

## (Translation)

**Information Memorandum on Acquisition of Assets  
of  
Vintcom Technology Public Company Limited (Account 2)**

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**1. Information in accordance with Type-1 Account****1.1 Date of the transaction**

The Company will enter into the transaction after obtaining approval from the Extraordinary General Meeting of Shareholders No. 1/2018 to be held on October 12, 2018 and expects to complete the transaction by October 17, 2018 or any other date as to be mutually agreed by the parties to the agreement.

**1.2 Relevant parties and relationship with the listed company**

Buyer : Vintcom Technology Public Company Limited  
Sellers : Mr. Pong Trakulthong and WPS Co., Ltd.

**1.3 General characteristics of the transaction and transaction size****1.3.1 General characteristics of the transaction**

The Company will acquire 400,000 ordinary shares in I-SECURE Co., Ltd. ("I-SECURE") with a par value of Baht 100 per share, representing 100% of I-SECURE's paid-up capital, from Mr. Pong Trakulthong and WPS Co., Ltd. ("WPS"), or called "**Sellers**", which are not connected persons of the Company, at a total value of approximately Baht 196.50 million. (The sale and purchase price of I-SECURE shares is determined from the price/earnings (P/E) multiple plus a margin of Baht 25 million and is set to be Baht 95 million minimum, assuming the P/E of 9.80 times of I-SECURE's average net profit in 2019 and 2020. Based on I-SECURE's net profit forecast by the Company's management at Baht 15 million in 2019 and Baht 20 million in 2020, the purchase price of I-SECURE shares is thus expected to be around Baht 196.50 million. However, the effective sale and purchase price will vary with the actual net profit earned by I-SECURE in 2019 and 2020.) The Company will pay the sale and purchase price to the Sellers or the persons designated by the Sellers either (1) in cash of approximately Baht 196.50 million or (2) in cash of approximately Baht 156.50 million and in shares newly issued by the Company worth not more than Baht 40 million with a par value of Baht 0.50 per share at the offering price of the newly issued ordinary shares of the Company which is equal to the market price. (**Market price** refers to the weighted average price of the Company's ordinary shares traded on the SET during 15 consecutive business days before the date of determination of the offering price of the newly issued ordinary shares of the Company.) Payment for I-SECURE shares to the Sellers or the persons designated by the Sellers will be made in three installments as follows:

- (1) Installment 1 of Baht 115 million (representing 58.52% of the sale and purchase price of I-SECURE shares) will be paid totally in cash together with provision of a loan of Baht 19.80 million on the sale and purchase completion date, whereby on such date I-SECURE will become a subsidiary of the Company (which is expected to be no later than October 17, 2018 or any other date as to be mutually agreed by the parties to the agreement).
- (2) Installment 2 of approximately Baht 28.50 million will be paid totally in cash by the first quarter of 2020. The exact payment amount depends on I-SECURE's 2019 net profit duly audited by its auditor.
- (3) Installment 3 of approximately Baht 53 million will be paid either totally in cash or partially in shares newly issued by the Company worth not more than Baht 40 million and partially

in cash by the first quarter of 2021. The exact payment amount depends on I-SECURE's 2020 net profit duly audited by its auditor. As for the payment in shares, the Company will propose the shareholders' meeting of the Company to approve an increase of the Company's registered capital in a timely manner.

