,366,108	496,811,564	663,114,156
Finance cost	(17,040,245)	(15,619,884)	(17,040,245)	(15,619,884)
Profit before income tax expenses	483,470,923	647,746,224	479,771,319	647,494,272
Income tax expenses	(116,152,213)	(208,830,232)	(116,152,213)	(208,569,087)
Profit for the year	367,318,710	438,915,992	363,619,106	438,925,185
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	367,318,710	438,915,992	363,619,106	438,925,185
Profit attributable to				
Equity holders of the Company	367,593,327	438,920,129	363,619,106	438,925,185
Non-controlling interests of the subsidiaries	(274,617)	(4,137)		
	367,318,710	438,915,992		
Earnings per share 24				
Basic earnings per share				
Profit attributable to equity holders of the Company	5.41	6.57	5.35	6.57
Diluted earnings per share				
Profit attributable to equity holders of the Company	5.41	6.43	5.35	6.43

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

Statements of changes in shareholders' equity

Advanced Information Technology Public Company Limited and its subsidiaries

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements						
	Equity attributable to the parent's shareholders					Equity attributable to non-controlling interests of the subsidiaries	
	Issued and paid-up share capital	Share premium	Retained earnings		Total equity attributable to owners of the Company		
			Appropriated	Unappropriated			
Balance as at 1 January 2011	330,929,310	282,837,815	34,500,000	579,684,425	1,227,951,550	5,716,934	1,233,668,484
Additional ordinary shares issued for warrant exercise (Note 20)	6,533,050	10,294,015	-	-	16,827,065	-	16,827,065
Dividend paid (Note 27)	-	-	-	(299,771,349)	(299,771,349)	-	(299,771,349)
Total comprehensive income for the year	-	-	-	438,920,129	438,920,129	(4,137)	438,915,992
Balance as at 31 December 2011	337,462,360	293,131,830	34,500,000	718,833,205	1,383,927,395	5,712,797	1,389,640,192
Balance as at 1 January 2012	337,462,360	293,131,830	34,500,000	718,833,205	1,383,927,395	5,712,797	1,389,640,192
Additional ordinary shares issued for warrant exercise (Note 20)	6,405,820	10,305,261	-	-	16,711,081	-	16,711,081
Dividend paid (Note 27)	-	-	-	(321,720,309)	(321,720,309)	-	(321,720,309)
Total comprehensive income for the year	-	-	-	367,593,327	367,593,327	(274,617)	367,318,710
Increase in equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	200	200
Sales of investment in subsidiary (Note 12)	-	-	-	-	-	(5,438,189)	(5,438,189)
Balance as at 31 December 2012	343,868,180	303,437,091	34,500,000	764,706,223	1,446,511,494	191	1,446,511,685

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

Statements of changes in shareholders' equity (continued)

Advanced Information Technology Public Company Limited and its subsidiaries
For the year ended 31 December 2012

(Unit: Baht)

	Separate financial statements				
	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated	Unappropriated	
Balance as at 1 January 2011	330,929,310	282,837,815	34,500,000	583,697,308	1,231,964,433
Additional ordinary shares issued for warrant exercise (Note 20)	6,533,050	10,294,015	-	-	16,827,065
Dividend Paid (Note 27)	-	-	-	(299,771,349)	(299,771,349)
Total comprehensive income for the year	-	-	-	438,925,185	438,925,185
Balance as at 31 December 2011	337,462,360	293,131,830	34,500,000	722,851,144	1,387,945,334
Balance as at 1 January 2012	337,462,360	293,131,830	34,500,000	722,851,144	1,387,945,334
Additional ordinary shares issued for warrant exercise (Note 20)	6,405,820	10,305,261	-	-	16,711,081
Dividend Paid (Note 27)	-	-	-	(321,720,309)	(321,720,309)
Total comprehensive income for the year	-	-	-	363,619,106	363,619,106
Balance as at 31 December 2012	343,868,180	303,437,091	34,500,000	764,749,941	1,446,555,212

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

Cash flow statement

Advanced Information Technology Public Company Limited and its subsidiaries

For the year ended 31 December 2012

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit before tax	483,470,923	647,746,224	479,771,319	647,494,272
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	64,671,345	48,839,297	64,573,388	48,631,389
Doubtful accounts (reversal of allowance for doubtful accounts)	(14,985,718)	8,036,339	(14,985,718)	8,036,340
Write-off withholding tax deducted at source	-	341,640	-	-
Loss (gain) from sales of investments in subsidiary	(854,129)	-	3,499,400	-
Loss (gain) on sales of equipment	560,113	(1,046,100)	560,113	(1,046,100)
Loss (gain) on sales of equipment for lease	713,220	(92,345)	713,220	(92,345)
Provision for long-term employee benefits	8,740,232	5,536,278	8,421,760	5,252,756
Unrealised loss on exchange	1,367,828	7,179,861	1,367,828	7,179,861
Interest expenses	21,860,119	16,416,322	21,860,119	16,416,322
Profit from operating activities before changes in operating assets and liabilities	565,543,933	732,957,516	565,781,429	731,872,495
Operating assets (increase) decrease				
Trade and other receivables	(841,299,827)	38,562,485	(837,521,199)	29,710,574
Unbilled receivables	(219,368,241)	(542,200,614)	(219,513,384)	(530,655,471)
Inventories	109,411,892	236,365,082	107,965,748	235,776,386
Other current assets	33,857,900	40,064,817	34,012,391	39,458,325
Other non-current assets	248,237	1,759,490	247,238	1,766,609
Operating liabilities increase (decrease)				
Trade and other payables	407,545,320	(92,283,241)	407,793,562	(91,140,353)
Unbilled payables	75,619,137	92,124,467	75,193,130	92,513,633
Other current liabilities	91,403,195	34,665,706	90,066,555	34,235,632
Cash flows from operating activities	222,961,546	542,015,708	224,025,470	543,537,830
Cash paid for interest expenses	(21,522,434)	(16,416,322)	(21,522,434)	(16,416,322)
Cash paid for corporate income tax	(176,915,108)	(149,125,789)	(176,903,802)	(148,606,340)
Net cash from operating activities	24,524,004	376,473,597	25,599,234	378,515,168

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

Cash flow statement (continued)

Advanced Information Technology Public Company Limited and its subsidiaries

For the year ended 31 December 2012

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from investing activities				
Decrease in current investment	-	3,022,894	-	3,022,894
Decrease in restricted bank deposits	853,955	47,537,820	853,955	47,537,820
Cash payment for investment in associate	(24,999,950)	-	(24,999,950)	-
Net cash payment (received) from investment in subsidiary	200	-	(999,800)	-
Net cash paid from sale of investment in subsidiary	(595,624)	-	-	-
Cash payment for purchase of building improvement and equipment	(24,743,062)	(42,290,697)	(24,725,601)	(42,290,697)
Cash payment for purchase of equipment for lease	-	(211,545,982)	-	(211,545,982)
Cash payment for purchase computer software	(3,050,327)	(3,184,167)	(3,050,327)	(3,184,167)
Proceeds from sales of equipment	-	2,140,840	-	2,140,840
Proceeds from sales of equipment for lease	-	92,345	-	92,345
Net cash used in investing activities	(52,534,808)	(204,226,947)	(52,921,723)	(204,226,947)
Cash flows from financing activities				
Increase in short-term loans from financial institutions	360,000,000	-	360,000,000	-
Cash receipt from long-term loans	25,000,000	75,000,000	25,000,000	75,000,000
Repayment of long-term loans	(23,783,949)	-	(23,783,949)	-
Proceeds from additional ordinary shares issued for warrant exercise	16,711,081	16,827,065	16,711,081	16,827,065
Dividend paid	(321,686,175)	(299,729,059)	(321,686,175)	(299,729,059)
Net cash from (used in) financing activities	56,240,957	(207,901,994)	56,240,957	(207,901,994)
Net increase (decrease) in cash and cash equivalents	28,230,153	(35,655,344)	28,918,468	(33,613,773)
Cash and cash equivalents at beginning of year	217,149,463	252,804,807	215,461,148	249,074,921
Cash and cash equivalents at end of year	245,379,616	217,149,463	244,379,616	215,461,148

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

Notes to consolidated financial statements

Advanced Information Technology Public Company Limited and its subsidiaries

For the year ended 31 December 2012

1. Corporate information

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

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Advanced Information Technology Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012 Percent	2011 Percent
Maple Plus Co., Ltd.	Sale and installation of computer, software and telecom equipment	Thailand	-	55
Tower X Asia Co., Ltd.	Sale telecom equipment and provide consultation relating to the telecom business	Thailand	100	-

During the year 2012, the Company sold all of its investment in Maple Plus Co., Ltd. to an outside party (as described in Note 12 to the financial statements).

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

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

3. New accounting standards not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

SIC 10	Government Assistance – No Specific Relation to Operating Activities
SIC 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders

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

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines. The effect of the adoption to the financial statements of the Company and its subsidiaries will be increase profit for the year 2012 by Baht 2.5 million (0.04 Baht per share) and increase brought-forward retained earnings of the year 2012 by Baht 7.5 million (0.11 Baht per share) (separate financial statements: increase profit for the year 2012 by Baht 2.5 million (0.04 Baht per share) and increase brought-forward retained earnings of the year 2012 by Baht 7.5 million (0.11 Baht per share)).

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 – 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

	Effective date
Accounting Treatment Guidance for Transfers of Financial Assets	1 January 2013
Accounting Standard Interpretation:	
SIC 29 Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 4 Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12 Service Concession Arrangements	1 January 2014
TFRIC 13 Customer Loyalty Programmes	1 January 2014

The Company's management believes that these accounting treatment guidance and accounting standard interpretations will not have any significant impact on the financial statements for the year when they are initially applied.

4. Significant accounting policies

4.1 Revenues and expenses recognition

a) Revenues

Sales and service income

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

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

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

Rental and service income

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

Interest income

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

b) Expenses

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

Other expenses are recognised on an accrual basis.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

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

4.5 Investments

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

4.6 Building improvement, equipment and equipment for lease and depreciation

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

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

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

Depreciation is included in determining income.

An item of building improvement, 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 profit or loss when the asset is recognised.

4.7 Intangible asset and amortisation

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

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

4.8 Related party transactions

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

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

4.9 Long-term leases

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

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.10 Foreign currencies

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

Gains and losses on exchange are included in determining income.

4.11 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the building improvement, equipment, equipment for lease and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company and its subsidiary elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, retrospectively as though the Company and its subsidiary initially recorded these employee benefit expenses.

4.13 Equity-settled share-based payment transactions

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

4.14 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.

4.15 Income tax

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

4.16 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrealised gains and losses from the translation are included in determining income.

