

(Translation)

Valuation Report
of



Terabyte Net Solution Public Company Limited

Prepared by

Capital Plus Advisory Co., Ltd.

8 November 2017

This English Transaction has been prepared solely for the convenience of Single Point Parts (Thailand) Public Company Limited and should not be relied upon as the definitive and official fair value of Terabyte Net Solution Public Company Limited. The Thai language version of the Valuation Report of Terabyte Net Solution Public Company Limited is the definitive and official document of the advisor and shall prevail in all respects in the event of any inconsistency with this English translation.

(Translation)

November 8, 2017

Subject: Valuation Report of Terabyte Net Solution Public Company Limited

To: The Board of Directors of Single Point Parts (Thailand) Public Company Limited

SCOPE AND PURPOSE OF REPORT

Capital Plus Advisory (“Independent Financial Advisor”) as an independent financial advisor has prepared this Valuation Report of Terabyte Net Solution Public Company Limited (“TERA”) for proposing to the Board of Directors of Single Point Parts (Thailand) Public Company Limited (“the Company” or “SPPT”) for the purpose of internal use only.

For the valuation of fair value of TERA, the Independent Financial Advisor prepared based on the financial techniques referring to the financial information of the year 2014 – the first six-month period of 2017 and documents, informations and assumptions as the Independent Financial Advisor was provided by management and officers of TERA and SPPT together with management interview and the public information on websites of the Securities and Exchange Commission, Thailand (www.sec.or.th) and the Stock Exchange of Thailand (www.set.or.th) for the duration of the assignment and under limited scope of duties is limited to financial analysis only. The Independent Financial Advisor assumed all information provided from TERA and SPPT as well as management interview is true, complete, and correct based on the current situation. Due to the scope of responsibilities of the Independent Financial Advisor does not include the examination and verification of the correctness and completeness of all provided information, therefore, the Independent Financial Advisor shall not certify, guarantee, or be directly or indirectly responsible for the correctness and completeness of information provided by TERA and SPPT. Should there be any material changes or events in the future, the Independent Financial Advisor shall not guarantee that this will not materially affect the business operations and the results of provided financial projection.

In addition, the Independent Financial Advisor is not the financial advisor of SPPT for the acquisition of common shares of TERA, has not received any information and has not related to any conditions or agreements regarding the purchase of common shares of TERA. Consequently, the Independent Financial Advisor shall not render an opinion nor take responsibility on the transaction of acquisition of TERA, acquisition process and its effects on SPPT.

This Report is *not* the report of opinion of the independent financial advisor regarding the acquisition of assets of SPPT under the Notification of the Capital Market Supervisory Board No. Tor.Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification

of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547. In addition, this Report is *not* the report of opinion of the independent financial advisor regarding the connected transactions under the Notification of the Capital Market Supervisory Board No. Tor.Chor 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546.

DISCLAIMER

1. This Report has been prepared for the purpose of valuation of Terabyte Net Solution Public Company Limited (“TERA”) for proposing to the Board of Directors of Single Point Parts (Thailand) Public Company Limited (“the Company” or “SPPT”) for the consideration of the Board of Directors of SPPT related to the acquisition of TERA’s shares. This Report has been prepared solely for the purpose indicated herein. Possession of this Report, or a copy thereof, does not carry with it the right of publication of all or part of it, nor may it be used for any purpose by anyone but SPPT without the previous written consent of SPPT and the Independent Financial Advisor, in any event, only with the proper attribution.
2. This Report is *not* the report of opinion of the independent financial advisor regarding the acquisition of assets of SPPT under the Notification of the Capital Market Supervisory Board No. Tor.Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547.
3. This Report is *not* the report of opinion of the independent financial advisor regarding the connected transactions under the Notification of the Capital Market Supervisory Board No. Tor.Chor 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546.
4. The valuation of TERA in this Report is limited to the financial aspects based upon the information pack, financial statements of the year 2014 – the first six-month period of 2017, and the information provided by TERA and TERA’s management and their officers, publicly available information from websites of the Securities and Exchange Commission, Thailand (www.sec.or.th) and the Stock Exchange of Thailand (www.set.or.th) under limited period and scope of duties limited to financial analysis only that does not constitute the accounting or financial due diligence for the acquisition transaction.
5. The Independent Financial Advisor assumes that all information received from TERA and SPPT, as well as management interview of each company is true, complete, and correct based on the current situation. Due to the scope of responsibilities of the Independent Financial Advisor does not include the examination and verification of the correctness and completeness of all provided information, therefore, the Independent Financial Advisor shall not certify, guarantee, or be directly or indirectly responsible for the correctness and completeness of information provided by TERA and SPPT. The Independent Financial Advisor assumed no responsibility for profit or loss and any impact arising from this Report.

6. The Independent Financial Advisor assumes that there is full compliance with all applicable regulations and laws. The Independent Financial Advisor cannot certify the validity of the licenses and the compliance with regulations and laws associated with TERA business.
7. This Valuation Report contemplates facts and conditions existing as of the date of the Report. Events and conditions occurring after that date have not been considered, and the Independent Financial Advisor have no obligation to update this Report for such events and conditions.
8. The Independent Financial Advisor has prepared this Report based on current situations and information available to our knowledge. The Independent Financial Advisor shall not guarantee the impact of any changes and effect of the situations in the future which may significantly affect the business operation and provided financial projection. The Independent Financial Advisor shall not accept any liability for decisions that are made based on such information.
9. The scope of responsibilities of the Independent Financial Advisor is limited to only the valuation of TERA for proposing to the Board of Directors of SPPT. The Independent Financial Advisor is not the financial advisor of SPPT for the acquisition of common shares of TERA, has not received any information for due diligence of TERA and has not related to any conditions or agreements regarding the purchase of common shares of TERA. Consequently, the Independent Financial Advisor shall not render an opinion nor take responsibility on the transaction of acquisition of TERA, acquisition process and its effects on SPPT.
10. This Report has been prepared for the purpose of valuation of TERA as the part of information for the decision making by the Board of Directors of SPPT. The Board should carefully consider with other sources of information such as the result of financial statements audit, the result of due diligence in various aspects including legal, accounting, and other necessary aspects, the opinion of a legal advisor, the conditions and agreements of the transaction, related taxes and expenses, effects after TERA acquisition, source of funds, as well as working capital of SPPT.
11. This Report does not constitute the guidance for the investment decision, the final fair value as well as the final acquisition price of TERA. SPPT is required to check and consider the conditions, agreements, and take any other actions that may have materially affect TERA's business. Including review and consider the results of due diligence on various aspects and terms of investment conditions in TERA to be completed appropriately according to the objectives of SPPT.

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Executive Summary

Terabyte Net Solution Public Company Limited (“TERA”) was established on February 18, 2005. It became a public company on October 26, 2012. TERA operates as a service provider of end-to-end Information and Communication Technology infrastructure solutions (IT Infrastructure). Its business includes consulting, designing, providing and distributing of products and equipment related to Enterprise IT system such as Enterprise Server, Storage, Networking, Information Security Solutions. Apart from providing enterprise IT solutions and related products, TERA also distributes IT products and equipment such as computers, notebooks, printers, servers, storages, and softwares. TERA has been appointed to be HPE Platinum Partner, one of four in Thailand, designated by Hewlett Packard Enterprise (HPE), then emphasizing on HP products sales.

Currently, TERA has registered capital of 55 million Baht with 43 million Baht already issued and paid-up. It has 172,000,000 common shares at par value of 0.25 Baht per share. TERA has two subsidiary companies that are also in the IT business: Cluster Systems Company Limited and Thinkker Company Limited.

1) Cluster Systems Company Limited (“CLUSTER”) has issued and paid-up capital of 5 million Baht and all 100 percent of its shares are held by TERA. It operates in similar business to TERA but sells products with a variety of brands such as LENOVO, DELL, Microsoft, VMware and Symantec. However, CLUSTER has emphasized on Non-HP products while TERA has emphasized on HP.

2) Thinkker Company Limited (“THINKKER”) was established on late 2015 with issued and paid-up capital of 2 million Baht. TERA has a 51 percent stake in THINKKER. Its main business is IT consultation and service provider for software programs, such as QlikView and QlikSense, which can be used for analyze the organization past performance in order to monitor, improve and develop the organization.

Capital Plus Advisory (“Independent Financial Advisor”) has been appointed by Single Point Parts (Thailand) Public Company Limited (“SPPT”) to be the Independent Financial Advisor in valuing Terabyte Net Solution Public Company Limited for proposing to the Board of Directors of Single Point Parts (Thailand) Public Company Limited. In preparing this Report, the Independent Financial Advisor conducted this valuation by relying on major information prepared and provided by officers of TERA.

