

2016

Annual Report

IT Total Solution



SVOA Public Company Limited
รายงานประจำปี 2559 บริษัท เสวีโอดี จำกัด (มหาชน)

Summary of Financial Information

For the year ended December 31, 2016 and 2015

(Unit : Million Baht)

| | CONSOLIDATED | | THE COMPANY ONLY | |
|---|--------------|---------|------------------|---------|
| | 2016 | 2015 | 2016 | 2015 |
| Total Revenue | 6,697.9 | 6,812.7 | 5,156.2 | 5,204.6 |
| Gross Profit | 717.56 | 775.4 | 397.9 | 460.8 |
| Net Profit | 72.7 | 124.5 | 23.7 | 93.8 |
| Total Assets | 5,161.1 | 4,414.1 | 3,142.9 | 2,710.5 |
| Total Liabilities | 3,233.2 | 2,505.9 | 1,892.4 | 1,430.6 |
| Shareholders' Equity | 1,927.8 | 1,908.2 | 1,250.6 | 1,279.9 |
| Financial Ratio | | | | |
| Gross Profit to Total Revenue (%) | 11.0% | 11.7% | 7.9% | 9.1% |
| Net Profit to Total Revenue (%) | 1.1% | 1.9% | 0.5% | 1.9% |
| Return on Equity (%) | 3.8% | 6.5% | 1.9% | 7.3% |
| Return on Asset (%) | 1.4% | 2.8% | 0.8% | 3.5% |
| Current Ratio (times) | 1.3 | 1.4 | 1.3 | 1.5 |
| Debt to Equity Ratio (times) | 1.7 | 1.3 | 1.5 | 1.1 |
| Information per Share (Baht) | | | | |
| Earnings per Share | 0.077 | 0.131 | 0.025 | 0.099 |
| Share Capital Issued and Paid up (Million Shares) | 947.0 | 947.0 | 947.0 | 947.0 |
| Par Value | 1.00 | 1.00 | 1.00 | 1.00 |

Investors can have more information from the company's annual statement (Form 56-1) shown at www.sec.or.th or www.svoa.co.th

Message to Shareholders



As a leading provider of end-to-end IT solution and service, SVOA Group have redefined its strategies to efficiently respond to diverse customer and partner's needs by analyzing customer requirements and developing innovative and suitable marketing communication tools for each target group in order to keep up with the current Industry 4.0.

Throughout 2016, SVOA Public Company Limited strived to create solution and service differentiation by focusing on innovation and introducing latest IT technology. This allows the Company to comprehensively meet the demands of its partners and customers in every sector and successfully maintain satisfying level of net profit of consolidated financial statement was 72,705,375 Baht amidst unstable overall internal and external factors.

We promise to operate our business based on highest standard policy and continuously develop the country's IT system to ensure they are up-to-date. We also commit to build stable and efficient internal management system within the organization, improve service response time and seek new businesses as well as products and services based on ethical and good corporate governance principles.

Lastly, on behalf of the Board of Directors, we would like to thank all shareholders, co-investors, business partners and customers for their constant supports. We would also like to thank our business allies, executives and employees for their great contributions in driving the Company's continuous growth and success throughout the past 35 years.

Mr. Manu Leopaivote
Chairman of the Board

Mr. Thitakorn Ussayaporn
Chief Executive Officer

The Audit Committee Report in 2016

To Shareholders,

The Audit Committee of SVOA Public Company Limited consists of three members :

| | |
|-----------------------|-------------------------------|
| Mr. Anant Tangtatswas | Chairman of Audit Committee |
| Mr. Manu Leopairote | Member of the Audit Committee |
| Dr. Prajon Phasukyud | Member of the Audit Committee |



Each of the members has the qualifications and scope of duties and responsibilities in accordance with the announcement of The Stock Exchange of Thailand (SET).

Throughout 2016, the Audit Committee performed its duties independently and within the scope of duties and responsibilities stipulated in the Audit Committee Regulation and regularly reported meeting summaries to the Board of Directors. A total of four meetings were held in 2016 and can be summarized as follow:

- **Review of Financial Reports** The Audit Committee reviewed with the Company's management, the Company's interim financial data and annual financial statements for the year 2016 and its subsidiaries, of which had already been reviewed and audited by the Auditor, and gave certain comments and suggestions to ensure that the Company's financial statements had been prepared in complete, accurate and reliable manner and in compliance with accounting standard as well as relevant laws and regulations.
- **Review of Internal Control System** The Audit Committee reviewed the internal control system of the Company to ensure the efficiency and effectiveness of all operations, including following up on work system improvement of various units according to the audit report prepared by Internal Audit Department and preparing Annual Internal Control System Adequacy Assessment Form.
- **Overseeing Internal Audit Operation** The Audit Committee ensured that the Internal Audit Department can perform its duties independently, including reviewing and approving the Internal Audit Plan to make sure that all internal audits are carried out in efficient manner. The Audit Committee acknowledged all internal audit reports, provided suggestions and followed up on the rectification of significant issues to ensure that the Company's audit performance met international standard quality.
- **Review of Corporate Governance and Compliance** The Audit Committee reviewed corporate compliance with securities and exchange law and the other relevant laws to ensure strict compliance, including compliance as per Corporate Governance Policy which requires transparent disclosure of information to ensure that all operations of the Company are carried out in efficient and effective manner and as per the determined goals.
- **Appointment of External Auditor** The Audit Committee carried out the selection of external auditor based on knowledge, competency and experience assessments and the independence of the audit results during the past year, including considering the appropriateness of auditor's remuneration. The Audit Committee then recommended the selected external auditors to the Board of Directors for endorsement and to further propose for approval from the Shareholders' Meeting for the appointment of Ms. Satida Ratananurak, Certified Public Accountant Registration No. 4753 and/or Ms. Kamolthip Lertwitworathep, Certified Public Accountant Registration No. 4377 and/or Mr. Wichart Loketkrawee, Certified Public Accountant Registration No. 4451 from EY Office Limited as the Company's auditors for the year 2017.

Mr. Anant Tangtatswas
Audit Committee Chairman

24 February 2017

Board of Directors



*** Dr. Thienchai Srivichit**
Chairman of the Board



Mr. Manu Leopaibote
*Chairman of the Board
Independent Director and
Audit Committee Member*



Mr. Min Intanate
Director



Mr. Pang Thieng Hwi
Director



Dr. Wilson Teo Yong Peng
Director



Mr. Henry Goh
Director



**** Mr. Adisorn Kaewbucha**
Director



Mr. Krit Kulsuppaisarn
Director



Mr. Anant Tangtatswas
*Independent Director and
Audit Committee Chairman*



Dr. Prapon Phasukyud
*Independent Director and
Audit Committee Member*

* *Dr. Thienchai Srivichit* Vacated office on 8th April 2016 and declined to be positioned as Director for another term
** *Mr. Adisorn Kaewbucha* Resigned from the Director position on 9th November 2016

Board Committees of Directors



Mr. Manu Leopairote
*Chairman of Nomination
and Remuneration Committee*



Mr. Anant Tangtatswas
*Member of Nomination
and Remuneration Committee*



Dr. Prapon Phasukyud
*Member of Nomination
and Remuneration Committee*

Management Team



SVOA Public Co., Ltd.
Mr. Thitakorn Ussayaporn
Chief Executive Officer



SVOA Public Co., Ltd.
Dr. Wilson Teo Yong Peng
Chief Financial Officer



SVOA Public Co., Ltd.
Mr. Krit Kulsuppaisarn
*Chief Operating Officer
IT Project Business Unit*



DataOne Asia (Thailand) Co., Ltd.
Mr. Adisorn Kaewbucha
Chief Executive Officer



IT City Public Co., Ltd.
Mr. Ekachai Sirijirapatana
Chief Executive Officer



Lease IT Public Co., Ltd.
Mr. Sompon Aketerajit
Chief Executive Officer



Touch Printing Republic Co., Ltd.
Mr. Kittipoom Anutarapinyowong
Chief Executive Officer



Lease IT

- Financial Product Group



SVOA

- IT Distribution
- IT Project



IT CITY

- IT Superstores



Asys

- After Sales Service



TOUCH
Printing Republic

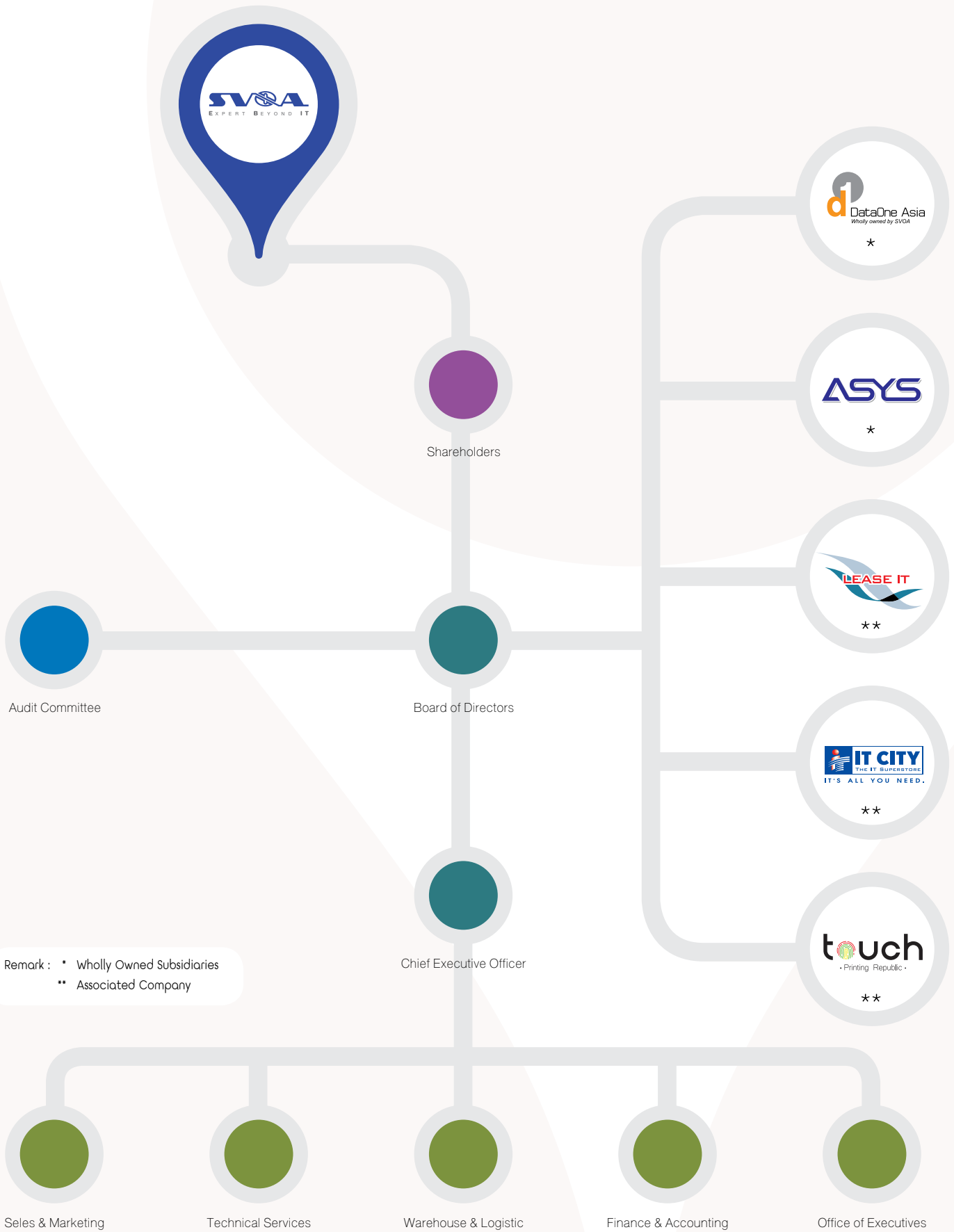
- Printing Solution Provider
& Printing Service



DataOne

- Computer Systems Integration
and Total IT Solution Provider
- IT Service

Corporate Structure



Remark : * Wholly Owned Subsidiaries
 ** Associated Company

Shareholder Structure



31.94%

Keppel Telecommunications and Transportation Ltd.

Keppel Telecommunications and Transportation Ltd. (31.94%)

- Via Apsilon Ventures Pte Ltd 240,000,000 shares (25.34%)
- Via BNP PARIBAS WEALTH MANAGEMENT SINGAPORE BRANCH 62,461,740 shares (6.60%)



18.21%

Mr. Min Intanate

Mr. Min Intanate holds 172,496,450 shares (18.21%)



49.85%

Others

Others hold 472,041,810 shares (49.85%)

Policy and Overall Business Operations

Mission

SVOA is determined to develop and deliver innovative products and services including the latest technology of international standard in order to meet every demand and build highest satisfaction for our clients and business alliance. "We always seek to find better solutions and to continuously innovate ourselves"

Vision

SVOA wants to be the number one company in developing Thailand's IT industry. The company offers a wide range of IT products and services that cater to all demands of different segments: from distributing personal computers to large-format printer; providing organizational and information management system; providing consultant services and offering customized IT solutions in a professional manner.

With our commitment in delivering high-quality IT products and services to all sectors, SVOA believes that the company can attain sustainable growth which is beneficial to the society. This is because the development in IT industry can help improve not only the work of private and public sector, but also enhances Thailand's capability to compete in today's hyperlinked global economy. For this reason, SVOA would like to assist and boost Thailand's IT development in both public, private sector and to enhance their capabilities to connect and compete in a globalized economy.



History

From Strong Foundation to Stable Growth

SVOA was founded in 1982 to provide computer and IT services. This aligned with the national policy aiming to increase the accessibility of ICT to the general public.

With over 35 years of dedication in service improvement and finding innovative solutions, "SVOA" has now become the leading firm in providing the most comprehensive IT services with service networks and distribution centers nationwide. Combining End-to-End solutions with best quality service, SVOA has continued to pursue highest customer satisfaction according to our principle of becoming **"a role model Thai company that cater to the Thai society"**.

Business Structure Strategy

SVOA core businesses are divided into the following 7 units to ensure management efficiency and highest customer satisfaction which consist of:

1. **IT Distribution Strategic Business Unit : ITDSBU**
2. **IT Project Strategic Business Unit : ITPSBU**
3. **After Sales Service : ASYS**
4. **Computer System Integration and Total IT Solution Provider : DataOne**
5. **Financial Product Group : Lease IT**
6. **IT Superstores : IT CITY**
7. **Printing Solution Provider & Printing Service : TOUCH**

Nature of Business

1. IT Distribution: ITD

Business Overview

IT Distribution (ITD) Strategic Business Unit focuses on the distribution of computer hardware, peripherals and software. SVOA is not only trusted by many of the world's leading IT brands to be an authorized distributor, but also own a house brand "SVOA Computer" which SVOA distribute through its nationwide network.

SVOA computer brand has gained a considerable amount of recognition and reputation in the market. Moreover, it is also accredited by both local and international organizations namely ISO 9001:2008; ISO 14001:2004; The Federal Communications Commission (FCC), USA; Underwriters Laboratories Inc. (UL), USA; National Electronics and Computer Technology Center (NECTEC); Ministry of Science and Technology; and Thai Industrial Standard Institute, Ministry of Industry.

As an authorized distributor, our product line includes laptops from international brands, printing equipment for basic and specialized usages, projectors, scanners, sticker cutter, metal cutter, supply for these equipments such as ink, bulb, blade, and software for design application and computer operation system.

Business Capability

SVOA Computer has received wide acceptance from its users. Furthermore, ITD has distributed hardware and software that cater to both generic and specialized usages. Such product mix became an advantage to SVOA as it can leverage on the existing channels and offer variety to valued customers according to their new and emerging needs.

SVOA PCL. believes that delivering high quality products is not enough. Hence, ITDSBU was created to enhance product distribution and related services to ensure all products are easily accessed regardless of customers' geographical location. Currently, we have four types of distribution channels as follows:

1. **Retailers:** Company or Operators whom resell products including computer, peripherals and software to organizations and individual users. These retailers can either be specialized store or general electronic store throughout the country.
2. **Value Added Reseller (VAR):** For certain product such as software, the product needs to be combined with other services before reselling to better meet diverse customer needs. In this case, business agreement is made between each reseller and SVOA PCL. on a case by case basis.
3. **Modern Trade Distributors:** Another important distribution channel that contributes to our sales revenue. Leveraging its nationwide network, the distribution of products can reach wider customer base through wider geographical coverage.
4. **International Market:** SVOA PCL. continues to expand our market internationally by exporting our products and services to other countries such as Vietnam, Myanmar, Laos and Cambodia.
5. **Governmental-organization Project:** SVOA PCL. places high importance on catering maintenance and repair services to public organizations nationwide. The 12 branches service network serves as both distribution and repair and maintenance centers to ensure prompt and convenient services. In addition to SVOA owned branches, the company also appointed authorized dealers to provide computer and peripheral repair and maintenance services to ensure convenience and accessibility to all customers.

Our Target

Our target customers include companies or computer retail stores who seek to provide high quality products and outstanding after-sales service for individual users, including small to medium-sized government agencies, state enterprises, specific businesses who are in need of high quality products, and international vendors.

Quality Management

SVOA upholds its commitment in delivering only products and services of excellent quality according to world class standard, in order to ensure customer satisfaction and confidence by obtaining ISO standards (International Organization for Standardization) for various organizations and businesses as a guarantee for the quality of the Company's products and services. Currently, SVOA has been certified in two categories of ISO standard as follows:

1. ISO 9001: 2008: This certificate verifies that the quality of products and services reached international standard with regards to PC computer production, sales operation, service, sales system and service centers nationwide.
 - Certificate No. TH02/2596 Date : 12 January 2015 audited and approved by SGS Certificate (UKAS).
 - Certificate No. TH02/2597 Date : 12 January 2015 audited and approved by SGS Certificate (NAC).
2. ISO 14001: 2004 This certificate verifies that computer manufacture and assembly facilities reached the standard of Environmental Management System.
 - Certificate No. TH08/1644 Date : 7 July 2014 audited and approved by SGS Certificate (UKAS).
 - Certificate No. TH05/1643 Date : 2 August 2014 audited and approved by SGS Certificate (NAC).

2. IT Project: ITP

Business Overview

IT Project Strategic Business Unit has the objective to provide good quality computer system products and IT equipments at reasonable price based on customer requirement for both public and private organizations, by offering comprehensive IT System Project from installation service to after-sales service throughout application period as stated in contract. This is to ensure the most efficient computer system performance, which will further result in continuous success of operation commenced between the Company and that particular organization.

Business Capability

With a highly competent team of personnel with extensive experience and technical expertise, ITPSBU managed to promptly respond to each customer requirement through close follow-ups as well as introduce products and services that best match each customer's needs. We ensure our long-term business success by maintaining and building good relationship and confidence among our customers.

Our Target

Our target customers include government agencies, state enterprises, academic institutions, and private organizations.

3. After-Sales Service : ASYS

Business Overview

Started in November 2013, SVOA After-Sales Service has been operating under the name of Asys Computer Co., Ltd. The main objective is to provide after-sales service for every IT products including computers, peripherals and portable devices such as smart phone and tablet. SVOA After-Sales Service includes:

1. Maintenance & Repair Service as an Authorized Service Provider (ASP) for products under warranty of both local and global brands. Currently, SVOA is the Authorized Service Provider of more than 25 leading brands.
2. Maintenance & Repair Service for products of every brand that are not under warranty using genuine parts made by brand owner or most suitable parts in case such parts are not available in the market.
3. Onsite Service that covers the repairing service of products under Project Warranty (PW) and Maintenance Agreement (MA), including Preventive Maintenance (PM) and Corrective Maintenance (CM) services.
4. Install Move Add Change (IMAC) which includes delivery service and installation service from small to large projects nationwide.
5. Operate and manage Authorized Service Center on behalf of supplier brand, which provides after sale service to customers and dealers nation-wide.

Business Capability

Since most IT products repairment requires technical specialists and diverse customer service points for customer convenience, SVOA After-Sales Service Business Unit was established to especially serve this segment in all aspects. Meanwhile, the expansion of IT market whether in terms of IT products for business or individuals, smart phones, tablets and other mobile devices has opened a large door of opportunity for after-sales services.

To promote ASYS business, SVOA now offers after-sales service through various channels as follows:

1. 12 Customer Service Centers in Bangkok and upcountry with 5 new branches are expected to be opened cover all regions.
2. 224 Authorized SVOA Service Providers nationwide
3. Vehicles for Onsite Service
 - a. 100 Motorcycles
 - b. 80 Cars
4. iFIX Service Center at every branch of IT City nationwide. IT City is an IT Superstore with over 10,000 IT product selections. The store opens daily including holidays, making it highly convenient for customers to access our service during weekdays and holidays.

Our Target

Our target customers include general customers, government agencies, state enterprises, academic institutions, banks, and private organizations.

4. Computer System Integration and Total IT Solution Provider: DataOne

DataOne Asia (Thailand) Co., Ltd. is an IT service provider for financial and banking institutions, including telecommunication companies, manufacturing and insurance industries, savings cooperatives, hospitals, government agencies, and general public. The Company operates a chain of three main types of business as follows:

4.1 System Integration (SI)

Business Overview

We provide IT consulting services and End-to-End IT Solutions (which includes hardware and software installation, system implementation and system maintenance service after initiating implementation) to assist our clients with highest convenience using the latest computer technology.

Business Capability

Besides providing System Integration service which comprises of hardware and software installation, software implementation, customization and system maintenance service after initiating implementation, we also offer a complete Outsourcing Service by a team of professionals with over 20 years of experience in Information Technology Management in collaboration with our business alliance of the world's leading brands.

Product Category

4.1.1 Banking Industry Products

- ATM Solutions - We offer total solutions for banking services by focusing on ATM outsourcing management which includes Front End Systems and Back End Systems.
- Banking Applications - We introduce a wide range of products and services relating to internal and inter-banking systems namely Wholesale Banking Solutions and Retail Banking Solutions.
- Payment Solutions - This particular product offers multiple payment channels such as Mobile Banking and Internet Banking for bill payment transactions.

4.1.2 Industry Products

- Manufacturing Solutions - We provide products and services which serve core operations of private companies and manufacturing industries by mainly emphasizing Enterprise Resource Planning (ERP), Supply Chain Management (SCM), and Business Intelligence (BI).
- Insurance Solutions - We provide products and services which serve core operations of insurance businesses.

4.1.3 General Products

- Server & Storage - We help customers meet their requirements by applying main applications on world's leading products such as HP. We also have a well-experienced team of specialists to deliver a full range of installation and maintenance services.
- Security Solutions
- Infrastructure - We provide products and services relating to IT Resources Management System.

4.1.4 Distribution Channel

- Network & Security - We offer a full range of network and security equipment solutions namely Juniper Networks, HP Enterprise Security, Ruckus Wireless, Pules Secure, Thales and i-Sprint, including sales, installation, training and service.

Our Target

Our target customers include banking and financial institutions, telecommunication companies, manufacturing and insurance industries, savings cooperatives, hospitals, and government agencies.

4.2 IT Outsourcing Services: ITS

Business Overview

ITS was established in 2005 to provide fully functioning computer system infrastructure including operating such system for government and private sectors in a form of outsourcing.

Business Capability

ITS strives to deliver powerful outsourcing services by combining the capacities of our highly proficient Computer Outsourcing Team with our business alliance owning the product, Data Center, Back Up Data Center, Hi-End Disaster Recovery Center, and Information Technology Management.

Our Data Center Service provides Backup Service for customers who require another Recovery Site or more apart from the existing recovery Site. With this particular service, we are able to offer one or more Server including other equipments to our customers for data backup. Hence, this service is most suitable for those having a large amount of data and in need of advance level of information security.

Product Category

Data Center Services (ISO/IEC 27001 : 2013 Information Security Management System (ISMS) Certification Number : IS 645022) ATM Outsource Co-location, Dedicated server, Web and Email Hosting, Disaster Recovery Support

Outsourcing Services ATM Application Solutions (ISO/IEC 20000-1 : 2011)

Our Target

- Financial and Banking Institutions - We focus specifically on "new banking institutions" which have been approved by the Bank of Thailand to operate a banking business for Application Outsourcing such as Core Banking, ATM System, Credit Card System, and Internet Banking.
- Manufacturing Industry - We provide Application Outsourcing and Web Service.
- Multi-National Company - We provide Web Service.
- Government Sector - We mainly offer Outsourcing and Consulting Services.

4.3 Distribution

Business Overview

We distribute a full range of networking and security equipment, including consultant service, training service, maintenance and repair services. We are an authorized dealer of world's leading IT brands and run our chains of business through over 100 trading partners nationwide.

Business Capability

We are the number one Valued Added Distributor of networking and computer security system equipments of global leading brands namely Juniper Networks, A10 Networks, Ruckus Wireless, VASCO Data Security and HP Enterprise Security. We distribute our products and services to every level of customers nationwide through trading partners. We also have a highly professional team of certified engineers with extensive knowledge, competency and experience. With technical specialist certificates such as CCISP, GIAC, JNCIA, JNCIS and JNCIP as guarantee of expertise, our engineering team are ready to provide our customers consultation service regarding system design and planning, including installation service as well as 24-hr technical support and guidance of how to use each product.

Product Category

- Network - We provide networking products namely Juniper Networks, A10 Networks and Ruckus Wireless.
- Security - We provide computer security system equipments namely Juniper Networks, Vasco, i-Sprint, Blackberry, Thales and HP Enterprise Security.

Our Target

Our target customers include all End Users which comprises of financial and banking institutions, telecommunication companies, manufacturing and insurance industries, savings cooperatives, hospitals, government agencies, state enterprises, and private organizations.

5. Financial Product Group: Lease IT

Business Overview

Established with registered capital of 200 million Baht, Lease IT Public Company Limited is a company of SVOA Group providing factoring and leasing service. On March 25, 2014, the company registered in MAI Stock Exchange in order to provide leasing services for SMEs with restricted leasing application from financial institutions. Our leasing services can be categorized into four following types:

1. Leasing: We provide leasing service through financial lease or hire of property with at least 3 years of contract term for customers who seek to offer property lease in a form of leasing or entrepreneurs who are engaged in rental contract with government agency, state enterprise or large private organization.
2. Hire Purchase: We provide leasing service in a form of hire purchase with contract term of no more than 3 years for customers who seek to offer property lease in a form of hire purchase or entrepreneurs who are engaged in rental contract with government agency, state enterprise or large private organization.
3. Factoring: We provide factoring service in order to promote liquidity among entrepreneurs who have trade account receivables that are government agency, state enterprise, or private organization capable of generating liabilities. We offer factoring service at the rate of 70-95 percent of the value stated in debt instrument.
4. Other Services including
 - Bid Bond: We offer leasing service to provide bid bond for entrepreneurs who wished to join bidding held by government agency or state enterprise.
 - Project Backup Financing: We provide financial support for provision and/or Pre-Finance service before the work is handed over to government agency, state enterprise or large private organization.
 - Trade Finance: We provide supplies for entrepreneurs who lack of financial support for product provision in order hand over the work to government agency, state enterprise or large private organization.

Here, we offer a full range of leasing services to assist entrepreneurs in their business operation from bidding to product provision and even offering loans to customers so they are able to deliver the work to their contract party. We also provide financial lease, hire purchase, including factoring services after handover and inspection process has been completed.

Business Capability

Lease IT does not only offer a full range of leasing services internally and for IT-specific businesses but also cater to other industry. Lease IT is also capable of providing loan support for different types of businesses. Most importantly, Lease IT customers do not need to have any securities when applying for loans, making Lease IT services widely accessible for SMEs. Hence, immense business opportunities and growth can be expected.

In addition, being registered in MAI Stock Exchange does not only enhance LIT financial strength but also build greater confidence among our trading partners and customers in regards to quality of products and services as a result of efficient operations and cost control. Furthermore, all of LIT staffs take pride in contributing to the continuous success of our trading partners and customers.