5. Significant accounting judgements and estimates

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

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

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

Leases

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

Allowance for doubtful accounts

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

Building improvement, equipment and equipment for lease and depreciation

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

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

Intangible assets and amortisation

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

Post-employment benefits under defined benefit plans

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

6. Related party transactions

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

(Unit: million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2012	2011	2012	2011	
Transactions with subsidiary companies (eliminated from the consolidated financial statements)					
Purchases of goods and service	-	-	3	4	Competitive agreed-upon price
Transactions with related companies					
Sales and service income	6	63	1	52	Competitive agreed-upon price
Purchases of goods and service	13	90	13	86	Competitive agreed-upon price

As at 31 December 2012 and 2011 the balances of the accounts between the Company and those related parties are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade and other payables – related party (Note 16)				
Vichai Trading (1983) Co., Ltd.	2	–	2	–
Total trade and other payables – related party	2	–	2	–

Directors and management's benefit

During the year ended 31 December 2012 and 2011, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

Related parties	Related transactions	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Audit committee	Short-term employee benefits	5	4	5	4
Management and executive directors	Short-term employee benefits	123	131	120	129
	Post-employment benefits	5	4	4	4
Directors who are not members of the audit committee or management committee	Short-term employee benefits	6	5	6	5

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash	260	255	260	250
Bank deposits	245,120	216,894	245,120	215,211
Total	245,380	217,149	244,380	215,461

As at 31 December 2012, bank deposits in saving accounts and fixed deposits carried interests between 0.1 – 1.8 percent per annum (2011: 0.1 – 1.9 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade receivables – related party				
Aged on the basis of due dates				
Past due				
Up to 3 months	-	31,351	-	31,351
3-6 months	-	23,219	-	23,219
Total trade receivables – related party	-	54,570	-	54,570
Trade receivables – unrelated parties				
Aged on the basis of due dates				
Not yet due	1,131,403	544,800	1,131,403	544,800
Past due				
Up to 3 months	220,186	190,323	220,186	190,323
3-6 months	78,424	52,253	78,424	52,253
Over 6-12 months	216,254	172,203	216,254	172,203
Over 12 months	110,382	7,946	110,382	7,946
Back to back basis	124,875	21,908	124,875	21,908
Total	1,881,524	989,433	1,881,524	989,433
Less: Allowance for doubtful accounts	(11,095)	(26,081)	(11,095)	(26,081)
Total trade receivables – unrelated parties, net	1,870,429	963,352	1,870,429	963,352
Other receivable				
Receivable from sale of investment	7,500	-	7,500	-
Total other receivable	7,500	-	7,500	-
Total trade and other receivables – net	1,877,929	1,017,922	1,877,929	1,017,922

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 believes that payment of these balances will be received in full and that the above allowance for doubtful debts is adequate in the current circumstance.

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Equipment and work in progress	426,397	588,136	426,397	586,690
Goods in transit	56,017	3,690	56,017	3,690
Total	482,414	591,826	482,414	590,380
Less: Allowance for diminution in value of inventories	(20,831)	(20,831)	(20,831)	(20,831)
Inventories – net	461,583	570,995	461,583	569,549

10. Restricted bank deposits

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

11. Investments in associate

(Unit: Million Baht)

Company's name	Nature of business	Country of incorporation	Consolidated/Separate financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2012 (percent)	2011 (percent)	2012	2011	2012	2011
Loxley & AIT Holding Co., Ltd.	Lump sum turnkey contracting for the installation of communication tools, electricity plants and sales of related equipment	Thailand	50	–	50	–	25	–

On 8 November 2012, the Board of Directors's Meeting of the Company No. 4/2555 passed a resolution to invest in 999,998 ordinary shares of Loxley & AIT Holding Co., Ltd., representing 50 percent of the total shares of Loxley & AIT Holding Co., Ltd., at a price of Baht 25 million (paid-up 25 percent).

12. Investments in subsidiaries

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

(Unit: Million Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2012	2011	2012 (percent)	2011 (percent)	2012	2011
Maple Plus Co., Ltd.	-	20	-	55	-	11
Tower X Asia Co., Ltd.	1	-	100	-	1	-
					1	11

During the year 2012 and 2011, the subsidiary companies did not pay a dividend.

On 8 November 2012, the Board of Directors's Meeting of the Company No. 4/2555 passed these resolutions:

- (1) The Company invested in 9,998 ordinary shares of Tower X Asia Co., Ltd., representing 100 percent of the total shares of Tower X Asia Co., Ltd., at a price of Baht 1 million.
- (2) The Company sold all of the shares of Maple Plus Co., Ltd. to an outside party, amounting to Baht 7.5 million. The Company has already transferred the ownership of the shares to the buyer. The net asset value of Maple Plus Co., Ltd. at the sale date was as follows:

(Unit: Thousand Baht)

Cash and cash equivalent	596
Trade accounts receivable	3,779
Unbilled receivables	11,400
Other assets	374
Liabilities	(4,065)
Net asset value	12,084
Net asset value attributable to the Company	6,646
Net asset value attributable to non-controlling interests	5,438
	12,084
Sale price of investment in subsidiary	7,500
Less: Cash and cash equivalents of Maple Plus Co., Ltd.	(596)
Net cash received from the sale of investment in subsidiary	6,904
Less: Receivable from the sale of investment (Note 8)	(7,500)
Net cash paid from the sale of investment in subsidiary	(596)
Sale price of investment in subsidiary	7,500
Less: Net asset value of Maple Plus Co., Ltd. based on shareholding percentage	(6,646)
Gain on the sale of investment based on equity method	854
Sale price of investment in subsidiary	7,500
Less: Net asset value of Maple Plus Co., Ltd. based on cost method	(10,999)
Loss on the sale of investment based on cost method	(3,499)

13. Building improvement and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Building improvement	Furniture, fixture and office equipment	Computers	Equipment used in projects	Vehicles	Total
Cost						
As at 1 January 2011	8,854	14,580	75,212	8,000	382	107,028
Additions	4,048	3,110	5,869	28,457	806	42,290
Disposals	-	-	-	-	(1,188)	(1,188)
As at 31 December 2011	12,902	17,690	81,081	36,457	-	148,130
Additions	3,272	1,458	9,272	10,214	527	24,743
Disposals	(584)	(94)	(778)	(989)	-	(2,445)
As at 31 December 2012	15,590	19,054	89,575	45,682	527	170,428
Accumulated depreciation						
As at 1 January 2011	6,321	11,071	66,675	80	84	84,231
Depreciation for the year	1,299	1,490	6,788	7,446	9	17,032
Depreciation on disposals	-	-	-	-	(93)	(93)
As at 31 December 2011	7,620	12,561	73,463	7,526	-	101,170
Depreciation for the year	1,507	1,706	6,472	13,848	82	23,615
Depreciation on disposals	(584)	(77)	(775)	(429)	-	(1,865)
As at 31 December 2012	8,543	14,190	79,160	20,945	82	122,920
Net book value						
As at 1 January 2011	2,533	3,509	8,537	7,920	298	22,797
As at 31 December 2011	5,282	5,129	7,618	28,931	-	46,960
As at 31 December 2012	7,047	4,862	10,415	24,737	445	47,508
Depreciation for the year						
2011 (Baht 7.4 million included in cost of sales and service, and the balance in administrative expenses)						17,032
2012 (Baht 13.8 million included in cost of sales and service, and the balance in administrative expenses)						23,615

(Unit: Thousand Baht)

	Consolidated financial statements					
	Building improvement	Furniture, fixture and office equipment	Computers	Equipment used in projects	Vehicles	Total
Cost						
As at 1 January 2011	8,270	14,504	74,434	8,000	382	105,590
Additions	4,048	3,110	5,869	28,457	806	42,290
Disposals	-	-	-	-	(1,188)	(1,188)
As at 31 December 2011	12,318	17,614	80,303	36,457	-	146,692
Additions	3,272	1,440	9,272	10,214	527	24,725
Disposals	-	-	-	(989)	-	(989)
As at 31 December 2012	15,590	19,054	89,575	45,682	527	170,428
Accumulated depreciation						
As at 1 January 2011	5,926	11,022	65,980	80	84	83,092
Depreciation for the year	1,183	1,474	6,717	7,446	9	16,829
Depreciation on disposals	-	-	-	-	(93)	(93)
As at 31 December 2011	7,109	12,496	72,697	7,526	-	99,828
Depreciation for the year	1,434	1,694	6,463	13,848	82	23,521
Depreciation on disposals	-	-	-	(429)	-	(429)
As at 31 December 2012	8,543	14,190	79,160	20,945	82	122,920
Net book value						
As at 1 January 2011	2,344	3,482	8,454	7,920	298	22,498
As at 31 December 2011	5,209	5,118	7,606	28,931	-	46,864
As at 31 December 2012	7,047	4,864	10,415	24,737	445	47,508
Depreciation for the year						
2011 (Baht 7.4 million included in cost of sales and service, and the balance in administrative expenses)						16,829
2012 (Baht 13.8 million included in cost of sales and service, and the balance in administrative expenses)						23,521

As at 31 December 2012, certain building improvement and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 85.0 million (2011: Baht 79.5 million) (The Company only: Baht 85.0 million, 2011: Baht 79.1 million).

14. Equipment for lease

(Unit: Thousand Baht)

	Consolidated / Separate financial statements
Cost	
As at 1 January 2011	205,548
Additions	211,546
Disposals	(136,826)
As at 31 December 2011	280,268
Disposals	(51,814)
As at 31 December 2012	228,454
Accumulated depreciation	
As at 1 January 2011	145,137
Depreciation for the year	30,910
Depreciation on disposals	(121,757)
As at 31 December 2011	54,290
Depreciation for the year	39,881
Depreciation on disposals	(11,101)
As at 31 December 2012	83,070
Allowance for impairment loss	
As at 1 January 2011	55,627
Decrease during the year	(15,069)
As at 31 December 2011	40,558
Decrease during the year	(40,000)
As at 31 December 2012	558
Net book value	
As at 1 January 2011	4,784
As at 31 December 2011	185,420
As at 31 December 2012	144,826
Depreciation for the year	
2011 (all included in cost of equipment for lease)	30,910
2012 (all included in cost of equipment for lease)	39,881

As at 31 December 2012, certain equipment for lease have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 15.4 million (2011: Baht 6.2 million) (The Company only: Baht 15.4 million, 2011: Baht 2.0 million).

During the year 2012, the Company had transferred certain equipment for lease, which the gross carrying amount before deducting accumulated depreciation and allowance for impairment loss is Baht 51.8 million, to a company in accordance with conditions stipulated in the memorandum.

15. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cost	13,742	10,735	13,742	10,692
Less: Accumulated amortisation	(3,151)	(1,994)	(3,151)	(1,980)
Net book value	10,591	8,741	10,591	8,712

A reconciliation of the net book value of intangible assets for the years 2012 and 2011 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Net book value at beginning of year	8,741	6,454	8,712	6,420
Acquisition of computer software	3,050	3,184	3,050	3,184
Amortisation	(1,175)	(897)	(1,171)	(892)
Disposal	(25)	-	-	-
Net book value at end of year	10,591	8,741	10,591	8,712

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade payables				
Related party	1,624	-	1,584	-
Unrelated parties	967,276	562,130	967,276	562,130
Total trade payables	968,900	562,130	968,860	562,130
Other payables	37	143	37	93
Accrued expenses	105,496	105,894	105,489	105,584
Total trade and other payables	1,074,433	668,167	1,074,386	667,807

17. Long-term loans

(Unit: Million Baht)

	Consolidated / Separate financial statements	
	2012	2011
Long-term loans	76	75
Less: Current portion of long-term loan	(33)	(25)
Long-term loan, net of current portion	43	50

This balance represents a loan from a local bank of the Company under a credit facility of Baht 100 million for use in equipment acquisition for project works. It carries interest at a rate of 5.7% per annum. Principal and interest payments are due from April 2012 to March 2015, totaling 36 installments of Baht 3.06 million each. And the loan is unsecured.

The loan agreement contains covenants as specified in the agreement that, among other things, require the Company to maintain certain debt to equity and debt service coverage ratios according to the agreement.

As at 31 December 2012, no long-term credit facilities of the Company which have not yet been drawn down (2011: Baht 25 million).

18. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Advanced receipts from customers	181,487	116,968	181,487	116,246
Value added tax payable	48,704	30,272	48,704	30,272
Undue output tax	34,083	25,347	34,083	25,347
Withholding tax payable	27,596	29,945	27,596	29,893
Others	4,052	1,158	4,052	1,143
Total Other current liabilities	295,922	203,690	295,922	202,901

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Provision for long-term employee benefits				
at beginning of year	38,466	32,929	37,501	32,248
Current service cost	7,202	6,734	6,922	6,478
Interest cost	1,538	1,318	1,500	1,290
Benefits paid during the year	-	(2,515)	-	(2,515)
Reversal of provision for long-term employee benefits				
of the subsidiary that was sold	(1,283)	-	-	-
Provision for long-term employee benefits at end of year	45,923	38,466	45,923	37,501

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Current service cost	7,202	6,734	6,922	6,478
Interest cost	1,538	1,318	1,500	1,290
Total expense recognised in profit or loss	8,740	8,052	8,422	7,768
Line items under which such expenses are				
included in profit or loss				
Cost of sales	2,977	2,118	2,926	2,075
Selling and administrative expenses	5,763	5,934	5,496	5,693

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2012 (percent per annum)	2011 (percent per annum)	2012 (percent per annum)	2011 (percent per annum)
Discount rate	4	4	4	4
Future salary increase rate				
(dependent on age of employee)	3 - 7	3 - 7	3 - 6	3 - 6
Staff turnover rate	3 - 7	3 - 7	3 - 7	3 - 7

Amounts of defined benefit obligation for the current and previous two periods are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation	
	Consolidated financial statements	Separate financial statements
Year 2012	45,923	45,923
Year 2011	38,466	37,501
Year 2010	32,929	32,248

20. Share capital

Presented below is a summary of movements in share capital during the years ended 31 December 2012 and 2011.

	Issued and fully paid-up share capital (Thousand Baht)	Share premium (Thousand Baht)	Date of registration of additional shares arising from exercise of warrants with the Ministry of Commerce
Balance as at 1 January 2011	330,929	282,838	
Increase from warrants exercise in			
March 2011	2,018	4,641	4 April 2011
June 2011	398	915	6 July 2011
August 2011	3,640	3,640	6 September 2011
September 2011	324	745	5 October 2011
December 2011	153	353	10 January 2012
Balance as at 31 December 2011	337,462	293,132	
Increase from warrants exercise in			
March 2012	1,067	2,453	4 April 2012
June 2012	473	1,087	5 July 2012
September 2012	4,866	6,765	9 October 2012
Balance as at 31 December 2012	343,868	303,437	

21. Warrants

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

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

Presented below is a summary of movement of warrants:

(Unit)

	Warrants issued to existing shareholders	Warrants issued to the Company's/ directors and or employees (ESOP)
Number of warrants issued	5,999,972	3,000,000
Exercised during the year 2009	(765)	(689,500)
Expired during the year 2009	-	(180,000)
Exercised during the year 2010	(4,798,097)	(697,500)
Exercised during the year 2011	(578,610)	(728,000)
Balance as at 31 December 2011	622,500	705,000
Exercised during the year 2012	(599,914)	(681,250)
Expired during the year 2012	(22,586)	(23,750)
Balance as at 31 December 2012	-	-

22. Statutory reserve

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

23. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Salary, bonus, commission and other employee benefits	498,383	529,717	493,124	524,491
Installation and services expenses	597,472	825,940	597,455	825,929
Repair and maintenance expenses	122,567	122,482	122,561	122,482
Depreciation and amortisation	64,671	48,839	64,573	48,631
Entertainment expenses	52,446	46,406	52,441	47,380
Purchase inventories	1,746,550	2,013,828	1,744,708	2,007,751
Changes in inventories	288,478	68,042	286,606	67,107

24. 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.

Diluted 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 plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued. However, there is no calculation of diluted earnings per shares for the year ended 31 December 2012 since warrants were expired as mentioned in Note 21 to the financial statements.

The following table sets forth the computation of basic and diluted earnings per share:

	Consolidated financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2012	2011	2012	2011	2012	2011
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	367,593	438,920	67,967	66,812	5.41	6.57
Effect of dilutive potential ordinary shares						
ESOP	-	-	-	924		
Warrants issued to existing shareholders	-	-	-	542		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	367,593	438,920	67,967	68,278	5.41	6.43

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2012	2011	2012	2011	2012	2011
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	363,619	438,925	67,967	66,812	5.35	6.57
Effect of dilutive potential ordinary shares						
ESOP	-	-	-	924		
Warrants issued to existing shareholders	-	-	-	542		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	363,619	438,925	67,967	68,278	5.35	6.43

25. Segment information

The Company and its subsidiaries business operations involve 2 principal segments: (1) sales and service and (2) rental of equipment. These operations are mainly carried on in Thailand. During the years ended 31 December 2012 and 2011, there were no material activities pertaining to renting segment. For this reason, financial information has not been presented by either industry segment or geographic area.

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

26. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the fund monthly at the rate of 5 – 15 percent of basic salary. The fund, which is managed by MFC Asset Management Public Company Limited and ING Funds (Thailand) Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2012, the Company contributed Baht 20.5 million (2011: Baht 19.1 million) to the fund.

27. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends in respect of the year 2010 operating results	The 2011 Annual General Meeting of the Company's shareholders held on 8 April 2011	199.8	3.00
Interim dividends in respect of the operating results of the six-month period ended 30 June 2011	The Board of Directors's meeting of the Company held on 5 August 2011	100.0	1.50
		299.8	4.50
Final dividends in respect of the year 2011 operating results	The 2012 Annual General Meeting of the Company's shareholders held on 5 April 2012	237.0	3.50
Interim dividends in respect of the operating results of the six-month period ended 30 June 2012	The Board of Directors's meeting of the Company held on 10 August 2012	84.7	1.25
		321.7	4.75

28. Commitments and contingent liabilities

28.1 Operating lease commitments

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

As at 31 December 2012 and 2011, the Company and its subsidiaries have future minimum lease payments required under these leases arrangements as follows:

(Unit: Million Baht)

	As at 31 December			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Payable within				
Less than 1 year	10.8	10.5	10.8	10.4
1 to 3 years	11.7	4.9	11.7	4.9

28.2 Obligations relating to undelivered and unrendered contracts

1. The Company and its subsidiaries have undelivered and unrendered contracts of selling goods and rendering services to their customers of approximately Baht 3,018 million (2011: Baht 2,764 million) (The Company only: Baht 3,018 million, 2011: Baht 2,757 million).
2. The Company has engaged in various contracts, totaling contract value of future service rendering of Baht 257 million (2011: Baht 331 million), to lease the electronic equipment to companies of which the government is a major shareholder, government agencies and various schools. The Company has obliged to complete the equipment installation and render maintenance services of these equipment in accordance with conditions stipulated in the contracts.

28.3 Guarantees

As at 31 December 2012, there were outstanding bank guarantees of approximately Baht 1,187.5 million (2011: Baht 1,137.3 million) which have been issued by banks on behalf of the Company, its subsidiary, its contracted counter parties and consortium between the Company and its subsidiary/its contracted counter parties, guaranteed by the Company, in respect of certain performance bonds as required in the ordinary course of its businesses. These included letters of guarantee amounting to Baht 1,185.1 (2011: Baht 1,134.9 million) million to guarantee contractual performance and Baht 2.4 million (2011: Baht 2.4 million) to guarantee payments due to creditors.

29. Financial instruments

29.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, restricted bank deposits, trade and other payables, short-term loans and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Interest rate risk

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

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

(Unit: Million Baht)

	Consolidated financial statements									
	Fixed interest rates				Non-interest bearing		Total		Effective interest rate	
	Within 1 year		1 – 5 years							
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011 (percent per annum)
Financial assets										
Cash and cash equivalents	65.5	217.1	-	-	179.9	-	245.4	217.1	0.1-1.8	0.1-1.9
Trade and other receivables	-	-	-	-	1,877.9	1,017.9	1,877.9	1,017.9	-	-
Restricted bank deposits	7.8	8.7	-	-	-	-	7.8	8.7	1.7-2.5	1.9-3.3
	73.3	225.8	-	-	2,057.8	1,017.9	2,131.1	1,243.7		
Financial liabilities										
Short-term loans from financial institutions	360.0	-	-	-	-	-	360.0	-	3.4	-
Trade and other payables	-	-	-	-	1,074.4	668.2	1,074.4	668.2	-	-
Long-term loans	33.2	24.8	43.0	50.2	-	-	76.2	75.0	5.7	5.7
	393.2	24.8	43.0	50.2	1,074.4	668.2	1,510.6	743.2		

(Unit: Million Baht)

	Separate financial statements									
	Fixed interest rates				Non-interest bearing		Total		Effective interest rate	
	Within 1 year		1 – 5 years							
	2012	2011	2012	2011						
										(percent per annum)
Financial assets										
Cash and cash equivalents	65.4	213.0	-	-	179.0	2.5	244.4	215.5	0.1-1.8	0.1-1.9
Trade and other receivables	-	-	-	-	1,877.9	1,017.9	1,877.9	1,017.9	-	-
Restricted bank deposits	7.8	8.7	-	-	-	-	7.8	8.7	1.7-2.5	1.9-3.3
	73.2	221.7	-	-	2,056.9	1,020.4	2,130.1	1,242.1		
Financial liabilities										
Short-term loans from financial institutions	360.0	-	-	-	-	-	360.0	-	3.4	-
Trade and other payables	-	-	-	-	1,074.4	667.8	1,074.4	667.8	-	-
Long-term loans	33.2	24.8	43.0	50.2	-	-	76.2	75.0	5.7	5.7
	393.2	24.8	43.0	50.2	1,074.4	667.8	1,510.6	742.8		

Foreign currency risk

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

As at 31 December 2012, the Company had outstanding balance of trade accounts payable denominated in foreign currency of USD 14.7 million (2011: USD 5.4 million) and had certain forward exchange contracts which had been made to cover the purchase of inventories totaling USD 12.3 Million (2011: USD 2.7 million), at exchange rates ranging between Baht 30.60 to Baht 31.45 per USD (2011: Baht 29.87 to 30.91 per USD).

29.2 Fair values of financial instruments

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

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

30. Capital management

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

The group manages its capital position with reference to its debt-to-equity ratio. As at 31 December 2012, the Group's debt-to-equity ratio was 1.5:1 (2011: 1.0:1) and the Company's was 1.5:1 (2011: 1.0:1).

31. Subsequent events

On 14 February 2013, the Board of Directors' meeting No. 1/2556 of the Company passed a resolution to propose the payment of a payment of dividend in respect of 2011 operating results of Baht 2.75 per share, which is an addition of an interim dividend payment of Baht 1.25 per share made in September 2012. The Company will propose to the Annual General Meeting of Shareholders of the Company that such dividend be paid.

32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 14 February 2013.

Management's Discussion and Analysis

1. Overview of Past Performance

Following the worst flood in decades in late 2011, the government gave immediate priority to the prevention and mitigation of floods that might threaten in the future; additionally the government shifted its focus to the restoration of the economy – which had been badly affected during and following the devastating floods. This resulted in an adjustment of the government's budget for fiscal year 2012; which as a result, saw other economic sector budgets were severely cut back. IT projects for example were markedly reduced in both quantity and value. As a consequence, the AIT performance in both revenue and net profit were lower in 2012 compared with those in 2011. AIT sold all of its shares in its subsidiary, Maple Plus Co., Ltd. The shares were sold at the book value price, and as such this is recorded as a loss under the sale of investments in the financial statements. Meanwhile, the Company has invested in TowerXasia Limited company; this is now becomes a subsidiary company and also a Loxley & AIT Holdings Limited Company (which is a joint venture between AIT and Loxley Wireless Co., Ltd.) Since the performance of the AIT subsidiaries are still considered not significant, the 2012 financial discussion and analysis will be based on separate financial statements.