In this valuation, the Independent Financial Advisor used 5 approaches as follows:

1. Book Value Approach
2. Adjusted Book Value Approach
3. Historical Pricing Approach
4. Market Multiples Approach, which is comprised of
 - 4.1 Price to Book Value Ratio: P/BV Ratio
 - 4.2 Price to Earning Ratio: P/E Ratio; and
5. Discounted Cash Flow Approach

The result of valuation is summarized in the table below.

Valuation method	Value (Baht/share)	Remarks
1. Book Value Approach	0.35	Not appropriate for the valuation
2. Adjusted Book Value Approach	0.35	Not appropriate for the valuation
3. Historical Pricing Approach	N/A	Not applicable
4. Market Multiples Approach		
4.1. Price to Book Value Ratio Approach	0.62 – 0.67	Not appropriate for the valuation
4.2. Price to Earnings Ratio Approach	0.87 - 0.98	Not appropriate for the valuation
5. Discounted Cash Flow Approach	1.50 – 2.42	Appropriate for the valuation

The Independent Financial Advisor has summarized that the discounted cash flow approach after the adjustment of the Liquidity Discount deems appropriate for the valuation. The share price from this approach is in the range of 1.50 – 2.42 Baht per share

In addition, the Independent Financial Advisor has the following additional comments.

Additional Comments

1. According to TERA's main business is provider of end-to-end Enterprise IT infrastructure solution, distributor of hardware, software system, including IT solutions, doing this business needs specialized knowledge and experience, products knowledge, and good relationship with suppliers and customers. Making decision to invest in TERA, SPPT should consider future management of TERA's business and maintenance of key staffs, to ensure a smooth management transition and favorable return on investment for SPPT.

2. At the present, technology changes rapidly and impacts businesses. TERA's business, involving with technology, can be impacted by future change in technology and exposed to risks for its future business operation and prospects for growth. Furthermore, other changeable circumstances such as relationship with major suppliers such as HP, DELL, and their product strengths, politics and economics which may change as technology advances, government policies, interest rate, inflation rate, oil prices, resulting to consumption demand and private investment, beyond the potential of human resources to conduct marketing, competition and management of the company. These factors can fluctuate the revenue and operating performance. However, the Independent Financial Advisor has conducted the sensitivity analysis from change of the revenues from sales and service by plus or minus 3% from projection that could affect the valuation.

3. In addition, careful consideration of the results of due diligence in various aspects including legal and accounting, may affect SPPT's decision on investment and future plan for TERA.

This Report is not the report of opinion of the independent financial advisor regarding the acquisition of assets of SPPT under the Notification of the Capital Market Supervisory Board No. Tor.Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547. In addition, this Report is not the report of opinion of the independent financial advisor regarding the connected transactions under the Notification of the Capital Market Supervisory Board No. Tor.Chor 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546.

The Independent Financial Advisor is not the financial advisor of SPPT for the acquisition of common shares of TERA, has not received any information and has not related to any conditions or agreements regarding the purchase of common shares of TERA. Consequently, the Independent Financial Advisor shall not render an opinion nor take responsibility on the transaction of acquisition of TERA, acquisition process and its effects on SPPT.

Nevertheless, the final decision rests primarily with SPPT. SPPT should study the information and use its own judgment in making the final decision carefully.

Yours sincerely
Capital Plus Advisory Co., Ltd.

-Thibdee Mangkalee-

(Mr. Thibdee Mangkalee)
Managing Director

Part 1 Information of Terabyte Net Solution Public Company Limited

1.1 Information of Terabyte Net Solution Public Company Limited (TERA)

1.1.1 General Information

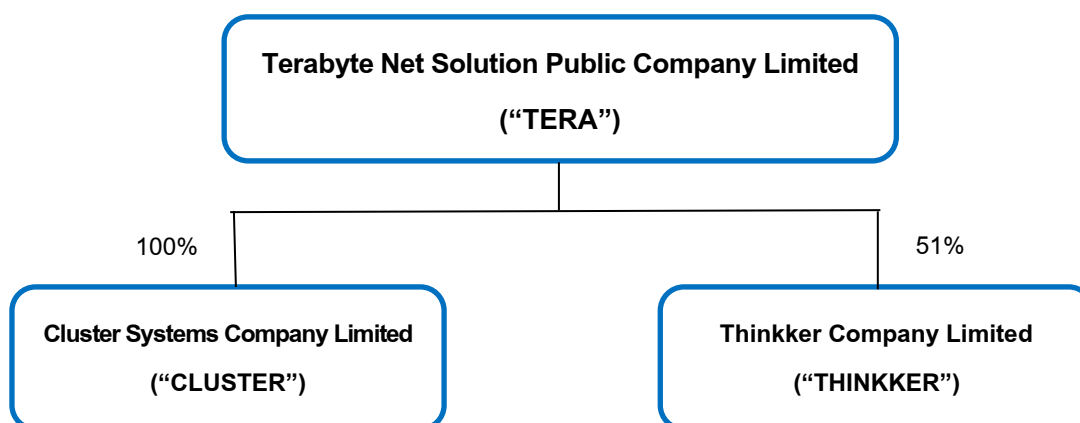
Company name:	Terabyte Net Solution Public Company Limited ("TERA")
Main business:	Service provider of end-to-end Information and Communication Technology infrastructure solutions
Address:	230 CS Tower, 12 th Floor, Ratchadaphisek Road, Huay Kwang, Huay Kwang, Bangkok 10320
Telephone number:	02-692-8731-6
Fax number:	02-692-8738
Website:	http://www.terabytenet.com
Registered capital:	55,000,000 Baht divided to 220,000,000 common shares at par value of 0.25 Baht
Paid-up capital:	43,000,000 Baht divided to 172,000,000 common shares at par value of 0.25 Baht

1.1.2 Type of Business

Terabyte Net Solution Public Company Limited ("TERA") was established on February 18, 2005 and became a public company on October 26, 2012. TERA operates as a service provider of end-to-end Information and Communication Technology (Information and Communication Technology: ICT) infrastructure solutions (Infrastructure Solution or System Inegration: SI). Its business includes consulting, designing, providing and distributing of products and equipment related to Enterprise IT system such as Enterprise Server, Storage, Networking, Information Security Solutions, Hardware, System Software. In addition, TERA also provides IT solution software which it developed in-house (TERA's intellectual property solution) namely "LEGAL SERVED!" which is a solution for complying with the Computer Crimes Act B.E. 2550 and the Notification of the Ministry of Information and Communication Technology Re: Guideline on storage of computer traffic data of service providers B.E. 2550, "TIBS" (Terabyte Internet Billing System) which is a solution for hotels, condominiums, and serviced apartments, and "V-Expand", an IP Telephony solution.

. Apart from providing enterprise IT solutions and related products, TERA also distributes IT products and equipment such as computers, notebooks, printers, servers, storages, and softwares. TERA has been appointed to be HPE Platinum Partner, one of four in Thailand, designated by Hewlett Packard (HP), then emphasizing on HP products sales. HP is the large seller of server equipment in the world and TERA is a distributor for HP's server products and other IT solution products. Most of TERA's customers are in the private sector and are from a variety of industries. Some of TERA's customers are Toshiba Group, Central Group, Neo Group, and Boothavorn.

TERA has two subsidiary companies that are also in the IT business: Cluster Systems Company Limited and Thinkker Company Limited. Details of each company are as follows:



Subsidiary company	Registered and Paid-up Capital (Baht)	% Shareholding (%)
1. Cluster Systems Company Limited (CLUSTER)	5,000,000	100.00
2. Thinkker Company Limited (THINKKER)	2,000,000	51.00

1.1.3 Board of Directors and Management

Board of Directors

Board of Directors consists of 9 members as follows:

	Name	Position
1	Mr. Piyapan Champasut	Chairman of the Board / Independent Director
2	Mr. Surasit Kiwprasopsak	Director
3	Mr. Jirawat Jarutitipun	Director
4	Mr. Boonchai Tungwattanapornchai	Director
5	Mr. Damrong Jirasaowaphark	Director
6	Mr. Suttisun Suthad Na Ayuthaya	Director
7	Mr. Norrarat Limnorrarat	Chairman of the Audit Committee/ Independent Director
8	Mr. Somkiat Tankittiwat	Audit Committee / Independent Director
9	Mr. Montri Arun	Audit Committee / Independent Director

Authorized directors who can sign on behalf of the company are Mr. Surasit Kiwprasopsak, Mr. Jirawat Jarutitipun, Mr. Boonchai Tungwattanapornchai, two of these three directors jointly sign with the company's seal affixed.

