

ANNUAL REPORT 2015

MFEC PUBLIC COMPANY LIMITED

moving towards a SOCIAL ENTERPRISE

ALWAYS EXCEED EXPECTATIONS

VISION

Respectable Institution

We develop the organization to become an 'institution' widely respected by public and investors with our stability, continuous growth and sustainability.

MISSION

+ Industry Leader

Determination to develop the organization as a country leading software development and IT services, starting from merging a few potential software development companies as a spearhead to stably and widely expand our business.

+ Sustainable Competitive Advantages

To create continual and sustainable business competitive advantages by developing excellent quality products and services with higher efficiency compared to that of industry standard and reasonable price

+ Real Contributor in the Development of People and Country

A commitment as a leader to encourage country IT human resources development and to create value added jobs for local community, leading to income distribution which is a key indicator of country people's quality of life enhancement

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Message from The Board of Directors



Mr. Adirake Patitus
Chairman
MFEC Public Company Limited

Mr. Siriwat Vongjarukorn
Vice Chairman/Chief Executive Officer
MFEC Public Company Limited

Throughout 18 years, MFEC Public Company Limited (MFEC) has been an integrated service provider of solutions and services, and computer system and information technology network development for all groups of customers. Its excellent services have been provided with transparency, leading to success for sustainability, and environmental and social responsibility.

Given fast-changing trend of information technology, social changes and global economic fluctuations, the Thai government set a policy focusing on information technology and communications to drive the Thai economy. The policy "Digital Economy" has been declared to push for the country's economy, assisting in modern process management with faster and more efficient responses to service users or customers. Manufacturers would also be equipped and strengthened for higher competitiveness. MFEC Group also planned and adjusted its strategies to cope with such changes, while having its presence in ASEAN. At the time it has beefed up its strength and enhanced its competitiveness, MFEC Group continued to develop and market new products and services, and serve excellent 'Thai' services with quality and standards comparable to or above multinationals' at fair prices. Its focus was on business strategies in parallel with risk management. MFEC also held activities to promote sustainability in term of internal human resources development. Simultaneously, it firmly adhered to good governance and to took part in anti-corruption.

The year of 2015 was the year of Thailand's sluggish economy as a result of the global economic slowdown and domestic political uncertainty. Several businesses have been adversely affected. The information technology has been also affected from the global economic situations and the Thai economy which has seen slowdowns in investment in the country. However, the MFEC Group laid out its risk management plan in order to relieve the impacts, emphasizing on cost reduction and income generation that led to sustainability.

The MFEC Group restructured its internal organizational management to seize coming business opportunities, make itself robust and grow with sustainability in the long term. It formulated plans to build up quality human resources for long-term growth and finance investment for worthwhile returns.

MFEC would adhere to its commitments and goal, being as a company with stability. As it has undertaken the information technology business continuously, the company would participate in building up the society and developing people, create valued local jobs, disseminate income and upgrade people's quality of living. On behalf of the Board, I would like to thank all of valued stakeholders, customers, traders, shareholders, employees and executives for all of supports and the company's success. I ensure that the Board would adhere to, supervise and oversee MFEC's businesses for its consistent and sustainable growth.

Company Profile

Head Office Development Center and Branches

Company name	MFEC Public Company Limited
Initial	MFEC
Registration No.	0107546000156
Business Type	IT Services and Systems Integration
Registered Capital	Baht 441,453,555 contains common stock 441,453,555 Shares Baht 1 per share (December 31 st , 2015)
Issued Capital and Paid-up Capital	Baht 441,453,555 contains common stocks 441,453,555 Shares Baht 1 per share (December 31 st , 2015)

Location

Head Office	699 Modernform Tower, Srinakarin Rd., SuanLuang, Bangkok 10250 Tel. 0-2664-5999 Fax. 0-2722-8388 Website http://www.mfec.co.th
Development Center	333 Lao Peng Nguan Tower, Vibhavadi-Rangsit Rd., Chompol, Chatuchak Bangkok 10900 Tel. 0-2664-5999 Fax. 0-2278-9279
Investor Relations	Tel. 0-2664-5999 Fax. 0-2278-9279 E-mail investor@mfec.co.th
Company Secretary	Tel. 0-2664-5999 Fax. 0-2722-8388 E-mail secretary@mfec.co.th

References

Reference

Securities Registrar

Thailand Securities Depository Company Limited
62 The Stock Exchange of Thailand Building Ratchadapisek Rd.,
Klong Toey, Bangkok 10110
Tel. 0-2229-2800 Fax. 0-2359-1262-3
Website <http://www.tsd.co.th>

Auditor

Ms.Wannisa Ngambuathong, Auditor No. 6838
Mr.Thanawut Piboonsawat, Auditor No. 6699
Ms.Sulalit Ardsawang, Auditor No. 7517
Dharmniti Auditing Company Limited
267 Phacharat sai 1 Rd., Bang Sue, Bangkok 10800
Tel. 0-2587-8080 Fax. 0-2586-0301
Website <http://www.dharmniti.co.th>

Solicitor

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No. 2/4 Nai Lert Tower, 4th Floor, Wireless Road, Lumpini, Pathumwan,
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Tel. 0-2252-1260 Fax. 0-2252-1104

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Yanisatharm Law office
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10400
Tel. 0-2693-8917-8 Fax. 0-2693-8919
Tel. 0-2693-8917-8 Fax. 0-2693-8919

Awards in 2015



- “ESG 100 Certificate”, awarded by Thaipat Institute on May 21st, 2015 at Product Development Center, MFEC Public Company Limited, Lao Peng Nguan 1 Building, Vibhavadi Rangsit Road
- “Premium Reseller of The Year” of Channel Partner Kick-off 2015, awarded by Lenovo on June 26th , 2015 at Holiday Inn Pattaya Hotel
- Scored “4” for Good Corporate Governance, “4” for the quality of Annual General Meeting (AGM), and “3A” for Anti-Corruption in the Annual Assessment 2015

Business Outlook and Policy

Business Goal and Strategy

MFEC aims to become the global and regional leader in the consulting industry and comprehensively develop computer network systems and e-Commerce in Thailand. In addition, the company strives for building itself into one of Thailand's institution with sustainability and growth potential. MFEC revised its business strategies to cope with rapidly-changing technology and current business situations. Human resources development policy was adopted, while high value-added works were created to satisfy customers' demand and follow the market trend.

In 2015, MFEC formed Industry Linkage to connect with the education sector. The company signed an academic Memorandum of Understanding (MOU) for Software Business and Professional Development. The MOU intended to prepare students for information technology careers, develop efficient human resources to fulfil business requirements and cope with technological changes, and enhance capabilities and readiness of the nation's IT business for higher international competitiveness. Amid rapidly - changing technology, MFEC Group consolidated each of its associate companies' strength, and developed its products and services as many as 40 solutions. This attempt broadened its IT market, which helped it become the leader in software and IT services that responded to customers' needs. Furthermore, the company collaborated with internet service providers (ISP) including Internet Thailand Public Company Limited, INET, and CAT Telecom Public Company Limited, CAT as a preparation for the cloud computing business.

In the meantime, MFEC managed risks, adopting the principles of COSO Enterprise Risk Management into its risk management process. Under this, annual business plans and project management plans were formulated, while all concerned persons were assigned to take full responsibility of risk assessment in each department as a means to control risks as planned.

MFEC Group's business strategy 2015

1. Focus on specific business model

MFEC Group placed importance on the strategy focusing on rapid adjustment for all circumstances through internal organizational restructuring. This was to enhance management effectiveness by grouping three main businesses under MFEC Group as the following.

1.1 This business provided consulting services for telecommunications, and finance and banking businesses. Skilled employees from MFEC's subsidiaries and joint ventures with foreign partners were selected. The company targeted to become the first-class consulting company in Thailand and in the region correspondingly.

1.2 Its services extended from design, supply, development, to installation of computer system and information network, as well as after sales services, such as storage system, internal and external network system, and information and software management system, etc.

1.3 This group focused on software development, development and new innovation which were Intellectual Property, and human resource development through cooperative Education programs with over 20 universities in Thailand. Its plan was to develop more competent IT personnel for the market.

2. Go to Market Strategy

Under the marketing plan, existing products and services were grouped for both MFEC Group and its supplies. Those newly-made ones were also grouped with detailed operational plans.

3. Customer Focus

3.1 Customer Database and Intelligence
companies' customer databases in all categories into the central database, analyzing need and searching for opportunity in products and services of MFEC Group.

3.2 Customer Relationship Management

Arranging and improving framework for the whole value chains starting from marketing, sales, services, support to logistics. The task was achieved through measures and customer satisfaction surveys, while the results were reported to the executives.

3.3 Prospective Leader Generation

Collaborating within MFEC Group in marketing activities helped it identify targeted customers, which could bring profitable outcome.

3.4 New Market Development

Penetrating new markets through both domestic and foreign channels, and developing new products and services such as Cloud Services Solution, one among the current and future mainstream technology. It was also one among new businesses that must be materialized for the formation of Cloud Management Service Group (CMSG) as a new market for intellectual property investment. In the year, MFEC Group entered into joint investment with two internet companies in order to drive and develop Solution Cloud in the development of Software as a Service on IRIS Cloud Platform. The investment policy aimed to create new businesses and newly progressive technology each year, while market opportunities in providing services at high margins were searched for. A team was set up to combine skills, know-how, experiences, and applications to provide services such as for applications Government Cloud Services, Commercial Cloud Services, Consumer Cloud Services, Education Cloud, and Finance & Security Cloud.

Structure of MFEC Group's Shareholding

MFEC Public Company Limited and its subsidiaries provide professional consulting services, and engaged in development and IT network and system integration for the private and public sectors, especially leading state enterprises and industries with high demand for IT services. Our services extend from problem solving to others tailored to satisfy customers' requirements in terms of IT network and system integration as well as development of hardware, software, peripheral device, network device, installation, testing, training, and maintenance services

3 categories of our businesses

1. Provide Consulting Services and Information Technology

We provide consulting services and comprehensive information technology development. Our services include analysis and design of specific systems for customers, starting from information technology application, internal and external work process adjustment, electronic commerce to business information for decision-making. This aims at helping customers to gain competitiveness and deal with rapidly-changing business environment.

We work closely with our customers so that we can understand their businesses, business strategies, specific requirements, as well on computer device, network and system. Then, conclusion can be reached with recommendations for the customers' detailed operational plans and processes with system development to attain their objectives.

2. System Integration

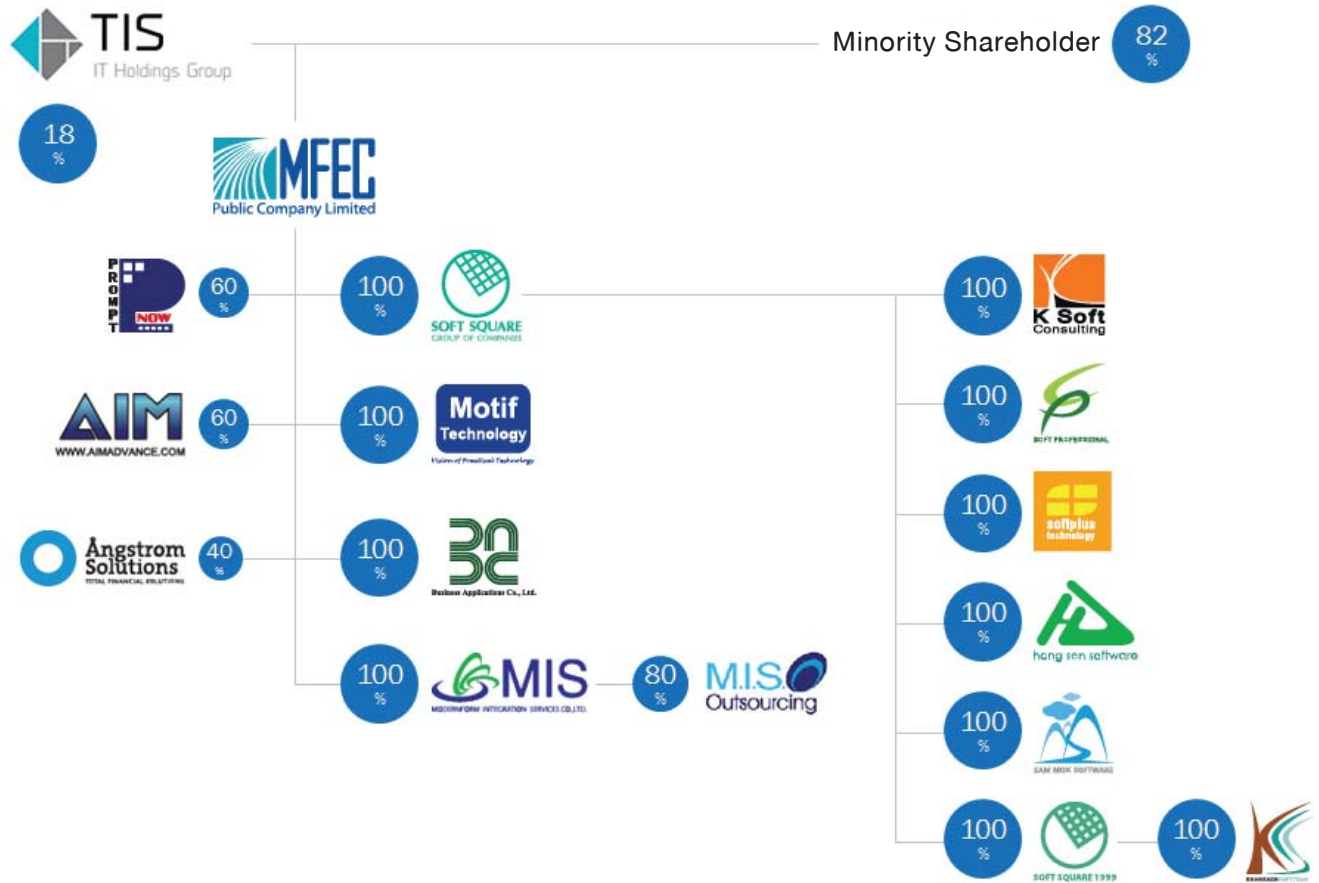
We design, supply, develop, and install IT network and computer system such as storage system, information security system, internal or external network connection system. Examples are Intranet, LAN, WAN, Unified Communication, IT and Management Software System, after-sales services.

3. As a service

We support our customers with maintenance services and techniques for organizational computer system. Our talented system engineers are ready to provide services in both hardware and software. In addition, we provide timely testing, maintenance and repair, and hardware replacement as necessary. With our services, customers see lower cost burden for maintenance personnel recruitment, and enhance system capability and effectiveness. We regularly set training courses in problem analysis and system introduction for the customers.

On March 14th, 2014, Modernform Group Public Company Limited sold 14.4% of its paid-up and registered capital for 441,543,555 baht to TIS INC., a provider of professional consulting services, IT program design, and network as well as system integration in Japan.

Corporate Structure of MFEC Public Company Limited and its subsidiaries as of December 31st, 2015



Note : None of any conflicting shareholders hold MFEC Group's shares exceeding 10% of all shareholders

Presently, MFEC Public Company Limited has 13 subsidiaries and one associate with the following product types.

MFEC Group's products and services

Company	Main Products/Services	Type of Customers
1. PromptNow Co.,Ltd. (PN)	<ul style="list-style-type: none"> • Mobile Financial Service • Gamification • Managed Service 	<ul style="list-style-type: none"> • Financial Institutions • Telecommunication
2. Advance Intelligent Modernnity Co., Ltd. (AIM)	<ul style="list-style-type: none"> • Mobile products • Software as a Service • E-commerce • Digital content 	<ul style="list-style-type: none"> • Telecommunication • Insurance • Retail Business • Automobile • Financial Institutions
3. Modernform Integration Services Co., Ltd (MIS)	<ul style="list-style-type: none"> • Modern Pay (Mobile Payment Gateway) • Service Management <ul style="list-style-type: none"> - Managed Services - Project based (PC/NB/PRN) 	<ul style="list-style-type: none"> • E-Commerce • Business that require alternative payment channel • Medium market • Insurance • Manufacture and Petroleum Industry • Service and Transportation
4. M.I.S. Outsource Co., Ltd. (MISO)	<ul style="list-style-type: none"> • Maintenance Service • Managed Service • Outsource Service • Consulting & Project Management 	<ul style="list-style-type: none"> • Telecommunication • Financial Institutions • Transportation • Industry • Government/State Enterprise
5. Business Application Co., Ltd. (BAC)	<ul style="list-style-type: none"> • Business Analytics <ul style="list-style-type: none"> - Cognos BI - Cogno TM1 - SPSS Software 	<ul style="list-style-type: none"> • Government and Private in all industries

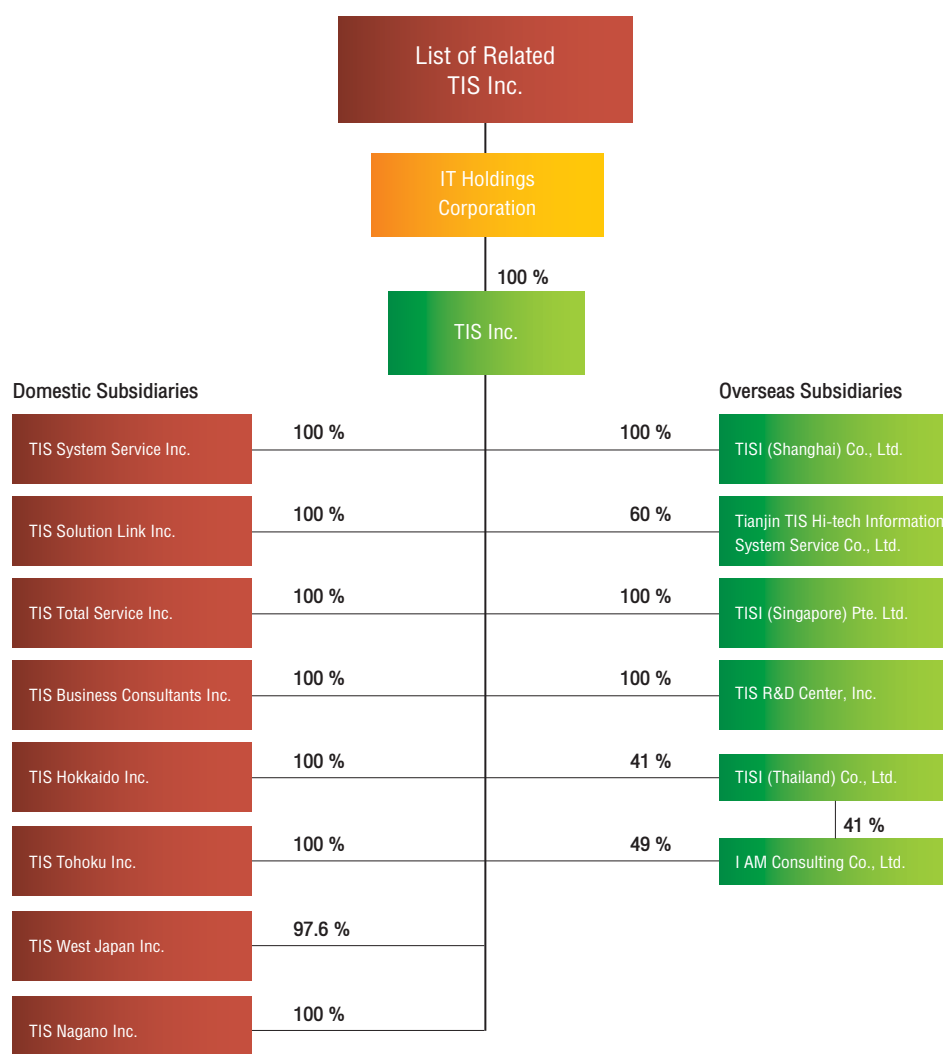
Company	Main Products/Services	Type of Customers
6. Motif Technology Public Company Limited (Motif)	<ul style="list-style-type: none"> • Consulting Service and Computer System Development Service • Software Development <ul style="list-style-type: none"> - iCollection - iLegal - iDoc 	<ul style="list-style-type: none"> • Financial Institutions • Insurance, Life Insurance • Real Estate • State Enterprise and Government
7. Soft Square 1999 Co., Ltd. (SS)	<ul style="list-style-type: none"> • Operation Consulting Service • Customized Software Design and Development • Systematic Operation Support 	<ul style="list-style-type: none"> • Retail Business • Industrial Factory • Governmental agency
8. Khon Kaen Softtech Co., Ltd. (KK)	<ul style="list-style-type: none"> • Operation Consulting Service • Customized Software Design and Development • Systematic Operation Support 	<ul style="list-style-type: none"> • Import – Export Business • Governmental Agency
9. Soft Plus Technology Co., Ltd. (SPT)	<ul style="list-style-type: none"> • Operation Consulting Service • Customized Software Design and Development • Systematic Operation Support 	<ul style="list-style-type: none"> • Retail Business
10. Soft Professional Co., Ltd. (SP)	<ul style="list-style-type: none"> • Operation Consulting Service • Customized Software Design and Development • Systematic Operation Support 	<ul style="list-style-type: none"> • Energy Business • Financial Institutions
11. Sam Mok Software Co., Ltd. (SM)	<ul style="list-style-type: none"> • Customized Software Design and Development • Systematic Operation Support 	<ul style="list-style-type: none"> • Government Agencies
12. KSoft Consulting Co., Ltd. (KS)	<ul style="list-style-type: none"> • Operation Consulting Service • Customized Software Design and Development • Systematic Operation Support 	<ul style="list-style-type: none"> • Energy Business • Financial Institution • Auction Business
13. Hong Son Software Co., Ltd. (HS)	<ul style="list-style-type: none"> • Operation Consulting Service • Customized Software Design and Development • Systematic Operation Support 	<ul style="list-style-type: none"> • Energy Business • Financial Institution • Auction Business
14. Angstrom Solutions Co., Ltd. (Å)	<ul style="list-style-type: none"> • Securities Trading System 	<ul style="list-style-type: none"> • Finance and Securities

Business Connection with Major Shareholders

MFEC and its group are not affiliates of the major shareholders¹. Our main businesses do not significantly relate to the major shareholder's businesses. Strategic marketing collaboration is made to broaden our business opportunity to reach either domestic or foreign target customers, and to support our business growth in Asean Economic Community (AEC) which was materialized in 2015.

TIS Inc. is a major shareholder and stakeholder of MFEC holding 17.7% of MFEC shares as of October 31st, 2015. TIS Inc. Group has associate companies as depicted below.

TIS Inc. is a major shareholder and stakeholder of MFEC, holding 17.7 percent of MFEC's stocks as of 31st October 2015. TIS Inc. Group contains these companies as shown below.



Remark: This information as of October 31, 2015

Business Outlook

Industry Situation and Competition

In the year of 2015, the global economy suffered a slowdown in growth. The world's economic powers were growing differently. Despite China registered more-than-expected economic slowdown with declines in both manufacturing index and internal demand, its growth remained at a robust rate of 7.1% per annum. The United Kingdom has been recovering from its improved labor market and easing monetary policy. On the contrary, economies of the European countries and Japan have witnessed their recoveries at a gradual pace. The US economy consistently inclined toward a likely hike of the US benchmark rates, which was in line with the Federal Reserve.

Asia, in the year, witnessed a modest growth of 6.5%, slightly down from the previous year. High-income countries were gradually recovering, while developing countries across the region still slowed down. Global trade expansion reached its low since 2009. Particularly, commodities-exporting countries continued to see adverse impacts from falling prices in commodities.

China's 7% target growth will gradually bring down the region's economic growth during 2016-2017. The World Bank forecast East Asia's developing countries to see economic slowdowns in light of China's economic rebalancing and expectations on the US rate hikes to the normalized level. This could prompt short-term financial volatility. However, there must be changes in order to sustain long-term economic growth.

Thailand was earlier projected to expand 3.5% in 2015 for drops in global crude prices, higher revenue from tourism, and likely more state investment and spending which were expected to boost private-sector expenditures. Key accelerated state disbursement and additional budget expenditures included investment in the state infrastructure projects, water management project and road transportation system development projects. The country's private consumption tended to recover from 2014 and private investment tended to improve from the prior year. Thai exports was projected to continue its slowing expansion on expectation for a 4 per cent rise after the political unrest ended.

Software Industry Promotion Agency (Public Organization) (SIPA), in collaboration with Thailand Development Research Institute (TDRI), continuously conducted a survey on the software industry and software services.

In 2015, the country's software product and service value was forecasted at 61,084 million baht, up 11.1%. Of total, 15,973 million baht (6.3% growth) came from production of Package Software and 45,113 million baht (13% growth) from software services. The year of 2016 is expected to see a similar growth to last year's figure at 12.8%. Package software and software services growth rates are estimated at 7.4% and 14.7%, respectively, following the nation's digital economy.

Embedded System Software is projected to rise 11.0% to 6,841 million baht in 2015. The growth is expected at 13.9% in 2016 if the automotive industry recovers and Internet of Things (IoT) and Wearable Devices expand. Despite of low economic growth, companies that survive and grow in the long term must build up their intellectual properties from high-quality software production to satisfy specific demand for each business field. The public sector may have to expedite its human resources development to meet manufacturing demand, which could assist businesses to grow consistently and prompt appropriate adjustment for the Asean Economic Community (AEC).

In 2015, the Ministry of Information and Communication Technology brought its policy into practices continuously. The government paid high attention on Information and Communication Technology to drive the economy through its "Digital Economy Policy". This policy aimed to have the Information and Communication Technology (ICT) to connect with all parts and sectors, either public or private ones, as well as all types of businesses from small, medium to large sizes. Digital system was applied for improvement of organizational management efficiency and inter-organizational network. Such policy could help organizations to have modern process management and rapid responses to users or customers' demand with higher efficiency.

A number of projects were implemented in response to the government policy, targeting three aspects: digital technology development; human resources development; and management. Integrated development of digital contents was emphasized on education, culture, public health and occupational skills. Digital platform technology development for the business sector was also focused to enhance international competitiveness and drive the economy and digital society with sustainability. To cope with the government policy, "Digital Economy," MFEC, thus, formulated its strategy to include digital economy in several aspects: 1. Hard Infrastructure; 2. Soft Infrastructure; 3. Service Infrastructure; 4. Digital Economy Promotion; and 5. Digital Society and Knowledge Resource. In addition, the company drew out its Roadmap for Drives of the Digital Economy for three years with an ongoing pilot project. Its pilot project already implemented some parts: 1. Enterprise Resource Planning (ERP) System; 2. Closed-Circuit Television (CCTV); 3. Application Program Interface (API); 4. e-Market Place; 5. Digital Technology for Quality of Life and Narrower Gap for Handicapped; and 6. High-Speed Internet (Broadband). The 4G bidding (1800 MHz and 900 MHz) targeted to have Thailand to use a full scope of broadband services and prepare integrated information concerning the government's fiber optics network.

Major Changes and Key Development during the Past Three (3) Years

2015

- "“ESG 100 Certificate”, awarded by Thaipat Institute on May 21st, 2015 at Product Development Center, MFEC Public Company Limited, Lao Peng Nguan 1 Building, Vibhavadi Rangsit Road
- “Premium Reseller of The Year” of Channel Partner Kick-off 2015, awarded by Lenovo on June 26th , 2015 at Holiday Inn Pattaya Hotel
- Scored “4” for Good Corporate Governance, “4” for the quality of Annual General Meeting (AGM), and “3A” for Anti-Corruption in the Annual Assessment 2015

2014

- Change of the first major shareholder from Modernform Group Public Company Limited to TIS INC. of Japan which held 77,983,675 shares or 17.7% of MFEC's paid-up and registered capital as of December 30th, 2014.
- “Business Intelligence Partner of the Year 2014” award in the event "Microsoft Partner Awards 2014" at Conrad Bangkok Hotel on September 18th, 2014.
- “Solution Provider of the Year 2014” and “Partner Delivery Consultant of the Year 2014” awards in the event “VMware Partner Exchange 2014 on Tour” at Grand Hyatt Erawan Bangkok Hotel
- “Thailand Partner of the Year” and “Thailand SE of the Year” award in the event “Bluecoat Solution Day and Thank You Party”
- Granted “FY13 Collaboration Partner of the Year” in the event “Cisco Thailand Partner Conference 2014” during May 15th-17th, 2014 in Vientiane, Laos
- “Cisco Channel Customer Satisfaction Excellence” award as the outstanding partner in services and customer satisfaction from Cisco

- “Good” ranking from the assessment of Corporate Governance of the Listed Companies in 2014 conducted by Thai Institute of Directors (IOD)
- “Excellent” ranking for the quality of Annual General Meeting (AGM) assessed by Thai Investors Association

2013

- “Top System X Business Partner Award 2013” award in the event from “IBM InterConnect 2013” at Marina Bay Sands Hotel, Singapore during October 9th-10th
- “Microsoft Business Intelligence Partner of the Year 2013” award as the partner with outstanding marketing for penetration into

the business intelligence market in the event “Microsoft Thailand Partner Award 2013” at Conrad Bangkok Hotel on September 18th, 2013

- “Desktop Partner of the Year ASEAN” award in the event “VMware Partner Exchange 2013” at Raffles City Convention and Exhibition Center, Singapore on April 4th, 2013

- “FY12 Borderless Network Partner of the Year” award for the highest sales in the Borderless Network Group in the event “Cisco Thailand Partner Conference 2013” at Crowne Plaza Phuket Panwa Beach Resort, Phuket province during February 21st-23rd, 2013

- Appointed as “Authorized Reseller” by EMC2 in 2013

- Appointed as “Azure Circle Partner” by Microsoft in November 2013

- “Best Seller in Q1-Q2/2013” award from Juniper in July 2013

- Appointed as “Elite Partner-Advance Security” by Juniper in February 2013

- Appointed as “Elite Partner-Network Infrastructure” by Juniper in February 2013

- Appointed as “Elite Partner-ANI” by Juniper in February 2013

- Appointed/Regarded as “F5 Authorized Gold UNITY Partner” by F5 in January 2013

- “Very Good” ranking from the assessment of Corporate Governance of the Listed Companies in 2014 conducted by Thai Institute of Directors (IOD)

- “Excellent” ranking for the quality of Annual General Meeting (AGM) assessed by Thai Investors Association

Revenue Model

Revenue Structure of MFEC and its subsidiaries in 2013-2015 as of December 31, 2015 can be categorized in types of products and services as shown below.

Products and Services	2015		2014		2013	
	Million baht	Percent	Million baht	Percent	Million baht	Percent
Consulting and Business Development ^{/1}	470	13.90	561	10.84	649	13.55
System Integration and Development	1,954	57.78	3,779	73.02	3,236	67.55
Maintenance Service	909	26.88	792	15.30	845	17.64
Sales and Services	3,333	98.56	5,132	99.16	4,730	98.75
Other Revenue ^{/2}	49	1.44	44	0.84	60	1.25
Total	3,382	100.00	5,176	100	4,790	100.00

Remark :

^{/1} Revenue from consulting and Business Development is the service fee charged to the customers, excluding sales price of hardware or software related to the projects which is included in the revenue from System Integration and Development.

^{/2} Other revenue includes revenue from the marketing of product distributors, Interest Received, Profit from Assets, Exchange Rate Profit, and miscellaneous income. The company's business contains System Integration and Development 57.78 percent, Maintenance 26.88 percent, and Consulting and Business Development 13.90 percent, according to Financial Statement Note No.30 “Financial Information Categorized by Operations”

Product and Service Development

In 2015, technology has been changed rapidly to cope with the Digital Economy. System development, thus, became the first priority for movement in the similar direction.

Big Data Analytics focused on improvement of data analysis and storage which were regarded as necessities for all organizations. Thus, data could be stored more systematically and efficiently.

Internet of Thing is a marketing tool with electronics equipment connecting Internet through RFID technology. It was tailored to consumer behavior with modern functions and easier data access. Data display, reading and analysis were included with data processing on Cloud and big-sized data analysis technology. Platforms were also equipped. Examples included PolarSign Digital Signature and Early Bird Monitoring as a Service. These solutions prompted work efficiency with accuracy and rapidity. In addition, security system development was also made.

Simultaneously, the Research & Development Division concentrated on Web Technology to include a variety of applications on hardware equipment. Therefore, Web-based Development Platform was developed to promote the organization's teams of developers to be fast and flexible, enhance productivity, reduce repeated work in interface and protocol, and lessen impacts on software in a case of technological changes. Job description extends from invention and design of internal structures including connected frameworks. Research and development were correlated to Web technology and open standards to achieve a goal for software development. Apart from development, MFEC began its research in Social Network, Big Data and Smart Application to enhance its capabilities for services and customer satisfaction.

Target Customers

The target customers of MFEC are the big State Enterprises with high demand of computer and IT network services, divided to Telecommunication Group, Financial Group, Government and Education Group, Manufacture Group, State Enterprise and Public Utility Group, and Medical Group. The target customers of the subsidiaries and associate are declared in the article 1.3 Ownership Structure of MFEC Group.

MFEC plans to expand its customer base intensively and extensively to cover business groups which are leaders of the industries which have high growth rate of IT service requirement. It aims to retain existing customers and reach more customers so it consistently gains customers' trust with greater value of work. The customer base is also broaden in line with technology as well as customers' lifestyle in these days, principally the existing customers, as it showed in 2015 that the ratio of revenue from selling products and services to the existing customers was 99 percent. The strategy used to extend the customer base is Segmentation and Targeted Marketing.

Furthermore, MFEC also intends to develop solutions compatible with customers' needs for their Return on Investment (ROI) with the variety of products and services, good service, accurate delivery, and staff with knowledge and skills on international standard and understanding of customers' business. Nowadays, it prepares for its readiness by improving products, staff, and knowledge to strengthen working teams conforming to the Marketing Plan and Strategies, to boost up the company's capacity and competency to earn higher profit margin.

Distribution and Sales Channels

Mostly, MFEC operates its business through direct sales with customers including large-sized enterprises.

In 2015, about 59% of total sales and services came from large-sized state enterprises. Of total customers, 81% were the private-sector customers and 19% state enterprises and state agencies. MFEC set up six sales teams by groups of targeted customers: communication and telecommunications; public sector and education; state enterprises and utilities; financial institutions; manufacturing; and medical services. These teams follow customers and offer them services with increased capabilities in providing services to meet their demand. Most of the company's income still come from its existing customers, accounting for 99% of total income, given its good customer relationship strategy 'Customer as the Partner.' With expertise, experience and perception for customers' businesses, solutions are designed to cope with their demand for higher competitiveness. The company, thus, receives trust from customers with increased project value. Collaboration within MFEC GROUP expand marketing channels and broadens customer base

Foreign Policy

Based on its core strategies, MFEC, in 2015, continued its operational plan, searching for new markets in the country and overseas and expanding its markets into ASEAN for ASEAN Economic Community (AEC) in late 2015. Indochina countries like Cambodia, Laos, Myanmar, and Vietnam (CLMV) came into focus. Given MFEC's major shareholder from Japan, the company, in 2015, expanded its Japanese markets in Thailand and Japan.