The determination of the sale and purchase price of I-SECURE shares based partly on I-SECURE's future net profit may lead to a discrepancy between the actual sale and purchase price and the above-mentioned price which is calculated from I-SECURE's net profit in 2019 and 2020 as forecast by the Company's management. In this regard, if the actual sale and purchase price calculated from the actual profit in 2019 and 2020 is lower than Baht 115 million, the Sellers will make a refund to the Company by paying an amount of not more than Baht 10 million in the first quarter of 2020 and the remaining amount in the first quarter of 2021, whereby the Sellers will receive a minimum sale and purchase price of Baht 95 million

### 1.3.2 Calculation of transaction size

The acquisition of I-SECURE shares constitutes a Class-2 asset acquisition transaction pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand ("SET") Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (as amended) (collectively called the "Acquisition or Disposal Notifications"). The maximum transaction size is equal to 26.65%, calculated on a total value of consideration basis by comparing the total consideration value with total assets of the Company shown on its consolidated financial statements for the second quarter ended June 30, 2018. Therefore, the Company is obligated to prepare a report and disclose information memorandum on the acquisition of assets to the SET and to submit a notification letter to its shareholders within 21 days from the date of disclosure to the SET.

The acquisition of I-SECURE shares does not fall under the requirement for the Company to seek approval from the shareholders' meeting pursuant to the Acquisition or Disposal Notifications. However, such transaction is considered a purchase or acceptance of transfer of business of a private company by the Company under Section 107(2)(b) of the Public Limited Companies Act B.E. 2535 (as amended). Therefore, the Company must obtain approval from the shareholders' meeting with required affirmative votes of not less than three-fourths of the total number of votes of the shareholders attending the meeting and having the right to vote, excluding votes of the shareholders who have a vested interest (none of the Company's shareholders have an interest in this transaction).

Details of the calculation of transaction size are shown below:

| Basis of transaction size calculation | Calculation formula   | Transaction size   |
|---------------------------------------|---|--|
| 1. Net tangible asset (NTA) basis     | $\frac{\text{NTA of I-SECURE pro rata to acquired assets}}{\text{NTA of VCOM}}$                   | = $\frac{\text{Baht 45.22 million}^{1/} \times 100\%}{\text{Baht 360.47 million}^{2/}}$ = 12.54% |
| 2. Net profit basis                   | $\frac{\text{Net profit of I-SECURE pro rata to acquired assets}}{\text{Net profit of VCOM}}$     | = $\frac{\text{Baht 9.24 million}^{3/} \times 100\%}{\text{Baht 37.39 million}^{4/}}$ = 24.71%   |
| 3. Total value of consideration basis | $\frac{\text{Total consideration paid by VCOM}}{\text{Total assets of VCOM}}$                     | = $\frac{\text{Baht 216.30 million}^{5/}}{\text{Baht 811.53 million}^{6/}}$ = 26.65%             |
| 4. Equity share value basis           | $\frac{\text{No. of new shares issued as a consideration}}{\text{No. of paid-up shares of VCOM}}$ | = N.A. <sup>7/</sup>   |

**Note:** 1/ NTA of I-SECURE as at December 31, 2017 according to the latest financial statements audited by I-SECURE's auditor was equal to Baht 39.92 million. After adjusted by significant transactions arising after such financial statement date, including dividend payment from retained earnings of Baht 14.70 million and an increase of the registered and paid-up capital of Baht 20 million, NTA of I-SECURE becomes Baht 45.22 million.

- 2/ NTA of the Company as at June 30, 2018 according to the latest financial statements reviewed by the Company's auditor was calculated from total assets minus total liabilities minus non-controlling interests minus deferred tax assets, without deducting intangible assets such as computer software and service agreements which are intangible assets used in business operation.
- 3/ This is net profit of I-SECURE for the year ended December 31, 2017 audited by I-SECURE's auditor.
- 4/ The is net profit of the Company attributable to equity holders of the parent for the previous 12-month period up to June 30, 2018.
- 5/ Total value of consideration was calculated from the purchase price for I-SECURE shares totaling approximately Baht 196.50 million based on the forecast of I-SECURE's net profit in 2019 and 2020 of Baht 15 million and Baht 20 million respectively, added by a loan of Baht 19.80 million provided to I-SECURE as part of this transaction in acquisition of I-SECURE shares.
- 6/ These are total assets of the Company according to its consolidated financial statements as at June 30, 2018 reviewed by its auditor.
- 7/ For this transaction, the Company may pay the consideration partially in shares newly issued by the Company in the amount not more than Baht 40 million with the offering price equal to the market price. However, The exact amount of the newly issued ordinary shares for the payment of shares has not been defined and the Company will propose the shareholders' meeting of the Company to approve an increase of the Company's registered capital in a timely manner.

