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Summary of Financial Information

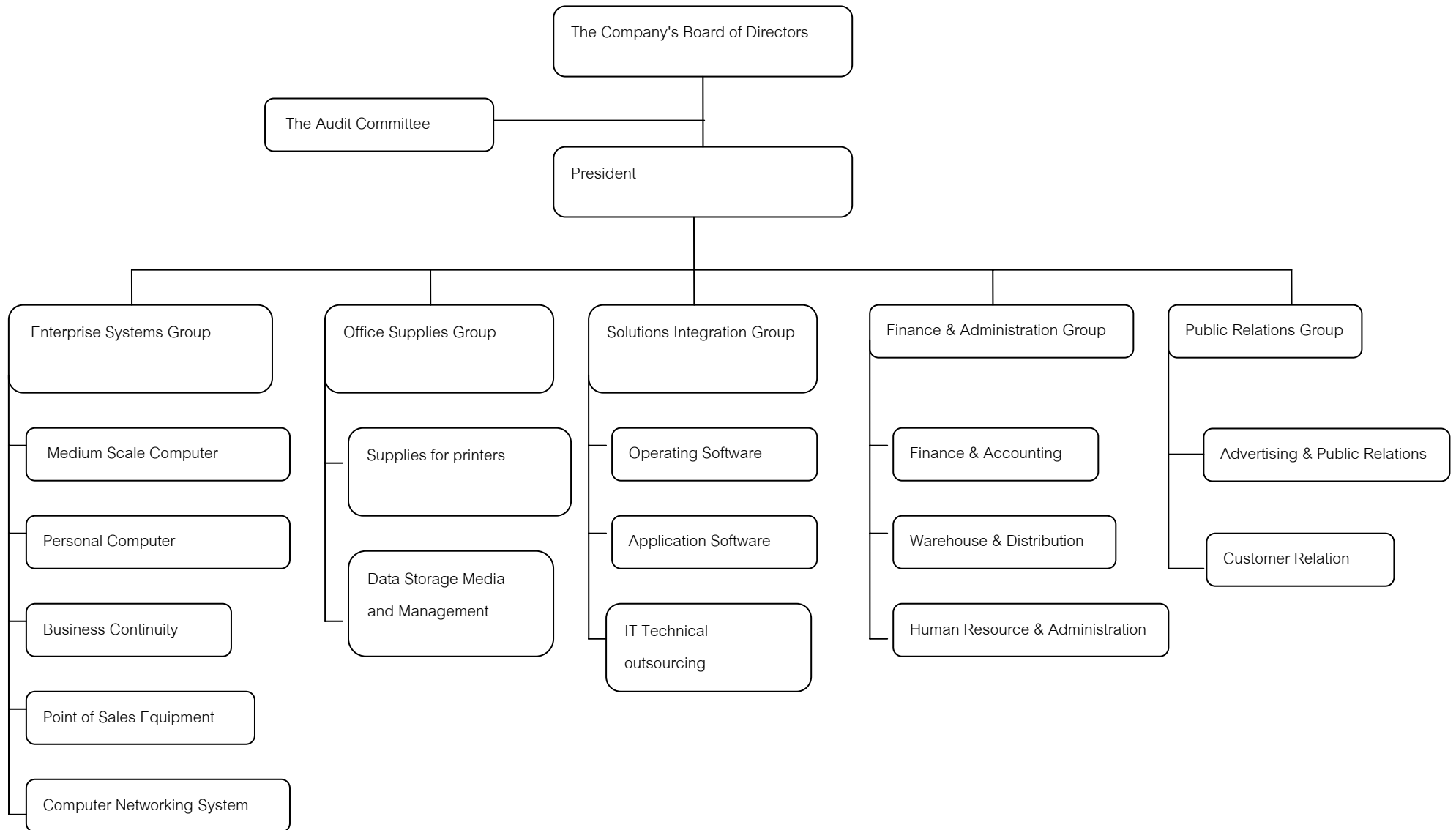
thousand baht

	2002	2003	2004
Revenue from sales	3,975,774	4,514,042	4,895,811
Rental /Service Income	191,565	255,158	352,611
Other Income	19,281	28,069	25,950
Total Income	4,186,621	4,799,596	5,274,372
Cost of Sale	3,786,870	4,009,778	4,315,855
Cost of Service	60,101	75,977	112,073
Cost of Rent	9,594	21,463	27,297
Total Costs and Expenses	4,044,038	4,663,059	5,096,991
Net Profit (Loss)	59,015	66,817	90,789
Profit (Loss) Per Share (Baht)	2.6	0.25	0.27
Number of shares (share)*	27,000,000	337,152,850	339,743,600
Par value	10	1	1
Total Assets	2,202,419	2,578,337	2,473,254
Total Liabilities	1,579,022	1,842,349	1,676,002
Minority Interest	9,749	11,842	14,130
Shareholders' Equity	623,397	735,988	797,252
Book Value Per Share	23.09	2.18	2.35

**Financial Ratio**

		Actual		
		Dec 31, 2002	Dec 31, 2003	Dec 31, 2004
<u>LIQUIDITY RATIO</u>				
Liquidity Ratio	(times)	0.85	0.87	1.01
Quick Liquidity Ratio	(times)	0.53	0.61	0.69
Cash Flow Liquidity Ratio	(times)	0.03	0.03	0.26
Account Receivable Turnover	(times)	7.09	6.09	5.65
Collection Period	(days)	51	59	62
Account Payable Turnover	(times)	6.07	6.53	6.40
Payment Period	(days)	59	55	61
Inventory turnover	(times)	11.05	12.76	12.41
Inventory turnover Period	(days)	33	28	29
Cash Cycle	(days)	24	32	32
<u>PROFITABILITY RATIO</u>				
Gross Profit Margin	(%)	14.66%	13.88%	15.11%
Net Profit Margin	(%)	1.41%	1.39%	1.72%
Return on Equity	(%)	10.66%	9.83%	11.84%
<u>EFFICIENCY RATIO</u>				
Return on Assets	(%)	2.84%	2.80%	3.61%
Return on Fixed Assets	(%)	19.79%	23.60%	28.60%
Assets Turnover	(times)	1.26	2.01	2.10
<u>FINANCIAL POLICY RATIO</u>				
Debt to Equity	(times)	2.53	2.50	2.10
Interest Coverage Ratio	(times)	2.16	2.10	12.93
Coverage Commitment (Cash Basis)	(times)	0.11	0.42	(1.63)
Payout Ratio	(%)	30.50%	56.14%	37.12%
<u>Share Price / Price Per Share</u>				
Par Value	(baht)	10	1	1
Book Value	(baht)	23.09	2.18	2.35
Earning Per Share	(baht)	2.60	0.25	0.27
<u>Growth Rate</u>				
Sales and service income	(%)	27.01%	14.44%	10.08%
Cost of Sales and Service	(%)	28.38%	15.48%	8.47%
Selling and Administrative Expenses	(%)	15.73%	14.10%	15.46%
Net Profit	(%)	156.56%	13.22%	35.88%
Total Assets	(%)	12.84%	17.07%	-3.42%

Organizational Structure



Message from the Chairman

In 2004, Thailand was faced with several factors affecting the stability of the economy. These factors included higher oil prices, unrest in the 3 southern provinces, the spread of bird flu and wide spread drought, which created negative impacts on the economy as a whole especially on investment despite achieving sustained GDP of 6.3 Both direct and indirect impacts were seen affecting various industries including information technology.

In spite of negative economic environment, the company was able to maintain leadership under the vision and determination to initiate continuous development. Increasing the capability of the Business Productivity Center through the use of wireless communication with network connection under the format of Business-on-Demand to allow effective decision making at the point of purchase was among the list of development initiatives.

For the year 2004, the company received 5,274 million baht in total revenues, up 9.95% from that of 2003. The net profit for the year was 90.79 million baht, up 35.88% over that of the previous year. As of 2004, total assets were accounted for at 2,473 million baht, while total liabilities were recorded at 1,676 million baht. Shareholding ratio was 797 million baht in total.