In addition, MFEC seeks for new market opportunity, particularly in emerging markets in ASEAN, acquisitions and joint investment with local and foreign partners in the form of 'Alliance Model' or 'Partnership Model.' This is to assist the company's plans on marketing, and product and service development. In regard to foreign partnership, the company will concentrate on new businesses including healthcare, analytics, transportation management and mobility to accommodate market opportunities in the country and the whole region.

Risk Factor

Given fierce competition for the Information Technology and communication business in terms of costs, services and customers' expectation, MFEC Group aims to become a leader in IT and communication. Therefore, it establishes certain risk management with effectiveness in all aspects, instead of the previous focus on only operational risks. In addition, the monitoring system is set for operations to assess key risks that could provide impacts on business operations in each period a situation takes place. High executives oversee and supervise risk management to ensure that risks can be prevented and mitigated to reach acceptable levels in each situation. In 2015, the company assessed and managed the following risks that might arise and affect on its operations.

1. Strategic Risks

MFEC establishes its new vision, "To become the country's leader for product and service development and be able to compete with other countries on the regional and global stages." The company targets net profit growth at 15% per annum. However, due to Thailand's economic recession, it slashed its net profit growth to 5% in 2015. Therefore, key strategies MFEC have to achieve its objectives extend from "Restructure" for efficient management, increase of "Recurring Income" and "Project Management" for quality, punctuality and competitive costs. Its business strategy will be adjusted from the center of technology to "MFEC as a Service", the center of services. Its service includes Cloud Computing - technology that helps reduce costs and competition amid traders' behavior tends to concentrate on lease and behavior for use of mobile technology. In addition, the company formulates a plan that would expand its market into ASEAN through joint investment with domestic and foreign partners for market promotion.

Asean economic integration or the Asean Economic Community (AEC), which took shape in 2015, became a golden opportunity for the company's future operations. It must be well-prepared for shortage of human resources. The company planned to improve its staff efficiency and standard, and strengthen MFEC Group's businesses through collaboration with universities for summer

courses and Co-operative Education. Examples of collaboration were Co-operative project, Mae Hong Son IT Valley project, Mae Fah Luang University, Kasetsart University - Sakon Nakhon campus, Kasetsart University - Sri Racha campus and Rajamangala University of Technology Suvarnabhumi. Recently, MFEC signed a collaboration agreement with Suranaree University of Technology to train new undergraduates to be well-equipped and be ready to work with the company. Given this policy, its labor cost was lower.

2. Operational Risks

2.1 Contract Management Risks

Whereas MFEC provides IT services and development, and system integration, contract management remains a major risk, providing legal impacts for the whole scope of work extending from design, development and delivery of tasks in each period of a project. Fines are included as a result of a delay of a task delivered.

Therefore, legal transactions concerning contracts and agreements shall regard to relevant laws. These start from Electronics Transaction Act, precautions for projects, delivery schedules, fines to force majeure. If these are not written clearly in a contract or an agreement, risks to project execution will arise. To prevent such risks, a drafted standard contract is set and prepared by project type. These are turnkey contract, maintenance contract, consortium and supplier contract. With this standard, risks can be managed for contracts at a certain level. Sales teams and project managers are also provided with training courses concerning their key contents relating to legal aspects.

2.2 Project Management Risks

The company has a policy to focus on sales of products and services for the highest customer satisfaction. Its delivery of products and services is of quality and punctuality. As a means to prevent delivery problems in each project, the company holds a training course for project managers. All of them must pass this course to ensure their work practices and standard project management as required. The Risk Management Working Group discussed to set

standards for planning, work assessment and inspection of each project. Project managers and sales teams will discuss on each project plan with standard assessment, while all supervisory units will start their tasks from the first date the company receives a customer' purchase order. Procurement of high quality products that meet specifications determined in each project, product delivery and in-time installation services as required. In addition, the company develops in-house software to help manage project tasks, which will establish standard of work procedures, coordination and project quality control for customers on schedule. The move is to mitigate such risks. As a result, in 2015, the company witnessed its good mark for project delivery.

2.3 Resource Management Risks

The company sets human resources development as its priority. It concentrates on a strategy for development of its employees at all levels to absorb the culture of work cooperation for business expansion, and work efficiency improvement in terms of internal process performance. The company teams up with universities across the nation to formulate curriculum on Project Based Learning. It enhances personnel skills and competitiveness. As IT service is one of businesses with high competition, staff knowledge, skills and expertise become necessary for consultation and project development for a success. The company, thus, prioritizes human resources development and emphasizes continuous improvement of its employees at all levels through Individual Development Plan (IDP).

2.4 Outsourcing Risks

As its policy focusing on risk management for projects and human resources, the company is required to outsource subcontractors to execute some projects. Therefore, project managers and procurement department will screen and select subcontractors with knowledge, capabilities, expertise and past work records, as laid out in a framework and procedure. This is to select proper subcontractors and prevent risks to project delivery management as scheduled. In 2015, the company was able to outsource subcontractors, relieve outsourcing problems as a result of incompetent subcontractors for project delivery and employ more subcontractors from its subsidiary companies.

3. Financial Risks

Amid the global financial crisis and domestic situation that highly adversely affected the economy in the previous year, MFEC sets a policy to prevent such impacts through prudent control of project budget expenditures, its proper debts to equity ratio for operations, efficient management of project cash cycle for sufficient liquidity that could cope with the following economic fluctuations that may occur.

3.1 Exchange Rate Risks (FX Risks)

MFEC take FX risks as most of its products are imported from manufacturers overseas. It purchases products in US dollar and sells them in Thai baht, leading to its obligation for payment in foreign currencies. In 2015, the baht depreciated against the US dollar. Previously, the company mitigated FX risks through purchase of forward contracts for the whole of its payment in foreign currencies.

3.2 Credit Risks

MFEC has the prudent credit extension policy on appropriate conditions. One of its two customer groups is existing customers with financial stability. Most of them are large-sized customers. Their credit term is 30-60 days. The other group is new customers and the company has a policy for them to make cash payment or payment via banks with a letter of credit. Installment is reviewed in accordance with the amount of work finished. Credit extension will be reviewed and each customer's information including financial statements and others will be analyzed.

Aside from the prudent credit extension, the company has the policy to set aside a part as its loan loss provision that may arise from account receivables for net receivable value. The company and its subsidiaries record their allowances for doubtful accounts by estimating expected losses from inability to collect debts. In general, the losses are estimated from collection experience and analysis on account receivable aging.

Shareholding Structure

MFEC Securities

- Registered Capital : 441,453,555 Baht or 441,453,555 ordinary shares at a par value of 1 Baht per share.
- Paid-up Capital : 441,453,555 Baht or 441,453,555 ordinary shares at a par value of 1 Baht per share.

The Company had none of other types of shares, including preferred shares or programs to issue and offer convertible shares or securities for Thai Trust Fund, with special rights or conditions, which were different from those of the ordinary shares. The Company also had no issues of warrants for receiving returns from underlying assets that are backed by the Company's shares.

Shareholders

List of Shareholders and their Stakes, as of December 30th, 2015

Major Shareholder	Number of Shares	% of Total Shares
1. TIS Inc. ¹	77,983,675	17.7
2. Mr. Ramade Silapapom Group ²	32,821,907	7.4
3. Mr. Thanapol Kongboonma Group ³	17,524,400	4.0
4. Mr. Sirisak Tirawattanangkul	12,926,013	2.9
5. Thai NVDR Company Limited	11,722,615	2.7
6. Mr. Prasert Founvanit	10,966,013	2.5
7. Modernform Group Public Company Limited ⁴	10,000,000	2.3
8. Mr. Siriwat Vongjarukorn	8,415,259	1.9
9. Mr. Theerachai Keeratitechakorn	8,030,237	1.8
10. Mrs. Nuddee Nupirod	6,231,664	1.4
11. Group of Minority Shareholders	244,831,772	65.4
Total	441,453,555	100.0

Remark: 1. The Shareholders relevant to Article 258 shall be counted. TIS Inc. is the shareholder at stake in MFEC Public Company Limited.
 2. On May 14th, 2014 TIS Inc. (Japan) purchased shares from Modernform Group Public Company Limited worth 14.04% of total holdings.
 This altered the top shareholder of the Company from Modernform group to TIS Inc.

¹TIS Inc. operates business in consulting, development, and installation of information technology and computer systems. Its directors are listed below.

1) Toru Kuwano	Chairman and President
2) Mitsushi Nishida	Executive Vice President
3) Masayuki Inaba	Senior Managing Director
4) Norio Maenishi	Director
5) Tatsuya Nishiyama	Audit & Supervisory Board Member
6) Naotaka Sakata	Audit & Supervisory Board Member
7) Takuho Shimodaira	Audit & Supervisory Board Member
8) Tateo Terawaki	Audit & Supervisory Board Member
9) Jun Ikimune	Managing Executive Officer
10) Yuji Sato	Managing Executive Officer
11) Katsuhiko Ishii	Managing Executive Officer
12) Makoto Tsujimoto	Managing Executive Officer
13) Masahiko Adachi	Managing Executive Officer
14) Yasushi Okamoto	Managing Executive Officer
15) Masahiro Hosokawa	Managing Executive Officer
16) Hidehiko Matsuo	Managing Executive Officer
17) Takashi Mori	Managing Executive Officer
18) Yuichi Aida	Managing Executive Officer
19) Tatsufumi Matsuoka	Managing Executive Officer
20) Yuko Onoda	Executive Officer
21) Saburo Kato	Executive Officer
22) Shigeru Hishida	Executive Officer
23) Fumiyasu Mase	Executive Officer
24) Shinkou Ohba	Executive Officer
25) Hiroyuki Kodake	Executive Officer
26) Hiroshi Ohyama	Executive Officer
27) Shinichi Horiguchi	Executive Officer
28) Kiyotaka Nakamura	Executive Officer
29) Takeshi Matsuda	Executive Officer
30) Naoto Kita	Executive Officer
31) Hitoshi Narusaka	Executive Officer
32) Teruaki Akutsu	Executive Officer

*Executive Officer Number 28 (Mr.Kiyotaka Nakamura) was appointed by the the Board of Directors Meeting No. 2/2014 on May 14th, 2014 to replace Mr. Thaksa Boosayapoka who resigned.

The majority shareholder of TIS Inc. on March 31st, 2015 was IT Holdings Corporation, Registered capital of 280 million shares issued and paid-up capital is 87,789,098 shares. This is a company in Japan, investors can look for more information. <http://www.itholdings.co.jp/e/investors/>

As of March 31st, 2015, , IT Holdings Corporation's major shareholders are listed below:

- 1) The Master Trust Bank of Japan, Ltd.(Trust Account)
5,064,000 Shares or 5.8%
- 2) Japan Trustee Services Bank, Limited (Trust Account)
4,979,000 Shares or 5.7%
- 3) ICHIGO Trust 4,870,000 Shares or 5.5%
- 4) Employees' Shareholding Association of IT Holdings
2,438,000 Shares or 2.8%
- 5) Nippon Life Insurance Company
2,073,000 Shares or 2.4%
- 6) Japan Trustee Services Bank,Ltd. (Trust Account 9)
1,861,000 Shares or 2.1%
- 7) The Bank of Tokyo-Mitsubishi UFJ, Ltd.
1,654,000 Shares or 1.9%
- 8) The Master Trust Bank of Japan, Ltd.
1,598,000 Shares or 1.8%
- 9) Japan Trustee Services Bank,Ltd. (Trust Account 4)
1,227,000Shares or 1.4%
- 10) Northern Trust Co. (AVFC) RE 15PCT Treaty Account
1,185,000 Shares or 1.4%

² Silapapom Group:

1) Mr. Ramade Silapapom	31,676,577	Shares
2) Mr. Tappanon Silapapom	1,117,330	Shares
3) Mrs. Yamonporn Silapapom	28,000	Shares

³ Kongboonma Group:

1) Mr. Thanapol Kongboonma	4,399,300	Shares
2) Mr. Marnchai Kongboonma	4,375,000	Shares
3) Mr. Naiyapong Kongboonma	4,375,000	Shares
4) Mr. Roonnachai Kongboonma	4,375,000	Shares
5) Mr. Jedsada Kongboonma	100	Shares

Condition for foreign holding

Foreign shareholders are allowed to hold no more than 49 per cent combined of issued and paid-up shares. As of December 31st, 2015, the Company's foreign holdings accounted for 19.5% of issued and paid-up shares.

⁴ As of November 30th, 2015, Modernform Group Public Company Limited's major shareholders are listed below:

- 1) THE HONGKONG AND SHANGHAI BANKING
46,174,300 Shares or 6.16 CORPORATION LIMITED,
FUND SERVICES DEPARTMENT
- 2) Mrs. Chuleewan Wiwatthanakasem
34,101,840 Shares or 4.51%
- 3) Krungsri Equity Dividend Long Term Fund
29,284,200 Shares or 3.90%
- 4) Mr. Kaweewud Nerngchamnong
27,504,000 Shares or 3.67%
- 5) Mr. Yothin Nerngchamnong
25,746,420 Shares or 3.43%
- 6) Mr. Chaiyot Paporn
21,219,063 Shares or 2.83%
- 7) Mr. Thaksa Busayapoka
18,846,000 Shares or 2.51%
- 8) Ms. Pornpun Paporn
17,854,029 Shares or 2.38%
- 9) Mr. Jajjai Dhammarungruang
17,600,070 Shares or 2.35%
- 10) Krungsri Dividend Stock
15,009,300 Shares or 2.00%

Dividend Payment Policy

MFEC Public Company Limited's Dividend Payment Policy

The company has a policy to make dividend payment at no less than 50% of net profit after tax and retained earnings. Its Board of Directors is authorized to declare no dividend payment or alter the policy occasionally to maximize the shareholders' benefits. For example, the company set aside earnings for debt repayment, investment for business expansion or in a case of market condition changes that may hurt its future cash flow.

The Board will propose the Annual General Meeting the dividend payment at the rate of 0.33 baht per share. The dividend came from the company's accrued profit, deducting 20% for corporate income tax. The dividend paid to each shareholder shall also be deducted 10% as the withholding tax.

Dividend Payment during 2011-2015

(Baht : Share)

	Year				
	2015	2014	2013	2012	2011
Common shares as of December 31 st (shares)	441,453,555	441,453,555	440,402,555	439,351,555	438,300,555
Accrued Profit as of December 31st (million baht)	423.00	446.10	360.41	264.51	236.79
Net Profit (million baht)	196.53	270.43	232.21	181.19	202.29
Profit per share (baht/share)	0.45	0.61	0.53	0.41	0.54
Dividend per share (baht/share)	0.33	0.50	0.45	0.33	0.33
Dividend payout ratio (percent) (total dividend comparing to total net income)	73	82	85	79	61
Dividend payout ratio (percent) (total dividend comparing to accrued profit)	34	49	55	57	65

Dividend Payment Policy of MFEC's Subsidiaries

In the case of its subsidiaries, the Board approved the company's subsidiaries to make the dividend payment at no less than 50% of net profit after tax and retained earnings.

Board of Directors

- 
-  Mr. Adirake Patitus
Chairman
 -  Mr. Siriwat Vongjarukorn
Vice Chairman
 -  Mr. Sirisak Tirawattanangkul
Director
 -  Mr. Paitoon Sirichatchaikul
Director
 -  Mr. Kiyotaka Nakamura
Director
 -  Mr. Thanakorn Charlee
Director
 -  Mr. Suchart Thammapiatagkul
Independent Director & Chairman Audit committee
 -  Mr. Anan Leetrakul
Independent Director & Audit Committee
 -  Mr. Apiruk Wanasathop
Independent Director & Audit Committee



Executive

- 
-  Mr. Siriwat Vongjarukorn
Chief Executive Officer
 -  Mr. Sirisak Tirawattanangkul
Executive Director
 -  Mr. Thanakorn Charlee
Executive Director
 -  Ms. Waewta Suksanae
Executive Director & Chief Financial Officer
 -  Mr. Gowitt Dulyasophaphan
Vice President Sales Telecommunications
 -  Mr. Shimmy Thomas
Vice President Strategic Business
 -  Mr. Wichai Patipaporn
Vice President Research & Development
 -  Mr. Arm Sivadit
Vice President Professional Services &
Product Development



Management Structure

Structure Committees

The Company's Committee Structure consists of four committees including Board of Directors, Audit Committee, Executive Board, and Risk Management Committee.

1. Board of Directors

Board of Directors apart from its requirement in Section 3 of the Articles of Association on the Board of Directors, it has also required that the Board shall consist of at least one-third of its total members as independent directors for at least three independent directors. The remaining quantity is executive directors and non-executive directors. Below is the specified definition.

Independent director means outside and non-executive director with qualifications required by the Securities and Exchange Commission and the Stock Exchange of Thailand as follows:

1. Not holding shares in excess of 1% of total shares with voting rights of the Company, its subsidiary and its corporation or juristic person which may have conflicts so as to include the shares held by related persons;

2. Not being or ever being the executive director, employee, worker, advisor who receives a regular salary, or regulator of the Company, its subsidiary, its corporation or any juristic person which may have conflicts unless already terminating from such position for at least 2 years;

3. Not being a person related by blood or registration under laws in the form of fatherhood, motherhood, spouse, brothers, sisters, and children, including spouse of children of its executives, major shareholder, regulator, or the person who will be nominated to be the executive or regulator of the Company or its subsidiary;

4. Having none of business relationship with the Company, its subsidiary, its joint ventures or juristic person which may have conflicts in the manner which may obstruct his/her independent discretion;

5. Not being a director appointed as a representative of the Company's directors, major shareholder or shareholder who is related to the Company's major shareholder; and

6. Having none of characteristics that cannot freely render independent opinions on the Company's operations.

Executive Director means a director who takes part in regular management or a director who is authorized to sign to bind the Company.

Non-Executive Director means an outside director who is not an executive director or a director who is authorized to sign to bind the Company, not an executive or an permanent worker . The number of non-executive directors may be in line with each shareholder group's investment.

As the Company has not yet appointed the Nominating Subcommittee. The Board is determined to perform the nomination of committees with proper qualifications and without prohibited characteristics specified in Public Company Limited Law. Their vision, expertise, experience, diversity of knowledge and capabilities beneficial to the Company's businesses, and cognition of the Company's businesses are considered. He or she shall not take the position of the director or executive in any business that may have conflict of interest with the Company, shall adequately devote time for fully function in accordance with their responsibility and shall be independent in decision-making for overall maximum benefits of the Company and shareholders. The General Shareholder's Meeting is proposed together with the biography of that person having sufficient details so that the Shareholders' Meeting can make the decision from obtained information. and elect e the committee in accordance with criteria and procedure as determined in the Articles of Association which is one share to one vote.

The Board selects one director as Chairman of the Committee and one or more than one committee as Vice Chairman of the Committee. The Board appoints Chief Executive Officer, executive directors, President, the Audit Committee, the Company secretary and other subcommittees, as deemed appropriate. MFEC promotes all directors to be trained in Chairman or DCP or DAP or Effective Audit Committee courses of the Institute of Thai Directors, aside from knowledge from manuals and textbooks such as good code of conduct for the committee of the listed companies and audit committee.

The Board in accordance with the Ministry of Commerce's certificate consists of nine members including four executive directors, two non-executive director and three non-executive

directors who are independent directors. The Board convened six times in 2015. The details of number of each committee's meeting attendances are in the topic of good governance.

As of December 31st, 2015, the nine committee members of the Board were listed below.

Name	Position	Appointment Date
1. Mr. Adirake Patitus	Chairman	24 April 2013
2. Mr. Siriwat Vongjarukorn	Vice Chairman	21 April 2014
3. Mr. Sirisak Tirawattanangkul	Director	24 April 2013
4. Mr. Paitoon Sirichatchai	Director	21 April 2014
5. Mr. Thanakorn Charlee	Director	12 May 2015
6. Mr. Kiyotaka Nakamura	Director	14 May 2014
7. Mr. Suchart Thammapitagkul	Independent Director and Chairman of Audit Committee	21 April 2015
8. Mr. Anan Leetrakul	Independent Director and Audit Committee Member	21 April 2015
9. Mr. Apirak Wannasathop	Independent Director and Audit Committee Member	21 April 2015

Remark: No. 2-5 is the directors who sign to bind the Company, provided that two authorized directors countersign to bind the Company and affix with official seal of the Company, and Miss Varaporn Wisetsang is the Company Secretary, with the Company's seal. Ms. Varaporn Wisetsang acts as the Company's secretary.

Security Holding Information of the Directors in 2014 and 2015 has been as follows.

Name	Number of Shares (Shares)		Number of Increased (Decreased) Shares During the Year (Shares)
	December 31 st , 2014	December 31 st , 2014	
1. Mr. Adirake Patitus	9,000,099	1,000,000	(8,000,000)
2. Mr. Siriwat Vongjarukorn	8,415,259	8,415,259	-
3. Mr. Sirisak Tirawattanangkul	12,926,013	12,926,013	-
4. Mr. Paitoon Sirichatchai	8,230,237	2,673,614	(2,000,000)
5. Mr. Thanakorn Charlee	4,673,614	-	-
6. Mr. Kiyotaka Nakamura	-	-	-
7. Mr. Suchart Thammapitagkul	120,961	120,961	-
8. Mr. Anan Leetrakul	-	-	-
9. Mr. Apirak Wannasathop	-	-	-

Scope of Authority of the Chairman of the Board

1. To perform its duties in compliance with the law of Securities and Exchange Act, the Company's objectives, Articles of Association, and shareholder resolutions with integrity, responsibility, prudence, interest protection of the Company and its shareholders on the basis of good corporate governance principle.

2. To set policy, direction, vision, target and budget of the Company.

3. To regularly govern and follow up the performance result of the management in line with the policy, target and plan defined effectively and efficiently in order to increase maximum economic value to the business and generate good return to its shareholders.

4. To give precedence to disclosure of the information that is significant and necessary for the decision on Company's security investment in accordance with the regulation of Stock of Exchange of Thailand.

5. To prepare accurate and reliable accounting system, financial reporting, and auditing that reflect the real position of the Company based on the general accepted accounting principle.

6. To ensure sufficiency of the internal control as well as assessment of the internal control sufficiency and internal control efficiency.

7. To ensure a proper risk management system and consistent monitoring.

8. To appoint subcommittees including Executive Board, Audit Committee, President, Risk Management Subcommittee, and other persons as necessary for the Company's business operations under the corporate governance of the Board, the Executive Board or the President, or authorize such persons to have the authority as deemed appropriate by the Board for a proper period. The Board may cancel, withdraw or change such authority. Anyhow, such authorization shall not be the authorization that allows the authorized person enable to approve a transaction of which the authorized person or any person that may have conflict, stake or other conflict of interest with the Company or its subsidiaries. If the authority is assigned to any person, it shall follow the Board of Directors' Meeting of which an Audit Committee member attends.

9. To report stakes of the Board members and their related persons to the Company.

10. To ensure the implementation standard of the whole Board and each of its members with criteria and annual performance appraisal.

Anyhow, such execution authority excludes the execution involving connected transactions and acquisitions or disposal of major assets of the listed companies according to requirements of the Stock Exchange of Thailand and the Capital Market Advisory Board. The Company shall abide by the Stock Exchange of Thailand's rules and regulations on such issues. Moreover, aforesaid authority excludes other issues required by the Articles of Association to gain approval from a shareholders' meeting.

Scope of Authority of the Chairman of the Board

The Board of Directors shall appoint the Chairman of the Board to act as the leader of the Board, the Chairman of the Board of Directors' Meeting, and preside the Shareholders' Meeting.

Qualifications of the Chairman of the Board

1. The Chairman of the Board must possess knowledge, capabilities and experience.

2. Not the same person as the Chief Executive Officer to ensure balance of power.

3. To be qualified as required by law.

4. Perform duties in accordance with laws, objectives and regulations of the company as well as the resolutions of the shareholders with integrity and carefulness to maintain the company's benefits.

5. To be experienced as the previous Chairman of the Board or other qualifications contributing to more effective functional ability.

Appointment and Removal of the Company Directors

1. The company director of the Company consists of at least five persons. Half of which domiciles in the Kingdom. All Board members shall have qualifications as specified by laws.

In 2015, the Board consists of a Chairman, five authorized directors who sign to bind the company and three independent directors.

2. The Shareholders' Meeting elects the directors using majority votes. The Board shall screen and nominate proper qualified persons with the following criteria.

(1) Each shareholder is entitled to have the vote equivalent to one vote per one share.

(2) Each shareholder shall exercise his/her votes to elect individual director at a time.

(3) The persons who receive the highest votes in their respective order of the votes in a number not exceeding the number of directors supposed to have or to be elected at that meeting, shall be appointed as directors.

3. In case that elected persons in respective orders have equal votes exceeding the number of directors supposed to have or to be elected at that time, the Chairman shall cast the final vote. At each annual ordinary meeting, one-third of the directors shall retire from the offices. In the case that the number of directors can be divided into three portions, the number of directors closest to one-third. The directors who shall retire from the offices in the first year and in the second year after the company registration shall retire will be selected through drawing lots. In the later years, the directors who hold the longest period in the office shall retire. The directors who retire by rotation may be reelected to hold the office for another term.

4. Apart from vacating by rotation, the director vacates his or her office when he or she dies, resigns, disqualified or possesses legal prohibited characteristics, receive a shareholder meeting's resolution to be dismissed or receive a court order to be dismissed.

5. Any director who will resign from position shall submit a resignation letter to the Company. The resignation takes effect from the date the resignation letter arrives the Company.

6. In the case of vacancy in the Board due to reasons other than the retirement by rotation, the Board shall select a qualified person without legal prohibited characteristics in replacement as the director in the next meeting of the Board. In the case that such director's term is less than two months, such person who replaces the director will hold the position for remaining term of the director replaced by him or her.. The resolution of the director shall consist of the votes for at least three-fourths of the remaining number of the directors' resolution.

7. The Shareholders' Meeting may resolve to remove any director from the position before the resignation by rotation with the votes of not less than three-fourths of the number of shareholders who attend the Meeting and is eligible for voting and hold total counted shares for not less than half of total shares held by the shareholders who attend and is eligible for voting.

2. Audit Committee

The Board of Directors is responsible for appointment of Audit Committee whose members are independent directors, to enhance operational efficiency for value addition to the organization and to supervise and govern the whole operation to have good corporate governance. Based on the resolution of the Board Meeting No. 4/2015, dated 11 August 2015, the Audit Committee was established with three (3) competent independent directors in accordance with the meaning of Stock Exchange and, one of which shall possess accounting or financial knowledge, and one secretary to the Audit Committee. Each term lasts two (2) years. The Audit Committee's member who vacates from the office by rotation may be reelected to resume the position for another term. In the case of a vacancy due to any other reason other than resignation by rotation, the company director shall elect a complete qualified person to be the audit committee within three (3) months in order to have the full number of audit committees as specified by the Board of Directors. The person who replaces the audit committee will hold the position for the remaining term of the audit committee replaced by him or her.. The Audit Committee shall convene four times per annum on the quarterly basis to consider and assess the internal control, financial statements and the Internal Control Department's performance. The review on any transaction that may cause conflict of interest, and connected transactions shall be made. Meeting agenda shall be set in advance with delivery of an invitation to meeting for at least seven (7) days before the meeting date and the minutes of meeting shall be prepared to report the Board of the directors every time. The Audit Committee shall regularly convene the meeting every quarter.

In 2015, the Audit Committee had five (5) meetings, including one meeting with external auditors, the Accounting Department and the Management with reporting to the Board in every quarter. in which the particulars of meeting attendance times of each committee are stated in the topic of corporate governance.

As of December 31st, 2015, the Audit Committee consisted of three and term of two years following audit committees.

Name	Position	
1. Mr. Suchart Thammapiatagkul	Chairman of Audit Committee	Independent Director with Legal Knowledge
2. Mr. Anant Leetrakul	Audit Committee	Independent Director with Finance and Accounting Knowledge
3. Mr. Apirak Wannasathop	Audit Committee	Independent Director with Information Technology

Mrs. Varaporn Wisetsang acted as the secretary to the Audit Committee.

Qualifications of Audit Committee members

- Holding no more than 1% of number of total voting shares of the Company, its subsidiaries, corporation or juristic person that may have conflicts unless he or she shall vacate from such position for at least 2 years.

- Not being or having never been an executive director, a worker, an employee, an advisor who earns regular salary or the regulator of the Company, its subsidiaries, corporation, or juristic persons that may have conflict, unless he or she vacates from such position for at least two years.

- Being able to independently perform tasks and express opinions or report operating results in accordance with duties assigned without under control and irrelevance to the executives/ major shareholders.

- Not being a director of other companies under the Group (In a case of holding a directorship in a company under the Group, he or she shall not an executive director.)

Scope of Authority of the Audit Committee

- To verify in order to ensure about the accuracy of the Company's financial reporting in accordance with the general accepted accounting principle and standard. Sufficient quarter and annual financial statements are disclosed to be consistent with fact, completeness, adequacy and creditability prior the presentation to the Board for review.

- To verify in order to ensure that the Company has appropriate and effective internal control and internal audit systems, and reviews the independence of the internal audit,

which directly reports to the Audit Committee as well as approval on appointment, removal, or employment termination of the internal audit executives, and assess adequacy of the Company's internal control system on an annual basis.

- To verify the Company's operation to be in line with the law of Securities and Stock Exchange, requirement of the Stock Exchange of Thailand and other laws related to the Company's businesses.

- To consider, select and propose the appointment of the Company's auditor who is independent to be the Company's auditor, and determine annual remuneration for the auditor, as well as attend the meeting with the Company's auditor without attendance of the management for at least once a year.

- To streamline understanding among the auditor, the Board of Directors and the Internal Control Department into the same direction.

- To consider on verification and disclosure of connected transactions or transactions possibly with conflict of interest to follow related rules and regulations so as to ensure that such transactions are reasonable and provide maximum benefits to the Company.

- To prepare the report of the Audit Committee with minimum information as required by the Stock Exchange of Thailand to be disclosed in the annual report of the Company.

- To regularly verify and amend its charter of Audit Committee to be proper and consistent with the Securities and Exchange Act and the Stock Exchange of Thailand criteria.

- To consider and approve the annual audit plan of Internal Audit Department.

10. To govern the Internal Audit Department to comprehensively in major issues for all units, propose and suggest the corrective guideline for solving by the Management, and monitor the correction in accordance with the suggestions within specified periods.

11. To consider and approve budget and manpower of Internal Audit Department.

12. To report its performance of the Audit Committee to the Board for acknowledgement at least four times a year.

13. To have the authority to invite the Executive, the Management or the employees of the Company related to express the opinions, attend a meeting or give document deemed as related and necessary.

14. The Audit Committee may search for independent opinion from the advisors in other professions when deemed as necessary at the Company's expense.

15. To undertake other matters, including the financial management policy review, as assigned by the Board of Directors and the Audit Committee.

16. To annually assess the performance of the Audit Committee for consideration on further improvement.

3. Executive Board

The Executive Board whose members are appointed by the Company's Board of Directors, consists of a Chief Executive Officer and three Executive Directors. It is to perform duties as assigned by the Board under the authority to attain the goals and plans. The Executive Board's Meeting shall be determined for at least once a quarter. In 2015, total of ten meetings were held and a quarterly report was submitted to the Board of Directors every quarter in which the particulars of meeting attendance times for each director are stated in the topic of corporate governance.

As of December 31st, 2015, the Executive Board consisted of four (4) following members.

Name	Position
1. Mr. Siriwat Vongjarukorn	Chief Executive Officer and President
2. Mr. Sirisak Tirawattanangkul	Executive director
3. Mr. Thanakorn Charlee	Executive director
4. Ms. Waewta Suksanae	Executive director

Scope of Authority of the Executive Board

1. Plan and set the policies, directions, strategies, work plans as well as the organizational structure and the structure of major administration for the Company's business operations to cope with the current economic situation and market competition before proposing to the Board for consideration and approval.

2. Map out annual business plans, budget and other administrative functions in lines of the company before proposing the Board of Directors for consideration and approval, and approve annual budget allocation, and correct, amend and add annual budget expenditure in case of emergency and urgency, and propose to the Board of Directors' Meeting for

further acknowledgement.

3. Examine and monitor the operation in accordance with the Company's administrative policies and guidelines in various fields as determined to be effective and support the condition of business operations.

4. To monitor the operation of the company as defined in accordance with the approved business plan.

5. Mega projects of the company. To propose to the Board of Directors for approval.

6. Have the authority to delegate, remove, and misemploy and prolong the working life of the company's worker or executive level officer of the Company in the position lower than the Chief Executive Officer. In addition, the personnel who reach the age over the criteria defined for retirement age in accordance with the Company's work regulation is considered to be employed or misemployed.

7. Consider for approval and execution of bidding or production of goods to order for agencies or individuals as well as consider for agreement of joint business operation with alliance in order to submit such bid under the name of Consortium or Joint Venture.

8. Occasionally conduct other functions as assigned from the Board of Directors and have the authority to approve financial operations as follows.

(1) In case of the operations defined in annual business plan or budget approved by the Board of Directors, the Executive Committee can approve financial operations in accordance with determined and approved annual business plan or budget.

(2) In case that budget is increased exceeding what is defined in Clause 8 (1) as the operation in accordance with annual business plan or budget approved from the Board of Directors to be successful. The Company's Executive Board has authority to approve the increased financial operation in the financial limit not over than 20 million Baht.. Such financial approval authority includes the approval on normal operating expenses, capital expenditure or fixed assets, borrowing, lending, credit line financing or issuance of debt instruments as well as recognizance (except the recognizance in accordance with the bidding project or production of goods to order), credit or loan guarantee, etc.

9. To seek for new business opportunity and promote investment for joint business operation with alliance and merger under the stipulated criteria and law in order to propose to the Board of Directors for consideration and approval.

10. To consider criteria and policy of investment and administration of its subsidiary and corporation both in major business group or other groups for proposing to the Board of Directors for consideration and approval.

11. To approve bonus payment and amount of money used for annual salary of the worker under annual budget.

12. Govern to comply with the Company's business governance policy.

13. Approve any undertakings before proposing to the Board of Directors.

14. Operate other works as assigned by the Board of Directors.

Anyhow, the Board of Directors may sub-empower its authority to executive level worker of the Company to have authority for financial approval on any issues or several issues under the scope considered proper by the Executive Board.

Furthermore, the approval on above such transactions shall not be in the nature of approval on transactions that Executive Board or the person authorized from the Executive Board can approve the transactions that he or she may have conflict of stakes or may have any conflict of interests (in accordance with the Articles of Association and as stipulated by the Office of the Securities and Exchange Commission) with the Company or its subsidiary (if any). The exception is made for the approval on the transaction based on the policy and criteria considered and approved by the Board of Directors and to be in line with the requirement of Stock Exchange of Thailand on connected transaction doing and acquisition or disposal of the major assets of the Company or its subsidiary.

Scope of Authority of Chief Executive Officer

1. Supervise and govern the Executive Board's operations and call a meeting of the Executive Board to review an issue as deemed appropriate.