Board of Executive Directors

Board of Executive Directors consists of 5 members as follows:

	Name	Position
1	Mr. Surasit Kiwprasopsak	Chief Executive Officer
2	Mr. Jirawat Jarutitipun	Deputy Chief Executive Officer
3	Mr. Boonchai Tungwattanapornchai	Executive Director
4	Mr. Damrong Jirasaowaphark	Executive Director
5	Mr. Suttisun Suthad Na Ayuthaya	Executive Director

1.1.4 Shareholders

Currently, TERA has registered capital of 55,000,000 Baht divided to 220,000,000 common shares. It's issued and paid-up capital is 43,000,000 Baht divided to 172,000,000 common shares at par value of 0.25 Baht per share. The company's shareholders list (Bor.Mor.Chor.006), as of May 2, 2017, are listed below

	Name	No. of shares	% Shareholding (%)
1	Mr. Surasit Kiwprasopsak	51,826,320	30.13
2	Mr. Jirawat Jarutitipun	44,042,096	25.61
3	Mr. Boonchai Tungwattanapornchai	23,634,135	13.74
4	Mr. Damrong Jirasaowaphark	15,112,560	8.79
5	Mr. Suttisun Suthad Na Ayuthaya	13,162,128	7.65
6	Mr. Saran Boonthamthanarung	6,568,160	3.82
7	Mr. Thanawat Lertwattanak	3,338,278	1.94
8	Ms. Srirat Choochotiithaworn	3,338,278	1.94
9	Acting Sub Lt. Sarawut Ruamsanit	2,360,288	1.37
10	Mr. Pornchai Kongloak	2,100,000	1.22
11	Ms. Worrawon Aphithanawit	1,560,653	0.91
12	Mrs. Nittaya Lee	1,298,813	0.76
13	Mr. Umnaj Laksanaphoo	1,038,576	0.60
14	Mr. Chaorit Saksirithitikul	1,038,576	0.60
15	Mrs. Saiyoud Naewdeesri	925,435	0.54
16	Ms. Waewmayuree Saelim	368,120	0.21
17	Mr. Theeraporn Pornpunanuwong	287,584	0.17
	Total	172,000,000	100.00

1.1.5 Summary of Financial Status and Operating Results

Summary of financial status and operating results for the year 2014 – Quarter 2/2017 of TERA as the consolidated financial statements which are audited/reviewed by auditors are presented below:

Statement of financial position (Unit: Thousand Baht)	31 Dec 2014	31 Dec 2015	31 Dec 2016	30 Jun 2017
Assets				
Cash and cash equivalents	45,873	41,511	98,080	91,610
Short-term investments	12	12	12	12
Trade receivables	51,419	57,673	38,727	70,743
Other receivables	12,770	12,165	19,650	19,099
Inventories	20,337	18,056	20,600	47,060
Total current assets	130,411	129,417	177,069	228,524
Equipment	8,783	5,712	6,809	6,128
Intangible assets	1,028	583	281	187
Goodwill	0	0	4,101	4,101
Deferred tax assets	755	1,036	1,323	1,474
Other non-current assets	5,545	7,997	6,405	8,536
Total non-current assets	16,111	15,328	18,919	20,426
Total assets	146,522	144,745	195,988	248,950
Liabilities				
Trade payables	60,209	49,591	89,754	97,140
Other payables	30,986	33,262	36,895	80,982
Current portion under finance lease liabilities	1,265	1,127	1,105	837
Income tax payable	0	693	7	279
Total current liabilities	92,460	84,673	127,761	179,238
Finance lease liabilities	1,372	316	1,113	698
Employee benefit obligations	3,535	4,786	6,154	6,815
Other non-current liabilities	2,290	460	389	0
Total non-current liabilities	7,197	5,562	7,656	7,513
Total liabilities	99,657	90,235	135,417	186,751
Shareholder's equity				
Registered capital	55,000	55,000	55,000	55,000
Issued and paid-up capital	40,000	43,000	43,000	43,000
Share premium	875	5,964	5,964	5,964
Share payables	0	-3,588	0	0
Legal reserve	4,000	4,300	4,300	4,300
Retained earnings	4,992	7,836	8,390	10,754
Discount on consolidation	-3,002	-3,002	-3,002	-3,002
Total equity of the parent company	46,865	54,510	58,652	61,016
Non-controlling interests	0	0	1,919	1,183
Total shareholder's equity	46,865	54,510	60,571	62,199
Total liabilities and shareholder's equity	146,522	144,745	195,988	248,950

Income statement (Unit: Thousand Baht)	2014	2015	2016	Jan-Jun 2017
Revenue				
Revenue from sales and service	306,139	273,609	334,883	183,543
Other income	7,933	6,546	6,163	3,540
Total revenue	314,072	280,155	341,046	187,083
Expenses				
Cost of sales and service	237,264	209,349	265,687	141,083
Selling expenses	40,241	37,521	36,916	19,797
Administrative expenses	30,255	23,370	29,249	12,946
Interest expenses	285	265	175	57
Total expenses	308,045	270,505	332,027	173,883
Profit before income tax	6,027	9,650	9,019	13,200
Income tax	105	1,485	1,640	2,512
Net profit	5,922	8,165	7,379	10,688

Source : TERA's consolidated financial statements

The consolidated financial statements of TERA for the year ended December 31, 2014 - 2015 were audited by Mr. Pornchai Kittipanya-Ngam of Bunchikij Co., Ltd., who is the auditor certified by the Securities and Exchange Commission, Thailand (SEC). The auditor had given an unqualified opinion on the financial statements with no emphasis of matters.

The consolidated financial statements of TERA for the year ended December 31, 2016 were audited by Mr. Thanakorn Fakfaipol of Bunchikij Co., Ltd., who is the auditor certified by the Securities and Exchange Commission, Thailand (SEC). The auditor had given an unqualified opinion on the financial statements with no emphasis of matters.

The consolidated financial statements of TERA for the six-month period ended June 30, 2017 were reviewed by Ms. Duangmanee Yantarattanawan who gave an unqualified opinion on the financial statements with no emphasis of matters.

Summary of significant information from financial statements, management discussion and analysis of TERA

(Source : Information memorandum of SPPT published by the Stock Exchange of Thailand)

IT industry is a fast-changing business. The customers need more data and information to support their growing business; for example, sale information for each branch, operational result of each business unit. All this information has to be harmonized and the system has to be stabilized and reliable. Thus, the customers, mainly leading private companies, have continuously invested in ICT infrastructure.

Revenue

Total revenue for the first 6-month period of the year 2017 increase from the first 6-month period of the year 2016 by THB 34.55 million, equal to 23% increment. The increase come from the revenue from sales increase by THB 23.15 million, equal to 19% incremental, revenue from services increase by THB11.03 million equal to 36% increment and other income increase by THB 0.38 million equal to 12% increment. Core revenue of the Company increases from the Company's effort to expand business to the new customers and also increase more product line to suit customer's need.

Cost of sales and services

Cost of sales for the first 6-month period of the year 2017 increase from the first 6-month period of the year 2016 by THB 11.94 million equal to 12% increment. Cost of services increase by THB 9.72 million equal to 53% increment. Gross profit margin of the Company increases from 20% to 23% mainly due to the increase in sale volumes and the Company's cost management effort.

Selling and administrative expenses

Total selling and administrative expenses for the first 6-months period for the year 2017, equal to THB 32.74 million increased from the first 6-months period for the year 2016 by THB 4.2 million equal to 15% increment. Increasing in selling and administrative expenses is in line with the increases in sale volume.

Net profit

Net profit of the Company for the first 6-month period of the year 2017 increase from the first 6-month period of the year 2016 by THB 7.1 million equal to 198% increment. The increase in net profit comes from the combination between management's effort to expand customer base, the increase in product variety and cost management.

Asset

As of 30 June 2017, the Company's total assets equal to THB 248.95 million, increases from period end 31 Dec 2016 by THB 52.96 million equal to 27% increment. Total assets increase mainly due to the increase in trade receivable amounting to THB 32.01 million since the Company was billing from 4 large-scale projects, total billing was THB 34.92 million and inventories increase by THB 26.46 million due to the sale projects that expected to recognized during the second half of the year 2017.