The company's current paid-up registered capital is 339.743 million baht with 2.03 million units of unexercised warrant as at December 31, 2004.

On behalf of our Board of Directors, I would like to express my sincere gratitude to all shareholders who have been providing great support to our operation. The appreciation also goes to our customers, trade partners and each and every employee for their parts in making the business successful.

Anan Leetrakul

Vice Chairman of the Board of Directors



The Company's Board of Directors

Name	Mr. Anan Leetrakul		
Position	Vice Chairman/Advisor to the executive committee		
Age	64 years		
Education	Bachelor's Degree in Commerce and Accountancy, Chulalongkorn University		
Experience	1994- Present	Vice Chairman/Advisor to the executive committee	Metro Systems Corporation PCL.
	1994- Present	Chairman	Maximage Co.,Ltd.
	1999- Present	Chairman	Intenia BP (Thailand) Co., Ltd.
	1999- Present	Chairman	Application Hosting Services Co., Ltd.
	2000- Present	Director of University Council	Chiang Mai University
	2001- Present	Director	ITV PCL.
	2003- Present	Director	Committee of the Papasa Foundation Under the Royal Patronage
	2003- Present	Director	Digital Associates Co., Ltd.
	2003- Present	Director	Pacific Asset PCL.
	2004	Director of University Council	North-Chiang Mai College
Family relationship with fellow executive	-		
Company's shares in hand	0.46%		



Name	Mr. Suvij Suvaruchiphorn		
Position	Director		
Age	62 years		
Education	Bachelor's Degree in Law, Thammasat University		
Experience	1983- Present	Director	HMC Polymers Co., Ltd.
	1984- Present	Managing Director	Metro Co., Ltd.
	1986- Present	Director	Metro Systems Corporation PCL.
	1986- Present	Director	ABN Amro Asia Securities PCL.
	1987- Present	Director	Metro Distribution Co.,Ltd.
	1988- Present	Executive Director	United Flour Mill PCL.
	1988- Present	Director	Polymers Marketing Co., Ltd.
	1988- Present	Director	Bangkok Industrial Gas Co., Ltd.
	1991- Present	Director	Advanced Business Exchange Co., Ltd.
	1991- Present	Director	MDEC International (1991) Co., Ltd.
	1992- Present	Director	Metro Professional Products Co., Ltd.
	1994- Present	Director	Metro Info Dynamics Co., Ltd.
Family relationship with fellow executive	-		
Company's shares in hand	0.13%		
Name	Mr. Sunpitch Sethpormpong		
Position	Director		
Age	39 years		
Education	M.M., Kellogg School of Management, Northwestern University Evanston,IL B.S. Mechanical Engineering (Graduate Cum Laude) Massachusetts Institute of Technology		
Experience	1994-1998	Director	Bangkok Steel Industry PCL.
	1998-2000	Assistant to Chairman	Bangkok Steel Industry PCL.
	2000- Present	Director	Metro Systems Corporation PCL.
	2001- Present	Director	Wood Walk (Thailand) Co., Ltd.
Family relationship with fellow executive	-		
Company's shares in hand	(none)		



Name	Mr. Sathien Archavaniyut		
Position	Director		
Age	67 years		
Education	Bachelor's Degree in Commerce and Accountancy, Thammasat University		
Experience	1977- Present	Deputy Executive Director	United Flour Mill PCL.
	1984- Present	Director	UFM Food Centre Co., Ltd.
	1985- Present	Director	Metro Co., Ltd.
	1986- Present	Director	Metro Systems Corporation PCL.
	1987- Present	Director	Metro Distribution Co., Ltd.
	1988- Present	Director	Siam Flour Trading Co., Ltd.
Family relationship with fellow executive	-		
Company's shares in hand	(none)		

Name	Mr. Tavit Charuvajana		
Position	President/CEO		
Age	56 years		
Education	Anusorn Business College		
	Executive Development Program, Thammasat University		
	Honorary Master of Science, IT, Rajabhat Institute Chankasem		
Experience	1985- Present	Director	Metro Co., Ltd.
		Chairman of Executive	
	1986- Present	Committee/Managing Director	Metro Systems Corporation PLC.
	1991- Present	Director	Advanced Business Exchange Co., Ltd.
	1991- Present	Director	HIS MSC Co., Ltd.
	1994-2003	Director	Business Application Co., Ltd.
	2000- Present	Director	Application Hosting Services Co., Ltd.
Family relationship with fellow executive	Older brother of Mr. Narong Charuvajana		
Company's shares in hand	8.61%		



Name	Mr. Narong Charuvajana		
Position	Director/ Executive Director		
Age	51 years		
Education	Bachelor's Degree in Accounting, Ramkhamhaeng University Master's Degree in Accounting, The Faculty of Commerce and Accountancy, Thammasat University Master's Degree for Executive, The Faculty of Commerce and Accountancy, Chulalongkorn University Directors Certification Program, Thai Institute of Directors Association		
Experience	1986- Present	Director/ Executive Director	Metro Systems Corporation PCL.
	1987- Present	Managing Director	Metro Distribution Co., Ltd.
	1991- Present	Director	Advanced Business Exchange Co., Ltd.
	1991- Present	Director	MDEC International (1991) Co., Ltd.
	1991- Present	Director	HIS MSC Co., Ltd.
	1992- Present	Director	Metro Professional Products Co., Ltd.
	1993- Present	Director	Metrosoft Co., Ltd.
	1994- Present	Director	Metro Info Dynamics Co., Ltd.
	1994- Present	Director	Maximage Co., Ltd.
	1994- Present	Director	PSP (Thailand) Co., Ltd.
	1994-2002	Director	Alpha Print Co., Ltd.
	1994-2003	Director	Business Application Co., Ltd.
	1999- Present	Director	Intenia BP (Thailand) Co., Ltd.
	1999- Present	Director	Application Hosting Services Co., Ltd.
	2000-2003	Audit Committee Director	Nava Leasing PCL.
	2000- Present	Director	Metro-Infinium Co., Ltd.
Family relationship with fellow executive	Younger brother of Mr. Tavit Charuvajana		
Company's shares in hand	2.12%		

Name	Mr. Kitti Techataveekijkul		
Position	Director/ Executive Director		
Age	53 years		
Education	The Faculty of Engineering, Majoring in Telecommunication, King's Mongkut Institute of Technology Ladkrabang Directors Certification Program, Thai Institute of Directors Association		
Experience	1991- Present	Director	MDEC International (1991) Co., Ltd.
	1991- Present	Director	HIS MSC Co., Ltd.
	1992- Present	Director	Metro Professional Products Co., Ltd.
	1993- Present	Director/Executive Director	Metro Systems Corporation PCL.
	1993-1999	Director	Metrosoft Co., Ltd.
	1994-2002	Director	Alpha Print Co., Ltd.
	1994- 1999	Director	Metro Info Dynamics Co., Ltd.
	1994- Present	Director	PSP (Thailand) Co., Ltd.
	1999- Present	Director	Advanced Business Exchange Co., Ltd.
Family relationship with fellow executive	-		
Company's shares in hand	0.29%		

Name	Mr. Sawangthum Laohathai		
Position	Director		
Age	32 years		
Education	Bachelor of Arts in Technology, Economics and Development Harvard College Master of Business Administration London Business School		
Experience	2003- Present	Managing Director	Metro Co., Ltd.
	2003- Present	Deputy Managing Director	United Flour Mill PCL.
	2004- Present	Director	Metro Systems Corporation PCL.
	2004- Present	Executive Director	Siamaroon Group
Family relationship with fellow executive	-		
Company's shares in hand	(none)		



Name	Mr. Bodin Parapagpenjun		
Position	Director/ Executive Director		
Age	58 years		
Education	Bachelor's Degree in Marketing, The University of the Thai Chamber of Commerce		
Experience	1992- Present	Director/ Executive Director	Metro Systems Corporation PCL.
	1999- Present	Director	Advanced Business Exchange Co., Ltd.
Family relationship with fellow executive			
Company's shares in hand	0.18%		