2. Have the signatory authority on the Company's Cheques or payment documents, and accounting and financial documents within the financial limit assigned by the Board of Directors.

3. In an urgent case that the Executive Board's Meeting or the Board of Directors' Meeting is unable to be held at that time, the Chief Executive Officer has the authority to make decision in determining the Company's mission, objectives, directions and policies.

4. Have the authority to appoint, transfer, remove or misemploy the Company's executive level officer.

5. Work with integrity and carefulness to the Company's benefits.

Furthermore, such approval shall not be given on any transaction the Chief Executive Officer or the authorized person from the Chief Executive Officer can approve the transaction that he or she or the individual may have any conflict or any stake or any conflict of interest (according to the Articles of Association and the SEC's stipulations) with the Company or its subsidiaries (if any). An exception is made for a transaction that follows the Company's approved policies and criteria, and the Stock Exchange of Thailand's requirements on connected transactions and acquisition or disposal of major assets of the Company or its subsidiaries.

Scope of Authority of the President

1. Manage and supervise the business operation related to the Company's general administration.

2. Follow the tasks assigned by the Board of Directors or the Executive Board.

3. Have authority to hire, appoint, transfer, remove, misemploy, determine wage rate, grant reward, raise salary, remuneration, and bonuses of all of the Company's employees who hold lower level of positions than executive level. In addition, the representative of the employer party is appointed in the Company's Provident Fund Committee.

4. Have the authority to approve and sub-authorize the approval on disbursement for the procurement of assets and services for the Company's benefit; and approve financial transactions for the Company's operations within the financial limit authorized by the Board of Directors or the Executive Board.

5. Have authority to issue orders, regulations, announcements and records for the operations to be line with the Company's policies and benefits and to maintain work discipline inside the organization.

6. Present as the Company's representative to outside parties in related undertakings and for the Company's benefit.

7. Approve the appointment of advisors in different areas necessary to the Company's operations.

8. Occasionally perform other duties as assigned by the Board of Directors or the Executive Board.

Anyhow, the President is under control and directly reports to the Chief Executive Officer, and is assigned to follow the guideline and policy determined by the Executive Board. He or she is stipulated to hold the position for just single location in order to have sufficient management time. Furthermore, such approval shall not be given on any transaction in the way that the President or the person who is authorized by the President can approve the transactions that he or she or the individual may have any conflict, any stake or may have any conflict of other interests (according to the Articles of Association and the SEC's requirements) with the Company or its subsidiaries (if any). An exception is made for a transaction that follows the Board of Directors' approved policies and criteria, and the Stock Exchange of Thailand's requirements on connected transactions and acquisition or disposal of major assets of the Company or its subsidiaries.

4. Risk Management Subcommittee

The Risk Management Committee was appointed in the Board of Directors' Meeting No. 1/2006 dated February 22th, 2006. Currently, the Risk Management Committee has comprised five (5) members consisting of five members for systematic risk management both at the organizational and activity levels in order to cover all significant work processes. (Chairman of Risk Management Committee Resigned with effect from August 11th, 2015). Anyhow, Risk Management Committee is determined to regularly hold the meeting. In 2015, total five meetings were held and reports were presented to the Board of Directors every quarter in which the particulars of meeting attendance times for each director were stated in the topic of corporate governance.

As of December 31st, 2015, Risk Management Subcommittee consisted of five (5) following members.

Name		Positon
1. Mr. Siriwat Vongjarukorn	Director	Executive Director
2. Mr. Sirisak Tirawattanangkul	Director	Executive Director
3. Mr. Thanakorn Charlee	Director	Executive Director
4. Ms. Waewta Suksanae	Director	Executive Director
5. Mr. Ramade Silapapom	Director	Executive Director of the Group of Soft Square Company Limited

Responsibility of Risk Management Subcommittee

1. Review and establish risk management policies and framework.
2. Monitor the organization's major risks and develop risk management framework as well as indication and evaluation process.
3. Evaluate and approve appropriate risk management plans.
4. Monitor major strategic risks and operational risks.
5. Give advices and recommendations in executing risk management.
6. Promote and encourage risk management to be corporate culture through awareness of everybody on the importance of risk management.
7. Communicate with the Audit Committee on the major risks in order to link with internal control.
8. Report risks and risk management to the Board of Company

Management Team

As of December 31st, 2015, the Company had eight following executives.

Name		Positon
1. Mr. Siriwat Vongjarukorn		Chief Executive Officer/President
2. Mr. Sirisak Tirawattanangkul		Executive Director
3. Mr. Thanakorn Charlee		Chief Operating Officer
4. Mr. Gowitt Tulyasophaphan		Vice President - SalesTelecommunications
5. Mr. Shimmy Thomas		Vice President – International Business
6. Mr. Wichai Patiphaporn		Vice President – Product Research and Development
7. Mr. Arm Sivadit		Vice President – Professional Service
8. Ms. Waewta Suksanae		Chief Financial Officer

Security Holding Information of the Executives

Name	Number of Shares (Shares)		Increase / Decrease in Number of Shares During the Year (Shares)
	December 31 st , 2014	December 31 st , 2015	
1. Mr. Gowitt Tulyasophaphan	68,700	68,700	-
2. Mr. Shimmy Thomas	-	-	-
3. Mr. Wichai Patiphaporn	172,199	172,199	-
4. Mr.Arm Sivadit	187,080	187,080	-
5. Ms.Waewta Suksanae	-	-	-

Remark: information of security holding of Mr. Siriwat Vongjarukorn ,Mr. Sirisak Tirawattanangkul and Mr.Thanakorn Charlee appeared in Table of Information of Security Holding of Directors as mentioned above.

Additional information concerning the Company's Board of Directors and the Executives

No illegal record is found in the past 10 years concerning below matters.

1. Judgment for criminal offence with an exception for wrongdoing on infringement of traffic rules, minor wrongdoing or similar wrongdoing.

2. Judgment as bankrupt persons or his or her assets are under receivership.

Company Secretary

Mrs.Varaporn Wisedsang has been considered and appointed by the Meeting of Company's Executives No. 3/2003 on May 23th, 2003. Qualifications and Experiences of the Company Secretary

1. Have knowledge and understanding of the Company's business including role and duty of the secretarial work of the company include the duty of the committee, obligations of the Company, and the knowledge of the related laws and regulations.

2. Perform duties under the laws and the Company's rules and regulations with responsibility, care, honesty, commitment, devotion, and support the operations of the company to achieve the objectives under the principles of good corporate governance and business ethics.

3. Adhere to moral and ethics, regard all parties of the stakeholders, and do not take any actions causing negative effect towards the Company's reputation and image.

4. Do not expect personal benefits from business opportunities of the company including well maintaining the confidentiality of the company.

5. Have a good human relationship with the ability to liaise with various departments and agencies both internal and external company.

6. Have experience in the job of Secretary to the Board of Directors or other qualifications that helps the performance of the company secretary's job to be more productive.

Duties and Responsibilities of the Company Secretary

1. Perform duty with responsibility, prudence and integrity, and perform to be in line with the laws, the Company's objectives, Articles of Association, the resolution of the Board of Directors' Meeting and Shareholders' Meeting.

2. Oversee the Board of Directors to abide by the laws, Public Company Limited Act, Exchange Act, regulations and criteria of the Securities and Exchange Commission, the Stock Exchange of Thailand and the Capital Market Supervisory Board, and others related.

3. Perform duty on good corporate governance by reporting the information that must disclose to the shareholders and related parties following rules, regulations and announcements of the Securities and Exchange Commission and the Stock Exchange of Thailand, and prepare the Company's good corporate governance policy.

4. Hold the Board of Directors' meetings and the shareholders' meetings with complete and accurate arrangement of meeting agenda and preparation of meeting minutes within the specific period, and good filing for reference and examination.

5. Oversee and maintain the Company's registrations including registrations of major shareholders and the company director members, and contact the Company's registrar.

6. Oversee and maintain major document, including reports of stakes of directors and executives, and minutes of the Board of Directors and Shareholders' Meetings, and the corporate official seal.

7. Communicate with the shareholders and properly facilitate the shareholders.

In the case that the company secretary vacates his/her position or cannot perform his/her duties, the Board shall appoint the new company secretary within 90 days from the date the previous company secretary vacates his/her position or cannot perform his/her duties.

Remuneration for Directors and Executives

Financial Remuneration

Total Remuneration for the Board of Directors

The company has a policy to set remuneration in term of meeting allowance for the directors at the same level and in the same industry for motivation and appropriateness toward the

director's knowledge, capability and responsibility. The Audit Committee will also earn the remuneration in term of meeting allowance.

In 2015, the company paid remuneration to the following member of the Board of Directors.

Name - Last Name	Position	Board of Directors	Audit Committee	Risk Management Committee	Total
1. Mr. Adirake Patitus	Chairman	264,000	-	-	264,000
2. Mr. Siriwat Vongjarukorn	Vice Chairman	192,000	-	-	192,000
3. Mr. Sirisak Tirawattanakul	Director	192,000	-	-	192,000
4. Mr. Paitoon Sirichatchaikul	Director	192,000	-	-	192,000
5. Mr. Thanakorn Charlee	Director	123,600	-	-	123,600
6. Mr. Kiyotaka Nakamura	Director	-	-	-	-
7. Mr. Suchart Thammapiatagkul	Independent Director and Chairman of Audit Committee	192,000	264,000	-	456,000
8. Mr. Anan Leetrakul	Independent Director and Audit Committee Member	192,000	264,000	-	456,000
9. Mr. Apiruk Wannasathop	Independent Director and Audit Committee Member	192,000	99,000	201,834	492,834
Total directors' remuneration (Current)		1,539,600	627,000	201,834	2,368,434
10. Mr. Theerachai Keeratitechakorn	Director (The resignation of one person during the year)	68,400	-	-	68,400
Total remuneration for the year 2016		1,608,000	627,000	201,834	2,436,834

Remark

- The fifth director was appointed to the position of Director by the Board of Directors Meeting No.2/2015 held on May 12th, 2015 in replacement of Mr. Theerachai KirtitaChakorn whose resignation took effect on May 10th, 2015, and received compensation of Director for a total of 68,400 baht
- The sixth director waived remuneration.
- The seventh director earned compensation of 192,000 baht per year for the position of independent director and 264,000 baht per year for the position of Chairman of the Audit Committee.
- The eighth director earned compensation of 192,000 baht per year for the position of independent director and 264,000 baht per year for the position of Audit Committee Member.

- The ninth director earned compensation of 192,000 baht per year for the position of independent director and 264,000 baht per year for the position of Chairman of the Audit Committee; as well as traveling expense for 60,000 baht per year (no compensation for the position of Audit Committee Member).
- Mr. Apiruk Wanasathop resigned from Chairman of Risk Management Committee, which came into effect on August 11th, 2016 and still earned compensation for the Audit Committee Member.
- The Annual General Meeting of Shareholders No.1/2015 on April 21st, 2015 Determined the compensation for the Board of Directors in term of annual compensation; Determined the compensation for the Audit Committee in term of monthly compensation; Determined the compensation for the Risk Management Committee in term of monthly compensation and monthly traveling expense.

The company paid the compensation rates for directors who resign and replace for the term of services and in accordance with the resolution of the 2015 Annual General Meeting for approval on compensation of the directors and the directors of a subcommittee not exceeding Baht 2,652,000.

Compensation for the Executive Board and Executives

The company has a policy for remuneration of directors and executives at the same level in the same industry incentives and for appropriate knowledge skills and accountability in the form of salaries, bonuses, contributions, and employee's fringe benefits. For the year ended December 31st, 2015, the compensation for the Executive Boards and management of the company and its subsidiaries, totaling 36 persons, amounted to of 85.90 million baht

Non- Financial Remuneration

- None –

Personnel of the Company and its subsidiaries

As of December 31st, 2015, the company had 1,247 employees in the following functions.

Main function	Number of Employees (person) as of December 31st, 2015
1. Sales and Marketing Department	179
2. Product Development and Technical Support Department	939
3. Office Operation Department	93

Monetary Remuneration

The company paid remuneration to its employees, in accordance with the similar industry and corporate performance. The company paid monetary remuneration including salary, bonus, allowance, overtime pay, travel allowance, welfare, contribution to the Social Security Fund, contribution to the provident fund and post-retirement benefit to the employees for total of 865.17 million baht in 2015.

Non- Financial Remuneration

- None –

Details of Executives & Controlling Persons at MFEC Public Company Limited

Details of Directors, Executives, Controlling Persons, and Company Secretary of MFEC Public Company Limited, as of December 31st 2015

Item	Name/Position/the appointment date	Age (year)	Education	Shareholding (%)	Family Relationship with Executives	Working Experience in Past 5 Years			
						Period	Position	Organization/ Company	Type of Business
1	Mr. Adirake Patitus Chairman Being director who isn't executive Appointed by AGM 1/2013	58	>> Master's Degree in Management, University of Central Missouri, U.S.A.	0.2	-	2011-Present	Chairman	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
			>> Bachelor's Degree in Accountancy, Thammasat University >> DAP,DCP,ACEP Program of IOD			2013-Present	Director	China Yes Fashion Company Limited	Being holding company, which doesn't have major investment in financial businessfinancial business
2	Mr. Siriwat Vongjarukorn Vice Chairman and Chief Executive Officer The Authorized Person Appointed by AGM 1/2014	48	>> Hanorary Doctorate Degree of Information Technology, Sripatum University	1.9	-	2003-Present	Vice Chairman & Chief Executive Officer	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network.
			>> Bachelor of Engineering, Chulalongkorn University			2013-Present	Director	Promptnow Company Limited	Provide advisory services and development services for information technology and create entertainment media.
			>> DAP,DCP Program of IOD			2013-Present	Director	Advance Intelligence Modernity Company Limited	Provide advisory services and development services for information technology and create entertainment media.

Item	Name/Position/the appointment date	Age (year)	Education	Shareholding (%)	Family Relationship with Executives	Working Experience in Past 5 Years			
						Period	Position	Organization/ Company	Type of Business
						2005-Present	Director	Modernform Integration Services Company Limited	Distribute computers and peripherals, and repair computers
						2006-Present	Director	Chamchuri Innovative Company Limited	Provide rental asset of product with intellectual property and similar product in exception for copyrighted work
						2011-Present	Director	M.I.S. Outsourcing Company Limited	Provide maintenance services and repair office equipment. Provide advisory services about computer equipment.
						2012-Present	Director	Nutthakun (Thailand) Company Limited	Logistic peripherals including passenger transportation
						2014-Present	Director	JKL Company Limited	Bring Holding Company, which does not have major investment in financial investment.
						2014-Present	Director	Panjaluck Pasuk Company Limited.	Amusement park organizer.
						2014-Present	Director	AQUA Corporation Public Company Limited.	Rental space, installing billboards acquisition fabrication and installation of advertising.

Item	Name/Position/the appointment date	Age (year)	Education	Shareholding (%)	Family Relationship with Executives	Working Experience in Past 5 Years			
						Period	Position	Organization/ Company	Type of Business
3	Mr Sirisak Tirawattanangkul Director and Authorized Person Appointed by AGM 1/2013	55	>> Bachelor's degree in Physics, Chulalongkorn University >> CDP Program of IOD	29	-	2011-Present	Director	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2013-Present	Director	Business Application Company Limited	Distribute Software Products.
						2015-Present	Director	Promptnow Company Limited	Provide advisory services and development services for information technology and create entertainment media.
						2015-Present	Director	Advance Intelligence Modernity Company Limited	Provide advisory services and development services for information technology and create entertainment media.
						2015-Present	Director	Modernform Integration Services Company Limited.	Distribute computers and peripherals, and repair computers.
						2015-Present	Director	M.I.S. Outsourcing Company Limited	Provide maintenance services and repair office equipment. Provide advisory services about computer equipment.

Item	Name/Position/the appointment date	Age (year)	Education	Shareholding (%)	Family Relationship with Executives	Working Experience in Past 5 Years			
						Period	Position	Organization/ Company	Type of Business
4	Mr. Paitoon Sirichatchaikul Director and Authorized Person Appointed by AGM 1/2014	50	>> Master of Business Administration, Bangkok University	0.6	-	2011-Present	Director	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
			>> Bachelor of Engineering in electronics, King Mongkut's of Technology Ladkrabang.			2013-Present	Director	Khonkaen Softtech Company Limited	Provide computer program in accordance with user's objective
			>> DAP, DCP Program of IOD			2013-Present	Director	K Soft Consulting Company Limited	Provide computer program in accordance with user's objective
						2013-Present	Director	Soft Professional Company Limited	Provide computer program in accordance with user's objective
						2013-Present	Director	Soft Plus Technology Company Limited	Provide computer program in accordance with user's objective
						2013-Present	Director	Soft Square (1999) Company Limited	Provide software package
						2013-Present	Director	Sam Mok Software Company Limited	Provide computer program in accordance with user's objective
						2013-Present	Director	Hong Son Software Company Limited	Provide software package
5	Mr. Kiyotaka Nakamura Director Non Authorized Person Appointed by Board of Director 2/2014	47	>> Bachelor of Mechanical Engineering from Osaka University, Japan	-	-	2014-Present	Executive Officer	TIS Inc.	IT Consulting
			>> CDP Program of IOD			2013-Present	Director	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network.

Item	Name/Position/the appointment date	Age (year)	Education	Shareholding (%)	Family Relationship with Executives	Working Experience in Past 5 Years			
						Period	Position	Organization/ Company	Type of Business
6	Mr. Thanakorn Charlee Director and Authorised Person Appointed by Board of Director 2/2015	48	>> Bachelor of Engineering, - Chulalongkorn University >> DAP,DCP Program of IOD		-	2015-Present	Director and Executive	MFEC Public Company Limited.	Provide advisory services, development and system integration for computer system and information technology network.
						2004-Present	Director	Promptnow Company Limited.	Provide advisory services and development services for information technology and create entertainment media.
						2004-Present	Director	Advance Intelligence Modernity Company Limited	Provide advisory services and development services for information technology and create entertainment media.
						2011-Present	Director	Motif Technology Public Company Limited.	Provide consulting and advisory services related to computer system and information technology network.
						2013-Present	Director	Coach Marketing Company Limited.	Conference organizer.
						2015-Present	Director	Modernform Integration services Company Limited.	Distribute computers and peripherals, and repair computers.

Item	Name/Position/the appointment date	Age (year)	Education	Shareholding (%)	Family Relationship with Executives	Working Experience in Past 5 Years			
						Period	Position	Organization/ Company	Type of Business
7	Mr. Suchart Thammakitagkul Independent Director and Chairman of Audit Committee Appointed by AGM 1/2015	67	>>Master of Law, Harvard Law School, U.S.A. >> Bachelor of Law, >> DAP, DCP Program of IOD	0.02	-	2003-Present	Independent Director and Chairman of Audit Committee	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						1999-Present	Independent Director and Audit Committee Member	Modernform Group Public Company Limited	Manufacture and sell furnitures.
						2004-Present	Independent Director and Chairman of Audit Committee	T.C. Union Global Public Company Limited	Manufacture and sell supplementary Food
						2004-Present	Independent Director and Audit Committee Member	Unique Mining Services Public Company Limited	Retail fuel for automobile
						2005- Present	Independent Director and Audit Committee Member	Unit Engineering Public Company Limited	Manufacture equipments for factories in Energy and Petrochemical Industry.
						1989-Present	Director	Bann Sathorn Company Limited	Provide equipments for personal and household
						1986-Present	Director	On-Nik Company Limited	Distribute Chemical Products.
						2006-Present	Director	Chamchuri Innovative Company Limited	Provide intellectual property products and similar products, excluding copyrighted work, for rent

Item	Name/Position/the appointment date	Age (year)	Education	Shareholding (%)	Family Relationship with Executives	Working Experience in Past 5 Years			
						Period	Position	Organization/ Company	Type of Business
						2013-Present	Director	S.A.B. (Thailand) Company Limited	Wholesale watches
						1970- Present	Director	Somnuk Sutee Associate Company Limited.	Provide Litigation and Legal Consulting services
8	Mr. Anan Leetrakul Independent Director/ Audit Committee Member Appointed by AGM 1/2015	75	>> Bachelor of Accountancy, Chulalongkorn University >> Honorary Doctorate Degree of Information Technology, Rajamangala University of Technology >> DCP, RCC Programs of IOD	-	-	2012-Present	Independent Director/ Audit Committee Member	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2008-Present	Director	D2 Systems Company Limited	Wholesale network security system
						Present	Director	Siam M&B Publishing Company Limited	Provide printing service
9	Mr. Apiruk Wanasatop Independent Director/ Audit Committee Member/ Chairman of Risk Management Committee Appointed by AGM 1/2015	56	>> Masters of Science in Engineering and Technology Management, Oklahoma State University >> Bachelor of Engineering, Chulalongkorn University >> DCP, ACP Programs of IOD	-	-	2014-Present	Independent Director	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2014-Present	Deputy director	Geo Informatics and Space Technology Development Agency.	Geo-Informatics and Space Technology Development
10	Mr. Gowitt Dulyasophaphan Vice President – Sale Telecommunications	54	>> Diploma degree, Rajamangala Institute of Technology, KhonKaen Campus (Thai-German)	0.01	-	2003-Present	Vice President – Sale Telecommunications	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network

Item	Name/Position/the appointment date	Age (year)	Education	Shareholding (%)	Family Relationship with Executives	Working Experience in Past 5 Years			
						Period	Position	Organization/ Company	Type of Business
11	Mr. Shimmy Thomas Vice President – Strategic Business	45	>> Bachelor's degree in Electronics, KARNATAK Uty, INDIA	-	-	2003- Present	Vice President – Strategic Business	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2010-Present	Director	PromptNow Company Limited	Provide advisory services and development services for information technology and create entertainment media.
12	Mr. Wichai Patipaporn Vice President – Research and Development	48	>> Bachelor's degree in Computer Engineering, Chulalongkorn University	0.03	-	2003- Present	Vice President – Research and Development	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
13	Mr.Arm Sivadit Vice President - Professional Services & Product Development	41	>> MBA, University of Houston >> Bachelor's degree in Computer Engineering King Mongkut's Institute of Technology Ladkrabang >> HRP Programs of IOD	0.04	-	2015- Present	Vice President - Professional Services & Product Development	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2013-2015	Assistant Vice President – Professional service & Product Development		
						2011-2013	Business Development Director, PS-BIM		

Item	Name/Position/the appointment date	Age (year)	Education	Shareholding (%)	Family Relationship with Executives	Working Experience in Past 5 Years			
						Period	Position	Organization/ Company	Type of Business
14	Miss Waewta Suksnae Executive Director and Chief Financial Officer	57	>> Bachelor of Accountancy, Ramkamhaeng University	-	-	2003-Present	Chief Financial Officer	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2011- Present	Director	Modernform Integration Services Company Limited	Distribute computers and peripherals, and repair computers
						2010-Present	Director	M.I.S. Outsourcing Company Limited	Provide maintenance services and repair office equipment. Provide advisory services about computer equipment.
						2015- Present	Director	PromptNow Company Limited	Provide advisory services and development services for information technology and create entertainment media.
						2011- Present	Director	Advance Intelligent Modernity Company Limited.	Provide advisory services and development services for information technology and create entertainment media.
15	Mrs. Varaporn Wisedsang Company Secretary Appointed by Board of Directors 3/2003, Date: May 23, 2003	42	>> Master of Business Administration in Finance, Kasem Bundit University >> Bachelor of Business Administration in Accountancy, Kasem Bundit University. >> CSP, CRP,EMT Program of IOD	-	-	2003-Present	Company Secretary	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network

Remark : 1. Executive Director means the director who affix signature and be binding on the company as stipulated in Company Certification Document.

2. The amount of Shares as of 31 December 2015.

3. The Proportion of Shareholding shall be included with spouse and minor children as per the Article 258 of Public Limited Companies Act, B.E. 2535 (1992)

Corporate Governance

Corporate Governance Policy

The Board of Directors aims for organizational development to be a transparent organization with good governance, responsibility and protection of social and stakeholder's interest. The company's personnels are developed to be moral and good person. In addition, it focuses on promotion of information technology study and quality development to increase sustainable growth and effectiveness of the organization and participation in social development of the country.

Rule of Sustainable Development

1. Business Governance and Business Operation with Fairness
2. Anti-Corruption
3. Respect for Human Rights
4. Participation in Educational Quality Development of the Community
5. Preparation of Sustainability Report

Plan on Corporate Governance of the year 2015:

1. Ensuring announced intentions for suppliers acknowledge in business ethics and anti-corruption corrupt.
2. Pushing the vision and mission of the organization, and changes of business strategies for sustainable growth.
3. Being classified as "Level 4" for its corporate governance (listed company), "Level 4" for the General Meeting of the Shareholders, "Level 3" for the sustainability development and anti-corruption.

The Company has implanted the awareness of the employees in all departments on significance and implementation of corporate governance principle. The Executive Board and Internal Audit Department are under governance of the Audit Committee and report the result to the Audit Committee and the Board of Directors for acknowledgement. In 2015, the company laid out the Code of Conduct and business ethics, focusing on internal governance, control and prevention of anti-corruption for its employee's acknowledgement and adherence for practice as the following.

- Domestic and International Laws. An officer, employee or representative of the company shall not violate or attempt to avoid any laws or regulations of the country that the company will enter

to operate the business in that country both directly and indirectly in the way of legal offence for customary business practice.

- Graft Demand and Convenience Purchase. The officer, employee or representative of the company shall not offer for draft demand both directly or indirectly and shall clearly refuse all grafts. The graft consists of offer, promise to render monetary gift or benefit both directly and through intermediary to the governmental officer, political party, candidate who runs for political position or political party officer for benefit of action or omit function in order to maintain the Company's business benefit. Anyhow, the officer, employee and representative of the Company shall not offer money to the government officer to have convenience or encourage the government officer to irregularly expedite regular work under responsibility.

- Conflict of Interest. The officer, employee and representative of the company should avoid any relationship or activity that will cause loss or tend not to properly achieve business objective and make decision in accordance with his or her own duty.

- Political Support. The officer, employee and representative of the company shall not perform political support to take illegal business advantage and shall abide by all disclosed requirements.

- Charity Donation. The officer, employee and representative of the company shall donate for true charity organization only including the organization that is legally permitted for that country. The support on benefiting the illegal business is prohibited.

- Gift, Satisfaction Creation and Entertainment. The officer, employee and representative of the company shall avoid offer or gift receipt, banquet, entertainment, satisfaction creation as well all expenses that will affect unreasonable business transaction and are redundant expenses.

- Accounting Record. The officer, employee and representative of the company will maintain the complete and accurate accounting record in order to properly and accurately support all transactions and bookkeeping in single entry accounting system.

- Communication and Training. The officer, employee and representative of the company shall organize annual training for related person, new employee, employee who is responsible for crucial works in procurement, marketing and sales division.

Requirement

The requirement stipulates that the officer, employee and representative of the company who is exploited in any way or who is demanded for graft in other natures shall immediately report the company's executive without fear of employment effect.

Outcome Gained

The employee is not reduced for his or her position, not punished or negatively affected for non-bribery even though the company's business is affected from the employee's refusal to perform such act. The employee will be encouraged to report the allegation from violation of business conduct principle to the Executive without position reduction, punishment or subsequent outcome from that report.

Penalty

The company shall appropriately punish the employee, seller or business partner for violation of this business conduct.

Moreover, the company has complied with the principles of corporate governance covering the overview in five sections including right of shareholder, equal treatment to shareholder, role of stakeholder, information disclosure and transparency, and responsibilities of the Board of Directors.

1. Rights of Shareholders: The company provides chance for its shareholders to take part in the corporate governance and opinion expression in business operation. In 2015, the company have implemented the right of shareholders in the following topics.

1.1 The opportunity was given for shareholders to propose meeting issues to be included in meeting agenda in advance by informing the shareholders for acknowledgement through the news system of The Stock Exchange of Thailand. In addition, the result of the proposed issues was notified for shareholders' acknowledgement.

1.2 Vote counting and voting method were informed before Shareholders' Meeting and ballots were used.

1.3 The committee remuneration, criteria for consideration on remuneration determination were proposed for the shareholders for review and approval.

1.4 Neither additional meeting agenda nor its amendment of significant information was performed without prior notification to the shareholders in the 2015 AGM. In addition, the opportunity was provided for the shareholders to express their opinion and

query in the meeting. The detail was recorded in the minutes of meeting.

1.5 The company facilitated and encouraged all shareholders to join the meeting which was organized at SUN Tower, Vibhavadi-Rangsit Road, Chompol, Chatuchak, for convenience of transportation.

2. Equal Treatment to the Shareholders : For the parity, the company has policy to treat all shareholders either major shareholders, minor shareholders, institutional investors or foreign equally. In 2015, the company implemented the policy for equal treatment to the shareholders as the followings.

2.1 The opportunity was provided for the shareholders to nominate candidates for a committee member, consider an appointment, propose a meeting agenda and send questions to the meeting in advance from December 2015 to January 2016. The shareholders were informed for acknowledgement on the news system of the Stock Exchange of Thailand and on the company's website at www.mfec.co.th in the 'Investor Information' section, under the 'Shareholders' Meeting' topic. .

2.2 The voting rights were equitably granted to the shareholders based on number of their MFEC shares.

2.3 The company attached Proxy Statement, Type B, the form that shareholders can define the voting direction by themselves in each occasion, together with the meeting appointment letter for the shareholders who are inconvenient to attend the meeting by themselves and can authorize independent director or other person to attend the meeting and vote in lieu of them. The proxy statement is also disseminated for download by the shareholders on the company's website.

2.4 The prohibition was determined for the director, executive, or employee not to use acquired information for self benefit and not to perform insider trading for the company's shares or provide the information to other persons for benefit in buying and selling the Company's share. Anyhow, the director and the executive had to report the initial security holding report and security holding changing report in accordance with Section 59 of the Securities and Exchange Act.

2.5 The directors of the company and its subsidiaries were assigned to report their own and relevant persons' stakes in accordance with Section 89/14 of and the Securities and Exchange Act B.E. 2551 (2008). Every change in information was reported to the Company Secretary within 7 days.

3. Consideration on Role of Stakeholder: The company gives priority to social responsibility and realizes on the role and the significance of all groups of stakeholders by determining regulation in defining anti-corruption policy on receipt and provision of gift/property or any other benefits in making transaction with individuals in the private or public sectors. In addition, the company's business partners are informed about business ethics for their acknowledgement and conformance. Clue notification measure and protection mechanism of clue informer are defined.

Moreover, clear policy and regulation of all groups of stakeholders are updated through adjustment of the company's corporate governance manual, dissemination and publication for adherence and practice by all employees, and also publication through website for recognition of shareholders and stakeholders about the organizational ethics.

In 2015, good practical guideline has been added as follows.

(1) Defined anti-corruption policy on receipt and provision of belongings or any other benefits to persuade for wrongful practice by declaring practical guideline to the company's business partners for recognitions all over;

(2) International human right and intellectual property infringement;

(3) Increase the means of claim and suggestion, claim receipt process and protection measure on the claimer as the means that can directly complain to the Independent Directors through the Company Secretary.

4. Information Disclosure and Transparency: The company emphasizes on complete and accurate information disclosure within proper period of time with transparency. In 2015, the company has updated its website so that all stakeholders can easily access its information. The disclosure has been classified by criteria and practical guideline of good corporate governance in accordance with rules and regulations of the Stock and Exchange of Thailand and the Securities and Exchange Commission as the followings.

4.1 Deliver financial reports to the Securities and Exchange Commission within a specific period without any transactions that the auditor expresses conditional opinions.

4.2 Completely disclose information in accordance with the criteria in Annual Information Form and Annual Report, financial statements, corporate governance policy, social responsibility policy, nature of business engagement, marketing and competition, Board of Directors and executive structure,

remuneration of the committees and shareholding of executive director, detail of educational qualification and experience of the Committee, the company's audit fee and audit service rate.

4.3 Arrange the investor relations work unit to be the information communication channel. The shareholders or investors inquire the information with the company through IR Contact both via telephone and electronics mail on the company's website.

4.4 Clearly declare remuneration of committees and executives in Annual Report as well as sharing information of committees and executives, and define the policy for committees and executives to quarterly report the company's share trading as well as connected transactions and stake report of committees and executives in order to prevent conflict of interest of committees and executives.

4.5 The company's Financial Statement was unconditionally certified by the auditor without record of instruction to correct financial statements by the Stock Exchange of Thailand and the Securities and Exchange Commission

5. Responsibilities of the Board of Directors: The company emphasizes on the significance in playing role, duty and responsibility of the Board in order to maintain the benefit of shareholders and stakeholders. The company has assigned nine (9) directors which have been proper with the business size, consisting of one (1) Chairman of the Board (who is not independent director but is non-executive director) and three (3) non-executive directors who are the independent directors, four (4) executive-directors and one (1) non-executive director, and 1 non-executive director.

The company emphasizes on playing role, duty and responsibility of the Board to supervise and maintain the benefit of shareholders and stakeholders such as defining the strategy of business operation, consideration on operating audit, supervision of transparent business operation and sustainable growth with following details.

5.1 Arrange the review of scope, role and authority of the Board of Directors and the director of subsidiaries.

5.2 Under determination of good practical guideline of the directors in the issue of term in the office of director position and the rotation of sub-Committee

5.3 Define the policy of term in the office of the directors in listed companies for more than five (5) companies. The President and top executive should hold executive position

in a single company so that they can have enough time for management.

5.4 No record of offence against the rule of the Office of the Securities and Exchange Commission/the Stock Exchange of Thailand.

5.5 Determine the Chairman of the Board is not the same person with Chief Executive Officer so that the role, authority and duty can be clearly separated; and also appoint the Independent Directors to be the Chairman of various Subcommittees.

5.6 The Board of Directors is engaged with the management in determining the company's vision, mission, strategy, goal, business plan and budget.

5.7 The Board of Directors arranges the internal control system to cover finance, operation, implementation to be in

line with relevant law, regulation and rule. In addition, risk is properly and adequately managed whereas Internal Audit Division is under governance of Mr. Nattapol Kasamsup, Director of Internal Audit which is the independent work unit that reports to Audit Committee.

5.8 The Board of Directors oversees to have sufficient and good risk management system and regularly monitor risk management. Risk Management Committee is assigned to quarterly report the risk management result to the Board of Director.

Each director held his or her office for three years per term as described in the following details.

Name of Director	Type of Director	Year of Appointment	Latest Selection Year	Number of Years to Hold the Director Position
Mr. Adirake Patitus	Non-Executive Director	2003	2013	12 years
Mr. Siritwat Vongjarukorn	Executive Director	2003	2014	12 years
Mr. Sirisak Tirawattanangkul	Executive Director	2011	2013	4 years
Mr. Paitoon Sirichatchaikul	Executive Director	2011	2014	4 years
Mr. Kiyotaka Nakamura	Non-Executive Director	2014	2014	1 year
Mr. Thanakorn Charlee*	Executive Director	2015	2014	8 months
Mr. Suchart Tammakitagkul	Independent Director	2003	2015	12 years
Mr. Anan Leetrakul	Independent Director	2012	2015	3 years
Mr. Mr. Apiruk Wanasathop	Independent Director	2014	2015	1 year

* Mr. Thanakorn Charlee was appointed by the Board of Directors Meeting No. 2/2015 held on May 12th, 2015.