Customer Group

With keen vision of its parent company by realizing the potential of this business together with re-positioning of Lease IT from being SVOA Financial Arm which specifically provides loans for SVOA customers to a Holding Company capable of generating profits for raising overall Net Profit of SVOA Group, Lease IT can now access free competition as well as offering all types of loan for both SVOA customers and other customer groups. Lease IT offerings are not only limited to IT-specific industry but also suitable for other types businesses. Nevertheless, IT field is the core of the SVOA group expertise and knowledge. Meanwhile, trade account payables that Lease IT provides factoring service to are still mainly government agencies, state enterprises and large private organizations.

6. Retail IT Superstore Chain: IT City

Business Overview

This business unit is operated by IT City Public Company Limited, or "IT CITY", which is a joint venture between SVOA Public Company Limited and SAHA Group Company including employees and business partners. (The company currently holds 31.96 % of total investment shares as of December 31, 2015)

The Core business of IT CITY is retail superstore chain that offers products such as computers, mobile phones, tablets, peripherals, and other related IT products under a trade name of "IT CITY". This retail IT superstore chain which provides over 10,000 product selections operates its business based on a slogan of "The IT Superstore". In addition, this Retail IT Superstore is also designed as a wholesale entity to support retailers in Bangkok as well as other provincial areas. The company's current business operations are as follows:

1. One Stop Electronic Retail Shopping Center which sells computers, peripherals, accessories and other IT products under the concept of "One Stop Shopping IT Products". Here, we distribute computers and peripherals products of leading brands such as printers, scanners, and digital cameras. Our products can be categorized into four main groups as follows:

- Computers

We are specialized in Personal Computer (PC) product which can be divided into Desktop Computer and LED Notebooks and Tablets. The details of each product are as follows:

(a) Desktop Computer, Notebook, Tablet - We are major supplier of many leading IT brands including Acer, Apple, Asus, Dell, HP, Lenovo, MSI, Samsung, SVOA and Toshiba.

(b) LED Monitor - We provide a number of leading brands LED Monitor such as Acer, BenQ, LG, Samsung, etc.

- Peripherals

We offer a wide selection of printers and scanners. Each core product details can be summarized as follows:

(a) Printers - We provide Ink Jet, Dot Matrix, Laser, Multi function and photocopier of leading IT brands including Brother, Canon, Epson, HP, Lexmark, OKI, Panasonic, Ricoh, Samsung, and Xerox.

(b) Scanners - Here, we distribute scanners of major leading brands such as Canon, Epson, HP, etc.

- Accessories

We provide electronic accessories such as 3G Aircard, mouse, keyboard, software, ink, printing paper, UPS, AC outlets, speaker, ear plug, CD/DVD drive, hard-disk, network router and modem, cables, bag, and Smart Phone accessories.

- Other Related Products

This includes Smart Phone, LED and Plasma Television, Audio System, MP3 Player, video camera, digital camera, and office appliances such as fax machine, telephone, sticker cutting tool, label printers, and projector.

2. Computer Maintenance and Service Center where we distribute genuine parts from the manufacture of the product. Here, our service is carried out by a team of specialized technicians. We categorized our services as follows:

(a) We offer "iCare" service by extending warranty for products such as computer, monitor, projector, and LCD Television.

(b) Repair Service Center "iFix" is a service center certified by either the original manufacturer or supplier of the product which mainly support hardware installation and repair services, including delivering non-repair products to manufacturer or distributor.

With its complete and integrated service, iFix strategically distinguishes itself from other competitors. This business unit does not only establish a remarkable relationship with customers but also raise opportunities in generating sales income for our business. We also collaborate with finance companies namely Easy Buy, First Choice, Paylite, and Aeon to provide lending services as an alternative for customers to allow more convenience.

Business Capability

IT CITY is one of the leading retail store chains in IT product industry with currently over 95 branches across country. With a more defined strategy and size adjustment, IT CITY managed to expand its service to wider areas under a new concept of IT CITY MOBILE which offers locations and products that can better meet the requirements of target customers.

By taking advantage of our Economy of Scale, we managed to reduce our operation costs and allowed us to generate higher sales revenue and remain as the number one distributor in Thailand's IT retail industry with the highest sales revenue. By strategically purchasing high volume of products directly from manufacturers and suppliers, IT CITY managed to reduce its costs through discounts and raising its profit at the same time. We are determined to continuously offer wide selection of products and services under the concept of "One Stop Shopping", including marketing activities.

Our Target

As a Retail IT Superstore Chain, it is part of our policy to strongly focus on Individual Users such as families, students, and SME businesses. IT CITY is positioned as an alternative business for providing products and services to serve mass market while SVOA focuses on government sector and large private companies. However, SMEs segment may overlap in both SVOA and IT CITY markets.

7. Printing Solution Provider & Printing Service: TOUCH Printing Republic

Business Overview

Founded in 2016, Touch Printing Republic Company Limited with the aim to become end-to-end printing service & solution provider by offering premium customized products using integrated digital printing system and wide ranges of printing offering such as printer, ink and papers to entrepreneurs in textile industry to efficiently meet consumer needs under the slogan of "Transform Ideas into Business, Transforms Concepts into Dollars."

Business Capability

Apart from our expertise in delivering a single product to an entire production line within the printing industry, we are also well-recognized for our commitment in delivering high product and color quality standards and outstanding precision by applying color management and standardized materials which allows Touch Printing Republic Company Limited to respond to every consumer needs while constantly building consumer confidence, all of which enables long-term business success.

Our Target

Our target groups consist of entrepreneurs from textile industry who are involved in printing products manufacturing and customers with printing product demands such as designers, general customers and SME entrepreneurs.

Important Changes and Developments

As the country is about to fully enter the Digital Age, SVOA Group, as the leading integrated IT solution provider, have therefore been preparing for the upcoming changes such as focusing on strategic competition with the aim to satisfy diverse customer and business partner demands, including learning and understanding the consumers and adopting both offline and online marketing communication tools and related methods in order to keep up with the age of Industry 4.0.

Throughout 2016, SVOA Public Company Limited distributes IT products and services to serve market demands by mainly focusing on innovation and introducing latest IT technology particularly in gaming market such as hi-end notebooks, mouse, keyboards and headphones, all of which present a perfect blend between state-of-arts engineering technology and design. Moreover, SVOA is a sole distributor of green, energy saving projector and even launched a new product called "SVOA WORKSTATION" to meet consumer graphic demands. SVOA has also enlarged its distribution channel for modern trade market, enabling efficient sales personnel management and right-on-target performance.

Apart from providing consultant and systems integration services to state enterprise agencies, banking and insurance industries, DataOne Asia (Thailand) Company Limited also provides distribution and installation of Argo ERP, a management system for supporting production, accounting and financial processes with realtime reporting function available in Thai language and based on internationally accepted accounting standard.



Asys Computer Company delivering and after-sales service for more than 25 majors leading IT brands. Since 2016, Asys Computer Company Limited finally teamed up with Huawei in launching mobile service centers in various provincial areas to efficiently respond to consumer demands.

Apart from its IT expertise, the Company has also been operating business relating to loans and financial solution under the name of Lease IT Public Company Limited for 10 years and is planning to increase its working capital for Supply Chain Finance to create liquidity in gaining better access to SME entrepreneurs.

To uplift its marketing competency in respect to end-to-end retail business, IT City Public Company Limited therefore opened 7 new branches under the concept of "One Stop Shopping", allowing the Company to efficiently gain wider consumer access.

SPVI Public Company Limited, which is an authorized reseller of Apple IT products and accessories via iStudio Stores by SPVI which can be found in leading department stores and universities, had organized the launching campaigns of Apple Watch and iPhone7 during the past year.

Recently, the Company has made investment in Touch Printing Republic Company Limited with the aim to deliver printing solutions and services according to customer needs which include textile printing, leather printing and premium products.

The Company also focuses on maintaining proper environmental management and performing CSR and social development activities in driving the overall society toward achieving sustainability.

Important Changes and Development Concerning Major Shareholding

In 2016, no important changes or developments concerning major shareholding have been observed. Hence, Mr. Min Intanate and Keppel Telecommunications and Transportation Ltd. (Shareholding via Apsilon Ventures Pte Ltd and via BNP PARIBAS WEALTH MANAGEMENT SINGAPORE BRANCH) therefore remain as major shareholders of the Company in terms of both preferred stock and common stock by holding a total of 474,958,190 shares, or 50.15 percent of paid-up capital (Bt 947,000,000), allowing both Mr. Min Intanate and Keppel Telecommunications and Transportation Ltd. to continue holding the majority vote and have highest authority within the Company.

Activities & Significant Changes in the 2016

HRH Princess Maha Chakri Sirindhorn Visited Touch Printing Republic Exhibition Booth

HRH Princess Maha Chakri Sirindhorn visited Touch Printing Republic Exhibition Booth at the Commart Work 2016. Touch Printing Republic is an end-to-end printing solution provider with the abilities to serve diverse customer demands and an initiator of SME business under the concept of "Transform Ideas into Business, Transforms Concepts into Dollars."



SVOA Teaming Up with ROCCAT in Entering Thailand's Gaming Gear Market



SVOA Public Company Limited is teaming up with ROCCAT, a leading gaming gear brand from Germany, to penetrate Thailand's gaming gear market by launching latest products and software to excite Thai gamers and expanding distribution channels for gaming gear products to better meet the continuously rising demands under the concept "Set The Rules".

SVOA Teaming Up with CASIO in Hope to Penetrate Thailand's Hybrid Projector Market

Mr. Thitakorn Ussayaporn, CEO of SVOA Public Company Limited, together with Mr. Koji Shinjo, Managing Director of CASIO Marketing (Thailand) Company Limited, decide to team up in order to penetrate Thailand's hybrid projector market by introducing green and energy-saving innovations by sticking to its tagline of "Lamp Free for Brighter Future."



Activities & Significant Changes in the 2016

SVOA Teaming Up with MBA, Dealers in Organizing Roland Road Show Nationwide

Roland Road Show was organized to have close-up meetings with the customers, dealers, sports attire shops and advertising media shops in order to demonstrate products and technology, including introducing **Roland Print & Cut BN-20**, a highly advance equipment that comes with integrated system that allows printing and cutting functions within a single unit and is suitable for stickers, labels and Flex printing. The product was greatly interested by customers and dealers nationwide.



DataOne Launched ARGO ERP to Penetrate ERP and Enterprise Markets throughout ASEAN



DataOne Asia (Thailand) Company Limited together with Ares International Corp, the number one and largest digital software producer from Taiwan, launched ArgoERP, the latest state-of-arts software which aims to penetrate enterprise customer group in Thailand and transforming the country into the central hub for market expansion within the ASEAN Region.

Lease IT Celebrates It 10th Year Anniversary

Lease IT Public Company Limited, part of SVOA Group, has just entered its 10th year of business operations as finance supports provider in a form of loans and integrated financial solutions, including increasing working capital for **Supply Chain Finance** and supporting Thai SMEs which are the key foundation in strengthening Thailand's business growth.



Revenue Structure

Revenue Structure

(Unit : Million Baht)

| Product Lines / Business unit | Operations | 2016 | | 2015 | | 2014 | |
|--|------------|--------------|------------|--------------|------------|--------------|------------|
| | | Income | % | Income | % | Income | % |
| IT Distribution | ITDSBU | 3,188 | 47 | 3,359 | 49 | 2,748 | 43 |
| System Integration | SISBU | 1,747 | 26 | 1,803 | 26 | 1,745 | 27 |
| IT Project | ITPSBU | 1,488 | 22 | 1,434 | 21 | 1,656 | 26 |
| Share of profit from investments in associated companies | IT CITY | 5 | 0 | 6 | 0 | (4) | 0 |
| Components Distribution | ASYS | 103 | 2 | 44 | 1 | 3 | 0 |
| Share of profit from investments in associated companies | LEASE IT | 40 | 0 | 30 | 0 | 18 | 0 |
| Other Income | | 172 | 3 | 173 | 3 | 266 | 4 |
| Total | | 6,743 | 100 | 6,849 | 100 | 6,432 | 100 |
| Growth Rate | | (106) | (2) | 417 | 6 | (666) | (9) |

Business Goals

With strong commitment in operating its business based on the highest standard and focusing on achieving sustainable development and building organizational strengths to ceaselessly and constantly generate good returns for the shareholders throughout the year 2017, the following business goals have therefore been established:

IT Distribution - The Company has continued to expand its distribution channels for its products and services including nationwide wholesales service, particularly in modern trade market. At the same time, it is a distributor of many leading IT brands and even offers end-to-end after sales service to efficiently deliver customer needs. SVOA Group has also adopted integrative strategic approach and mainly focuses on establishing good bonds among partners in order to promote constant repurchase. Sales promotion activities have also been organized to promote sales.

IT Project - The Company continuously carries out various IT projects for both public and private organizations and academic institutions, including providing systems integration & IT service in order to build customer confidence.

Systems Integration & IT Service - By recognizing changes in terms of investment and cost reduction to ensure quick management, the Company joined with APES to distribute and implement Argo ERP, a management system for supporting production, accounting and financial processes with realtime reporting function available in Thai language. Most importantly, this system which follows the internationally-accepted accounting standard is expected to be used as business analysis tool to help support decision making process to ensure efficient management. Furthermore, the Company plans to carry out system improvement

to enhance performance efficiency and cost management in order to uplift the Company's competency to better compete in the market, including ensuring all project completions are within the specified deadline and according to customer requirements and at the same time maintaining existing customer base and seeking new opportunities amidst technological changes. The Company is also planning to enlarge its customer base by targeting banking institutions, cooperatives and insurance companies from both public and private sectors as can be seen from its contribution in system design and integration for The Federation of Thai ICT for Savings and Credit Cooperatives Limited.

Financial Service - The Company acts as an alternative and non-financial institution capital source that aims to assist SME entrepreneurs with limited financial access. At the same time, it focuses on developing diverse products to offer total financial solution for entrepreneurs and maintain close bonds with the customers by growing together as "True Financial Partners".

Despite current economic fluctuations which may adversely affect the business operations of SVOA Public Company Limited and subsidiaries, the Company still continues to implement strict corporate risk management in all aspects, especially internal restructuring management in order to achieve optimal efficiency particularly in terms of personnel competency. This can be done by developing the skills of current personnel and driving younger generations to be among the top positions because we strongly believe that "the most valuable asset of our company is having competent personnel in driving the organization toward success."

Risk Factors

Our business management conditions are influenced by outside risks and / or business characteristics. Management believes that other risks and uncertainties not currently known to us or that we currently deem to be immaterial may adversely affect our business management, financial conditions, and operation performance. This report is qualified in it's entirety by these risk factors.

1. Risks of Business Management

1.1 We face inventory risks due to our existing inventory of obsolete non-compliant products and if we are unable to sell these products on a timely basis. Computers and IT products are generally in a highly competitive environment because of high-level technology. Development is continuous and rapidly changing, impacting technological trends and leading to obsolescence. It could cause excess inventory risk if our existing products fail to sell on a timely basis. The excess inventories may adversely affect inventory management and could affect financial performance due to price reductions required to eliminate obsolete products in the inventory. To mitigate the uncertainties of inventory risks, we implement operation management systems to be more efficient as described below.

- We have implemented the inventory management policy that handles up to approximately 60 days turnover and requires us to estimate our monthly sales volumes according to forecast sales orders for each month.
- We implemented marketing promotion campaigns to eliminate obsolete inventory by offering attractive reward programs to motivate our distributors to reach sales targets. Furthermore, we launched product bundles with other packages to motivate buyers and increase our sales. As a result of offering product bundles, we are able to drive down the level of product inventory and also introduce new products to our customers.
- The company implemented a monthly provision policy based on the periods of excess inventories which are associated with the carrying value on the balance sheet as inventory write-offs. The inventory value is normally calculated at the end of every month as stated on the balance sheet.

1.2 We face credit risk with debts from commercial debtors. As part of operation management, approximately 90% of our sales are credit. We may face potential risk if our commercial customer accounts have operation disruptions and can't pay over a period of time. The past due receivables could adversely affect or disrupt our cash flow or operational performance. However, we have implemented a management system as described below that consists of credit approval and credit control departments to evaluate customer's payment ability before approving credit line.



- Credit control and sales departments are separate and work individually. In this case, the credit control department is able to work independently and more efficiently without disruption or control from the sales department.
- Company pays for trade credit insurance to protect the account receivables from the loss of bad debts which may incur from distributors or dealers. The insurance should cover most of the damages that might happen from bad debts.
- Implementing a policy of provision for bad debts in the account receivables if our distributor's accounts are over 90 days past due without a securities holding or indemnity protection. The provision instantly provides 100 percent coverage against bad debt defaults.

2. Strong Competition Could Adversely Affect Profitability

Competition in the computer wholesale business industry is intense and the prospect of turning a profit is challenging.

However, the computer business is a substantial industry and has potential growth rate. Most competitors compete aggressively on price as a major strategy and this may cause an adverse affect to the performance of our business operations. Therefore, we have reduced the level of competition by increasing the variety of distribution channels in order to expand our products to serve prospective consumers in every strategic market.



3. Risks of Fluctuation of the Exchange Rate

Currency fluctuations could also affect profitability performance regarding our computer components imported from overseas countries. To mitigate this risk, we have hedged our foreign currency requirements to guard against foreign currency exposures.

4. Risk Factor from The Major Shareholders Who Hold Over 25 Percent of Stock

As at 15th March, 2016 the major shareholders, Apsilon Ventures Pte Ltd holds 31.94 Percent of total stocks, and Mr. Min Intanate, holds 18.21 Percent of total stocks. In this case, the major shareholders are able to control the voting in the meeting. Legally, a vote must pass by a three-fourths majority of total votes from the shareholders who have a right to vote in the meeting under the laws or Company's regulations. This circumstance could cause an imbalance and adversely affect the voting result if the major shareholder's votes are over 25 Percent of the total votes and are against the votes of the other shareholders.

5. Dependency on Long-Serving Management and Senior Employees.

Most of management and senior employees have been with the company for long period. Their skill and experiences are very specialized and critical to the company success. If the company is unable to retain them and has no proper succession plan. It may create negative impact on business and financial performance.

Risk Mitigation

The company regards employee retention as its priority. One of the significant factors for company's sustainable success is maintaining skilled and experienced personnel in management, sales, marketing and production. Furthermore, SVOA consistently trains its human resources to assure that they could provide effective product development and selling.

General Information

SVOA Public Co., Ltd. Commercial Registration No: 0107537002001 (previously No. 447) is engaged in Wholesaling and Retailing handling Office Automation products including development and installation of information system operates in the addresses as follow:

- **Corporate Headquarter:**

900/29 Rama III Road, Bangpongpan, Yannawa, Bangkok
10120 Thailand
Tel: +66 2682 6111
Fax: +66 2682 6300
www.svoa.co.th

- Finance & Accounting, Logistics and Distribution office:

131, Ratburana Road, Ratburana Bangkok 10140 Thailand
Tel: +66 2462 5822, +66 2462 5933, +66 2816 7511
Fax: +66 2462 7030

Nationwide Sales & Services Network

North

- o Chiangmai 61 Mahidol Road, Haiya, Mueang, Chiangmai 50100
Tel: +66 5327 2581-3
Fax: +66 5327 2581-3 Ext. 7
- o Phitsanulok 49/48 Chanvejchakij Road, NaiMueang, Mueang, Phitsanulok 65000
Tel: +66 5530 3576-8
Fax: +66 5530 3576-8 Ext. 30
- o Chiangrai 814/5 Nongbua Road, Wiang, Mueang, Chiangrai 57000
Tel: +66 5360 0484
Fax: +66 5360 0335

Northeast

- o Khon Khaen 156/46 Moo 4, Pracha Samoson Road, NaiMueang, Mueang, Khon Khaen 40000
Tel: +66 4324 1503 +66 4324 3988
Fax: +66 4324 1503 Ext. 5
- o Nakhon Ratchasima 28 Chumpol Road, NaiMueang, Mueang, Nakhon Ratchasima 30000
Tel: +66 4424 3333
Fax: +66 4424 3333 Ext. 5
- o Ubonratchathani 292 Thep Yothi Road, NaiMueang, Mueang, Ubonratchathani 34000
Tel: +66 4531 6849-51
Fax: +66 4531 6852

East

- o Chonburi 53/125-126 Moo 3, Bansuan, Mueang, Chonburi 20000
Tel: +66 3879 6788-91
Fax: +66 3879 6813

Central

- o Ratchaburi 159/41 Petchakasem Road, NahMueang, Mueang, Ratchaburi 70000
Tel: +66 3232 2030-1
Fax: +66 3232 2035

South

- o Surat Thani 97/20 Moo 6, Chonkasem Road, Makham Tieh, Mueang, Surat Thani 84000
Tel: +66 7728 1235-6
Fax: +66 7728 8822
- o Hat Yai 20 Siamciti Center 2 Road, Hat Yai, Songkla 90110
Tel: +66 7426 2101-3
Fax: +66 7426 2101-3 Ext. 28
- o Phuket 79/3 Vichitsongkram Road, Taladnuea, Mueang, Phuket 83000
Tel: +66 7623 4699-700
Fax: +66 7623 4699 Ext. 5

Issued and fully paid up share capital

SVOA Public Co., Ltd. has the paid up share capital totaling 947,000,000 Baht with 947,000,000 issued shares, divided into

1. The ordinary share : 707,000,000 shares
2. The preferred share : 240,000,000 shares

THE LEGAL ENTITIES IN WHICH SVOA HOLDS OVER 10% OF THE TOTAL OUTSTANDING CAPITAL STOCK

• DataOne Asia (Thailand) Co., Ltd. : SVOA holds a 100 percent share.

Headquarter : 900/29 Rama III Road, Bangpongpan, Yannawa, Bangkok 10120
Tel: +66 2682 6111, +66 2682 6222, +66 2682 3000
Fax.: +66 2682 6300, +66 2682 6468
www.d1asia.co.th

Registered Capital : 300,000,000 Baht
Paid up Capital : 300,000,000 Baht
Divided into : 3,000,000 Ordinary shares, at par value of 100 Baht each

Business Profile: The primary business is as a provider of data processing center and information technology management.

• ASYS Computer Co., Ltd. : SVOA holds a 100 percent share.

Headquarter : 131 Ratburana Road, Ratburana, Bangkok 10140
Tel: +66 2462 5822, +66 2816 7511, +66 2849 2777
Fax.: +66 2462 7064
www.asys.co.th

Registered Capital : 200,000,000 Baht
Paid up Capital : 200,000,000 Baht
Divided into : 20,000,000 Ordinary shares. at par value of 10 Baht each

Business Profile: After Sales Service.

• Lease IT (Public) Co., Ltd. : SVOA holds a 39.90 percent share.

Headquarter : 900/17 Rama III Road, Bangpongpan, Yannawa, Bangkok 10120
Tel: +66 2686 3202-4
Fax.: +66 2686 3228
www.leaseit.co.th

Registered Capital : 200,000,000 Baht
Paid up Capital : 200,000,000 Baht
Divided into : 200,000,000 Ordinary shares, at par value of 1 Baht each

Business Profile: The primary business is engaged in lending activities which are factoring and leasing services.

• IT CITY Public Co., Ltd. : SVOA holds a 31.96 percent accounting share.

Headquarter : 604/3 5th-6th Floor, Pantip Plaza Building, Petchburi Road, Tanon Petchburi, Rajthevee, Bangkok 10400
Tel: +66 2656 5030-45
Fax.: +66 2254 8550 www.itcity.co.th

Registered Capital : 366,798,859 Baht
Paid up Capital : 349,398,859 Baht
Divided into : 366,798,859 Ordinary shares at par value of 1 Baht each

Business Profile: The primary business is a one-stop shopping retail superstore that offers a wide variety of computers, peripherals, and other information technology products & services. The business is operated under the commercial title "IT City" which has been well known through its retail superstore in the IT market.

- **Touch Printing Republic Co., Ltd. SVOA holds a 24 percent accounting share.**

Headquarter : 343 Pattanakarn Road, Pravet, Bangkok 10250

Tel : +66 2321 2045, +66 2008 8853

www.touch-printing.com

Registered Capital : 50,000,000 Baht

Paid up Capital : 50,000,000 Baht

Divide into : 5,000,000 Ordinary shares
at par value of 10 Baht each

Business Profile : Printing service & solution provider by offering premium customized products using integrated design printing system and wide ranges of printing offering such as printer ink and papers to entrepreneurs in textile industry

- **ABIKS Development Co., Ltd. : SVOA holds a 20 percent share.**

131 Ratburana Road, Ratburana, Bangkok 10140

Tel: +66 2462 5822, +66 2816 7511, +66 2849 2777

Fax: +66 2462 7064

Registered Capital : 150,000,000 Baht

Paid up Capital : 150,000,000 Baht

Divided into : 15,000,000 Ordinary shares, at
par value of 10 Baht each

Business Profile: Engage in real estate development business including investment in land, office building for rental and to render property management services.



- **OTHER REFERENCES**

1. Share Registrar

Common Shares

Thailand Securities Depository Co., Ltd.

93 Ratchadaphisek Road, Din Daeng, Bangkok 10400

Tel: +66 2009 9000

Fax: +66 2009 9001

Preferred Shares and Warrants

SVOA Public Company Limited

131, Ratburana Road, Ratburana, Bangkok 10140

Tel: +66 2462 5822, +66 2462 5933, +66 2816 7511

Fax: +66 2843 2703

2. Company Secretary & Secretary to the Board of Directors

Dr. Wilson Teo Yong Peng

SVOA Public Company Limited

131, Ratburana Road, Ratburana, Bangkok 10140

Tel: +66 2462 5822, +66 2462 5933, +66 2816 7511

Fax: +66 2849 2703

3. Legal Advisor

Mr. Saravut Sinvisoot

SVOA Public Company Limited

131, Ratburana Road, Ratburana, Bangkok 10140

Tel: +66 2462 5822, +66 2462 5933, +66 2816 7511

Fax: +66 2849 2703

4. Auditors

EY Office Limited

33rd Floor, Lake Ratchada Building, 193/136-137

New Ratchadapisek Road, Klongteoy, Bangkok 10110

Tel: +66 2264 0777

Fax: +66 2264 0789-90

Stockholders' Equity Structure

Stockholders' Equity Structure

1. Registered and Paid-up share capital

- **Registered Capital**

The ordinary share 707,000,000 shares at par value of 1 Baht per share, amounting to 707,000,000 Baht.

The convertible preferred stock 240,000,000 shares at par value of 1 Baht per share, amounting to 240,000,000 Baht.

- **Paid-up Capital**

The ordinary share 707,000,000 shares at par value of 1 Baht per share, amounting to 707,000,000 Baht.

The convertible preferred stock 240,000,000 shares at par value of 1 Baht per share, amounting to 240,000,000 Baht.

- **Amount, Value, Condition, and the Stockholder's Characteristic of Preferred Stocks**

Effective May 30, 2001, our Board of Directors voted to authorize the issuance of up to a total of 24 Million shares of convertible preferred stock at par value 10 Baht per share with stock options of total 16 million units at zero Baht per unit. The issued stock was sold to Apsilon Ventures Pte Ltd., a Wholly Owned Subsidiary of Keppel Telecommunications and Transportation Ltd. The stock options had entirely been exercised since 12th July 2011.

- **The Amount of Shares and the Effect of Shareholders votes regarding issued Thai Trust Fund or NVDR Shares**

No share activity from Thai Trust Fund or NVDR.