Name	Mr. Shodok Kijasathiam		
Position	Executive Director		
Age	64 years		
Education	Maha Chulalongkorn University		
Experience	1992- Present	Director	Metro Distribution Co.,Ltd.
	1994- Present	Director/ Executive Director	Metro Systems Corporation PCL.
Family relationship with fellow executive	-		
Company's shares in hand	0.18%		

Name	Mr. Thongchai Lumveerakul		
Position	Executive Director		
Age	45 years		
Education	Bachelor's Degree in Marketing, Bangkok University		
	Continuing Education Program for Business, Thammasat University		
	Directors Certification Program, Thai Institute of Directors Association		
Experience	1995- Present	Director/ Executive Director	Metro Systems Corporation PCL.
	1998- Present	Director	Metro Info Dynamics Co., Ltd.
Family relationship with fellow executive	-		
Company's shares in hand	0.29%		



Name	Ms. Acharaporn Preechakanjanadit		
Position	Executive Director		
Age	49 years		
Education	Bachelor's Degree in Accounting, Ramkhamhaeng University Executive Development Program, Thammasat University		
Experience	1995- Present	Director/ Executive Director	Metro Systems Corporation PCL.
	1998- Present	Director	Advanced Business Exchange Co., Ltd.
	1998- Present	Director	Metro Info Dynamics Co., Ltd.
	1998- Present	Director	Metro Distribution Co., Ltd.
	1998- Present	Director	Metro Professional Products Co., Ltd.
	2000- Present	Director	Metro-Infinium (Thailand) Co., Ltd.
Family relationship with fellow executive	-		
Company's shares in hand	(none)		

Name	Mr. Aroon Tor-Ekbundit		
Position	Executive Director		
Age	45 years		
Education	Vocational Certificate, Rajamangala Institute of Technology Borpitpimuk Chakkrawat Campus Executive Development Program, Thammasat University Directors Certification Program, Thai Institute of Directors Association		
Experience	1991- Present	Director	HIS MSC Co., Ltd.
	1993- Present	Director	Metrosoft Co., Ltd.
	1995- Present	Director/ Executive Director	Metro Systems Corporation PCL.
	1998- Present	Director	Advanced Business Exchange Co., Ltd.
	1998- Present	Director	Metro Distribution Co., Ltd.
	2000- Present	Director	Metro-Infinium (Thailand) Co., Ltd.
Family relationship with fellow executive	-		
Company's shares in hand	0.05%		



Name	Mr. Chuchart Vatanatham		
Position	Independent Director/Audit Committee Director		
Age	67 years		
Education	Diploma Degree Majoring in Accounting, Bangkok College		
Experience	1995- Present	Independent Director/Audit Committee Director	Metro Systems Corporation PLC
Family relationship with fellow executive	-		
Company's shares in hand	(none)		

Name	Mr. Pravit Chattalada		
Position	Independent Director/Audit Committee Chairman		
Age	72 years		
Education	BS. (Mathematics, Physics) Oregon State University USA		
Experience	1995- Present	Independent Director/Audit Committee Director	Metro Systems Corporation PLC.
	1995- Present	Sub-Committee Member	Information and Communication Technology Committee
	1995- Present	Director	The Association of Thai Computer Industry (ATCI)
Family relationship with fellow executive	-		
Company's shares in hand	(none)		



Name	Dr. Virach Aphimeteetamrong		
Position	Independent Director/Audit Committee Director		
Age	61 years		
Education	Bachelor's Degree in Accounting (Honor Degree), Chulalongkorn University M.B.A.(Gothenburg, Sweden) M.A.S. University of Illinois, Urbana-Champaign Ph.D Finance, University of Illinois		
Experience	Present	Chairman of Audit Office Director Executive Director Independent Director/Audit Committee Director Independent Director/Audit Committee Director	Dr. Virach & Associates Supalai PCL. Thailand Management Association Shin Corporations PCL. Asia Plus Securities PCL.
	1995- Present	Independent Director/Audit Committee Director	Metro Systems Corporation PCL.
Family relationship with fellow executive	-		
Company's shares in hand	(none)		

Name	Mr. Veeraphan Durongsang		
Position	Executive Director		
Age	45 years		
Education	Business Advertising and Marketing (BS) Emporia State University USA		
Experience	1997-2001	Assistant to Executive Director	Metro Systems Corporation PCL.
	2002- Present	Director/ Executive Director	Metro Systems Corporation PCL.
Family relationship with fellow executive	-		
Company's shares in hand	0.15%		

Shareholders and organization structure

As at December 31, 2004, the company has 360 million baht in registered capital, of which 339.743 million baht is paid up, and 20.26 million baht warrant with maturity of 3 years (expiration on November 14, 2005). Existing shareholders subscribing to 1 capital increase share are entitled to 1 unit of warrant. The warrant exercise period started on June 30, 2003 and will end on November 14, 2005 with exercise date set on the 30th of March, June, September and December of each year. The last exercise date is set on November 14, 2005

Shareholders

The first ten highest shareholders are:

Investors	Type of Business	Number of share	Ownership (%)
1. Metro Value Creation Co., Ltd.	Holding	67,740,500	19.94
2. Metrophose Co., Ltd.	Holding	64,704,000	19.04
3. Charuvajana Family		61,619,370	18.14
4. Mr. Kittichai Chuaratanaphong		26,896,200	7.92
5. Thai NDVR Co., Ltd.		17,943,100	5.28
6. Ms. Phanit Ngamkuangchot		15,430,000	4.54
7. Mrs. Khema Visuthiwattanakorn		13,812,670	4.07
8. Mrs. Sompong Ruengsuwan		6,016,000	1.77
9. Mrs. Chavewan Oachavaniyut		2,437,000	0.72
10. Ms. Phavana Tangtrongsakdi		2,000,000	0.59
Total		278,598,840	82.00

Source: List of shareholders as at December 31, 2004 prepared by Stock Depository Center (Thailand) Co., Ltd.

Note: Metrophose Co., Ltd. is a Holding Company, whose major shareholders include:

1. Mr. Sawangthum Laohathai	2,999	shares
2. Mrs. Wattana Thongthai	2,999	shares
3. Mr. Aaron Tangtrongsakdi	2,499	shares
4. Mr. Suwapol Suvaruchiphorn	1,000	shares
5. Mrs. Khema Visuthiwattanakorn	500	shares
6. Others	<u>3</u>	shares
Total	<u>10,000</u>	shares

Metro Value Creation Co., Ltd. is a Holding Company, whose major shareholders include:

1. Ms. Somchit Charuvajana	40,000	shares
2. Mrs. Khema Visuthiwattanakorn	40,000	shares
3. Ms. Phanit Ngamkuangchot	40,000	shares
4. Ms. Kanya Patomburana	40,000	shares
5. Mrs. Wantana Thongthai	80,000	shares
6. Ms. Sangjit Laohathai	80,000	shares
7. Mr. Aaron Tangtrongsakdi	80,000	shares
Total	<u>400,000</u>	shares

Organizational Structure

The company comprises 3 committees namely the Board of Directors, Executive Committee and Audit Committee, whose details are as follows:

The Board of Directors

The Board of Directors comprises 17 directors as follows:

Number	Name	Position/Official Title
1.	Mr. Anan Leetrakul	Vice Chairman
2.	Mr. Tavit Charuvajana	President/CEO
3.	Mr. Suvij Suvaruchiporn	Director
4.	Mr. Sunpitch Sethpornpong	Director
5.	Mr. Sathien Archavanit	Director
6.	Mr. Sawangthum Laohathai	Director
7.	Mr. Narong Charuvajana	Director
8.	Mr. Kitti Techataveekijkul	Director
9.	Mr. Bodin Parapagpenjun	Director
10.	Mr. Shodok Kijasathiarn	Director
11.	Mr. Thongchai Lumveerakul	Director
12.	Ms. Acharaporn Preechakanjanadit	Director
13.	Mr. Aroon Tor-Ekbundit	Director
14.	Mr. Veeraphan Durongsang	Director
15.	Mr. Pravit Chattalada	Independent Director and Audit Committee chairman
16.	Mr. Chuchart Vatanatham	Independent Director and Audit Committee Director
17.	Dr. Virach Aphimeteetamrong	Independent Director and Audit Committee Director

Scope of Duties and Responsibilities

1. Perform duties according to the laws, objectives, rules and regulations and resolutions determined by company's shareholders except for matters requiring approval from the shareholders such as matters that stipulate the Board of Directors to secure approval from the shareholders before hand, related transactions and buying and selling of important assets under the regulations stated by the Stock Exchange of Thailand.