The calculation of the transaction size on a total value of consideration basis is made based on the forecast of I-SECURE's net profit in 2019 and 2020. If the actual net profit is higher than the forecast, it may result in an increase in the total value of consideration payable to the Sellers. In the event that the total value of consideration is equal to 50% of total assets of the Company or more as at June 30, 2018 of Baht 811.53 million or equal to Baht 405.76 million or more, the transaction will then be considered as a Class-1 or Class-4 transaction pursuant to the Acquisition or Disposal Notifications. As such, the Company will convening a shareholders' meeting to consider and ratify the transaction and appointing an independent financial advisor to provide opinion to the Company's shareholders regarding such acquisition of assets. The Company also still be required to act in compliance with such Notification.

## 1.4 Details of assets being acquired

### 1.4.1 Overview of I-SECURE's business operation

Type of business : I-SECURE operates as a Managed security service provider (MSSP) which provides IT security outsourcing services for corporate customers to help them save costs of hardware, software and personnel as well as cope with shortage of skilled personnel, by offering security monitoring solutions created by I-SECURE itself against cyber attacks. I-SECURE also operates as a security operation center (SOC) which provides outsourcing services for corporate customers that have their own SOC by helping them monitor and manage cyber threats, detect any irregular access to their systems or any outside hacker attacks, promptly respond to and halt those attacks, and collect data to accurately detect channels for cybercrimes. Moreover, I-SECURE also offering services and consultancy on security of computer system, information system and computer network system, selling and renting computer parts, programs and equipment, and providing training on computer network system and comprehensive data security.

I-SECURE's major customers are governmental agencies that provide services to the public, leading private organizations offering financial services such as banks, securities companies, asset management companies, insurance companies, real estate companies, manufacturing companies, and top retailing companies in Thailand. Customers use I-SECURE's IT security outsourcing services in order to save their costs of IT infrastructure investment, cope with shortage of personnel specializing in data security, etc.

Address : 33 Soi Pradiphat 17, Pradiphat Road, Samsen Nai, Phayathai, Bangkok 10400

- Date of establishment : May 26, 2006
- Capital structure : As at August 29, 2018, I-SECURE had a registered and paid-up capital of Baht 40 million, divided into 400,000 ordinary shares with a par value of Baht 100 per share.
- Board of Directors : As at August 29, 2018, I-SECURE's Board of Directors consisted of five members as follows:
- (1) Miss Onticha Thamkoedsap\*
  - (2) Mr. Pong Trakulthong\*
  - (3) Mr. Veerayut Proedprao\*
  - (4) Mr. Suwat Kalampawanit
  - (5) Mr. Saritpong Babpan
- \* Authorized Director
- After completion of the transaction, there will be a change to the directors of I-SECURE whereby three directors of the Company will be nominated to serve on I-SECURE's Board of Directors with two existing directors of I-SECURE, comprising Mr. Pong Trakulthong and Mr. Veerayut Proedprao, making up a total of five board members after the transaction. Mr. Pong Trakulthong and Mr. Veerayut Proedprao, who are the current key executives of I-SECURE, will continue to manage I-SECURE to the best of their ability until the Company has completely paid the three installments of the payment for I-SECURE shares.
- Shareholders : As at August 29, 2018, details of I-SECURE's shareholders are as follows:

| No. | Name                        | No. of shares  | %             |
|-----|-----------------------------|----------------|---------------|
| 1.  | WPS Co., Ltd. <sup>1/</sup> | 203,999        | 51.00         |
| 2.  | WPS MSSP Ltd. <sup>2/</sup> | 196,000        | 49.00         |
| 3.  | Mr. Veerayut Proedprao      | 1              | 0.00          |
|     |                             | <b>400,000</b> | <b>100.00</b> |