Liabilities

As of 30 Jun 2017, the Company's total liabilities equal to THB 186.75 million, increase from the period end 31 Dec 2016 by THB 51.33 million equal to 38% increment. The increase mainly due to the increase in unearned revenue and deferred income (30 June 2017: THB 48.29 million and THB 22.75 million respectively) since unearned revenue increased based on projects awarded. Before each project kick off, such advance payment will be paid. Deferred income also increased due to more service and maintenance contracts.

Dividend payment

From the financial statement for the year 2014, 2015 and 2016, TERA paid dividend to its shareholders amounting to THB 16.00, 4.80 and 5.67 million respectively.

Related party transaction between the Company and TERA

-None-

1.2 Cluster Systems Company Limited (“CLUSTER”)

1.2.1 General Information

Company name:	Cluster Systems Company Limited (“CLUSTER”)
Main business:	Service provider of end-to-end Information and Communication Technology infrastructure solutions
Address:	230 CS Tower, 12 th Floor, Ratchadaphisek Road, Huay Kwang, Huay Kwang, Bangkok 10320
Telephone number:	02-692-6971-2
Fax number:	02-692-6973
Website:	http://www.clustersystems.co.th
Registered capital:	5,000,000 Baht divided to 500,000 common shares at par value of 10 Baht
Paid-up capital:	5,000,000 Baht divided to 500,000 common shares at par value of 10 Baht

1.2.2 Type of Business

Cluster Systems Company Limited (“CLUSTER”) was established on February 27, 2008. It operates as a service provider of end-to-end Information and Communication Technology infrastructure solutions including distributor of hardware with installment service and IT consulting service, similar to TERA, with variety of brands such as LENOVO, DELL, Microsoft, VMware and Symantec. Products sold include personal computers, notebooks, and printers. CLUSTER has emphasized on Non-HP products while TERA has emphasized on provider of large scale of solutions with HP products. TERA invested in CLUSTER in January 4, 2011 and holds 100 percent stake in CLUSTER.

1.2.3 Board of Directors

Board of Directors consists of 3 members as follows:

	Name	Position
1	Mr. Jirawat Jarutitipun	Director
2	Mr. Suttisun Suthad Na Ayuthaya	Director
3	Mr. Surasit Kiwprasopsak	Director

Authorized directors who can sign on behalf of the company are Mr. Jirawat Jarutitipun jointly signing with Mr. Suttisun Suthad Na Ayuthaya or Mr. Surasit Kiwprasopsak with the company’s seal affixed.

1.2.4 Shareholders

Currently, CLUSTER has registered and paid-up capital of 5,000,000 Baht divided to 500,000 common shares at par value of 10 Baht per share. The company's shareholders list (Bor.Or.Chor.5), as of March 3, 2017, are listed below

	Name	No. of shares	% Shareholding (%)
1	Terabyte Net Solution Public Company Limited	499,998	100.00
2	Mr. Jirawat Jarutitipun	1	0.00
3	Mr. Suttisun Suthad Na Ayuthaya	1	0.00
	Total	500,000	100.00

1.3 Thinkker Company Limited (“THINKKER”)

1.3.1 General Information

Company name:	Thinkker Company Limited (“THINKKER”)
Main business:	IT consultation and service
Address:	99/733 Moo 1 T. Srisachorakaenoi, A.Bang Sao Tong, Samut Prakarn 10540
Registered capital:	2,000,000 Baht divided to 20,000 common shares at par value of 100 Baht
Paid-up capital:	2,000,000 Baht divided to 20,000 common shares at par value of 100 Baht

1.3.2 Type of Business

Thinkker Company Limited “THINKKER”) was established on November 5, 2015. THINKKER’s main business is IT consultation and service, including service provider for software programs such as Qlik software products, which are QlikView and QlikSense. Both are data analytic softwares that help to monitor, improve, and develop organizations businesses. TERA invested in THINKKER on March 1, 2016 and has a 51 percent stake in THINKKER.

1.3.3 Board of Directores

Board of Directores consists of 3 members as follows:

	Name	Position
1	Mr. Surasit Kiwprasopsak	Director
2	Mr. Jirawat Jarutitipun	Director
3	Mr. Pawarate Chaiyakorn	Director

Authorized directors who can sign on behalf of the company are Mr. Pawarate Chaiyakorn, Mr. Surasit Kiwprasopsak, Mr. Jirawat Jarutitipun, two of these three directors jointly sign with the company’s seal affixed.

1.3.4 Shareholders

Currently, THINKKER has registered and paid-up capital of 2,000,000 Baht divided to 20,000 common shares at par value of 100 Baht per share. The company’s shareholders list (Bor.Or.Chor.5), as of March 3, 2017, are listed below

	Name	No. of shares	% Shareholding (%)
1	Terabyte Net Solution Public Company Limited	10,200	51.00
2	Mr. Pawarate Chaiyakorn	7,800	39.00
3	Mr. Supanya Patpawaro	1,000	5.00
4	Mr. Thanongsak In-ouchoti	1,000	5.00
	Total	20,000	100.00

Part 2 Industry Information

Terabyte Net Solution Public Company Limited (TERA) provides end-to-end Enterprise IT infrastructure solutions (System Integration : SI), which contains Enterprise Server, Storage, Networking, Information Security Solutions, Cloud Services, Business Intelligence (BI) Solution as well as Professional Services and MA Services for customers, thus, relating to Information Technology industry (IT).

IDC, the global information-technology market research firm, expects IT spending in Thailand in 2016 to come in at around 400,000 million Baht, then increase 3.7 percent to 415,000 million Baht in 2017. Revenue growth is forecast to be 5-6 percent in 2020, resulting in a market valued at 500,000 million Baht.

Spending in 2016 on mobile devices accounts for 224,000 million Baht of the forecast, followed by IT services at 78,000 million Baht, and enterprise software at 25,000 million Baht. The government's digital-transformation policy, which will help drive the country towards "Thailand 4.0", and the transformation of the legacy system into digital transformation are major factors behind IT spending growth this year.

Predicted IT revenue of 415,000 million Baht in 2017 comprises 230,000 million Baht for devices, followed by IT services 85,000 million Baht, and enterprise software 37,500 million Baht.

In 2017, Thailand IDC predicts that the next advancement in technology will come from the Digital Transformation (DX) of organizations and will enter into the macro-economy over the next 3- 4 years, which will cause a change in the operation of the company and cause it to redevelop its products entirely. IDC call this the dawn of the "DX economy". Organizations are improving the DX technical skills of executives to cope with the increase in this market and seeking to develop the creativity in order to use the potential of the technology to its utmost, the DX technology platform is developed for the third-generation user experience of consumers and optimized to operate for another. IDC has also mentioned of the importance of this technology to the technology sector of Thailand in general as follows.

1. Digital Transformation (DX): By the end of 2017 more than half of the organizations in Thailand will begin the process of changing to DX. DX will be a key factor in driving the organization's IT investments. IDC believes that this transformation strategy will focus on the digital expertise both in terms of the working relationship and the goods or services which are based on the data using Cloud technology, Analytical technology, social innovation and other technologies in order to gain a competitive advantage through products and services to produce new forms of doing business and new ways to strengthen relationships. Although this initiative is considered in its infancy it is estimated that by the year 2020, the DX technology will shift to a different level to the macro-economic level and as a result every company will grow into a digital society allowing a standard product creation, service experience and provide new work patterns through the use of Cloud technology, Mobility, Cognitive/ Artificial Intelligence (AI), Internet of Things (IoT), Augmented Reality/Virtual Reality (AR/VR) will all be driven by the use of DX technologies.

2. Digital IT Revenue: By the year 2019, 25% of IT projects and services will be targeted to create new revenue streams from digital and to turn information into money. Such information will be one of the

factors that lead to success. Information becomes truly digital capital and earnings data has driven the demand for enterprise-wide information architecture and development in the field of analyzing information.

3. Digital Support: IDC Thailand forecasted that 60% of support service in 2018 will be provided in the digital and online form to solve the problems of customers and to increase the image of brand. The general organizations will use IT to increase relationship levels with their customers through online and creative support services.

4. Interface 360 (Immersive Interfaces Gaining Traction): it will be more popular, using the technology of AR/VR and other advancements in technology in order to make voice connections in the digital world with the real world and we will see that the world is completely digitalized in the next 3-4 years, thus increasing sales and interaction between individuals and clients that include DX.