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

1.1 Revenue and Cost of Sales from Services and Service Business.

Revenues from the sales and services business consisted of sales of equipment; sales of software; application development and sales of turnkey projects which included consultation, design, installation and training. Both MA and after sales services are also included as part of the revenues.

The major source of the Company revenues comes from the government sector including TOT, CAT, the Office of the Higher Education Commission, the Industrial Estate Authority of Thailand and some other large enterprises. The performance of the sales and services business can be summarized as follows:

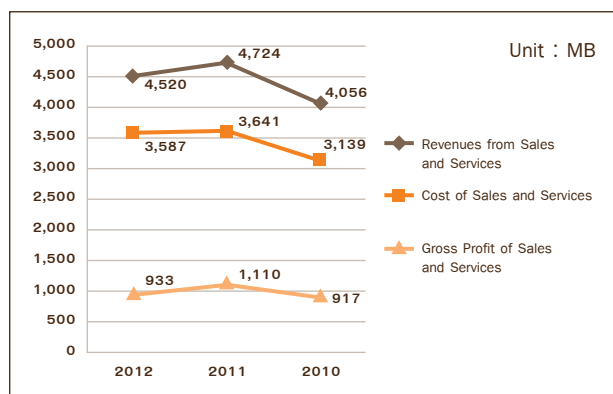


Chart of Revenue, Cost and Gross Profit from Sales and Services Business

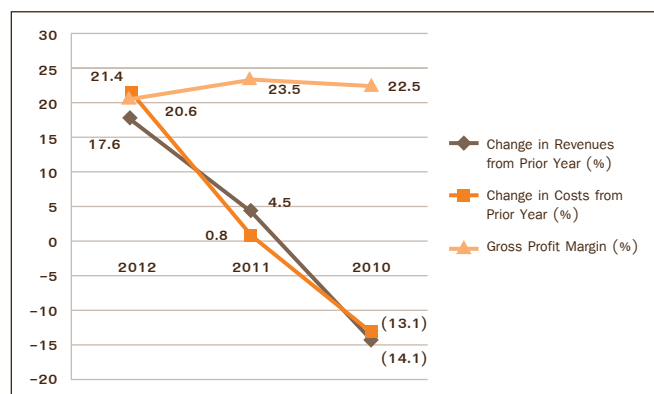


Chart of the Changes in Revenue, Costs and Gross Profit from Sales and Services Business (%)

From the chart above, in 2012 the Company revenue from sales and services was a 4,056 MB decrease from the 4,724 MB gained last year – this represents a 668 MB or 14.1% decrease on last year. This happened because most of our major customers are in government sector; so when much of the government budgets related to ICT projects declined, the number of the projects received also dropped as a consequence of these changes. While the Company revenue from sales and services in the year 2011 was 4,520 MB, which was an increase from 4,250 MB, representing 204 MB or a 4.5% increase, from the year 2010; the reason this happened was that the number and value of realized projects much greater than those from the year 2010. There were also projects from new government agencies at that time as well.

Table Comparing Revenues from Sales and Services:

Total Projects by Value	No. of Projects		
	2012	2011	2010
>100 MB	8	6	11
50-100 MB	5	12	6
20-50 MB	40	44	30
10-20 MB	22	30	28
<10 MB	548	555	415
Total project value >10 MB	1,276	1,290	2,037
Total project value at 50-100 MB	1,619	2,118	2,544
Total Project Value MB	4,056	4,724	4,520
No. of Projects	612	647	491

From the table above it shows that the number of projects in 2012 was slightly decreased from 2011. The exact amount was a drop from 647 projects in 2011, to 612 projects in 2012. Similarly, the realized revenue from project values of over 100 MB also slightly decreased from 1,290 MB in 2011 to 1,276 MB in 2012. The revenue realized from project values of 50-100 MB showed a dramatic decrease to 1,619 MB in 2012 from 2,118 MB in 2011, this represents a 499 MB or 23.6% decrease in 2012. Therefore, we can see that the significant decrease in the revenue from sales and services in 2012 was due mainly to the drop in the revenue realized from the project values of 50-100 MB.

In 2011, the Company's revenue from sales and services was 4,724 MB, which was an increase from 4,520 MB in 2010, representing a 204 MB, or 4.5% increase over 2010. Also as shown in the table above, although the number of realized projects of 647 projects in 2011 was much greater than those in 2010 of 491 realized projects, the revenue realized from project values over baht 50 million was less than that in 2010.

The cost of sales and services for projects for this business mainly consists of project submission and bidding expenses, the cost of equipment, the cost of application software and costs of development, the cost of design and installation, together with the cost of operations and after sales service staff. The increase or decrease in the cost of sales and services varied in proportion to the increase or decrease in revenues. Similarly, in the year 2012, the cost of sales and services decreased as revenues decreased as compared to the year 2011. The cost of sales and services in 2012 was decreased to 3,139 MB over 3,614 MB in 2011, this represents a 475 million or 13.1% decrease on 2011. This shows that the reduction rate in cost of sales and services was actually less than the reduction rate of revenues of 14.1%. This happened because the gross profit margin from projects in 2012 was slightly decreased, when compared to 2011, as a result of some large projects in 2012 for equipment sales and installation, which normally exhibit lower gross profit margins due to higher competition and the nature of equipment sales projects which normally have low margins.

The cost of sales and service in 2011 increased in line with the increase of revenue. The cost of sales and services in 2011 was 3,614 MB, which was an increase from 3,587 MB, representing a 27 MB, or 0.8%, increase on 2010. It shows that the rate of increase in the cost of sales and services was lesser than the increase in the rate of revenue, which was 4.5% due to many large projects in 2011, and which generated higher gross profit margins than those in 2010, as a result of the uniqueness of the projects. The large projects in 2010 were equipment sales projects which normally have low margin. Aside from those reasons, the cost structure may also affect the increase in the rate of costs comparing to the increase in the rate of sales each year.

1.2 Revenues and Cost of Equipment for Lease Business

Revenues on equipment lease business came from the leasing of telecommunication and computer equipment. Most of our customers are state owned enterprises, government agencies and education institutions. The performance of equipment for lease business can be summarized as follows:

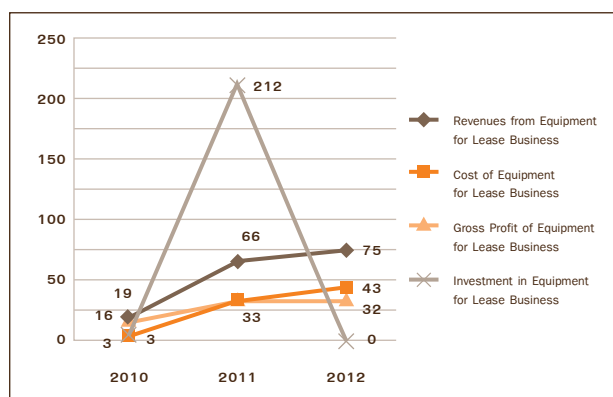


Chart of Revenues, Cost, Gross Profit and Expenses of Equipment of Lease Business

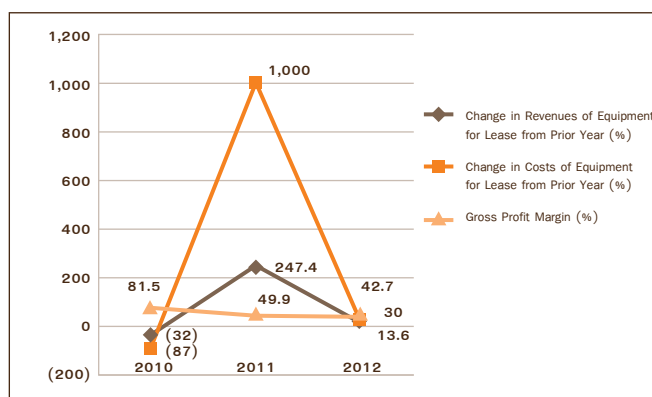


Chart of the Change in Revenues, Cost, Gross Profit and Expenses of Equipment of Lease Business

The expenses of equipment for lease shows that in 2012 the Company has made no investment in equipment for lease because the company didn't receive any new leasing projects. However, as shown in the chart above the project that generates the highest leasing income had and necessary investment of 212 MB in 2011.

Revenues from equipment for lease business in 2012 were 75 MB, which is an increase from 66 MB in 2011, which is a 9 MB or 13.6% increase over 2011. The growth of revenue in 2012 mainly came from the equipment leasing projects which were invested in 2011. The revenue was fully realized in 2012 and partly realized in 2011. That was a main reason why revenue in 2011 was 66 MB increasing from 19 MB in 2010, which represents a 47 MB or 247.4 % increase. Moreover, the remaining contracts were gradually expired; and if the remaining contracts were extended, their incomes were much lower than those from the prior contracts.

The costs associated with equipment for lease are mainly for depreciation and maintenance of the equipment. An increase or decrease in the cost of equipment for lease is related to the use of the contract equipment. Gross profit margin on equipment for the lease business in 2012 and 2011 were quite close, 42.7% in 2012 and 49.9% in 2011 respectively. This is because the most of the revenue realized came from the same project. Gross profit margin on equipment for the lease business between 2011 and 2010 were quite different. In 2011 the gross profit margin was 49.9% which resulted from cost of the project – while in 2010, the gross profit margin was 81.5% – this was very high because the existing leasing contracts were extended and the equipment involved was fully depreciated. Thus, the revenue was generated while there had no main cost of equipment for lease.

1.3 Other Incomes

Other incomes which related to the core business of the Company are shown in Other Incomes and can be presented as a type of income each year as follows:

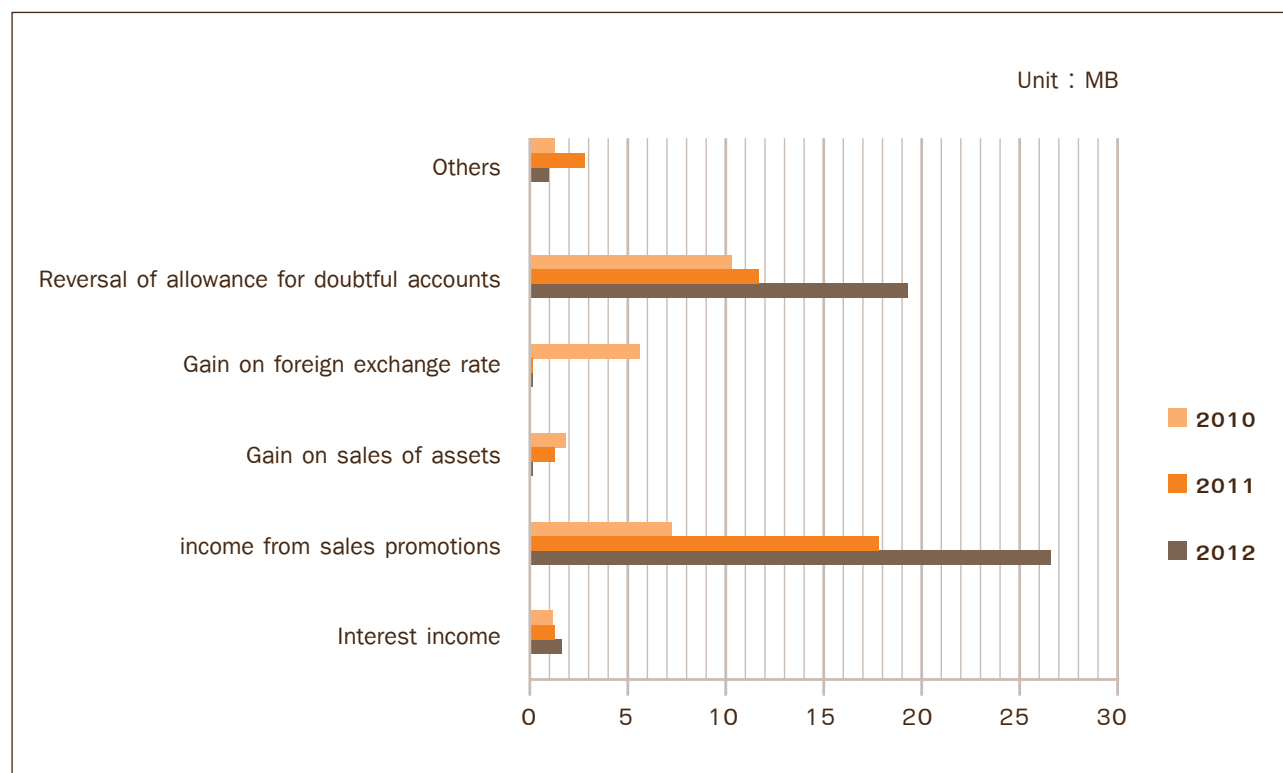


Chart of Sources of Other Incomes

From the chart above, the factor that drives Other Incomes to increase continuously from 2010 to 2012 came firstly from sales promotions revenue from foreign suppliers and secondly the reversal of allowance for doubtful accounts. The total Other Incomes in 2012 was 48.2 MB, which was an increase from 34.4 MB in 2011, representing a 13.8 MB or 40.1% increase. While the Other Incomes in 2011 were 34.4 MB, which is an increase from 26.4 MB in 2010, representing an 8 MB or 30.3% increase. However, the type of Other Incomes in 2011 and 2012 that decreased from 2010 was the gain on foreign exchange rate which had resulted from the strengthening of the Baht against the USD at the end of 2010.

1.4 Selling and Administrative Expenses

Selling and administrative expenses in the period from 2010–2012 are shown for each year in the table below:

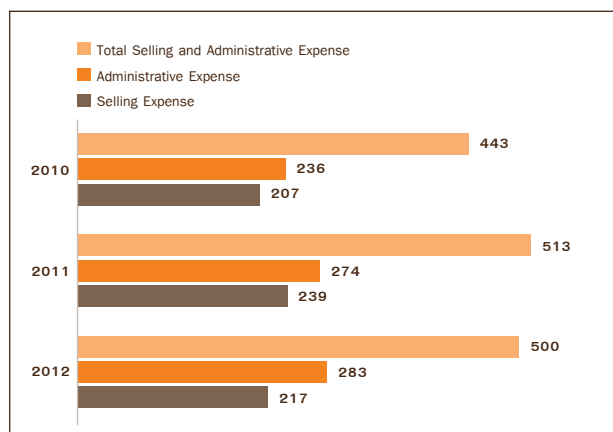


Chart of Selling and Administrative Expenses

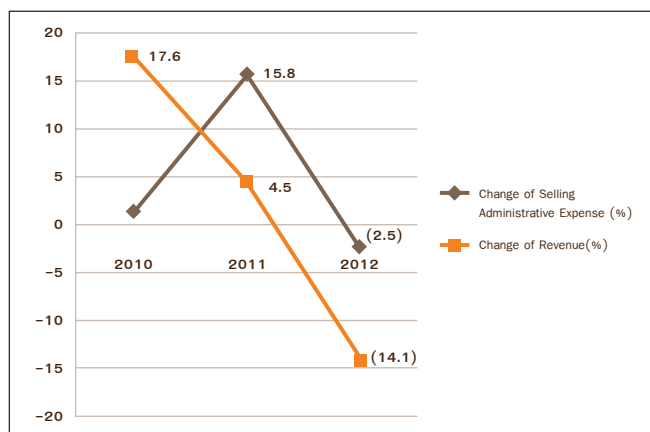


Chart of the Changes in Revenue and Changes in Selling and Administrative Expenses (%)

Selling and Administrative Expenses typically varies in line with revenues. As seen in 2012, the Selling and Administrative expenses totaled of 500 MB which was a decrease from 513 MB in 2011, representing a 13 MB or 2.5% decrease. The rate of change in Selling and Administrative expenses was higher than the rate of change in revenue, which was 4.5%. Most of the expenses are employee bonuses, commissions and other expenses which also decline in line with a decrease of revenue in 2012. However, these reductions of expenses were offset by an increase of fines from a late delivery of a project of some 25 MB; entertainment expenses which was 6 MB; financial advisory fees which were increased to 3 MB; and employee benefits expenses which were increased to baht 3 MB. Therefore, the decrease in the rate of expense was lower than the decrease in the rate of revenue.

Total selling and administrative expenses in 2011 were 513 MB, which was an increase from 443 MB in 2010, this represented a 70 MB or 15.8% increase. Such a rate of change of expense was higher than the rate of change of revenue. The main reason was that the company had set an allowance for doubtful accounts for long outstanding accounts receivable of 22 MB; employee bonuses and commission of 32 MB (which resulted from higher profit margins in 2010); employee welfare, especially financial assistance for flood relief, was 5 MB, and entertainment was 5 MB.

1.5 Net profit and Net Profit Margin

The change in net profit usually varies in line with the change in revenue. However, the increases or decreases of some expenses were not in line with the change in revenue. As a result, the rate of change in revenue and profit were also therefore not in line accordingly.

During 2010–2012 the significant financial matters can be summarized as follows:

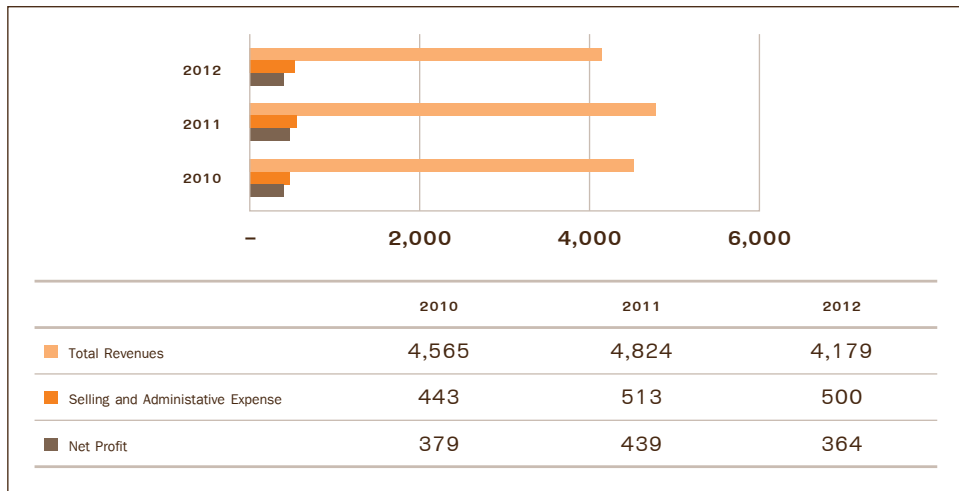


Chart of Comparison of Net Profit to Total Revenues

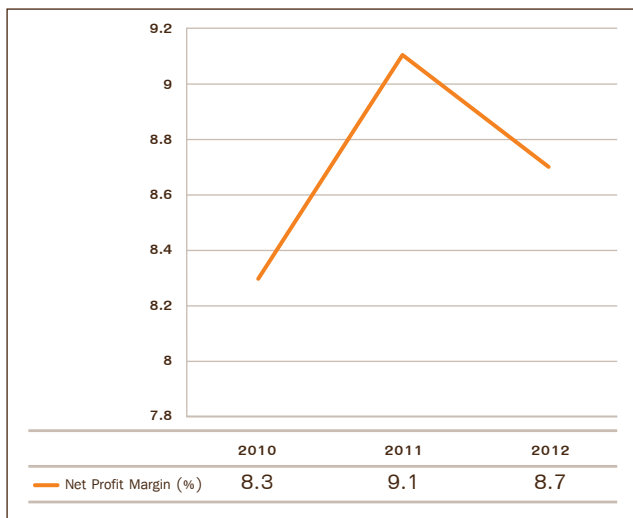


Chart of Change in Net Profit

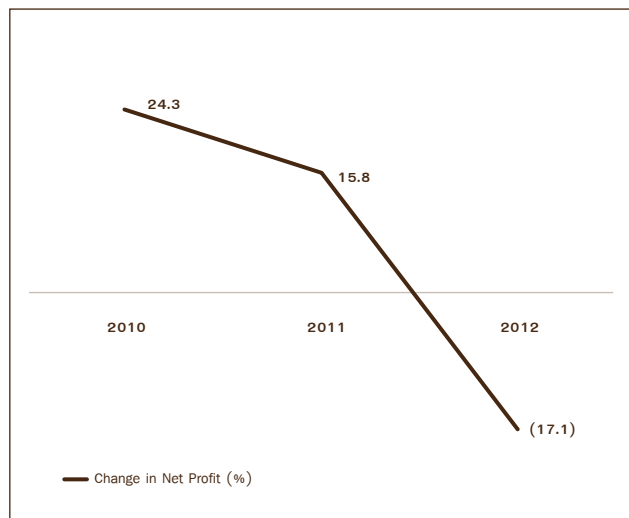


Chart of the Change in Net Profit Margin

Net profit in 2012 was 364 MB, which was a decrease from 439 MB within 2011, which represents a 75 MB or a 17.1% decrease. This is evident not only from the sales revenue figures showing the drop between 2012 and 2011, but also from sales and admin expenses in 2012: such as the fine for late delivery; the increase of the annual salary base; entertainment fees and financial advisory fees; and all while the budget and projects from the government were being cut back and declined. As the result, the net profit margin dropped to 8.7% in 2012 from 9.1% in 2011.

Net Profit in 2011 was 439 MB, against 379 MB in 2010, which was a 60 MB, or a 15.8%, increase over 2010. It was evident that the revenue and gross profit margin of project sales in 2011 were higher than those in 2010 which provided better coverage of fixed expenses, resulting in a higher net profit margin of 9.1% in 2011, compared to 8.3% in 2010 – which was despite the fact that the increased rate of expenses was higher than the increased rate of revenue.