2. Shareholders

The following table sets forth information with respect to our major shareholders who held ordinary shares and preferred stocks totaling 947,000,000 shares as of March 15, 2016, the latest date of the closing book entry.

| No | Shareholders List | No. of Shares | % |
|----|--|---------------|-------|
| 1 | Apsilon Ventures Pte Ltd. (A Subsidiary of Keppel Telecommunications and Transportation Ltd.) | 240,000,000 | 25.34 |
| 2 | Mr. Min Intanate | 172,496,450 | 18.21 |
| 3 | BNP PARIBAS WEALTH MANAGEMENT SINGAPORE BRANCH (Customer Segregated Account, held for Apsilon Ventures Pte Ltd.) | 62,461,740 | 6.59 |
| 4 | Mr. Wijit Pokkakul | 30,491,800 | 3.22 |
| 5 | Universe Beauty Co., Ltd. | 12,700,000 | 1.35 |
| 6 | Mr. Supoj Ngamsuksawat | 10,434,200 | 1.11 |
| 7 | Mr. Khet Wanglee | 9,600,000 | 1.02 |
| 8 | Mr. Tanit Nitiratwanit. | 9,100,000 | 0.96 |
| 9 | T.K.S Technologies Public Co.,Ltd.Thai NVDR Co., Ltd. | 9,000,000 | 0.95 |
| 10 | Thai NVDR Co.,Ltd | 7,370,900 | 0.78 |

Shareholders Meeting

At the Annual Shareholders Meeting in 2016, the 8 directors who attended included the Audit Committee Chairman, high-ranking Company Executives and Company Audit Committee Members. The Audit Committee Chairman presented equal opportunities for shareholders to inspect the Company's operational performance, express their opinions and to vote on an advisory resolution. The Company recorded the issues and important opinions on the meeting report.

- **The Significant Characteristic of Convertible Preferred Stock**

- **Preferred Stocks**

The par value of preferred stock is 1 Baht per share and can be converted to ordinary shares at par value 1 Baht per share. Convertible preferred stocks generally have the same characteristics as common stocks except dividends must be paid out before common stocks and in the event of company close-out, there is no limit period for conversion, and there is no secondary market, except that it is transferable. Effective December 31, 2005, there was no record that preferred stocks were vested to Apsilon Ventures Pte Ltd., a shareholder. The characteristics of preferred stock are that they are not guaranteed and have no value for credit purposes.

- **Stock Option Compensations**

On October 6, 2006, at the 4th Board of Directors meeting and November 10, 2006, at the Extraordinary Shareholders Meeting, it was authorized to grant up to 43,000,000 shares of ordinary stock with no cost to directors and employees. These stock options were authorized to not more than 35 persons who had a minimum of 12 month employment period. The employees are eligible to purchase a stock option of 1 unit valued at 1 ordinary share. The exercise price of these stocks is set at 1.76 Baht per share. Changes can be made if purchasing rights are modified. Stock options maintain a vesting period that expires 5 years after the grant date, non-transferable and the directors and/or employees must be currently employed. The right/eligibility to purchase stocks will be on the last business day of May and November through the purchase vesting period, except on the last day of the vesting period, there will be a 5 business day extension. No individual will be granted more than 5% of the total stock options. The Board of Directors will approve the issue date and exercise these stock options after permission from the Securities and Exchange Commission. However, the stock options had been expired since Year 2011.

- **Major Shareholders Agreement regarding Issued Stock or Company management and instruments directly affecting operation performance.**

No agreement established.

- **Shareholders' Rights and Equality**

In 2016, the company had shareholders' meeting 1 time the 2016 Annual General Meeting. The meeting was held at the Company's headquarters and included agendas that were submitted by the respective shareholders 10-14 business days prior to meeting. Shareholders were able to inspect the accuracy of corporate books, disclosure records regarding committee discussions. In addition, the Company's procedure allows shareholders to transfer their votes to one of three independent directors to express their opinions when they cannot attend the meeting.



3. Policy for Dividend Payment

• Policy for Dividend Payment to Shareholders

According to the resolution passed by the Board of Directors' Meeting No.1/2011 on February 24, 2011, it was agreed to approve the change of Company's dividend payment policy in compliance with the accounting practices for dividend payment as per the Act of Public Limited Company, B.E. 1992 dated April 25, 2007, noticed by the Department of Business Development, by which the payment should be made from net profit incurred in the period of financial year end date of separate financial statements.

Company pursues policy for making dividend payment of not less than 60 Percent of net profit of separate financial statement after accumulated losses and legal reserves. However, dividend payment rate will be defined upon cash flow and investment obligations of Company and Subsidiaries including other necessities in the future, by which separate financial statements should have net profit with no accumulated loss subject to approval of the Board of Directors. In addition, the dividend payment performance is subject to approval by the Shareholders' Meeting.

In the business operation for the Year 2016, the Company earned net profit of 23,668,210 Baht. At the Board of Directors' Meeting No.2/2017 on February 24, 2017, it was agreed upon to propose to the Shareholders' Meeting to approve the dividend payment of 60 Percent of net profit after legal reserve amounting to 22,484,800 Baht. A dividend payment amounting to 13,258,000 Baht or 0.014 Baht per share was approved at the Shareholders' Meeting.

In the business operation for the Year 2015, the Company earned net profit of 93,775,750 Baht. At the Board of Directors' Meeting No.1/2016 on February 25, 2016, it was agreed upon to propose to the Shareholders' Meeting to approve the dividend payment of 60 Percent of net profit after legal reserve amounting to 88,942,276 Baht. A dividend payment amounting to 53,032,000 Baht or 0.056 Baht per share was approved at the Shareholders' Meeting.

• Policy for Dividend Payment of Associated and Subsidiary Companies to the Company

DataOne Asia (Thailand) Co., Ltd. (a Subsidiary) pursues its policy to pay dividend payment at the rate of not less than 50% of net profit. The decision depends on approval of the Board of Directors, and capability of Company to pay dividend which must finally be approved by the Shareholders' Meeting.

Asys Computer Co., Ltd. (a Subsidiary) pursues its policy to pay dividend payment at the rate of not less than 50% of net profit. The decision depends on approval of the Board of Directors, and capability of Company to pay dividend which must finally be approved by the Shareholders' Meeting.

Lease IT Public Co., Ltd. (an Associated Company) pursues its policy to make dividend payment at the rate of not less than 50% of net profit after corporate income tax and legal reserves. However, company may consider altering its dividend payment different from the dividend policy or no dividends. The decision depends on the company's performance, liquidity, economic conditions and necessity in working capital for management and business expansion.

IT CITY Public Co., Ltd. (an Associated Company) pursues its policy to make dividend payment at the rate of not less than 50% of net profit after corporate income tax. However, Company may determine rate of dividend payment less than aforementioned rate in case of necessity to use the fund for ongoing business expansion. Such decision depends on approval of the Board of Directors, and capability of Company to pay dividend which must finally be approved by the Shareholders' Meeting.

ABIKS Development Co., Ltd. (an Associated Company) pursues its policy for dividend payment at the rate of not less than 50% of net profit, upon agreement of the Board of Directors and company's competency to pay dividend which must finally be approved by the Shareholders' Meeting.

Touch Printing Republic Co., Ltd. (an Associated Company) pursues its policy for dividend payment at the rate of not less than 50% of net profit, upon agreement of the Board of Directors and company's competency to pay dividend which must finally be approved by the Shareholders' Meeting.

Management Structure

SVOA Management Structure

1. Board of Directors who is in charge of directing the Company's business.
2. The Audit Committee whose responsibilities are to support overall operation of the Board of Directors.
3. Nomination and Remuneration Committee. The Purpose for appointment of Nomination and Remuneration Committee is to promote the principle of good corporate governance. The said Committee shall take responsibility for determining the criteria and policy of nomination and remuneration for directors and sub-committee members; recruiting, selecting and nominating the qualified person to hold the director position; considering remuneration of the directors, as well as other entrusted operations; and proposing to the Board of Directors and/or the Shareholders' Meeting as the case may be.

Board of Directors

1. Leadership and Vision

Board of Directors took part in stipulating and/or approval on corporate vision, mission, strategy, objectives, business plan, and budget. It supervised the management team to operate and perform the business functions efficiently according to business plan and budget for optimal economic value of the business and stable returns for shareholders.

2. Segregation of duties

To separate roles in determining policy, supervising and managing daily business functions of the Company, Chairman of the Board of Directors is not the Chief Executive Officer.

3. Balance of Directors who are not Management

Directors include the following:

- 4 Directors who are Management

1. Dr. Thienchai Srivichit Chairman of the Board
(His office term was expired without desire to assume the director position for another term. It was effective in 8th April 2016 on the date of the General Meeting of Shareholders)
2. Mr. Min Intanate Director
3. Dr. Wilson Teo Yong Peng Director and Chief Financial Officer
4. Mr. Krit Kulsuppaisarn Director
(Has been appointed to hold the Chairman of the Board's position without power to affix the signature to bind the Company.)

- 2 Directors who are not Management

1. Mr. Pang Thieng Hwi
2. Mr. Henry Goh

- 3 Independent Directors, accounting for 25% of total members of Company's Board of Directors

1. Mr. Manu Leopairote
(Has been appointed to hold the Chairman of the Board's position without power to affix the signature to bind the Company.)
2. Dr. Praon Phasukyud
3. Mr. Anant Tangtatswas

Audit Committee

The members of the Audit Committee shall be appointed by the Board of Directors to support Corporate Governance of the Company. The Audit Committee which was appointed on April 20, 2011 will perform their duties in the position for 1 year. It consists of 3 Independent Directors, all of whom are not representing major shareholders. **They are as follows:**

1. Mr. Anant Tangtatswas Audit Committee Chairman
2. Mr. Manu Leopairote Audit Committee Member (Knowledgeable and experienced person in auditing financial statement)
3. Dr. Praon Phasukyud Audit Committee Member

The Audit Committee regularly held 4 meetings in 2016 and reported to the Company's Board of Directors. The authority of the Audit Committee includes the following;

1. Annually review, nominate, and recommend independent members to be the Company's Auditor, and to propose such person's remuneration, as well as to attend a meeting with an Auditor at least once a year.
2. To review the Connected Transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the Laws and the Exchange's Regulations, and are reasonable for the highest benefit of the Company.
3. To prepare, and to disclose in the Company's Annual Report, an Audit Committee's report which must be signed by the Audit Committee Chairman and consist of at least the following information;
 - 3.1 An opinion on the accuracy, completeness and credibility of the Company's Financial Report.
 - 3.2 An opinion on the adequacy of the Company's internal control system.
 - 3.3 An opinion on the compliance with the Laws on Securities and Exchange, the Exchange's regulations, or the laws relating to the Company's business.
 - 3.4 An opinion on the suitability of an Auditor.
 - 3.5 An opinion on the transactions that may lead to conflicts of interest.
 - 3.6 The number of Audit Committee Meetings, and the attendance of such meetings by each committee member.

Meeting of the Board of Directors

Board of Directors holds regular meetings every 3 months and special meetings are held when necessary. Agendas are fixed in advance including agendas of operating results to be pursued regularly. The Company Secretary sends invitation letters, including agendas and documents 7 days ahead of the meeting date, Normally, the duration of each meeting is approximately 2 hours. In 2016, the Board of Directors' held regular meetings 4 times. The Board of Directors Attendees are summarized as follows:

| Director's Name | Period of Service | Ordinary Meeting (time) | No. of Absence (time) |
|-----------------------------|-------------------|-------------------------|-----------------------|
| 1. Mr. Min Intanate | Remark (*) | 4 | 0 |
| 2. Mr. Pang Thieng Hwi | Remark (*) | 2 | 2 |
| 3. Mr. Henry Goh | Remark (*) | 3 | 1 |
| 4. Dr. Wilson Teo Yong Peng | Remark (*) | 4 | 0 |
| 5. Mr. Manu Leopairote | Remark (*) | 4 | 0 |
| 6. Dr. Prapon Phasukyud | Remark (*) | 4 | 0 |
| 7. Mr. Anant Tangtatswas | Remark (*) | 4 | 0 |
| 8. Mr. Adisorn Kaewbucha | Remark (**) | 4 | 0 |

Remark

(*) The Company's Articles of Association do not specify the Director's total years of service. However, in every Annual General Meeting, one-third of total number of directors will have to vacate office and may be re-elected to take the position.

All documentation of meetings and maintenance of written minutes of its meetings shall be approved by the Board of Directors in advance of distribution to the Audit Committees and auditors.

(**) Mr. Adisorn Kaewbucha resigned from the Director position on 9th November 2016 and Mr. Krit Kulsuppaisarn was appointed to be Director as replacement of Mr. Adisorn Kaewbucha.

The Authorized Directors

"Mr. Min Intanate jointly signs with Mr. Krit Kulsuppaisarn or Mr. Henry Goh or Mr. Pang Thieng Hwi or Dr. Wilson Teo Yong Peng together with the Company's seal affixed, or Mr. Min Intanate or Mr. Krit Kulsuppaisarn jointly signs with Mr. Henry Goh or Mr. Pang Thieng Hwi, or Dr. Wilson Teo Yong Peng, together with the Company's seal affixed".

Internal Control

The Board of Directors arranges internal control system covering every aspect such as financing, working performance, operation in relation to Law, Rules & Regulations of The Stock Exchange of Thailand. In addition, the sufficiency assessment of internal control, for organization & environment, risk management, management operation control, information technology & data communications systems and monitoring system, are provided to support the internal control system according to the current situation and the requirements of the Securities and Exchange Commission, Thailand.

The Board of Directors has to ensure that the Company has sufficient internal control system to check the transactions with major shareholders, Directors, Chief Executive Officer, executives and other related persons. For other transactions, the Company also has sufficient internal control system, since the Company has the Internal Audit function to audit the operations of the respective business units.

Board of Directors

Name Dr. Thienchai Srivichit

Position Chairman of the Board / Date of Appointment 27/10/1992, Number of Years on the Board 24 Years
(Vacated office on 8th April 2016 and declined to be positioned as Director for another term)

Age 85

Qualifications

- FCA, Fellow of The Institute of Chartered Accountants in England & Wales (U.K.)
- National Defence College
- Honorary Doctorate of Accounting, Ramkhamhang University
- DAP, Director Accreditation Program, Thai Institute of Directors
- RCP, Role of The Chairman Program, Thai Institute of Directors

Shareholdings as at 15/3/2016

4,500,000 shares (0.48%)

Working Experience for the last 5 Years

| | | |
|---------|----------|-----------------------------------|
| Present | Director | IT City Public Co., Ltd. |
| Present | Director | DataOne Asia (Thailand) Co., Ltd. |
| Present | Director | ABIKS Development Co., Ltd. |
| Present | Director | Lease IT Public Co., Ltd. |
| Present | Director | Asys Computer Co., Ltd. |

Board of Directors

Name Mr. Manu Leoparote

Position Independent Director and Audit Committee Chairman, Chairman of the Board, Independent Director, Audit Committee member, Chairman of Nomination and Remuneration Committee

Age 74

Qualifications

- B.Sc. in Economics (Hons.), Thammasat University
- M.Sc. in Economics, University of Kentucky, (U.S.A.)
- Ph.D. in Business Administration (Honorary), Thammasat University
- Certificate in Industrial Development, Nagoya Training Center, Japan
- Diploma for National Defence College, Class 34
- Certificate in Role of Chairman Program (RCP 3/2001)
- Certificate in Directors Certification Program (DCP 30/2003)

Shareholdings as at 15/3/2016

-

Working Experience for the last 5 Years

| | | |
|-----------|--|--|
| 1994-1999 | Director General | Department of Industrial Promotion, Ministry of Industry |
| 1999-2004 | Permanent Secretary | Ministry of Industry |
| Present | Counsellor of State | The Council of State (Trade and Industry) |
| Present | Chairman | Khonkaen Sugar Public Company Limited |
| Present | Chairman | ARIP Public Co., Ltd. |
| Present | Chairman | Jubilee Enterprise Public Co., Ltd. |
| Present | Chairman | T.M.C. Industrial Public Company Limited |
| Present | Chairman of the Audit Committee | Siam Steel international Public Company Limited |
| Present | Independent Director and Audit Committee | Thai Beverage Public Company Limited |
| Present | Chairman | Asia Precision Public Company Limited |

Board of Directors

Name Mr. Min Intanate

Position Director / Date of Appointment 27/2/2013, Number of Years on the Board 4 Years

Age 62

Qualifications

- Ph.D. in Law (Honorary), Dominican University of California, USA (2010)
- Ph.D. in Science (Honorary), Information Technology for Management, Maharakarm University
- Bachelor (Honorary) of Science, Computer Science, Faculty of Engineering and Agricultural Technology, Rajamangala University of Technology Thanyaburi
- Bachelor of Architecture, Fu Hsing Institute of Tecnology (Taiwan)
- Thailand Insurance Leadership Program, Class 1, Office of Insurance Commission
- DAP, Director Accreditation Program , Thai Institute of Directors
- RCP, Role of The Chairman Program, Thai Institute of Directors

Shareholdings as at 15/3/2016

172,496,450 shares (18.21%)

Working Experience for the last 5 Years

| | | |
|---------|-------------------------------|-----------------------------------|
| Present | Director & Executive Chairman | SVOA Public Co., Ltd. |
| Present | Director & Executive Chairman | SPVI Public Co., Ltd. |
| Present | Director | ABIKS Development Co., Ltd |
| Present | Chairman | D&B (Thailand) Co., Ltd. |
| Present | Director | National Credit Bureau Co., Ltd. |
| Present | Director & Executive Chairman | IT City Public Co., Ltd. |
| Present | Director & Chairman | Core & Peak Co., Ltd. |
| Present | Director & Executive Chairman | Business Online Public Co., Ltd. |
| Present | Director & Executive Chairman | ARIP Public Co., Ltd. |
| Present | Director | Advanced Research Group Co., Ltd. |

Name Mr. Pang Thieng Hwi

Position Director / Date of Appointment 13/8/2014, Number of Years on the Board 3 Years

Age 52

Qualifications

- Bachelor of Arts degree and Master of Arts (Honorary Award), Cambridge University, (U.K.)

Shareholdings as at 15/3/2016

-

Working Experience for the last 5 Years

| | | |
|---------|--------------------------|---|
| 2010 | CEO | Keppel Infrastructure Fund Management Pte Ltd., Trustee - Manager of Keppel Intrastructure Trust |
| Present | Director | Advanced Research Group Co., Ltd. |
| Present | Director | Anew Corporation Co., Ltd. |
| Present | CEO & Executive Director | Keppel Telecommunications & Transportation Ltd. |
| Present | Director | Keppel DC REIT Management Pte Ltd. |

Board of Directors

Name Dr. Wilson Teo Yong Peng

Position Director / Date of Appointment 15/2/2006, Number of Years on the Board 11 Years

Age 51

Qualifications

- DBA, Doctor BA, University of Manchester (U.K.)
- ASEP, Advanced Senior Executive Program, Kellogg School of Management (U.S.A.)
- MBA, Oxford Brookes University (U.K.)
- FCCA, Fellow of The Association of Chartered Certified Accountants (U.K.)
- FCA, Fellow of Institute of Singapore Chartered Accountants
- FCPA, Fellow of Certified Practising Accountants (Australia)
- IIA, The Institute of Internal Auditors (U.S.A.)
- DAP, Director Accreditation Program

Shareholdings as at 15/3/2016

-

Working Experience for the last 5 Years

| | | |
|-----------|----------|-----------------------------------|
| Present | Director | Business Online Public Co., Ltd. |
| Present | Director | DataOne Asia (Thailand) Co., Ltd. |
| Present | Director | Advanced Research Group Co., Ltd. |
| Present | Director | ABIKS Development Co., Ltd. |
| Present | Director | ARIP Public Co., Ltd. |
| Present | Director | Asys Computer Co., Ltd. |
| Present | Director | Anew Corporation Co., Ltd. |
| Present | Director | Acerts Co., Ltd. |
| 2012-2013 | Director | Lease IT Public Co., Ltd. |

Board of Directors

Name Mr. Henry Goh

Position Director / Date of Appointment 25/2/2009, Number of Years on the Board 8 Years

Age 60

Qualifications

- FCA, Fellow of Institute of Singapore Chartered Accountants
- FCMA, Fellow of The Chartered Institute of Management Accountants (U.K.)

Shareholdings as at 15/3/2016

-

Working Experience for the last 5 Years

Present Director Advanced Research Group Co., Ltd.

Name Mr. Adisorn Kaewbucha

Position Director / Date of Appointment 27/2/2013, Number of Years on the Board 3 Years
(Resigned from the Director position on 9th November 2016)

Age 61

Qualifications

- Bachelor of Electrical Engineering, Chulalongkorn University

Shareholdings as at 15/3/2016

1,825,000 shares (0.19%)

Working Experience for the last 5 Years

| | | |
|-----------|-------------------------|--|
| 1992-2005 | Chief Operating Officer | SVOA Public Co., Ltd. |
| Present | CEO | DataOne Asia (Thailand) Co., Ltd. |
| Present | Director and Secretary | The Federation of Thai ICT for Savings and Credit Cooperatives Limited |

Name Mr. Krit Kulsuppaisarn

Position Director / Date of Appointment 9/11/2016
(Appointment for replacing Mr. Adisorn Kaewbucha who resigned from the Director position)

Age 64

Qualifications

- Mini MBA Program, Thammasat University
- Director Certification Program DAP, Director Accreditation Program - Thai Institute of Directors

Shareholdings as at 15/3/2016

3,503,330 shares (0.37%)

Working Experience for the last 5 Years

| | | |
|-----------|-------------------------|-----------------------------------|
| 2006-2009 | Chief Operating Officer | DataOne Asia (Thailand) Co., Ltd. |
| Present | Director | SVOA Public Co., Ltd. |
| Present | Director | DataOne Asia (Thailand) Co., Ltd. |

Board of Directors

Name Mr. Anant Tangtatswas

Position Independent Director and Audit Committee Member / Date of Appointment 2/4/2012, Number of Years on the Board 5 Years

Age 66

Qualifications

- BA (Economics), Thammasat University
- MBA (Finance), Columbia University, NYC, USA
- National Defence College, The Joint State — Private Sector Course Class 377
- Certificate DAP, Director Accreditation Program

Shareholdings as at 15/3/2016

-

Working Experience for the last 5 Years

| | | |
|-----------|---|--|
| 1993-1996 | President | Bank of Ayudhya Pcl. |
| 1996-1999 | Executive Vice Chairman | Bank of Ayudhya Pcl. |
| 2003-2005 | President | Islamic Bank of Thailand |
| 2009-2010 | Director | Crown Seal Public Company Limited |
| Present | Director | Green Spot Co., Ltd. |
| Present | Independent Director and Audit Committee Chairman | Business Online Public Company Limited |

Name Dr. Prapon Phasukyud

Position Independent Director and Audit Committee Member / Date of Appointment 27/2/2003, Number of Years on the Board 14 Years

Age 60

Qualifications

- Ph.D., Civil Engineering, University of Missouri-Columbia (U.S.A.)
- MS, Engineering Management, University of Missouri-Rolla (U.S.A.)
- MS, Civil Engineering, University of Texas, Arlington (U.S.A.)
- Bachelor of Civil Engineering, Chulalongkorn University

Shareholdings as at 15/3/2016

-

Working Experience for the last 5 Years

| | | |
|-----------|-----------|--|
| 1999-2004 | Dean | College of Innovation Thammasat University |
| 2004-2008 | Director | Communication & Learning Networks - KMI |
| 2008-2016 | President | The Knowledge Management Institute (KMI) |
| Present | Director | The Knowledge Management Institute (KMI) |

Management

Name Mr. Thitakorn Ussayaporn

Position Chief Executive Officer

Age 52

Qualifications

- Master Business Administration (Marketing), Faculty of Commerce and Accountancy, Thammasat University
- Bachelor of Science (Statistics), Faculty of Commerce and Accountancy, Chulalongkorn University

Shareholdings as at 15/3/2016

-

Working Experience for the last 5 Years

| | | |
|-----------|-------------------------|---|
| 2011-2013 | Chief Executive Officer | M Pictures Entertainment Public Co., Ltd. |
| 2008-2011 | Director | Total Access Communication Public Co., Ltd. |
| 2002-2008 | Director | Microsoft (Thailand) Limited |
| Present | Chairman of the Board | Touch Printing Republic Co., Ltd. |

Name Dr. Wilson Teo Yong Peng

Position Chief Financial officer / Secretary of the Board / Company Secretary

Age 51

Qualifications

- DBA, Doctor BA, University of Manchester (U.K.)
- ASEP, Advanced Senior Executive Program, Kellogg School of Management (U.S.A.)
- MBA, Oxford Brookes University (U.K.)
- FCCA, Fellow of The Association of Chartered Certified Accountants (U.K.)
- FCA, Fellow of Institute of Singapore Chartered Accountants
- FCPA, Fellow of Certified Practising Accountants (Australia)
- IIA, The Institute of Internal Auditors (U.S.A.)
- DAP, Director Accreditation Program - Thai Institute of Directors

Shareholdings as at 15/3/2016

-

Working Experience for the last 5 Years

| | | |
|-----------|----------|-----------------------------------|
| Present | Director | Business Online Public Co., Ltd. |
| Present | Director | DataOne Asia (Thailand) Co., Ltd. |
| Present | Director | Advanced Research Group Co., Ltd. |
| Present | Director | ABIKS Development Co., Ltd. |
| Present | Director | ARIP Public Co., Ltd. |
| Present | Director | Asys Computer Co., Ltd. |
| Present | Director | Anew Corporation Co., Ltd. |
| Present | Director | Acerts Co., Ltd. |
| 2012-2013 | Director | Lease IT Public Co., Ltd. |

Management

Name Mr. Krit Kulsuppaisarn

Position Chief Operating Officer IT Project Business Unit

Age 64

Qualifications

- Mini MBA Program, Thammasat University
- Director Certification Program DAP, Director Accreditation Program - Thai Institute of Directors

Shareholdings as at 15/3/2016

3,503,330 shares (0.37%)

Working Experience for the last 5 Years

| | | |
|-----------|-------------------------|-----------------------------------|
| 2006-2009 | Chief Operating Officer | DataOne Asia (Thailand) Co., Ltd. |
| Present | Director | SVOA Public Co., Ltd. |
| Present | Director | DataOne Asia (Thailand) Co., Ltd. |

Name Mr. Adisorn Kaewbucha

Position President & Chief Operating Officer

Age 61

Qualifications

- Bachelor of Electrical Engineering, Chulalongkorn University

Shareholdings as at 15/3/2016

1,825,000 shares (0.19%)

Working Experience for the last 5 Years

| | | |
|-----------|-------------------------|--|
| 1992-2005 | Chief Operating Officer | SVOA Public Co., Ltd. |
| Present | CEO | DataOne Asia (Thailand) Co., Ltd. |
| Present | Director and Secretary | The Federation of Thai ICT for Savings and Credit Cooperatives Limited |

Name Mr. Ekachai Sirijirapatana

Position Certificate of Attendance Director Accreditation Program Class 33 (DAP)

Age 61

Qualifications

- Bachelor of Science in Technical Education (Mechanical Engineering)
- DAP, Director Accreditation Program, Thai Institute of Directors

Shareholdings

-

Working Experience for the last 5 years

Present Director and President IT City Public Co., Ltd.

Management

Name Mr. Sompon Aketerajit

Position Chief Executive Officer Lease IT Public Co., Ltd.

Age 56

Qualifications

- Master of Science in Accounting, Thammasat University
- BA, Accounting (Costing), Chulalongkorn University
- Graduate Diploma in Auditing, Chulalongkorn University
- DCP, Director Certification Program, Thai Institute of Directors

Shareholdings

1,670,200 shares 0.17%

Working Experience for the last 5 years

| | | |
|-----------|-------------------------|-------------------------|
| 1999-2003 | Financial Controller | SVOA Public Co., Ltd. |
| 2004-2006 | Chief Executive Officer | SVOA Public Co., Ltd. |
| 2006-2013 | Director | SVOA Public Co., Ltd. |
| 2007-2012 | Director | Asys Computer Co., Ltd. |

Name Mr.Kittipoom Anutarapinyowong

Position Chief Executive Officer Touch Printing Republic Co., Ltd.