Note: <sup>1/</sup> WPS Co., Ltd. operates as a holding company having a registered capital of Baht 1 million, divided into 1,000 ordinary shares with a par value of Baht 1,000 per share, and a paid-up capital of Baht 250,000. Its shareholders are Mr. Pong Trakulthong, holding a stake of 80.00%, Mr. Veerayut Proedprao, 19.90%, and Mr. Suwat Kalampawanit, 0.10%.

<sup>2/</sup> WPS MSSP Ltd. was established in the *Hong Kong Special Administrative Region* of the People's Republic of China. It operates as a holding company, with Mr. Pong Trakulthong owning 100% of its shares.

- Commitment : As at December 31, 2017, I-SECURE has obligation under a letter of guarantee issued by a commercial bank in the name of I-SECURE in an amount of Baht 4.75 million as a performance guarantee.

#### 1.4.2 Summary of financial position and operating results of I-SECURE

| (Unit: Baht million)             | 2015         | 2016          | 2017          |
|----------------------------------|--------------|---------------|---------------|
| Revenues from sales and services | 92.42        | 102.57        | 125.07        |
| Other revenues                   | 0.08         | 0.08          | 0.56          |
| <b>Total revenues</b>            | <b>92.50</b> | <b>102.65</b> | <b>125.63</b> |
| Cost of sales and services       | 53.63        | 65.85         | 82.24         |

| (Unit: Baht million)            | 2015        | 2016        | 2017        |
|---------------------------------|-------------|-------------|-------------|
| Selling expenses                | 2.00        | 2.04        | 2.00        |
| Administrative expenses         | 28.85       | 25.40       | 30.75       |
| Other expenses                  | 3.74        | -           | -           |
| Finance costs                   | 0.50        | 0.67        | 1.40        |
| <b>Profit before income tax</b> | <b>3.78</b> | <b>8.69</b> | <b>9.24</b> |
| Income tax expenses             | -           | -           | -           |
| <b>Net profit</b>               | <b>3.78</b> | <b>8.69</b> | <b>9.24</b> |

| (Unit: Baht million)                              | Dec 31, 2015 | Dec 31, 2016 | Dec 31, 2017 |
|---|--------------|--------------|--------------|
| <b>Assets</b>                                     |              |              |              |
| Current assets                                    |              |              |              |
| Cash and cash equivalents                         | 12.22        | 20.49        | 25.39        |
| Trade and other receivables                       | 28.31        | 27.89        | 36.66        |
| Work in process                                   | 3.10         | 14.41        | 5.01         |
| Other current assets                              | 2.90         | 4.27         | 4.49         |
| <b>Total current assets</b>                       | <b>46.53</b> | <b>67.06</b> | <b>71.55</b> |
| Non-current assets                                |              |              |              |
| Pledged deposits with financial institutions      | 1.07         | -            | -            |
| Investments in subsidiaries                       | -            | -            | 1.00         |
| Equipment-net                                     | 6.58         | 5.58         | 5.02         |
| Intangible assets-net                             | 4.24         | 7.22         | 6.92         |
| Other non-current assets                          | 6.08         | 5.68         | 4.69         |
| <b>Total non-current assets</b>                   | <b>17.97</b> | <b>18.48</b> | <b>17.63</b> |
| <b>Total assets</b>                               | <b>64.50</b> | <b>85.54</b> | <b>89.18</b> |
| <b>Liabilities and shareholders' equity</b>       |              |              |              |
| Current liabilities                               |              |              |              |
| Trade and other payables                          | 16.53        | 34.01        | 18.73        |
| Short-term loans                                  | 10.00        | 19.80        | 19.80        |
| Current portion of long-term loans                | -            | -            | 2.74         |
| Other current liabilities                         | 1.38         | 1.05         | 1.55         |
| <b>Total current liabilities</b>                  | <b>27.91</b> | <b>54.86</b> | <b>42.82</b> |
| Non-current liabilities                           |              |              |              |
| Long-term loans                                   | -            | -            | 5.20         |
| Provisions for long-term employee benefits        | -            | -            | 1.24         |
| <b>Total non-current liabilities</b>              | <b>-</b>     | <b>-</b>     | <b>6.44</b>  |
| <b>Total liabilities</b>                          | <b>27.91</b> | <b>54.86</b> | <b>49.26</b> |
| Shareholders' equity                              |              |              |              |
| Issued and paid-up capital                        | 20.00        | 20.00        | 20.00        |
| Retained earnings - appropriated                  | 2.00         | 2.00         | 2.00         |
| Retained earnings - unappropriated                | 14.59        | 8.68         | 17.92        |
| <b>Total shareholders' equity</b>                 | <b>36.59</b> | <b>30.68</b> | <b>39.92</b> |
| <b>Total liabilities and shareholders' equity</b> | <b>64.50</b> | <b>85.54</b> | <b>89.18</b> |