2. Appoint and remove the Executive Committee with details strictly according to the scope of duties and responsibilities of the Executive Committee. The empowerment must not be in a manner of allowing the Executive Committee to approve transactions that indicate conflict of interest in anyway; evaluation of their performance and determination of remuneration for members of the Executive Committee.

3. Determine policy and direction of the company with proper monitoring of the executive side for efficiency and according to the policies laid out.

4. Evaluate performance of the company on quarterly basis with credible systems of accounting, financial report and auditing. The Board of Directors also oversees evaluation process suitable for effective internal control and internal auditing.

Independent Director is individual with complete qualifications and freedom as determined by the Stock Exchange of Thailand as follows:

- 1) Shareholder of the company, subsidiary, affiliated company or person with possible conflict of interest with stake of not exceeding 5% of total voting stocks of such company.
- 2) Person with no part in the management of the company, not employee nor consultant receiving regular salary nor individual empowered to control the company, subsidiary, affiliated company or person with possible conflict of interest.
- 3) Person with no business relationship nor direct and indirect business interest with the company, subsidiary, affiliated company or person with possible conflict of interest, in terms of finances and management.
- 4) Non-relative to management executives or major shareholders in the company, subsidiary, affiliated company or person with possible conflict of interest and must not be appointed as representative protecting the interest of directors or major shareholders.

Selection of independent directors

The selection of independent directors is conducted with out any process requiring a Nominating Committee but considered from the list of names directors propose to the Board of Directors for consideration. The criteria for proposing independent director candidate are as follows:

1. A director is entitled to propose one person as candidate for independent director.
2. A director is counted as one vote.
3. Persons receiving the highest votes will be the qualified candidate, whose names will be appointed independent directors according to the required number of independent directors to the Board of Directors. In case of equal vote outcome, the chairperson of the voting session will have the right to exercise judgement.

The Executive Committee

The Executive Committee comprises 10 directors as follows:

Number	Name	Position
1.	Mr. Anan Leetrakul	Advisor to the Executive Committee
2.	Mr. Tavit Charuvajana	President/CEO
3.	Mr. Kitti Techataveekijkul	Executive Director
4.	Mr. Thongchai Lumveerakul	Executive Director
5.	Mr. Aroon Tor-Ekbundit	Executive Director
6.	Mr. Shodok Kijasathiam	Executive Director
7.	Mr. Narong Charuvajana	Executive Director
8.	Mr. Bodin Parapagpenjun	Executive Director
9.	Ms. Acharaporn Preechakanjanadit	Executive Director
10.	Mr. Veeraphan Durongsang	Executive Director

Scope of Duties and Responsibilities

- 1) Approve application of loan or any credit line used in regular business activity of the company such as loan for investment and other purposes involving operation within or equivalent to 500,000,000 baht per each application or according to what the Board of Directors has ordered.
- 2) Appoint or remove company's executives whose position is not higher than managing director.
- 3) Prepare, propose and determine business policy and strategy to the Board of Directors.
- 4) Arrange structure for the organization and management including all the details involving selection, training, hiring and dismissal of company's employees.
- 5) Determine business plan, power in management, approve fiscal budget and expenses, and operate the business according to the set business plan and strategy in line with those presented to the Board of Directors.
- 6) Assume other duties as appointed by the Board of Directors
- 7) Approve any contract or agreement pertaining to selling and purchasing of products or services classified as within the scope of the company's normal business practices.

The Executive Committee may empower particular executive to approve transaction involving finances as seen appropriate. However, such an approval must not in any way create a conflict of interest or personal gain on the part of the Executive Committee or person empowered to make approval with the company or its subsidiary unless the approval of such transaction is in accordance with the policy and regulations approved by the company's Board of Directors.

The Audit Committee

The Audit Committee comprises 3 directors, whose details are as follows:

Number	Name	Position
1.	Mr. Pravit Chattalada	Chairman of the Audit Committee
2.	Mr. Chuchart Vatanatham	Audit Committee Director
3.	Dr. Virach Aphimeteetamrong	Audit Committee Director

Scope of Duties and Responsibilities

- 1) Audit the company's financial report accordingly and adequately
- 2) Audit for proper internal control and internal audit systems
- 3) Audit for the company to follow the laws governing securities and securities exchange, regulation of the Stock Exchange of Thailand or the laws governing the business the company is engaging.
- 4) Consider, select, propose for appointment and propose remuneration for independent auditor
- 5) Consider appropriate information disclosure in case of related transaction or possible conflict of interest
- 6) Conduct report on the monitoring of the Audit Committee for disclosure in the company's annual report, which must be signed by chairman of the Audit Committee.
- 7) Assume other duties as appointed by the Board of Directors with consent from the Audit Committee.

The Audit Committee has a term of 2 years.

Committee

The panel of executives comprises 10 executives, whose details are as follows:

Number	Name	Position
1.	Mr. Anan Leetrakul	Advisor to the Executive Committee
2.	Mr. Tavit Charuvajana	President/CEO
3.	Mr. Kitti Techataveekijkul	Executive Director, Enterprise Systems Group
4.	Mr. Thongchai Lumveerakul	Executive Director, Office Supplies Group
5.	Mr. Aron Tor-Ekbundit	Executive Director , Solutions Integration Group
6.	Mr. Shodok Kijasathiarn	Executive Director , Office Supplies Group
7.	Mr. Narong Charuvajana	Executive Director , Finance & Administration Group
8.	Mr. Bodin Parapagpenjun	Executive Director , Public Relations Group
9.	Ms. Acharaporn Preechakanjanadit	Executive Director , Finance & Administration Group
10.	Mr. Veeraphan Durongsang	Executive Director , Enterprise Systems Group

As at December 31, 2004, Mrs. Nittaya Thanaviriyakul is the corporate secretary.

Scope of Duties and Responsibilities

- 1) Conduct management and control of regular company's business such as consider agreement or contract pertaining to selling and purchasing of products or services, approve expenses for procurement of products or services and approve expenses for management and investment etc.
- 2) Operate according to the Board of Directors or Executive Committee
- 3) Determine task, objective, direction and policy of the company, while monitoring the overall operation, making contact with product manufacturers, enhancing good relationship with customers and carrying out marketing schemes.
- 4) Consider strategies involving operation and fund mobilization in order to make proposal to the company's Executive Committee or Board of Management depending on the required procedures.
- 5) Consider extending contract duration for the selling and purchasing of products, whose key conditions are modified or entering contracts pertaining to the company's regular business practices.
- 6) Approve financial transactions to facilitate the company's operation. Each transaction must be within 200,000,000 baht. This include approval of expenditure under investment projects, investment in capital assets and permanent assets, funds borrowing, lending, credit line, issuing of promissory notes, guaranteeing, cash depositing, extension of deposit, premature withdrawal, preparation of risk management tools and interest rate.
- 7) Approve the hiring, appointment, removal and dismissal, remuneration, special remuneration, pay rise and bonus of employees holding positions not higher than assistant executive director.
- 8) Approve appointment of advisors, whose duties are essential to the company's operation.

The above mentioned empowerment to executive directors stipulates that the executive director or person empowered by an executive director must not be able to make approval of transactions yielding personal gains or those with conflict of interest with the company or its subsidiary unless they are in accordance with the policy and regulation approved by the Board of Directors.