5. Industry growth: In 2017, connected vehicles, insurance telematics, personal wellness and smart buildings will be the four most prevalent IoT use cases across Thailand, accounting for 7 billion Baht in spending.

6. Connected vehicles: By 2019, IDC forecasts some 25 percent of model-year vehicles will report their own health, request service calls, identify design improvements, and validate warranty claims.

7. Patient engagement: In 2017, patient engagement across the life science/healthcare ecosystem will jump from passive to active.

8. Multi-Cloud Strategy: Many organizations in Thailand are preparing to transform the traditional IT form to Cloud Platform which is accepted as one of the important technologies used throughout the country. The use of cloud technology will not only affect business interests in Thailand and save on costs but also operational efficiency with applications that offer speed and flexibility

9. Pay-TV overhaul: In 2018, over-the-top (OTT) linear TV subscriber growth will drive a traditional pay-TV overhaul via cloud migration

10. Cognitive Cybersecurity: 30% of Cyber Security Systems in Thai organizations will use Cognitive/AI to deal with any increasing and complicated cyber threats

From above trend of IT industry and IT spending of Thailand, it showed IT industry has high spending and high opportunity to growth in the future. The change in technology makes big impacts for business in Thailand. Any entrepreneurs and companies operate in business like TERA need to prepare for the future situations, both as business opportunities and risk factors that may happen. Learning new technologies, adjustment for rapid change and regularly self-development become necessary for surviving in business that is changing rapidly and for the best of its ability to respond customer demands effectively.

Part 3 Valuation

In determining the fair value of TERA, the Independent Financial Advisor has considered and studied information and documents received from TERA such as financial statements of 2014 to Q2/2017 (as of June 30, 2017) which were audited/reviewed by auditors, major assumptions made in the projection, and business practices Information, as well as interviewing the management and officers of TERA including financial information from the website corpus.bol.co.th, and publicly available information from the websites of the Securities and Exchange Commission, Thailand (www.sec.or.th) and the Stock Exchange of Thailand (www.set.or.th).

However, the consideration and analysis of the Independent Financial Advisor is made under the assumption that all information above is true, complete, and correct based on the current situation during the time this Report was prepared. If such information and other external factors changes, it may significantly affect the business and may cause the financial projection and fair value valuation to change significantly.

The Independent Financial Advisor evaluated the fair value of TERA by various approaches listed below:

- 1) Book Value Approach
- 2) Adjusted Book Value Approach
- 3) Historical Pricing Approach
- 4) Market Multiples Approach
 - 4.1) Price to Book Value Ratio Approach:P/BV Ratio
 - 4.2) Price to Earnings Ratio Approach: P/E Ratio
- 5) Discounted Cash Flow Approach: DCF

1) Book Value Approach

The book value approach to valuation considers the book value of total shareholder's equity at one point in time. Based on the consolidated financial statements of TERA as of June 30, 2017 which is the latest financial statements reviewed by the auditor of TERA, the book value of shareholder's equity was divided by the number of paid-up common shares to determine the share price. Details are given in the table below.

(Unit: Thousand Baht)

Items	Amount
Issued and paid-up capital	43,000
Premium on share capital	5,964
Legal reserve	4,300
Retained earnings	10,754
Discount on consolidation	(3,002)
Total shareholder's equity of parent company	61,016
Total number of paid-up shares (thousand shares)	172,000
Book value per share (Baht)	0.35

Using the book value approach, TERA's share price is 0.35 Baht per share. However, the book value approach to valuation does not reflect the true value of the business because it considers the historical value from the financial statements (book value) in the calculation without taking into account TERA's business plan or ability to generate profits in the future. **Therefore, this approach is not appropriate for the valuation of TERA.**

2) Adjusted Book Value Approach

The adjusted book value approach to valuation considers the book value of net assets based on the consolidated financial statements of TERA as of June 20, 2017 which is the latest financial statements reviewed by the auditor, and adjusts it to reflect the market value of net assets by various factors that could affect the value of net assets such as the value of fixed assets appraised by an independent appraiser during six months prior to the preparation of the report and contingent liabilities.

From the consolidated financial statements of TERA as of June 30, 2017, TERA does not have any fixed assets such as property, plant, and machinery. Most of the company's assets are bank deposits, accounts receivable, and inventories. The Independent Financial Advisor, therefore, did not make any adjustment to the net assets value. As a result, the adjusted book value approach yields the same share price as the book value approach. Details of the calculation are given in the table below.

(Unit: Thousand Baht)

Items	Amount
Issued and paid-up capital	43,000
Premium on share capital	5,964
Legal reserve	4,300
Retained earnings	10,754
Discount on consolidation	(3,002)
Total shareholder's equity of parent company	61,016
Adjustment	-
Adjusted book value	61,016
Total number of paid-up shares (thousand shares)*	172,000
Adjusted book value per share (Baht)	0.35

Valuation by the adjusted book value approach, TERA's share price is 0.35 Baht per share which is equal to the value obtained by the book value approach. Nonetheless, the adjusted book value approach does not reflect the company's future operations and cash flows. **Therefore, this approach is not appropriate for the valuation of TERA.**

3) Historical Pricing Approach

The historical pricing approach determines the fair value by using to the market price of common shares trading in the stock exchange to calculate the average historical price at several points in time. However, TERA common shares are not listed on the Stock Exchange. Thus, there is no historical price of shares and this method cannot be used to value TERA's shares.

4) Market Multiples Approach

The market multiples approach to valuation takes into consideration various financial ratios such as price to book value ratio (P/BV ratio) and price to earnings ratio (P/E ratio). The moving average value of both ratios was determined at various points in time, until September 30, 2017, for companies listed on the Stock Exchange of Thailand, which have similar businesses to TERA, providing of IT infrastructure system solutions, in Technology industry, and Information & Communication Technology sector, according to the definition by the Stock Exchange of Thailand as peer companies.

After considering income structure and characteristic of business of listed companies in the certain group, Independent Financial Advisor found that 5 companies have similar business to TERA. They are Advance Information Technology Public Company Limited (AIT), M.F.E.C. Public Company Limited (MFEC),

Metro Systems Corporation Public Company Limited (MSC), Premier Technology Public Company Limited (PT), and SKY ICT Public Company Limited (SKY).

However, SKY's share price has tended to fluctuate over the time period considered and its earnings result was negative. This means that SKY's P/E ratio cannot be calculated. Therefore, only four companies namely Advance Information Technology Public Company Limited (AIT), M.F.E.C. Public Company Limited (MFEC), Metro Systems Corporation Public Company Limited (MSC), and Premier Technology Public Company Limited (PT) were used as peer companies. A description of each company's business is given below

	Company name	Symbol	Type of business
1	Advance Information Technology Public Company Limited	AIT	The Company provides complete ICT solutions, from product supply and applications over turnkey projects to service contracts and outsourcing schemes in both the private and the public sector.
2	M.F.E.C. Public Company Limited	MFEC	Development of integrated information technology. Under 6 core business units, it aims to design consistent services that meet the specific needs of customers to help customers create competitive advantages include 1. Digital Enterprise Solutions 2. Application 3. Cloud Services 4. Digital Information Services 5. Cyber Security Services 6. Digital Transformation
3	Metro Systems Corporation Public Company Limited	MSC	Distributors of computers and equipments, softwares, office equipments and other related services
4	Premier Technology Public Company Limited	PT	The Company provides office rental and invest in the information technology business. It has one subsidiary company called Datapro Computer Systems Company Limited operates Total Enterprise Solution and Service Provider and has its own developed products and products that have been appointed as their distributors of the leading global companies, including information technology services.

Source : The Stock Exchange of Thailand

4.1) Price to Book Value Ratio Approach: P/BV Ratio

The price to book value ratio approach involves determining the book value per share of TERA, which is based on the latest reviewed consolidated financial statements of TERA as of June 30, 2017, and multiplying by the average P/BV ratio of peer companies, AIT MFEC MSC and PT, over a period of 30 to 360 business days, until October 24, 2017. The results are given in the table below.