2. Financial Status

2.1 Assets

	Separate Financial Statements					
	2012		2011		2010	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Assets						
Current Assets						
Cash and Cash Equivalents	244,380	6.7	215,461	7.9	249,075	10.4
Current investment	-	-	-	-	3,023	0.1
Trade Accounts and Notes Receivable – Net	1,877,929	51.1	1,017,922	37.2	1,055,669	44.1
Unbilled Receivables	823,205	22.4	603,692	22.1	73,037	3.1
Inventories – Net	461,583	12.5	569,549	20.9	805,325	33.7
Other Current Assets	21,093	0.6	55,105	2.0	94,563	3.9
Total Current Assets	3,428,190	93.3	2,461,729	90.1	2,280,692	95.3
Non-current Assets						
Restricted Bank Deposits	7,837	0.2	8,691	0.3	56,229	2.4
Investment in Subsidiaries	25,000	0.7	-	-	-	-
Buildings and Equipments – Net	1,000	-	10,999	0.4	10,999	0.5
Equipments for Lease – Net	47,508	1.3	46,864	1.7	22,498	0.9
Intangible Assets – Net	144,826	4.0	185,420	6.8	4,784	0.2
Other Non-current Assets	10,591	0.3	8,712	0.3	6,420	0.3
Total Non-current Assets	8,870	0.2	9,118	0.4	10,884	0.4
Total Assets	245,632	6.7	269,804	9.9	111,814	4.7
Assets	3,673,822	100.0	2,731,533	100.0	2,392,506	100.0

Total assets in 2012 were equal to 3,674 MB – which represented a 942 MB, or 34.5%, increase from 2,732 MB in 2011. Current assets were the major portion of assets which accounted for around 93.3% of the total assets – which is the same proportion as in 2011 and 2010. Assets which increased significantly were trade accounts and unbilled receivables – which increased 860 MB and 220 MB or 84.5% and 36.4% respectively. The increase in account receivables occurred at the end of the year. The company won many projects under the new fiscal year budget 2013, after a large amount of the budget for flood prevention in 2012 had been allocated. Unbilled Receivables included revenues that were not invoiced due to the conditions in contracts. These projects were involved in: application development – which took a long time to finish; and projects under installation or projects waiting for delivery e.g. TOT billing system, PEA's management's decision support system and Fiber Optic Cable Network, of Higher Education Commission. Moreover, some projects were completely installed but could only be partly invoiced due to the term given in the contract e.g. the CCTV installation of industrial estate authority of Thailand. Therefore, unbilled receivables increased.

For other assets that increased from the year 2011 e.g. investment for 25 MB with Loxley Wireless to setup a joint venture for ICT and telecommunication in ASEAN countries. However, the increase in total assets was net with the decrease in some important assets – such as the decrease in inventories from 570 MB in 2011 to 462 MB in 2012 – representing a 108 MB, or 23.4%, decrease. This happened because many completed projects were delivered – resulting in an increase in account receivables. Besides this, during 2012 the company sold its shares in Maple Plus Co., Ltd. – at book value because the subsidiary was not profitable for a long term trend. This was net with the Company's investment in TowerXasia co., Ltd., a subsidiary, for preparation of projects relating to tower companies. Thus, the net investment in subsidiaries decreased 10 MB; while other current assets in 2012 were decreased when advanced payment for products and services decreased 34 MB from 2011. During 2012 the Company received payment for products and services which was already paid for in advance from the beginning of the year.

Total assets of the company in 2011 were equal to 2,732 MB – which was an increase of 339 MB, or 14.2%, from 2,393 MB in 2010. Assets which increased significantly were unbilled receivables which increased 531 MB. The reason was that the company has recognized revenues by percentage of completion but could not issue the invoices since the delivery has not met the criteria of the contract. The projects, for example, are a billing system, development of Data Quality of TOT and PEA's system development project of decision support system etc. Besides this, another part of these assets which increased in 2011 was in the investment in equipment for a lease which the company had won in a bid, and an investment in spare parts for the replacement of expired spare parts. In total, the equipment for lease increased 181 MB and spare parts increased 24 MB.

Although total assets increased, some items in the Company's assets in 2010 also decreased. These included 1) inventories reduced 236 MB because the Company had already recognized revenue from work-in-progress for projects carried over from 2010. Meanwhile due to the floods at the end of 2011, new investment was in a slow down compared to those in 2010. 2) Account Receivables decreased 38 MB – the reason was that the company has recognized revenues that were not yet invoiced due to the conditions in contracts. Therefore account receivables transformed to become unbilled receivables. 3) Other current assets decreased 39 MB resulting from the decrease of advanced payment for products and services by 46 MB. This is because, at the end of 2010, there were many large projects which needed advance payment in order to be completed in 2011. Meanwhile, at the end of 2011, there was a decrease in advance payments according to the decrease in the rest of the works at the end of 2011. 4) There is a decrease in restricted bank deposits of 48 MB. In order to increase efficiency in financial management and add more liquidity to the company, we have negotiated for that financial institute to release these deposits.

2.2 Liabilities

	Separate Financial Statements (% of total liabilities and shareholders' equity)					
	2012		2011		2010	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Liabilities						
Current Liabilities						
Short term loan from financial institution	360,000	9.8	–	–	–	–
Trade and other payables	1,074,386	29.2	667,807	24.5	754,807	31.6
Unbilled payable	332,813	9.1	257,620	9.4	165,106	6.9
Current portion for long-term loans	33,235	0.9	24,801	0.9	–	–
Income Tax Payable	42,007	1.1	102,759	3.8	42,796	1.8
Other current liabilities	295,922	8.1	202,901	7.4	165,584	6.9
Total current liabilities	2,138,363	58.2	1,255,888	46.0	1,128,293	47.2
Non-Current Liabilities						
Long term loans, net of current portion	42,981	1.2	50,199	1.8	–	–
Provision for long-term employee benefits	45,923	1.2	37,501	1.4	32,248	1.3
Total Non-current liabilities	88,904	2.4	87,700	3.2	32,248	1.3
Total Liabilities	2,227,267	60.6	1,343,588	49.2	1,160,541	48.5
Shareholders' equity	1,446,555	39.4	1,387,945	50.8	1,231,965	51.5
Total liabilities and shareholders' equity	3,673,822	100.0	2,731,533	100.0	2,392,506	100.0

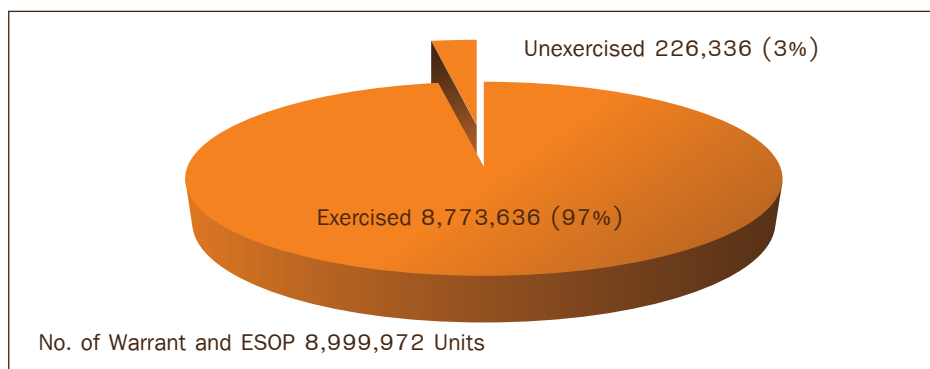
For many years, the Company liabilities have been mainly current liabilities. In 2012 the Company had total liabilities of 2,227 MB – representing an 884 MB, or 65.8%, increase from 2011. These increases were from: 1) A short term loan of 360 MB to compensate a delay of payment from a large project – since there was a complication at the stage of delivery inspection. 2) Trade and payables of 407 MB – because at the end of 2012 many projects were received, so that purchase of equipment for those projects and account payables also increased. 3) Unbilled Payables of 75 MB – at the end of 2012 many projects were delivered so that expenses which were not due or expenses according to after sales service warrantee increased. 4) Other Current Liabilities of 93 MB – mainly were the increase of sales tax payables from invoices of the projects delivered at the end of the year and advanced payments received from customers. There was also an advanced payment from a large project which occurred at the end of year. However, the Company's liabilities were sometimes also decreased, such as: income tax payables which decreased 61 MB from that in 2011 due to the fact that revenues and profits were declined together with the income tax rate of 2012 which was decreased from that in 2011 – that is from 30% in 2011 to 23% in 2012.

In 2011 the Company's total liabilities were equal to 1,344 MB, representing a 183 MB, or 15.8 %, increase from 1,161 MB in 2010. The main increase consisted of: 1) A Long Term Loan increased 75 MB; 25 MB from the current portion due within 1 year and the rest of 50 MB being longer term. This long term loan is set for projects which require payment terms which are for a monthly period for 5 years. 2) Income tax payables increased 60 MB, resulting from good performances and generating more profit and the tax rate increased to be 30% for the profit over 300 MB in 2010. 3) Other Current Liabilities increased 37 MB e.g. advanced payments received from customers due to an advance receipt at the end of year for large projects, together with other projects which have received advanced payments – but which still have some outstanding for portions which have not yet been delivered. If looking to the overall trade and other payables and unbilled payables, it was found that total for both items of 925 MB and 920 MB for 2011 and 2010 respectively were very close, but were shown as separate items. This means that for projects delivered in 2011, suppliers have not yet invoiced on the Company – amounting to unbilled payables; while for projects delivered in 2010, suppliers have already invoiced on the Company – amounting to trade payables.

2.3. Shareholders' Equity

Share capital and warrants

The Annual General Shareholders Meeting of the Company was held 20 April 2007 passed a resolution to issue and offer warrants free of charge by separating them into warrants for existing shareholders amounting to 5,999,972 units and warrants for directors and/or employees amounting to 3,000,000 units. The exercise period expired as of 30 September 2012. The program can be summarized in the chart below: Exercised warrants 8,773,636 units and unexercised 226,336 units.



Dividends and Return to Shareholders

From its past performance, the Company has continuously paid dividends to its shareholders. During the past 3 years, the Company has also paid interim dividends from 2010-2012 as shown in the table below:

Table for dividends payment

	2012****	2011***	2010**
Net Profit (MB)	364	439	379
Dividend Paid (MB)	275	336	295
Dividend (Baht per share)	4.0	5.0	4.50
Basic Earning per Share	5.35	6.57	5.97
Dividend payout Ratio (%)	75.32	76.60	77.91
No. of Shares (Million Shares)*	68.8	67.5	66.2

Remarks:

* Par Value is 5 Baht per Share

** The Board of Directors' Meeting on 6 August 2010 passed a resolution to pay an interim dividend of 1.50 Baht per share. Later, the Board of Directors' meeting on 21 February 2011 passed a resolution to pay a dividend for the 2010 performance at 3.00 per share.

*** The Board of Directors' Meeting on 5 August 2011 passed a resolution to pay an interim dividend of 1.50 Baht per share. Later, the Board of Directors' meeting on 17 February 2012 passed a resolution to pay a dividend for the 2011 performance at 3.50 per share

**** The Board of Directors' Meeting on 20 August 2012 passed a resolution to pay an interim dividend of 1.25 Baht per share. Later, the Board of Directors' meeting on 14 February 2013 passed a resolution to pay a dividend for the 2012 performance at 2.75 Baht per share. The Company will propose such dividend payments at the Annual General Meeting of the Company's Shareholders for further approval.

2.4 Liquidity

Cash flow Statements

Unit: Thousand Baht

	2012	2011	2010
Cash flow Statements			
Cash Flow from Operating Activities	25,599	378,515	168,300
Cash Flow from Investing Activities	(52,922)	(204,227)	(10,340)
Cash Flow used in Financing Activities	56,241	(207,902)	(152,069)
Net Increase (Decrease) in Cash and Cash Equivalents	28,918	(33,614)	5,891

In 2012, the Company had an increased in net cash flow of 29 MB. Cash flow from operating activities of 26 MB was due to good operating performance from the delivery of more projects so that work-in-progress was reduced to 108 MB by the end of 2011. Besides this, the Company still holds a large cash flow from account payables, expenses for after-sales services and advances receive from customers during the end of year totaling 573 MB, and net with cash outflow for account receivables and unbilled receivables for a total of 1,057 MB. Since most receivables are from projects which were just delivered in December 2012, this meant that payments were not yet due, also some projects were not invoiced as the projects had not been completed according to the invoicing criteria. These projects typically consumed long periods of time and had complicated inspection criteria. Therefore, the cash flow was being held up for these projects. For Cash Flow used in Investing Activities, the Company used a cash flow of 53 MB to invest: in the Joint Venture Company and Subsidiary it used 26 MB; and for the purchase of equipment, building renovations and software licensees it used 27 MB. The Company received a net cash inflow of 56 MB after borrowing 360 MB, exercising warrants for 17 MB net, and with dividend payments of 322 MB.