Source: I-SECURE's financial statements for 2015-2017 were audited by Miss Wanida Kityaphok of P.G.M. and Associates Co., Ltd., who is not on the SEC-approved list of auditors.

### 1.5 Total value of consideration

The total value of consideration payable by the Company to the Sellers is equal to Baht 196.50 million approximately. The Company will pay the said consideration either (1) in cash of approximately Baht 196.50 million or (2) in cash of approximately Baht 156.50 million and in shares newly issued by the Company worth not more than Baht 40 million with a par value of Baht 0.50 per share at the offering price of the newly issued ordinary shares of the Company which is equal to the market price (**Market price** refers to the weighted average price of the Company's ordinary shares traded on the SET during 15 consecutive business days before the date of determination of the offering price of the newly issued ordinary shares of the Company). The Company will propose the shareholders' meeting of the Company to approve an increase of the Company's registered capital in a timely manner. Besides, in the acquisition of I-SECURE shares under this transaction, the Company will provide a call loan of Baht 19.80 million with an interest rate of Minimum Loan Rate (MLR) p.a. of a financial institution to I-SECURE to replace the loan borrowed from the existing lender. The Company will provide such loan together with payment of the first installment for I-SECURE shares.

The Company will issue and offer its new ordinary shares to the Sellers or the persons designated by the Sellers as payment of the consideration for I-SECURE shares in the third installment, which is due by the first quarter of 2021, and will list those newly issued ordinary shares offered to the Sellers or the persons designated by the Sellers on the SET within one month from the date of offering those shares. In this respect, the Sellers agree to ensure that the subscribers of the Company's newly issued shares will not transfer the shares received as payment of such consideration for a period of one year from the date of acquiring the Company's shares, unless where it is a transfer of shares among the subscribers and/or the subsidiaries or family members of any of the subscribers. However, since this is an offer of newly issued ordinary shares of the Company at a market price, the subscribers are not obligated to comply with the SET's silent period rule.

### 1.6 Basis for determination of consideration value

The sale and purchase price of I-SECURE shares is determined from the price/earnings (P/E) multiple plus a margin of Baht 25 million and is set to be Baht 95 million minimum, assuming the P/E of 9.80 times of I-SECURE's average net profit in 2019 and 2020. Based on I-SECURE's net profit forecast by the Company's management at Baht 15 million in 2019 and Baht 20 million in 2020, the value of consideration for I-SECURE shares is thus estimated at Baht 196.50 million.