Average P/B ratio over the period of	AIT	MFEC	MSC	PT	Average P/B ratio (Times)	TERA's book value per share (Baht)	TERA's Price per share (Baht)
30 days	2.05	1.20	1.22	3.21	1.92	0.35	0.67
90 days	1.98	1.17	1.19	2.94	1.82	0.35	0.64
180 days	1.98	1.20	1.18	2.92	1.82	0.35	0.64
360 days	1.96	1.18	1.19	2.77	1.78	0.35	0.62

The price to book value ratio approach yields TERA's share price to be in the range of 0.62-0.67 Baht per share. However, this method has limited applicability because each company has a different of business details, capital structure and value of market capitalization. Moreover, this method does not reflect TERA's future performance and cash flows. **Thus, this approach to valuing TERA's shares is not appropriate.**

4.2) Price to Earnings Ratio Approach: P/E Ratio

The price to earnings approach to valuation involves determining the trailing 12-months earnings per share of TERA from the latest reviewed consolidated financial statements as of June 30, 2017, and multiplying by the P/E ratio of peer companies, AIT MFEC MSC and PT, over a period of 30 to 360 business days, until October 24, 2017. The results of the calculation are given in the table below.

Average P/E ratio over the period of	AIT	MFEC	MSC	PT	Average P/E ratio (Times)	TERA's Earnings per share (Baht)	TERA's Price per share (Baht)
30 days	12.76	12.62	10.32	13.08	12.20	0.08	0.98
90 days	12.68	11.25	10.21	12.34	11.62	0.08	0.93
180 days	12.94	10.81	10.08	12.10	11.48	0.08	0.92
360 days	12.26	10.42	9.57	11.17	10.86	0.08	0.87

The price to earnings ratio approach yields TERA's share price to be in the range of 0.87-0.98 Baht per share. However, this method has limited applicability because each company has a different of business details, capital structure and value of market capitalization. Moreover, this method does not reflect TERA's future performance and cash flows. **Thus, this approach to valuing TERA's shares is not appropriate.**

5) **Discounted Cash Flow Approach: DCF**

The discounted cash flow (DCF) approach to valuation involves the determination of projected Free Cash Flow to Firm (FCFF) to be discounted by the weighted average cost of capital (WACC) of TERA to obtain the present value of TERA. However, should there be any material changes to the economic environment, the company's business and the fair value of TERA may be significantly impacted.

In valuing TERA using discounted cash flow (DCF) approach, the Independent Financial Advisor projected the Free Cash Flow to Firm for the year 2017 - 2022 (approximately 5 years), referring to TERA's financial statements, information received from TERA, related industry information available in public as well as information from interviewing TERA's management. The Independent Financial Advisor assumes that all information received from TERA including management interview is true, complete, and correct based on the current situation during the time this Report was prepared. In addition, the Independent Financial Advisor assumes that TERA's business will be going continually (Going Concern Basis) and will not undergo any material changes which would cause the fair value of TERA to change materially.

The key projection assumptions for TERA's share valuation are following:

Revenue from sales and service

TERA operates as a service provider of end-to-end Information and Communication Technology infrastructure solutions such as Enterprise Server, Storage, Networking, Information Security Solutions. TERA has two subsidiary companies that are also in the IT business: Cluster Systems Company Limited ("CLUSTER") and Thinkker Company Limited ("THINKKER").

The Independent Financial Advisor has studied financial information of TERA and its subsidiaries (the year 2014 to the first six-month period of 2017) and, projected the growth in revenue from sales and service from past growth during the year 2014 to the first six-month period of 2017 (H1/2017) and information received from interviewing TERA's management. In the projection, the Independent Financial Advisor assumes that the revenue from sales and service in the second half of 2017 (H2/2017) will be the same as in the first half of 2017. Between 2018 and 2022, the Independent Financial Advisor assumes revenue from sales and service will grow at a rate of 5-9% per year, based on past information, industrial trends, and TERA's management's predictions.

- TERA's main business is IT system integration (SI) includes consulting, designing, providing and distributing of products and equipment related to Enterprise IT system such as Enterprise Server, Storage, Networking, Information Security Solutions, Hardware, System Software. TERA has been appointed to be HPE Platinum Partner, one of four in Thailand, designated by Hewlett Packard (HP), then emphasizing on HP products sales. HP is the large seller of server equipment in the world. The main source of TERA's revenue is the sale of products and equipment, hardware and system software, related to Enterprise IT system solutions such as Enterprise Server, Storage, Networking, Information Security Solutions, Hardware, System

Software, including revenue from sales of distributes IT products and equipment such as computers, notebooks, printers, servers, storages, and softwares. Revenue from service comes from installation/implement service, system maintenance service and other service related to IT systems. Most customers are in Bangkok and the suburbs of Bangkok.

- CLUSTER's business is similar to TERA. CLUSTER sells products from a variety of brands such as LENOVO, DELL, Microsoft, VMware and Symantec. CLUSTER has emphasized on Non-HP products including DELL, the large seller of server equipment in the world. The management believes that the change in DELL's business model from selling and implementing equipment on its own to letting its Partners such as CLUSTER implementing DELL's equipment will lead to growth from increased sale of DELL's products. In addition, the Thai government's Thailand 4.0 economic initiative should lead to growth in sales and service revenue for CLUSTER as many companies may upgrade their IT systems (digital transformation).
- THINKKER, 51 percent invested by TERA, has main business in IT consultation and service, including service provider for software programs such as QlikView and QlikSense, data analytic softwares that help to monitor, improve, and develop organizations businesses. THINKKER was established in 2015, the management expects good trend and growth.

Other income

Other income of TERA and its subsidiaries are sales rebates, interest income, and so on. The Independent Financial Advisor assumes throughout the projection period that Other income are approximately 2.2 percent of revenue from sales and service, which has been equal to the actual average proportion for 2014 to the first half of 2017 (H1/2017).

(Unit: Thousand Baht)	Jul-Dec	2018E	2019E	2020E	2021E	2022E
	2017E					
Revenue from sales and service	182,506	389,468	416,992	439,269	463,118	488,673
Other income	4,067	8,500	8,890	9,274	9,679	10,107
Total	186,573	397,968	425,882	448,542	472,797	498,781

Cost of sales and service

Cost of sales and service is composed of the cost of goods sold, employees' expenses, cost of accommodation for staff, allowances and and so on. The cost of sales and service is proportional to the revenue from sales and service. Throughout the projection period, the Independent Financial Advisor assumes that the cost of sales and service is approximately on average 76-77 percent of the revenue from sales and service, which was the average proportion for 2014 to H1/2017.

Selling expenses

Selling expense is related to the sales department and is composed of employee expenses, sales incentives, travel expenses, and so on. The selling expense is generally proportional to the revenue from sales. As such, the Independent Financial Advisor assumes that the selling expense from H2/2017-2022 of TERA and CLUSTER is equal to the average from 2014-H1/2017 which is 17 percent of sales revenue and 7 percent of sales revenue, respectively. As for THINKKER, because it has just started operating recently, its selling expense from H2/2017-2022 is assumed to be the same as TERA or 17 percent of sales revenue.

Administrative expenses

Administrative expense is composed of general operating expenses, headquarter related expenses, including, employee expenses, office expenses, and so on. The Independent Financial Advisor assumes that administrative expenses increases at rate of 3 percent per year from 2016. (based on growth in GDP over the past five years, source: Bank of Thailand).

Capital expenditures, depreciation and amortization

It is assumed that TERA will replace obsolete equipment to maintain efficiency of operations at the rate of annual depreciation and amortization which is 2.5 million Baht per year, from 2018 to 2022.

Depreciation and amortization in projection is calculated, per TERA's accounting policies, on a straight-line method over the average useful-life of assets which is 5 years. Nonetheless, the number of years for depreciation does not affect cash flows of the company.

Financial cost

Most of TERA's liabilities are financial leases which have an average interest rate of 6.6 percent per annum

Corporate income tax

The Independent Financial Advisor assumes that corporate income taxes rate is 20 percent.

Working capital

The Independent Financial Advisor assumes days receivable is equal to 60 days, days inventory is 30 days, and days payable is 110 days based on actual historical data from 2014 to H1/2017.

Projection of profit and loss

(Unit: Thousand Baht)	Jul-Dec 2017E	2018E	2019E	2020E	2021E	2022E
Revenue						
Revenue from sales and service	182,506	389,468	416,992	439,269	463,118	488,673
Other income	4,067	8,500	8,890	9,274	9,679	10,107
Total revenue	186,573	397,968	425,882	448,542	472,797	498,781
Expenses						
Cost of sales and service	139,739	298,466	319,903	336,930	355,163	374,706
Selling expenses	22,084	45,999	47,986	49,726	51,548	53,458
Administrative expenses	18,238	32,057	33,341	33,851	34,062	35,521
Interest expenses	44	37	0	0	0	0
Total expenses	180,104	376,558	401,231	420,507	440,774	463,685
Profit before income tax	6,469	21,410	24,651	28,035	32,024	35,095
Income tax	1,595	4,282	4,930	5,607	6,405	7,019
Net profit	4,873	17,128	19,721	22,428	25,619	28,076
Gross profit margin	23%	23%	23%	23%	23%	23%
Net profit margin	3%	4%	5%	5%	5%	6%

Remark: The projection of profit and loss in the above table is prepared for the purpose of valuation. It includes the projected operating performance of THINKKER's at a proportion of 51 percent, which may not be complied with the consolidated financial statements in accordance with the financial reporting standards.