- Self-Assessment Guide for the Committees

To emphasize on the application of assessment result to be useful for improvement of the Committees' performance, the Board of Directors' Meeting No. 6/2015 on November 12th, 2015 agreed to use the self-assessment form and the Board of Directors performed 2015 Annual Self-Assessment under the following assessment criteria:

- 4 = Excellent
- 3 = Very Good
- 2 = Good
- 1 = Average
- 0 = Improvement Required

The assessment for the whole Board of Directors consist of six topics including structure and qualifications of directors / roles and responsibilities of the Board / the Board of Directors 'Meeting / function of the directors / relationship with management / self-development of the directors and executive development.

The results of the assessment for the whole Board of Directors in all six topics pointed out that most of the operations have been well done with average score in good criteria.

2. The assessment for the whole Audit Committee consists of seven topics including the composition of the audit committees / trainings and human resource / meeting / Audit Committee's activities / relationship with Vice President to Internal Audit

Department , accounting auditor, executive and shareholder / business risk and internal control / role of Audit Committee in the future.

The results of the assessment for the whole Audit Committee in overall 7 topics pointed out that the operations have been well done with average score in good criteria..

The results of the assessment for the whole Audit Committee in overall 7 topics pointed out that the operations have been well done with average score in good criteria.

The Board of Directors have imposed the reinforcement in business knowledge and capability and operations in different areas of the company in order to be well prepared in the functions of the directors. New viewpoint and knowledge enhancement policy have been simultaneously available for all directors in order to help support effective function of the directors whereas the Company Secretary has been the facilitator.

- Issue that should be aware of : : Business structure and director structure, scope of authority and law that should be aware

- General knowledge of business and operating guideline

- Development of Directors and Executive

In 2015, the new director was Mr. Thanakorn Charlee. The new directors have already been arranged for training with Thai Institute of Directors (IOD). Anyhow, the details of seminar/training attendances of the directors have been as follows.

Name of Directors	Course	Date
1. Mr. Adirake Patitus Chairman Director	- Directors Accreditation Program(DAP Generation 9) - Directors Certification Program (DCP Generation 41) - Anti-Corruption for Executive (ACEP Generation 1)	Year 2004 Year 2004 Year 2012
2. Mr. Siriwat Vongjarukorn Director/ Chief Executive Officer	- Directors Accreditation Program(DAP Generation 9) - Directors Certification Program (DCP Generation 42)	Year 2004 Year 2004
3. Mr. Sirisak Tirawattanangkul Director	- Directors Accreditation Program(DAP Generation 93)	Year 2011
4. Mr. Paitoon Sirichatchaikul Director	- Directors Accreditation Program (DAP Generation 93) - Directors Certification Program (DCP Generation 174)	Year 2011 Year 2013
5. Mr. Kiyotaka Nakamura Director	- Directors Accreditation Program (DAP Generation 115)	Year 2015
6. Mr. Thanakorn Charlee Director / Chief Operating Officer	- Directors Accreditation Program (DAP Generation 120) - How to Develop Risk Management Plan (HRP Generation 8)	Year 2015 Year 2015
7. Mr. Suchart Tammapiatagkul Independent Director/ Chairman of Audit Committee	- Directors Accreditation Program (DAP Generation 27) - Directors Certification Program (DCP Generation 60) - Role of the Compensation Committee (RCC Generation11)	Year 2004 Year 2005 Year 2010
8. Mr. Anan Leetrakul Independent Director/ Member of Audit Committee	- Directors Certification Program (DCP Generation 22) - Role of the Compensation Committee (RCC Generation 6)	Year 2002 Year 2008
9. Mr. Apiruk Wanasothop Independent Director/ Member of Audit Committee	- Directors Certification Program (DCP Generation 149) - Audit Committee Program (ACP Generation 36)	Year 2011 Year 2011
10.Mr. Ramade Sinlapaprom Member of Risk Management Committee	- Directors Certification Program (DCP Generation 190) - Role of the Chairman Program (RCP Generation 35) - Advance Audit Committee Program (AACP Generation 19)	Year 2014 Year 2014 Year 2015
11.Mr. Arm Sivadit Vice President Professional Service	- How to Develop Risk Management Plan (HRP Generation 8)	Year 2015

Apart from the above corporate governance that has been adhered and practiced, the company has also set the criteria for good corporate governance compliance according to the Good Corporate Governance Criteria for Year 2012 (revised edition) by Corporate Governance Centre of the Stock Exchange of Thailand with the following details:

Section	Topics that has not yet practiced	Support Reasons
Section 1 Rights of Shareholders	Chairman of Remuneration Committee and Chairman of Nomination Committee do not attend the Annual General Meeting.	As the company has not yet established Remuneration Subcommittee and Nomination Subcommittee, the company then has assigned the Board of Directors to perform the duty in considering remuneration and recruitment of proper individual to be nominated to the Shareholders' Meeting for consideration on appointment.
Section 2 Equal Treatment to Shareholders	-None-	
Section 3 Consideration on Role of Stakeholders	-None-	
Section 4 Information Disclosure and Transparency	-None-	
Section 5 Responsibilities of the Directors	<ul style="list-style-type: none"> In case that the Chairman of the Board is not an independent director, the Board should comprise more than half of the total number of directors. Moreover, the Board should assign an independent director to be continuously in the position for not longer than 9 years period from the first time of appointment as the independent director position. The Board should comprise non-executive directors for more than 50% of the total number of the Board. The establishment of subcommittees, Remuneration Subcommittee, Nomination Subcommittee and Corporate Governance Subcommittee. 	<p>As the Board of Directors has been under consideration on establishment of Remuneration Subcommittee and Nomination Subcommittee, the proper number of independent director structure has been determined and considered to propose to Annual General Meeting to consider on appointment of additional independent directors.</p> <p>The company has not yet considered executing Corporate Governance Subcommittee since the Board of Directors has supervised corporate governance.</p>

Sub Committees

The current committee structure of the company has consisted of Board of Directors, Executive Board, Audit Committee and Risk Management Committee. Details of the number of committees and scope of authority for each subcommittee have been already disclosed in Section: the Committee.

Regarding the company's remuneration determination issue, it will be considered by the Board of Directors and presented to the Shareholders' Meeting. If the shareholders consider that it is proper by considering the benefit gained from the Board which is in the level comparable to the rate in the same industry, they will approve in accordance with the proposal of the Board of Directors. The policy of the company is to determine the remuneration to the directors in the same level in the same industry in order to motivate and to be proper for knowledge, capabilities and responsibilities of the directors. The remuneration of the Board of Directors for 2015 period has shown in the point of Committee Remuneration. According to the executive remuneration, as the Board of Directors has not yet considered appointment of Remuneration Subcommittee and the organizational structure of the company has been uncomplicated, therefore, the Executive Board has currently determined the executive remuneration by linking with the company's operating result and each executive's performance. with the operating result of the company. The executive remuneration for 2015 has also stated in the point of Remuneration as well.

As the organizational structure has been uncomplicated, the Board of Directors has not yet considered appointing Nomination Subcommittee in order to perform the consideration on criteria and process for recruitment of qualified individual to hold the director and top executive position and selection of individual and recruitment of individual to hold the positions. The individual recruitment to hold the director position was considered by the Board of Directors and nominated to the Shareholders' Meeting for consideration based on several factors including such as knowledge, capabilities, and experiences e relevant to the business. For the consideration on recruitment of the executives, the Executive Board will consider those who

have knowledge, capabilities and experiences. The company has had four sets of committees as the following:

- **Board of Directors:**

takes its responsibility for the shareholders regarding the company's business operation and governance of the management to be in line with the company's policies, guidelines and goals to generate maximum benefit for shareholders within the framework of good ethics. The benefits of all stakeholders are also taken into account. The details of roles and responsibilities are stated in the topic of the Board of Director.

According to the Company's regulations, the directorshave the authority to decide and oversee the operations of the company, except in the following issues that the Board of Directors shall be approved from the Shareholders' Meeting before proceeding.

(1) The issues with legal requirement for the resolution from the Shareholders' Meeting

(2) Related transactions, in a regular business transaction or business support transaction without general commercial condition for transaction value of more than 20 million baht or 3% of the net tangible asset value depending upon whichever number is higher.

(3) Related transactions, in a regular products or services, with a transaction value of more than 20 million baht, or 3% of the net tangible asset value depending upon whichever number is higher.

In 2015, the Board of Directors held four ordinary meetings and two special meetings for total of six meetings with the statistics of meeting attendance for each director in 2013 - 2015 as follows.

Name of Director	No. of Meeting Attendance Times		
	Year 2013	Year 2014	Year 2015
1. Mr. Charoen Ussanajit	6/6	-	-
2. Mr. Thaksa Bussayapoka	-	1/6	-
3. Mr. Adirake Patitus	6/6	5/6	6/6
4. Mr. Siriwat Vongjarukorn	5/6	6/6	6/6
5. Mr. Suchart Tammapiattakul	6/6	6/6	6/6
6. Mr. Surachai Sonthirati	6/6	2/6	-
7. Mr. Sirisak Tirawattanangkul	6/6	6/6	6/6
8. Mr. Theerachai Keeratitachakorn	6/6	5/6	-
9. Mr. Paitoon Sirichartchaikul	6/6	6/6	6/6
10. Mr. Anan Leetrakul	5/6	6/6	6/6
11. Mr. Kiyotaka Nakamura	-	3/6	6/6
12. Mr. Apiruk Wanasathop	-	1/6	6/6
13. Mr. Thanakorn Charlee	-	-	5/6

Remarks : Mr. Theerachai Kirtitachakorn resignation with effect from May 11th, 2015, the Board of Directors No. 2/2015 resolved but Mr. Thanakorn Charlee his tenure as a director instead.

• **Audit Committee:**

oversees the company's financial reporting process to ensure accuracy and adequacy, and also oversee the company's internal control system and ensure that it is appropriate and effective as well as supervise the company to comply with related laws with roles and responsibilities as stated in Topic of the Board of Directors.

In 2015, the Audit Committee held five ordinary meetings with the statistics of the meeting attendance for each committee in 2013 – 2015 as follows.

Name of Director	No. of Meeting Attendance Times		
	Year 2013	Year 2014	Year 2015
1. Mr. Suchart Tammapiattakul	4/4	4/5	5/5
2. Mr. Anan Leetrakul	4/4	4/5	5/5
3. Mr. Surachai Sonthirati	-	2/5	-
4. Mr. Apiruk Wanasathop	-	1/5	5/5

Remarks : The 2th committee, Mr. Anan Leetrakul has possessed the educational qualification for Bachelor's degree in Faculty of Commerce and Accountancy, Chulalongkorn University. He has had knowledge and experiences in the financial statement verification.

• **Risk Management Committee:**

Systematically manages risk both at organizational level and activity level to cover all working processes. The details of the roles and responsibilities of Risk Management Committee are stated in the Board of Directors.

In 2015, the Risk Management Committee held five ordinary meetings with the statistics of meeting attendance for each director in 2013 – 2015 as follows.

Name of Director	No. of Meeting Attendance Times		
	Year 2013	Year 2014	Year 2015
1. Mr. Surachai Sonthirati	4/4	4/4	-
2. Mr. Apiruk Wannasathop	-	1/4	4/5
3. Mr. Adirake Patitus	4/4	2/4	-
4. Mr. Sirisak Tirawattanangkul	-	1/4	5/5
5. Mr. Siriwat Vongjarukorn	4/4	4/4	5/5
6. Ms. Waewta Suksanae	4/4	4/4	5/5
7. Mr. Ramed Silapaporn	3/4	3/4	4/5
8. Mr. Thanakorn Charlee	-	3/4	5/5

Remark : Mr. Apiruk Wanasathop resigned from Chairman of the Risk Management Committee on August 11th, 2015. Its number remained at five persons.

• Executive Board performs its duty as assigned and authorized by the Board of Directors to achieve its goals. The Executive Board's roles and responsibilities are specified in the article "The Board."

In 2015, the Executive Board held 10 regular periodic meetings with the statistics of meeting attendance for each director as follows.

Name of Director	No. of Meeting Attendance Times	
	Year 2014	Year 2015
1. Mr. Siriwat Vongjarukorn	10/10	10/10
2. Mr. Adirake Patitus	2/10	-
3. Mr. Sirisak Thirawattanangkul	8/10	10/10
4. Mr. Thanakorn Chalee	10/10	10/10
5. Ms. Waewta Suksanae	10/10	10/10

Remark : The Board of Directors' Meeting No. 3/2014 considered to appoint Mr. Sirisak Tirawattanangkul to hold the Executive Director position in replacement of Mr. Adirake Patitus who resigned.

Recruitment and Appointment of Directors and Top Executive

Individual Selection Method for Appointment to be Director/ Independent Director

As the company has not yet appointed Nomination Subcommittee so the Board of Directors is responsible for recruitment independent directors, non-executive directors and directors from major shareholders in each group who qualified with diverse experiences in terms of skills, experiences and specific talents beneficial to the company, including time devotion and effort in functioning their duties. To ensure the strong company's Board of Directors, it has been determined that the directors should not hold the director position of the listed companies for more than five companies. In 2015, the opportunity was opened for minority shareholders to nominate qualified individuals to the Board of Directors to consider and then propose to the Shareholders' Meeting to approve for director appointment with the criteria as defined in the company's regulations. It was to say that there must have approval by the Shareholders' Meeting for not less than one-half of the number of shares which attended the meeting with voting rights. A shareholder has the vote equal to one share per one vote, and each shareholder can exercise all of their existing votes to elect one or several persons as directors. The persons receiving the highest number of votes shall be elected to be directors, respectively, in the quantity supposed to have. In each annual general meeting, one-third proportion of the directors must resign. For the non-independent directors, the number of directors may be defined to be in accordance with shareholding proportion in the company and depends on the appropriation and capability of those who have been nominated to the directors.

Selection Method for the Company's Executive

For the executive, the Executive Board takes responsibility to recruit qualified persons who have appropriate experiences.

1. The appointment of Chief Executive Officer is presented to the Board of Directors for consideration and approval.
2. The appointment of top executive from deputy director and higher is under the approval authority by the Executive Board.
3. The appointment of the executive below inferior level than deputy director is under the approval authority by Chief Executive Officer.

Overseeing the Operations of Subsidiaries

As of December 31st, 2015, there have been 14 joint ventures, 13 subsidiaries with MFEC's stake at more than 50% of the registered capital and one associate company with details as shown in Shareholding Structure of the Company.

The committees have had the mechanism to oversee and control the supervision, management and responsibility of its subsidiaries and corporations by having the policy to send the individual to be the company's representative. The management will consider and nominate the directors to the Board of Directors for consideration and approval. The individuals who have been appointed to be the directors of the subsidiaries having operating duty for best benefit of its subsidiaries or corporations.

Scope of Authority and Responsibility of the Committees / Executives Representative are as follows:

1. Joint plan and set policies, directions, strategies, plan and organizational structure in consistency with economic conditions, competitive conditions in markets, and also in consistency with business conduct policies of the MFEC Public Company Limited.
2. Joint plan and determine annual business plan and budget to present to the Board of Directors of the MFEC Public Company Limited.
3. Direct the implementation of the managerial policy and guideline and business plans that have been approved.
4. Govern the disclosure of financial information and operating results, including transaction doing between the companies in the group and related parties, acquisition or disposal of assets or the Company's other major transactions doing to be fully complete and properly, using the information disclosure guideline and doing above transactions in accordance with the criteria of MFEC Public Company Limited.
5. Govern to have the circumspect and appropriate internal control system.

Hence, apart from supervision by representative, committee / executive that have been appointed by passing the resolution of the Board of Directors' Meeting to hold the position as the director of its subsidiaries / corporations, audit mechanism has

been available by Internal Audit Department of the company. This will help audit/verify the internal control system of its subsidiaries and corporations to have adequate, circumspect and proper management in different fields. The Board of directors is reported for acknowledgement in another way.

Management of Inside Information Use

Apart from the measure as the legal requirement for management of inside information use, the company also has the policy and adheres to ethics, integrity and honesty in business conduct with our clienteles, business partners, investors and shareholders . We have set the company's ethical guideline for our executive directors and all level of staffs to adhere and implement in order to protect the disclosure of important news and information or bad faithfully or arbitrarily access of news and information source. . Breaking this guideline is considered as a serious offence and there may be a disciplinary punishment.

The company's rule for the use of inside information that has not yet been disclosed for self or other people's benefits is as follows.

- Directors, executives , officers and employees of the Company shall keep the confidentiality and / or inside information of the company.
- Directors, executives , officers and employees of the Company shall not disclose the inside information of the company or exploit benefit for their own or other people's benefits either directly or indirectly and either with or without compensation.
- Directors, executives, officers and employees of the company shall not trade, transfer or be assigned any of the company's securities through the use of inside secret and/or information of the company and/or enter into doing any other transactions using secret and/or inside information of the company possibly causing damage to the company either directly or indirectly. This requirement is applied to those spouses and immature children of directors, executives, officers and employees of the company as well. Any person who contravenes such rule and regulation will be considered as a serious offence.
- Directors, executives, accountants, including their spouses

and immature children are prohibited to use such inside information to trade or transfer or be transferred of the company's securities before the company's and the related companies' financial statements are published to public. (From April 15th until the date of reporting financial statement for the first quarter, from July 15th until the date of reporting financial statements for the second quarter, from October 15th until the date of reporting financial statements for the third quarter and from February 1st until the date of reporting the final financial statements of the year)

Apart from that, the directors and executives of the company are responsible for preparing the list of securities holding as well as reporting any changes in the shareholding of themselves, their spouses and immature children according to Section 59 of the Securities Act B.E. 2535 (1992) within specific period determined in the regulation on Security Holding Report. The executives are also required to send the copy of this report to the company in the same day of reporting to the Securities and Exchange Commission.

Remuneration for Accounting Auditors (Audit Fee)

Remuneration from Auditing (Audit Fee)

The company and its subsidiaries paid the accounting audit fee for the Dharmniti Company of which the auditor is belonging to in the year 2015 for a total of 3.55 million baht as the accounting audit fee of MFEC Public Company Limited for 1.23 million baht and for the accounting audit fee of its 13 subsidiaries for 2.32 million baht.

Other Fees (Non-Audit Fee)

- None of other fees-

Other practices regarding good corporate governance principles in other issues

- None. All details on good corporate governance principles in other issues through Good Business Governance (latest revised edition) have been published on the company's website at www.mfec.co.th

Human Resources Development Policy

The Executive Board drives MFEC's business with the human resource development to improve knowledge, skills and ability of its employees, get them ready for new IT innovation, keep them updated, and provide them better understanding about new technologies. MFEC executes its human resources development policy with these following means.

1. To create new innovations and develop entrepreneurship skills, MFEC launched Box Breaking Project as an opportunity for employees in any level to expose their ideas of business plan. The achievement of this project encourages the initiation of innovation to support the creation of new products to the market.

2. With regard to the development of a new generation of IT personnel, MFEC established MFEC Blue Gen Program to give new graduates an opportunity to join an intensive training program to be sales and business development officers. This project's success brings quality workers to MFEC.

3. MFEC encourages its employees to share their knowledge and experience to each other in Share and Shine Program. Individual Development Plan is also used to let employees plan on their career path with their supervisors which will benefit succession plan. In 2015, 29 employees shared their experience through Share and Shine Program with 429 employees participating.

4. MFEC supports its employees to get IT training from its distributors and renowned training institutes, training on management either in Thailand or abroad, internal training with the experts who have specific knowledge, skills, and experience, and annual training for human development. Over 1,000 employees of MFEC Group have been participated in such trainings.

5. MFEC is backing its employees to get certificate to guarantee their knowledge and ability in information technology to gain customers' trust. In 2015, 67 employees took an examination to get IT certification.

6. MFEC set up knowledge management system to collect and systemize knowledge and know-how for the employees to access to and make use of it as a self-development via website or mobile program named MTube which classifies information by career fields to sponsor self-learning anywhere and anytime.

Social Responsibility

MFEC Public Company Limited (MFEC) operates its business with awareness of the balanced management between the economy, society, environment and stakeholders, according to the Environment Social Governance (ESG)

MFEC's actions and policies concerning the social and environmental responsibility are disclosed in the Sustainable Development Report 2015. Thailand's economic downturn in 2015 decelerated investment in large projects and affected the IT industry. This crisis was similar to the Asian financial crisis in 1997 when MFEC was founded. Although the company suffered financial difficulties in the first place, it was through such tough period. Thus, MFEC has been recognized as the stock with high dividend yield for 10 consecutive years of dividend payout at 7.81% on average, the highest in the communication industry. In its eighteenth year, MFEC proves that the IT industry does not last for only a generation, but it has sufficient capability to move toward the second generation with sustainable growth.

To remain its sustainability on the IT business path amid the gloomy economic situations, MFEC drives its businesses with vision, mission, and business strategies to handle the uncontrollable external factors and cope with technological change with the following direction and policy for improvement and sustainable development.

1. To Develop People :

Human resources are developed to improve MFEC Group and the IT industry in Thailand with the Industry Linkage Policy that links the industry with education. In addition, IT personnels are developed to fulfill business requirements and keep up with the change of Information Technology, and their competency was enhanced with readiness of Thailand's IT industry for the international competitiveness.

2. To Create Job :

High-valued jobs are created in local areas to support internal activities and promote new leaders, and sponsored creation of innovations and creativity in line with market trends, customers' demand and expectations.

3. To Generate Revenue :

The company is strengthened for Sustainable Perseverance against an unprecedented economic crisis through adjustment of its sales strategies. The strategies aim to enlarge income from services for recurring income, and increase income from the private sector as a means to offset the decreased governmental projects. This is implemented with management and analysis of corporate risks, business risks and operational risks.



Internal Control and Risk Management

Internal Control and Risk Management

At the Board of Directors Meeting No. 1/2016 on February 25th, 2016, the Board and the Audit Committee attended the meeting and expressed their opinions on sufficiency and appropriateness of the internal control system. The Audit Committee applied the "assessment for the sufficiency of internal control system" form as the reference. The Audit Committee reported the internal audit results and provided recommendations on the auditing process, focusing on audit workshops for continuous improvement of efficient and effective process. The improvement, according to the report, was reviewed and monitored, which was regularly forwarded to the Board for acknowledgement. According to the review, it was found that the procedures set were followed and in compliance with legal requirements and corporate governance policy. Given discussions with the auditor, the company's financial statements followed the accounting standards and had sufficient internal control system.

In addition, the Board emphasized adequate risk management system with regular monitoring. The Risk Management Committee was established to review and approve risk management policy and its framework in all aspects for appropriate solutions. It assigned the Risk Management Team to follow up, oversee and analyze risk management at each unit's operational level on a daily basis. The results were reported to the Risk Management Committee and, then, were summarized and forwarded to the Board of Directors.

1. Internal Control

The Board and executives at all levels encouraged employees to be aware of integrity and business ethics. The 'Code of Conduct' was communicated, requiring the executives and all employees to acknowledge and bring into practices. Disclosure was also made for the general public. Apart from encouraging the employees to take part in business ethics, the company had a policy to develop and retain the competent employees and executives, assess work success and provide proper incentives.

The Board was responsible for overseeing and supervising the company to set certain, measurable performance targets,

and carefully reviewing implementation. The company's management structure consisted of four committees; Board of Directors; Executive Board; Audit Committee; and Risk Management Committee. Each committee was responsible for MFEC shareholders in the framework of good ethics and social responsibility. The company structured its organization to promote the management's operation and efficient internal control. Key tasks were divided for checks and balances. The internal audit unit had a duty to review all units' execution system and report the results to the Audit Committee.

2. Risk Assessment

The company prioritized its risk management policy. The Risk Management Committee was established and consists of the company's directors and top executives. The Risk Management Team comprised representatives from all operational units to jointly set the risk management policy and framework. This aimed for all in the organization to assessed risks from external factors including economic conditions, government policies and currency fluctuations, and risks from internal factors that affected the company's targets and business operations. Responsible persons were assigned for risks in each unit, while risk management was set for a working group comprising all executives, unit heads and all employees. Risk management was planned and its measures were laid out. Risks factors that might affect the company's target and business operations were evaluated. Each unit's risk management was monitored to be in accordance with the company's strategies. Knowledge was provided for the employees at all levels for more understanding and awareness of risk management. The results were reported to the Risk Management Committee and the Board of Directors, respectively.

3. Management Operational Control

The Board appointed three committees: the Executive Board; the Audit Committee; and the Risk Management Committee. These three committees undertook their tasks as assigned for overseeing the management's execution.

- Set the scope of duties, the authority and approved cash limit of the management of all departments at all levels in the written document. The positions of the authorized persons and the cash limit were determined in the written document with proper review.
- Set the policy, manuals, processes, procedures, and rules and regulations for all work units in the written document.
- Set criteria for performance evaluation

The Audit Committee reviewed and approved the annual audit plan to include all operational processes with risks. Thus, all stakeholders were assured that all work units set sufficient operational control activities in terms of finance, operations, and practices following rules and regulations. The Audit Committee considered key issues and problems found and, then, provided the management recommendations for improvement. Monitoring was set for a follow-up. In a case that the company had a transaction with a juristic person and another related or connected person that might bring any conflicts of interest, such transaction had to gain approval according to the company's regulations.

4. Information Systems and Data Communications

Detailed key information was sufficiently required to be forwarded to the Board for decision-making in its meeting agenda. An analytical report was prepared with related, additional document, and rules and regulations. The information was delivered seven days in advance. The Secretary coordinated and became the center to keep key documents including invitation letters to the Board and its minutes of meetings, invitation letters for shareholder meetings and their minutes of meetings. MFEC's shareholders were able to examine appropriateness of the directors' performance.

Package software was set as a tool for each unit's document administration system with safety system for key databases. Data authorization levels were set for the databases including documents to accounting records in all data and categories for transparency and complementary documents for operations. The Audit Committee jointly reviewed financial statements with the external auditor, the Internal Audit Department and relevant parties on a quarterly basis. This was to ensure that the company employed the accounting policy following the generally-accepted accounting standard with completeness and appropriateness of information disclosure.

5. Monitoring System

The company regularly monitors its performance to be as planned. In 2015, the company organized six meetings of the Board of Directors, 10 meetings of the Executive Board with monthly management meetings. The meetings aimed to oversee and monitor the company and its subsidiaries' performance to be in compliance with their strategies and plans. Thus, problems that might arise could be solved and their operational plans could be adjusted to cope with changed situations once targets of their performances were missed.

In addition, the Internal Audit Department formulated the company and its subsidiaries' audit plan, and monitored their performances in 2015. The Risk Based Approach was applied, connecting it with vision, mission, targets and strategies the management determined in the company's development plan. Therefore, the goals and objectives could be attained together with efficiency and effectiveness. In 2015, the operational results were reported to the Audit Committee in the written document once an operation completed. The operational results were summarized on a quarterly basis.

Opinions of the Audit Committee

The results of the monitoring and evaluation of the adequacy of the internal control systems of the Company and its subsidiaries, the auditors has found no significant defects that affect the credibility of company's financial reports. Anyhow, the board of directors, the audit committees and the financial auditors of the company have agreed on the internal control system as stated in the attachment in the company's annual statement.

Head of the Company's Internal Audit Department

The Board of Directors regards the essence of the internal control system and succession plan for key positions. In 2015, Mr. Nuttapon Kasemsup was appointed as the Director of the Internal Audit Department of MFEC Group in replacement of Ms.Sadabpin Kritsadanarakorn who retired. His duty was to bring confidence and provide advice with independence and fairness. This, the group's operations could be achieved in its objectives with value added and improvement. Good practices and well-organized direction were employed to evaluate effectiveness of the risk management process, control and supervision as planned in the annual audit plan approved by the Audit Committee. (Profile of the Director for the Internal Audit Department is described in the Attachment 3.)

In the year of 2015, the Internal Audit Department performed its duty to audit the internal control system in relation with all units' operational process and give advice on planning the system, risk management, corporate governance, and training on knowledge for keys of the internal control system and risk management process. Recommendations were consistently provided to help the Board of Directors and other committees to monitor the company's performance efficiently. The main operations and key financial activities of the company and its subsidiaries were, thus, ensured with efficiency as determined and achieved according to the policy and objectives set by the management. In addition, the company abided by the laws and other requirements related so that it could reach the excellence with the business ethics and internal control

standard. This maintained the internal control's independence and quality, allowing the Internal Audit Department to liberally audit and balance. The audit results and recommendations were regularly reported to the Audit Committee in time.

In the Audit Committee's Annual Meeting No. 1/2016 on February 25th, 2016, the Internal Audit Department considered the Internal Audit Committee's performance and viewed that its duty brought high benefits to improvement and effectiveness for the organizational management. The performance of the Internal Audit Department will gain approval by the Audit Committee at its first meeting in the following year through annual discussion with the management. The criteria are described below.

- Comparison between the audit results and the annual audit plan.
- Internal Audit Department's independence for presentation/recommendations for auditing.
- Internal Audit Department's human resources development

Detail of Internal Auditing Leader

Name : Mr. Nathapol Kasamsup
Position : Director of Internal Audit
Date/Month/Year of Appointment : December 2015

Educational Background

- Master of Business Administration majoring industrial management, Ramkhamhaeng University
- Bachelor of Accounting majoring in accounting, Bangkok University

Training Record

- Certified Professional Internal Audit of Thailand or CPIAT
- Certificate "Internal Audit Practice", Federation of Accounting Professions under Royal Patronage of His Majesty The King
- Certificate "Tools and Techniques for Internal Auditors" and certificate for internal auditors, The Institute of Internal Auditors of Thailand
- Certificate "Prospective Internal Audit : The Audit-Corruptions", Thai Institute of Directors
- Certificate "Read and Analyze Financial Statements, WASO Training Center

Working Experiences

2012 – Present	Internal Audit Director, MFEC Public Company Limited
2012 – 2013	Internal Audit Manager, Mahapan Fiber Cement Public Company Limited
2012	Internal Audit Manager, MFEC Public Company Limited
2006 – 2012	Internal Audit Manager, Bangkok Glass Public Company Limited
2005 – 2006	Internal Audit Officer, Kritsada Nakhon Public Company Limited

Member of Institute/Organization

- Member of The Institute of Internal Auditors of Thailand under Royal Patronage of His Majesty The King

Board of Directors' Responsibilities with Regards to Financial Reporting

The Board of Directors is responsible for MFEC Public Company Limited's financial statements, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, using appropriate and consistent accounting policy, and careful judgment and the best estimation. Important information is adequately and transparently disclosed in the financial statements notes to the Company shareholders and investors. The financial statements comply with the regulation of the Exchange Commission.

The Board of Directors has provided and maintained efficient internal controls to ensure that accounting records are accurate, honest and able to protect assets and uncover weakness in order to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed the Audit Committee, consisting of independent directors who are not the executives, with the responsibility to review the quality of the financial reports and internal controls. Comments on these issues have been included in the Audit Committee Report presented in this annual report.

The financial statements of the Company have been examined by an external auditor, Dharmniti Auditing Company Limited. In conducting their audits and to express an opinion in accordance with generally accepted auditing standards, the Company has supported all of the Company's record and related data. The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors believes that the Company's overall internal control system has performed satisfactorily and lent credibility and reliability to MFEC Public Company Limited's financial statements for the period ended 31st December 2015 which have been prepared according to generally accepted accounting principles and related regulations.



Mr. Adirake Patitus
Chairman
MFEC Public Company Limited



Mr. Siriwat Vongjarukorn
Vice Chairman/Chief Executive Officer
MFEC Public Company Limited

The Audit Committee's Report

Dear Shareholders of MFEC Public Company Limited.

The Audit Committee consists of three (3) Independent Directors who specialize in laws, finance and organizational management. The Audit Committee performed its duties and responsibility as designated by the Board of Directors and the Audit Committee's charter in accordance with the rules and regulations of the Stock Exchange of Thailand.

The Audit Committee held 5 meetings in 2015, reporting progress to the Board of Directors in every quarter. Information on the committee members and their attendance to the meetings are as follow:

Mr. Suchat Thammakitkul Committee President Attended 5/5 meetings

Mr. Anant Leetrakul Committee Member Attended 5/5 meetings

Mr. Apiruk Wanasathop Committee Member Attended 5/5 meetings

In the meetings, the Audit Committee sometimes discussed with Chief Executive Officer, auditor, internal auditor as appropriate. In addition, the Audit Committee had one meeting with the Risk Management Committee. In every meeting, the Audit Committee presented its opinions and advice independently as the followings.

Financial reports' accurateness, completeness and creditability

Quarterly and annual financial statements for 2015 were reviewed with the management and auditors for approval. The audited financial statements were assuringly prepared in accordance with the generally accepted accounting principles, accounting standards and major accounting policy changes. Reviews were conducted on cross transactions between shareholders and subsidiaries or associated companies for integrity. It is critical for all to have confidence that the cross transactions followed normal business conditions for the highest degree of corporate benefits without any advantages to others, abided by applicable laws and regulations required by the Stock Exchange of Thailand (SET). The Audit Committee also discussed with auditors to acknowledge auditing problems, while considering them and proposing its view on the audit plan and auditors' result before forwarding it to the Board of Directors.

The internal control and Internal audit

The Audit Committee has overseen the internal audit department to be performed in accordance with the professional standards of internal Auditing by evaluation of the risk management and internal control based on the Committee of Sponsoring Organizations of the Tread way Commission (COSO) Framework. The committee has verified and approved its annual audit plan, reviewed the reports and commented to the internal audit department and the executive in order to improve the performance.

The audit findings were reviewed and recommendations were given to follow up the corrective actions of the significant issue to the Board of Directors to quickly solve the problems.

Compliance with laws and relevant regulations

After considering and reviewing the compliance with the Securities and Exchange Act (Volume 4), B.E. 2551, regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and the Capital Market Supervisory Board, and other laws relevant to the company's businesses, the Audit Committee agreed that the company has abided by all relevant laws and regulations.

Review of the Related Transactions

The Audit Committee performed the review, verification, and comments on the declaration of the inter-related transactions among the Company, its subsidiaries, and associated companies which might potentially be any conflict of interests, prior the being submitted to the Company's Board of Directors for approval. The transactions in 2015 are mainly those of a commercial business as usual. The Company has complied with the policies and regulatory guideline given by the Stock Exchange of Thailand.

Selection and Appointment of the external auditors

The Audit Committee has reviewed the performance of Dharmniti Auditing Company Limited which was the external audit for the company and subsidiaries in 2014. The Committee

is satisfied with its performance in reporting the deficiency of the internal control and the practices to correct them as according to the accounting standards. The Audit Committee is prepared and present to the Board of Directors for approval of the shareholders' meeting to appoint Miss Wannisa Ngambuathong, Certified Public Accountant Registration# 6838, or Mister Thanawuth Piboonsawat, Certified Public Accountant Registration# 6699, or Miss Sulalit Ardsawang, Certified Public Accountant Registration# 7517. All came from Dharmniti Auditing Company Limited. The total fixed audit fees are 1,270,000 Baht.