Age 36

Qualifications

- Bachelor of Science in Technical Education (Mechanical Engineering) King Mongkut's University of Technology North Bangkok

Shareholdings

-

Working Experience for the last 5 years

| | | |
|-----------|-------------------------|----------------------------------|
| 2006-2016 | Managing Director | THAI SYSTEM CO.,LTD. |
| Present | Chief Executive Officer | Touch Printing Republic Co.,Ltd. |

Selection of Board of Directors and Management

Criteria for the selection of nominees to be on the Board of Directors and for the management positions are as follows:

Board of Directors

According to the selection of the Board of Directors for non-vacant position, the Board of Directors will search for suitable candidates and propose to the shareholders at the Shareholders' Meeting for consideration. For the selection of the Board of Directors for a vacant position, the Board of Directors will look for potential candidates and appoint the most suitable person to take the position. Since the Company has not set up a Screening Committee to select directors, all members of the Board of Directors have the rights to propose suitable candidates.

Management

For the selection of the Executive Committee, the Boards of Directors has assigned the Chief Executive Officer to search for candidates and propose the appointment of suitable person to the Board of Directors for consideration.

Members of the Board of Directors, who were major shareholders, consist of 2 groups:

1. Those who were representatives of shareholders Apsilon Ventures Pte Ltd.
 - 1.1 Mr. Pang Thieng Hwi
 - 1.2 Mr. Henry Goh
 - 1.3 Dr. Wilson Teo Yong Peng
2. Those who were representatives of shareholders Mr. Min Intanate
 - 2.1 Mr. Min Intanate
 - 2.2 Mr. Krit Kulsuppaisarn



Remuneration of the Executives:

- Monetary Remuneration to Directors: has been specified clearly in the policy. It has been set at the same level as the industry group which was high enough to attract and retain qualified Directors. The Directors, who are assigned more duties and responsibilities, will also receive higher monetary remuneration suitable for increasing duties and responsibilities.
- Monetary Remuneration to Management: follows the principle and policy set by the Board of Directors along with the operating results of the Company and performance of each management. The Department of Human Resources with the approval of the Chief Executive Officer will specify and propose the appropriate monetary remuneration to the Company's Board of Directors for their consideration and final approval.
- Monetary Remuneration to the Directors and Management in 2016 is as follows:

Monetary Remuneration Board of Directors

| Name | Position | Remuneration (Baht) | Remuneration (Baht) |
|-----------------------------|---|---------------------|---------------------|
| | | 2016 | 2015 |
| 1. Dr. Thienchai Srivichit | Chairman of The Board | - | - |
| 2. Mr. Pang Thieng Hwi | Director | - | - |
| 3. Mr. Min Intanate | Director & Chief Executive Officer | - | - |
| 4. Dr. Wilson Teo Yong Peng | Director | - | - |
| 5. Mr. Henry Goh | Director | - | - |
| 6. Mr. Adisorn Kaewbucha | Director | - | - |
| 7. Mr. Manu Leopairote | Independent Director & Audit Committee Chairman | 2,030,000.00 | 855,000.00 |
| 8. Dr. Prapon Phasukyud | Independent Director & Audit Committee Chairman | 500,000.00 | 495,000.00 |
| 9. Mr. Anant Tangtatswas | Independent Director & Audit Committee Chairman | 770,000.00 | 495,000.00 |
| | | 3,300,000.00 | 1,845,000.00 |

Remark

No.1-6 would not receive the remuneration mentioned above since they are directors who were representatives of major shareholders.

Directors and Management of SVOA Public Co., Ltd. and Subsidiaries

| | 2016 (SVOA Consolidated) | | 2015 (SVOA Consolidated) | |
|---------------------------------------|--------------------------|----------------------|--------------------------|----------------------|
| | Total Persons | Total Amount (Baht) | Total Persons | Total Amount (Baht) |
| Salaries | 6 | 21,236,058.00 | 6 | 24,389,660.00 |
| Bonus | 2 | 1,310,000.00 | 5 | 3,031,500.00 |
| Others | 6 | 550,588.00 | 6 | 742,060.00 |
| Contributions to provident fund | 6 | 937,371.00 | 6 | 1,123,693.00 |
| Contributions to social security fund | 6 | 65,250.00 | 6 | 81,000.00 |
| Total | | 24,099,267.00 | | 29,367,913.00 |

Business Control Policy

Policies regarding Code of the Best Practices of the Stock Exchange of Thailand

The Board of Directors has stipulated business control policy as it is crucial for the sustainable growth of the business. Also, the Board of Directors is committed to follow such policy by specifying and directing the business operation. It has also established appropriate internal control system and internal audit to ensure effective management comply strictly with the Company's regulations and other related law. Besides, the Board of Directors has regularly provided the financial reports and general information to shareholders and general investors to acknowledge the Company's financial status and operating results of the Company for long-term benefits of the shareholders as required by laws and business ethics.

Conflicts of Interest

Transactions which may cause conflicts of interest: The Board of Directors recognized transactions which cause conflicts of interest and other connected transactions and has always exercised through proper judgment which complies with the SET's regulations. The price and conditions are similar to the Arm's Length Basis transaction and the details of transaction value, related parties; reason/necessity in connected transactions have been disclosed.

Monitoring of Inside Information

1. The Management is required to report any change of shareholding to The Office of the Securities and Exchange Commission, Thailand according to Clause 59 of the Act of Securities and Stock Exchange 1992.
2. The Company forbids Directors, Management and employees to utilize the Company's inside information for their own benefits. Inside information is to be disclosed only to concerned persons such as Auditors, Legal Advisor, etc. The Company will disclose particular information to shareholders at a proper time.

Provisions for Punishment

In case of abuse of internal information, the Management would consider the punishment to the person depending on the gravity of the offence. Normal actions would be consideration of performance at the end of the year, transfer of employee to prevent access to sensitive information and issuance of warning notice.

Human Resources

As of December 31, 2016, the Group including associated company had 1,430 employees, a decreased of 5 employees from the previous year, amounting to 0.35%. The Company attempted to control recruitment by following a restrictive management policy which was adapted to a more efficient and flexible manpower structure due to the current economic challenges.

| Total Manpower | Employees (Person) |
|--|--------------------|
| 1. SVOA Public Company Limited | 446 |
| 2. DataOne Asia (Thailand) Company Limited | 277 |
| 3. Asys Company Limited | 250 |
| 4. Lease IT Public Company Limited | 57 |
| 5. IT CITY Public Company Limited | 372 |
| 6. TOUCH Printing Republic Company Limited | 28 |
| TOTAL | 1,430 |

Justification/Policy:

In case of changes in manpower structure with major implications or disputes over the past 3 years.
-None

Total Remuneration of Staff as follows:

| Description | 2016 (Baht) (SVOA Consolidated) | 2015 (Baht) (SVOA Consolidated) |
|---------------------------------------|------------------------------------|------------------------------------|
| Salaries | 321,077,231.47 | 304,149,270.00 |
| Bonus | 14,120,332.00 | 15,177,252.00 |
| Contributions to provident fund | 10,456,451.95 | 9,554,829.00 |
| Contributions to social security fund | 8,424,712.00 | 8,168,458.00 |
| Others | 68,548,825.64 | 72,071,210.00 |
| Total | 422,622,553.06 | 409,121,019.00 |

Staff Development Policy

The Company realizes that its most valuable asset is manpower with high potential performance that put their efforts to help the Company to make business plan, overcome problems, creates new conceptual ideas among their efficient working team and network for competitive advantages. The Company focuses on constant development of the organization becoming "Knowledge Based Organization" which emphasizes on leadership together with unity of the staff including providing training to increase skill and expertise. This would further improve staff morale and spirit; driving staff to move forward. The Company seeks to constantly improve its human resources development policy to help both staff and Company to grow into the future; thereby, aims to provide the best to our Stakeholders.

Anti-Fraud and Anti-Corruption Policy

The Company is highly committed in preventing fraud and corruption by practicing zero fraud and corruption tolerance. The Company itself including parties relevant to the Company's business operation must comply with this Anti-Fraud and Anti-Corruption Policy by upholding transparency and honesty when making transactions with authorities or with any other agencies to avoid any actions which may found to be inappropriate and conflicting with proper management principle. The policy also extends to prevention of bribery whether giving or receiving for the purpose of business convenience or interests of the Company, including disciplinary actions which shall be enforced upon the offender.

1. Political policy

Company implements the following political guideline:

- 1.1 Exercise one's right as a good citizen in compliance with the constitutional law and relevant laws.
- 1.2 Avoid taking part in any activities or making comments which may cause the Company to be misunderstood as having involvement or supporting certain political party or group which may bring conflict to the Company and the country.
- 1.3 Avoid using any properties owned by the Company to support any political parties or groups in exchange for unlawful privilege or benefits.

2. Policy for Giving and Receiving Gifts

- 2.1 Directors, executives and employees must avoid receiving any gifts whether in the form of cash and non-cash from business partners or relevant persons with the exception of festive season or traditional occasion.
- 2.2 Directors, executives and employees must not personally receive any money or rewards from customers, business partners or any other persons from working on behalf of the Company.
- 2.3 Directors, executives and employees must not loan, borrow or collect money or items from customers or business partners of the Company unless it is a loan borrowed from a bank or financial institution as a customer of that bank or financial institution.
- 2.4 Any giving or receiving of donation or funding must be done in transparent and legal manner with confidence that such donation or funding will not be used as an excuse for giving or receiving bribery.

2.5 The Company has no policy to offer money, gift or any forms of privilege to customers, business partners, external public and private organizations or any other persons in order to gain business with the exception of traditional business reception, commercial discount and promotional campaign prepared by the Company.

3. Whistleblowing Policy

The Company is determined to encourage directors, executives and employees to operate business based on correctness, transparency, justice and accountability in accordance with good corporate governance and business ethics.

The Company established Whistleblowing Policy to ensure that supervisors and relevant departments oversee as well as providing counseling and monitoring the behavior of directors, executives and employees to ensure proper conduct. Stakeholders can either directly or indirectly raise complaints regarding actions which suspected to be fraudulent or corrupted actions within the Company. Mechanism to protect whistleblowers as well as maintaining confidentiality of all information received has been provided. Complaints can be submitted in the following methods:

1) A written letter can be posted to:

Mr. Anant Tangtatswas (Independent Director and Audit Committee Chairman)
SVOA Public Company Limited
900/29, 32nd Floor, Rama 3 Road,
Bangpongpan, Yannawa, Bangkok 10120

2) Email

auditreport@svoa.co.th

The whistleblower must specify details of the subject matter or complaint including with his/her name, address and contact number.

Once received either by post or e-mail, the complaint will be directly sent to Audit Committee Chairman. This shall become effective from 25th February 2016 onwards.

Corporate Governance Policy

The Company sees the importance of good governance and has put appropriate monitoring process in place while instilling the value of business ethics in dealing with our customers, partners, competitors, members of the public and our staff.

We believe that good corporate governance policy, which consists of competent management, qualified and accountable directors, mechanism of checks and balances for transparent and auditable operations, respect for the rights of all shareholders, and equitable treatment for all stakeholders are the key factors in maximizing the economic value of the Company and increasing the sustainable long-term return on investment to our shareholders.

The Board of Directors aims to manage the Company by using the corporate governance policies in order to operate the Company with efficiency while achieving the Company's objectives. The corporate governance policies can be divided into 5 categories as follow:

1. Rights of Shareholders

2. Equitable Treatment of Shareholders

3. The Roles of Company Regarding Stakeholders

4. Disclosure of Information and Transparency

5. Responsibilities of Board of Directors

1. Rights of Shareholders

1. Shareholders are the owners of the Company. They control the Company through the appointment of the Board of Directors to serve their interests in making significant decisions for the Company. Therefore the Company should encourage shareholders to exercise their rights.
2. Fundamental rights of Shareholders:
 - 2.1 Trade or transfer shares, receive share certificates, and have the rights to access, obtain relevant and adequate information, operational, results, and management policies in a timely manner and on a regular basis.
 - 2.2 Have the rights to receive dividends.
 - 2.3 Participate and vote in the shareholder meetings to elect or remove members of the Board, appoint the external Auditors, and make decisions on any transactions that affect the Company such as dividends payment, making amendments to the memorandum of association, capital increase or decrease, and the approval of extraordinary transactions, etc.
 - 2.4 Shareholders should be fully informed of the criteria and procedures governing shareholders meetings that include sufficient information regarding the issues to be decided in each agenda. This should be provided in advance of the meeting. Shareholders should be able to query Directors both in the meeting and by sending their questions in beforehand. They should also be allowed to propose an agenda and vote by proxy.
 - 2.5 The Board of Directors must recognize shareholders right and avoid any actions that violate those rights.
3. Shareholders shall receive meeting invitation letter and information on venue, date, time, all agenda items with complete supplementary information 14 days prior to the meeting date. All information regarding shareholders meeting shall be posted on the Company's website before the meeting. The Company has to provide suitable place and time that most attendees can attend the meeting. Furthermore, all shareholders should be treated equally according to relevant law and regulation.
4. Chairman of the Board shall attend the meeting to answer shareholders' queries or appoint other Directors or managers to elaborate on the answers in greater detail.
5. After the meeting, shareholders have clear understanding and able to access minute of meeting and voting results.

2. Equitable Treatment of Shareholders

1. Shareholders have voting rights in accordance with the number of shares that they hold, and have equal rights equality with regard to accessing Company information.
2. Shareholders shall receive necessary information from the Company that is sufficient, fair and timely, and the Company shall not display bias towards any one group of shareholders by providing them with information that have not been made public.
3. In the shareholders' meetings, the shareholders shall be treated with fairness.
4. The Company encourages the use of proxy forms on which shareholders can specify their voting preferences. The Company provides an option for shareholders to appoint the Chairman of the Audit Committee, who is an Independent Directors, as their proxy.
5. For the sake of transparency and historical record, the Company encourages the use of voting cards.
6. The Company has mechanisms to prevent insider trading in order to protect fraud and the leak of information.

The Company conducts its business according to regulations of Stock Exchange of Thailand (SET) and Securities and Exchange Commission (SEC). We put significant considerations on transparency and fairness, especially on conflict of interest issues. In addition, the disclosure of information in a timely manner is always emphasized. For The Company interests, the internal control on the use of information is clearly stated in the Company handbook. The penalty will be imposed on management and staff who disclose internal information to public or use them for personal benefits. Moreover, the shareholders structure and details of share held by executives are fully disclosed in the annual report.

3. The Roles of Company Regarding Stakeholders

1. The Board of Directors must be aware of the rights of stakeholders as stipulated by law, and should support cooperation between the Company and stakeholders in the creation of prosperity, employment and activities with a sustainable financial status. The Board of Directors shall ensure that the rights of stakeholders are being protected and practiced.
2. The Board of Directors must take into account the benefits received and given by stakeholders in generating competitiveness and profits for the Company.
3. The Company recognized the rights of all parties, and issue policies to reassure the shareholders, employees, customers, business partners, creditors, competitors, including the public and the society that they are suitably benefited from the Company's operations and must encourage the collaboration of these parties to ensure a stable future of the Company that is fair for all the parties concerned.

3.1 Shareholders

The Company determines to be a good representative of the shareholders in carrying out the business in order to maximize shareholder satisfaction with regards to sustainable long term growth disclosing transparent and reliable information.

3.2 Employees

All members of staff are valuable assets and a critical factor for success, so the Company must place emphasis on developing and promoting a good culture and working atmosphere, teamwork, courtesy, and promoting a good culture and working atmosphere, teamwork, courtesy, and respect for individuality. The employment, promotion and transfer of all staff members shall be conducted in a fair manner base on ethical standards whilst maximizing human resource utilization. The Company is responsible for implementing and maintaining a safe working environment to protect the lives and property of all employees. The Company must also strictly adhere to employment law.

3.3 Customers

Customer satisfaction and consumer confidence are very important to the Company. The Company aims to provide high quality goods and services at reasonable prices, and maintain good relationships with our customers. The Company has thus determined the following guidelines:

3.3.1 Products and Services

The Company shall provide high quality products and services, while continuously improving their standards. Meanwhile, we aim to disclose all of the information that is related to the products with integrity.

3.3.2 Confidentiality of Customers' Information

Director, management, and staff members at all levels shall not disclose any information on customer without prior permission from those customers or authorized personnel of any Company in the Group. The only exception to this is information requested by law enforcement officers in accordance with the law.

3.4 Business Partners and Creditors

The Company's dealings with any business partner shall be conducted in a manner that upholds the reputation of the Company and all relevant laws. All Company personnel must be aware of the common interests of the Company's business partners and treat them equitably. The selection of business partners shall be fair. The Company shall also consider its business partners to be the key factor in jointly creating a value chain for customers.

3.5 Competitors

The Company has a policy of free and fair competition and will not try to monopolize the industry. The Company will not force its business partners to distribute only the Company's products. The Company shall not acquire information on its competitors by any illegal or unethical methods.

3.6 Responsibility to Society and the Environment

The Company is aware that it is a Thai Company and has a responsibility to Thailand and Thai society. The Company is committed to making a contribution to society by supporting activities of public interest and cooperating with the communities in which those activities are located.

4. Disclosure of Information and Transparency

1. The Company encourages disclosure of information with correctness, completeness, transparency and financial information / reports, operational results, and other related information in a timely manner, in order for investors and all relevant parties to use these information when making decisions to trade via distribution channels and media of Stock Exchange of Thailand and Security and Exchange Commission which may include websites of Companies that provide security trading services while providing information in Thai and English.
2. The Company provides a summary of the Corporate Governance policy approved by its Board of Directors through various channels such as the annual report and website.
3. The Company provides a statement of the Board's responsibilities concerning the Company's financial report. This statement is presented alongside the Auditor's report in the Company's the financial statements (56-1) and annual report (56-2)
4. The Company discloses the roles and responsibilities of the Board of Directors and Internal Audit Committee, the total number of meetings and the number of meetings each member attends, as well as the results of tasks performed during the year in the annual report and in Shareholder meeting notices, according to SET and the SEC regulation.
5. The Company sets up a unit to directly take charge of providing information and communicating with Shareholders, investors and financial analyst.
6. The Company sets a policy requiring all directors and executives to disclose and/or report changes in their securities trading and holdings to the Board of Directors' meeting.
7. The company sets a policy that requires the directors, executives and those of any related persons to disclose and/or report summary transactions of general trade agreement between the Company and directors, executives or related parties to the Board of Directors' meeting every time a change occurs.
8. The Company establishes a policy that requires the Company's directors and executives to report their own interests and those of any related persons to the Board of Directors' meeting every time there is a change in interests.

5. Responsibilities of the Board of Directors

1. Structure of the Board

1.1 The Company's Board of Directors comprises of 8 Directors who specialize in various aspects of business. The Board of Directors' structure is as follows:

Three Executive Directors who represent 25% of the Board

Five non-Executive Directors who represent 75% or more than three-fourth of the entire Board. This composition represents a good balance in monitoring management's decisions. There are 3 Independent Directors which represent 33.33% of the Board (or one-third) who meet the qualifications under the Stock Exchange of Thailand and Securities and Exchange Commission's regulations.

Moreover, the Company had a policy to appoint different persons in the positions of the Chairman of the Board and the Executive Chairman.

1.2 The appointment of Directors must be made in accordance with the stipulated schedule, and the nomination of Directors for election shall be made with transparency and clarity. Background information on the candidates must be sufficiently detailed to assist in the selection process.

1.3 The background of all the Directors must be disclosed in detail to the public, and shall be disclosed for any changes in the composition of the Board.

2. Scope of authority, duty, and responsibility of the Board of Directors

Board of Directors retains authority, duty, and responsibility in managing Company's operation to be consistent with law, objectives, and articles of association. In addition, resolution passed by shareholders' meeting should be conducted honestly and carefully to maintain Company's benefits. The authority, duty, and responsibility could be concluded as follows:-

1. To organize annual shareholders' meeting within 4 months after the last day of accounting period of Company.
2. To organize Board of Directors' Meeting at least once in three months.
3. To review the audited Statement of Financial Position and Statement of Comprehensive Income as at the last day of accounting period and propose to shareholders' meeting for approval.
4. To grant the power of attorney to one or more directors or other person to represent Board of Directors in doing business operation under the scope of determined authority as appropriate under the supervision of the Board of Directors, or to grant the power of attorney to such person as agreed by the Board of Directors for certain period which the Board of Directors would be able to cancel or change or amend the authorized person or granted authority as appropriate.

As such, Board of Directors may authorize the Management Team to perform business as per detail and scope of power of attorney. Power of attorney granted to the Management Team should not have conflict of interest to the Company and subsidiaries, except the approved transactions must comply with policy and criteria passed by the Board of Directors.

5. To determine target, direction, policy, business plan, and budget of the Company as per authorization assigned to Management Team, except some issues must be proposed by Board of Directors to the shareholders' meeting for approval, such as increasing of capital, reduction of capital, issuance of debenture, sale/transfer of entire/partial business of Company to other party, or purchase/acquire other Company's business, amendment to the Memorandum of Association, and etc.

Besides, the Board of Directors should supervise the Company to conduct any transactions in compliance with the law of Securities and Exchange, the Stock Exchange's regulations, such as, connected transactions and sale & purchase of significant assets in accordance with the criteria of the Stock Exchange of Thailand or related business law.

6. To consider management structure and appoint Management Team, Chief Executive Officer, and other committee as appropriate.
7. To regularly follow-up business operation to be consistent with business plan and budget.
8. Not to operate the similar business and compete with Company's business or being a partner of general partnership or general partner of limited partnership or director of private company or other companies with similar business and compete with Company whether for individual or other benefit, except shareholders' meeting has been informed before the appointment.
9. To notify Company at once when there is direct/indirect conflict of interest incurred in any Company's agreements or change of shareholding in Company or subsidiaries.

3. Duration of Office

In each Annual General Meeting, one-third of the Directors shall vacate their positions. In the first and second years following the registration of the Company, the Directors shall conduct a random draw to decide which members are to vacate their positions, unless they have determined any other method among themselves. In subsequent years, the Director who have been in their positions longest should vacate their posts. Directors whose term in office has thus ended may be re-selected.

4. Meeting of the Board of Directors

The Annual General Meeting will be organized and take place within 4 months after the end of Company's fiscal or accounting year. There are also Board meetings every 3 months whose yearly schedule is announced in advance and special meeting can be organized as necessary. To schedule a meeting of the Board of Directors, to consider and approve agenda. The Company secretary of the Board will then deliver a letter of meeting invitation, agenda and related documents to the Directors at least 7 days in advance, to allow Directors the time to study the information before the meeting.

The Chairman of the Board of Directors will chair the meeting with appropriate time allocation on each agenda for Directors to discuss and express their opinion freely, especially on critical issues to achieve a fairly balanced benefit for Shareholders and stakeholders. The Chairman will ensure that the management presents relevant information to support the discussions. The Company Secretary will take note and prepare Minute of Meeting within 14 days. He or she will keep the record of the Minute of Meeting on file together with other reference documents as well as supporting the Board of Directors to perform their duties in compliance with laws, regulations and resolutions of Shareholders' Meetings. The Company Secretary will also coordinate with other parties concerned.

5. Remuneration of Directors

Remuneration of Directors: the Board of Director determines the remuneration of Directors in clear and transparent manners that are sufficient to attract, and retain Directors with desirable qualification. Additional remuneration shall be granted to Directors appointed to the Audit Committee as appropriate. Consideration for granting all such remuneration shall be based on relevant experience, skill and expertise of respective Directors.

Remuneration of Executive: Remuneration of Executives will be according to the Company's operating results as well as achievements of each individual executive.

6. Sub-Committee

The Company arranged to set up a sub-committee, which is the Audit Committee to assist the Board in monitoring the work of each Director.

Audit Committee

The Audit Committee is a part of the Board of Directors. Besides, the Audit Committee who has been appointed by Board of Director and Shareholders consists of 3 people, one of whom must possess qualifications in accounting and finance. Their qualifications comply with the regulations of the Stock Exchange of Thailand with regards to Independence. There must be a chief of Internal Audit Department who will also act as a secretary to the Audit Committee. The Audit Committee has the following duties and authorities. Scope of authority, duty and responsibility of Audit Committee.

1. To review the Company's financial reporting process to ensure that it is accurate and adequate and cooperate with auditors and management to prepare the financial reports, including quarterly and yearly. The Audit Committee may suggest that the auditor inspect any transaction which is considered to be important.
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the head of an internal audit unit or any other unit in charge of an internal audit.
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.
6. To prepare, and to disclose in the Company's Annual Report, an Audit Committee Report which must be signed by the Audit Committee Chairman and must contained at least following information:
 - 6.1 An opinion on the accuracy, completeness and creditability of the Company's Financial Report.
 - 6.2 An opinion on the adequacy of the Company's internal control system.
 - 6.3 An opinion of conduct in compliance with the law of Securities and Exchange, the Stock Exchange's regulations, or the related business laws.
 - 6.4 An opinion on the suitability of an Auditor.
 - 6.5 An opinion on the transactions that may lead to conflicts of interests.
 - 6.6 The number of the Audit Committee Meeting, and the attendance of each member of the committee to the meeting.
 - 6.7 An opinion or viewpoint occurred when Audit Committee conducts the works in accordance with the Charter.
 - 6.8 Other transactions, which should be informed to shareholders and general investors, in scope of duties and responsibilities assigned by the Board of Directors.
7. To perform any other act as assigned by the Board of Directors, with the approval of the Audit Committee.
8. To present the Audit Committee Report to the Board of Directors at least once a quarter.

Qualifications of Audit Committee Members

1. The Independent Director must not hold more than 1 per cent of paid-up capital of the Company.
2. The Independent Director must not engage in the management of the Company, be an employee, staff member or advise who receives a regular salary from the Company and/or its Subsidiaries.
3. The Independent Director shall be independent from management of the Company or should not be under control from major shareholders.
4. The Independent Director must not be related both by family or acquaintance to the management or major shareholders of the Company.
5. The Independent Director shall have no major business relationship in essence with the Company which may have influence over the expression of independent opinion.
6. The Independent Director shall not be employees or staff members who receive a regular salary from the Company during the 2 years period before appointment.
7. The Independent Director shall not be in a professional service career field such as an auditing or legal consultant.
8. The Independent Director shall have no major business relationship in essence with the Company which may interfere with the duty of exercising independence. Such business relationships include purchasing and selling raw materials, products, services, lending, and leasing that specifically includes transaction sizes (if any)

Duration of Office

Members of the Audit Committee shall remain in office for one year, including additional appointments and withdrawals from the Audit Committee. Members of the Audit Committee whose term in office has expired may be re-appointed. Resignation from the Audit Committee, Member (s) of the Board of Directors shall submit a resignation letter to the Chairman of the Board at least 30 days in advance. The Board of Directors shall approve resignations and send copies of resignation letters to the Stock Exchange of Thailand.

Should a vacancy arise on the Audit Committee for reasons other than the expiry of the duration of office, the Board of Directors shall appoint a person with all the necessary qualifications to replace the resigned person. The appointed person shall remain in office only for the remaining term of office of the person whom they are replacing, and the Stock Exchange of Thailand shall be notified accordingly.

Audit Committee Meetings

1. The Audit Committee shall hold meetings once every each quarter to deliberate the quarterly budget and other issues in accordance with Audit framework. The Chairman of the Audit Committee may call for meetings in special instances to deliberate issues that are necessary or urgent as deemed appropriate.
2. In calling a meeting of the Audit Committee, the Chairman of the Audit Committee, or the secretary of the Audit Committee through the order of the Chairman of the Audit Committee no less than seven days prior to the date of the meeting. An exception may be made in urgent circumstances, the meeting may be announced by other means or scheduled for an earlier suitable period.
3. The Chairman of the Audit Committee shall report the minutes of the meeting to the Board of Directors on the following day.
4. The secretary of the Audit Committee shall not have the right to vote.

Selection of Directors.

In selection of the person who is appointed as the director without appointment of the director in replacement of vacant position, the Nomination and Remuneration Committee shall perform duty in selection and nomination of the qualified person to hold the director position by proposing the Board of Directors' Meeting for consideration, and proposing the Shareholders' Meeting for consideration and appointment of the directors accordingly. If it is the event of appointment to replace the vacant position, the Nomination and Remuneration Committee shall select and nominate the qualified person to hold the director position by proposing the Board of Directors' Meeting for consideration and appointment of the director accordingly (the Company has appointed the Nomination and Remuneration Committee on the Board of Directors' Meeting No.2/2015 on 13 May 2015.)