**Scope of duties and responsibilities of Executive Director of each business group**

1. Manage and monitor operation of the responsible business group.
2. Operate according to the task appointed by the Board of Directors or Executive Committee or as individually appointed.
3. Contact product manufacturers, engage in good customer relationship and carry out marketing implementation for the responsible business group.
4. Approve contract extension for transaction under regular business practices within the responsible business group or under the chain of responsibility or business contract within the responsible business group or under the chain of responsibility with transaction value of within 100,000,000 baht each.
5. Approve financial transaction within the responsible business group or under the chain of responsibility with transaction value of within 100,000,000 baht each including approval of other expenses, credit line, investment project, investment in capital assets or permanent assets, except for funds borrowing, lending, credit line, issuing of promissory notes, guaranteeing, cash depositing, extension of deposit, premature withdrawal, preparation of risk management tools and interest rate.
6. Approve hiring, appointment, removal and dismissal, remuneration, special remuneration, pay rise and bonus of employees under the chain of command with position not higher than assistant executive director.
7. Conduct activities pertaining to the responsible business group on a day to day basis.

Executive directors may empower management employees to manage and conduct business on their behalf.

Sub-Committee

The company's Board of Directors has approved a formation of 2 sub-committees to study and consider details of the operation in order to reduce the burden on its part. These sub-committees are namely the Compensation Sub-Committee and the Selection Sub-Committee, whose scope of duties and responsibilities has been clearly determined, which includes conducting meetings and reporting to the Board of Directors.

The Compensation Sub-Committee comprises the following members:

Mr. Anan Leetrakul	Vice Chairman/Advisor to the Executive Committee
Mr. Tavit Charuvajana	President/CEO
Mr. Pravitt Chattalada	Independent Director/Audit Committee Chairman
Dr. Virach Aphimeteetamrong	Independent Director/Audit Committee Director
Mr. Chuchart Vatanatham	Independent Director/Audit Committee Director
Ms. Acharaporn Preechakanjanadit	Director/Executive Director

The number of the Compensation Sub-Committee members is limited to 7 members.

The scope of duties and responsibilities

- 1) Determine appropriate annual remuneration attractive to the members of the Board of Directors, sub-committee and chairman of the Executive Committee.
- 2) Establish regulations and policies on remuneration of members and chairman of the Executive Committee for approval by the Board of Directors or the shareholders.
- 3) Be responsible to the Board of Directors with duty to clarify matters pertaining to remuneration of directors and high-ranking executives during shareholders meetings.
- 4) Report policy on remuneration of directors and disclose it in the annual report.

2) The Selection Sub-Committee

As at February 24, 2005, the sub-committee comprises the following:

Mr. Anan Leetrakul	Vice Chairman/Advisor to the Executive Committee
Mr. Tavit Charuvajana	President/CEO
Mr. Pravit Chattalada	Independent Director/Audit Committee Chairman

The sub-committee includes at least 3 directors and at least 1 independent director.

Scope of duties of the selection sub-committee

- 1) Determine regulations and policy on selection of directors and members of other committees of the company.
- 2) Select appropriate persons to assume the position of directors in order to propose to the Board of Directors or shareholders for necessary approval.
- 3) Select appropriate persons to assume the position of chairman of the Executive Committee in case of vacancy, including setting requirements for succession of high-ranking executives.

Selection of candidates to be appointed as directors

The selection of persons to be appointed as directors of the company requires a proposal made by the selection sub-committee, which must also be in accordance with the regulations and criteria set by the sub-committee and in line with company's regulations as the qualifications must not be in conflict with those stipulated by the Securities and Exchange Commission.

The summary of rules and regulations governing meeting held to appoint directors is as follows:

- 1) One shareholder is equivalent to one share and one vote.
- 2) Each shareholder must exercise their voting according to rule number 1, choosing one or more candidate to the position but without the ability to separate the voting unequally to one candidate.
- 3) Candidates with the highest voting will be appointed as directors to the number of directors required. In case, there are candidates with the same voting but exceeds the number of directors required, chairman of the meeting will be empowered to exercise judgement.

Remuneration of Executives

The company pays remuneration to company's directors and independent directors, while directors, who are also company's executives will be receiving remuneration as executives, whose details are as follows:

- Remuneration of directors includes meeting allowance and reward



- Remuneration of independent directors/Audit Committee directors includes fee for auditing, meeting allowance and reward.
- Remuneration of Executive Committee Directors/executives includes salary, bonus, provident fund payment, meeting allowance and reward.

Cash remuneration

(Unit: Baht)

Type of remuneration	Directors' remuneration		Executive Directors' and Executives' remuneration	
	2003	2004	2003	2004
Salary	-	-	28,812,000	44,569,500
Bonus	-	-	4,630,000	11,067,500
Meeting allowance	250,000	310,000	400,000	460,000
Others	831,761	1,358,067	1,848,239	669,932
Total	1,081,761	1,656,067	35,690,239	56,766,932
Number of person	8	7	10	10

	Name of directors	2003		2004	
		Meeting allowance	Reward	Meeting allowance	Reward
1	*Mr. Prasert Tangtrongsakdi	40,000.00	58,823.00	46,000.00	61,119.00
2	Mr. Anan Leetrakul	40,000.00	58,823.00	46,000.00	66,993.00
3	Mr. Tavit Charuvajana	40,000.00	58,823.00	46,000.00	66,993.00
4	Mr. Suvij Suvaruchiphorn	30,000.00	58,823.00	34,000.00	66,993.00
5	Mr. Sunpitch Sethpornpong	30,000.00	58,823.00	46,000.00	66,993.00
6	Mr. Sathien Archavanityut	30,000.00	58,823.00	34,000.00	66,993.00
7	Mr. Sawangthum Laohathai	-	-	12,000.00	66,993.00
8	Mr. Narong Charuvajana	40,000.00	58,823.00	46,000.00	66,993.00
9	Mr. Kitti Techataveekijkul	40,000.00	58,823.00	46,000.00	66,993.00
10	Mr. Bodin Parapagpenjun	40,000.00	58,823.00	46,000.00	66,993.00
11	Mr. Shodok Kijasathiarn	40,000.00	58,823.00	46,000.00	66,993.00
12	Mr. Thongchai Lumveerakul	40,000.00	58,823.00	46,000.00	66,993.00
13	Ms. Acharaporn Preechakanjanadit	40,000.00	58,823.00	46,000.00	66,993.00
14	Mr. Aroon Tor-Ekbundit	40,000.00	58,823.00	46,000.00	66,993.00
15	Mr. Veeraphan Durongsang	40,000.00	58,823.00	46,000.00	66,993.00
16	Mr. Pravitt Chattalada	40,000.00	58,823.00	46,000.00	66,993.00
17	Mr. Chuchart Vatanatham	40,000.00	58,823.00	46,000.00	66,993.00
18	Dr. Virach Aphimeteetamrong	40,000.00	58,823.00	46,000.00	66,993.00

* resigned

Other remuneration

-none-

The Management Control

The Board of Directors has realized the importance of good management control, whose factors include directors and executives with strong leadership and business vision; good business ethics; responsibility, good internal control and respect the rights and equality of the shareholders and those stand to gain and lose in order to strengthen competitive advantages leading to growth and greater value on the part of the shareholders in the long run. This is why during the Board of Directors meeting 3/2004 dated August 11, 2004, the Board of Directors has made a written approval of policy on the control and monitoring of the operation, which concerns 4 important factors namely related parties, the management, leadership and vision, and business ethics. The company has determined 15 principles to govern good control and monitoring as follows:

Principle 1: Policies on Corporate Governance

The company's Board of Directors comprising directors who are executives of the company and those independent from the company, operates according to the guideline and requirements set by the Stock Exchange of Thailand for listed companies. The directors are aware of their roles and responsibilities that require them to use their knowledge, ability and experience for the benefit of the company with good ethics, according to the laws, following the objectives and requirement of the company, the resolution from the shareholders' meeting with honesty and integrity in protecting the interest of the company and that of the shareholders'.