In 2011 the Company had an increase in net cash flow of 34 MB. The cash flow from operating activities of 379 MB was due to better operating performance from delivered projects in 2010 and the receipt of some payments. Besides this, the Company was able to decrease advance payments for products and services and was able to increase the advances received from customers in some projects. However, cash flow was spent in the operation of a project which was unbilled due to work which was not done in accordance with the project criteria for invoicing. The Company used a cash flow of 204 MB for investment in equipment for lease and spare parts – for adding into stock, for the replacement of expired equipment for customer service and also for the replacement of old equipment. However, the Company received a cash flow from a restricted bank deposit in order to use in its operations. For financing activities, the Company used a cash flow of 208 MB for dividends of 300 MB from its long term reserves for projects which had payment periods longer than 1 year, together with cash flow from warrants and ESOP exercises.

In 2010 the Company has an increase in net cash flow of 6 MB. Cash inflow from operating activities of 168 MB was due to better operating performance, longer credit terms of trade account payables, from 42 days in 2009, to become 57 days in 2010. A portion of the cash flow from operating activities was spent in inventories and advance payments for goods. The Company invested in building improvements and equipment of around 16 MB. The Company also invested in software licenses and equipment for the lease business, as well as an additional funding of its subsidiary company Maple Plus Co., Ltd. However, the Company also received money from restricted bank deposits. The Company spent 152 MB for paying dividends which was netted off with more money from the warrant exercises.

Financial Ratio

Liquidity Ratio	Separate Financial Statements		
	2012	2011	2010
Liquidity Ratio (Times)	1.60	1.96	2.02
Quick Ratio (Times)	1.38	1.46	1.22
Cash Ratio (Times)	0.02	0.32	0.16
Trade Account Receivables Turnover (Times)	1.91	3.48	4.05
Average Days Sales Outstanding (Days)	191	105	90
Inventory Turnover (Times)	6.17	5.31	5.88
Average Days Sales Period (Days)	59	69	62
Accounts Payable Turnover (Times)	3.65	5.13	5.85
Average Days Payable Outstanding (Days)	100	71	62
Cash Cycle (Days)	150	103	90

From the Company's Liquidity Ratio, it is found that trend of liquidity ratio from 2010-2012 has declined from 2.02 to 1.96 and to 1.60 in the year 2010, 2011, and 2012 respectively. Average Days Sale Outstanding increased continuously from 90 days to 105 days and 191 days for 2010, 2011 and 2012 respectively. The Company Cash Cycle increased from 90 days to 103 days and 150 days in 2010, 2011 and 2012 respectively. These ratios indicate a similar trend for unbilled receivables which have also increased continuously. The reasons for this is that certain projects were not completed by in accordance with the criteria for issuing an invoice and that these projects consumed longer period of time since they are so complicated at the inspection stage. Cash inflow as a consequence was therefore delayed and resulting in a longer Cash Cycle. Additionally, the Average Days Payable Outstanding increased resulting in the need for more project finance by borrowing both short term and long term debt. These lead to the Liquidity Ratios decreasing continuously.

2.5 Sources of Funds

	Separate Financial Statements		
	2012	2011	2010
Financial Policy Ratio			
Debt to Equity Ratio (Times)	1.54	0.97	0.94

The Company's debt to equity ratios 0.94, 0.97, 1.54 times in 2010, 2011 and 2012 respectively, clearly reflected that prior to 2012 the main sources of funds were from equity more than from borrowing. However in 2012 the sources of funds are from borrowing more than from equity. This was as a result of projects that were not completed to the necessary invoicing criteria and therefore the Company has been unable to collect payments. This happened because these projects took a longer time to finish due to complications from the project inspection stage. Therefore, when new projects were acquired, the company then needed additional project finance.

» Corporate Social Responsibilities

Good Corporate Governance

With an awareness of the importance of good governance, the Company's Board of Directors has employed the good corporate governance initiative, not only as a tool to add more value, but also to promote the Company's sustainable growth; to increase management efficiency, transparency and accountability; and as importantly, to continue to build confidence in its shareholders, stakeholders and all other relevant parties. The Company's Board of Directors continues to monitor, supervise and where possible, to improve the use of good corporate governance policies throughout the Company.

The Company reminds all employees to be aware of its practice of its good corporate governance policies. The Executive Committee and the Internal Audit Department, under supervision of the Audit Committee, report the evaluation results of the good corporate governance policies within the Company to the Audit Committee and the Board of Directors.

There are 5 items necessary for effective good corporate governance policies according to the Corporate Governance Center at the stock Exchange of Thailand:

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

1. Rights of Shareholders

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

1.1 The Shareholder's Meeting

The Company determines that the Annual General Shareholders Meeting shall be held annually with no more than four (4) months from the end date of the Company's fiscal year. The shareholders are eligible for attending the Annual General Shareholders Meeting and casting a vote are required to be registered on the shareholders book on what is called the record date. The number of shares each shareholder are entitled to cast votes shall follow the details on the shareholders book on the record date. The record date shall be scheduled on a date that is no more than two (2) months before the Annual General Shareholders Meeting and after the date the Board of Directors gives approval for the Annual General Shareholders Meeting. Once the Board of Directors has approved the record date this also sets the list of shareholders eligible for attending the Annual General Shareholders Meeting and that date shall not be changed. In some urgent cases, the Company may also need to call an Extraordinary General Meeting.

The Company held the 2012 Annual General Shareholders Meeting No.1/2012 on April 6th, 2012 at Ballroom 2 Sofitel So Bangkok Hotel, Bangkok. The Company Directors were in attendance along with the Senior Executive Auditors of Ernst and Young Limited Company Limited who conducted the report on the financial results. The Chairman conducted the meeting as required by law. All agenda items were approved at this Meeting.

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

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

In order to inform the shareholders to prepare for the upcoming Annual General Shareholders Meeting, an announcement will also be published three (3) days prior to the meeting date by newspaper; the AIT corporate web site at www.ait.co.th will publish the same detail prior to the scheduled Shareholder Meeting.

1.3 Annual General Shareholders Meeting Facilitation

The Company equally facilitated a warm welcome to all shareholders and to assist with the shareholder registration one (1) hours process prior to the scheduled Annual General Shareholders Meeting start time; as well as being on hand to provide banquet refreshments to the shareholders throughout the event.

1.4 Operation of the Annual General Shareholders Meeting

Prior to the start of the Annual General Shareholders Meeting, in accordance with the Company's regulations, the Chairman will ensure that all shareholders are informed on the voting procedure for each agenda item. The meeting attendees are welcome to raise discussion questions or make comments and recommendations for each agenda item. The Executive will answer all questions clearly.

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

1.5 Reporting Practice of Conflicts of Interest

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

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

1.6 Action after the Annual General Shareholders Meeting

The Company sends the minutes of Annual General Shareholders Meeting, including the recorded details for each agenda item to The stock Exchange of Thailand and the Exchange Commission within 14 days of the Meeting; additionally, the minutes are published on the corporate website at www.ait.co.th so as to inform all investors and shareholders. Video and audio records of the Annual General Shareholders Meeting may be requested by individual shareholder or other investors.

2. Equality of Shareholders' Rights

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

2.1 Proposed Meeting Agenda and Documentation

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

The Company notifies shareholders through the stock Exchange of Thailand and the corporate website at www.ait.co.th.

2.2 Proxy to Attend Meetings and Vote

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

2.3 Access to Company Information

A shareholder of the Company may access information on AIT which is distributed and available equally to all shareholders through one of the following channels:

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

3. Rights and Roles of the Stakeholders

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

- A Code of Ethics for Executives to the various Stakeholders (see below), and
- A Code of Ethics for Employees (see Section 9.2)

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

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

Executives to Shareholders

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

Executives to Employees

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

Executives to Customers

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

Executives to Traders or Creditors

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

Executives to Competitors

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

Executives to Society Overall

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

4. Information Disclosure and Transparency

4.1 The Board of Directors shall be responsible for financial statements and general information for shareholders and general investors with transparency, accountability and punctuality with explanation information provided on the performance, policies, future trend, successes and obstacles. Such information is disclosed in the annual report, the annual information disclosure form (56-1 form) and via the Company's website at www.ait.co.th in both Thai and English languages for disseminating to the investors, the shareholders and the stakeholders as determined by the law, the stock Exchange of Thailand and general accounting standards. All financial statements are reviewed and examined by the Company's auditors, the Executive Committee, the Audit Committee and the Board of Directors.

4.2 Disclosure of any interrelated transactions shall be disclosed in substantiated details for the shareholders. The information includes the pricing policy for the interrelated transactions in a case of interrelated trade, lending for interrelated businesses, borrowings from interrelated business, accounts receivable and payable for interrelated businesses, investment in interrelated business, guarantees and collaterals for related businesses. This is to allow the investors and the shareholders to acknowledge such information with transparency. Under requirements on the interrelated transactions, when the Company and its subsidiaries have interrelated transactions with associated companies or related persons in terms of joint benefits, the Company and its subsidiaries are required to follow business conditions for the associated companies and persons on an arm's length basis. If there is any interrelated transactions that falls under the conditions of the interrelated transactions of listed companies with its subsidiaries or joint ventures, controlling persons or management executives, the Board of Directors shall review and proceed on the principles, procedures and disclosure of the interrelated transactions according to the Securities and Exchange Commission's rules and regulations, and the stock Exchange of Thailand.

4.3 Establish policy to prevent relevant executives and employees to misuse the Company's inside information for personal benefit or others' advantages and ensure executives report their shareholdings every time there is a change of shareholding (Form 59-2) to the Securities and Exchange Commission and the stock Exchange of Thailand comply with regulations. Protection of inside information is required by law. The Company policy is to adhere to strict business ethics, integrity, and morality in order to reassure customers, trade partners, investors, and shareholders. The codes of conduct are set out for management executives and employees at all levels to follow in order to prevent disclosure of any important information or access to sources of information without permission or improper intent. In the case that any employee is found breaching the regulations, such employee shall be considered having made a serious wrongdoing and may be punished in accordance to the regulations allowed.

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

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

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



5. The Committees Responsibilities

5.1 The Structure and Responsibilities of Committees

The Company has four (4) committees: the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, and the Executive Committee. These committees have been formed in order to provide a proper assignment of duties and authority to provide for a clear direction and the most efficient Company operation. The Board of Directors shall determine the corporate goal, and determine roles, duty and authorities for the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, and the Chairman of the Board. The Executive Committee shall set the Company policy, direction and strategy in operating business to achieve the corporate goal set by the Board of Directors. The Audit Committee shall review the Company's operations to be compliant with the relevant laws. The Nomination and Remuneration Committee shall consider the remuneration of directors, all subcommittees, president, or any persons appointed by the Board of Directors. Additionally, the Nomination and Remuneration Committee shall consider compensation packages for the Company's management and employees in terms of bonus and annual salary increases, and then propose these at the Board of Directors' meeting for approval. Furthermore the Board of Directors shall set the internal control systems, internal audit department, and the measures for effectively managing risk. The Board of Directors shall also set out a monitoring plan and review the performance regularly at the Board of Directors' meeting.