The Company has not set up a nominating committee to select appropriate persons to be a Director of the Company. The Board of Directors shall select a Director according to qualifications as stated in the Public Limited Companies Act B.E. 2535, Section 68. The Board of Directors shall be elected by meetings of Shareholders by a majority vote.

Shareholder Voting Rights for the Selection of Directors

The Board of Directors shall be appointed by Shareholders in Annual General Meeting according to the following procedures:

1. Each Shareholder shall have one vote per one share.
2. Each Shareholder shall cast his/her vote for one or more candidates for Board Membership but shall not divide his/her voting rights amongst more than one candidate.
3. In a case where there is a tie amongst Board candidates, the Chairman of the Meeting shall cast the deciding vote.

8. Management

Management Team retains authority, duty, and responsibility in managing Company's general business operation and management tasks, and determining policy, business plan, budget, management structure and several management authorities and criteria for business operation, to be consistent with current economic situation including following up the operating results, to be proposed to the Board of Directors' Meeting for consideration and approval. The authority, duty, and responsibility could be concluded as follows:-

1. To consider the proposed allotment of annual budget of management before proposing to the Board of Directors for approval. This includes consideration and approval of the change and addition to annual expenses budget when there is no meeting of the Board of Directors, which should be proposed in the next meeting.
2. To approve the line of payment not over 50 Million Baht.
3. To approve the significant investment as stated in annual expenses budget as appointed or approved by the Board of Directors.
4. To act as advisor team for management in financial, marketing, personnel management and others operations policies.
5. To allot reward approved by the Board of Directors to Company's officers or employees or other persons, who work for the Company.

However, authorities of the Management would not include approval of any transactions relating to conflict of interest or connected transactions to Company and subsidiaries as regulated by the Stock Exchange of Thailand in which such approved transactions should be proposed to the Board of Directors' Meeting and/or shareholders' meeting for approval as per articles of association or relevant law.

9. Training and Knowledge Development of the Board of Directors

Every newly appointed Director shall be duly informed of the regulations and information of the Company and its subsidiaries as needed before performing their duties. Each Director would receive proper training to continuously develop their knowledge in order to help them efficiently perform their duties and effectively control the business operation of the Company.

1 Subcommittee

The Company has established subcommittee which is the Audit Committee to perform the duty in assisting to study, audit and scrutinize the works of the Board and the Nomination and Remuneration Committee. The Said Committee shall take responsibility for determining the criteria and policy of nomination and remuneration for directors and sub-committee members; recruiting, selecting and nominating the qualified person to hold the director position; considering remuneration of the directors, as well as operating other entrusted tasks and proposing to the Board of Directors and/or the Shareholders' Meeting as the case may be.

The Company has appointed a subcommittee called Audit Committee for examining, inspecting and reviewing the work of the Committee.

2 Nomination and Appointment of Directors and Senior Executive

Despite the fact that Nomination Committee has yet been appointed, the Board of Directors shall select new directors based on the criteria and procedure set forth under Section 68 of Public Limited Companies Act 1992, including the experience, knowledge and skill of the nominees. The list of candidates shall be proposed at a shareholder's meeting for appointing new directors and senior executives.

Independent Director

The definition of Independent Director determined by the Company which is equivalent to the minimum standard of The Securities and Exchange Commission and The Stock Exchange of Thailand can be defined as follows:

Independent Director means a director who can freely express comments and possesses the following qualifications:

1. Holding the Company's shares but must not exceed 1% of total preference shares.
2. Not involved in business management or working as a full-time employee or a consultant with monthly salary within the Company or subsidiary.
3. Completely independent from the management team and controlling shareholders.
4. Not a close relative of or entitled to receiving or sharing benefits with the management, major shareholders or controlling shareholders.
5. Having no potential business relation which can influence free comment expression.
6. Must not be an employee earning monthly salary from the Company during the past 2 years prior to the appointment.
7. Must not be a professional service provider (auditor, legal advisor).
8. Having no potential business relation which may obstruct the ability to perform duty independently (such as buying or selling raw materials, products or service or borrowing or giving loans) including specifying the size of item (if applicable).

3 Overseeing and Monitoring the Performance of Subsidiaries and Joint Ventures

To ensure proper balance in investigation between both parties, the Company therefore sent a director or executive to join the Board of subsidiary or joint venture to constantly oversee and monitor the performance of that subsidiary or joint venture.

4 The Use of Inside Information

The Company places great importance in regulating the use of Inside information to ensure compliance with corporate governance by upholding good governance principle and business ethics. To ensure that investors in Company's securities can equally and promptly access reliable information, the Company therefore established Regulation for the Use of Inside Information and Securities Trade Regulation to be applied among directors, executives and employees in compliance with Securities Law and also to promote transparency in business operation. The contents of such regulations can be summarized as follow:

- Directors, executives and employees at all levels must not use the Company's inside information that is substantial to securities price change that has yet been disclosed to the public or The Stock Exchange of Thailand for the purpose of trading Company's securities to gain personal benefits and benefits of others by avoiding or ceasing trading of the Company's securities about 1 month before disclosure of financial statement to The Stock Exchange of Thailand.
- Directors and executives shall be responsible for presenting securities holding report issued by the Company to the Board of Directors at every Board of Directors' meeting.
- The Company is responsible for immediate and thorough disclosure of information regarding the Company's substantial operations to the public through media and method defined by The Stock Exchange of Thailand as well as other media channels to ensure that the information can promptly and equally be reached by every group of investors.

The Company exercises strict cyber and information security rules and regulations to prevent disclosure of substantial information. The Company has prepared disciplinary actions in case any director or executive uses the Company's information by ill intention. Any violation shall be considered as serious offence and may cause that person to face disciplinary actions according to the Company's regulations and relevant laws. The level of punishment shall be according to the severity of offence committed such as by performance evaluation at the end of the year for profit allocation, relocation to prevent access to substantial information and issuing warning letter. The Company has already prevented access to inside information that has yet been disclosed to the public. Only relevant authorities have access to such information which includes Accounting and Financial Authorities.

10. Remuneration of Auditor

1. Audit Remuneration

The Company paid audit remuneration to:

- Auditor of the Company: totaling 1,750,000 Baht in the previous financial year.
- The office at which the auditor is in service or an individual or business entity concerning the auditor and the office at which the auditor is in service: totaling 1,750,000 Baht in the past financial year.

11. Social Responsibility

Responsibility towards Society, Community and Environment

The Company places great concern toward overall society, community and environment. Hence, the Company aims to operate its business in a way that is beneficial to the overall society, community and environment, including instilling good citizenship among its employees by encouraging them to give back to the society, community and environment based on the following practice:

1. Directors, executives and employees must be a good citizen by strictly following the laws and/or regulations issued by relevant authorities and constantly cooperating with government sector.
2. Directors, executives and employees must jointly support and uplift the society in terms of quality of life, energy saving and environmental protection to ensure development of the overall society.
3. Directors, executives and employees must jointly ensure that business operation of the Company does not impact the quality of life of the surrounding community or overall society and environment.
4. Social responsibility awareness must constantly and seriously be developed among directors, executives and employees at all levels.

CSR Activities



As a leading Company in the IT industry, our aim is not only to develop our organization and the Thai IT industry, but also to develop our society at the same time. We pay particular attention to support education programs, which are essential foundations for the sustainable development of the country. The Company has supported various projects of The Better Thailand Foundation, a charitable organization, which puts emphasis on enhancement of knowledge for the youth especially the less privileged children. Projects that SVOA provides support includes:

Center of Learning with Fun - A project to construct a permanent building, comprising computer room, library and multi-purpose space to serve as knowledge research resource center for schools and communities. For the past year, the Foundation has constructed a total of 9 learning centers.

"Card for You" Project - A project arranged for the less privileged and disabled children so that they can have an opportunity to demonstrate their artistic capabilities. This event has been held annually for over 14 years having more than 2,300 less fortunate children participated.

Computers & Educational Equipment Donation - A project to donate computers, educational tools and materials to schools in rural area. As of now, we have donated to more than 60 schools with over 20,000 children and members of communities benefited from this project.

SVOA is determined to be a part in improving the society. We believe that the business and the society must go hand in hand. SVOA, therefore is devoted to contribute and engage in activities for the better Thai society.

Internal Control and Risk Management

Internal Control and Audit

The Company is aware of the importance of internal control system and has established an internal audit unit directly reporting to the Audit Committee with the Internal Audit Manager serving as Secretary of the Audit Committee.

The Audit Committee has evaluated the Company's internal control and audit system through explanations of the auditor. In the opinion of the Audit Committee, the Company and its subsidiaries have adequate and appropriate internal control system as summarized below:

1. Organizational and its Environment

The Company has an organization structure that enables the management to operate efficiently. The Company has business goals that can be clearly monitored, audited and evaluated and is aware of the importance of fair treatment of customers, shareholders, trade partners, employees and the society.

2. RISK MANAGEMENT

Risk management is an important tool to ensure that the external and internal risks affecting the company's goals will be addressed and mitigated for the effective and efficient operations. The risk management, in addition to being comprehensive and Company-wide, also focuses on control activities and monitors to ensure that the risk management is appropriate and can be adopted throughout the organization with oversight by the accountable management team. The information and communication of the risks effectively, The risk management policy is developed based on the Good Corporate Governance practice.

The types of risks with direct impact to business operation can be classified into 3 categories as follows :

1. Operational Risk

Is a risk resulting from operations, including IT equipment and operation staffs, which may affect the operation of the firm. To address the risk, the company has set up a clear procedure and operating manual, including supervision of each business units that might consistently cause damage to the company, to ensure that the operations are properly executed.

2. IT Risk

Is a risk that could be present to any organization today. Within IT Risk, the key risks are information Access Risk, Business Continuity Risk, Infrastructure Risk, and Availability Risk. Information Access Risk is the risk which employees have unauthorized access or access beyond the responsible areas in the system. Business Continuity. Technology infrastructure Risk is the risk which the disruption in technology affects the firms' operations and business continuity. Technology infrastructure Risk is the risk which may occur when the purchase of IT equipment does not fit the nature of the firm's business and IT application. Availability Risk is the risk which occur when employees or management could not access the information under his/her responsibility. To address the risks above, the company has setup the system and structure to manage the IT system to prevent unauthorized access to customers' information, created backup data. Developed business continuity plan around IT, and managed IT resources as appropriate to the business.

3. Financial Risk

Is a risk resulting from financial unpreparedness, default of debts, reimbursement mistakes, Liquidity, Interest rate, foreign exchange, and the risk factors affecting the operations and financial position of the company. To address the risk, the company has considered the funding arrangement to ensure adequate and timely funding and has analyzed the firm's debtors' financial situation to mitigate the risks that could affect the firm's investment. The company also conducted a feasibility study of the applicable of foreign exchange rate risks control system. The Risk Management above must be conducted continuously and systematically with further developments to integrate the practice into the company's culture through the engagement of everyone in the organization. This must be communicated to everyone in the organization and reviewed regularly to ensure the Risk Management is current and appropriate in today's business context.

3. Control of Management's Performance

There are measures to monitor operations of the Company and its subsidiary companies to ensure compliance with laws. The Company has clearly determined the scope of power and duty of the management as well as maximum amount of money that each level of management can approve in writing. There is a clear delineation of duties and responsibilities in granting approval, recording accounting items and information, and separating assets to ensure balance of power and the effectiveness of the reciprocal audits. The Company also monitors the performance of its subsidiary or associated companies on a regular basis by having its directors or executives serve as directors in such subsidiary or associated companies for close supervision.

4. Information and Communication

The company adopts an integrated communication system that enables the employees at all level to communicate with each other. This allows operational staff to receive information from the management quickly and clearly. Important information is prepared for the meetings of the Board of Directors and shareholders sufficiently and timely. Minutes of meetings and supporting documents are completely and systematically stored and made available for inspection if needed.

5. Monitoring System

The Company Internal control system monitors operating results in comparison with the established goals on a regular basis. There is an Internal Audit team that can operate independently and present factual audit reports to the Audit Committee and management for further actions. In the case where errors are found, corrective actions will be carried out immediately and completed within a reasonable time.

Opinions on Sufficiency and Appropriateness of the Internal Control System

At the 4/2016 Audit Committee Meeting held on November 9, 2016. There was an agenda to perform an annual evaluation of the internal control system. The meeting was attended by members of the Audit Committee and independent directors. The meeting considered and reviewed the clear and complete internal control evaluation forms and agreed that the Company's internal control system was sufficient and appropriate in accordance with the good corporate governance principles.

Related Party Transactions

Opinions of the Audit Committee

The Company's Audit Committee has considered information concerning the related party transactions and opined that such related party transactions were reasonable and were transactions which occurred as per market prices or fair prices and there were no differences from selling and purchasing from other third parties.

- **Disclosure of related party transactions**

Detail of related transactions was shown in Note to the Financial Statement No. 6 : Related Party Transactions.

- **Necessities and reasonableness of related party transactions**

Operations concerning the related party transactions were necessary and reasonable for the maximum benefits of the Company and were as per normal business practices and the Company has paid compensation at the fair market price.

- **Procedures on approval of related party transaction**

For procedures on approval of related party transaction in the future, the Company shall comply with the laws on securities and securities exchange including regulations, announcements, orders or requirements of the Stock Exchange of Thailand. Any transactions which the director or other person may have conflict of interest with the Company has been stipulated in the related party transactions and acquisition and disposal of assets of the Company, except when it is an approval of transaction in the nature course of the business of the Company. In addition, the Company has specified approval authorization rights clearly.

- **Trends of related party transactions in the future**

The Company expected that such related party transactions shall continue to occur in the future because the related party transactions of the Company and the person who may have conflict of interest shall be as per normal business practices of the Company. In addition, the Company has appointed the Audit Committee to audit and consider the disclosure of information of related party transactions which may have conflict of interest so they shall be correctly and completely be in accordance to the law on securities and securities exchange including regulations, announcements, orders or requirements of the Stock Exchange of Thailand as well as compliance with the regulations related to disclosure of information on related party transactions and acquisition or disposal of assets and in accordance with the generally accepted accounting standards specified by the Federation of Accounting Professions.

- **Reasons that may cause any person who may have conflict of interest to hold shares in the subsidiaries, the associated company more than 5 percent**

None

- **Investor's protection measures**

The Company has clear regulations concerning the related party transactions and acquisition and disposal of assets in the Company's Articles of Association which specified that any director or person who may gain benefits or have conflict of interest shall not have the voting right to approve such matters, except when it is an approval of transaction in the ordinary course of business of the Company. In addition, the Audit Committee would provide opinions on necessities and reasonableness of the transactions and consideration on disclosure of transaction in the Annual Report of the Company.

In case the Audit Committee does not have any expertise on consideration of the related party transaction, the Company shall find the independent expert or the auditor of the Company to provide opinions concerning such related party transactions, so that the Board of Directors or the shareholders may consider such matters.

Report of Independent Auditor

To the Shareholders of SVOA Public Company Limited

Opinion

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SVOA Public Company Limited and its subsidiaries and of SVOA Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

Revenue recognition

Sales and service income is the most significant item in the statement of comprehensive income. The Group has entered into agreements with a large number of customers and there are a variety of conditions in the agreements. As a result, conditions relevant to the recognition of revenue from sales differ. There are therefore risks with respect to the amount and timing of revenue recognition.

In examining the revenue recognition of the Group, I applied significant audit procedures as follows:

- Assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales and service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Group issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Inventory

Estimating the net realisable value of inventories of the Group which are the technology products, as disclosed in Note 5 and Note 10 to the financial statements, is an area of significant management judgement, particularly with regard to the estimation of provision for diminution in the value of slow-moving and obsolete inventories. This requires detailed analysis of the product life cycle, the competitive environment, economic circumstances and the situation within the industry. There is a risk with respect to the amount of provision set aside for diminution in the value of inventory.

I assessed and tested the internal controls of the Group relevant to the determination of provision for diminution in the value of inventory by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I assessed the method and the assumptions applied by management in determining such provision. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the provision for diminution in value of inventory, and reviewing the consistency of the application of that basis, and the rationale for the recording of specific provisions.*
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.*
- Comparing net proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory.*

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

SVOA Public Company Limited and its subsidiaries | Statements of financial position

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | | As at | As at | As at | As at |
| | | 31 December 2016 | 31 December 2015 | 31 December 2016 | 31 December 2015 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 7 | 290,944,392 | 152,782,223 | 160,642,055 | 109,437,476 |
| Trade and other receivables | 8 | 2,203,984,150 | 1,994,869,119 | 1,378,434,910 | 1,159,603,934 |
| Current portion of finance lease receivables | 9 | 84,957,443 | 85,469,208 | 77,534,874 | 77,930,215 |
| Inventories | 10 | 1,327,771,375 | 1,099,223,642 | 783,866,640 | 708,525,159 |
| Other current assets | 11 | 101,703,143 | 89,485,293 | 29,613,368 | 23,060,123 |
| Total current assets | | 4,009,360,503 | 3,421,829,485 | 2,430,091,847 | 2,078,556,907 |
| Non-current assets | | | | | |
| Investments in subsidiary companies | 12 | - | - | 68,170,813 | 68,170,813 |
| Investments in associated companies | 13 | 592,382,328 | 554,751,345 | 266,193,886 | 254,193,886 |
| Other long-term investments | 14 | 9,528,008 | 8,798,162 | 9,528,008 | 8,798,162 |
| Property, plant and equipment | 15 | 140,431,730 | 153,587,175 | 129,174,291 | 137,940,802 |
| Intangible assets | 16 | 44,233,466 | 23,578,336 | 19,822,486 | 14,752,687 |
| Finance lease receivables - net of current portion | 9 | 99,413,248 | 22,656,088 | 99,413,248 | 16,494,907 |
| Deferred tax assets | 30 | 38,380,348 | 47,170,860 | 20,209,963 | 33,741,150 |
| Other non-current assets | | | | | |
| Withholding tax deducted at source | 17 | 200,810,624 | 168,489,736 | 89,858,654 | 89,281,347 |
| Others | | 26,533,332 | 13,238,940 | 10,496,996 | 8,571,974 |
| Total other non-current assets | | 227,343,956 | 181,728,676 | 100,355,650 | 97,853,321 |
| Total non-current assets | | 1,151,713,084 | 992,270,642 | 712,868,345 | 631,945,728 |
| Total assets | | 5,161,073,587 | 4,414,100,127 | 3,142,960,192 | 2,710,502,635 |

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

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | | As at | As at | As at | As at |
| | | 31 December 2016 | 31 December 2015 | 31 December 2016 | 31 December 2015 |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Short-term loans from banks | 18 | 1,314,090,223 | 794,005,067 | 773,898,593 | 475,631,965 |
| Trade and other payables | 19 | 708,471,852 | 821,507,955 | 592,219,213 | 605,272,901 |
| Current portion of liabilities under finance lease agreements | 20 | 7,241,085 | 11,200,624 | 1,484,490 | 2,193,582 |
| Other current liabilities | 21 | 1,131,056,077 | 806,473,888 | 496,019,811 | 319,365,616 |
| Total current liabilities | | 3,160,859,237 | 2,433,187,534 | 1,863,622,107 | 1,402,464,064 |
| Non-current liabilities | | | | | |
| Liabilities under finance lease agreements - net of current portion | 20 | 10,942,829 | 15,713,598 | 2,547,967 | 2,501,469 |
| Provision for long-term employee benefits | 22 | 61,424,128 | 57,024,977 | 26,227,223 | 25,610,417 |
| Total non-current liabilities | | 72,366,957 | 72,738,575 | 28,775,190 | 28,111,886 |
| Total liabilities | | 3,233,226,194 | 2,505,926,109 | 1,892,397,297 | 1,430,575,950 |

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

SVOA Public Company Limited and its subsidiaries | Statements of financial position (continued)

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | | As at | As at | As at | As at |
| | | 31 December | 31 December | 31 December | 31 December |
| | | 2016 | 2015 | 2016 | 2015 |
| Liabilities and shareholders' equity (continued) | | | | | |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Registered | | | | | |
| 240,000,000 convertible preferred shares | | 240,000,000 | 240,000,000 | 240,000,000 | 240,000,000 |
| of Baht 1 each | | | | | |
| 707,000,000 ordinary shares of Baht 1 each | | 707,000,000 | 707,000,000 | 707,000,000 | 707,000,000 |
| | | <u>947,000,000</u> | <u>947,000,000</u> | <u>947,000,000</u> | <u>947,000,000</u> |
| Issued and fully paid up | | | | | |
| 240,000,000 convertible preferred shares | | 240,000,000 | 240,000,000 | 240,000,000 | 240,000,000 |
| of Baht 1 each | | | | | |
| 707,000,000 ordinary shares of Baht 1 each | | 707,000,000 | 707,000,000 | 707,000,000 | 707,000,000 |
| | | 947,000,000 | 947,000,000 | 947,000,000 | 947,000,000 |
| Premium on ordinary shares | | 471,474 | 471,474 | 471,474 | 471,474 |
| Retained earnings | | | | | |
| Appropriated - statutory reserve | 23 | 44,818,974 | 43,635,564 | 44,818,974 | 43,635,564 |
| Unappropriated | | 839,009,903 | 820,519,938 | 258,272,447 | 288,819,647 |
| | | 883,828,877 | 864,155,502 | 303,091,421 | 332,455,211 |
| Other components of shareholders' equity | | 96,547,042 | 96,547,042 | - | - |
| Equity attributable to owners of the Company | | <u>1,927,847,393</u> | <u>1,908,174,018</u> | <u>1,250,562,895</u> | <u>1,279,926,685</u> |
| Non-controlling interests of a subsidiary | | - | - | - | - |
| Total shareholders' equity | | <u>1,927,847,393</u> | <u>1,908,174,018</u> | <u>1,250,562,895</u> | <u>1,279,926,685</u> |
| Total liabilities and shareholders' equity | | <u>5,161,073,587</u> | <u>4,414,100,127</u> | <u>3,142,960,192</u> | <u>2,710,502,635</u> |

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

SVOA Public Company Limited and its subsidiaries | Statements of comprehensive income

For the year ended 31 December 2016

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|--------------------------------------|----------------------|----------------------------------|----------------------|
| | | 2016 | 2015 | 2016 | 2015 |
| Profit or loss: | | | | | |
| Revenues | | | | | |
| Sales and service income | | 6,525,821,894 | 6,640,020,832 | 5,018,172,331 | 5,053,744,506 |
| Other income | 28 | 172,113,180 | 172,728,080 | 138,040,401 | 150,805,965 |
| Total revenues | | <u>6,697,935,074</u> | <u>6,812,748,912</u> | <u>5,156,212,732</u> | <u>5,204,550,471</u> |
| Expenses | | | | | |
| Cost of sales and services | | 5,808,266,007 | 5,864,586,543 | 4,620,292,492 | 4,592,921,321 |
| Selling expenses | | 643,195,967 | 585,696,144 | 343,119,630 | 299,149,064 |
| Administrative expenses | | 164,396,961 | 211,436,257 | 132,303,294 | 175,107,366 |
| Total expenses | | <u>6,615,858,935</u> | <u>6,661,718,944</u> | <u>5,095,715,416</u> | <u>5,067,177,751</u> |
| Profit before share of profit from investments in associated companies, finance cost and income tax expenses | | 82,076,139 | 151,029,968 | 60,497,316 | 137,372,720 |
| Share of profit from investments in associated companies | 13.2 | 45,578,307 | 37,241,241 | - | - |
| Profit before finance cost and income tax expenses | | 127,654,446 | 188,271,209 | 60,497,316 | 137,372,720 |
| Finance cost | | (39,226,687) | (37,536,789) | (23,297,920) | (17,845,065) |
| Profit before income tax expenses | | 88,427,759 | 150,734,420 | 37,199,396 | 119,527,655 |
| Income tax expenses | 30 | (15,722,384) | (26,213,115) | (13,531,186) | (25,751,905) |
| Net profit for the year | | <u>72,705,375</u> | <u>124,521,305</u> | <u>23,668,210</u> | <u>93,775,750</u> |
| Other comprehensive income: | | | | | |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods | | | | | |
| Actuarial gain | | - | 8,844,071 | - | 4,932,276 |
| Less: Income tax effect | | - | (1,768,814) | - | (986,455) |
| | | - | 7,075,257 | - | 3,945,821 |
| Share of other comprehensive income of associates - actuarial loss | | - | (788,004) | - | - |
| Other comprehensive income for the year | | - | 6,287,253 | - | 3,945,821 |
| Total comprehensive income for the year | | <u>72,705,375</u> | <u>130,808,558</u> | <u>23,668,210</u> | <u>97,721,571</u> |

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

For the year ended 31 December 2016

(Unit: Baht)

| Note | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|--------------------|----------------------------------|--------------------|
| | 2016 | 2015 | 2016 | 2015 |
| Profit attributable to: | | | | |
| Equity holders of the Company | 72,705,375 | 124,521,305 | <u>23,668,210</u> | <u>93,775,750</u> |
| Non-controlling interests of a subsidiary | - | - | | |
| | <u>72,705,375</u> | <u>124,521,305</u> | | |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | 72,705,375 | 130,808,558 | <u>23,668,210</u> | <u>97,721,571</u> |
| Non-controlling interests of a subsidiary | - | - | | |
| | <u>72,705,375</u> | <u>130,808,558</u> | | |
| Earnings per share | 24 | | | |
| Basic earnings per share | | | | |
| Profit attributable to equity holders of the Company | | | <u>0.077</u> | <u>0.131</u> |
| | | | <u>0.025</u> | <u>0.099</u> |
| Weighted average number of shares (shares) | <u>947,000,000</u> | <u>947,000,000</u> | <u>947,000,000</u> | <u>947,000,000</u> |

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

SVOA Public Company Limited and its subsidiaries | Cash flow statements

For the year ended 31 December 2016

(Unit: Baht)

| | Consolidated | | Separate | |
|---|----------------------|--------------|----------------------|--------------|
| | financial statements | | financial statements | |
| | 2016 | 2015 | 2016 | 2015 |
| Cash flows from operating activities | | | | |
| Profit before tax | 88,427,759 | 150,734,420 | 37,199,396 | 119,527,655 |
| Adjustment to reconcile profit before tax to net cash provided by (paid from) operating activities: | | | | |
| Share of profit from investments in associated companies | (45,578,307) | (37,241,241) | - | - |
| Depreciation and amortisation | 25,861,519 | 24,702,822 | 17,572,637 | 18,314,322 |
| Allowance for doubtful trade receivables (reversal) | 13,926,172 | (2,286,846) | (1,796,693) | (3,342,599) |
| Allowance for diminution in inventory value (reversal) | (33,782,429) | 21,910,117 | (23,686,582) | 13,939,868 |
| Reversal of allowance for impairment loss on investments in other companies | (729,846) | (603,495) | (729,846) | (603,495) |
| Write-off withholding tax deducted at source | 22,532 | 144,328 | 22,532 | 144,259 |
| Allowance for impairment on other current assets | - | 1,578,519 | - | 1,038,519 |
| Gain on disposal of property, plant and equipment | (490,300) | (1,986,790) | (336,196) | (1,955,150) |
| Amortisation of deferred interest income under the finance lease agreements | (8,835,831) | (10,795,665) | (7,989,087) | (9,844,678) |
| Unrealised gain on exchange | (1,329,655) | (85,919) | (324,736) | (317,363) |
| Reversal of liabilities and provisions | (89,774,946) | (41,282,391) | (36,676,560) | (6,005,954) |
| Provision for warranty (reversal) | (2,368,984) | 1,069,798 | (2,368,984) | 1,069,798 |
| Interest expenses | 37,886,086 | 35,667,493 | 23,163,573 | 17,671,427 |
| Amortisation of deferred interest expenses under the finance lease agreements | 1,340,601 | 1,869,297 | 134,347 | 173,638 |
| Dividend received from an associated company | - | - | (19,947,324) | (11,279,996) |
| Gain on disposal of investment in an associated company | - | (44,056,103) | - | (56,803,552) |
| Provision for long-term employee benefits | 6,603,811 | 9,465,577 | 2,749,466 | 104,807 |
| Profit from operating activities before change in operating assets and liabilities | (8,821,818) | 108,803,921 | (13,014,057) | 81,831,506 |