Verification of the Good Corporate Governance Practice

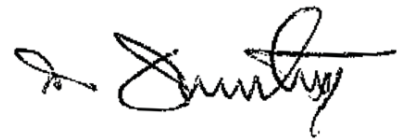
In reviewing corporate governance, the Board of Directors is well aware of it, developing its link with a framework of risk management process. Progress was consistently monitored on the good corporate governance and social responsibility. The executive team and Internal Audit Office, under the Audit Committee, are responsible for overseeing and supervising the corporate governance policy with its annualized appraisal. In addition, risk management is followed in internal units so that it could be in line with the company's strategic plan. In 2015, key performance indicators (KPI) were employed to assess risks, which were disclosed in this year's annual report under 'Corporate Governance.'

Self- assessment of the Audit Committee as per the Audit Committee Charter

The Audit Committee has conducted the self-assessment of its performance in 2014. In overall duty, verify the financial statement, supervision and oversight on internal control, compliance with laws and relevant regulations, selection and appointment of auditors, review of the related transactions and any conflict of interest and submitting the audit committee's reports to the Board of Directors, shown that it has performed the duties with efficiency and effectiveness and achieved its assigned goals.

The Audit Committee agreed that the company accurately prepared its financial statements in accordance with the generally accepted accounting principles. Its information disclosure was adequately made on cross transactions or transactions that may lead to conflicts

of interests. Its internal control and risk management were appropriate for business conditions. The company completely and accurately abided by applicable laws, SET regulations and other pertinent laws. Its consistent development was done to promote the good corporate governance with sustainability.



Mr. Suchat Thammakitakul

Audit Committee President

25 February 2015

Auditor of Report

To The Shareholders and Board of Directors of MFEC Public Company Limited

I have audited the accompanying consolidated financial statements of MFEC Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and the separate financial statements of MFEC Public Company Limited, which comprise the statement of financial position as at December 31, 2015, and the statement of comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In

making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the consolidated financial statements of MFEC Public Company Limited and its subsidiaries and the separate financial statement of MFEC Public Company Limited referred to above present fairly, in all material respects, the financial position as at December 31, 2015, and the financial performance and cash flows for the year then ended in accordance with the Financial Reporting Standards.



(Miss Wannisa Ngambuathong)
Certified Public Accountant
Registration No. 6838

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 25, 2016
2016/0140/0337

The Statements of Financial Position

MFEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(In Baht)

		Consolidated Financial Statement		Separate Financial Statement	
		As at December		As at December	
Assets	Note	31, 2015	31, 2014	31, 2015	31, 2014
CURRENT ASSETS					
Cash and cash equivalents	6	102,448,190	193,100,963	41,365,570	121,600,013
Short-term investments	7	257,556,211	50,686,690	172,950,073	-
Trade and other accounts receivable	8	1,028,611,558	1,234,980,983	887,980,020	1,080,156,699
Current portion of receivable under financial lease agreements	9	9,540,938	35,785,789	4,213,549	11,385,005
Amounts due from related parties	5	9,818,996	194,740	24,658,487	1,573,127
Unbilled receivables		373,400,289	581,252,442	276,592,491	510,548,334
Short-term loans to subsidiaries	5	-	-	4,000,000	6,500,000
Short-term loans to associated company	5	-	3,000,000	-	3,000,000
Loans to related parties	5	746,663	746,663	746,663	746,663
Costs of work in process	10	542,292,622	589,397,262	488,476,875	562,344,023
Other current assets					
Prepaid expense		15,121,156	6,785,137	13,635,487	5,326,271
Undue input vat		7,408,354	3,487,524	6,821,429	2,824,539
Other		17,320,475	25,468,807	2,581,723	4,076,538
Total current assets		2,364,265,452	2,724,887,000	1,924,022,367	2,310,081,212
NON-CURRENT ASSETS					
Pledged deposits at financial institutions	11	15,000,000	20,924,937	-	-
Long-term loans to subsidiaries	5	-	-	1,749,708	2,695,000
Investment in associated company	12	27,093,496	16,794,010	32,000,000	20,000,000
Investment in subsidiaries	13	-	-	840,626,607	856,626,607
Receivable under financial lease agreements	9	4,331,518	9,298,297	3,056,487	6,938,100
Property, plant and equipment	15	119,274,933	136,323,641	63,472,349	80,319,526
Goodwill	14	546,959,866	562,959,866	-	-
Intangible assets	16	30,723,455	42,337,237	10,230,959	17,244,187
Deferred tax assets	17	22,324,347	23,773,604	19,453,591	21,102,921
Other non-current assets		10,667,706	9,137,064	7,651,758	4,831,729
Total non-current assets		776,375,321	821,548,656	978,241,459	1,009,758,070
TOTAL ASSETS		3,140,640,773	3,546,435,656	2,902,263,826	3,319,839,282

Notes to financial statements form an integral part of these statement

The Statements of Financial Position (CONT.)

MFEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(In Baht)

		Consolidated Financial Statement		Separate Financial Statement	
		As at December		As at December	
Liabilities and shareholders, Equity	Note	31, 2015	31, 2014	31, 2015	31, 2014
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from					
Financial institutions	18	30,478,390	237,348,511	154,725	193,236,310
Trust receipts	18	4,923,212	162,945,790	-	160,989,375
Trade and other accounts payable	19	526,489,303	579,894,519	497,548,135	548,799,269
Amounts due to related parties	5	-	-	4,827,040	10,368,962
Accrued expenses		182,951,932	169,071,296	163,540,063	153,189,093
Current portion of liabilities under financial lease					
agreements	20	4,181,470	6,650,324	2,694,696	2,629,588
Corporate income tax payable		1,138,398	5,310,817	-	5,308,301
Deferred income		225,213,236	236,287,268	189,029,509	206,664,501
Unbilled payable		148,511,903	129,451,688	132,685,840	132,809,868
Other current liabilities		44,157,849	35,167,949	26,765,453	21,870,438
Total current liabilities		1,168,045,693	1,562,128,162	1,017,245,461	1,435,865,705
NON-CURRENT LIABILITIES					
Liabilities under financial lease agreements	20	4,309,058	7,216,414	2,121,047	4,815,742
Deferred tax liabilities	17	1,744,111	1,797,982	-	-
Employee benefit obligations	21	50,880,354	41,336,361	34,687,209	25,882,877
Total non-current liabilities		56,933,523	50,350,757	36,808,256	30,698,619
TOTAL LIABILITIES		1,224,979,216	1,612,478,919	1,054,053,717	1,466,564,324

Notes to financial statements form an integral part of these statement

The Statements of Financial Position (CONT.)

MFEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(In Baht)

Liabilities and shareholders, Equity (Cont.)	Note	Consolidated Financial Statement		Separate Financial Statement	
		As at December		As at December	
		31, 2015	31, 2014	31, 2015	31, 2014
SHAREHOLDERS' EQUITY					
Share capital	23				
Authorised share capital					
(2015 : 441,453,555 ordinary shares of Baht 1 each)					
(2014 : 441,500,555 ordinary shares of Baht 1 each)		441,453,555	441,500,555	441,453,555	441,500,555
Authorised share capital					
Issued and fully paid share capital					
441,453,555 ordinary shares of Baht 1 each	23	441,453,555	441,453,555	441,453,555	441,453,555
Premium on ordinary shares		986,741,840	986,741,840	986,741,840	986,741,840
Retained earnings					
Appropriated - statutory reserve	24	44,150,055	44,150,055	44,150,055	44,150,055
Unappropriated		422,995,813	446,100,222	375,769,815	380,929,508
Other components of equity					
Unrealized gain from investments		361,440	244,210	94,844	-
Total shareholder's equity of the parent company		1,895,702,703	1,918,689,882	1,848,210,109	1,853,274,958
Non-controlling interests		19,958,854	15,266,855	-	-
TOTAL SHAREHOLDERS' EQUITY		1,915,661,557	1,933,956,737	1,848,210,109	1,853,274,958
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,140,640,773	3,546,435,656	2,902,263,826	3,319,839,282

The Statements of Comprehensive Income

MFEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(In Baht)

	Note	Consolidated Financial Statement		Separate Financial Statement	
		As at December		As at December	
		31, 2015	31, 2014	31, 2015	31, 2014
REVENUES	5				
Sales and services income		3,333,663,366	5,132,254,613	2,839,803,076	4,547,409,968
Dividend income		-	-	62,269,298	56,419,224
Other income		48,666,362	43,668,551	45,933,252	39,950,595
Total revenues		3,382,329,728	5,175,923,164	2,948,005,626	4,643,779,787
EXPENSES	5				
Cost of sales and services		2,539,589,000	4,170,807,323	2,225,878,627	3,781,882,323
Selling expenses		124,158,463	141,826,870	104,313,440	116,077,552
Administrative expenses		371,035,543	436,288,924	302,339,523	370,302,743
Management benefit expenses		85,899,068	80,593,239	52,848,959	51,270,749
Finance costs		5,577,079	10,149,498	3,379,940	7,207,978
Total expenses		3,126,259,153	4,839,665,854	2,688,760,489	4,326,741,345
Share of profit (loss) from investments in an associated company		(1,700,514)	(1,891,582)	-	-
Income before income tax (expense)		254,370,061	334,365,728	259,245,137	317,038,442
Income tax expense	27	52,144,777	59,781,514	43,678,102	53,669,867
Profit for the year		202,225,284	274,584,214	215,567,035	263,368,575
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial gains from post-employee benefit, net of income tax	21	1,089,094	14,195,790	-	9,321,092
		1,089,094	14,195,790	-	9,321,092
Items that may be reclassified subsequently to profit or loss					
Unrealized gain (loss) from investments, net of income tax		117,230	225,157	94,844	-
		117,230	225,157	94,844	-
Total other comprehensive income, net of income tax		1,206,324	14,420,947	94,844	9,321,092
Total comprehensive income for the year		203,431,608	289,005,161	215,661,879	272,689,667

Notes to financial statements form an integral part of these statement

The Statements of Comprehensive Income (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2015

MFEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(In Baht)

		Consolidated Financial Statement		Separate Financial Statement	
		As at December		As at December	
	Note	31, 2015	31, 2014	31, 2015	31, 2014
Profit attributable to					
Shareholders' equity of the parent company		196,533,225	270,427,033	215,567,035	263,368,575
Non-controlling interests		5,692,059	4,157,181	-	-
Total comprehensive income attributable to					
Shareholders' equity of the parent company		197,739,549	284,551,328	215,661,879	272,689,667
Non-controlling interests		5,692,059	4,453,833	-	-
Basic earnings per share of the parent company					
Profit for the year (Baht per share)	29	0.45	0.61	0.49	0.60

The Statements of Changes in Shareholders' Equity

MFEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2015

Consolidated Financial Statement								(In Baht)	
	Note	Shareholders' equity of the parent company					Non-controlling interests		
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity			
				Appropriated - statutory reserve	Unappropriated			Unrealized gain (loss) from investments	
Balance as at January 1, 2014		440,402,555	983,793,785	44,150,055	360,405,978	41,227	1,828,793,600	10,813,021	1,839,606,621
Profit for the year		-	-	-	270,427,033	-	270,427,033	4,157,181	274,584,214
Other comprehensive income		-	-	-	13,921,311	202,983	14,124,294	296,653	14,420,947
Dividend paid	26	-	-	-	(198,654,100)	-	(198,654,100)	-	(198,654,100)
Increase in share capital from warrant conversion	25	1,051,000	-	-	-	-	1,051,000	-	1,051,000
Premium on ordinary shares	25	-	2,948,055	-	-	-	2,948,055	-	2,948,055
Balance as at December 31, 2014		441,453,555	986,741,840	44,150,055	446,100,222	244,210	1,918,689,882	15,266,855	1,933,956,737
Profit for the period		-	-	-	196,533,225	-	196,533,225	5,692,059	202,225,284
Other comprehensive income		-	-	-	1,089,094	117,230	1,206,324	-	1,206,324
Dividend year	26	-	-	-	(220,726,728)	-	(220,726,728)	(1,000,060)	(221,726,788)
Balance as at December 31, 2015		441,453,555	986,741,840	44,150,055	422,995,813	361,440	1,895,702,703	19,958,854	1,915,661,557

Notes to financial statements form an integral part of these statement

The Statements of Changes in Shareholders' Equity (CONT.)

MFECC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2015

Separate Financial Statement							(In Baht)
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity	Total
				Appropriated statutory reserve	Unappropriated	Unrealized gain (loss) from investments	
Balance as at January 1, 2014		440,402,555	983,793,785	44,150,055	306,893,941	-	1,775,240,336
Profit for the year		-	-	-	263,368,575	-	263,368,575
Other comprehensive income		-	-	-	9,321,092	-	9,321,092
Dividend paid	26	-	-	-	(198,654,100)	-	(198,654,100)
Increase in share capital from warrant conversion	25	1,051,000	-	-	-	-	1,051,000
Premium on ordinary shares	25	-	2,948,055	-	-	-	2,948,055
Balance as at December 31, 2014		441,453,555	986,741,840	44,150,055	380,929,508	-	1,853,274,958
Profit for the year		-	-	-	215,567,035	-	215,567,035
Other comprehensive income		-	-	-	-	94,844	94,844
Dividend paid	26	-	-	-	(220,726,728)	-	(220,726,728)
Balance as at December 31, 2015		441,453,555	986,741,840	44,150,055	375,769,815	94,844	1,848,210,109

Notes to financial statements form an integral part of these statement

The Statements of Cash Flows

MFEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2015

(In Baht)

	Consolidated Financial Statement		Separate Financial Statement	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit for the year	202,225,284	274,584,214	215,567,035	263,368,575
Adjustments to reconcile profit for the period to net cash provided by (paid for) operating activities:				
Depreciation and amortization	62,707,255	64,492,803	45,967,017	50,111,029
Loss on sales and written off of equipment and intangible assets				
Unrealized (gain) on exchange rate	1,042,333	3,188,275	1,103,988	3,847,977
Unrealized loss from valuation of short-term investments	(2,443,786)	(1,067,009)	(2,529,564)	(1,029,025)
(Gain) on sales of short-term investment	-	26,616	-	-
Bad debt and allowance for doubtful accounts (reversal)	(1,372,942)	(1,295,753)	(926,971)	(427,859)
Allowance for obsoleted inventories (reversal)	7,490	(626,344)	(32,100)	(626,344)
Allowance from impairment of investment and goodwill	(7,850)	(8,360)	-	-
in subsidiaries	16,000,000	4,029,367	17,445,292	21,550,000
Loss from written off for other asset	902,772	73,454	-	-
Provision for delayed penalty	4,930,000	-	-	-
Reserve for potential loss of service income	1,254,600	3,942,315	1,254,600	3,774,315
(Gain) from written off for trade accounts payable	(269,655)	(1,019,215)	-	(936,306)
Share of loss from investments in an associated company	1,700,514	1,891,582	-	-
Dividend income	-	-	(62,269,298)	(56,419,224)
Interest income	(2,589,654)	(2,506,177)	(1,978,466)	(2,432,317)
Employee benefit obligation expenses	11,897,610	10,141,606	8,804,332	7,296,148
Interest expenses	4,326,045	9,065,153	2,376,668	6,394,494
Tax expense (income)	52,144,777	59,781,514	43,678,103	53,669,867
Income from operating activities before changes in operating assets and liabilities	352,454,793	424,694,041	268,460,636	348,141,330

The Statements of Cash Flows (CONT.)

MFEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2015

(In Baht)

	Consolidated Financial Statement		Separate Financial Statement	
	2015	2014	2015	2014
Decrease (increase) in operating assets				
Trade and other accounts receivable	203,600,529	(365,642,122)	192,214,560	(369,697,631)
Receivable under financial lease agreements	31,211,630	47,012,576	11,053,069	21,034,975
Amounts due from related parties	(9,624,256)	26,132,931	(23,165,292)	4,756,787
Unbilled receivables	207,852,153	(195,810,572)	233,955,843	(209,695,645)
Costs of work in process	44,420,647	(33,111,696)	71,175,305	(32,747,617)
Other current assets	886,501	7,262,182	(3,595,865)	11,333,087
Other non-current assets	(1,983,908)	683,586	(2,820,029)	282,877
Increase (decrease) in operating liabilities				
Trade and other accounts payable	(52,309,126)	82,285,159	(50,181,269)	113,757,323
Amounts due to related parties	-	(227,525)	(5,541,922)	(9,284,639)
Accrued expenses	14,040,796	53,078,549	10,629,416	52,253,301
Deferred income	(11,138,699)	13,713,689	(17,634,992)	20,239,703
Unbilled payable	18,066,713	(21,670,663)	(1,378,628)	(16,373,640)
Other current liabilities	4,039,938	6,322,351	4,895,015	8,776,306
Employee benefit obligations paid	(992,250)	(3,226,795)	-	(2,399,920)
Cash received (paid) from operating	800,525,461	41,495,691	688,065,847	(59,623,403)
Withholding tax received	6,946,441	7,875,478	-	3,113,677
Cash paid for corporate income tax	(63,359,541)	(55,146,155)	(53,122,293)	(43,237,596)
Net cash from (used in) operating activities	744,112,361	(5,774,986)	634,943,554	(99,747,322)
Cash flows from investing activities				
Decrease in pledged deposits at financial institutions	679,343	5,598,078	-	-
Cash paid for purchase short-term investments	(1,250,610,684)	(484,559,086)	(1,085,000,000)	(355,000,000)
Cash received from sale short-term investments	1,050,481,114	576,291,991	913,095,453	455,681,807
Cash paid for increase of capital in associated company	(12,000,000)	-	(12,000,000)	-
Cash received from short-term loans to subsidiaries	-	-	2,500,000	3,000,000
Cash paid from short-term loans to subsidiaries	-	-	(500,000)	(2,000,000)

The Statements of Cash Flows (CONT.)

MFEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2015

(In Baht)

	Consolidated Financial Statement		Separate Financial Statement	
	2015	2014	2015	2014
Cash paid for short-term loans to associated company	(2,000,000)	(3,000,000)	(2,000,000)	(3,000,000)
Cash received from short-term loans to associated company	5,000,000	-	5,000,000	-
Cash received from loans to related parties	-	2,480,000	-	2,480,000
Cash received from sales of equipment	4,023,205	1,156,660	1,873,749	474,303
Cash paid for purchase of property, plant and equipment	(31,453,876)	(36,130,717)	(20,759,198)	(26,863,995)
Cash paid for purchase of intangible assets	(3,588,485)	(2,185,278)	(1,633,308)	(1,434,991)
Cash received from dividend	-	-	62,269,298	56,419,224
Cash received from interest income	2,616,621	2,524,760	2,058,398	2,108,208
Net cash from (used in) investing activities	(236,852,762)	62,176,408	(135,095,608)	131,864,556
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(206,870,121)	173,171,778	(193,081,585)	192,187,625
(Decrease) in trust receipts	(158,076,948)	7,311,877	(160,989,375)	7,386,778
Dividend paid	(221,726,788)	(198,654,892)	(220,726,728)	(198,654,100)
Cash received from converting warrants	-	3,999,055	-	3,999,055
Financial lease agreements paid	(6,752,310)	(30,208,310)	(2,629,587)	(1,518,459)
Interest paid	(4,486,205)	(8,948,076)	(2,655,114)	(6,179,444)
Net cash from (used in) financing activities	(597,912,372)	(53,328,568)	(580,082,389)	(2,778,545)
Net increase (decrease) in cash and cash equivalents - net	(90,652,773)	3,072,854	(80,234,443)	29,338,689
Cash and cash equivalents - beginning of year	193,100,963	190,028,109	121,600,013	92,261,324
Cash and cash equivalents - ending of year	102,448,190	193,100,963	41,365,570	121,600,013

The Statements of Cash Flows (CONT.)

MFEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2015

(In Baht)

	Consolidated Financial Statement		Separate Financial Statement	
	2015	2014	2015	2014
Supplementary disclosures of cash flows information:				
1) Cash and cash equivalents consisted of :				
Cash on hand	249,000	731,869	45,000	45,000
Cash at banks	102,199,190	192,369,094	41,320,570	121,555,013
	102,448,190	193,100,963	41,365,570	121,600,013

- 2) The 2015 and 2014, the Company transferred costs of work in process-net amount of Baht 2.69 million and Baht 2 million to be property, plant and equipment, respectively.
- 3) The 2015, the subsidiary purchase motor vehicles by hire purchase agreements of Baht 1.38 million.

Notes to Financial Statements

MFEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
DECEMBER 31, 2015

1. GENERAL INFORMATION

(a) Legal status and address

MFEC Public Company Limited is a public company incorporated and domiciled in Thailand.

The address of its registered office is as follows :

699 Modernform Tower, Srinakarind Road, Suan Luang, Bangkok.

(b) Nature of the Company's business

Its principal activities are sales of computer, computer system, system implementation, maintenance service program development and provision of related services.

2. PRINCIPLES OF PREPARATION AND PRESENTATIONS OF FINANCIAL STATEMENTS

2.1 The accompanying consolidated financial statements include the accounts of MFEC Public Company Limited and the following subsidiaries which are owned directly and indirectly by the Company.

Company's name	As at December 31, 2015		As at December 31, 2014		Principal activities
	Percentage of shareholding (%)	Paid-up capital (Million Baht)	Percentage of shareholding (%)	Paid-up capital (Million Baht)	
Subsidiaries held by the Company					
Promptnow Company Limited	60.00	15.00	60.00	15.00	Creates entertainment media for electronics devices
Advance Intelligence Modernity Company Limited	60.00	10.00	60.00	10.00	Development and sale of computer software, particularly entertainment media
Modernform Integration Services Company Limited (***)	99.99	64.10	99.99	64.10	Sale of computer and provision of related services
(***) Subsidiaries held by Modernform Integration Services Company Limited					
M.I.S. Outsourcing Company Limited	80.00	5.00	80.00	5.00	Personnel recruitment and IT system maintenance

Company's name	As at December 31, 2015		As at December 31, 2014		Principal activities
	Percentage of shareholding (%)	Paid-up capital (Million Baht)	Percentage of shareholding (%)	Paid-up capital (Million Baht)	
Business Applications Company Limited	99.99	10.00	99.99	10.00	Selling and developing computer programs, including the relevant services.
Motif Technology Public Company Limited	99.99	80.00	99.99	80.00	Being a consultant for designing the network systems and developing computer programs.
Hongson Software Company Limited	99.99	5.00	99.99	5.00	Providing the consulting services, designing the working systems and developing computer programs.
Soft Professional Company Limited	99.99	5.00	99.99	5.00	Principally engaged in the software business and received the investment promotion.
Soft Plus Technology Company Limited	99.99	5.00	99.99	5.00	Providing the consulting services, designing the working systems and computer programming.
K Soft Consulting Company Limited	99.99	5.00	99.99	5.00	Providing the consulting services, designing the working systems, computer programming, model development and website designing services.
Sammok Software Company Limited	99.99	3.00	99.99	3.00	Principally engaged in the software business and received the investment promotion.
Soft Square 1999 Company Limited (***)	99.99	30.00	99.99	30.00	Providing the consulting services, designing the working systems, computer programming and selling the computer equipment.

(*) Subsidiaries held by Soft Square 1999 Company Limited**

Khonkaen Softtech Company Limited	99.99	5.00	99.99	5.00	Providing the consulting services, designing the working systems, computer programming and data processing services by computer.
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2.2 The percentage of total assets and total revenues of the subsidiaries included in the consolidated financial statements are as follows:

	Percentage of total assets included in consolidated the statements of financial position as at		Percentage of total revenues included in consolidated the statements of comprehensive income for the year ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Subsidiaries				
Promptnow Company Limited	2.66	1.51	1.96	0.92
Advance Intelligence Modernity Company Limited	0.07	0.05	0.02	0.04
Modernform Integration Services Company Limited	1.71	2.54	0.99	3.19
Business Applications Company Limited	2.52	2.43	4.05	2.54
Motif Technology Public Company Limited	4.55	3.69	2.87	2.06
Hongson Software Company Limited	0.14	0.19	-	0.02
Soft Professional Company Limited	0.72	0.53	0.59	0.25
Soft Plus Technology Company Limited	0.15	0.25	-	-
K Soft Consulting Company Limited	0.21	0.26	-	0.06
Sammok Software Company Limited	0.19	0.10	0.03	0.02
Soft Square 1999 Company Limited	2.61	2.18	2.25	1.19
Subsidiaries held by Modernform Integration Services Company Limited				
M.I.S. Outsourcing Company Limited	1.47	0.99	2.19	1.10
Subsidiaries held by Soft Square 1999 Company Limited				
Khonkaen Softtech Company Limited	0.49	0.11	0.38	0.15

2.3 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.

2.4 The consolidated financial statements are prepared by using uniform accounting policies. So that the transaction and the others event which are the same or the similar circumstances have been used the identical policies to record those transaction.

2.5 Outstanding balances between the Company and the subsidiaries, significant intercompany transactions, investment balance in the Company's books and share capital of the subsidiaries are eliminated from the consolidated financial statements.

2.6 Investments in subsidiaries (at cost) and fair value of the subsidiaries at the date of acquisition have been offset and the difference there of has been shown as asset under the heading of "Goodwill" and to consider impairment loss.

2.7 Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control.

2.8 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

3. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENT

3.1 Basis for preparation of the financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

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

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 such financial statements in Thai language.

3.2 The new and revised accounting standards are not yet effective in the current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the new and revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards.

These new and revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2015 are as follows:

TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events After the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates And Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings Per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment Property

TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
TSIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases - Incentives
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2014)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14 (revised 2014)	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20 (revised 2014)	Stripping Costs in the Production Phase of a Surface Mine

The management of the Company and its subsidiaries have assessed the effects of the above accounting standards and believes that they do not have any significant impact on the financial statements for the current year.

4. SIGNIFICANT ACCOUNTING POLICES

4.1 Revenue and expense recognition

Revenues from sales

Revenues from sales are recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer. Revenues from sales are presented by the value of goods which are delivered after deducting trade discounts in accordance with prices shown on the invoice exclusive of VAT.

Revenues from service

Revenues from service for the system implementation and contract develop system are recognized when the service has been rendered on the basis of percentage of completion. The revenue from unbilled service which has already been rendered is presented under the caption of "Unbilled receivable" in the statement of financial position. The revenue received before it is earned or before service is rendered is presented as "Deferred income" in the statement of financial position.

The revenue from providing equipment maintenance service is recognized by the period of service in the service agreement using the straight line method.

Revenue of service contract other is recognized when the service.

Cost of service

Cost of service is recognized when the service has been rendered in accordance with the percentage of work completed based on the total estimated costs. The difference between the estimated costs and the actual costs are recognized as "cost of woks in process" and "unbilled payable" in the statement of financial position.

A loss provision for the project is provided in full when it is certain that the project will incur loss.

Interest income

Interest income is recognized as income on the accrual basis based on the effective rate method.

Dividends

Dividends are recognized as income when having the rights to receive the dividends.

Other income and other expenses

Other income and other expenses are recognized on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at bank, and highly liquid short-term investment with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable and allowance for doubtful

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

4.4 Costs of works in process

Costs of works in process is valued at the lower of cost or net realizable value, the cost by specific method. Cost consists of cost of goods, materials, cost of labor, cost of subcontract work and other related expenses.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the goods, such as import duties, transportation charges and other direct costs incurred in acquiring the goods less all trade discounts, allowances or rebates.

The net realizable value of costs of works in process is estimated from the selling price in the ordinary course of business less the estimated costs to complete production and the estimated costs to complete the delivery.

Finished goods

Finished goods are valued at the lower of cost (specifically and average method) or net realizable value. Allowance for obsolete inventories is made for slow-moving and obsolete stocks.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete the sale.

4.5 Investment in associates

Associates are all entities over which the Company has significant influence but not control generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates are stated at cost net from allowance on decline in value (if any).

4.6 Investment in subsidiaries

Subsidiaries are entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

Investments in subsidiaries are stated at cost net from allowance on impairment (if any) in the separate financial statements. The Company recognizes gain or loss on sale in the statement of income in the period which sale of investment occurred. In the case of impairment on investment, the Company will recognize loss from impairment of investment as expense in the statement of comprehensive income. The Company recognizes dividends receive when the subsidiaries announce paid dividends.

4.7 Goodwill

Goodwill represents the excess of the cost of investment over the fair value of investment, which the Company shares in the net identifiable assets of the subsidiary or associate at the date of acquisition. Goodwill on acquisition of a subsidiary is presented as a separate line in the consolidated financial statement. Goodwill on acquisition of an associate is included in investments in associates and is tested for impairment as part of the overall balance.

The goodwill recognized is tested annually for impairment and carried at cost less accumulated impairment losses. The impairment of goodwill is determined by calculating the realizable value based on the value-in-use calculation or fair value less costs to sell. Such calculation requires the use of estimates made by management. The allowance for impairment loss on goodwill is not reversed.

As for the cost of acquiring an investment that is lower than the fair value of the share of net assets of the subsidiary, the difference is negative goodwill and will be recognized immediately in the statement of comprehensive income.

4.8 Investments in debt securities and marketable equity securities

1. Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded as gains or losses in the statements of comprehensive income.

2. Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as a separate item in shareholder's equity, and will be recorded as gains or losses in the statement of comprehensive income when the securities are sold.

3. Investments in debt securities held to maturity are recorded at amortized cost by the effective rate method with the amortized amount presented as an adjustment to the interest income.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

4.9 General investments

Investments in non-marketable equity securities are general investments, which are stated at cost net from allowance on impairment (if any).

The Company records the loss on impairment (if any) of these investments in the statement of comprehensive income.

On disposal of an investment, the difference between the net proceeds and the book value of the investment is recognized as income or expense in the statement of comprehensive income. If partial investments are sold, the book value of the investment is determined by the weighted average method.

4.10 Property, plant and equipment and depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance on impairment (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company.

Depreciation of plant and equipment is calculated by cost less residual value on the straight-line basis over the following estimated useful lives:

Building	50	years
Leasehold improvements	5	years
Office furniture	5	years
Tools and office equipment	5	years
Equipment and software project	5	years
Motor vehicles	5	years

The Company has reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

4.11 Intangible assets

Intangible assets that are acquired by the Company with finite useful lives are stated at cost less accumulated amortization and allowance on impairment (if any).

The cost of an internally generated intangible asset comprises all directly attributable cost necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

Intangible assets are amortized in the statement of comprehensive income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

Computer software	5	years
Deferred System software of the project	5	years
Cost of research and development	3-5	years
Software games download	3-6	years

The useful lives are reviewed by the Company every year.

The amortization is included in the determination of income.

Research expenditure is recognized as expense when incurred. Intangible assets involved in new product and service design and development are recognized as assets when it is probable about the success of the project as well as feasible in terms of commerce and technology. Other development expenditure is recognized as expense when incurred.

4.12 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

4.13 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

4.14 Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Leases payments under an operating lease are recognized as an expense on a systematic basis over the lease term.

4.15 Financial leases

The Company and its subsidiaries record assets under finance leases as assets and liabilities at the amounts equal to the fair value of the leased assets at the inception of the lease or the present value of the minimum lease payments, whichever is lower. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease agreements. The interest charge is recorded to the different periods over the entire lease term based on the remaining balance of payable under financial lease agreement in each period.

4.16 Foreign currencies

Transactions in foreign currencies are translated into Baht at the rates ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currency outstanding at the statement of financial position date are translated into Baht at the rates ruling on the statement of financial date.

Exchange gains and losses are included in determining earnings.

4.17 Impairment of assets

As at the statement of financial position date, the Company assesses whether there is an indication of asset impairment. If any such indication exists, the Company will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell. In determining fair value costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transactions between knowledgeable, willing parties, after deducting the costs of disposal.

4.18 Employee benefits

Short-term employment benefits

The Company recognizes salary, wage, bonus and contributions to social security fund and provident fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

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

Post-employment benefits (Defined benefit plans)

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

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in other comprehensive income.

4.19 Income tax

Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Company and two subsidiaries records income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates (year 2015, year 2014 : 20%) of net profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax. And less certain transactions which are exemption or allowable from income tax and the Company and two subsidiaries is exempted from corporate income tax on net profit of investment.

The five subsidiaries records income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates (year 2015, year 2014 : 20%) of net profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

The six subsidiaries records income tax expense, if any, based on the amount currently payable under the Revenue Code. Income tax is calculated at the tax rates from net profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax. And less certain transactions which are exemption or allowable from income tax and the subsidiaries is exempted from corporate income tax on net profit of investment. Income tax is calculated at the rates as follows

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it

Net profit before income tax (Baht)	Tax rate	
	2015	2014
1 - 300,000	0%	0%
300,001 - 1,000,000	15%	15%
1,000,001 - 3,000,000	15%	20%
More than 3,000,000	20%	20%

relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

Thus, the Company offsets deferred tax assets and deferred tax liabilities for presentation in the statement of financial position, rather than presenting them separately.

4.20 Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling on the balance sheet. Gains and losses from the translation are included in determining the statement of comprehensive income. Premiums or discounts on forward exchange contracts are amortized on a straight-line basis over the term of the agreement.

4.21 Provision

A liability provision is recognized when there is a present obligation which arises as a result of a past event and 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.

4.22 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions in certain circumstances, affecting the amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

4.23 Earnings per share

Basic earnings per share is calculated by dividing profit for the year by the weighted average number of ordinary shares which are issued during the year and held by outside party.

Diluted earnings per share is computed by dividing profit for the year by the aggregate amount of weighted average number of ordinary shares which are issued during the year and the weighted average number of ordinary shares which the Company may have to issue for conversion of warrants to ordinary shares.

4.24 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 amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

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.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement in evaluating the conditions and details of the agreement whether significant risk and rewards of ownership of the leased asset has been transferred.

Property, plant and equipment / Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review the estimated useful lives and residual values when there are any changes. In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets

In recording the initial recognition and measurement of intangible assets as at the acquired date and subsequent impairment testing, This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill

In recording the initial recognition and measurement of goodwill as at the acquired date and subsequent impairment testing, the management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows and fair value less costs to sell

Deferred tax assets

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

future taxable profits.

Post-employment benefits under defined benefit plans

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

Litigation

The Company has contingent liabilities as a result of litigation. The management has displayed judgement to assess the results of the litigation and believed that no loss will result. Therefore, no contingent liabilities are recorded as at the end of the reporting period.

Estimated fines from delay delivery

The Company has the provisions that arise from claiming for damages of the delay delivery computer software system development. The management uses judgment to estimate the fines according to contract and takes into account the duration of the delay occurred. It ensures that there will be damage occurs on the estimated fines from delay delivery until recorded on such provisions as at the date in financial statements. However, the actual results may differ from the estimates provided.

5. RELATED PARTY TRANSACTIONS

During the year, the Company had significant business transactions with its subsidiaries (which have already been eliminated in the preparation of interim consolidated financial statements) and related companies (related by ways of common shareholders and/or common directors). These transactions follow the trade terms and rules agreed between the Company and those companies in the normal course of business.