According to a forecast of I-SECURE's performance in 2019 and 2020 by the Company's management, I-SECURE will be able to continuously increase its sales with revenues from sales and services expected to grow by about 15% per year from around Baht 120 million forecast for 2018, as propelled by potential growth of cyber security market. This is in line with a report of Frost & Sullivan, IDC, Gartner, a world-class IT research and consulting firm, which has surveyed and revealed that ASEAN's IT industries will spend more on cyber threat solutions over a 10-year period (2015-2025) whereas Thailand's spending will increase by roughly 12% during such period. Moreover, it is expected that I-SECURE will achieve an average net profit margin of 11.5% during 2019-2020.

### 1.7 Value of assets being acquired

The total value of I-SECURE shares to be acquired by the Company from the Sellers is approximately Baht 196.50 million together with a call loan to be provided to I-SECURE of Baht 19.80 million with an interest rate of Minimum Loan Rate (MLR) p.a. of a financial institution.

### 1.8 Expected benefits from the transaction

- (1) The Company's scope of services can be expanded into the hacking prevention solutions. The new technologies that have played a more vital role today such as big data and cloud services need to be supported by appropriate data analysis tools or security systems, thus increasing the complexity of a corporate network system. These data must be protected by effective network security in order to prevent loopholes that will allow the malicious hackers to attack the corporate network systems.

- (2) The Company can reduce its reliance on revenues from distribution of Oracle products, which is in line with its policy to increase product and service diversity so as to fulfill customer needs in a more extensive and comprehensive manner.
- (3) A synergy between the Company and I-SECURE will be created through customer referral, knowledge and experience transfer, and personnel sharing.
- (4) The acquisition of I-SECURE will help boost the Company's revenues and profit in the future. I-SECURE recorded total revenues and net profit of Baht 125.63 million and Baht 9.24 million respectively in 2017. The Company is able to recognize the revenues and net profit of I-SECURE instantly in its consolidated financial statements as from the date it has control power in I-SECURE.

### **1.9 Sources of funds for the transaction**

The Company will pay the consideration for I-SECURE shares either (1) in cash of approximately Baht 196.50 million or (2) in cash of approximately Baht 156.50 million and in shares newly issued by the Company worth not more than Baht 40 million calculated from the offering price of the newly issued ordinary shares of the Company at the market price, which is based on the weighted average price of the Company's ordinary shares traded on the SET during 15 consecutive business days before the date of determination of the offering price of the newly issued ordinary shares of the Company. Cash for the payment of shares will be derived from the Company's cash flow. The first installment of the share payment of Baht 115 million will be paid on the sale and purchase completion date (which is expected to be on October 17, 2018 or any other date as to be mutually agreed by the parties to the agreement). The Company has sufficient funds available. As at August 15, 2018, it had cash and cash equivalent of Baht 148.83 million. The second and third installments will be paid by the first quarter of 2020 and 2021 in the approximate amount of Baht 28.50 million and Baht 13 million - 53 million respectively. Considering that the Company could continuously generate cash flow from operation or EBITDA every year, with its EBITDA in 2015-2017 averaging Baht 72 million a year, the Company thus has adequate sources of funds for the acquisition of I-SECURE shares.

### **1.10 Opinion of the Board of Directors to the transaction**

The Board of Directors, including the Audit Committee, is of the opinion that the acquisition of I-SECURE shares will enable the Company to diversify its business to the managed security services which will relatively help boost its revenues and reduce its reliance on the current major income source from distribution of Oracle products. Moreover, the Company will benefit from the synergy through customer referral and transfer of knowledge, experience and expertise from the vendor which has engaged in such type of IT business for a long period of time and has a huge base of large-scale corporate customers. The performance of I-SECURE will help generate income and good working results for the Company in the long run, as well as a favorable return on investment.