On the part of the independent directors, they are using their judgement freely to consider matters pertaining to strategy, management, use of resources, appointment of directors and determination standard of operation, including making objection and opposition to the action of other directors or the management in case of conflict on the equality of all shareholders. The Board of Directors has appointed committees to help oversee matters regarding finances, internal control and control and monitoring system, in accordance with the set policies. These committees include the Audit Committee, Remuneration Sub-Committee and Selection Sub-Committee, whose formation is intended to increase efficiency in control and management.

Principle 2: Shareholders: Rights and Equitable Treatment

In 2004, the company held 1 shareholders' meeting, which was an ordinary annual meeting and took place at the company. The company sent out invitations including necessary details to the shareholders at least 10 working days before the meeting. Each agenda received comments from the Board of Directors and was documented in proper meeting minutes for inspection by shareholders. The shareholders are treated equally and respectfully as they are entitled to express their opinion or ask questions freely during the meeting including casting their votes. The company has also provided an alternative to shareholders by allow shareholders, who are not able to attend the meeting to empower independent director to represent them.

Principle 3: Various groups of Stake holders

The company realizes the importance of all interest groups and tries to generate added value for them as follows:



- 1) Employees – The company treats them with equality and fairness and offers them appropriate remuneration.
- 2) Business partners – The company conducts transactions involving buying and selling of products and services with business partners under the conditions and practices set out the contracts.
- 3) Creditors – The company follows the conditions set for loan procurement with provision of adequate information.
- 4) Customers – The company is caring for and responsible to customers with selling of quality products that meet required standards and maintaining of business secrets. The company also has a unit or personnel to handle complaints from customers in order to proceed with improvement as quickly as possible.
- 5) Competitors – The company is observant to good business practices for fair competition, avoiding the use of dishonest methods to ruin competition.
- 6) Communities – The company is responsible to the environment of communities and societies.

Principle 4: Shareholders' Meetings

During a shareholders' meeting, chairman of the meeting offers equal opportunity to shareholders to examine the operation of the company and express their opinions and suggestions, including making notes of significant opinions in the meeting's minutes.

Principle 5: Leadership and Vision

The company clearly determines the scope of duties and responsibilities of members of the Executive Committee, executive directors and managing directors according to their line of responsibilities. The company's Board of Directors oversees the performance of the Executive Committee according to the determined policies, which require members to possess leadership and vision to set targets in short and long terms and determine strategy that enables the company to compete and lead the industry. Executives must realize the importance of annual planning, operation and evaluation of performance in order to achieve the goals.

Principle 6: Conflict of Interest

In order to avoid conflict of interest, the company has determined measures and procedures governing related parties transactions including determining of policies and methods to prevent executives and related parties from using inside information for their own benefits. The Board of Directors is aware of the conflict of interest and nature of related parties transactions and has made careful considerations when required, including following the regulations imposed by the Stock Exchange of Thailand with pricing and conditions set out in the same manner with those conducted with outside parties. Details of such related transactions including transaction value and contract party appear in the annual report and on the form 56-1.

Principle 7: Code of Ethics

The company has prepared a set of code of ethics and principles of fair business practices for the Board of Directors, management and employees to follow as guidelines in order to perform their duties to the company, all interest groups and general public with integrity, honesty and fairness.

**Principle 8: Balance of Power for Non-Executive Directors**

At present, the company's Board of Directors comprises 17 members, of which 10 are executives, 4 are non-executives and 3 are independent directors. The 3 independent directors are members of the Audit Committee, whose duties are to review and audit the performance of the board. During the board meeting, non-executive directors are allowed to express opinions along with executive directors and in voting one director is counted as one vote.

Principle 9: Aggregation or Segregation of Positions

The chairman of the Board of Directors must not be the same person as the managing director. The company's Board of Directors includes 3 independent directors to counter balance the power and review the management performance.

Principle 10: Remuneration of Directors & Management

The company has clearly determined policies on remuneration of directors with transparency. The remuneration is set at the same standard used by the industry and has secured approval from the shareholders. Directors with additional tasks and responsibilities are compensated with remuneration appropriate to the given tasks.

Principle 11: Board of Directors' Meetings

The company has conducted board meetings regularly. Agendas of the meeting will be sent to directors at least 7 days before the meeting. During the recent fiscal year, each director attended meetings with the following details:

Name of directors	Number of meeting during Jan 1, 2004-Dec 31, 2004	
	Meeting of the Executive Committee	Meeting of the Board of Directors
Mr. Suvij Suvaruchiporn		3/4
Mr. Sathien Archavaniyut		2/4
Mr. Sunpitch Sethpornpong		4/4
Mr. Sawangthum Laohathai		1/4
Mr. Narong Charuvajana	12/12	4/4
Mr. Kitti Techataveekijkul	10/12	3/4
Mr. Bodin Parapagpenjun	12/12	4/4
Mr. Shodok Kijasathiarn	10/12	4/4
Mr. Aroon Tor-Ekbundit	12/12	4/4
Ms. Acharaporn Preechakanjanadit	11/12	4/4
Mr. Anan Leetrakul	9/12	4/4
Mr. Tavit Charuvajana	10/12	4/4
Mr. Thongchai Lumveerakul	8/12	4/4
Mr. Veeraphan Durongsang	11/12	4/4
Mr. Pravit Chattalada		4/4
Mr. Chuchart Vatanatham		4/4
Dr. Virach Aphimeteetamrong		4/4



The company has documented the meeting in written minutes and kept the minutes that are endorsed by directors for examination by related parties.

Principle 12: Sub-Committees

The company's Board of Directors has appointed 3 sub-committees to help oversee and conduct internal auditing according to the set policies. These sub-committees are as follows:

The Audit Committee - appointed in accordance with the resolution of the Board Meeting dated August 29, 1998 to independently provide support the company on behalf of the Board of Directors in terms of financial reports and auditing presented to the shareholders and related parties; internal auditing and communicating with company's auditor.

The Compensation Sub-Committee - appointed in accordance with the resolution of the Board Meeting dated August 13, 2003 as a unit responsible in determining the remuneration of employees. The Compensation Sub-Committee comprises chairman of the sub-committee, vice chairman, sub-committee directors and secretary.

The Selection Sub-Committee - appointed in accordance with the resolution of the Board Meeting dated February 24, 2005 as a unit responsible in selecting personnel qualified under the laws and requirements of the Securities and Exchange Commission to be company's directors. The selection will be proposed to the Board of Directors or shareholders for necessary approval. The duties also include selecting appropriate person to fill up the position of Executive Committee Chairman in case of vacancy and determining criteria for succession of high-ranking executives.

Principle 13: Controlling System and Internal Audit

1) The System of Internal Control and Auditing

The company has established an internal audit unit with a purpose to examine, provide consultant and evaluate internal control system to enhance efficiency at all levels of operation, while controlling risk factors deemed affecting the operation. In order to be certain that the system is sufficient and efficient enough according to the set objectives. The unit reports the results of auditing to the Audit Committee on quarterly basis with proper audit methods and credible information in accordance with the policies of the company for utmost efficiency to the company's overall operation.

2) Risk Management

The company's Board of Directors has realized the importance of risk management by imposing measures preventing risks such as warning system, risk management activities, following result with report and monitoring and determining involving factors.

Principle 14: Directors' Reporting

The company's Board of Directors is responsible to the company's financial statement and those of its subsidiaries. Information pertaining to company's financial statements appeared in the annual report and company's web site is prepared in accordance with the acceptable methods with proper practices and utmost use of discretion. Disclosure of financial information is sufficient in accompanying the financial statements.

The company's Board of Directors has maintained efficient system of internal auditing to ensure correct and comprehensive financial documentation sufficient in the maintaining of assets and preventing dishonest practices.

The Board of Directors has appointed an Audit Committee comprising non-executive directors to oversee financial control and auditing, whose comments have been published in the annual report.



The Board of Directors agrees that the system of internal control is at a satisfactory level and can provide reasonable assurances to the company's financial statements and those of the subsidiaries' as at December 31, 2004.