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

SVOA Public Company Limited and its subsidiaries | Cash flow statements (continued)

For the year ended 31 December 2016

(Unit: Baht)

| | Consolidated | | Separate | |
|---|----------------------|----------------------|----------------------|----------------------|
| | financial statements | | financial statements | |
| | 2016 | 2015 | 2016 | 2015 |
| Cash flows from operating activities (continued) | | | | |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | (223,041,203) | (245,420,389) | (217,034,283) | (207,383,900) |
| Inventories | (194,765,304) | (361,586,426) | (51,654,899) | (192,819,851) |
| Finance lease receivables | (67,409,564) | 59,701,481 | (74,533,913) | 38,355,262 |
| Other current assets | (12,217,850) | (10,502,156) | (6,553,245) | (13,708,851) |
| Other non-current assets | (13,833,681) | (1,743,735) | (2,464,538) | (2,774,051) |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | (111,706,448) | 327,149,971 | (12,728,952) | 221,949,937 |
| Other current liabilities | 416,736,064 | 85,446,061 | 215,719,348 | (54,258,166) |
| Cash flows from (used in) operating activities | (215,059,804) | (38,151,272) | (162,264,539) | (128,808,114) |
| Cash paid for interest expense | (37,896,031) | (35,797,511) | (23,183,182) | (17,708,024) |
| Cash paid for corporate income tax | (62,205,162) | (60,748,032) | (23,529,481) | (28,310,048) |
| Cash received from withholding tax refund | 23,469,159 | - | 23,469,159 | - |
| Cash paid for long-term employee benefits | (2,204,660) | (5,007,330) | (2,132,660) | (824,746) |
| Net cash flows used in operating activities | (293,896,498) | (139,704,145) | (187,640,703) | (175,650,932) |
| Cash flows from investing activities | | | | |
| Cash received for investment in an associated company | (12,000,000) | - | (12,000,000) | - |
| Cash received from disposal of investment | | | | |
| in an associated company | - | 71,003,552 | - | 71,003,552 |
| Dividend received from an associated company | 19,947,324 | 11,279,996 | 19,947,324 | 11,279,996 |
| Purchase of property, plant and equipment | (8,397,594) | (29,937,972) | (6,044,604) | (15,262,586) |
| Purchase of intangible assets | (24,052,817) | (11,601,133) | (6,920,427) | (6,781,133) |
| Proceeds from sales of property, plant and equipment | 1,701,470 | 2,922,589 | 1,547,265 | 2,866,174 |
| Net cash flows from (used in) investing activities | (22,801,617) | 43,667,032 | (3,470,442) | 63,106,003 |

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

SVOA Public Company Limited and its subsidiaries | Cash flow statements (continued)

For the year ended 31 December 2016

(Unit: Baht)

| | Consolidated | | Separate | |
|--|----------------------|----------------------|----------------------|----------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2016 | 2015 | 2016 | 2015 |
| Cash flows from financing activities | | | | |
| Increase (decrease) in bank overdrafts and short-term loans from banks | 389,745,073 | (173,821,143) | 113,674,464 | (21,862,528) |
| Increase in trust receipt | 130,340,083 | 332,566,619 | 184,592,164 | 183,579,278 |
| Repayment of liabilities under finance lease agreements | (12,192,872) | (14,263,168) | (2,918,904) | (2,908,108) |
| Dividend paid | (53,032,000) | (12,311,000) | (53,032,000) | (12,311,000) |
| Net cash flows from financing activities | 454,860,284 | 132,171,308 | 242,315,724 | 146,497,642 |
| Net increase in cash and cash equivalents | 138,162,169 | 36,134,195 | 51,204,579 | 33,952,713 |
| Cash and cash equivalents at beginning of the year | 152,782,223 | 116,648,028 | 109,437,476 | 75,484,763 |
| Cash and cash equivalents at end of the year | 290,944,392 | 152,782,223 | 160,642,055 | 109,437,476 |
| Supplemental disclosures of cash flows information | | | | |
| Non-cash related item: | | | | |
| Assets acquired under finance lease agreements | 2,121,963 | 3,241,121 | 2,121,963 | 3,241,121 |

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

SVOA Public Company Limited and its subsidiaries | Statements of changes in shareholders' equity

For the year ended 31 December 2016

(Unit: Baht)

| Consolidated financial statements | | | | | | | | |
|---|------------------------------|--|----------------|----------------------------------|--------------------|---|--|----------------------------|
| | Convertible preferred shares | Ordinary shares issued and fully paid up | Share premium | Retained earnings | | Other components of shareholders' equity | | Total shareholders' equity |
| | | | | Appropriated - statutory reserve | Unappropriated | Premium on ordinary shares of an associated company | Total other components of shareholders' equity | |
| | | | | | | | | |
| Balance as at 1 January 2015 | 240,000,000 | 707,000,000 | 471,474 | 38,802,090 | 706,855,854 | 96,547,042 | 96,547,042 | 1,789,676,460 |
| Profit for the year | - | - | - | - | 124,521,305 | - | - | 124,521,305 |
| Other comprehensive income for the year | - | - | - | - | 6,287,253 | - | - | 6,287,253 |
| Total comprehensive income for the year | - | - | - | - | 130,808,558 | - | - | 130,808,558 |
| Dividend paid (Note 25) | - | - | - | - | (12,311,000) | - | - | (12,311,000) |
| Unappropriated retained earnings transferred to statutory reserve (Note 23) | - | - | - | 4,833,474 | (4,833,474) | - | - | - |
| Balance as at 31 December 2015 | 240,000,000 | 707,000,000 | 471,474 | 43,635,564 | 820,519,938 | 96,547,042 | 96,547,042 | 1,908,174,018 |
| Balance as at 1 January 2016 | 240,000,000 | 707,000,000 | 471,474 | 43,635,564 | 820,519,938 | 96,547,042 | 96,547,042 | 1,908,174,018 |
| Profit for the year | - | - | - | - | 72,705,375 | - | - | 72,705,375 |
| Other comprehensive income for the year | - | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | 72,705,375 | - | - | 72,705,375 |
| Dividend paid (Note 25) | - | - | - | - | (53,032,000) | - | - | (53,032,000) |
| Unappropriated retained earnings transferred to statutory reserve (Note 23) | - | - | - | 1,183,410 | (1,183,410) | - | - | - |
| Balance as at 31 December 2016 | 240,000,000 | 707,000,000 | 471,474 | 44,818,974 | 839,009,903 | 96,547,042 | 96,547,042 | 1,927,847,393 |

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

SVOA Public Company Limited and its subsidiaries | Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2016

(Unit: Baht)

| | Separate financial statements | | | | | Total shareholders' equity |
|---|-------------------------------|--|----------------|----------------------------------|--------------------|----------------------------|
| | Convertible preferred shares | Ordinary shares issued and fully paid up | Share premium | Retained earnings | | |
| | | | | Appropriated - statutory reserve | Unappropriated | |
| Balance as at 1 January 2015 | 240,000,000 | 707,000,000 | 471,474 | 38,802,090 | 208,242,550 | 1,194,516,114 |
| Profit for the year | - | - | - | - | 93,775,750 | 93,775,750 |
| Other comprehensive income for the year | - | - | - | - | 3,945,821 | 3,945,821 |
| Total comprehensive income for the year | - | - | - | - | 97,721,571 | 97,721,571 |
| Dividend paid (Note 25) | - | - | - | - | (12,311,000) | (12,311,000) |
| Unappropriated retained earnings transferred to statutory reserve (Note 23) | - | - | - | 4,833,474 | (4,833,474) | - |
| Balance as at 31 December 2015 | <u>240,000,000</u> | <u>707,000,000</u> | <u>471,474</u> | <u>43,635,564</u> | <u>288,819,647</u> | <u>1,279,926,685</u> |
| Balance as at 1 January 2016 | 240,000,000 | 707,000,000 | 471,474 | 43,635,564 | 288,819,647 | 1,279,926,685 |
| Profit for the year | - | - | - | - | 23,668,210 | 23,668,210 |
| Other comprehensive income for the year | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | 23,668,210 | 23,668,210 |
| Dividend paid (Note 25) | - | - | - | - | (53,032,000) | (53,032,000) |
| Unappropriated retained earnings transferred to statutory reserve (Note 23) | - | - | - | 1,183,410 | (1,183,410) | - |
| Balance as at 31 December 2016 | <u>240,000,000</u> | <u>707,000,000</u> | <u>471,474</u> | <u>44,818,974</u> | <u>258,272,447</u> | <u>1,250,562,895</u> |

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

For the year ended 31 December 2016

1. General information

SVOA Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its major shareholders is Keppel Telecommunications and Transportation Ltd., which is incorporated in Singapore. The Company is principally engaged in sales of IT products, consulting and system integration and maintenance of computer system with a total of 16 branches located in Bangkok and other provinces. Its registered address is located at 900/29, SVOA Tower, Rama III Road, Bangpongpan, Yannawa, Bangkok 10120.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession 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 SVOA Public Company ("the Company") and the following subsidiary companies ("the subsidiaries"):

| Company's name | Nature of business | Percentage of shareholding | |
|-----------------------------------|---|----------------------------|---------|
| | | 2016 | 2015 |
| | | Percent | Percent |
| Asys Computer Co., Ltd. | Sales of computer spare parts and other related equipment and the services of repair and maintenance of computers | 100 | 100 |
| DataOne Asia (Thailand) Co., Ltd. | Internet data center, sales of computer, installment and maintenance of computer system | 100 | 100 |

All of the subsidiaries are incorporated in Thailand.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) 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.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

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

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

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

TAS 27 (revised 2016) Separate Financial Statements

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

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

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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 and goods returns.

Income from sales under finance lease agreements

Finance lease receivables have been recorded based on the contractual value. The difference between the contractual value and the value equivalent to the cash price of the products is recognised as unearned interest income. Interest income on finance lease is recognised over the term of the lease using the annuity method.

Installment sale

Installment sales is recognised on the transaction date. The sale price is the present value of the consideration, determined by discounting the installment receivable at the imputed rate of interest. The interest element is recognised as revenue as it is earned.

Interest income on factoring

Revenues from factoring are recognised on an accrual basis, using the effective interest rate, except for overdue receivables more than ninety days, which are recognised on a cash basis.

Rendering of services

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

Selling support income

Selling support income is recognised as income on an accrual basis.

Software maintenance income

Software maintenance income is recognised proportionately over the term of maintenance contracts.

Interest income

Interest income is recognised as interest accrues based on the effective rate method.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable and allowance for doubtful accounts

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

4.4 Inventories

Inventories are valued at the lower of cost (weighted average method) and net realisable value. The net realisable value of inventory is estimated from the estimated selling price in the ordinary course of business, less the estimated costs to complete the sale.

Allowance for diminution in value of inventories and inventory obsolescence is set up for damaged, obsolete and slow-moving inventories.

4.5 Investments

- a) Investments in subsidiary and associated companies are accounted for in the separate financial statements using the cost method.
- b) Investments in associated companies are accounted for in the consolidated financial statements using the equity method.
- c) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

The weighted average method is used for computation of the cost of investments.

4.6 Property, plant and equipment/Depreciation

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

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

| | | | |
|--------------------------------|---|------------|-------|
| Buildings | - | 20 | years |
| Building improvements | - | 20 | years |
| Machinery and tools | - | 5 | years |
| Furniture and office equipment | - | 3, 5 | years |
| Motor vehicles | - | 5 | years |
| Assets for lease and service | - | 1, 3 and 5 | years |

No depreciation is provided on land and assets under installation.

Depreciation is included in determining income.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the profit or loss when the asset is derecognised.

4.7 Intangible assets

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

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

| | <u>Useful lives</u> |
|-------------------|---------------------|
| Computer software | 5, 10 years |

4.8 Related party transactions

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

4.9 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment, intangible assets and other 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.

4.10 Long-term lease agreements

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 plant or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

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

4.11 Foreign currencies

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

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

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

Post-employment benefits (Defined benefit plans)

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

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

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

4.13 Provisions

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

4.14 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.15 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

4.16 Fair value measurement

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

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgements and estimates

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

5.1 Leases

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

5.2 Allowance for doubtful accounts

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

5.3 Reduction cost of inventory value

The determination of reduction cost of inventory value, requires management to make judgements and estimates. The reduction inventory cost to net realisable value is estimated based on the selling price expected in the ordinary course of business; and reduction inventory cost for slow-moving and obsolete inventories, that is estimated based on the approximate useful life of each type of inventory.

5.4 Impairment of investments

The Company treats other investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement.

5.5 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 of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

1. Sale transactions between the Company and its subsidiaries and between the Company and its associate is determined from cost plus margin not over than 15%. However, the pricing policy is subject to change depending on the type of business and market competition at the time being.
2. The management fees and rental are charged at the agreed prices.
3. Other service incomes and expenses are charged at a determined price.
4. Dividend income is recognised when declared.

During the years, significant transactions between the Company and related parties are summarised below.

(Unit: Million Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|--|-------------|--------------------------------------|-------------|
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| <u>Transactions with subsidiary companies</u> | | | | |
| (Eliminated from consolidated financial statements) | | | | |
| Sales and services | - | - | 12 | 13 |
| Cost of sales and services | - | - | 10 | 11 |
| Purchases of goods and services | - | - | 138 | 41 |
| Other service income | - | - | 10 | 1 |
| Management fee expense | - | - | 9 | 9 |
| Other service charge | - | - | 3 | 3 |
| Rental expense | - | - | 6 | 6 |
| <u>Transactions with an associated companies</u> | | | | |
| Sales and services | 101 | 61 | 99 | 60 |
| Cost of sales and services | 85 | 49 | 85 | 49 |
| Purchases of goods | 2 | 158 | 1 | 157 |
| Dividend income | - | - | 20 | 11 |
| Rental expense | 1 | 1 | 1 | 1 |

(Unit: Million Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|-------------|--------------------------------------|-------------|
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| <u>Transactions with related companies</u> | | | | |
| Sales and services | 33 | 13 | 26 | 10 |
| Cost of sales and services | 23 | 11 | 22 | 9 |
| Purchases of goods and services | 26 | 35 | 13 | 14 |
| Service expense | 2 | 1 | 2 | 1 |

The balance of the account as at 31 December 2016 and 2015 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|---------------|-------------------------------|---------------|
| | 2016 | 2015 | 2016 | 2015 |
| Trade and other receivables - related parties (note 8) | | | | |
| Subsidiaries | - | - | 27,039 | 28,549 |
| Associated companies | 17,855 | 3,132 | 17,367 | 2,994 |
| Related companies (related by common shareholder and/or common directors) | 8,280 | 4,273 | 689 | 797 |
| Total trade and other receivables - related parties | 26,135 | 7,405 | 45,095 | 32,340 |
| | | | | |
| Trade and other payables - related parties (note 19) | | | | |
| Subsidiaries | - | - | 92,944 | 39,316 |
| Associated companies | 644 | 798 | 200 | 642 |
| Related companies (related by common shareholder and/or common directors) | 4,970 | 10,814 | 1,264 | 3,635 |
| Total trade and other payables - related parties | 5,614 | 11,612 | 94,408 | 43,593 |

Directors and management's benefits

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

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | 2016 | 2015 | 2016 | 2015 |
| Short-term employee benefits | 27,399 | 31,213 | 18,107 | 19,277 |
| Post-employee benefits | 275 | 518 | 232 | 179 |
| Total | 27,674 | 31,731 | 18,339 | 19,456 |

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 31.4 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---------------|-----------------------------------|----------------|-------------------------------|----------------|
| | 2016 | 2015 | 2016 | 2015 |
| Bank deposits | 290,944 | 152,782 | 160,642 | 109,437 |
| Total | 290,944 | 152,782 | 160,642 | 109,437 |

As at 31 December 2016, bank deposits in saving accounts, and fixed deposits carried interests between 0.05 and 1.10 percent per annum (2015: between 0.05 and 1.5 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|------------------|-------------------------------|------------------|
| | 2016 | 2015 | 2016 | 2015 |
| <u>Trade accounts receivable - related parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 16,201 | 5,352 | 23,444 | 14,081 |
| Past due | | | | |
| Up to 3 months | 7,859 | 1,495 | 11,033 | 15,013 |
| 3 - 6 months | - | 1 | 16 | 264 |
| 6 - 12 months | - | - | 10 | 256 |
| Total trade accounts receivable - related parties | <u>24,060</u> | <u>6,848</u> | <u>34,503</u> | <u>29,614</u> |
| <u>Trade accounts receivable - unrelated parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 562,561 | 556,830 | 422,259 | 415,937 |
| Past due | | | | |
| Up to 3 months | 269,342 | 463,063 | 199,148 | 282,359 |
| 3 - 6 months | 21,796 | 67,978 | 9,861 | 61,696 |
| 6 - 12 months | 55,696 | 43,228 | 42,164 | 7,318 |
| Over 12 months | 193,477 | 105,087 | 123,793 | 91,296 |
| Total | <u>1,102,872</u> | <u>1,236,186</u> | <u>797,225</u> | <u>858,606</u> |
| Less: Allowance for doubtful debts | <u>(52,356)</u> | <u>(38,430)</u> | <u>(22,233)</u> | <u>(24,030)</u> |
| Total trade accounts receivable - unrelated parties, net | <u>1,050,516</u> | <u>1,197,756</u> | <u>774,992</u> | <u>834,576</u> |
| Total trade accounts receivable - net | <u>1,074,576</u> | <u>1,204,604</u> | <u>809,495</u> | <u>864,190</u> |
| <u>Other receivables</u> | | | | |
| Other receivables and accrued income - related party | 2,075 | 557 | 10,592 | 2,726 |
| Accrued income | <u>1,127,333</u> | <u>789,708</u> | <u>558,348</u> | <u>292,688</u> |
| Total other receivables | <u>1,129,408</u> | <u>790,265</u> | <u>568,940</u> | <u>295,414</u> |
| Trade and other receivables - net | <u>2,203,984</u> | <u>1,994,869</u> | <u>1,378,435</u> | <u>1,159,604</u> |

As at 31 December 2016, allowance for doubtful debt had not been set aside in full amount for the outstanding balances of the Company and its subsidiaries' accounts receivable that were aged more than 12 months past due, and 6-12 months past due totaling Baht 144 million and Baht 55 million, respectively (2015: Baht 71 million and Baht 43 million, respectively) and separate financial statements totaling Baht 104 million and Baht 42 million, respectively (2015: Baht 71 million and Baht 7 million, respectively). This is because the Company and its subsidiaries have taken out an insurance policy to insure collections from debtors. In addition, such accounts receivable are government units, banks, and modern trade entities who have no uncollectable experience and the process of payment approval for such receivables normally take a long time. The management of the Company and its subsidiaries believe that the allowance for doubtful debts is adequate.

9. Finance lease receivables

Finance lease receivables as at 31 December 2016 and 2015 consisted of the following:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|-----------|-------------------------------|-----------|
| | 2016 | 2015 | 2016 | 2015 |
| Finance lease receivables (contractual value) | 372,481 | 351,234 | 336,286 | 300,159 |
| Less: Receipts | (172,405) | (237,768) | (143,898) | (201,505) |
| Finance lease receivables | 200,076 | 113,466 | 192,388 | 98,654 |
| Less: Unearned interest income | (15,585) | (5,220) | (15,319) | (4,108) |
| Finance lease receivables, net of unearned interest income | 184,491 | 108,246 | 177,069 | 94,546 |
| Less: Allowance for doubtful accounts | (121) | (121) | (121) | (121) |
| Finance lease receivables - net | 184,370 | 108,125 | 176,948 | 94,425 |
| Less: Portion due within one year | (84,957) | (85,469) | (77,535) | (77,930) |
| Finance lease receivables - net of current portion | 99,413 | 22,656 | 99,413 | 16,495 |

Current portion of finance lease receivables consists of the following:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|---------|-------------------------------|---------|
| | 2016 | 2015 | 2016 | 2015 |
| Current portion of finance lease receivables (contractual value) | 92,152 | 89,754 | 84,465 | 81,368 |
| Less: Unearned interest income | (7,195) | (4,285) | (6,930) | (3,438) |
| Current portion of finance lease receivables | 84,957 | 85,469 | 77,535 | 77,930 |

The outstanding balances of financial lease receivables as at 31 December 2016 and 2015 are aged, based on due date, as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------------------|-----------------------------------|---------|-------------------------------|--------|
| | 2016 | 2015 | 2016 | 2015 |
| <u>Aged on the basis of due dates</u> | | | | |
| Not yet due | 59,134 | 43,706 | 52,656 | 28,894 |
| Past due | | | | |
| Up to 3 months | 122,799 | 40,687 | 121,589 | 40,687 |
| 3 - 6 months | 9,983 | 12,756 | 9,983 | 12,756 |
| 6 - 12 months | 8,039 | 16,196 | 8,039 | 16,196 |
| Over 12 months | 121 | 121 | 121 | 121 |
| Total finance lease receivables | 200,076 | 113,466 | 192,388 | 98,654 |

As at 31 December 2016 and 2015, future minimum lease receivables expected to be received under the finance lease agreements were as follows:

(Unit: Thousand Baht)

| Consolidated financial statements | | | |
|---|-------------------------|------------------|----------------|
| As at 31 December 2016 | | | |
| | Less than 1 year | 1-5 years | Total |
| Future minimum lease receivables | 92,152 | 107,923 | 200,075 |
| Less: Deferred interest income | (7,195) | (8,389) | (15,584) |
| Allowance for doubtful accounts | - | (121) | (121) |
| Present value of future minimum lease receivables | <u>84,957</u> | <u>99,413</u> | <u>184,370</u> |

(Unit: Thousand Baht)

| Consolidated financial statements | | | |
|---|-------------------------|------------------|----------------|
| As at 31 December 2015 | | | |
| | Less than 1 year | 1-5 years | Total |
| Future minimum lease receivables | 89,754 | 23,712 | 113,466 |
| Less: Deferred interest income | (4,285) | (935) | (5,220) |
| Allowance for doubtful accounts | - | (121) | (121) |
| Present value of future minimum lease receivables | <u>85,469</u> | <u>22,656</u> | <u>108,125</u> |

(Unit: Thousand Baht)

| Consolidated financial statements | | | |
|---|-------------------------|------------------|----------------|
| As at 31 December 2016 | | | |
| | Less than 1 year | 1-5 years | Total |
| Future minimum lease receivables | 84,465 | 107,923 | 192,388 |
| Less: Deferred interest income | (6,930) | (8,389) | (15,319) |
| Allowance for doubtful accounts | - | (121) | (121) |
| Present value of future minimum lease receivables | <u>77,535</u> | <u>99,413</u> | <u>176,948</u> |

(Unit: Thousand Baht)

| Consolidated financial statements | | | |
|---|-------------------------|------------------|---------------|
| As at 31 December 2015 | | | |
| | Less than 1 year | 1-5 years | Total |
| Future minimum lease receivables | 81,368 | 17,286 | 98,654 |
| Less: Deferred interest income | (3,438) | (670) | (4,108) |
| Allowance for doubtful accounts | - | (121) | (121) |
| Present value of future minimum lease receivables | <u>77,930</u> | <u>16,495</u> | <u>94,425</u> |

10. Inventories

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | |
|------------------|-----------------------------------|-----------|-------------------------------------|----------|-----------------|-----------|
| | Cost | | Reduce cost to net realisable value | | Inventories-net | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Finished goods | 586,580 | 713,866 | (16,497) | (47,279) | 570,083 | 666,587 |
| Work in process | 711,851 | 410,344 | - | (3,000) | 711,851 | 407,344 |
| Goods in transit | 45,837 | 25,293 | - | - | 45,837 | 25,293 |
| Total | 1,344,268 | 1,149,503 | (16,497) | (50,279) | 1,327,771 | 1,099,224 |

(Unit: Thousand Baht)

| | Separate financial statements | | | | | |
|------------------|-------------------------------|---------|-------------------------------------|----------|-----------------|---------|
| | Cost | | Reduce cost to net realisable value | | Inventories-net | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Finished goods | 510,656 | 570,786 | (3,678) | (24,364) | 506,978 | 546,422 |
| Work in process | 266,046 | 151,848 | - | (3,000) | 266,046 | 148,848 |
| Goods in transit | 10,843 | 13,255 | - | - | 10,843 | 13,255 |
| Total | 787,545 | 735,889 | (3,678) | (27,364) | 783,867 | 708,525 |

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 1.0 million (2015: Baht 25 million) (The Company only: Baht 0.9 million and 2015: Baht 15.4 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company and its subsidiaries reversed the write-down of cost of inventories by Baht 34.7 million (2015: Baht 3.2 million) (The Company only: Baht 24.6 million and 2015: Baht 1.4 million), and reduced the amount of inventories recognised as expenses during the year.

11. Other current assets

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------------|-----------------------------------|--------|-------------------------------|--------|
| | 2016 | 2015 | 2016 | 2015 |
| Input tax refundable | 40,138 | 27,759 | 12,264 | 356 |
| Prepaid expenses | 39,015 | 24,927 | 7,223 | 1,851 |
| Input vat suspense | 6,591 | 17,222 | 3,206 | 11,486 |
| Advance for purchase of inventories | 7,677 | 14,783 | 1,003 | 6,238 |
| Others | 8,282 | 4,794 | 5,917 | 3,129 |
| Total other current assets | 101,703 | 89,485 | 29,613 | 23,060 |

12. Investments in subsidiary companies

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

(Unit: Thousand Baht)

| Subsidiary companies | Paid up capital | | Shareholding percentage | | Investment value under cost method | | Dividend received during the year | |
|--|-----------------|--------------|-------------------------|------|------------------------------------|----------|-----------------------------------|------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| | Million Baht | Million Baht | % | % | | | | |
| Asys Computer Co., Ltd. | 109 | 109 | 100 | 100 | 101,980 | 101,980 | - | - |
| DataOne Asia (Thailand) Co., Ltd. | 300 | 300 | 100 | 100 | 22,539 | 22,539 | - | - |
| Total investments in subsidiary companies | | | | | 124,519 | 124,519 | - | - |
| Less: Allowance for impairment of investment - Asys Computer Co., Ltd. | | | | | (56,348) | (56,348) | | |
| Investments in subsidiary companies - net | | | | | 68,171 | 68,171 | | |

13. Investments in associated companies

13.1 Details of associates

(Unit: Thousand Baht)

| Associated companies | Nature of business | Shareholding percentage | | Consolidated financial statements Investment value under equity method | | Separate financial statements Investment value under cost method | |
|---|--|-------------------------|-------|--|---------|--|---------|
| | | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| | | % | % | | | | |
| IT City Public Co., Ltd. | The distribution of computer and related accessories | 31.96 | 31.96 | 353,170 | 353,844 | 144,394 | 144,394 |
| Lease IT Public Co., Ltd. | Providing financial services | 39.90 | 39.90 | 195,442 | 169,641 | 79,800 | 79,800 |
| Touch Printing Republic Co., Ltd. | The distribution of printing equipment and printing services | 24.00 | - | 12,378 | - | 12,000 | - |
| ABIKS Development Co., Ltd. | Rental of office building | 20.00 | 20.00 | 31,392 | 31,266 | 30,000 | 30,000 |
| Total investments in associated companies | | | | 592,382 | 554,751 | 266,194 | 254,194 |

During 2015, the Company sold 14.2 million shares in an associated company for Baht 5 per share, or a total of Baht 71 million. The Company recorded a gain on the sale of such shares of Baht 44 million and Baht 57 million included in "other income" in the consolidated and separate statements of comprehensive income for the year ended 31 December 2015.