5.2 Balance of Power of Non-Executive Directors

According to the Company's Regulations No.14, the Board of Directors will comprise of at least five (5) directors who possess experience in various fields. As of 31st December 2012, the Board of Directors consisted of 11 directors; of which, four (4) directors are executives and the remaining seven (7) were non-executives. Therefore executives form approximately 36 percent of the total directors. The number of independent directors follows the principles of good governance set out by the stock Exchange of Thailand. The Chairman of the Board of Directors is not an independent director.

5.3 Committee Meetings

Remuneration shall be determined by the Board of Directors, and then proposed to the Annual General Shareholders Meeting for approval. If the shareholders review that the proposed remuneration is appropriate, regarding the benefits for directors, and is comparable to that paid for those in the same industry, the meeting will give approval. The Company has a policy to determine its directors' remuneration level based on that paid for those in the same industry as incentives and appropriate for their knowledge, capability and responsibility. The directors' remuneration 2011 appears on the table showing the principles and selection procedures for qualified persons to hold director position and high-level executives and the screening of qualified persons. The Board of Directors shall review, screen and select qualified persons to assume the director positions and propose them to the Annual General Shareholders Meeting for approval. The directors' qualifications include relevant knowledge, capability and experience. The Executive Board shall review and select the qualified persons with consideration to the details of their knowledge, capabilities and experience.

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. Besides this, the Audit Committee has the duty to ensure the Company abides by the relevant laws. The Audit Committee's duties and responsibilities are described in Item Management structure.

In 2012, the Audit Committee had six (6) ordinary meetings with the following attendance record for each of the directors from 2010 to 2012:

List of Directors	Number of Meetings		
	2010	2011	2011
1. Mr. Chokechai Tanpoonsinthana	5/5	5/6	5/5
2. Mr. Pongtep Polanun	5/5	6/6	5/5
3. Mr. Sripop Sarasas	5/5	6/6	5/5

Remark: The Audit Committee meetings were held where on the Management did not attend the meeting.

In 2012, the Nomination and Remuneration Committee had two (2) ordinary meetings with the following attendance record for each of the directors from 2010 to 2012:

List of Directors	Number of Meetings		
	2010	2011	2012
1. Mr. Pongtep Polanun	2/2	3/3*	2/2
2. Mr. Siripong Oontornpan **	2/2	3/3*	2/2
3. Mr. Kittisak Sopchokchai ***	2/2	3/3*	2/2
4. Mr. Suraporn Raktaprachit **	2/2	3/3*	2/2
5. Mr. Sripop Sarasas ***	2/2	3/3*	2/2

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

5.4 Board of Directors' Meeting

The Board of Directors shall meet every quarter with a pre-determined schedule or a special meeting may be called by the Chairman as necessary. Each meeting shall comprise of more than 50 percent of total directors. A Board of Directors' member unable to attend a meeting shall inform the Company approximately one to two (1 - 2) days prior to that meeting. To facilitate all directors in the meeting, the Company organizes the meeting at the Company's head Office. The meeting invitation letter includes a clear meeting agenda and supporting meeting documents which will be delivered to all directors at least seven (7) days prior to the meeting for their information and review; however in a case of urgency this may not always be possible. These procedures allow all directors to study the meeting documents before the meeting. Each meeting will be recorded and the approved documents will be gathered for reference or future review or investigation.

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

In 2012, the Company's board of directors had five (5) ordinary meetings with the following attendance record for each of the directors from 2010 to 2012:

List of Directors	Number of Meetings			
	Board Meetings			Shareholder Meeting
	2010	2011	2012	
1. Mr. Thana Chaiprasit	5/5	5/5	2/5	Attended
2. Mr. Chokechai Tanpoonsinthana	5/5	4/5	4/5	Attended
3. Mr. Pongtep Polanun	4/5	5/5	5/5	Attended
4. Mr. Siripong Oontornpan	4/5	5/5	4/5	Attended
5. Mr. Kittisak Sopchokchai	4/5	5/5	5/5	Attended
6. Mr. Suraporn Raktaprachit	5/5	5/5	5/5	Attended
7. Mr. Sripop Sarasas	5/5	5/5	5/5	Attended
8. Mr. Kijja Laoboonthai	4/5	5/5	3/5	Attended
9. Mr. Chartchai Yenbamroong	4/5	3/5	-	Not Attended
10. Mr. Phisak Charudilaka	4/5	5/5	5/5	Attended
11. Mr. Chodiwat Duntanasarn	4/5	5/5	5/5	Attended
12. Mr. Thanarak Pongphatar *	-	-	4/5	-

Corporate Secretary: Mr. Voravit Wattanakuljarus

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

A total of 24 agenda items were proposed for review in 2012. The important agendas included review of the Company's financial statements, determination of annual remuneration for the Company's Board of Directors, determination of annual remuneration for the Company's auditors, appropriation of legal reserve and allocation of profit, determination of dividend payment, determination of the Annual General Shareholders Meeting, determination of the book closing date for eligibility to attend the Annual General Shareholders Meeting, evaluation of the substantiation of the internal control system for 2012, budget of 2012 and the determination of the Board of Directors' meeting in 2012. The corporate secretary of the Company attended all of the Board of Directors' meetings, took the minutes of meetings, prepared documents and provided advice on the related laws and regulations. The minutes of the meetings covered all the important data related to each agenda item and included a detailed explanation from the management team as well as comments made by each director; each item agenda was resolved with a unanimous vote from the Board of Directors. All documents were retained systematically.

5.5 Self Evaluation of the Board of Directors

The aim of the self evaluation of the Board of Directors is in having results available in which to improve its performance. The Board of Directors' Meeting No. 5/2012 dated 18th December 2012 approved the self evaluation form and assigned the Board of the Directors to perform a self evaluation of 2012 for six (6) topics: its structure and qualification, its roles, duties and responsibility, the Board of Directors' Meeting, the Directors' Performance, its relationship with the management, and self development of the Directors and the Executive Development. The Board of Directors conducted its self evaluation with the average score of 'Good'.

5.6 Remuneration

The 2012 Annual General Shareholders Meeting determined the directors' remuneration level is based on that paid for those in the same industry and with the same responsibilities. The directors are paid the meeting-attended fee. The Audit Committee's Directors are paid the meeting-attended fees as their remuneration. The subcommittees' directors are paid the meeting-attended fees. The remuneration details are described in the table showing total remuneration of the Company's directors in Item No.8.4 Remuneration of Executives.

5.7 New Directors

The Board of Directors shall conduct an orientation for new directors to acknowledge the Company's business policies, laws and regulations. It shall hand over a director's manual to each new director. According to the Annual General Meeting No.1/2012, Mr. Thanarak Phongphatar was received the position as a new director.

Employees' Ethics

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

Employees' Ethics

All Employees shall abide by the following Code of Ethics:

- a) Abide by the laws of any and all countries in which they practice, and conform to the Company's Rules and Regulations
- b) Build trustful relationships between the Company and regulatory authorities
- c) Provide services with integrity, transparency, and professionally to ensure that customers receive the Company's services at its high standard of knowledge, expertise, and fairness
- d) Keep confidentiality of the customers, trade partners and other organizations
- e) Do not use insider information for personal benefit
- f) Do not gamble
- g) Do not have any conflicts of interest and do not attempt to benefit themselves when conducting business with a customer
- h) Refrain from accepting gifts or other kinds of benefits with high value particularly when it's off the season according to the country's customs
- i) Refrain from giving or accepting bribes or any other motivation, and do not ask others to give or accept bribes on their own behalf

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

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

The Company provides a contact telephone number of the Company's Board of Directors through the corporate website at www.ait.co.th.

Respect of Human Rights and Fair Labor Treatment

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

1. To encourage and support employees to respect in human rights protection. Also to regularly monitor our business to ensure no violation of any human rights.
2. To encourage employees to monitor and so ensure that our operations comply with the human rights regulations within the Company. Also to provide a working system that focuses on proper working and safety conditions with the regulations set by the Company.
4. To develop employees by providing training programs and promotions in order to increase their skills and abilities.
5. To provide fair working conditions and suitable remuneration to all employees.
6. To provide correct petition procedures to any employee who considers that they were treated unfairly.
7. To provide for the proper welfare of all employees in matters such as annual leave, overtime payment and basic nursing care, for example, as needed.
8. To encourage employees to balance their working and personal lives; to apply sufficiency economic philosophies in their lives; to help to 'give back' to society; and to do good things in accordance with the dharma principles of Buddhism.
9. To disclose necessary Company financial information to our employees in order to provide a clear understanding of our business situation.
10. To respect our employee's expression of opinion, including the freedom of expression without interference, accessibility to information and opinion through the Media; and the accessibility to communication channels so that they may freely listen to other interesting person's voices and opinions.

Environmental Care

Our core business does not have any direct impact on the environment. On the contrary, our business may actually help to reduce the usage of natural resources. Notwithstanding this, our Company realizes that environmental protection does not only belong to the creator of any environmental problem, nor should it just be the responsibility of our Ministry of Natural Resources and Environment. Our Company firmly believes that everyone in our society is responsible for the world's environmental problems. In line with this, the Company has adopted the following codes of practice in regards to environmental conservation:

1. To focus on the effective and considerate use of our resources by applying a Company-wide energy saving policy and to recycling resources whenever possible. Such activities include for example: turning off electricity and water supplies when they are not needed, and recycling used paper throughout our s.
2. Creating and encouraging environmental awareness in our employees. In recent company outings for example, we have included activities such as the releasing turtles in our outings schedule.



Environmental and Social Report

The Company realized that its success does not only derive from its ability in generating profit, operating growth and therefore producing excellent financial figures; but that its success also includes it: being a good and positive role model in society; operating our business with good governance; and taking part to support less fortunate communities and to help them to develop and grow and to become more self supporting. In fact we believe that a solid social foundation is perhaps the most important sustainable growth factor in which we should all participate. Hence, our corporate objective is that we must operate our business successfully, but to do so concurrently with a clear social responsibility, and participation, in helping to develop both our community and our environment.

In the past year; our Company carried out many social and environmental activities over several areas, as detailed in the table below.

	Activities	Place	Total donated money/items
1	Released of endangered turtles into the sea	Sattahip, Chonburi	-
2	Blood donations	The Thai Red Cross Society	-
3.	Funds donated to build a 'childhood' building'	Lopburi	359,100 Baht
4.	"Seminar on 'The Future of Thailand with the Changes in Information and Communication'	The Stock Exchange of Thailand	-

Summary of Corporate Social and Environmental Activities 2012



The Company's officers donated blood to the Thai Red Cross Society during the annual Sonkran festival.



On 12 December 2012, the Company donated funds to build an academic 'childhood' building in Lopburi Province. The total donations of Thai Baht 359,100, and additionally we donated educational aids and computers. Our officers also helped to install the computer system, and then finally, they banded together to build a library in the academic building.



In late March 2012, Mr. Ralf Hundertmark, Senior Vice President – Business Development for Advanced Information Technology Public Co.,Ltd, was invited to attend the seminar on 'The Future of Thailand with the Changes in Information and Communication' at the Professor Sangvian Indaravijaya Auditorium, at the Stock Exchange of Thailand.

» Relationship with Investors

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

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

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

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

2. Tel: +66(0)2275-9400
3. email: ir@ait.co.th
4. Quarterly attending "Opportunity Day" at the stock Exchange of Thailand. This event is for investors who are interested in our company, and will have a chance to meet our CEO presenting the company's directions.



THE ICT SOLUTION

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