The purchase price of I-SECURE shares is deemed reasonable as it has been determined by the price/earnings (P/E) multiple approach using P/E of 9.8 times. Such P/E ratio is considered appropriate and beneficial to the Company when compared with the average P/E (for the previous 12 months) of other listed entities in the same industry group as the Company and operating business similar to the Company of about 12.73 times and the Company's P/E of about 20.56 times. The issuance of new shares of the Company to the Sellers or the persons designated by the Sellers that are specific investors as part of the consideration for I-SECURE shares instead of making payment entirely in cash will help lessen the impact on the Company's working capital. The offering price of the newly issued shares which is equal to the market price without any discount is deemed appropriate.

### **1.11 Opinion of the Audit Committee and/or the directors of the Company that is different from the opinion of the Board of Directors in Clause 10**

- None-

**2. Responsibilities of the Board of Directors of the Company for information disclosed in this Information Memorandum.**

The Board of Directors of the Company hereby certifies that above information are true and complete and contain no information that might lead other parties to misunderstanding in material aspects and that no concealment has been made on any material information. The Board of Directors of the Company carefully considers information disclosed in this Information Memorandum with integrity for its appropriateness, likelihood and fairness in accordance with the duties as of directors governed by law, the Company's objective and the regulation or any other related regulations.

**3. Significant cases or claims that are underway**

As of June 30, 2018, the Company had legal disputes that have not yet become final. Such legal disputes resulted from its normal course of business operation and could have a negative impact on its assets in the amount higher than 5% of its shareholders' equity under the financial statements for the accounting period ended June 30, 2018. They include the legal disputes between the Company and Telematics Co., Ltd. ("Telematics") as follows:

1) Civil Court (Black Case No. 207/2554)

- February 4, 2011: Telematics, as the plaintiff, filed a lawsuit against the Company, as the defendant, with the Civil Court of Southern Bangkok for a violation charge with a damage claim of approximately Baht 120.12 million.
- July 17, 2012: The Civil Court temporarily struck such civil case out of the case-list because the case is the same cause of action as (1) Black Case No. 330/2554 filed by the plaintiff with the Central Administrative Court against TOT Plc. ("TOT") during 2010-2011 on a violation charge committed jointly with the Company; and (2) a criminal case filed by the plaintiff against the Company and others, altogether 10, for jointly committing an offence under the Act on Computer Crime B.E. 2550 at the Economic Crime Suppression Division as resulting from the same cause of action (details of the criminal case are given under the following Item). When the two cases could reach conclusion, Telematics and/or the Company shall put forward the cases for further consideration.

2) Criminal Court (Black Case No. Or.4184/2555 and Red Case No. Or.954/2559)

- November 8, 2012: Telematics, as the plaintiff, filed a lawsuit against the Company (Defendants No. 1 - 5) and TOT (Defendants No. 6 - 10) with the Criminal Court for committing an offence under the Act on Computer Crime B.E. 2550 and the Act on Offences Committed by Officials of State Organizations or Agencies B.E. 2502, without any damage claim.
- March 30, 2016: The court dismissed the case and all of the 10 defendants were adjudged not guilty under the Act on Computer Crime B.E. 2550 and the Act on Offences Committed by Officials of State Organizations or Agencies B.E. 2502.
- January 27, 2017: The plaintiff lodged an appeal to the court.
- May 16, 2017: the Company (Defendants No. 1 - 5) filed a cross-appeal to the Appeal Court.
- July 21, 2017: TOT (Defendants No. 6 - 10) filed a cross-appeal to the Appeal Court.

3) Criminal Court (Black Case No. Or.2181/2556)

- June 17, 2013: The Company, as the plaintiff, filed a counter-suit against Telematics, as the defendant, and others, altogether 3, with the Criminal Court in the Black Case No. Or.2181/2556 on charge of false filing, thereby demanding a damage claim of Baht 150 million. However, the court has not yet set the date of preliminary examination, ordering to wait until the criminal case, Black Case No. Or.4184/2555, reaches conclusion.

The Company has not set aside a provision for such damage claim since its management believes that the Company did not commit the violation charged, as opined by the Company's lawyer.