On 10 August 2016, the meeting of Board of Directors of the Company passed a resolution approving the Company to invest in a new company in Thailand named Touch Printing Republic Company Limited, in order to import and distribution of printing equipment and turnkey solution for printing services. Such company was registered with the Ministry of Commerce on 28 September 2016. The Company had invested in 1,200,000 ordinary shares of Baht 10 each totaling Baht 12 million, or equivalent to 24% interest, and has treated this investment as investment in associate. The Company paid in the full amount of its investment on 26 September 2016.

13.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of profit from investments in associated companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

| Company's name | Consolidated financial statements | | | | Separate financial statements | |
|-----------------------------------|-----------------------------------|---------------|------------------------------|--------------|-----------------------------------|---------------|
| | Share of profit from investments | | Share of other comprehensive | | Dividend received during the year | |
| | in associates during the year | | income from investments | | | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| IT City Public Co., Ltd. | 4,910 | 7,141 | - | (679) | 5,583 | - |
| Lease IT Public Co., Ltd. | 40,164 | 29,851 | - | (109) | 14,364 | 11,280 |
| Touch Printing Republic Co., Ltd. | 378 | - | - | - | - | - |
| ABIKS Development Co., Ltd. | 126 | 249 | - | - | - | - |
| Total | 45,578 | 37,241 | - | (788) | 19,947 | 11,280 |

13.3 Fair value investments in listed associates

In respect of investments in associated companies that are listed companies on the Stock Exchange of Thailand, their fair values which were based on the closing price as quoted on the Stock Exchange of Thailand, are as follows:

(Unit: Million Baht)

| Associates | Fair values as at 31 December | |
|---------------------------------|-------------------------------|------------|
| | 2016 | 2015 |
| IT City Public Company Limited | 348 | 259 |
| Lease IT Public Company Limited | 942 | 638 |
| Total | 1,290 | 897 |

13.4 Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

| | IT City Public | | Lease IT Public | | Touch Printing Republic | | ABIKS Development | |
|--|-----------------|--------------|-----------------|------------|-------------------------|----------|-------------------|------------|
| | Company Limited | | Company Limited | | Company Limited | | Company Limited | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Current assets | 1,460 | 1,288 | 1,799 | 1,010 | 75 | - | 40 | 39 |
| Non-current assets | 350 | 384 | 195 | 162 | 5 | - | 117 | 118 |
| Current liabilities | 752 | 614 | 1,183 | 406 | 28 | - | - | - |
| Non-current liabilities | 15 | 13 | 337 | 355 | - | - | - | - |
| Net assets | 1,043 | 1,045 | 474 | 411 | 52 | - | 157 | 157 |
| Shareholding percentage (%) | 31.96 | 31.96 | 39.90 | 39.90 | 24.00 | - | 20.00 | 20.00 |
| Share of net assets | 333 | 334 | 189 | 164 | 12 | - | 31 | 31 |
| Changing in shareholding percentage | - | - | 6 | 6 | - | - | - | - |
| Goodwill | 20 | 20 | - | - | - | - | - | - |
| Carrying amounts of associates based on equity method | 353 | 354 | 195 | 170 | 12 | - | 31 | 31 |

Summarised information about comprehensive income

(Unit: Million Baht)

| | IT City Public Company Limited | | Lease IT Public Company Limited | | Touch Printing Republic Company Limited | | ABIKS Development Company Limited | |
|----------------------------|-----------------------------------|-------|------------------------------------|------|--|------|--------------------------------------|------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| | Revenue | 4,998 | 5,027 | 287 | 191 | 39 | - | 2 |
| Profit | 15 | 22 | 101 | 70 | 2 | - | 1 | 1 |
| Other comprehensive income | - | (1) | - | - | - | - | - | - |
| Total comprehensive income | 15 | 21 | 101 | 70 | 2 | - | 1 | 1 |

14. Other long-term investments

As at 31 December 2016 and 2015, the Company has long-term investments in equity securities of the following companies:

(Unit: Thousand Baht)

| | Paid up | Interest | | Investments at cost | |
|---|---------------|----------|------|---------------------|--------------|
| | share capital | | | | |
| | Million Baht | 2016 | 2015 | 2016 | 2015 |
| | | % | % | | |
| Siam Telemarketing Co., Ltd. | 50 | 2.00 | 2.00 | 1,000 | 1,000 |
| International Trade Information Co., Ltd. | 60 | 1.67 | 1.67 | 1,000 | 1,000 |
| Thai Smart Card Co., Ltd. | 800 | 0.74 | 0.74 | 11,850 | 11,850 |
| Total other long-term investments | | | | 13,850 | 13,850 |
| Less: Allowance for impairment on investments | | | | (4,322) | (5,052) |
| Other long-term investments - net | | | | <u>9,528</u> | <u>8,798</u> |

The Company has set up allowance for impairment on investments in full amount of investments in Siam Telemarketing Co., Ltd. and International Trade Information Co., Ltd. In addition, the Company has set up allowance for impairment on investment in Thai Smart Card Co., Ltd. of Baht 2.3 million based on its 2015 latest audited financial statements.

15. Property, plant and equipment

(Unit: Thousand Baht)

| Consolidated financial statements | | | | | | | | |
|---|--------|-----------------------------------|------------------|-----------------------|---------------------|----------------|------------------------------|---------|
| | Land | Building and building improvement | Office equipment | Furniture and fixture | Machinery and tools | Motor vehicles | Assets for lease and service | Total |
| Cost | | | | | | | | |
| As at 31 December 2014 | 89,025 | 144,663 | 239,171 | 85,385 | 19,926 | 28,963 | 106,747 | 713,880 |
| Additions | - | 3,836 | 12,029 | 1,669 | 101 | 6,045 | 9,500 | 33,180 |
| Disposals and written off | - | - | (4,664) | (55) | (41) | (3,266) | (2) | (8,028) |
| As at 31 December 2015 | 89,025 | 148,499 | 246,536 | 86,999 | 19,986 | 31,742 | 116,245 | 739,032 |
| Additions | - | 440 | 6,319 | 803 | 836 | 2,122 | - | 10,520 |
| Transfers | - | (8,363) | (12,782) | 17,770 | 3,375 | - | - | - |
| Disposals and written off | - | - | (4,112) | (69) | (108) | - | - | (4,289) |
| As at 31 December 2016 | 89,025 | 140,576 | 235,961 | 105,503 | 24,089 | 33,864 | 116,245 | 745,263 |
| Accumulated depreciation: | | | | | | | | |
| As at 31 December 2014 | - | 113,784 | 228,761 | 82,132 | 19,259 | 21,432 | 105,389 | 570,757 |
| Depreciation for the year | - | 7,016 | 6,115 | 1,563 | 350 | 3,979 | 2,756 | 21,779 |
| Disposals and written off | - | - | (3,729) | (54) | (40) | (3,266) | (2) | (7,091) |
| As at 31 December 2015 | - | 120,800 | 231,147 | 83,641 | 19,569 | 22,145 | 108,143 | 585,445 |
| Depreciation for the year | - | 6,186 | 7,937 | 1,279 | 396 | 3,823 | 2,843 | 22,464 |
| Transfers | - | (8,462) | (13,163) | 18,393 | 3,396 | (32) | (132) | - |
| Disposals and written off | - | - | (2,901) | (69) | (108) | - | - | (3,078) |
| As at 31 December 2016 | - | 118,524 | 223,020 | 103,244 | 23,253 | 25,936 | 110,854 | 604,831 |
| Net book value: | | | | | | | | |
| As at 31 December 2015 | 89,025 | 27,699 | 15,389 | 3,358 | 417 | 9,597 | 8,102 | 153,587 |
| As at 31 December 2016 | 89,025 | 22,052 | 12,941 | 2,259 | 836 | 7,928 | 5,391 | 140,432 |
| Depreciation for the year | | | | | | | | |
| 2015 (Baht 3 million included in cost of sale and services, and the remaining balance included in selling expenses and administrative expenses) | | | | | | | | 21,779 |
| 2016 (Baht 3 million included in cost of sale and services, and the remaining balance included in selling expenses and administrative expenses) | | | | | | | | 22,464 |

(Unit: Thousand Baht)

| Separate financial statements | | | | | | | | |
|---|--------|-----------------------------------|------------------|-----------------------|---------------------|----------------|------------------------------|---------|
| | Land | Building and building improvement | Office equipment | Furniture and fixture | Machinery and tools | Motor vehicles | Assets for lease and service | Total |
| Cost | | | | | | | | |
| As at 31 December 2014 | 89,025 | 136,372 | 147,065 | 81,451 | 4,488 | 19,500 | 43,475 | 521,376 |
| Additions | - | 3,835 | 6,854 | 1,668 | 101 | 6,045 | - | 18,503 |
| Disposals and written off | - | - | (3,367) | (55) | (41) | (3,266) | (2) | (6,731) |
| As at 31 December 2015 | 89,025 | 140,207 | 150,552 | 83,064 | 4,548 | 22,279 | 43,473 | 533,148 |
| Additions | - | 440 | 3,983 | 786 | 836 | 2,122 | - | 8,167 |
| Transfers | - | (538) | (13,130) | 9,622 | 4,046 | - | - | - |
| Disposals and written off | - | - | (1,899) | - | (108) | - | - | (2,007) |
| As at 31 December 2016 | 89,025 | 140,109 | 139,506 | 93,472 | 9,322 | 24,401 | 43,473 | 539,308 |
| Accumulated depreciation: | | | | | | | | |
| As at 31 December 2014 | - | 105,812 | 140,169 | 78,536 | 3,822 | 13,577 | 42,684 | 384,600 |
| Depreciation for the year | - | 6,992 | 3,885 | 1,546 | 350 | 2,945 | 709 | 16,427 |
| Disposals and written off | - | - | (2,455) | (55) | (41) | (3,267) | (2) | (5,820) |
| As at 31 December 2015 | - | 112,804 | 141,599 | 80,027 | 4,131 | 13,255 | 43,391 | 395,207 |
| Depreciation for the year | - | 6,162 | 4,408 | 1,188 | 396 | 3,455 | 113 | 15,722 |
| Transfers | - | (602) | (13,401) | 10,068 | 4,067 | - | (132) | - |
| Disposals and written off | - | - | (687) | - | (108) | - | - | (795) |
| As at 31 December 2016 | - | 118,364 | 131,919 | 91,283 | 8,486 | 16,710 | 43,372 | 410,134 |
| Net book value: | | | | | | | | |
| As at 31 December 2015 | 89,025 | 27,403 | 8,953 | 3,037 | 417 | 9,024 | 82 | 137,941 |
| As at 31 December 2016 | 89,025 | 21,745 | 7,587 | 2,189 | 836 | 7,691 | 101 | 129,174 |
| Depreciation for the year | | | | | | | | |
| 2015 (Baht 0.7 million included in cost of sale and services, and the remaining balance included in selling expenses and administrative expenses) | | | | | | | | 16,427 |
| 2016 (Baht 0.1 million included in cost of sale and services, and the remaining balance included in selling expenses and administrative expenses) | | | | | | | | 15,722 |

As at 31 December 2016, certain items of plant and equipment of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 459 million. (2015: Baht 386 million) and separate financial statements: Baht 279 million (2015: Baht 205 million).

As at 31 December 2016, the Company and its subsidiaries have net book value of motor vehicles derived from liabilities under finance lease agreement approximately Baht 6 million (2015: Baht 7 million) and separate financial statements: Baht 5 million (2015: Baht 6 million).

16. Intangible assets

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

(Unit: Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--------------------------------------|--|--|--------------------------------------|--|
| | <u>Computer software</u> | | <u>Computer software</u> | |
| As at 31 December 2016 | | | | |
| Cost | 163,124 | | 73,496 | |
| <u>Less</u> Accumulated amortisation | (118,891) | | (53,674) | |
| Net book value | <u>44,233</u> | | <u>19,822</u> | |
| As at 31 December 2015 | | | | |
| Cost | 139,155 | | 66,576 | |
| <u>Less</u> Accumulated amortisation | (115,577) | | (51,823) | |
| Net book value | <u>23,578</u> | | <u>14,753</u> | |

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

(Unit: Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|-------------------------------------|--|---------------|--------------------------------------|---------------|
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Net book value at beginning of year | 23,578 | 14,901 | 14,753 | 9,859 |
| Acquisition of computer software | 24,053 | 11,601 | 6,920 | 6,781 |
| Amortisation | (3,398) | (2,924) | (1,851) | (1,887) |
| Net book value at end of year | <u>44,233</u> | <u>23,578</u> | <u>19,822</u> | <u>14,753</u> |

17. Withholding tax deducted at sources

The balance of withholding tax deducted at sources as at 31 December 2016 and 2015, aged on years, are summarised below.

(Unit: Thousand Baht)

| Year | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|----------------|-------------------------------|---------------|
| | 2016 | 2015 | 2016 | 2015 |
| 2000 | 20,169 | 20,169 | 20,169 | 20,169 |
| 2012 | 30,614 | 30,614 | 30,614 | 30,614 |
| 2013 | 48,562 | 48,562 | 21,181 | 21,181 |
| 2014 | 25,696 | 49,119 | - | 23,423 |
| 2015 | 40,195 | 40,195 | 14,063 | 14,063 |
| 2016 | 55,744 | - | 24,001 | - |
| Total | 220,980 | 188,659 | 110,028 | 109,450 |
| Less: Allowance for diminution in value | (20,169) | (20,169) | (20,169) | (20,169) |
| Withholding tax deducted at sources - net | <u>200,811</u> | <u>168,490</u> | <u>89,859</u> | <u>89,281</u> |

The Company and its subsidiaries regard withholding tax deducted at sources as an asset since they have the right to claim for refund of it. However, the net realisable value of withholding tax depends on the exercise right to claim it, and the results of any tax audit by the Revenue officials. However, the management has used judgement to assess the outcome of the refund claims and believes that allowance for diminution in value of withholding tax deducted at sources as recorded as at the end of reporting period is adequate.

18. Short-term loans from banks

(Unit: Thousand Baht)

| | Interest rate (Percent per annum) | Consolidated financial statements | | Separate financial statements | |
|-----------------------------|--------------------------------------|-----------------------------------|----------------|-------------------------------|----------------|
| | | 2016 | 2015 | 2016 | 2015 |
| Short-term loans from banks | MLR - 0.25, 2.80 - 6.25 | 740,278 | 350,533 | 370,606 | 256,931 |
| Trust receipt | 2.95 - 6.00 | 573,812 | 443,472 | 403,293 | 218,701 |
| Total | | <u>1,314,090</u> | <u>794,005</u> | <u>773,899</u> | <u>475,632</u> |

Credit facilities of subsidiaries obtained from banks are guaranteed by the Company.

In addition, short-term loan agreements with banks contain certain covenants as specified in the agreements that, among other things, require the Company and its subsidiaries to comply.

19. Trade and other payables

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------------|-----------------------------------|----------------|-------------------------------|----------------|
| | 2016 | 2015 | 2016 | 2015 |
| Trade payables - related parties | 1,992 | 10,803 | 75,785 | 37,531 |
| Trade payables - unrelated parties | 698,118 | 803,599 | 495,026 | 556,229 |
| Other payables - related parties | 3,622 | 809 | 18,623 | 6,062 |
| Other payables - unrelated parties | 4,740 | 6,297 | 2,785 | 5,451 |
| Total trade and other payables | <u>708,472</u> | <u>821,508</u> | <u>592,219</u> | <u>605,273</u> |

20. Liabilities under finance lease agreements

Liabilities under finance lease agreements as at 31 December 2016 and 2015 consist of:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|----------|-------------------------------|---------|
| | 2016 | 2015 | 2016 | 2015 |
| Liabilities under finance lease agreements (contractual value) | 40,852 | 47,833 | 12,671 | 10,922 |
| Less: paid | (21,088) | (18,157) | (8,407) | (6,019) |
| Liabilities under finance leases | 19,764 | 29,676 | 4,264 | 4,903 |
| Less: Deferred interest expenses | (1,580) | (2,762) | (232) | (208) |
| | 18,184 | 26,914 | 4,032 | 4,695 |
| Less: Portion due within one year | (7,241) | (11,201) | (1,484) | (2,194) |
| Liabilities under finance lease agreements - net of current portion | 10,943 | 15,713 | 2,548 | 2,501 |

The current portion of liabilities under finance lease agreements consists of the following:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|---------|-------------------------------|-------|
| | 2016 | 2015 | 2016 | 2015 |
| Current portion of liabilities under finance lease agreements (contract value) | 8,181 | 12,529 | 1,606 | 2,316 |
| Less: Deferred interest expenses | (940) | (1,328) | (122) | (122) |
| Current portion of liabilities under finance lease agreements | 7,241 | 11,201 | 1,484 | 2,194 |

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years.

As at 31 December 2016, future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | |
|--|-----------------------------------|-----------|---------|
| | Less than 1 year | 1-5 years | Total |
| Future minimum lease payments | 8,181 | 11,583 | 19,764 |
| Deferred interest expenses | (940) | (640) | (1,580) |
| Present value of future minimum lease payments | 7,241 | 10,943 | 18,184 |

(Unit: Thousand Baht)

| | Separate financial statements | | |
|--|-------------------------------|-----------|-------|
| | Less than 1 year | 1-5 years | Total |
| Future minimum lease payments | 1,606 | 2,658 | 4,264 |
| Deferred interest expenses | (122) | (110) | (232) |
| Present value of future minimum lease payments | 1,484 | 2,548 | 4,032 |

As at 31 December 2015, future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | |
|--|-----------------------------------|-----------|---------|
| | Less than 1 year | 1-5 years | Total |
| Future minimum lease payments | 12,529 | 17,147 | 29,676 |
| Deferred interest expenses | (1,328) | (1,434) | (2,762) |
| Present value of future minimum lease payments | 11,201 | 15,713 | 26,914 |

(Unit: Thousand Baht)

| | Separate financial statements | | |
|--|-------------------------------|-----------|-------|
| | Less than 1 year | 1-5 years | Total |
| Future minimum lease payments | 2,316 | 2,587 | 4,903 |
| Deferred interest expenses | (122) | (86) | (208) |
| Present value of future minimum lease payments | 2,194 | 2,501 | 4,695 |

21. Other current liabilities

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|---------|-------------------------------|---------|
| | 2016 | 2015 | 2016 | 2015 |
| Accrued project costs | 915,019 | 687,443 | 392,320 | 247,812 |
| Unearned revenue | 110,028 | 25,552 | 21,733 | 133 |
| Accrued expense | 70,410 | 55,339 | 61,436 | 47,524 |
| Short-term provision - provision for warranty | 4,053 | 6,421 | 4,052 | 6,422 |
| Others | 31,546 | 31,719 | 16,479 | 17,475 |
| Total other current liabilities | 1,131,056 | 806,474 | 496,020 | 319,366 |

22. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|---------|-------------------------------|---------|
| | 2016 | 2015 | 2016 | 2015 |
| Defined benefit obligation at beginning of year | 57,025 | 61,411 | 25,611 | 31,263 |
| Current service cost | 5,463 | 6,902 | 2,273 | 2,300 |
| Interest cost | 1,141 | 2,234 | 476 | 1,095 |
| Past service costs and gains or losses on settlement | - | 329 | - | (3,290) |
| Included in other comprehensive income: | | | | |
| Actuarial (gain) loss arising from | | | | |
| Demographic assumptions changes | - | (6,696) | - | (3,936) |
| Financial assumptions changes | - | 5,301 | - | 2,600 |
| Experience adjustments | - | (7,449) | - | (3,596) |
| Benefits paid during the year | (2,205) | (5,007) | (2,133) | (825) |
| Provisions for long-term employee benefits at end of year | 61,424 | 57,025 | 26,227 | 25,611 |

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

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|--------------|-------------------------------|------------|
| | 2016 | 2015 | 2016 | 2015 |
| Current service cost | 5,463 | 6,902 | 2,273 | 2,300 |
| Interest cost | 1,141 | 2,234 | 476 | 1,095 |
| Past service costs and gains or losses on settlement | - | 329 | - | (3,290) |
| Total expense recognised in profit or loss | 6,604 | 9,465 | 2,749 | 105 |
| Line items in profit or loss under which such expenses are included | | | | |
| Administrative expenses | 6,604 | 9,465 | 2,749 | 105 |

The Company and its subsidiaries expect to pay Baht 3.7 million of long-term employee benefits during the next year (Separate financial statements: Baht 0.9 million) (2015: Baht 17.7 million, separate financial statements: Baht 9.2 million).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 14 years (Separate financial statements: 14 years) (2015: 14 years, separate financial statements: 14 years).

Significant actuarial assumptions are summarised below:

| | Consolidated and separate financial statements | |
|-----------------------------|--|---------------|
| | 2016 | 2015 |
| | (% per annum) | (% per annum) |
| Discount rate | 2.9% | 2.9% |
| Future salary increase rate | 5.5% | 5.5% |
| Staff turnover rate | 8.0% - 30.0% | 8.0% - 30.0% |

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

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|----------------------|-----------------------------------|--------------|-------------------------------|--------------|
| | Increase 1% | Decrease 1% | Increase 1% | Decrease 1% |
| Discount rate | (4) | 5 | (2) | 2 |
| Salary increase rate | 5 | (5) | 2 | (2) |
| | Increase 20% | Decrease 20% | Increase 20% | Decrease 20% |
| Staff turnover rate | (6) | 7 | (2) | 3 |

23. Statutory reserve

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

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 and convertible preferred shares in issue during the year as the convertible preferred shares have the same rights to receipt of profit and dividend as the ordinary shares.

25. Dividend

| | Approved by | Total dividends (Thousand Baht) | Dividend per share (Baht) | Payment date |
|-----------------------------|---|------------------------------------|------------------------------|---------------|
| Year 2016 | | | | |
| Dividends on 2015 income | Annual General Meeting of the shareholders No. 21 on 8 April 2016 | | | |
| For preference shareholders | | 13,440 | 0.056 | 25 April 2016 |
| For ordinary shareholders | | 39,592 | 0.056 | 25 April 2016 |
| Total | | <u>53,032</u> | | |
| Year 2015 | | | | |
| Dividends on 2014 income | Annual General Meeting of the shareholders No. 20 on 8 April 2015 | | | |
| For preference shareholders | | 3,120 | 0.013 | 24 April 2015 |
| For ordinary shareholders | | 9,191 | 0.013 | 24 April 2015 |
| Total | | <u>12,311</u> | | |

26. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have four reportable segments as follows:

- IT Distribution, carries out the distribution of IT products, particularly computer equipment, peripherals, and software, and also proceeds the assembling and distributing of house-branded "SVOA Computer" through its nationwide network. Distribution of IT equipments, software for designing applications and computer operation systems. Full maintenance and repair service solutions.
- Systems Integration, provide IT consulting services and End-To-End IT solutions for banking, insurance, telecommunication, and government sectors.
- IT Outsourcing Services, provide fully functioning computer system infrastructure including operating such system for government and private sectors in a form of outsourcing.
- IT Project, provide a "Turnkey Project" program by offering computer products and information technology equipment by focus on government sectors and private companies. Provide full range of installation and after-sales service.

The Company and its subsidiaries have aggregated the operating segments of IT Outsourcing Services and Systems Integration and presented them as the reportable segment of System Integration. The aggregated operating segments have similar economic characteristics and are similar in the other respects required by the standard.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2016 and 2015, respectively.

(Unit: Million Baht)

| | Consolidated financial statements | | | | | | | | | | | | | |
|--|--|--------------|--|--------------|------------------------------------|------------|--------------|--------------|--------------|--------------|---------------------------------------|--------------|--------------|--------------|
| | For the years ended 31 December | | | | | | | | | | | | | |
| | IT Terminal products strategic business unit | | System integration strategic business unit | | IT project strategic business unit | | Others | | Total | | Elimination of inter-segment revenues | | Total | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Sales and services | | | | | | | | | | | | | | |
| Domestic | | | | | | | | | | | | | | |
| - outside customers | 3,044 | 3,282 | 1,747 | 1,800 | 1,479 | 1,425 | 103 | 44 | 6,373 | 6,551 | - | - | 6,373 | 6,551 |
| - related parties | 115 | 66 | 49 | 16 | 9 | 9 | 95 | 28 | 268 | 119 | (156) | (53) | 112 | 66 |
| Export | 41 | 23 | - | - | - | - | - | - | 41 | 23 | - | - | 41 | 23 |
| Total | 3,200 | 3,371 | 1,796 | 1,816 | 1,488 | 1,434 | 198 | 72 | 6,682 | 6,693 | (156) | (53) | 6,526 | 6,640 |
| Cost of sales and services | (2,946) | (3,035) | (1,514) | (1,490) | (1,356) | (1,331) | (151) | (62) | (5,967) | (5,918) | 159 | 53 | (5,808) | (5,865) |
| Gross profit | 254 | 336 | 282 | 326 | 132 | 103 | 47 | 10 | 715 | 775 | 3 | - | 718 | 775 |
| Other income | 45 | 48 | 55 | 36 | 57 | 26 | 1 | 1 | 158 | 111 | (27) | (19) | 131 | 92 |
| Selling expenses | (211) | (218) | (286) | (282) | (110) | (75) | (36) | (11) | (643) | (586) | - | - | (643) | (586) |
| Segment operating profit | 88 | 166 | 51 | 80 | 79 | 54 | 12 | - | 230 | 300 | (24) | (19) | 206 | 281 |
| Unallocated income (expense) | | | | | | | | | | | | | | |
| Other income | | | | | | | | | 41 | 81 | - | - | 41 | 81 |
| Administrative expenses | | | | | | | | | (188) | (230) | 24 | 19 | (164) | (211) |
| Share of profit from investments in associated companies | | | | | | | | | 69 | 55 | (24) | (18) | 45 | 37 |
| Finance cost | | | | | | | | | (39) | (38) | - | - | (39) | (38) |
| Income tax expenses | | | | | | | | | (16) | (26) | - | - | (16) | (26) |
| Profit for the year | | | | | | | | | 97 | 142 | (24) | (18) | 73 | 124 |
| Segment total assets | 940 | 1,006 | 2,183 | 1,755 | 707 | 470 | 1,874 | 1,644 | 5,704 | 4,875 | (543) | (461) | 5,161 | 4,414 |
| Investment in associates accounted for by the equity method | | | | | | | | | 592 | 555 | - | - | 592 | 555 |
| Increase (decrease) in non-current assets other than financial instruments and deferred tax assets | | | | | | | | | 130 | 30 | - | - | 130 | 30 |

Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year 2016, the Company and its subsidiaries have revenue from a major customer in amount of Baht 653 million, arising from sales by the IT project strategic business unit segment (2015: There was a major customer in amount of Baht 586 million arising from sales by the IT project strategic business unit entity's revenues).

27. Provident fund

The Company and its subsidiary companies and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and subsidiaries contributed to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by SCB Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2016 amounting to Baht 10 million were recognised as expenses (2015: Baht 10 million) (separate financial statements: 2016: Baht 4 million and 2015: Baht 4 million).