Principle 15: Relations with Investors

The company's Board of Directors understands the importance of sufficient information disclosure, including both financial and general data, as well as information affecting the price of stocks traded on the stock market. Information disclosure is made through various information and media channels in accordance with the requirement of the Stock Exchange of Thailand. An investor relations unit has been established to provide information relevant to investors, shareholders, stock analysts and general public through contact at telephone numbers 02-7274115, 02-7274124, E-mail : ir@metrosystems.co.th and web site at www.metrosystems.co.th.

Use of Inside Information

The company has a policy to allow related parties access to information on a need to know basis only. The policy also stipulates these related parties to exercise extreme caution in handling of the information with required approval from executive overseeing their chain of command. The company prohibits directors and executives from using inside information with relevant contents that have not been disclosed to the public for their own benefits, which includes trading of stock within 1 month before the disclosure of financial statements to the general public. The company has already informed executives of the time they need to refrain from trading company's stocks.

Internal Controls

The company understands the importance of internal control system since the beginning of the preparation of the annual business plan to operation and performance evaluation in order to achieve the set targets. Each and every process is executed in accordance with the company's regulations and relevant laws. The company has so far determined policy governing internal controls as follows:

1. The company has determined an organization chart in accordance with the set business strategy by classifying key products into separated line of responsibilities with roles and responsibilities set out for each department with measurable objectives.
2. The company has set up necessary business process clearly in writing as regulations and methods of operation with separation of the marketing, sales, operation and financials departments, which clearly fall under separate authorized personnel who have the ability to conduct control and auditing.
3. The company has received ISO9001 : 2000 quality standard certification for an entire organization in 2003.
4. The company has established the Audit Committee and Internal Audit Department to determine and conduct an annual auditing according to the approved methods and prepare audit report to the Executive Committee on quarterly basis.
5. The company has prepared an annual budget to set up target for operation, financial management and determine investment policy in order to make comparison with the actual performance.
6. The company has made follow up and analysis of emerging risks resulted from changing exchange rates and management of working capital, and has proceeded with prevention of such risks clearly and reasonably.

7. The company has appointed independent legal advisor to provide necessary consultants, prepare important business contracts and oversee matters involving legality in accordance with the laws and requirements stipulated by the authorities.

8. The company has appointed financial advisor to provide necessary consultants pertaining to mobilization and sourcing of funds with proper steps and procedures to follow in accordance with the laws.

9. The company has set up a system for evaluation on a monthly basis, where the Board of Directors can analyze the performance, status of competition and examine essential financial information by comparing it with the financial budget in order to develop strategies necessary in strengthening the company's competitive advantages.

At a meeting of the Board of Directors 1/2005 dated February 24, 2005 with the presence of members of the Audit Committee namely Mr. Pravit Chattalada, Mr. Chuchart Vatanatham and Dr. Virach Aphimeteetamrong, the Board of Directors has expressed opinions on internal controls of the management, saying the company has clearly determined the scope of power and responsibilities of each level of executives, including measures dictating monitoring of transactions conducted with major shareholders, directors, executives and related parties. Transactions conducted with these persons require approval from authorized parties who do not have any interest in the transactions, taking into consideration company's utmost benefits. The company has measures established to monitor the operation of the company in accordance with the laws in order to reduce operating risks and maintain respectable image.

In the case that approval is granted to transactions made with related persons for a long period of time, the company has monitored and stipulated that practice be in accordance with conditions agreed in the contract throughout its duration. As for investments in subsidiaries and affiliated companies, the company has kept close monitoring of their operation one regular basis, with participation in determining directions for persons empowered as directors and executives in such companies to follow.

General Information and Type of Business

Metro Systems Corporation PLC has a core business involving distribution of computers and computer peripherals and office supplies. The head office is situated at 23/3 Moo 9 Sukhumvit 103 Road, Nongbon, Prawes, Bangkok 10250 with Telephone numbers 0-2 726-2555, 726-2828, Fax Number 0-2 7274316, registration number Bor Mor Jor 557 and homepage at www.metrosystems.co.th. The company currently has 337.153 million baht in paid-up registered capital.

Nature of Business

The company is a large business entity comprising 6 subsidiaries, 4 affiliated companies and 2 related companies. Its products and services and those of the subsidiaries include:

1. Information Technology – including being importer and distributor of medium scale computer systems, personal computers, computer equipment, office supplies and computer software with training and service provided in support of the electronic commerce business.
2. Others – including advertising and furniture



Types of products and services

Enterprise Systems Group : whose products are as follows:

1) Medium Scale Systems and Computer Peripherals

The company has begun distribution of medium scale systems in 1982 as distributor for IBM and its various products such as IBM System/34, IBM System /36, IBM System /38, IBM AS/400 and at present IBM i-Series.

Apart from IBM i-Series, the company also distributes other medium scale systems, whose functionality can be divided into 2 categories namely:

A) Open Systems

Computers in this category operates with Unix operating system with an open system processing capability and compatibility with other brand of computers or as substitute to other brands of computers, which is also an open system. Medium scale systems are popularly used as server and network connector with personal computers. The company currently distributes IBM p-Series in this category.

B) Retail Systems or Point of Sale Systems

Point of Sale Systems (POS) is medium scale computer system, whose data management system involves product sales and connected to cash registers. When a product is purchased, the information will be sent to other related units such as product order, price determination, warehousing and planning fast and accurately. The company currently distributes IBM model POS 4694 and SUREONE, 4610, 4810 and 4840 in this category.

Computer Peripherals – The company distributes and installs cable systems and related equipment as well as Uninterruptible Power Supply (UPS) according to the customers. IBM data storage equipment as related computer product has shown significant degree of popularity.

2) Personal Computers and Computer Peripherals

The company is distributing personal computers for IBM, HPQ and Dell. It is also distributing and assembling products under the trademark of MPP - local brand of personal computer, whose products include:

A) Server PC – large unit with fast data processing capability and vast storage capability used as server for Local Area Network (LAN).

B) Desk Top PC – stand alone unit or used as client PC in the LAN.

C) Laptop PC - portable PC, which can be used anywhere

The size and efficiency of the unit is judged by the processing speed of the central processing unit (CPU), hard disk size and memory capacity as well as after-sales services.

Computer Peripherals – The company distributes dot matrix printers, inkjet printers and laser printers for NEC HP, Canon and Epson by separating them into 2 categories – laser and inkjet.

3) Maintenance

The company has engineers who are specialized in maintenance of hardware and software in order to prevent machine downtime and increase efficiency of both hardware and software.

In 2004, Enterprise Systems Group had combined sales value of 52.58% of the group's consolidated sales.

Office Supplies Group

The company distributes supplies for all models of computer, from mainframes to personal computers as well as supplies for printers and electric typewriters such as toner, ink tape, paper etc under the following trademarks - 3M, Lexmark, HP, Canon, Epson and Imation to cater to the needs of consumers in different levels. Products offered are also part of the company's scheme to offer products related to main product distribution.

In 2004, Office Supplies Group contributed to 33.66% of the group's consolidated sales.

Solutions Integration Group: products under this group include:

1) Computer Software classified into:

- Operating Software Package software from abroad for use with medium scale systems such as OS 400 and those designed for personal computers namely Novell and Lotus. Specialized software includes Total Campus Management Solution (TCMS) for management of educational institutions.

- Database Software Package software from abroad for use with medium scale systems such as Oracle and Progress and those designed for personal computers namely Microsoft SQL.

- Application Software Package software from abroad for use with medium scale systems such as Infinium, Oracle and Movex and specialized software developed locally such as Brita, which is a product of a joint development with specialized software developer in order to cater to various demands from customers.

- Business Intelligent Software Package software from abroad for use with personal computers such as Hyperion.

2) Services The company offers both pre-sale and after-sale services, which involve services pertaining to both hardware and software as follows:

- Business Continuity:

The company offers such service through Business Continuity Solutions department with a purpose of preventing loss of information in case of crisis, allowing the business temporary operating venue to maintain business continuity.

- e-Business Hosting

The company provides consultants for services and software involving the basic operation of E-Commerce with target customers being determined according to the type of industry and operation.