**4. Benefits or related party transactions between the listed company and its directors, executives and shareholders holding, directly or indirectly, 10% or more of shares**

In 2017 and the first half of 2018, the Company entered into the following related party transactions with juristic entities and persons with a possible conflict of interest:

| Related person  | Type of transaction  | Value of transaction<br>(Baht 000's) |               | Necessity and reasonableness of transaction   |
|---|--|--------------------------------------|---------------|---|
|   |  | 2017                                 | Jan-June 2018 |   |
| 1. Vnet Capital Co., Ltd. ("VNET")<br><br><u>Relationship</u> : 73% shareholding in the Company and having mutual directors | <ul style="list-style-type: none"> <li>Revenue from sales and services<br/><br/>The Company provided maintenance services to VNET for a period of time.</li> </ul>   | 30.37                                | 24.40         | <ul style="list-style-type: none"> <li>The transaction was reasonable because the service fee and gross profit margin were close to those of the general customers.</li> </ul>  |
|   | <ul style="list-style-type: none"> <li>Office services charge<br/><br/>The Company paid fee to VNET for office services.</li> </ul>  | 402.29                               | 185.90        | <ul style="list-style-type: none"> <li>The transaction was reasonable because, by sharing resources, the Company could save considerable costs when compared with the price at which it has to handle the task itself and directly employ its own staff.</li> </ul> |
|   | <ul style="list-style-type: none"> <li>Other expenses<br/><br/>The Company and vServePlus paid fees for management of support services such as human resource service, recruitment service, photocopying service, parking, etc.</li> </ul> | 342.56                               | 150.08        | <ul style="list-style-type: none"> <li>The transaction was reasonable because, by sharing resources, the Company could save considerable costs when compared with the price at which it has to handle the task itself and directly employ its own staff.</li> </ul> |



| Related person   | Type of transaction   | Value of transaction<br>(Baht 000's) |                  | Necessity and<br>reasonableness of<br>transaction  |
|--|---|--------------------------------------|------------------|--|
|  |   | 2017                                 | Jan-June<br>2018 |  |
|  | <ul style="list-style-type: none"> <li>Other expenses</li> </ul> <p>vServePlus paid fees for accounting services to VST ECS at the initial stage of its establishment and transfer of business from VST ECS and while vServePlus was still recruiting accounting personnel.</p> | 497.34                               | -                | <ul style="list-style-type: none"> <li>The transaction was necessary and reasonable to allow vServePlus to close its financial statements on time from the beginning of business transfer. This item is temporary until vServePlus can recruit its accounting staff. The fees charged were based on the actual costs incurred by VST ECS. Other expenses advanced by VST ECS were charged to vServePlus at the actual rate.</li> </ul> |
| 3. CTC Global (Thailand) Co., Ltd. (formerly Netband Consulting Co., Ltd.) ("Netband")<br><br><u>Relationship</u> : Having mutual shareholders and directors (up to November 2017) | <ul style="list-style-type: none"> <li>Revenue from sales and services</li> </ul> <p>The Company and vServePlus provided services to Netband and received service fees at the service margin received in the same manner as services provided to other customers.</p>           | 1,920.65                             | -                | <ul style="list-style-type: none"> <li>The transaction was reasonable because it was a normal business transaction similar to the services provided to other customers. The Company charged the service fees based on the general commercial terms.</li> </ul>   |
| 4. BCBG Co., Ltd. ("BCBG")<br><br><u>Relationship</u> : Having mutual shareholders and directors   | <ul style="list-style-type: none"> <li>Other expenses</li> </ul> <p>The Company and vServePlus purchased bakery &amp; pastry products from BCBG to give to customers during the New Year. The purchase price was the same price that BCBG sells to general customers.</p>       | 104.25                               | 6.36             | <ul style="list-style-type: none"> <li>The transaction was reasonable as it was the normal business transaction and the price was the same price that BCBG sells to other customers.</li> </ul>  |