28. Other income

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|---------|-------------------------------|---------|
| | 2016 | 2015 | 2016 | 2015 |
| Selling support | 38,607 | 46,450 | 34,623 | 38,989 |
| Reversal of liabilities and provisions | 91,959 | 43,282 | 38,861 | 8,006 |
| Interest income | 8,902 | 10,862 | 7,999 | 9,857 |
| Dividend income | - | - | 19,947 | 11,280 |
| Others | 32,645 | 72,134 | 36,610 | 82,674 |
| Total other income | 172,113 | 172,728 | 138,040 | 150,806 |

29. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|-----------|-------------------------------|-----------|
| | 2016 | 2015 | 2016 | 2015 |
| Salaries and wages and other employee benefits | 418,962 | 447,040 | 191,920 | 206,460 |
| Depreciation | 25,862 | 24,712 | 17,573 | 18,323 |
| Rental expenses from operating lease agreements and services expenses | 34,574 | 39,379 | 11,643 | 16,932 |
| Changes in inventories of finished goods and work in progress | (174,221) | (361,586) | (54,068) | (192,820) |
| Marketing expenses | 93,276 | 113,036 | 86,547 | 97,507 |
| Cost of services | 971,233 | 1,688,839 | 205,667 | 824,330 |

30. Income tax

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

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|---------|-------------------------------|--------|
| | 2016 | 2015 | 2016 | 2015 |
| Current income tax: | | | | |
| Current income tax charge | 6,932 | 27,218 | - | 20,911 |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | 8,790 | (1,005) | 13,531 | 4,841 |
| Income tax expense reported in the statement of comprehensive income | 15,722 | 26,213 | 13,531 | 25,752 |

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

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|-------|-------------------------------|------|
| | 2016 | 2015 | 2016 | 2015 |
| Deferred tax relating to net actuarial gain | - | 1,769 | - | 986 |
| | - | 1,769 | - | 986 |

Reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|---------|-------------------------------|---------|
| | 2016 | 2015 | 2016 | 2015 |
| Accounting profit before tax | 88,428 | 150,734 | 37,199 | 119,528 |
| Applicable tax rate | 20% | 20% | 20% | 20% |
| Accounting profit before tax multiplied by income tax rate | 17,686 | 30,147 | 7,440 | 23,906 |
| Effects of: | | | | |
| Share of profit from investments in associated companies | (9,116) | (7,448) | - | - |
| Non-deductible expenses | 11,071 | 7,480 | 10,530 | 4,155 |
| Additional expense deductions allowed | (1,519) | (153) | (450) | (53) |
| Income not subject to tax | - | - | (3,989) | (2,256) |
| Utilisation of tax loss carried forward | (2,400) | - | - | - |
| Others | - | (3,813) | - | - |
| Total | (1,964) | (3,934) | 6,091 | 1,846 |
| Income tax expenses reported in the statement of comprehensive income | 15,722 | 26,213 | 13,531 | 25,752 |

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

| | Statements of financial position | | | |
|--|-----------------------------------|---------------|-------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | As at | As at | As at | As at |
| | 31 December | 31 December | 31 December | 31 December |
| | 2016 | 2015 | 2016 | 2015 |
| Deferred tax assets | | | | |
| Allowance for doubtful accounts | 12,540 | 8,858 | 5,669 | 5,239 |
| Allowance for diminution in value of inventories | 3,299 | 10,056 | 735 | 5,473 |
| Allowance for asset impairment | 825 | 600 | 825 | 600 |
| Accrued warranty | 811 | 1,284 | 811 | 1,284 |
| Accrued project costs | 18,767 | 22,163 | 15,324 | 19,997 |
| Provision for long-term employee benefits | 10,325 | 9,445 | 3,857 | 3,734 |
| Others | 58 | 58 | - | - |
| Total | 46,625 | 52,464 | 27,221 | 36,327 |
| Deferred tax liabilities | | | | |
| Finance leases | (8,245) | (5,293) | (7,011) | (2,586) |
| Total | (8,245) | (5,293) | (7,011) | (2,586) |
| Deferred tax assets - net | 38,380 | 47,171 | 20,210 | 33,741 |

31. Commitments and contingent liabilities

As at 31 December 2016 and 2015, the Company and its subsidiaries have commitments other than those disclosed in other notes as follows:

31.1 As at 31 December 2016 and 2015, the Company and its subsidiaries had office building and motor vehicle lease and related service commitments payable as follows:

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|------------------|-----------------------------------|------|-------------------------------|------|
| | 2016 | 2015 | 2016 | 2015 |
| Payable within: | | | | |
| Less than 1 year | 28 | 32 | 10 | 10 |
| 1 to 5 years | 17 | 39 | 7 | 13 |

31.2 As at 31 December 2016 and 2015, IT City Public Company Limited, an associated company, had commitments under a lease and related service agreements for the lease of office building, warehouse and branch areas, under which the following rental and service fees are payable in the future.

| | (Unit: Million Baht) | |
|------------------|----------------------|------|
| | 2016 | 2015 |
| Payable within: | | |
| Less than 1 year | 192 | 176 |
| 1 to 5 years | 190 | 136 |
| Over 5 years | 4 | - |

31.3 Bank guarantees

The Company and its subsidiaries

As at 31 December 2016, the Company and its subsidiaries had outstanding bank guarantees amounting to approximately Baht 743 million and USD 0.4 million (2015: Baht 754 million and USD 0.3 million), and the separate financial statements: Baht 504 million and USD 0.3 million (2015: Baht 516 million and USD 0.3 million) issued by banks on behalf of the Company and its subsidiaries, in respect of certain performance bonds and bid bonds and others as required in the normal course of business of the Company and its subsidiaries.

The associated companies

As at 31 December 2016, IT City Public Company Limited, an associated company, has the outstanding bank guarantees of approximately Baht 25 million and USD 0.2 million (2015: Baht 24 million and USD 0.2 million) issued by a bank on behalf of an associated company in respect of purchase of goods and services as required in the normal course of an associated company's business.

As at 31 December 2016, Lease IT Public Company Limited, an associated company, has the outstanding bank guarantees of approximately Baht 98 million (2015: Baht 37 million) issued by banks on behalf of the associated company's customers in respect of certain bid bonds.

31.4 As at 31 December 2016 and 2015, the Company has outstanding loan guarantees provided on behalf of its subsidiaries for loans from banks. The balances of these guarantees are as follows:

| <u>Guarantee facilities</u> | <u>2016</u> | <u>2015</u> |
|---------------------------------|--------------------|--------------------|
| Short term loan | Baht 2,703 million | Baht 2,170 million |
| Credit line of forward contract | USD 14 million | USD 4 million |
| Credit line of forward contract | Baht 149 million | Baht 144 million |

In addition, the Company issued guarantees to one customer for sale order of its subsidiary, with amounting to Baht 1 million (2015: none) and the Company issued guarantees to one supplier for purchase order of its subsidiary, with amounting to USD 0.6 million (2015: USD 0.6 million).

Generally, the guarantees are effective for as long as the underlying obligations have not been discharged by the subsidiaries.

31.5 On 1 January 2016, the Company and its associated company took out an insurance policy to insure collections from debtors of the distribution of IT products to distributors and retail customers business. Coverage is for 18 months. As a result the Company and a subsidiary are obliged to pay premiums at an agreed rate.

31.6 As at 31 December 2016, the Company has outstanding commitment in respect of uncalled portion of investment in a subsidiary of approximately Baht 91 million (2015: Baht 91 million).

32. Fair value hierarchy

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

(Unit: Million Baht)

| | Consolidated financial statements | Separate financial statements |
|---|-----------------------------------|-------------------------------|
| | Level 1 | Level 1 |
| Assets for which fair value is disclosed | | |
| Investments in associated companies | 1,290 | 1,290 |

33. Financial instruments

33.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, other receivables and finance lease receivables, investments, and short-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable and other receivables. They manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, they do not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivable, other receivables and finance lease receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its deposits with financial institutions, bank overdrafts and short-term borrowings. However, since most of the Company and its subsidiaries' 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)

| As at 31 December 2016 | | | | | | |
|-----------------------------------|----------------|---------------------------|-------------------------|-------|---------------|--------------|
| Consolidated financial statements | | | | | | |
| Fixed interest rates | | Floating interest rate | Non-interest bearing | Total | Interest rate | (% p.a.) |
| Within 1 year | Over 1-5 years | | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | - | - | 47 | 244 | 291 | 0.05 - 1.10 |
| Trade and other receivables | - | - | - | 2,204 | 2,204 | - |
| Finance lease receivables | 85 | 99 | - | - | 184 | 4.00 - 10.12 |
| Financial liabilities | | | | | | |
| Short-term loans from banks | - | - | 1,314 | - | 1,314 | 2.84 - 8.10 |
| Trade and other payables | - | - | - | 708 | 708 | - |
| Finance lease payables | 7 | 11 | - | - | 18 | 1.55 - 7.42 |

(Unit: Million Baht)

| As at 31 December 2015 | | | | | | |
|-----------------------------------|----------------|---------------------------|-------------------------|-------|---------------|---------------|
| Consolidated financial statements | | | | | | |
| Fixed interest rates | | Floating interest rate | Non-interest bearing | Total | Interest rate | (% p.a.) |
| Within 1 year | Over 1-5 years | | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | - | - | 38 | 115 | 153 | 0.050 - 0.625 |
| Trade and other receivables | - | - | - | 1,995 | 1,995 | - |
| Finance lease receivables | 85 | 23 | - | - | 108 | 8.00 - 10.12 |
| Financial liabilities | | | | | | |
| Short-term loans from banks | - | - | 794 | - | 794 | 2.80 - 6.25 |
| Trade and other payables | - | - | - | 822 | 822 | - |
| Finance lease payables | 11 | 16 | - | - | 27 | 1.55 - 7.42 |

(Unit: Million Baht)

| As at 31 December 2016 | | | | | | |
|-------------------------------|---------------|----------------|------------------------|----------------------|-------|---------------|
| Separate financial statements | | | | | | |
| Fixed interest rates | | | | | | |
| | Within 1 year | Over 1-5 years | Floating interest rate | Non-interest bearing | Total | Interest rate |
| | | | | | | (% p.a.) |
| Financial assets | | | | | | |
| Cash and cash equivalents | - | - | 31 | 130 | 161 | 0.05 - 1.10 |
| Trade and other receivables | - | - | - | 1,378 | 1,378 | - |
| Finance lease receivables | 78 | 99 | - | - | 177 | 4.00 - 9.00 |
| Financial liabilities | | | | | | |
| Short-term loans from banks | - | - | 774 | - | 774 | 2.84 - 3.85 |
| Trade and other payables | - | - | - | 592 | 592 | - |
| Finance lease payables | 1 | 3 | - | - | 4 | 1.55 - 4.74 |

(Unit: Million Baht)

| As at 31 December 2015 | | | | | | |
|-------------------------------|---------------|----------------|------------------------|----------------------|-------|---------------|
| Separate financial statements | | | | | | |
| Fixed interest rates | | | | | | |
| | Within 1 year | Over 1-5 years | Floating interest rate | Non-interest bearing | Total | Interest rate |
| | | | | | | (% p.a.) |
| Financial assets | | | | | | |
| Cash and cash equivalents | - | - | 23 | 86 | 109 | 0.05 - 0.50 |
| Trade and other receivables | - | - | - | 1,160 | 1,160 | - |
| Finance lease receivables | 78 | 16 | - | - | 94 | 8.00 - 9.00 |
| Financial liabilities | | | | | | |
| Short-term loans from banks | - | - | 476 | - | 476 | 2.80 - 3.15 |
| Trade and other payables | - | - | - | 605 | 605 | - |
| Finance lease payables | 2 | 3 | - | - | 5 | 1.50 - 4.74 |

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The subsidiaries seek to reduce this risk by entering into forward exchange contracts when their consider appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies were summarised below.

| Foreign currency | Consolidated | | Separate | | Exchange rate as at 31 December | |
|------------------------------|----------------------|-------|----------------------|-------|------------------------------------|---------|
| | financial statements | | financial statements | | | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| | (Million) | | (Million) | | (Baht per 1 foreign currency unit) | |
| Financial assets | | | | | | |
| US dollar | 0.20 | 0.08 | 0.23 | 0.08 | 35.6588 | 35.9233 |
| Financial liabilities | | | | | | |
| US dollar | 6.35 | 5.22 | 1.39 | 1.27 | 36.0025 | 36.2538 |
| Yen | 8.89 | 33.37 | 8.89 | 33.37 | 0.3113 | 0.3028 |

As at 31 December 2016 and 2015, the Company and its subsidiaries had outstanding forward exchange contracts, of which details are presented below.

| Currency | Amount bought | Maturity date | Contractual exchange rate |
|--|---------------|-------------------------|------------------------------------|
| | (Million) | | (Baht per 1 foreign currency unit) |
| 2016 | | | |
| <u>Consolidated financial statements</u> | | | |
| US dollar | 6.5 | January - July 2017 | 34.78 - 36.26 |
| Japanese Yen | 7.8 | January - February 2017 | 0.3057 - 0.3468 |
| <u>Separate financial statements</u> | | | |
| US dollar | 1.8 | January - July 2017 | 34.78 - 36.26 |
| Japanese Yen | 7.8 | January - February 2017 | 0.3057 - 0.3468 |
| 2015 | | | |
| <u>Consolidated financial statements</u> | | | |
| US dollar | 5.2 | January - June 2016 | 35.50 - 36.50 |
| Japanese Yen | 17.6 | January 2016 | 0.29375 |
| <u>Separate financial statements</u> | | | |
| US dollar | 0.6 | January - May 2016 | 35.67 - 36.39 |
| Japanese Yen | 17.6 | January 2016 | 0.29375 |

33.2 Fair values of financial instruments

Since the majority of the Company and its subsidiary companies' financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position, except for the fair value of investments in associated companies which had been disclosed in Note 13.

34. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that it has appropriate capital structure in order to support their businesses and maximise shareholder value. As at 31 December 2016, the Group's debt-to-equity ratio was 1.68:1 (2015: 1.31:1) and the Company's was 1.51:1 (2015: 1.12:1).

35. Events after the reporting period

On 24 February 2017, the Board of Directors Meeting of the Company No. 2/2017 passed a resolution to propose a dividend payment at Baht 0.014 per share from the net profit of 2016, totaling of Baht 13 million. The Company will propose these matters for approval in the Annual General Meeting of the Company's shareholders.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 24 February 2017.

Explanation and Analysis of Financial Status by Quarter (MD&A)

• Summary of Business Operation of Company and Subsidiaries

In the Year 2016, consolidated financial statement showed net profit of 72.7 Million Baht which decreased by 51.8 Million Baht or 41.6% from the same period of previous year, and separate financial statement showed its net profit of 23.7 Million Baht which decreased by 70.1 Million Baht or 74.8% from the same period of previous year. These resulted from the selling of shares in an associated company making profits to the consolidated financial statements for 43 Million Baht and separate financial statements for 56 Million Baht in last year.

| (Unit : Mil Baht) | Consolidated | | | | | | Separate | | | | | |
|---|--------------|-------------|--------------|-------------|---------------------|---------------|-------------|-------------|-------------|-------------|---------------------|---------------|
| | 2016 | | 2015 | | Increase (Decrease) | | 2016 | | 2015 | | Increase (Decrease) | |
| Total revenues | 6,697.9 | 100.0% | 6,812.7 | 100.0% | -114.8 | -1.7% | 5,156.2 | 100.0% | 5,204.5 | 100.0% | -48.3 | -0.9% |
| Total expenses | 6,615.9 | 98.8% | 6,661.7 | 97.8% | -45.8 | -0.7% | 5,095.7 | 98.8% | 5,067.2 | 97.4% | 28.5 | 0.6% |
| Share of profit from investment in associated company accounted for under equity method | 45.6 | 0.7% | 37.2 | 0.6% | 8.4 | 22.6% | - | - | - | - | - | - |
| Financial expenses | 39.2 | 0.6% | 37.5 | 0.6% | 1.7 | 4.5% | 23.3 | 0.4% | 17.8 | 0.3% | -15.5 | -87.1% |
| Income tax | 15.7 | 0.2% | 26.2 | 0.4% | -10.5 | -40.1% | 13.5 | 0.3% | 25.7 | 0.5% | -12.2 | -47.5% |
| Net Profit (Loss) for the period | 72.7 | 1.1% | 124.5 | 1.8% | -51.8 | -41.6% | 23.7 | 0.5% | 93.8 | 1.8% | -70.1 | -74.7% |

• Analysis of Revenue Structure

| (Unit : Mil Baht) | Consolidated | | | | | | Separate | | | | | |
|----------------------------|----------------|---------------|----------------|---------------|---------------------|--------------|----------------|---------------|----------------|---------------|---------------------|--------------|
| | 2016 | | 2015 | | Increase (Decrease) | | 2016 | | 2015 | | Increase (Decrease) | |
| Sales and service revenues | 6,525.8 | 97.4% | 6,640.0 | 97.5% | -114.2 | -1.7% | 5,018.2 | 97.3% | 5,053.7 | 97.1% | -35.5 | -0.7% |
| Other income | 172.1 | 2.6% | 172.7 | 2.5% | -0.6 | -0.4% | 138.0 | 2.7% | 150.8 | 2.9% | -12.8 | -8.5% |
| Total Revenues | 6,697.9 | 100.0% | 6,812.7 | 100.0% | -114.8 | -1.7% | 5,156.2 | 100.0% | 5,204.5 | 100.0% | -48.3 | -0.9% |

The Company and subsidiaries had total income of 6,697.9 Million Baht, which decreased by 114.8 Million Baht or 1.7% from the same period of previous year, by which revenue of the separate financial statement was 5,156.2 Million Baht, which decreased by 48.3 Million Baht or 0.9% from the same period of previous year due to the significant business transactions as follows:-

- Revenues from sales and service of the consolidated financial statements decreased by 114.23 Million Baht or 1.7% and separate financial statement decreased by 35.5 Million Baht or 0.7% as Krung Thai project was under installation process by IT Project Strategic Business Unit (ITPSBU) causing project submission did not finish in this year

| Product Line/ Strategic Business Unit | | 2016 | | 2015 | | 2014 | |
|---------------------------------------|--------|--------------|------------|--------------|------------|--------------|------------|
| | | Income | % | Income | % | Income | % |
| IT Distribution | ITDSBU | 3,188 | 47 | 3,359 | 49 | 2,748 | 43 |
| Systems Integration | SISBU | 1,747 | 26 | 1,803 | 26 | 1,745 | 27 |
| IT Project | ITPSBU | 1,488 | 22 | 1,434 | 21 | 1,656 | 26 |
| Services Center | ASYS | 103 | 2 | 44 | 1 | 3 | 0 |
| Other income | | 172 | 3 | 173 | 3 | 266 | 4 |
| Total income | | 6,698 | 100 | 6,813 | 100 | 6,418 | 100 |

- **Analysis of Expenditure Structure**

| (Unit : Mil Baht) | Consolidated | | | | | | Separate | | | | | |
|---------------------------|----------------|---------------|----------------|---------------|------------------------|--------------|----------------|---------------|----------------|---------------|------------------------|-------------|
| | 2016 | | 2015 | | Increase (Decrease) | | 2016 | | 2015 | | Increase (Decrease) | |
| Cost of Sales and Service | 5,808.3 | 87.8% | 5,864.6 | 88.0% | -56.3 | -1.0% | 4,620.3 | 90.7% | 4,592.9 | 90.6% | 27.4 | 0.6% |
| Selling expenses | 643.2 | 9.7% | 585.7 | 8.8% | 57.5 | 9.8% | 343.1 | 6.7% | 299.2 | 5.9% | 43.9 | 14.7% |
| Administrative expenses | 164.4 | 2.5% | 211.4 | 3.2% | -47.0 | -22.2% | 132.3 | 2.6% | 175.1 | 3.5% | -42.8 | -24.4% |
| Total Expenditure | 6,615.9 | 100.0% | 6,661.7 | 100.0% | -45.8 | -0.7% | 5,095.7 | 100.0% | 5,067.2 | 100.0% | 28.5 | 0.6% |

The Company and its subsidiaries had total expenditure of 6,615.9 Million Baht, which decreased by 45.8 Million Baht or 0.7%, by which expenditure of separate financial statement was 5,095.7 Million Baht increased by 28.5 Million Baht or 0.6% from the same period of previous year due to the significant business transactions as follows:-

- 1) Cost of sales and service of consolidated financial statements decreased by 56.3 Million Baht or 1.0% and separate financial statement slightly increased by 28.5 Million Baht or 0.6% in accordance with the sales portion.
- 2) Selling expenses of consolidated financial statements increased by 57.5 Million Baht or 9.8% and separate financial statement increased by 43.9 Million Baht or 14.7%, resulted from sales promotion campaign.
- 3) Administrative expenses of consolidated financial statements decreased by 45.8 Million Baht or 0.7% from the same period of previous year and separate financial statement decreased by 42.8 Million Baht or 24.4% from the same period of previous year, resulting from policy to control fixed cost at zero growth from previous year.

- **Analysis of Profit Structure**

In the Year 2016, consolidated financial statement showed its profit before interest expense and corporate income tax of 88.4 Million Baht, which decreased by 62.3 Million Baht or 50.0% from the same period of previous year. The corporate income tax of this period was 15.7 Million Baht for consolidated financial statements and 13.5 Million Baht for separate financial statements as it was calculated at the tax rate of 20% of net profit after adding non-deductible expenses, which the Revenue Department did not allow as expenses. The figures mentioned excluded the share of profit (loss) from investments under the equity method.

Financial Status

• Analysis of Asset Structure

| (Unit : Million Baht) | Consolidated | | | | | | Separate | | | | | |
|--|------------------|---------------|------------------|---------------|------------------------|--------------|------------------|---------------|------------------|---------------|------------------------|--------------|
| | 31 December 2016 | | 31 December 2015 | | Increase (Decrease) | | 31 December 2016 | | 31 December 2015 | | Increase (Decrease) | |
| Total Current Asset | 4,009.4 | 77.7% | 3,421.8 | 77.5% | 587.6 | 17.2% | 2,430.1 | 77.3% | 2,078.6 | 76.7% | 351.5 | 16.9% |
| Investments in subsidiary | - | - | - | - | - | - | 68.2 | 2.2% | 68.2 | 2.5% | 0 | 0 |
| Investments in associated company | 592.4 | 11.5% | 554.8 | 12.6% | 37.6 | 6.8% | 266.2 | 8.5% | 254.2 | 9.4% | 12.0 | 4.7% |
| Other long-term investments | 9.5 | 0.2% | 8.8 | 0.2% | 0.7 | 8.0% | 9.5 | 0.3% | 8.8 | 0.3% | 0.7 | 8.0% |
| Property, plant and equipment | 140.4 | 2.7% | 153.6 | 3.5% | -13.2 | -8.6% | 129.2 | 4.1% | 137.9 | 5.1% | -8.7 | -6.3% |
| Intangible assets | 44.2 | 0.9% | 23.6 | 0.5% | 20.6 | 87.3% | 19.8 | 0.6% | 14.8 | 0.6% | 5.0 | 33.8% |
| Financial lease receivables — net current portion | 99.4 | 1.9% | 22.6 | 0.5% | 76.8 | 339.8% | 99.4 | 3.2% | 16.5 | 0.6% | 82.9 | 502.4% |
| Deferred tax assets | 38.4 | 0.7% | 47.2 | 1.1% | -8.8 | -18.6% | 20.2 | 0.6% | 33.7 | 1.2% | -13.5 | -40.1% |
| Other non-current assets | 227.3 | 4.4% | 181.7 | 4.1% | 45.6 | 25.1% | 100.4 | 3.2% | 97.8 | 3.6% | 2.6 | 2.7% |
| Total Assets | 5,161.0 | 100.0% | 4,414.1 | 100.0% | 746.9 | 16.9% | 3,143.0 | 100.0% | 2,710.5 | 100.0% | 432.5 | 16.0% |

The Company and its subsidiaries had total assets of 5,161.0 Million Baht, which increased by 746.9 Million Baht or 16.9% from the same period of previous year, by which assets of separate financial statement was 3,143.0 Million Baht, which increased by 432.5 Million Baht or 16.0% from the same period of previous year due to:-

- 1) Current assets of consolidated financial statements and separate financial statements increased by 587.6 Million Baht and 351.5 Million Baht respectively due to:-
 - Trade accounts receivable of consolidated financial statements increased by 214.1 Million Baht and separate financial statements increased by 218.9 Million Baht, and the collection of consolidated and separate financial statements in this quarter averaged at 117 and 92 days respectively as most of customers were from government sector, their payments required process of acceptance test and budgeting. Besides, the Company insured the collection from receivables of IT Distribution Strategic Business Unit for 90% coverage of the contracts by transferring such risk to an insurance company.
 - Inventory of consolidated and separate financial statements increased by 228.5 Million Baht and 75.3 Million Baht respectively due to projects were gradually submitted to government sectors. Inventory turnover of separate and consolidated financial statements averaged at 76 and 59 days respectively.
- 2) Intangible assets for operation of consolidated financial statements and separate financial statement increased by 20.6 Million Baht and 5.0 Million Baht respectively since new software was purchased for replacement.

- **Analysis of Liabilities Structure**

| (Unit : Million Baht) | Consolidated | | | | | | Separate | | | | | |
|--------------------------|------------------|---------------|------------------|---------------|---------------------|--------------|------------------|---------------|------------------|---------------|---------------------|--------------|
| | 31 December 2016 | | 31 December 2015 | | Increase (Decrease) | | 31 December 2016 | | 31 December 2015 | | Increase (Decrease) | |
| Current liabilities | 3,160.8 | 97.8% | 2,433.2 | 97.1% | 727.6 | 29.9% | 1,863.6 | 98.5% | 1,402.5 | 98.0% | 461.1 | 32.9% |
| Non-current liabilities | 72.4 | 2.2% | 72.7 | 2.9% | -0.3 | -0.4% | 28.8 | 1.5% | 28.1 | 2.0% | 0.7 | 2.5% |
| Total liabilities | 3,233.2 | 100.0% | 2,505.9 | 100.0% | 727.3 | 29.2% | 1,892.4 | 100.0% | 1,430.6 | 100.0% | 461.8 | 32.3% |

Liabilities of consolidated financial statements were 3,233.2 Million Baht, which increased by 727.3 Million Baht or 29.2% and separate financial statements were 1,892.4 Million Baht, which increased by 461.8 Million Baht or 32.3% from the end of previous year due to:-

- Bank overdraft, short-term loans from banks of the consolidated financial statements increased by 520.1 Million Baht and separate financial statements increased by 298.3 Million Baht as several signed projects required project finance during the 4th quarter.
- Trade account payables and related parties of consolidated financial statements decreased by 113.0 Million Baht and separate financial statements decreased by 13.1 Million Baht due to the payables being paid on time. Average payment period of separate and consolidated financial statements were at 47 and 48 days respectively.
- Unpaid employee benefits of consolidated financial statements increased by 4.4 Million baht and separate financial statements increased by 0.6 Million Baht from last year. This was calculated from employee benefits in accordance with the accounting standard issue no. 19.

- **Analysis of Structure of Shareholders' Equity**

| (Unit : Million Baht) | Consolidated | | | | | | Separate | | | | | |
|---|------------------|---------------|------------------|---------------|---------------------|-------------|------------------|---------------|------------------|---------------|---------------------|--------------|
| | 31 December 2016 | | 31 December 2015 | | Increase (Decrease) | | 31 December 2016 | | 31 December 2015 | | Increase (Decrease) | |
| Fully paid up capital | 947.0 | 49.1% | 947.0 | 49.6% | 0.0 | 0.0% | 947.0 | 75.7% | 947.0 | 74.0% | 0.0 | 0.0% |
| Par value surplus | 0.5 | 0.0% | 0.5 | 0.0% | 0.0 | 0.0% | 0.5 | 0.0% | 0.5 | 0.0% | 0.0 | 0.0% |
| Par value surplus-Joint venture company | 96.5 | 5.0% | 96.5 | 5.1% | 0.0 | 0.0% | - | - | - | - | - | - |
| Statutory reserve | 44.8 | 2.3% | 43.6 | 2.3% | 1.2 | 2.8% | 44.8 | 3.6% | 43.6 | 3.4% | 1.2 | 2.8% |
| Retained earnings | 839.0 | 43.6% | 820.5 | 43.0% | 18.5 | 2.3% | 258.3 | 20.7% | 288.8 | 22.6% | -30.5 | -10.6% |
| Total Shareholder's equity | 1,927.8 | 100.0% | 1,908.1 | 100.0% | 19.7 | 1.0% | 1,250.6 | 100.0% | 1,279.9 | 100.0% | -29.3 | -2.3% |

Shareholder's equity of consolidated financial statements was 1,927.8 Million Baht which increased by 19.7 Million Baht or 1.0% and separate financial statements decreased by 29.3 Million Baht from the end of previous year resulting from the net profit from operation of the Year 2016 deducted legal reserve and dividend payment for the year.