Discount Rate

The discount rate used to determine the present value of FCFF is calculated from the weighted average cost of capital (WACC), based on TERA's capital structure. The WACC is calculated by weighting the proportion of debt to equity with the cost of debt (kd) and cost of equity (ke) of TERA. The Independent Financial Advisor has used the conservative basis in forecasting the WACC as follows.

$$WACC = [K_e \cdot E / (D+E) + K_d \cdot (1-T) \cdot D / (D+E)]$$

Where;

K_e = Cost of equity or the return on equity that investors expect

K_d = Cost of debt or the interest rate on debt of TERA (6.6 percent per year)

T = Corporate income tax rate (20 percent)

E = Total shareholder's equity (62.20 million Baht)

D = Total interest-bearing liabilities (1.54 million Baht)

The Independent Financial Advisor determined the cost of equity (K_e) by adopting the Capital Asset Pricing Model (CAPM) theory

$$K_e = R_f + \beta(R_m - R_f)$$

Where;

Risk Free Rate (R_f) : Based on the rate of return of a 20-year government bond as the going concern assumption, the rate was 2.88% per year as of September 29, 2017 (source: Thai Bond Market Association)

Beta (β): 0.674 time, referred to historical beta of peer companies, AIT, MFEC, MSC, PT over the past 2 years, which is believed to reflect the risk of investing in the Stock Exchange of Thailand, which was adjusted to be unlevered beta and then adjusted by TERA's debt to equity ratio to obtain the levered beta.

R_m : The approximately 20-year average rate of return on the investment in the Stock Exchange of Thailand (which coincides with the R_f and is believed to reflect the average return on the market), equals to 13.07% per year (source: the Stock Exchange of Thailand)

$$\begin{aligned} K_e &= 2.88\% + 0.674 \times (13.07\% - 2.88\%) \\ &= 9.75\% \end{aligned}$$

$$\begin{aligned} \text{Therefore, WACC} &= [9.75\% \times 97.6\% + 6.60\% \times (1-20\%) \times 2.4\%] \\ &= 9.64\% \end{aligned}$$

Terminal Value

The Independent Financial Advisor assumes that the FCFF after 2022 has a growth rate of 0 percent per year based on the conservative basis used in the projection.

Based on data and assumptions given above, the FCFF that will occur is as follows:

Projection of free cash flow and Enterprise value (H2/2017-2022)

Unit: Thousand Baht

Items	Jul-Dec 2017E	2018E	2019E	2020E	2021E	2022E
Earnings before interest and taxes	6,512	21,446	24,651	28,035	32,024	35,095
Less: Income taxes	-1,595	-4,282	-4,930	-5,607	-6,405	-7,019
Add: Depreciation and amortization	1,201	2,807	3,214	2,820	2,100	2,600
Add: Working capital	26,381	479	710	527	573	623
Less: Capital expenditures	-877	-2,500	-2,500	-2,500	-2,500	-2,500
Free cash flow (FCF)	31,622	17,951	21,145	23,275	25,792	28,799
Terminal value	0	0	0	0	0	298,605
FCF and Terminal value	31,622	17,951	21,145	23,275	25,792	327,404
Present value of FCF and Terminal value	30,199	15,635	16,797	16,863	17,043	197,313
Enterprise Value						293,850
Less Discount on liquidity risk of 20 percent						-58,770
Enterprise Value after discount						235,080

According to TERA is not listed on the stock exchange, the Independent Financial Advisor, therefore, added a discount on liquidity risk of 20 percent of the enterprise value. (Reference: Damodaran, A. "Marketability and Value: Measuring the Illiquidity Discount", Stern School of Business, New York University (2005))

Calculation of share price using discounted cash flow approach

Unit: Thousand Baht

Enterprise Value after discount	235,080
Add: Cash as of June 30, 2017	91,610
Less: Interest bearing liabilities as of June 30, 2017	-1,535
Net Equity Value	325,155
Number of shares (thousand shares)	172,000
Net Equity Value per Share	1.89

Sensitivity Analysis

The Independent Financial Advisor conducted sensitivity analysis on the changes in discount rate and growth rate of revenue from sales and service during the projection period from 2018 to 2022 as follows

Share price of TERA (Baht per share)	Discount Rate		
	-1%	0	1%
Growth rate of revenue from sales and service			
	8.64%	9.64%	10.64%
Increase by 3%	2.42	2.22	2.05
Base case	2.05	1.89	1.76
Decrease by 3%	1.71	1.60	1.50

The result of sensitivity analysis by changing the significant factors to share valuation, discount rate and growth rate of revenue from sales and service during the projection period from 2018 to 2022, TERA's share price was found to be in the range of 1.50 – 2.42 Baht per share.

The assumption to run the sensitivity analysis by increasing and decreasing the discount rate by 1 percent while keeping other variables constant or increasing and decreasing the growth rate of revenue from sales and service by 3 percent while keeping other variables constant because the Independent Financial Advisor views that the growth rate of revenue from sales and service depends on the market which may vary according to the economic situation. The sensitivity analysis done by varying the growth rate of revenue from sales and service by 3 percent yields to a range of share prices that is not too wide or narrow for used to make a decision.

It is possible, however, that the growth rate of revenue from sales and service changes from the original value used in the projection due to external factors such as a political situation, economic situation, changes in government policy, changes in technology, interest rate, inflation rate, and oil prices which will affect consumption and investment by the private sector, beyond the ability of the company to market its products and services, competition, and management of the company. These will also contribute to changes in the growth rate of revenue of TERA, which had average growth in revenue from sales and service of 3 percent over the past three years

In conclusion, the fair value of TERA's shares calculated by discounted cash flow approach and discount for liquidity risk is between 1.50 – 2.42 Baht per share.

Summary of valuation of TERA

Valuation method	Value (Baht/share)	Remarks
1. Book Value Approach	0.35	Not appropriate for the valuation
2. Adjusted Book Value Approach	0.35	Not appropriate for the valuation
3. Historical Pricing Approach	N/A	Not applicable
4. Market Multiples Approach	0.62 – 0.67	Not appropriate for the valuation
4.1. Price to Book Value Ratio Approach		
4.2. Price to Earnings Ratio Approach	0.87 - 0.98	Not appropriate for the valuation
5. Discounted Cash Flow Approach	1.50 – 2.42	Appropriate for the valuation

The book value approach to valuation does not reflect the true value of the business because it uses historical book value in the calculation at one point in time. Future business plans of TERA and its ability to generate profits are not considered in the share price. Therefore, this method of valuation is not appropriate.

At the same time, the adjusted book value approach uses the book value of net assets and adjusts them to reflect the market value of net assets. However, it does not take into account the company's future operations and cash flows. As such, this method of valuing shares is not appropriate.

The historical pricing approach cannot be used to value TERA's shares because TERA is not listed on the Stock Exchange. Thus, there is no historical price of shares to consider.

The market multiples approach to valuation takes into consideration financial ratios such as price to book value ratio (P/BV ratio) and price to earnings ratio (P/E ratio) of companies listed on the Stock Exchange of Thailand. Even though this method takes into consideration the market value of assets and profit-making ability by comparing with other companies, this method is not appropriate because it does not reflect the future performance of the company and cash flows. In addition, this method has limited applicability because each company has a different capital structure, market capitalization, and business details that differ from each other. Hence, this method is not appropriate for valuing TERA's shares.

The discounted cash flow method takes into consideration the capability of the company in operating its business and making profits in the future. It involves making assumptions from past performance of the company, management's expectations, and industrial trends. Therefore, the assumptions and results of the valuation using discounted cash flow method are reasonable and more appropriate than other methods for the valuation of TERA.

In conclusion, the fair value of TERA's shares calculated using discounted cash flow approach deems appropriate for the valuation. The share price from this method is in the range of is between 1.50 – 2.42 Baht per share.

In addition, the Independent Financial Advisor has the following additional comments.