Detail of relation between the Company and its related parties and companies are summarized as follow:

Company's name	Country of incorporation	Type of relation
Promptnow Company Limited	Thailand	Subsidiary
Advance Intelligence Modernity Company Limited	Thailand	Subsidiary
Modernform Integration Services Company Limited	Thailand	Subsidiary
M.I.S. Outsourcing Company Limited	Thailand	Subsidiary held by Modernform Integraion Service Company Limited
Motif Technology Public Company Limited	Thailand	Subsidiary
Business Applications Company Limited	Thailand	Subsidiary
Soft Square 1999 Company Limited	Thailand	Subsidiary
Khonkaen Softtech Company Limited	Thailand	Subsidiary held by Soft Square 1999 Company Limited
Soft Plus Technology Company Limited	Thailand	Subsidiary
Soft Professional Company Limited	Thailand	Subsidiary
Sammok Software Company Limited	Thailand	Subsidiary
K Soft Consulting Company Limited	Thailand	Subsidiary
Hongson Software Company Limited	Thailand	Subsidiary
Modernform Group Public Company Limited	Thailand	* Related parties joint directors ending June 30, 2014
Modernform Tower Company Limited	Thailand	* Related parties joint directors ending June 30, 2014
TIS Inc.	Japan	Shareholder and directors
Angstrom Solutions Company Limited	Thailand	An associate company with 40% shareholding by the Company

*On May 14, 2014, it has been restructuring its major shareholder, Modernform Group Public Company Limited which is the related company of MFEC Public Company Limited. Such company has sold 61,983,675 shares, 14.04% of paid-up capital of the Company, to TIS Inc. (Japan) from Japan and the Company has appointed the representative of TIS Inc. as Board of Directors instead of the former person who was the representative of Modernform Group Public Company Limited. As a result, as at June 30, 2014 Modernfrom Group Public Company Limited is not a related Company to the Company.

Significant transaction with related companies for the year ended December 31, 2015 and 2014, as follows:

Million Baht					
	Consolidated		Separate Financial		Pricing policy
	Financial Statement		Statement		
	For the years ended		For the years ended		
	December 31,		December 31,		
	2015	2014	2015	2014	
Transactions with subsidiaries:					
Sales of goods and services	-	-	17.63	7.08	Close to market price
Purchases of goods and services	-	-	9.33	19.65	Close to market price
Purchases of office equipment	-	-	0.54	-	Close to market price
Guarantee fee income	-	-	0.03	0.03	1 percent per annum
Interest income	-	-	0.94	1.05	2015 : MLR-1.50% per annum (5.00 - 5.25 percent per annum) 2014 : MLR-1.50% per annum (5.25 - 5.375 percent per annum)
Dividend	-	-	62.27	56.42	As announced
Transactions with associates					
Sales of goods and services	7.00	-	7.00	-	Close to market price
Interest income	0.14	-	0.14	-	MLR-1.50% per annum (2015 : 5.00 - 5.125 percent per annum) (2014 : 5.25 percent per annum)
Transactions with related companies:					
Sales of goods and services	10.44	11.32	9.77	0.03	Close to market price
Purchases of office equipment	-	0.09	-	0.09	Close to market price
Rental and related service expenses	-	6.87	-	3.24	Market price adjusted with agreed upon discount

The significant outstanding balances with related parties as at December 31, 2015 and 2014 as follows:

	Consolidated Financial Statement		Separate Financial Statement	
	As at December 31,		As at December 31,	
	2015	2014	2015	2014
Amounts due from related parties				
Subsidiaries:				
Promptnow Company Limited	-	-	76,224	103,858
Advance Intelligence Modernity Company Limited	-	-	432,687	442,186
Motif Technology Public Company Limited	-	-	14,798,063	756,373
Business Applications Company Limited	-	-	-	260,010
Modernform Integration Services Company Limited	-	-	97,132	-
M.I.S Outsourcing Company Limited	-	-	-	10,700
Associates Company:				
Angstrom Solutions Company Limited	7,490,000	-	7,490,000	-
Related Companies:				
Soft Square International Company Limited	-	194,740	-	-
TIS Inc.	2,328,996	-	1,764,381	-
	9,818,996	194,740	24,658,487	1,573,127
Short-term loans to subsidiaries				
Advance Intelligence Modernity Company Limited	-	-	9,895,000	9,395,000
Promptnow Company Limited	-	-	4,000,000	6,500,000
	-	-	13,895,000	15,895,000
Less: Reserve for loss of investment in subsidiaries	-	-	-	-
(Note 13)	-	-	(9,895,000)	(9,395,000)
	-	-	4,000,000	6,500,000
Short-term loans to associated company				
Angstrom Solutions Company Limited	-	3,000,000	-	3,000,000
Loans to related parties				
Loans to related persons	6,150,000	6,150,000	6,150,000	6,150,000
Less : Allowance for doubtful debts	(5,403,337)	(5,403,337)	(5,403,337)	(5,403,337)
NET	746,663	746,663	746,663	746,663

In Baht

	Consolidated Financial Statement		Separate Financial Statement	
	As at December 31,		As at December 31,	
	2015	2014	2015	2014
Long-term loans to subsidiaries				
Advance Intelligence Modernity Company Limited	-	-	3,300,000	3,300,000
Less : Reserve for loss of investment in subsidiaries (Note 13)	-	-	(1,550,292)	(605,000)
	-	-	1,749,708	2,695,000
Amounts due to related parties				
Subsidiaries:				
Promptnow Company Limited	-	-	1,466,645	1,466,645
Advance Intelligence Modernity Company Limited	-	-	-	3,745,000
Motif Technology Public Company Limited	-	-	2,147,978	4,162,217
Modernform Integration Services Company Limited	-	-	8,667	-
Business Applications Company Limited	-	-	1,203,750	-
Khonkaen Softtech Company Limited	-	-	-	995,100
	-	-	4,827,040	10,368,962

In Baht

In Baht

As at December 31, 2015

Loans to related parties have no interest.

Guarantee obligations with related parties

As at December 31, 2015, the Company had outstanding obligations in respect of guarantees on the Advance Intelligence Modernity Limited (Subsidiaries) for credit line book overdraft amount Baht 3 million.

Management benefit expenses

Management benefit expenses represents the benefits paid to the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act.

Management benefit expenses for the year ended December 31, 2015 and 2014, are as follows:

	In Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	For the years ended December 31,		For the years ended December 31,	
	2015	2014	2015	2014
Management				
Management benefit expenses				
Short-term employee benefits	83,455,368	78,128,833	51,241,455	49,662,301
Post-employment benefits	2,443,700	2,464,406	1,607,504	1,608,448
Total	85,899,068	80,593,239	52,848,959	51,270,749

6. CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	As at December 31,		As at December 31,	
	2015	2014	2015	2014
Cash on hand	249,000	731,869	45,000	45,000
Cash at bank - current accounts	2,684,928	830,066	394,154	123,491
Cash at bank - savings accounts	98,433,419	191,110,247	40,926,416	121,431,522
Cash at bank - fixed deposit - 3 months	1,080,843	428,781	-	-
Total	102,448,190	193,100,963	41,365,570	121,600,013

Savings accounts carry interest at the floating rates which are set by the bank.

7. SHORT-TERM INVESTMENTS

In Baht

	Consolidated		Separate Financial	
	Financial Statement		Statement	
	As at December 31,		As at December 31,	
	2015	2014	2015	2014
Fixed deposit	5,885,180	8,628,902	-	-
Unit trusts	251,229,614	41,764,402	172,831,518	-
Add : Unrealized gain from valuation of investment	441,417	293,386	118,555	-
Total unit trusts	251,671,031	42,057,788	172,950,073	-
Net short-term investments	257,556,211	50,686,690	172,950,073	-

8. TRADE AND OTHER ACCOUNTS RECEIVABLE

The aging of outstanding trade accounts receivable balance as at December 31, 2015 and 2014 based on due date, are as follows:

In Baht

	Consolidated		Separate Financial	
	Financial Statement		Statement	
	As at December 31,		As at December 31,	
	2015	2014	2015	2014
Not yet due	657,571,661	877,583,366	595,995,530	814,239,038
Over due				
Less than 3 months	253,153,233	178,786,757	226,082,531	144,276,618
3 - 6 months	12,743,710	84,491,517	3,374,245	44,657,458
6 - 12 months	25,080,388	21,466,044	22,324,688	14,364,533
More than 12 months (Note 33.6)	52,836,330	40,573,206	22,095,897	39,682,016
Back to back basis	-	2,580,136	-	2,200,776
Total	1,001,385,322	1,205,481,026	869,872,891	1,059,420,439
Less: Allowance for doubtful debts	(17,549,219)	(17,581,319)	(16,658,029)	(16,690,129)
Trade accounts receivable - net	983,836,103	1,187,899,707	853,214,862	1,042,730,310
Other accounts receivable				
Receivable revenue department	41,195,477	34,784,241	31,409,616	25,648,109
Accrued rebate	1,772,139	9,519,243	1,772,139	9,519,243
Other	1,807,839	2,777,792	1,583,403	2,259,037
Total other accounts receivable	44,775,455	47,081,276	34,765,158	37,426,389
Trade and other accounts receivable - net	1,028,611,558	1,234,980,983	887,980,020	1,080,156,699

The Company gives its general customers a credit term ranging 30-90 days and its subsidiaries give its general customers a credit term of 30 days.

The movements of the allowance for doubtful debts are as follow :

	Consolidated Financial Statement		Separate Financial Statement	
	As at December 31, 2015		As at December 31, 2015	
	2015	2014	2015	2014
Allowance for doubtful debts - beginning	(17,581,319)	(23,611,000)	(16,690,129)	(22,719,810)
Add Additional allowances	-	-	-	-
Less Reversing of allowances	32,100	6,029,681	32,100	6,029,681
Bad debts	-	-	-	-
Allowance for doubtful debts - ending	(17,549,219)	(17,581,319)	(16,658,029)	(16,690,129)

In year 2015 and 2014, the allowance for doubtful accounts decrease due to the repayment from customers in total amount.

9. RECEIVABLE UNDER FINANCIAL LEASE AGREEMENTS

As at December 31, 2015 and 2014, the Company and its subsidiaries have financial leasing agreements. The payment details are follows :

	Consolidated Financial Statement (In Baht)					
	As at December 31, 2015			As at December 31, 2014		
	Principal	Interest	Payments	Principal	Interest	Payments
Within one year	9,540,938	429,880	9,970,818	35,785,789	920,868	36,706,657
After one year but						
within five years	4,331,518	136,264	4,467,782	9,298,297	566,144	9,864,441
Total	13,872,456	566,144	14,438,600	45,084,086	1,487,012	46,571,098

	Separate Financial Statement (In Baht)					
	As at December 31, 2015			As at December 31, 2014		
	Principal	Interest	Payments	Principal	Interest	Payments
Within one year	4,213,549	293,195	4,506,744	11,385,005	619,934	12,004,939
After one year but						
within five years	3,056,487	75,653	3,132,140	6,938,100	368,849	7,306,949
Total	7,270,036	368,848	7,638,884	18,323,105	988,783	19,311,888

As at December 31, 2015 and 2014, the total receivable under financial lease agreements are not yet due.

Receivable under financial lease agreements for the portion due within one year was shown under “current assets” in the statements of financial position.

As at December 31, 2015, the Company and its subsidiaries have 3 outstanding financial leasing agreements are as follows:

	Outstanding financial lease agreement	Type of financial lease agreement	Term of payment	In Baht (excluded VAT)	
				Amount per period	Total financial lease amount
The Company	1	Security information and Event Management (SIEM)	(36 Installment)	347,222.00	12,499,992.00
A subsidiary	2	Equipment and Computers	(60 Installment)	101,820.94	6,109,256.40
	3				18,609,248.40

10. COST OF WORK IN PROCESS

	In Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
Finished goods	12,203,477	14,238,548	10,187,419	11,220,411
Work in process	526,956,781	574,102,719	472,956,045	548,520,220
Goods in transit	14,823,208	13,126,181	14,823,208	13,126,181
Total	553,983,466	601,467,448	497,966,672	572,866,812
Less: Allowance for declining value of inventories	(11,029,344)	(12,070,186)	(9,489,797)	(10,522,789)
Cost of work in process	542,954,122	589,397,262	488,476,875	562,344,023

As at December 31, 2015, the Company reversed the allowance for declining value of inventories amount of Baht 1.03 million because of the donated amount of Baht 0.20 million and transferred to property, plant and equipment amount of Baht 0.83 million. As at December 31, 2014, the allowance for obsoleted inventories has decreased Baht 4.34 million as the management has considered the write-off amount of Baht 2.80 million and Baht 1.54 million was due to the transfer to property, plant and equipment and intangible assets for internal use (Note 15 and 16).

11. PLEDGED DEPOSITS AT FINANCIAL INSTITUTIONS

As at December 31, 2015 and 2014, fixed deposits of one subsidiaries and three subsidiaries, respectively in the amount of Baht 15 million and Baht 20.92 million, respectively. Which are pledged as collateral for bank guarantee, overdrafts and short-term loan from the financial institution.

12. INVESTMENT IN ASSOCIATED COMPANY

12.1 Investment in associated were as follows :

In Baht						
Name of company	Paid-up capital (Baht)	Share-holding (%)	Consolidated Financial Statements			
			Equity method		Cost method	
			2015	2014	2015	2014
Angstrom Solutions Company Limited	80,000,000	40	27,093,496	16,794,010	32,000,000	20,000,000
Total			27,093,496	16,794,010	32,000,000	20,000,000

In Baht					
Name of company	Type of business	Relationship	Consolidated Financial Statements		
			Dividend		
			As at December 31,		
			2015	2014	
Angstrom Solutions Company Limited	Information & Communication Technology	An associate company with 40% shareholding by the Company	-	-	
Total			-	-	

On August 11, 2015, the Board of Directors Meeting No. 4/2015 had a resolution to approve for the Company to invest in Angstrom Solutions Company Limited which is engaged in software, hardware, computer system consulting, development and training to design, plan and develop the software to be used with electronic equipment. The former registered capital is Baht 50 million, with an increase of capital to Baht 60 million, totaling the new registered capital of Baht 110 million. The Company will hold the shares at the same stake that is 40% of the new registered capital. The value of the share capital increase is Baht 24 million (2.4 million shares at the par value of Baht 10 per share). The advance payment of 50 percent is made and the Company paid for the shares in the amount of Baht 12 million on September 1, 2015 and the remaining amounting Baht 12 million paid on January 15, 2016.

As at December 31, 2015 and 2014, the investment in associated company by the equity method presented in the consolidated financial statement is calculated from the financial statements of the associated company as at December 31, 2015 which prepared by the management and as at December 31, 2014, which audited by auditor.

12.2 Share of profit of associates for the years ended December 31, 2015 and 2014, are as follows:

	In Baht	
	Consolidated Financial Statements	
	2015	2014
Angstrom Solutions Company Limited	(1,700,514)	(1,891,582)
Total	(1,700,514)	(1,891,582)

12.3 Summarized financial information in respect of Angstrom Solutions Company Limited (Associated company) of the material associate;

	In Baht	
	2015	2014
Current assets	13,010,586	1,868,876
Non-current assets	64,639,298	49,349,540
Current liabilities	9,916,143	10,697,258
Non-current liabilities	-	-
Net assets	67,733,741	40,521,158
Revenue	4,955,272	656,975
Profit(loss) for the year	(2,787,417)	(4,802,107)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(2,787,417)	(4,802,107)

12.4 Reconciliation of the above summarized financial information to the carrying amount of the interest in Angstrom Solutions Company Limited recognized in the consolidated financial statements;

	In Baht	
	2015	2014
Net assets of the associate company	67,733,741	40,521,158
Proportion of the interest in associate company	40	40
Proportion of equity in net assets	27,093,496	16,208,463
Goodwill	-	585,547
Carrying amount of the associate company	27,093,496	16,794,010

13. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries were as follows:

Name of subsidiaries	Paid up capital (Million Baht)		Value of investment under the equity method		Separate Financial Statement Cost method (Net allowance for impairment)		Dividend income	
	As at December 31,		As at December 31,		As at December 31,		As at December 31,	
	2015	2014	2015	2014	2015	2014	2015	2014
Promptnow Company Limited	15.00	15.00	21,072,392	14,864,626	3,375,000	3,375,000	-	-
Advance Intelligence Modernity Company Limited	10.00	10.00	-	-	-	-	-	-
Modernform Integration Services Company Limited	64.10	64.10	75,503,670	65,890,416	67,000,000	67,000,000	-	-
Business Applications Company Limited	10.00	10.00	201,241,505	205,234,596	200,828,331	200,828,331	20,000,000	12,000,000
Motif Technology Public Company Limited	80.00	80.00	282,676,688	315,268,461	275,926,606	291,926,606	13,000,000	18,000,000
Hongson Software Company Limited	5.00	5.00	87,060,052	87,079,973	80,441,387	80,441,387	5,749,770	6,999,720
Soft Professional Company Limited	5.00	5.00	18,860,184	18,633,863	20,628,847	20,628,847	1,799,928	1,499,940
Soft Plus Technology Company Limited	5.00	5.00	20,539,524	21,404,405	20,238,830	20,238,830	2,099,916	2,899,884
K Soft Consulting Company Limited	5.00	5.00	17,443,009	18,485,277	17,794,609	17,794,609	2,099,916	2,599,896
Sammok Software Company Limited	3.00	3.00	14,434,084	13,809,655	10,075,499	10,075,499	1,919,872	2,219,852
Soft Square 1999 Company Limited	30.00	30.00	162,258,809	165,774,905	144,317,498	144,317,498	15,599,896	10,199,932
Total			901,089,917	926,446,177	840,626,607	856,626,607	62,269,298	56,419,224
Reserve for loss from investment in subsidiaries					11,445,292	10,000,000		
Presented as : Allowance for doubtful debts (See Note 5)					(11,445,292)	(10,000,000)		
					-	-		

In Baht

13.1 The subsidiaries that have material non-controlling interests

The Company has consolidated three subsidiaries is 1) Promptnow Company Limited 2) Advance Intelligence Modernity Company Limited and 3) M.I.S. Outsourcing Company Limited (Subsidiaries held by Modernform Integration Services Company Limited) that have material non-controlling interest:

In Baht

Name of Company	Proportion of ownership interests and voting rights held by non- controlling interests		Profit(loss) allocated to non-controlling interests		Accumulated non- controlling interests	
	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
Promptnow Company Limited	40.00	40.00	4,138,511	3,408,968	14,048,262	9,909,751
M.I.S. Outsourcing Company Limited	20.00	20.00	1,553,548	1,044,865	5,910,592	5,357,104
Advance Intelligence Modernity Company Limited	40.00	40.00	-	-	-	-
Total			5,692,059	4,453,833	19,958,854	15,266,855

13.2 The summarized financial information represents amounts before intragroup eliminations as follows:

In Baht

	As at December 31,	
	2015	2014
Promptnow Company Limited		
Current assets	65,949,326	31,177,466
Non-current assets	19,824,410	24,961,178
Current liabilities	50,208,366	31,080,709
Non-current liabilities	444,717	283,558
Non-Controlling interests	14,048,262	9,909,751
Revenue	66,265,576	51,257,857
Net cash inflow (outflow) from operating activities	(8,757,698)	16,688,672
Net cash inflow (outflow) from investing activities	(1,219,810)	(1,287,508)
Net cash inflow (outflow) from financing activities	9,863,804	(15,287,460)
Net cash inflow (outflow)	(113,704)	113,704

	In Baht	
	As at December 31,	
	2015	2014
M.I.S. Outsourcing Company Limited		
Current assets	44,719,660	33,711,882
Non-current assets	1,462,446	1,395,980
Current liabilities	15,850,452	7,751,509
Non-current liabilities	776,625	569,064
Non-Controlling interests	5,910,592	5,357,104
Revenue	73,655,133	56,615,690
Dividends paid to non-controlling interests	1,000,060	-
Net cash inflow (outflow) from operating activities	5,202,560	8,633,300
Net cash inflow (outflow) from investing activities	(346,325)	536,987
Net cash inflow (outflow) from financing activities	(5,000,000)	-
Net cash inflow (outflow)	(143,765)	9,170,287

14. GOODWILL

Movements of goodwill during in the years are as follow :

	In Baht	
	Consolidated Financial Statement	
	As at December 31, 2015	As at December 31, 2014
Balance as at beginning	574,489,233	574,489,233
Increase	-	-
Less : Allowance for impairment of investment	(27,529,367)	(11,529,367)
Balance as at ending	546,959,866	562,959,866

15. PROPERTY, PLANT AND EQUIPMENT

	Consolidated Financial Statement							In Baht
	Land	Building	Leasehold improvements	Office furniture	Tools and office equipment	Equipment and software system	Motor vehicles	Total
At cost								
January 1, 2015	17,831,600	36,273,036	31,923,651	167,926,240	241,455,541	38,019,765	23,720,076	557,149,909
Acquisitions	-	-	281,262	6,455,186	15,296,875	7,391,294	3,405,358	32,829,975
Disposals	-	-	(3,836,093)	(9,876,113)	(12,426,205)	(63,987)	(9,447,770)	(35,650,168)
Transfer in (out)	-	-	-	889,803	1,802,040	-	-	2,691,843
December 31, 2015	17,831,600	36,273,036	28,368,820	165,395,116	246,128,251	45,347,072	17,677,664	557,021,559
Accumulated depreciation								
January 1, 2015	-	14,147,784	30,593,764	118,526,232	200,384,469	22,093,631	17,586,285	403,332,165
Depreciation for the years	-	656,502	470,397	17,561,159	18,605,283	7,944,354	2,604,394	47,842,089
Depreciation for disposals	-	-	(3,701,499)	(9,695,775)	(9,245,184)	(53,694)	(8,174,336)	(30,870,488)
Transfer in (out)	-	-	-	-	-	-	-	-
December 31, 2015	-	14,804,286	27,362,662	126,391,616	209,744,568	29,984,291	12,016,343	420,303,766
Allowance for declining value								
January 1, 2015	-	-	-	10,223,109	-	7,270,994	-	17,494,103
Allowance for declining value for the year	-	-	-	-	-	-	-	-
Allowance for declining value (reversal)	-	-	-	(40,949)	-	(10,294)	-	(51,243)
December 31, 2015	-	-	-	10,182,160	-	7,260,700	-	17,442,860
Net book value								
December 31, 2015	17,831,600	21,468,750	1,006,158	28,821,340	36,383,683	8,102,081	5,661,321	119,274,933
December 31, 2014	17,831,600	22,125,252	1,329,887	39,176,899	41,071,072	8,655,140	6,133,791	136,323,641

	Consolidated Financial Statement							In Baht
	Land	Building	Leasehold improvements	Office furniture	Tools and office equipment	Equipment and software system	Motor vehicles	Total
At cost								
January 1, 2014	17,831,600	36,273,036	31,148,634	165,178,299	222,442,691	33,899,098	27,066,631	533,839,989
Acquisitions	-	-	775,017	9,210,601	22,023,517	4,120,667	915	36,130,717
Disposals	-	-	-	(6,470,489)	(4,777,106)	-	(3,347,470)	(14,595,065)
Transfer in (out)	-	-	-	7,829	1,766,439	-	-	1,774,268
December 31, 2014	17,831,600	36,273,036	31,923,651	167,926,240	241,455,541	38,019,765	23,720,076	557,149,909
Accumulated depreciation								
January 1, 2014	-	13,539,225	30,072,971	106,794,070	181,520,545	16,184,579	17,720,004	365,831,394
Depreciation for the years	-	608,559	520,793	18,018,655	20,712,344	5,909,052	3,213,748	48,983,151
Depreciation for disposals	-	-	-	(6,286,493)	(1,848,420)	-	(3,347,467)	(11,482,380)
Transfer in (out)	-	-	-	-	-	-	-	-
December 31, 2014	-	14,147,784	30,593,764	118,526,232	200,384,469	22,093,631	17,586,285	403,332,165
Allowance for declining value								
January 1, 2014	-	-	-	10,223,109	-	7,270,994	-	17,494,103
Allowance for declining value for the year	-	-	-	-	-	-	-	-
December 31, 2014	-	-	-	10,223,109	-	7,270,994	-	17,494,103
Net book value								
December 31, 2014	17,831,600	22,125,252	1,329,887	39,176,899	41,071,072	8,655,140	6,133,791	136,323,641
December 31, 2013	17,831,600	22,733,811	1,075,663	48,161,120	40,922,146	10,443,525	9,346,627	150,514,492

As at December 31, 2015 and 2014, certain equipment of the Company and its subsidiaries have been fully depreciated but still in use. The costs of those assets amounted to Baht 289.04 million and Baht 264.02 million, respectively.

As at December 31, 2015 and 2014, the Company and its subsidiaries have motor vehicles and office equipment under the financial lease agreements amounted to net book value of Baht 2.15 million and Baht 3 million, respectively.

	Separate Financial Statement					In Baht
	Leasehold improvements	Office furniture	Tools and office equipment	Equipment and software system	Motor vehicles	Total
At cost						
January 1, 2015	18,453,395	144,744,967	177,486,958	33,899,098	14,473,835	389,058,253
Acquisitions	281,263	6,315,393	11,813,514	472,670	1,876,358	20,759,198
Disposals	-	(7,847,212)	(4,803,482)	(56,688)	(6,591,500)	(19,298,882)
Transfer in (out)	-	889,803	1,802,040	-	-	2,691,843
December 31, 2015	18,734,658	144,102,951	186,299,030	34,315,080	9,758,693	393,210,412
Accumulated depreciation						
January 1, 2015	17,624,382	100,543,839	141,350,357	21,613,724	10,112,322	291,244,624
Depreciation for the year	278,787	16,746,299	14,800,811	3,710,558	1,784,027	37,320,482
Depreciation for disposals	-	(7,758,818)	(3,029,116)	(51,440)	(5,430,529)	(16,269,903)
Transfer in (out)	-	-	-	-	-	-
December 31, 2015	17,903,169	109,531,320	153,122,052	25,272,842	6,465,820	312,295,203
Allowance for declining value						
January 1, 2015	-	10,223,109	-	7,270,994	-	17,494,103
Allowance for declining value for the year	-	-	-	-	-	-
Allowance for declining value (reversal)	-	(40,949)	-	(10,294)	-	(51,243)
December 31, 2015	-	10,182,160	-	7,260,700	-	17,442,860
Net book value						
December 31, 2015	831,489	24,389,471	33,176,978	1,781,538	3,292,873	63,472,349
December 31, 2014	829,013	33,978,019	36,136,601	5,014,380	4,361,513	80,319,526

In Baht

Separate Financial Statement						
	Leasehold improvements	Office furniture	Tools and office equipment	Equipment and software system	Motor vehicles	Total
At cost:						
January 1, 2014	17,817,178	141,057,814	162,098,625	33,899,098	16,124,820	370,997,535
Acquisitions	636,217	8,968,807	17,258,971	-	-	26,863,995
Disposals	-	(5,289,483)	(3,637,077)	-	(1,650,985)	(10,577,545)
Transfer in (out)	-	7,829	1,766,439	-	-	1,774,268
December 31, 2014	18,453,395	144,744,967	177,486,958	33,899,098	14,473,835	389,058,253
Accumulated depreciation						
January 1, 2014	17,397,294	88,568,547	126,552,810	16,184,577	9,616,390	258,319,618
Depreciation for the year	227,088	17,101,200	15,508,170	5,429,147	2,146,915	40,412,520
Depreciation for disposals	-	(5,125,908)	(710,623)	-	(1,650,983)	(7,487,514)
Transfer in (out)	-	-	-	-	-	-
December 31, 2014	17,624,382	100,543,839	141,350,357	21,613,724	10,112,322	291,244,624
Allowance for declining value						
January 1, 2014	-	10,223,109	-	7,270,994	-	17,494,103
Allowance for declining value for the year	-	-	-	-	-	-
December 31, 2014	-	10,223,109	-	7,270,994	-	17,494,103
Net book value						
December 31, 2014	829,013	33,978,019	36,136,601	5,014,380	4,361,513	80,319,526
December 31, 2013	419,884	42,266,158	35,545,815	10,443,527	6,508,430	95,183,814

As at December 31, 2015 and 2014, certain equipment of the Company has been fully depreciated but still in use. The costs of those assets amounted to Baht 213.46 million and Baht 184.53 million, respectively.

As at December 31, 2015 and 2014, the Company has motor vehicles and office equipment under the financial lease agreements amounted to net book value of Baht 0.14 million and Baht 1.44 million, respectively.

In Baht

	Consolidated Financial Statement		Separate Financial Statement	
	For the years ended December 31,		For the years ended December 31,	
	2015	2014	2015	2014
Depreciation charged to the statements of comprehensive income				
Cost of sales and services	28,122,344	24,945,697	22,002,804	23,175,590
Administrative expenses	19,719,745	24,037,454	15,317,678	17,236,930
Total	47,842,089	48,983,151	37,320,482	40,412,520

16. INTANGIBLE ASSETS

In Baht

Consolidated Financial Statement						
	Computer software	Project system software	Games for download development of products	Work in progress - Cost of research and development of product	Work in progress - development of products	Total
At cost						
January 1, 2015	54,314,676	62,647,103	11,127,206	-	4,761,610	132,850,595
Acquisitions/Internal cost	576,931	-	-	1,999,521	1,012,033	3,588,485
Amortization	(887)	-	-	-	-	(887)
Transfer in (out)	-	-	-	-	(337,100)	(337,100)
December 31, 2015	54,890,720	62,647,103	11,127,206	1,999,521	5,436,543	136,101,093
Accumulated Amortization						
January 1, 2015	35,514,004	28,856,737	8,568,417	-	-	72,939,158
Amortization for the year	7,115,026	7,169,000	423,517	157,623	-	14,865,166
Amortization for disposals	(886)	-	-	-	-	(886)
Transfer in (out)	-	-	-	-	-	-
December 31, 2015	42,628,144	36,025,737	8,991,934	157,623	-	87,803,438
Allowance for declining value						
January 1, 2015	5,612,520	10,461,680	1,500,000	-	-	17,574,200
Allowance for declining value for the year	-	-	-	-	-	-
December 31, 2015	5,612,520	10,461,680	1,500,000	-	-	17,574,200
Net book value						
December 31, 2015	6,650,056	16,159,686	635,272	1,841,898	5,436,543	30,723,455
December 31, 2014	13,188,152	23,328,686	1,058,789	-	4,761,610	42,337,237

Consolidated Financial Statement						In Baht
	Computer software	Project system software	Games for download development of products	Work in progress - Cost of research and development of product	Work in progress - development of products	Total
At cost						
January 1, 2014	53,762,118	36,713,881	34,410,739	1,232,249	5,546,161	131,665,148
Acquisitions/Internal cost	320,140	1,379,144	-	-	485,994	2,185,278
Amortization	-	-	-	(1,232,249)	-	(1,232,249)
Transfer in (out)	232,418	24,554,078	(23,283,533)	-	(1,270,545)	232,418
December 31, 2014	54,314,676	62,647,103	11,127,206	-	4,761,610	132,850,595
Accumulated Amortization						
January 1, 2014	28,483,962	13,045,083	15,900,461	-	-	57,429,506
Amortization for the year	7,030,042	4,291,481	4,188,129	-	-	15,509,652
Transfer in (out)	-	11,520,173	(11,520,173)	-	-	-
December 31, 2014	35,514,004	28,856,737	8,568,417	-	-	72,939,158
Allowance for declining value						
January 1, 2014	5,612,520	10,461,680	1,500,000	-	-	17,574,200
Allowance for declining value for the year	-	-	-	-	-	-
December 31, 2014	5,612,520	10,461,680	1,500,000	-	-	17,574,200
Net book value						
December 31, 2014	13,188,152	23,328,686	1,058,789	-	4,761,610	42,337,237
December 31, 2013	19,665,636	13,207,118	17,010,278	1,232,249	5,546,161	56,661,442

In Baht

Separate Financial Statement				
	Computer software	Project system software	Work in progress - Cost of research and development of product	Total
At cost				
January 1, 2015	45,725,076	29,292,927	-	75,018,003
Acquisitions/Internal cost	501,095	-	1,132,213	1,633,308
Amortization	(887)	-	-	(887)
Transfer in (out)	-	-	-	-
December 31, 2015	46,225,284	29,292,927	1,132,213	76,650,424
Accumulated Amortization				
January 1, 2015	29,501,927	13,846,744	-	43,348,671
Amortization for the year	6,453,910	2,192,625	-	8,646,535
Amortization for disposals	(886)	-	-	(886)
December 31, 2015	35,954,951	16,039,369	-	51,994,320
Allowance for declining value				
January 1, 2015	5,612,520	8,812,625	-	14,425,145
Allowance for declining value for the year	-	-	-	-
December 31, 2015	5,612,520	8,812,625	-	14,425,145
Net book value				
December 31, 2015	4,657,813	4,440,933	1,132,213	10,230,959
December 31, 2014	10,610,629	6,633,558	-	17,244,187

In Baht

Separate Financial Statement				
	Computer software	Project system software	Work in progress - Cost of research and development of product	Total
At cost				
January 1, 2014	45,436,811	27,913,783	1,232,249	74,582,843
Acquisitions/Internal cost	55,847	1,379,144	-	1,434,991
Amortization	-	-	(1,232,249)	(1,232,249)
Transfer in (out)	232,418	-	-	232,418
December 31, 2014	45,725,076	29,292,927	-	75,018,003
Accumulated Amortization				
January 1, 2014	23,168,229	10,481,933	-	33,650,162
Amortization for the year	6,333,698	3,364,811	-	9,698,509
December 31, 2014	29,501,927	13,846,744	-	43,348,671
Allowance for declining value				
January 1, 2014	5,612,520	8,812,625	-	14,425,145
Allowance for declining value	-	-	-	-
December 31, 2014	5,612,520	8,812,625	-	14,425,145
Net book value				
December 31, 2014	10,610,629	6,633,558	-	17,244,187
December 31, 2013	16,656,062	8,619,225	1,232,249	26,507,536

As at December 31, 2015 and 2014, certain computer software and project system software of the Company has been fully amortized but still in use. The cost of those assets amounted to Baht 21.15 million and Baht 10.79 million, respectively.