Additional Comments

1. According to TERA's main business is provider of end-to-end Enterprise IT infrastructure solution, distributor of hardware, software system, including IT solutions, doing this business needs specialized knowledge and experience, products knowledge, and good relationship with suppliers and customers. Making decision to invest in TERA, SPPT should consider future management of TERA's business and maintenance of key staffs, to ensure a smooth management transition and favorable return on investment for SPPT.

2. At the present, technology changes rapidly and impacts businesses. TERA's business, involving with technology, can be impacted by future change in technology and exposed to risks for its future business operation and prospects for growth. Furthermore, other changeable circumstances such as relationship with major suppliers such as HP, DELL, and their product strengths, politics and economics which may change as technology advances, government policies, interest rate, inflation rate, oil prices, resulting to consumption demand and private investment, beyond the potential of human resources to conduct marketing, competition and management of the company. These factors can fluctuate the revenue and operating performance. However, the Independent Financial Advisor has conducted the sensitivity analysis from change of the revenues from sales and service by plus or minus 3% from projection that could affect the valuation.

3. In addition, careful consideration of the results of due diligence in various aspects including legal and accounting, may affect SPPT's decision on investment and future plan for TERA.

This Report is not the report of opinion of the independent financial advisor regarding the acquisition of assets of SPPT under the Notification of the Capital Market Supervisory Board No. Tor.Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547. In addition, this Report is not the report of opinion of the independent financial advisor regarding the connected transactions under the Notification of the Capital Market Supervisory Board No. Tor.Chor 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546.

The Independent Financial Advisor is not the financial advisor of SPPT for the acquisition of common shares of TERA, has not received any information and has not related to any conditions or agreements regarding the purchase of common shares of TERA. Consequently, the Independent Financial Advisor shall not render an opinion nor take responsibility on the transaction of acquisition of TERA, acquisition process and its effects on SPPT.

Nevertheless, the final decision rests primarily with SPPT. SPPT should study the information and use its own judgment in making the final decision carefully.

Enclosure 1 Summary of financial information of TERA and its subsidiaries

Summary of financial information TERA for the year 2014 – Q2/2017 per the audited/reviewed consolidated financial statements is as follows:

TERA's Statement of financial position (Unit: Thousand Baht)	31 Dec 2014	31 Dec 2015	31 Dec 2016	30 Jun 2017
Assets				
Cash and cash equivalents	45,873	41,511	98,080	91,610
Short-term investments	12	12	12	12
Trade receivables	51,419	57,673	38,727	70,743
Other receivables	12,770	12,165	19,650	19,099
Inventories	20,337	18,056	20,600	47,060
Total current assets	130,411	129,417	177,069	228,524
Equipment	8,783	5,712	6,809	6,128
Intangible assets	1,028	583	281	187
Goodwill	0	0	4,101	4,101
Deferred tax assets	755	1,036	1,323	1,474
Other non-current assets	5,545	7,997	6,405	8,536
Total non-current assets	16,111	15,328	18,919	20,426
Total liabilities	146,522	144,745	195,988	248,950
Liabilities				
Trade payables	60,209	49,591	89,754	97,140
Other payables	30,986	33,262	36,895	80,982
Current portion under finance lease liabilities	1,265	1,127	1,105	837
Income tax payable	0	693	7	279
Total current liabilities	92,460	84,673	127,761	179,238
Finance lease liabilities	1,372	316	1,113	698
Employee benefit obligations	3,535	4,786	6,154	6,815
Other non-current liabilities	2,290	460	389	0
Total non-current liabilities	7,197	5,562	7,656	7,513
Total liabilities	99,657	90,235	135,417	186,751
Shareholder's equity				
Registered capital	55,000	55,000	55,000	55,000
Issued and paid-up capital	40,000	43,000	43,000	43,000
Share premium	875	5,964	5,964	5,964
Share payables	0	-3,588	0	0
Legal reserve	4,000	4,300	4,300	4,300
Retained earnings	4,992	7,836	8,390	10,754
Discount on consolidation	-3,002	-3,002	-3,002	-3,002
Total equity of the parent company	46,865	54,510	58,652	61,016
Non-controlling interests	0	0	1,919	1,183
Total shareholder's equity	46,865	54,510	60,571	62,199
Total liabilities and shareholder's equity	146,522	144,745	195,988	248,950

TERA's Income statement (Unit: Thousand Baht)	2014	2015	2016	Jan-Jun 2017
Revenue				
Revenue from sales and service	306,139	273,609	334,883	183,543
Other income	7,933	6,546	6,163	3,540
Total revenue	314,072	280,155	341,046	187,083
Expenses				
Cost of sales and service	237,264	209,349	265,687	141,083
Selling expenses	40,241	37,521	36,916	19,797
Administrative expenses	30,255	23,370	29,249	12,946
Interest expenses	285	265	175	57
Total expenses	308,045	270,505	332,027	173,883
Profit before income tax	6,027	9,650	9,019	13,200
Income tax	105	1,485	1,640	2,512
Net profit	5,922	8,165	7,379	10,688

Summary of financial information CLUSTER for the year 2014 – 2016 per the audited financial statements is as follows:

CLUSTER's Statement of financial position (Unit: Thousand Baht)	31 Dec 2014	31 Dec 2015	31 Dec 2016
Assets			
Cash and cash equivalents	7,679	8,131	22,282
Trade receivables	14,576	16,994	5,559
Other receivables	1,424	1,275	3,854
Inventories	910	2,098	6,909
Total current assets	24,589	28,498	38,604
Equipment	553	88	30
Intangible assets	0	0	0
Deferred tax assets	128	83	427
Other non-current assets	276	586	306
Total non-current assets	957	757	763
Total assets	25,546	29,255	39,367
Liabilities			
Trade payables	13,788	12,026	22,543
Other payables	4,703	4,694	5,202
Income tax payable	0	693	0
Total current liabilities	18,491	17,413	27,745
Employee benefit obligations	555	310	2,024
Other non-current liabilities	0	159	191
Total non-current liabilities	555	469	2,215
Total liabilities	19,046	17,882	29,960
Shareholder's equity			
Registered capital	5,000	5,000	5,000
Issued and paid-up capital (500,000 common shares at par value of 10 Baht)	5,000	5,000	5,000
Legal reserve	247	247	500
Retained earnings			
Unappropriated	1,253	6,126	3,907
Total shareholder's equity	6,500	11,373	9,407
Total liabilities and shareholder's equity	25,546	29,255	39,367

CLUSTER's Income statement (Unit: Thousand Baht)	2014	2015	2016
Revenue			
Revenue from sales and service	44,496	50,072	74,881
Other income	132	374	209
Total revenue	44,628	50,446	75,090
Expenses			
Cost of sales and service	35,725	39,793	64,412
Selling expenses	4,546	2,029	2,049
Administrative expenses	4,037	2,492	6,618
Interest expenses	86	41	0
Total expenses	44,394	44,355	73,079
Profit before income tax	234	6,091	2,011
Income tax	47	1,218	477
Net profit	187	4,872	1,534

Summary of financial information THINKKER for the year 2014 – 2016 per the audited financial statements is as follows:

THINKKER's Statement of financial position (Unit: Thousand Baht)	31 Dec 2015	31 Dec 2016
Assets		
Cash and cash equivalents	110	3,083
Trade receivables	313	1,931
Other receivables	0	27
Inventories	0	157
Total current assets	423	5,198
Equipment	105	129
Deferred tax assets	0	9
Total non-current assets	105	138
Total assets	528	5,336
Liabilities		
Trade payables	0	325
Other payables	28	1,001
Income tax payable	0	7
Total current liabilities	28	1,333
Employee benefit obligations	0	86
Total non-current liabilities	0	86
Total liabilities	28	1,419
Shareholder's equity		
Registered capital	2,000	2,000
Issued and paid-up capital		
20,000 common shares at value of 25 Baht	500	
20,000 common shares at value of 100 Baht		2,000
Retained earnings		
Unappropriated	0	1,917
Total shareholder's equity	500	3,917
Total liabilities and shareholder's equity	528	5,336

THINKKER's Income statement (Unit: Thousand Baht)	5 Nov to 31 Dec 2015	2016
Revenue		
Revenue from sales and service	293	6,624
Other income	0	5
Total revenue	293	6,629
Expenses		
Cost of sales and service	85	2,220
Selling expenses	176	571
Administrative expenses	31	1,737
Interest expenses	0	5
Total expenses	292	4,533
Profit before income tax	0	2,096
Income tax	0	180
Net profit	0	1,916

Remark – THINKKER was established on November 5, 2015.