In Baht

	Consolidated Financial Statement		Separate Financial Statement	
	For the years ended December 31, 2015	2014	For the years ended December 31, 2015	2014
Amortization charged to the statements of comprehensive income				
Cost of sales and services	3,632,591	8,479,611	2,192,625	3,364,811
Administrative expenses	11,232,575	7,030,041	6,453,910	6,333,698
Total	14,865,166	15,509,652	8,646,535	9,698,509

17. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

17.1 Deferred tax assets and deferred tax liabilities as follows:-

In Baht

	Consolidated Financial Statement		Separate Financial Statement	
	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
Deferred tax assets	22,324,347	23,773,604	19,453,591	21,102,921
Deferred tax liabilities	(1,744,111)	(1,797,982)	-	-
	20,580,236	21,975,622	19,453,591	21,102,921

17.2 Changes in deferred tax assets and deferred tax liabilities for the years ended December 31, 2015 and 2014 are summarized as follows:

In Baht

	Consolidated Financial Statement			
	Revenue (expenses) during the year			Balance as at Dec. 31, 2015
	Balance as at Dec. 31, 2014	In profit or loss	In other comprehensive income	
Deferred tax assets:				
Trade account receivables	3,338,026	(6,420)	-	3,331,606
Cost at work in process	2,123,178	(199,360)	-	1,923,818
Loans to related parties	1,080,667	-	-	1,080,667
Property, plant and equipment	3,026,810	(477,739)	-	2,549,071
Intangible assets	1,130,663	(8,158)	-	1,122,505
Provisions for employee benefits	7,986,466	2,104,631	(272,273)	9,818,824
Provision for loss of project	5,245,621	(2,687,571)	-	2,558,050
Provision for litigation	15,420	-	-	15,420
Total	23,946,851	(1,274,617)	(272,273)	22,399,961
Deferred tax liabilities:				
Unrealized gain on remeasuring available for sale investments	53,618	-	(10,834)	42,784
Financial lease agreement	125,949	(93,119)	-	32,830
Fair value adjustment of assets in business combinations	1,791,662	(47,551)	-	1,744,111
Total	1,971,229	(140,670)	(10,834)	1,819,725
Net	21,975,622			20,580,236

In Baht

	Consolidated Financial Statement			
		Revenue (expenses) during the year		
	Balance as at Dec. 31, 2013	In profit or loss	In other comprehensive income	Balance as at Dec. 31, 2014
Deferred tax assets:				
Trade account receivables	4,543,962	(1,205,936)	-	3,338,026
Cost at work in process	2,992,774	(869,596)	-	2,123,178
Loans to related parties	-	1,080,667	-	1,080,667
Property, plant and equipment	3,498,820	(472,010)	-	3,026,810
Intangible assets	2,885,028	(1,754,365)	-	1,130,663
Provisions for employee benefits	9,765,839	1,293,035	(3,072,408)	7,986,466
Provision for loss of project	8,135,531	(2,889,910)	-	5,245,621
Provision for litigation	15,420	-	-	15,420
Total	31,837,374	(4,818,115)	(3,072,408)	23,946,851
Deferred tax liabilities:				
Unrealized gain on remeasuring available for sale investments	8,843	-	44,775	53,618
Financial lease agreement	208,182	(82,233)	-	125,949
Fair value adjustment of assets in business combinations	1,962,000	(170,338)	-	1,791,662
Total	2,179,025	(252,571)	44,775	1,971,229
Net	29,658,349			21,975,622

In Baht

	Separate Financial Statement			
	Revenue (expenses) during the year			
	Balance as at Dec. 31, 2014	In profit or loss	In other comprehensive income	Balance as at Dec. 31, 2015
Deferred tax assets:				
Trade account receivables	3,338,026	(6,420)	-	3,331,606
Cost of work in process	2,104,558	(206,598)	-	1,897,960
Loans to related parties	1,080,667	-	-	1,080,667
Property, plant and equipment	3,026,810	(477,739)	-	2,549,071
Intangible assets	1,130,663	(8,158)	-	1,122,505
Provisions for employee benefits	5,176,576	1,760,866	-	6,937,442
Estimated project losses	5,245,621	(2,687,571)	-	2,558,050
Total	21,102,921	(1,625,620)	-	19,477,301
Deferred tax liabilities:				
Unrealized gain on remeasuring available for sale investments	-	-	23,710	23,710
Total	-	-	23,710	23,710
Net	21,102,921			19,453,591

In Baht

	Separate Financial Statement			
	Revenue (expenses) during the year			
	Balance as at Dec. 31, 2013	In profit or loss	In other comprehensive income	Balance as at Dec. 31, 2014
Deferred tax assets:				
Trade account receivables	4,543,962	(1,205,936)	-	3,338,026
Cost of work in process	2,972,483	(867,925)	-	2,104,558
Loans to related parties	-	1,080,667	-	1,080,667
Property, plant and equipment	3,498,820	(472,010)	-	3,026,810
Intangible assets	2,885,028	(1,754,365)	-	1,130,663
Provisions for employee benefits	6,527,612	979,282	(2,330,318)	5,176,576
Estimated project losses	8,135,531	(2,889,910)	-	5,245,621
Total	28,563,436	(5,130,197)	(2,330,318)	21,102,921

18. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS/TRUST RECEIPTS

In Baht

	Consolidated Financial Statement		Separate Financial Statement	
	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
Bank overdrafts	5,478,390	73,748,511	154,725	66,236,310
Short-term loans from financial institutions	25,000,000	163,600,000	-	127,000,000
	30,478,390	237,348,511	154,725	193,236,310
Trust receipts	4,923,212	162,945,790	-	160,989,375

As at December 31, 2015 and 2014, the Company and its subsidiaries had credit lines from bank overdrafts, short-term loans from financial institutions and trust receipts as follows:-

	Financial institutions (Place)		Credit line (Million Baht)		Issuer (Million Baht)		Interest rate (percent per annum)	Due date
	As at December 31,		As at December 31,		As at December 31,			
	2015	2014	2015	2014	2015	2014		
Bank Overdrafts								
The Company	8	7	103	100	0.15	66.24	MOR per annum	Within 1 year
The subsidiaries	2	4	80	100	5.33	7.51	MOR per annum	Within 1 year
							(2015 : Rate 3.375 - 8.80 per annum)	
							(2014 : Rate 7.25 - 8.25 per annum)	
Short-term loans from financial institutions and trust receipts								
The Company	9	9	2,600	2,600	-	287.99	2015 : MLR to MLR-1.50 per annum, Market rate per annum (Rate 1.30 - 3.60 per annum)	At call
							2014 : MLR to MLR-1.50 per annum, Market rate per annum (Rate 1.32 - 3.58 per annum)	
								At call
The subsidiaries	2	2	246	246	29.92	38.56	2015 and 2014 : MLR-1, Market rate per annum (2015 : Rate 2.32 - 6.75 per annum)	
							(2014 : Rate 2.33 - 6.75 per annum)	

As at December 31, 2015 and 2014, the Company and its subsidiaries have no obligations on suchinitabov.

The Company and its subsidiaries have to comply with the covenants and adhere to the terms under the financial institutions overdraft and short-term loan agreements.

19. TRADE AND OTHER ACCOUNTS PAYABLE

In Baht

	Consolidated Financial Statement		Separate Financial Statement	
	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
Trade accounts payable - not related parties	496,232,463	530,201,057	468,467,838	501,934,309
Revenue department payable	16,407,287	30,823,053	16,273,665	29,269,205
Other accounts payable	13,849,553	18,870,409	12,806,632	17,595,755
Total trade and other accounts payable	526,489,303	579,894,519	497,548,135	548,799,269

20. LIABILITIES UNDER FINANCIAL LEASE AGREEMENT

As at December 31, 2015 and 2014, the Company and its subsidiaries have liabilities under financial lease agreement were leasing of motor vehicles and office equipment. The payment details are as follows :-

In Baht

	Consolidated Financial Statement					
	As at December 31, 2015			As at December 31, 2014		
	Principal	Interest	Payments	Principal	Interest	Payments
Within one year						
After one year but	4,181,470	398,461	4,579,931	6,650,324	566,553	7,216,877
within five years	4,309,058	204,356	4,513,414	7,216,414	435,488	7,651,902
Total	8,490,528	602,817	9,093,345	13,866,738	1,002,041	14,868,779

In Baht

	Separate Financial Statement					
	As at December 31, 2015			As at December 31, 2014		
	Principal	Interest	Payments	Principal	Interest	Payments
Within one year						
After one year but	2,694,696	203,952	2,898,648	2,629,588	347,060	2,976,648
within five years	2,121,047	52,939	2,173,986	4,815,742	256,892	5,072,634
Total	4,815,743	256,891	5,072,634	7,445,330	603,952	8,049,282

As at December 31, 2015, the Company and its subsidiaries has 6 outstanding financial lease agreements to purchase motor vehicles and office equipment from a local leasing company are as follows :

In Baht (excluded VAT)						
	Outstanding financial lease agreement	Type of financial lease agreement	Term of payment	Amount per period	Total financial lease amount	Price of purchase options
The Company	1	Security information and Event Management system (SIEM)	36	241,554.00	8,695,944.00	not fixed
						not fixed
Its subsidiary	1	Machinery copy	48	8,000.00	384,000.00	9,050.00
	1	Office equipment	60	79,096.94	4,745,816.40	37,752.00
	1	Office equipment	60	22,724.00	1,363,440.00	278,317.76
	2	Motor vehicle	48	58,879.44	2,783,177.57	
	6					

Under the terms of the lease agreement referred to above, the Company and its subsidiaries shall have the right to purchase the assets upon the expiry of the lease agreement and the Company shall have to comply with certain conditions and restrictions as specified in the lease agreement.

Liabilities under financial lease agreement for the portion due within one year were shown under "current liabilities" in the statements of financial position.

21. EMPLOYEE BENEFIT OBLIGATIONS

Movement of employee benefit obligations for the years ended December 31, 2015 and 2014 shown as follow :-

In Baht				
The statements of financial position	Consolidated Financial Statement		Separate Financial Statement	
	As at December 31,		As at December 31,	
	2015	2014	2015	2014
Defined benefit obligations, beginning of the year	41,336,361	51,689,747	25,882,877	32,638,059
Current Service costs and interest	11,897,610	10,141,606	8,804,332	7,296,148
Employee benefit obligations paid	(992,250)	(3,226,795)	-	(2,399,920)
Gain estimation over actuarial principles	(1,361,367)	(17,268,197)	-	(11,651,410)
Defined benefit obligations, ending of the year	50,880,354	41,336,361	34,687,209	25,882,877

The Company and its subsidiaries recognized actuarial gain in the statements of other comprehensive income.

Revenues and expenses recognized in the statement of comprehensive income for the years ended December 31, 2015 and 2014 are as follows:

	In Baht			
	Consolidated Financial Statement		Separate Financial Statement	
The statement of comprehensive income	2015	2014	2015	2014
Recognized in profit or loss				
Current service costs				
Cost of sales and services	4,612,682	3,590,559	3,476,754	2,787,976
Selling expenses	244,090	242,757	-	-
Administrative expenses	3,346,104	2,759,539	2,716,802	2,086,240
Management benefit expenses	2,443,700	2,464,406	1,607,504	1,608,448
Interest on obligation	1,251,034	1,084,345	1,003,272	813,484
Total	11,897,610	10,141,606	8,804,332	7,296,148
Recognized in other comprehensive income				
Gain estimation over actuarial principles	(1,361,367)	(17,268,197)	-	(11,651,410)
Total	(1,361,367)	(17,268,197)	-	(11,651,410)
Total	10,536,243	(7,126,591)	8,804,332	(4,355,262)

The main assumptions in the assessment financial assumptions

	Percentage	
For the year ended December 31, 2015 and 2014	Consolidated Financial Statement	Separate Financial Statement
Discount rate	3.00 - 4.6643	3.8762
Salary increase rate	3.00 - 6.00	6.00
Employee turnover rate	0 - 38.00	0 - 18.00
Mortality rate	100 of Table of death B.E.2008	100 of Table of death B.E.2008

22. CAPITAL MANAGEMENT

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

According to the separate statements of financial position as at December 31, 2015 and 2014, the Company's debt-to-equity ratio was 0.57 : 1 and 0.79 : 1, respectively.

According to the consolidated statements of financial position as at December 31, 2015 and 2014, the Company and its subsidiaries's debt-to-equity ratio was 0.64 : 1 and 0.83 : 1, respectively.

23. SHARE CAPITAL

On April 21, 2015, the Annual General Meeting No. 1/2015 of the Company's shareholders unanimously approved to decrease the share capital 47,000 common shares at a par value of Baht 1 per share from previously Baht 441,500,555 to the new share capital Baht 441,453,555. The Company has already registered with Department of business Development, Ministry of Commerce on May 6, 2015.

On April 24, 2013, the Annual General Meeting No. 1/2013 of the Company's shareholders unanimously approved to decrease the share capital 43,000,000 common shares at a par value of Baht 1 per share from previously Baht 484,500,555 to the new share capital Baht 441,500,555. The Company has already registered with Department of business Development, Ministry of Commerce on May 8, 2013.

Reconciliation in the number of ordinary shares

	In Thousand shares			
	Consolidated Financial Statement		Separate Financial Statement	
	As at December 31,		As at December 31,	
	2015	2014	2015	2014
Registered ordinary shares				
Number of ordinary shares at the beginning of the years	441,501	441,501	441,501	441,501
Increase (Decrease) in share capital	(48)	-	(48)	-
Number of ordinary shares at the end of the years	441,453	441,501	441,453	441,501
Issued and paid-up share capital				
Number of ordinary shares at the beginning of the years	441,453	440,402	441,453	440,402
Increase in number of ordinary shares due to exercise of warrants	-	1,051	-	1,051
Number of ordinary shares at the end of the years	441,453	441,453	441,453	441,453

24. STATUTORY RESERVE

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

Under the terms of the Civil and Commercial Code, twelve subsidiaries is required to set aside as statutory reserve at least 5 percent of its net income at each dividend declaration as the statutory reserve until the statutory reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

25. WARRANTS

At the Annual General Meeting of the shareholders, held on April 24, 2009, the shareholders had unanimously passed the issuance of 5,000,000 warrants to be offered to directors under ESOP No. 2 and approving the allocation of capital increase shares 5,000,000 shares as consented to support the warrants above as follows :-

Warrant	Issued to	Number of warrants issued	Exercise price per 1 ordinary	Exercise ratio	Period of warrant
Issuance of warrant on July 24, 2009					
ESOP No.2	Director	5,000,000	Baht 4 per share	1 : 1	5 years

Offering price	:	Baht 0 per unit
Exercise period	:	The 1st exercise will begin on February 26, 2010 and the last exercise is on July 23, 2014.
Offering period	:	Within 1 year after obtaining approval from SEC to issue and offer to sell warrants.

On April 25, 2011, the shareholders had unanimously approved a resolution to adjust the exercise prices and ratios for the remaining warrants for to President. The exercise prices and ratios for new warrant holders as the following :

	Before amendment	After amendment
The exercise prices	4 Baht	3.805 Baht
The exercise ratios	1 : 1 unit	1 : 1.051 unit

Movements of the Company's warrants during the year are as follows :-

In Thousand units				
Warrant	Number of warrants outstanding as at December 31, 2014	Number of warrants exercised during the year	Number of warrants expired during the year	Number of warrants outstanding as at December 31, 2015
ESOP No.2	1,000	(1,000)	-	-
	1,000	(1,000)	-	-

26. DIVIDENDS PAID

On April 21, 2015, the General Meeting of Shareholders had approved as follows:

The dividends had been paid for the performance of the year 2014 to the Company's shareholders. The list of shareholders who entitled to receive the dividend was determined on April 29, 2015, and by closing the register and suspending the transfer of shares which held on April 30, 2015 for 441,453,555 shares, the rate of Baht 0.50 each shares, at the amount of Baht 220.73 million. The dividends had been paid on May 15, 2015.

On April 21, 2014, the General Meeting of Shareholders had approved as follows:

The dividends had been paid for the performance of the year 2013 to the Company's shareholders. The list of shareholders who entitled to receive the dividend was determined on April 30, 2014, and by closing the register and suspending the transfer of shares which held on May 2, 2014 for 441,453,555 shares, the rate of Baht 0.45 each shares, at the amount of Baht 198.65 million. The dividends had been paid on May 19, 2014.

According to the Annual General Meeting of its subsidiary, it had approved to pay the annual dividend for the year 2014 including the dividends which had been paid as interim dividends by resolution of the Board of Company's Directors. The details are shown as follows:

Company's name	BODs/Shareholders' meeting date	Baht per share	Amount (million baht)	Dividend payment date
Business Applications Company Limited	April 20, 2015	200	20.00	May 7, 2015
Soft Square 1999 Company Limited	April 17, 2015*	52	15.60	May 6, 2015
Hongson Software Company Limited	April 17, 2015*	115	5.75	May 6, 2015
Soft Professional Company Limited	April 20, 2015*	36	1.80	May 6, 2015
Soft Plus Technology Company Limited	April 17, 2015*	42	2.10	May 6, 2015
K Soft Consulting Company Limited	April 20, 2015*	42	2.10	May 6, 2015
Sammok Software Company Limited	April 20, 2015*	64	1.92	May 6, 2015
Motif Technology Public Company Limited	April 18, 2015*	0.1625	13.00	May 7, 2015
			62.27	

* Date of the Annual General Meeting of Shareholders

According to the Annual General Meeting of its subsidiary, it had approved to pay the annual dividend for the year 2013 including the dividends which had been paid as interim dividends by resolution of the Board of Company's Directors. The details are shown as follows:

Company's name	BODs/Shareholders' meeting date	Baht per share	Amount (million baht)	Dividend payment date
Business Applications Company Limited	April 30, 2014	120	12.00	May 9, 2014
Soft Square 1999 Company Limited	April 17, 2014*	34	10.20	May 9, 2014
Hongson Software Company Limited	April 17, 2014*	140	7.00	May 9, 2014
Soft Professional Company Limited	April 18, 2014*	30	1.50	May 9, 2014
Soft Plus Technology Company Limited	April 17, 2014*	58	2.90	May 9, 2014
K Soft Consulting Company Limited	April 18, 2014*	52	2.60	May 9, 2014
Sammok Software Company Limited	April 18, 2014*	74	2.22	May 9, 2014
Motif Technology Public Company Limited	April 30, 2014*	0.225	18.00	May 7, 2014
			56.42	

* Date of the Annual General Meeting of Shareholders

27. Tax expense (income)

27.1 Major components of tax expense (income)

For the years ended December 31, 2015 and 2014 consisted of:

	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	51,010,832	55,215,969	42,052,482	48,539,670
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	1,104,025	4,573,562	1,625,620	5,130,197
Revaluation of the deferred tax resulting from changing in tax rates	29,920	(8,017)	-	-
Total	52,144,777	59,781,514	43,678,102	53,669,867
Income tax relating to components of other comprehensive income :				
Deferred tax relating to :				
Remeasuring available for sale investments	10,833	44,775	(23,710)	-
Gain estimation over actuarial principle	272,273	3,072,408	-	2,330,318
Total	283,106	3,117,183	(23,710)	2,330,318

27.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate

For the years ended December 31, 2015 and 2014 which are summarized as follows:

In Baht

	Consolidated Financial Statement		Separate Financial Statement	
	2015	2014	2015	2014
Accounting profit (loss) for the period	254,370,061	334,365,728	259,245,137	317,038,442
The applicable tax rate (%)	19.72	17.43	20	20
Tax expense (income) at the applicable tax rate	50,149,805	58,276,907	51,849,027	63,407,689
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	6,358,543	12,493,575	4,787,768	10,609,701
Tax effect of income or profit that are not required in determining taxable profit:				
- Exemption of non-taxable dividend income	-	-	(12,453,860)	(11,283,845)
- The exemption of profit of the promoted business (BOI)	(4,001,624)	(9,993,643)	-	(8,238,045)
- Others	(632,415)	(1,006,120)	(504,833)	(825,633)
Revaluation of the deferred tax resulting from changing in tax rates	29,920	(8,017)	-	-
Effect on deferred tax from progressive tax rate	16,121	3,329	-	-
Loss on tax base that has not been recorded deferred tax asset	224,427	15,483	-	-
Total reconciliation items	1,994,972	1,504,607	8,170,925)	(9,737,822)
Total tax expense (income)	52,144,777	59,781,514	43,678,102	53,669,867

27.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate

For the years ended December 31, 2015 and 2014 are summarized as follows:

	Consolidated Financial Statements			
	2015		2014	
	Tax amount (In Baht)	Tax rate (%)	Tax amount (In Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	254,370,061		334,365,728	
Tax expense (income) at the applicable tax rate	50,149,805	19.72	58,276,907	17.43
Reconciliation items	1,994,972	0.78	1,504,607	0.45
Tax expense (income) at the average effective tax rate	52,144,777	20.50	59,781,514	17.88

	Separate Financial Statements			
	2015		2014	
	Tax amount (In Baht)	Tax rate (%)	Tax amount (In Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	259,245,137		317,038,442	
Tax expense (income) at the applicable tax rate	51,849,027	20.00	63,407,689	20.00
Reconciliation items	(8,170,925)	(3.15)	(9,737,822)	(3.07)
Tax expense (income) at the average effective tax rate	43,678,102	16.85	53,669,867	16.93

28. EXPENSES BY NATURE

Significant expenses by nature are follow:

	Consolidated Financial Statement		Separate Financial Statement	
	For the years ended December 31,		For the years ended December 31,	
	2015	2014	2015	2014
Changes in cost of work in process	48,891,061	(31,113,369)	75,551,276	(30,740,931)
Purchase of inventories and service	1,991,202,427	3,346,091,208	1,801,917,254	3,057,976,058
Employee costs	865,179,073	923,153,262	648,772,491	700,003,651
Depreciation and amortization	62,707,255	64,492,803	45,967,016	50,111,029
Gain (loss) on exchange rate	3,281,186	(490,848)	3,140,281	(667,409)
Allowance for impairment of investment and goodwill in subsidiaries	16,000,000	4,029,367	17,445,292	21,550,000

29. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the parent company for the year by the weighted average number of ordinary shares which are issued during the year and held by outside party.

	Consolidated Financial Statement		Separate Financial Statement	
	For the years ended December 31,		For the years ended December 31,	
	2015	2014	2015	2014
Net income for the years (Baht)				
Net profit attributable to equity holders of the parent company	196,533,225	270,427,033	215,567,035	263,368,575
Weighted average number of ordinary shares (shares)	441,453,555	441,230,266	441,453,555	441,230,266
Basic earnings per share of the parent company				
Profit for the years (Baht per share)	0.45	0.61	0.49	0.60

30. FINANCIAL INFORMATION BY SEGMENT

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

The businesses of the Company and its subsidiaries involve the systems integration, maintenance service and IT professional service with the main operation in the single geographic area in Thailand. Segment performance is considered by revenue and gross profit, and is also measured based on the group operating profit or loss, on a basis consistent with used to measure operating profit or loss in the financial statement. The Company and its subsidiaries information for the years ended December 31, 2015 and 2014 by segments are as follows:

Million Baht

Consolidated Financial Statement

For the years ended December 31,

	Systems intergration		Maintenance service		IT Professional service		Elimination		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
External revenue	1,954	3,779	909	792	470	561	-	-	3,333	5,132
Inter-segment revenues	17	-	1	-	46	65	(64)	(65)	-	-
Total revenues	1,971	3,779	910	792	516	626	(64)	(65)	3,333	5,132
Segment income	268	445	326	295	199	221	-	-	793	961
Unallocated income and expenses:										
Other income									48	43
Selling expenses									(124)	(142)
Administrative expenses									(457)	(517)
Finances costs									(6)	(10)
Income tax (income) expense									(52)	(60)
Profit for the years									202	275
Other comprehensive income									1	14
Total comprehensive income for the years									203	289
As at December 31,										
Property, plant and equipment									119	136
Intangible assets									31	42
Other assets									2,991	3,368
Total assets									3,141	3,546

Transfer prices between business segment are as set out in Note 5 to the financial statements.

31. PROMOTIONAL PRIVILEGES

On 29 June 2005, the Company was granted the following tax privileges for its software business under the category of ENTERPRISE SOFTWARE and DIGITAL CONTENT under the Investment Promotion Act B.E. 2520 issued by the Board of Investment as follows :-

- Exemption from corporate income tax on net profit for a period of eight years commencing as from the date of first earning of operating income (January 2007 to December 2014).
- Dividends paid from promoted operations which are exempted from corporate income tax are in turn exempted from inclusion in the determination of income tax.
- Exemption from import duty on machinery as approved by the Board of Investment.

To be entitled to these rights and privileges, the Company must comply with the conditions specified in the promotional certificate

Six subsidiaries receive tax privileges for the software business. The privileges are corporate income tax exemption, import duty on machinery, tax exemption on dividend income from the promoted business, etc.

As a promoted business, the Company and subsidiaries have to comply with the terms and conditions as specified in the promotion certificate.

The Company and its subsidiaries's results of operations classified by the promoted and non-promoted activities for the years ended December 31, 2015 and 2014 are as follows:-

Consolidated Financial Statement (In Baht)						
For the year ended December 31,						
Promoted operations		Non-promoted operations		Total		
2015	2014	2015	2014	2015	2014	
Sales and service income						
(Program development)	154,955,386	357,859,304	3,178,707,980	4,774,395,309	3,333,663,366	5,132,254,613

Separate Financial Statement (In Baht)						
For the year ended December 31,						
Promoted operations		Non-promoted operations		Total		
2015	2014	2015	2014	2015	2014	
Sales and service income						
(Program development)	-	203,719,362	2,833,403,076	4,343,690,606	2,833,403,076	4,547,409,968

32. PROVIDENT FUND

The Company, the subsidiaries and their employees have jointly established a provident fund as approved by the Ministry of Finance in accordance with the Provident Fund Act B.E. 2530. The fund is contributed by the Company, the subsidiaries and their employees at the rate of 3 - 7 percent of their basic salaries. The fund is managed by a licensed Fund Manager and will be paid to employees upon termination of employment in accordance with the rules of the provident fund.

The Company and subsidiaries's contributions for the years ended December 31, 2015 and 2014 amounted to Baht 24.70 million and Baht 23.69 million, respectively.

The Company's contributions for the years ended December 31, 2015 and 2014 amounted to Baht 20.09 million and Baht 19.38 million, respectively.

33. COMMITMENTS AND CONTINGENT LIABILITIES

33.1 Bank guarantees

As at December 31, 2015, there were outstanding bank guarantees issued by the bank on behalf of the Company of Baht 707.63 million (December 31, 2014 : Baht 920.08 million) and on behalf of the subsidiaries of Baht 45.33 million (December 31, 2014 : Baht 56.18 million) in respect of certain performance obligations required in the normal course of business of the Company and its subsidiaries.

33.2 Commitments

33.2.1 As at December 31, 2015, the Company and its subsidiaries had commitments in respect of office rental agreements. Future rental payments are as follows:

	Million Baht	
	Consolidated Financial Statement	Separate Financial Statement
Payable within:		
2015	27.26	19.05
2016	26.94	19.16
2017	11.79	7.90

33.2.2 As at December 31, 2015 and 2014, obligations relating to undelivered and unrendered contracts. The Company has undelivered and unrendered contracts of selling goods and rendering services to their customers amounted to Baht 1,247 million and Baht 1,571 million, respectively.

33.3 Credit card facility

As at December 31, 2015, the Company had a credit card facility of Baht 1 million with a local bank for import of goods.

33.4 Letter of guarantee credit

The company and its subsidiary have the credit limit under the letter of guarantee with a local commercial bank in the credit of Baht 2,090 million and the Company had in the credit of Baht 1,850 million, by free of mortgage.

33.5 Lawsuit

Case 1

On June 7, 2010, a governmental client cancelled the buy-sell and installation of system development agreement, dated September 1, 2008, in the amount per agreement of Baht 326.99 million. (The project is undertaken by a group of working team, under a specific agreement. The proportion of works to be performed by the parties are clearly specified. For the investment in this project, the Company has invested in a part of computer system installation in amount of Baht 113.79 million of agreement and the process of installations was completed). But the opinion of the management is that the client does not have right to cancel the such agreement. The buy-sell and installation of work system agreement is still obligated. The cancellation of the agreement of the client is an action to prevent the delivery of work to client within the time as specified by agreement, including an order to take the hardware back. It deems to be a violation of agreement by the client. So that, the Company use the right to cancel the buy-sell and installation of work system agreement as letter on October 14, 2010.

On April 30, 2010, the Company had filed lawsuit against the client to the Intellectual Property and International Trade Center Court, by interpleading into this case and claiming damages in the aggregate amount of Baht 161.27 million. On May 21, 2012, the Company was filed by the customer in a Civil case against the Intellectual Property and International Trade Center as a first defendant, and the four defendants from the breach of contract and installation system with the capital Baht 326.99 Million and on June 25, 2012 the Company has attested to the Court by denying the claim of the plaintiff for being not breaching the contract but it is from the plaintiff's side. So it is not liable for damages as filed.

On March 26, 2015, the Civil case against the Intellectual Property and International Trade Center ordered the Company to return the prepaid wage to the customer amounting to Baht 32.70 million with interest rate 7.5% per annum from the date of receipt until the date of filing amounting to Baht 8.94 million totaling Baht 41.64 million and the damage compensation to the customer amounting to Bath 5 million with interest rate 7.5% per annum from the date of filing onwards until the payment is settled. And On July 23, 2015, the Company has appealed.

As at December 31, 2015, the Company's management expect that the damage opportunity will not have an impact on the Company. Furthermore, the Company has a memorandum of understanding with a company that enables the group working agreement to return the prepaid wage to the Company amounting to Baht 30 million and agrees to be solely responsible for all damages, fines and costs in accordance with the court order. As at December 31, 2015, the Company is under the Supreme Court. The refore, the Company has not provided an allowance for losses that may occur in the financial statements.

Case 2

On September 28, 2010, the Company was sued by a client to the Central Intellectual Property and International Trade Court on the charges of breaking computer system installment and consulting contract with the capital amount of Baht 3.89 million. On December 9, 2010, the Company had argued the case for the capital amount of Baht 4.68 million.

As at December 31, 2015, the court has a ruling and the Company is under appeal. However, the management of the Company comment that the possibilities of damage are uncertain. Therefore, the Company has not set the allowance for any damage that may occur in the financial statements.

33.6 Liabilities from service agreement

A subsidiary may have contingent liabilities from the penalty of a service agreement with a government agency. Under the term of the Agreement, in case of the party has delayed work delivery, the other party has the right to charge the penalty fee for such delay at the rate as specified in the agreement. The subsidiary has completed delivery of work in delay which exceeds the period as specified in the agreement.

In all events, the management of subsidiary has indicated the details and documentary evidences in relation with work delivery for clarification of such delivery case that it is not the fault of the subsidiary to the other party. The management of the subsidiary has reserved the damages at the aggregate amount of Baht 4.93 million, in which the management has believed that it is adequate for settlement of arisen damages. Such item is recognized in the consolidated statement of loss and profit for the year ended December 31, 2015 under the account of administrative expenses.

As at December 31, 2015, the subsidiary has arranged the summary of the debtor in connection with the service agreement in the amount of Baht 29.83 million. Such case shall render the other party to stop payment and is during negotiation so far.

34. FINANCIAL INSTRUMENTS

34.1 Accounting policies

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in note 4.

34.2 Financial risk management for financial instruments

The Company and its subsidiaries manages its financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company does not hold or issue any derivative financial instruments except forward exchange contracts that are used as risk management tools. The Company does not have a policy to engage in any derivative financial transactions for speculative or trading purposes.

34.3 Credit risk

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

34.4 Interest rate risk

The exposure of the Company and its subsidiaries to interest rate risk relates primarily to their cash at banks, bank overdrafts and short-term loans from financial institutions trust receipts and liabilities under finance lease agreements long - term loans. However, since most of their 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 as at December 31, 2015 and 2014 classified by type of interest rates are summarized as follows:

In Baht

Consolidated Financial Statement				
As at December 31, 2015				
	Floating interest rate	Fixed interest rate	No interest	Total
Financial assets				
Cash and cash equivalents	98,433,419	1,080,843	2,933,928	102,448,190
Short-term investment	-	5,885,180	251,671,031	257,556,211
Trade and other accounts receivable	-	-	1,028,611,558	1,028,611,558
Receivable under financial lease agreements	-	13,872,456	-	13,872,456
Loans to relates parties	-	-	746,663	746,663
Pledged deposits at financial institutions	15,000,000	-	-	15,000,000
Financial liabilities				
Bank overdrafts and short-term loans				
from financial institutions	30,463,018	-	-	30,463,018
Trust receipts	4,938,584	-	-	4,938,584
Liabilities under financial lease agreements	-	8,490,528	-	8,490,528

In Baht

Consolidated Financial Statement				
As at December 31, 2014				
	Floating interest rate	Fixed interest rate	No interest	Total
Financial assets				
Cash and cash equivalents	191,110,247	428,781	1,561,935	193,100,963
Short-term investment	-	8,628,902	42,057,788	50,686,690
Trade and other accounts receivable	-	-	1,234,980,983	1,234,980,983
Receivable under financial lease agreements	-	45,084,086	-	45,084,086
Loans to associates company	3,000,000	-	-	3,000,000
Loans to relates parties	-	-	746,663	746,663
Pledged deposits at financial institutions	20,924,937	-	-	20,924,937
Financial liabilities				
Bank overdrafts and short-term loans				
from financial institutions	237,348,511	-	-	237,348,511
Trust receipts	162,945,790	-	-	162,945,790
Liabilities under financial lease agreements	-	13,866,738	-	13,866,738

In Baht

Separate Financial Statement				
As at December 31, 2014				
	Floating interest rate	Fixed interest rate	No interest	Total
Financial assets				
Cash and cash equivalents	40,926,416	-	439,154	41,365,570
Short-term investment	-	-	172,950,073	172,950,073
Trade and other accounts receivable	-	-	882,218,513	882,218,513
Receivable under financial lease agreements	-	7,270,036	-	7,270,036
Loans to subsidiaries	5,749,708	-	-	5,749,708
Loans to relates parties	-	-	746,663	746,663
Financial liabilities				
Bank overdrafts and short-term loans				
from financial institutions	139,353	-	-	139,353
Trust receipts	15,372	-	-	15,372
Liabilities under financial lease agreements	-	4,815,743	-	4,815,743

In Baht

Separate Financial Statement				
As at December 31, 2014				
	Floating interest rate	Fixed interest rate	No interest	Total
Financial assets				
Cash and cash equivalents	121,431,522	-	168,491	121,600,013
Trade and other accounts receivable	-	-	1,080,156,699	1,080,156,699
Receivable under financial lease agreements	-	18,323,105	-	18,323,105
Loans to subsidiaries	5,895,000	-	-	5,895,000
Loans to associated company	3,000,000	-	-	3,000,000
Loans to relates parties	-	-	746,663	746,663
Financial liabilities				
Bank overdrafts and short-term loans				
from financial institutions	193,236,310	-	-	193,236,310
Trust receipts	160,989,375	-	-	160,989,375
Liabilities under financial lease agreements	-	7,445,330	-	7,445,330

34.5 Foreign currency risk

The exposure of the Company and its subsidiaries to foreign currency risk relates primarily to its trade accounts payable that are denominated in foreign currencies. The Company and its subsidiaries utilizes forward exchange contracts, mostly with maturities of no more than one year, in order to hedge the foreign currency risk related to these payables.

As at December 31, 2015 and 2014, the Company and its subsidiaries have assets and liabilities denominated in foreign currency are as follows :-

Consolidated Financial Statement					
		As at December 31, 2015		As at December 31, 2014	
The value of foreign currency assets	- USD	USD	49 thousand	USD	10,055 thousand
The value of foreign currency liabilities	- USD	USD	3,463 thousand	USD	8,699 thousand
The value of foreign currency liabilities	- SGD	SGD	7 thousand	SGD	57 thousand

Separate Financial Statement					
		As at December 31, 2015		As at December 31, 2014	
The value of foreign currency assets	- USD	USD	49 thousand	USD	9,917 thousand
The value of foreign currency liabilities	- USD	USD	3,317 thousand	USD	8,573 thousand
The value of foreign currency liabilities	- SGD	SGD	7 thousand	SGD	57 thousand

As at December 31, 2015, the Company and its subsidiaries had forward exchange contracts of USD 3.60 million (The Company had forward exchange contracts of USD 3.47 million) with the exchange rates of Baht 33.91 to Baht 36.82 per USD 1, to be mature within 1 - 12 months.

34.6 Liquidity risk

The Company and its subsidiaries manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

34.7 Fair value

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

Since the majority of the financial assets and liabilities of the Company and its subsidiaries are short-term in nature, their fair values are not expected to differ materially from the amounts presented in the statements of financial position.

The fair values of significant financial assets and financial liabilities do not differ from their carrying values.

35. FAIR VALUE OF FINANCIAL INSTRUMENT

The Company and its subsidiaries uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Use of inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (e.g. prices) or indirectly (e.g. derived from prices).

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

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

(In Baht)				
Consolidated Financial Statements				
2015				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments				
- Unit trust	-	251,671,031	-	251,671,031

(In Baht)				
Consolidated Financial Statements				
2014				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments				
- Unit trust	-	50,686,690	-	50,686,690

(In Baht)				
Consolidated Financial Statements				
2015				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments				
- Unit trust	-	172,950,073	-	172,950,073

Valuation techniques on fair value and inputs for Level 2 valuations

(a) The fair value of investments in non-listed investment units on the Stock Exchange of Thailand, is calculated by using the net assets value per unit as announced by the fund managers. During the current period, there were no transfers within the fair value hierarchy.

36. The revised accounting standards are not yet effective in the current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of new accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards that are issued and revised.

These revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2016 are as follows:

Conceptual Framework for Financial Reporting (revised 2015)

TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates And Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts

TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases - Incentives
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2015)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2015)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2015)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

The management of the Company and its subsidiaries believe that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are issued and revised will not have any significant impact on the financial statements for the year when they are initially applied.

37. AUTHORIZATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of Directors on February 25, 2016.

Interrelated Transactions

Normal Business Transaction: MFEC Public Company Limited had Business Transactions - purchase and sales of goods and services which interrelated with its subsidiaries and associate. Such interrelated transactions complied with general trade conditions and requirements set in the principles of mutual agreements between MFEC and its subsidiaries and associate for normal businesses.

Related Person/ Juristic Person	Relationship	Transaction	Value (million baht)		Necessity and Reasonableness
			2015	2014	
MIS	Subsidiary company which MFEC holds the share at the aggregate rate of 99.99%	Sales of goods and services (Computers)	0.49	-	MFEC sold computers and provided maintenance services for the computers. The mentioned price is nearly the market price.
		Purchase Goods and Services	0.36	-	MFEC Purchases office equipment.
MISO	Subsidiary company which MFEC holds the share at the aggregate rate of 99.99%	Sales of goods and services (Professional Service)	0.01	0.01	MFEC procured the Professional Service to develop software system as a part of selling. The mentioned price is nearly the market price.
MOTIF	Subsidiary company which MFEC holds the share at the aggregate rate of 99.99%	Sales of goods and services (Professional Service)	16.83	6.38	MFEC provided Professional Service to develop the computer programs and maintenance service. The mentioned price is nearly the market price.
		Purchase of goods and services (Professional Service)	2.25	4.28	MFEC procured Outsourcing and the Professional Service to develop the computer programs. The mentioned price is nearly the market price.
BAC	Subsidiary company which MFEC holds the share at the aggregate rate of 99.99%	Sales of goods and services (Professional Service)	-	0.70	MFEC provided Technical Consulting Service and other services. The mentioned price is nearly the market price.
		Purchase of goods and services (Professional Service)	1.13	2.75	MFEC provided Professional Service to develop the computer programs and maintenance service. The mentioned price is nearly the market price.

Related Person/ Juristic Person	Relationship	Transaction	Value (million Baht)		Necessity and Reasonableness
			2015	2014	
PN	Subsidiary Company which MFEC holds the share at the aggregate rate of 60%	Provide office service	0.24	0.18	MFEC provided the professional service related to Accounting, Finance and General Management. The mentioned price was agreed by considering the appropriateness of working quantity.
		Purchase of goods and services (Professional Service)	0.19	3.42	MFEC procured the Professional Service to develop computer programs. The mentioned price is nearly the market price.
AIM	Subsidiary company which MFEC holds the share at the aggregate rate of 60%	Provide office service	0.06	0.06	MFEC provided professional service related to Accounting, Finance and General Management. The mentioned price was agreed by considering the appropriateness of working quantity.
		Purchase of goods and services (Professional Service)	-	3.54	MFEC procured the Professional Service to develop computer programs. The mentioned price is nearly the market price.
SS1999	Subsidiary company which MFEC holds the share at the aggregate rate of 99.99%	Purchase of goods and services (Professional Service)	-	1.52	MFEC procured Professional Service to develop computer programs. The mentioned price is nearly the market price.
KKS	Subsidiary Company which MFEC holds the share at the aggregate rate of 99.99%	Purchase of goods and services (Professional Service)	-	4.13	MFEC purchases the software and the Professional Service to develop the computer programs. The mentioned price is nearly the market price.
KS	Subsidiary company of SS1999 which MFEC holds 99.99 percent	Purchase of goods and services (Professional Service)	1.5	-	MFEC procured software and system development service. The mentioned price is nearly the market price.
SM	Subsidiary company of SS1999, which MFEC holds 99.99 percent	Purchase of goods and services (Professional Service)	3.9	-	MFEC procured software and system development service. The mentioned price is nearly the market price.

Related Person/ Juristic Person	Relationship	Transaction	Value (million Baht)		Necessity and Reasonableness
			2015	2014	
MODERN	Related company which holds MFEC/s share at the aggregate rate of 2.4%, and has Mr.Suchart Thammapitagkul as a co-director.	Sales of goods and services (Maintenance)	-	0.03	MFEC provided maintenance service for Hardware. The mentioned price is nearly the market price.
		Purchase of assets (furniture) and repairing service.	-	0.09	MFEC procured furnitures and repairing service of the furnitures for office use.
ANGSTROM	Associated company which MFEC holds the share at the aggregate rate of 40%.	Sales of goods and services (Professional Service)	7.00	-	MFEC provided the Professional Service to develop computer programs and maintenance service for using software as the investment in the part of sale. The mentioned price is nearly the market price.

Transaction of the Rental/Service of the Property

Related Person/ Juristic Person	Relationship	Transaction	Value (million Baht)		Necessity and Reasonableness
			2015	2014	
MTC	Having the same major shareholder as MFEC, which is MODERN which holds 100 percent and 16.48 percent of MTC and MFEC share respectively, and having Mr. Charoen Usnachit as a Co-Director. (From 30th June 2014, MTC is not related to MFEC)	Rental/service fees (office building area)	-	3.24	MFEC dose not own its office area. Therefore, MFEC rented the office building area from MTC, in which the rental/service fee is average at 407,000 baht per month for 1,116.50 square meters, or rental fee 195 baht/m2 and service fee 185 baht/m2 per month. The obligations and debts that may arise on December 31st, 2014 is in the aggregate amount of 4.87 million Baht (due to the debts to be paid as of March 31th, 2015)

Financial Assistance

Related Person/ Juristic Person	Relationship	Transaction	Value (million Baht)		Necessity and Reasonableness
			2015	2014	
PN	Subsidiary company which MFEC holds the share at the aggregate rate of 60%	Interest recieved	0.29	0.40	MFEC loans PN for investment in relation with project management at the aggregate interest rate of MLR-1.5%, which is the rregular rate of bank loans for the first-class customer.
AIM	Subsidiary company which MFEC holds the share at the aggregate rate of 60%	Interest recieved	0.64	0.65	MFEC loans PN for investment in relation with project management at the aggregate interest rate of MLR-1.5%, which is the rregular rate of bank loans for the first-class customer.
ANGSTROM	Subsidiary company which MFEC holds the share at the aggregate rate of 40%	Guarantees on Bank Loan	0.03	0.03	The fee of Bank Guarantee in the rate of 1%
		Interest received	0.14	-	MFEC loans ANGSTROM for investment in relation with project management at the aggregate interest rate of MLR-1.5%, which is the rregular rate of bank loans for the first-class customer.

Reference to remark attached with Financial Statement – Item 5 for the end as of the ending year as of December 31st, 2015

Approval measure or procedure for an interrelated transaction

An interrelated transaction shall be submitted at the Board of Directors' meeting for approval. The Audit Committee shall attend the meeting to consider and approve such transaction. Such transaction shall be complied with the Securities and Exchange laws, regulations, announcement, notification and requirements of the Stock Exchange of Thailand. Those who might have conflict of interest or stakes in the interrelated transactions have no voting rights in the interrelated transactions.

Guidelines or trend in making an interrelated transaction with a person who may have conflict of interests in the future

Guidelines on interrelated transaction

Interrelated transactions that will likely occur in the future can be grouped into two categories.

1. Normal and continuous transactions.

The company will determine the principles and guidelines for the normal and continuous transactions with general trade conditions, fair, reasonable and traceable prices. The principles and guidelines will be proposed to the Audit Committee for approval and comments on rational of each transaction.

2. Special and occasional transactions.

The Audit Committee will be assigned to comment on appropriateness of each transaction. If the Audit Committee does not have expertise in an interrelated transaction, the company will assign an expert such as an auditor or an asset evaluator or a law office, etc. who is independent from the company and the person who may have conflict of interest to make comments on such transaction. The comments will be used as information for the committee or the shareholders as the case may be.

Interrelated transactions/future trend

1. As of and interrelated transaction on rental office and parking space, the transactions will continue in the future. If the rental fee, and/or conditions of rent are changed, the company would consider the appropriateness and implement according to the rules and guidelines that the Audit Committee has considered and approved. Whether to do an interrelated transaction with a company that may have conflicts with depends on appropriateness and necessity of each transaction. If such interrelated transaction occurs, the company will abide by the guideline the Audit Committee has considered and approved.

2. As for an interrelated transaction on guarantee. If the company puts up collaterals against credits requested by its subsidiary, the company has a policy to put up the amount of collateral in accordance with its stake in the subsidiary. In the case that the company cannot comply with such guideline, the company will proceed in accordance with the Securities and Exchange Commission in the information disclosure and interrelated transactions of the listed companies.

Financial Summary for the Year 2015

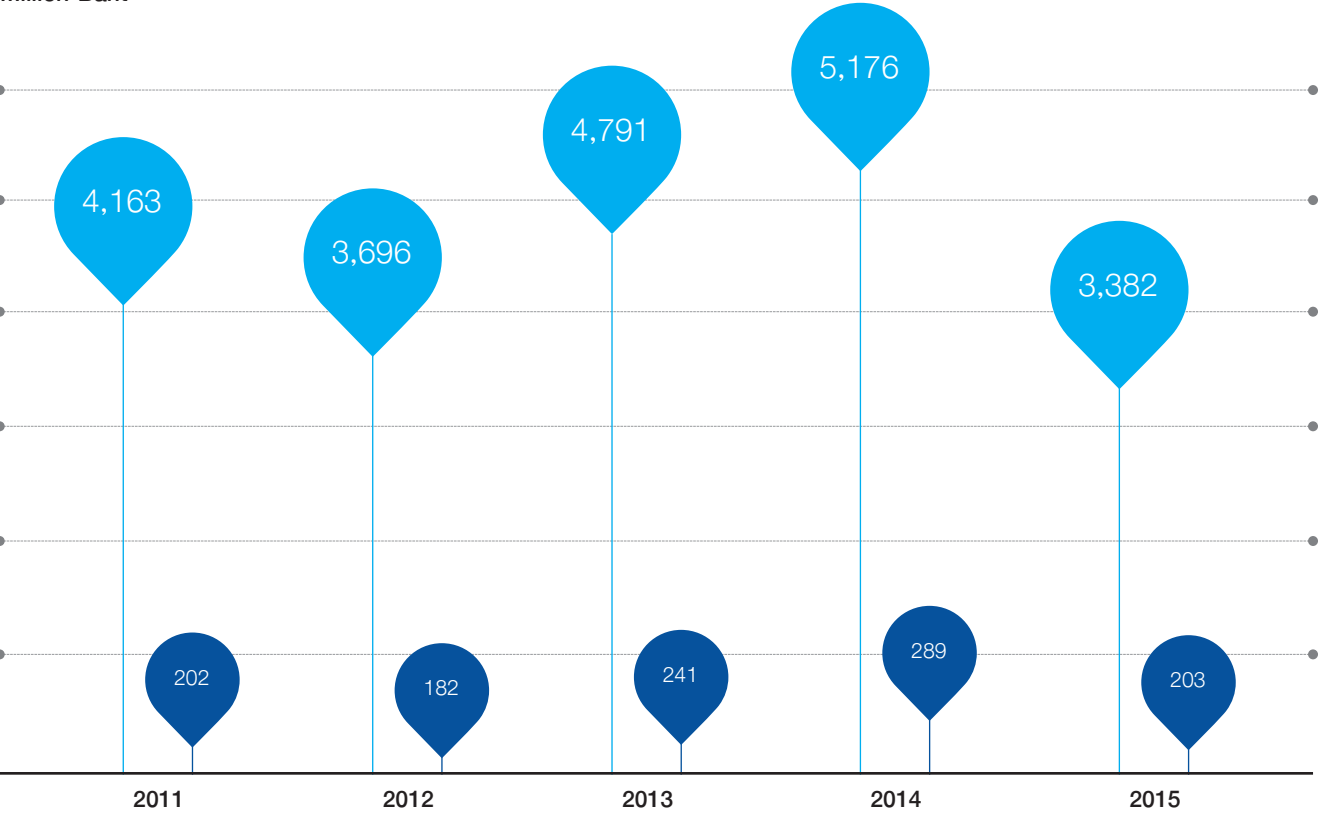
	Company and Subsidiaries		
	2015	2014	2013
Total Revenues (Baht)	3,382,329,728	5,175,923,164	4,790,644,978
Revenues from Sales and Service (Baht)	3,333,663,366	5,132,254,613	4,730,538,979
Gross Profit (Baht)	794,074,366	961,447,290	920,151,894
Net Profit (Baht)	196,533,226	270,427,033	232,209,827
Total Assets (Baht)	3,140,640,773	3,546,435,656	3,160,583,168
Total Liabilities (Baht)	1,224,979,215	1,612,478,918	1,320,976,546
Total shareholder's equity of the parent company (Baht)	1,895,702,704	1,918,689,882	1,828,793,600
Non-controlling interests (Baht)	19,958,854	15,266,855	10,813,021
PROFITABILITY :			
Gross profit margin (%)	23.82	18.76	19.45
Net profit (%)	5.85	5.22	4.85
RETURN ON INVESTMENT :			
Return on total assets (%)	6.30	8.15	7.64
Return on equity (%)	10.30	14.43	12.70
LIQUIDITY & STABILITY :			
Current ratio (Times)	2.02	1.74	1.80
Debt to Equity ratio (Times)	0.64	0.84	0.72
PER SHARE DATA :			
Number of shares (Registered)	441,500,555	441,500,555	441,500,555
Number of shares (Fully paid)	441,453,555	441,453,555	440,402,555
Book value (Baht / Share)	4.29	4.35	4.15
Net profit (EPS) (Baht / Share)	0.45	0.61	0.53
Dividends (Baht / Share) *	0.33	0.50	0.45

* **Remark :** The Board of Directors' Meeting No.2/2015 held on April 25th, 2016 passed a resolution to pay dividend for the year 2014 operation results to shareholders at a rate of Baht 0.33 per share. The proposal is to be presented at the Ordinary General Shareholders' Meeting No.1/2014 on 25 April 2016 for further approval.

Financial Highlight MFEC & Subsidiaries

● Revenue ● Net Profit

Million Baht



Financial Position and Performance

Explanation and Analysis of Financial Position and Performance

Performance

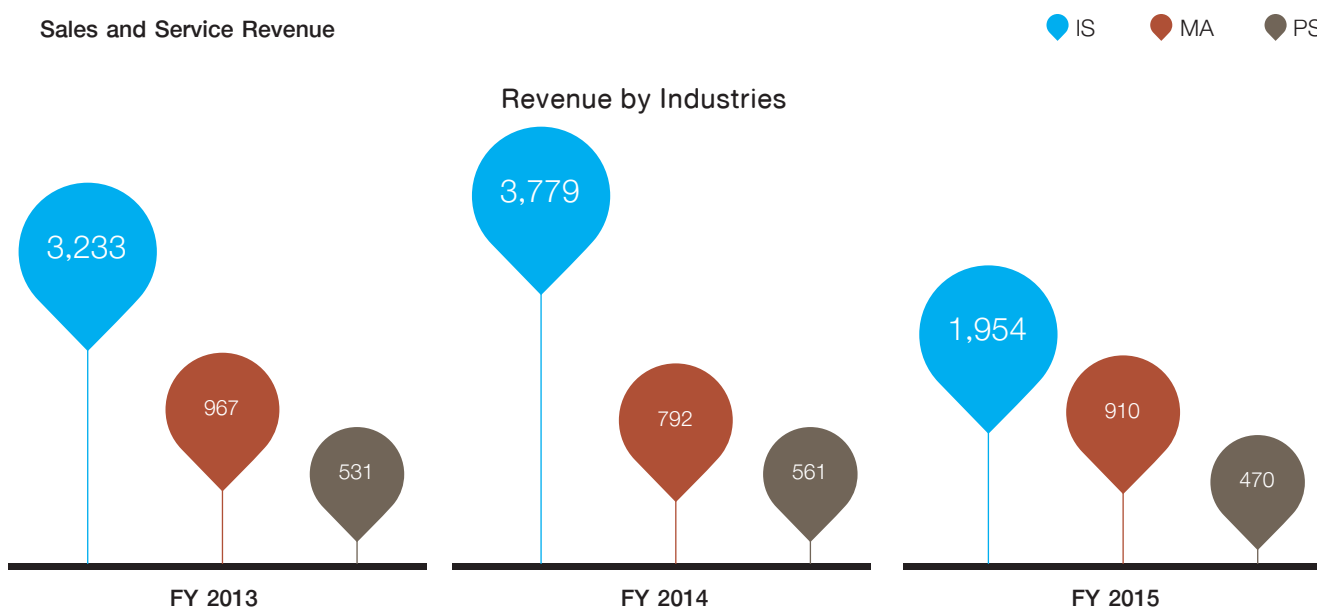
As the country's economy had been continuously slowing down from the end of 2014 to 2015, and the company and its subsidiaries enacted the marketing policy to expand service business in line with the growth of Information Technology, the number of purchase orders received from customers diminished in 2015. As a result, the company's performance dropped, and net income decreased 27.3% from the previous year. The total revenue gained from 2013-2015 were 4,791 million baht, 5,176 million baht, and 3,382 million baht, representing the increase (decrease) rate of 29.7%, 8.0%, and (34.7%) respectively. The net income obtained from 2013-2015 were 232 million baht, 270 million baht, and 197 million baht, calculated as net profit margin at the rate of 4.8%, 5.2%, and 5.8% respectively. Consequently, the revenue and net profit decreased

due to the economic downturn in 2015 as aforementioned. The company's performance is summarized as follows.

As of December 31, 2015, the company had total assets of 3,141 million baht, total debts of 1,225 million baht, and shareholders' equity of 1,916 million baht. The total assets contain current assets which were 2,364 million baht, or 75%, and non-current assets which were 776 million baht, or 25%. The total debts consist of current liabilities which were 1,168 million baht, and other liabilities which were 57 million baht. And the total shareholders' equity comprises 1,916 million baht from the shareholders of the parent company and 20 million baht from the minor shareholders of the subsidiaries.

Revenue

Sales and Service Revenue



The company's revenue is classified as 3 categories by its products and services, which are System Integration (SI), Maintenance Service (MS), and Professional Service (PS). The revenue from sales and services from 2013-2015 were 4,731 billion baht, 5,132 million baht, and 3,334 million baht, representing the increase (decrease) rate of 29.7%, 8.5%, and (35.0%) respectively. The reduction of

the revenue was resulted from the reduced projects in system integration, as well as the economic slowdown which affects the number of projects in both government and private sector, and the volume of purchase orders received in 2015. The revenue from each type of products and services had changed as the followings.

The analysis of the changes in revenue categorized by type of products and services:

- The revenue from System Integration (SI) from 2013-2015 were 3,237 million baht, 3,779 million baht, and 1,954 million baht, representing the increase (decrease) rate of 28.7%, 16.9%, and (48.3%) respectively. The revenue from SI in 2015 was 58% of total revenue, lower than in the previous year which was over 70%. The reduction was resulted from the reduced volume of purchase orders received from government and state enterprise agencies.

- The revenue from Maintenance Service (MS) from 2013-2015 were 967 million baht, 792 million baht, and 910 million baht, representing the increase (decrease) rate of 55.0%, (18.1%), and 14.9% respectively. The revenue from MS in 2015 was 27% of the total revenue, higher than in the previous year, which resulted from the company's expansion of service business and the adjusted policy of most customers to purchase more service according to the growth of Information Technology business.

- The revenue from Professional Service (PS) from 2013-2015 were 531 million baht, 561 million baht, and 470 million baht, representing the increase (decrease) of growth rate at 3.8%, 5.7%, and (16.2%) respectively. The revenue from PS in 2015 decreased to 14% of the total revenue, according to the reduced amount of purchase orders received from both the government and state enterprise agencies.

Other revenue

The company gains other revenue mainly from vendors' promotion. It receives income from vendors when the number of purchase orders for their products meet a specific target. The other revenue also includes interest received, profit on sales of assets, exchange rate profit, and miscellaneous income. The other revenue from 2013-2015 were 60 million baht, 44 million baht, and 48 million baht, representing the increase (decrease) rate of 20.1%, (27.3%), and 9.1% respectively. The other revenue in 2015 was 1.4% of the total revenue, mostly from the promotion of the vendors of different products.

Expenses

Cost of Sales and Services

The cost of sales and services of the company from 2013-2015

were 3,810 million baht, 4,171 million baht, and 2,540 million baht, representing the increase (decrease) rate of 33.6%, 9.5%, and (39.1%) respectively. The ratio of the cost of sales and services to the sales and service revenue from 2013-2015 were 80.5%, 81.3%, and 76.2%. The cost rate decreased despite the business competition during the economic deceleration in 2015. Anyhow, the company aims to expand its service business to push for higher margin and lower cost.

Selling and Administrative Expenses

The expenses of sales and administration from 2013-2015 were 680 million baht, 659 million baht, and 581 million baht, representing the increase (decrease) rate of 14.7%, (3.0%), and (11.8%) respectively. The ratio of the expenses of sales and administration to the sales and service revenue from 2013-2015 were 14.2%, 12.7%, and 17.2%. The expenses of sales and administration increased in 2013 because the company set the allowance for doubtful accounts and the losses on impairment of assets, witnessed the losses from the subsidiaries and the increased expenses on research and product development, which were totally 64 million baht. The selling and administrative expenses in 2015 decreased from the previous year due to the reduced viable expense that in line with the revenue reduction, and the effective management of the fixed cost. However the company has recorded all expenses in the actual period to reflect its actual performance each year.

Financial Cost

The financial cost from 2013-2015 were 14 million baht, 10 million baht, and 6 million baht, representing the increase (decrease) rate of (47.4%), (27.8%), and (45.1%) respectively, due to the effective delivery management and the efficient debt collection. As a result, the company has better financial liquidity so that it requires less loan for revolving money.

Corporate Income Tax

The corporate income tax of the company from 2013-2015 were 50 million baht, 60 million baht, and 52 million baht, representing the increase (decrease) rate of 16.5%, 18.9%, and (12.8%) respectively. The decrease of the corporate income tax was a result of the reduced performance.

Net Profit (Loss)

The amount of net profit of the company from 2013-2015 were 232 million baht, 270 million baht, and 197 million baht, representing the increase (decrease) rate of 4.9%, 5.2%, and 5.9% respectively. The increment of the net profit was resulted from the higher margin of service business, more effective control of the cost of sales and services, and the financial cost which decreased from the previous year.

Financial Position

Assets

The total assets as of December 31, from 2013-2015, were 3,160 million baht, 3,546 million baht, and 3,141 million baht, representing increase (decrease) rate of (14.7), 12.2, and (11.4) respectively. The significant changes of the company's assets in 2015 were that the short-term investment increased 207 million baht, which was short-term cash balance invested in low-risk mutual funds with higher return than interest rate, the account receivables and other receivables decreased 206 million baht, and the unbilled revenue reduced 208 million baht in relation with the reduction of revenue. However, those were regular transactions, and most of the receivables were undue payments. Furthermore, the unbilled revenue was recognized in consistence with the quantity of finished work.

Cash, Cash Equivalents and Short-Term Investment

The amount of cash, cash equivalents and short-term investment as of December 31, from 2013-2015, were 331 million baht, 224 million baht, and 360 million baht, estimated at 10.5%, 6.9%, and 11.5% of the total assets, used as current cash for the company's operations. The company uses cash balance for short-term investment in low-risk mutual funds with higher return than interest rate.

Accounts Receivable and Other Receivables

The amount of accounts receivable and other receivables after deducting allowance for doubtful accounts as of December 31, from 2013-2015, were 865 million baht, 1,235 million baht, and 1,029 million baht, estimated at 27.4%, 34.8%, and 32.8% of the total assets.

Of all receivables, 64% were undue payments, and 36% were on the process of debt collection, including 5% which had been overdue for over 1 year. The allowance for doubtful accounts was recorded consistently with the status of each receivable, based on the company's financial policy regulated to assess the receivables. As of the end of 2013, 2014, and 2015, the allowance for doubtful accounts were 24 million baht, 18 million baht, and 18 million baht, estimated at 2.7%, 1.4%, and 1.7% of the total amount of account receivables and other receivables, which were not much comparing to the debt value. The allowance for doubtful accounts in 2014 was decreased 6 million baht from the previous year because some of the amount recorded in the previous year was collected.

Unbilled Revenue and Cost of Work in Process

The unbilled revenue and the cost of work in process as of December 31, from 2013-2015, were 944 million baht, 1,171 million baht, and 916 million baht, estimated at 29.9%, 33.0%, and 29.2% of the total assets. The unbilled revenue is the undue payment which recognized in line with the progress of work, while the cost of work in process is the work which on the installation process of each project.

Non-Current Assets

The major non-current assets as of December 31, from 2013-2015, comprise the investment in the company's associate, which were 19 million baht, 17 million baht, and 27 million baht. The reduced investment was resulted from loss of performance. When the associate increased its registered capital in 2015, MFEC also increased its investment in the company according to the shareholding ratio which was 40%. The company paid 12 million baht in September 2015, and the rest which was 12 million baht in January 2015 for the increased capital. From 2013-2015, the value of goodwill were 567 million baht, 563 million baht, and 547 million baht, however, the devalued goodwill was considered in accordance with the performance of its subsidiaries; the value of properties and equipment were 151 million baht, 136 million baht, and 119 million baht; and the value of intangible assets were 57 million baht, 42 million baht, and 31 million baht respectively. Some parts of the intangible assets were transferred from the cost of program development, most

of which were the company's Intellectual Property that can generate more income. By the end of 2015, the amount of the finance lease receivables was 4 million baht, lower than

in the 2014 which was 9 million baht, due to the extension of product distribution channels and the flexibility of the payment condition that allows 3-5 years of payment.

Liquidity

Cash Flow Statement

	Year 2015 MB	Year 2014 MB	Year 2013 MB
Net cash flow received from (spent in) operating activities	744	(6)	753
Net cash flow received from (spent in) investing activities	(237)	62	(163)
Net cash flow received from (spent in) financing activities	(598)	(53)	(525)
Increase (decrease) in net cash and cash equivalents	(91)	3	65

In 2013, the company had earned 471 million baht profit before any changes in operating assets and liabilities. After deducting the changes in operating assets and liabilities, the cash flow obtained from (spent in) the operating activities was 753 million baht, as a result of the decrease in accounts receivable and other receivables, finance lease receivables, unbilled revenue, cost of work in process, and unbilled cost, which were 224 million baht, 105 million baht, 197 million baht, 117 million baht and 280 million baht respectively. Net cash flow spent in investing activities was 163 million baht. Cash spent in short-term investment was 132 million baht, and Cash spent in asset impairment and equipment purchase was 29 million baht. Net cash flow spent in financing activities was 525 million baht. The company paid for short-term loan and trust receipt for 336 million baht. Liabilities under finance lease and long-term loan decreased 33 million baht. The company paid 145 million baht dividend for its performance in 2012 from the cash flow gained from its ordinary operating activities, which did not affect its liquidity, and also paid 14 million baht interest. Therefore, the company's cash and cash equivalents increased totally 65 million baht.

In 2014, the company had earned 425 million baht profit before any changes in operating assets and liabilities. After deducting the changes in operating assets and liabilities, cash flow obtained from (spent in) the operating activities was (6) million baht, as a result of the decrease in accounts receivable and other receivables, unbilled revenue, accounts payable and other payables, which were 366 million baht, 196 million baht, and 82 million baht respectively.

These were normal transactions which consistent with its revenue. Cash flow received from investing activities was 62 million baht. Cash received from current investment was 92 million baht, which was the revolving money used for short-term investment for higher return than the interest rate. Cash paid for asset impairment and equipment purchase was 36 million baht for its normal operation. Net cash flow spent in financing activities was 53 million baht. Short-term loan and trust receipt increased 181 million baht for its normal operation in accordance with the increased revenue. Liabilities under finance lease and long-term loan decreased 30 million baht. The company paid 199 million baht dividend for its performance in 2013 from cash flow gained from the ordinary operating activities, which did not affect its liquidity, and also 10 million baht interest. Consequently, the company's cash and cash equivalents increased 3 million baht.

In 2015, the company had earned 352 million baht profit before any changes in operating assets and liabilities. After deducting the changes in operating assets and liabilities, the cash flow obtained from (spent in) the operating activities was 744 million baht, as a result of the decrease in accounts receivable and other receivables, unbilled revenue, cost of work in process, and accounts payable, which were 204 million baht, 208 million baht, 44 million baht, and 52 million baht respectively. Cash flow spent in investing activities was 237 million baht. Cash spent in current investment was 200 million baht, which was the revolving money used for short-term investment for higher return than the interest rate. Cash paid for the increased capital of the associate was 12 million baht. Cash

paid for asset impairment and equipment purchase was 35 million baht for its normal operation. Net cash flow spent in financing activities was 598 million baht. Short-term loan and trust receipt decreased 365 million baht. Liabilities under finance lease decreased 7 million baht. The company paid 222 million baht dividend for

its performance in 2014 from cash flow gained from the ordinary operating activities, which did not affect its liquidity, and also 4 million baht interest. Consequently, the company's cash and cash equivalents decreased 91 million baht.

Liquidity Ratio

		Consolidated		
		2015	2014	2013
LIQUIDITY RATIO				
Current ratio	(times)	2.02	1.74	1.80
Quick ratio	(times)	1.21	0.97	1.01
Inventory turnover	(times)	5.89	8.94	7.43
Average number of day sales	(days)	61.11	40.25	48.43
Receivable turnover ratio	(times)	2.13	3.47	3.33
Collection days	(days)	168.81	103.80	108.16
Account payable turnover	(times)	3.89	6.52	5.02
Payment days	(days)	92.45	55.25	71.75
Cash Cycle	(days)	137.46	88.80	84.80

Most of the company's liquidity ratio in 2015 were improved. At the end of 2013, 2014, and 2015, the current ratio were 1.80, 1.74, and 2.02, while the quick ratio were 1.01, 0.97, and 1.21 respectively. These numbers were considered as a sufficient liquidity rate for its business. With slower inventory turnover, longer average sale period, and extended collection period, the cash conversion cycle in 2013, 2014, and 2015 were 85, 89, and 137 days respectively.

Source of Fund

Debts

As of December 31, 2013, the total debts of the company were 1,321 million baht, decreased 643 million baht from 2012. The majority of the debts contain bank overdraft and short-term loan of 64 million baht, trust receipt of 153 million baht, accounts payable and other payables of 498 million baht, unbilled cost of 147 million baht, and deferred income of 223 million baht.

As of December 31, 2014, the total debts of the company were 1,612 million baht, decreased 292 million baht from 2013. The majority of the debts contain bank overdraft and short-term loan of 237 million baht, trust receipt of 163 million baht, accounts payable and other payables of 580 million baht, unbilled cost of 129 million baht, and deferred income of 236 million baht.

As of December 31, 2015, the total debts of the company were 1,225 million baht, decreased 387 million baht from 2014. The majority of the debts contain bank overdraft and short-term loan of 31 million baht, trust receipt of 5 million baht, accounts payable and other payables of 526 million baht, accrued expenses of 183 million baht. These were the normal debts for the company's operation, and had not yet reached the due date. The unbilled cost was 149 million baht which was recognized in line with the progress of work. The deferred income was 225 million baht which received from the customers for services according to the payment conditions prior to the service.

Shareholders' Equity

the amount of shareholders' equity as of December 31, 2013, 2014, and 2015, were 1,840 million baht, 1,934 million baht, and 1,916 million baht, which were increase (decrease) at the rate of 7%, 5%, and (1%) respectively. The increase or decrease of the shareholders' equity was related to the increased or decreased retained earnings.

Appropriateness of Capital Structure

The debt to equity ratio as of December 31, 2013, 2014, and 2015, were 0.72, 0.83, and 0.64 respectively. The debt to equity ratio in 2014 narrowly increased from that gained in 2013, which was considered as good, due to the improved collection. Anyhow, all of the company's debts was from its normal business, most of which due within one year.

Remuneration for Audit

The company and its subsidiaries paid remuneration for 2015 audit to the audit company for 3.55 million baht.

Non-financial Remuneration

- None -

Dividend Payout Policy

The company had changed its accounting method for investment from equity method to cost method. The company and its subsidiaries shall pay dividend for of not less than 50 percent of net profit after deducting tax and legal reserve fund, based on the consolidated and separate financial statements of the company and its subsidiaries.

From 2010-2015, the company have paid dividend of 84 million baht, 127 million baht, 145 million baht, 145 million baht, 199 million baht, and 222 million baht, which were at the rate of 0.33, 0.45, 0.33, 0.33, 0.45, and 0.50 baht per share respectively.

As a resolution of the Board of Directors Meeting No. 2/2016, the Board would propose to the Annual General Meeting that the company would pay dividend to the shareholders for its performance in 2015 at the rate of 0.33 baht per share.

Factors that may affect financial position or performance in the future

- None -

ANNUAL REPORT 2015



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