- System Integration

The company develops software solutions according to industry and operation with team of staff being certified by related institutions for added confidence on the part of the customers.

- IT Technical Outsourcing

The company provides consultants in the area of information technology to meet the technical demand of customers.

- Business Decision Support Center

The company provides services on setting up of Management War Room using technical support to enhance analysis and decision making for the development of the business.

- Training

The company operates a Microsoft Certified Technical Education Center as training center for

Microsoft sophisticated and general software. Those who pass the Authorized Promatic Testing will receive a certificate from the company and customers with endorsement for ability in case of job opportunity. Training provided focuses on program writing for use with medium scale system distributed by the company.

In 2004, Solutions Integration Group contributed 12.26% to the group's consolidated sales. The company has a policy to raise income from services as the business offers high investment returns.

Overall Marketing Policy

The company has clearly determined a policy to conduct business by focusing on creating a difference in services and IT consultants to offer added value to customers using company's products and services rather than using pricing strategy to attract customers. The use of pricing to attract customers affects the performance of the company. The overall marketing strategy can be summarized as follows:

A) Customer Intimacy

The company recognizes the importance of customers by offering efficient and fast services. The company has determined the internal structure according to product groups to allow skilled and specialized personnel to provide consultants and services to customer as efficient as possible.

B) Hardware and software demonstration center

The company has invested in Total Storage Solution Center : SAN Center, which is a center for hardware demonstration pertaining to data storage network. The center help endorse the product capability in connecting to various systems useful in promoting product sales.

Software Solution Center has been established to demonstrate the effective use of software solution for customers, which will help them make appropriate decision to what technology should be invested in. Other demonstration centers include:

- Audio Visual Information Technology Center : AVIT Center – for display of integrated solutions designed for corporate purposes using technological supremacy in terms of image and sound and IT to incorporate the software for virtual realism.

- Business Decision Support Center – provides technical services to facilitate analysis and decision on the part of executive customers in choosing IT solution for corporate improvement of efficiency.

- Business Productivity Center (BPC) – for display of technological ability of Microsoft and Intel in actual working environment.

- In 2004, Business Productivity Center was upgrade to a Mobile Experience @ BPC – the first of its kind in Asia. The center has received cooperation from Total Access Communication PLC to provide mobile solutions through EDGS and GPRS.

The centers for demonstration of hardware and software are aimed at displaying the company's capability, while enhancing confidence on the part of the customers.

C) Product Strategy

The company has a policy to increase the variety of products and services by selecting only reputable products and services, related to the company's main activity, whose criteria are as follows:

- Value Added Products – such as Application Software Solution
- Proprietary Products - to help create a difference and reduce competition

D) Vendor Relations

The company has arranged its personnel as well as organizational structure to allow close monitoring of products under its distribution umbrella. The structure has bolstered confidence on the part of the business partners and customers, offering products and services in accordance to their needs.

E) Certified Specialists

Personnel have been trained for certification from product manufacturers, which is a key factor in strengthening the confidence of consumers and enhancing added value to the products. All personnel related to sales and services must be certified accordingly.

Marketing Policy for Each Type of Products

A) Medium Scale Systems and Computer Peripherals

The company distributes IBM i-Series and p-Series as part of the medium scale system line up, and data storage units facilitating the Retail Systems or Point of Sale Systems. The company has to compete with several operators but remains market leader for medium scale system with IMB I-Series with the highest market share. The policy with this product is to form an alliance with business partners, assign personnel direct responsibility in looking after customers in order to maintain customer base and offer new products and new technologies to attract new buyers. In addition, the company has hosted marketing activities with Industry Solution Vendor, who offer industry software such as SAP, Oracle, Intenia and Hyperion with seminars and exhibitions to promote the business. The highlight is the use of IT to excel business operation in various industries such as retail, automotive, hotel, banking etc.

B) Personal Computers and Computer Peripherals

The company distributes products under the category of personal computers for leading brands such as IMB and HP using competent personnel to handle each brand of products separately. Personnel assigned to handle each brand of products are responsible for distribution and market expansion.

As for the new production development, the company concentrates on High End Products to help excel the efficiency of the corporate clients, who focus on choosing the right products for successful business operation rather than choosing products with better pricing. In order to remain competitive, the company uses a strategy that help enhance services, while offering value added products.

There is a team of personnel to conduct PC Consulting Service offering pre-sale and after-sale consultants for all kinds of Microsoft software, important solutions suggested to customers for utmost IT capabilities. The company also forms an alliance with vendors offering software solutions to personal computers on industry basis.

C) Computer Software

The company realizes the importance of vendor relations by participating in the development of vertical industry solutions focusing on those essential to the production industry as a way of generating added value.

The company uses its Software Solution Center to demonstrate the capabilities of the company in supporting the business of the customers, enhancing their operation, while offering better alternative through bundled software in attempt to help the customers reduce costs. The company has prepared personnel with expertise and endorsement from relevant institutions to accommodate the expansion of this particular business.

D) Office Supplies

The company has a strategy to distribute office supplies with responsibility assigned to each brand of products on the brand basis. Products under the company's distribution umbrella include HP, Epson, Canon, Imation and Lexmark. The team assigned to oversee each brand of products is also responsible for product introduction to dealers and implementation of sales promotions with vendors as part of the market expansion attempt,

while enhancing good relations with customers . Customers are being targeted according to industry, especially those expected to use vast amount of office supplies such as educational institutions and government offices. At present, the company is using telemarketing as a strategy for direct selling in order to expand coverage on the area of offices. Personnel development and training on better product knowledge are also being conducted to improve efficiency, along with enhancement on product delivery, whose target is to complete delivery within 24 hours after an order is placed. Good product quality and outstanding services such as product warranty also help promote confidence on the part of the customers.

E) Services

- E-Infrastructure Service

The strategy pertaining to E-Infrastructure includes a team of experts to provide advice on services and software related to E-Commerce operation. Customers are being classified according to industry and system of operation. In addition, the company has a policy to allow its personnel to apply for certification from product manufacturers to offer added confidence to customers.

- Consulting Service

The company sees business opportunity in offering a Help Desk to customers with lack of relevant personnel in the area of IT. The focus is being made on foreign businesses with determination to develop solutions to meet the demand of each industry and type of operation, while building a team of competent and personnel certified by relevant institutions for greater confidence on the part of the customers.

- Business Continuity Service

The company is now expanding on the business involving Back Up Recovery of data for other computers apart from IBM with expanded area for Office Back Up for customers in need of the service. There is also a venue prepared as testing ground for customer's computer system in order to conduct a drill.

Type of Business and Target Customers

Company's target customers include small and large business operators and financial institutions, especially corporate clients who put strong emphasis on offering good and integrated services, and maintaining good reputation. As product distributor, the company focuses mainly on being system integrator by offering solutions to customers which incorporates both hardware and software.

The company's current ratio of repeat sales is 92% of its total sales.

Groups of customers in 2004 can be classified according to industries as follows:

Industry	Ratio (%)
1. Technology products	31.30
2. Financial business	27.12
3. Industrial products and raw materials	11.07
4. Consumer products	7.70
5. Service	7.48
6. Property and construction	5.24
7. Agriculture and food	2.90
8. Resources	1.62
9. Others	5.56

The company and its subsidiaries do not sell to a single customers for up to 10% of the total sales. This works for the benefit of the company in case it loses a large customer.

Distribution and Distribution Channels

The company realizes the importance of wide coverage product distribution since computer products and office supplies are growing rapidly. The company uses both wholesale channels and direct selling to offer products to customers.

In 2003, the company sold products in a ratio of 80.45% direct selling and 19.55% through dealers. In 2004, direct selling improved to 87.71%, while distribution through dealers dropped to 18.29%.

(unit: %)

Category	2003		2004	
	Direct Sales	Through Dealers	Direct Sales	Through Dealers
1. Medium Scale Systems and Computer Peripherals	83.47	16.53	87.66	12.34
2. Personal Computers and Computer Peripherals	85.81	14.19	93.33	6.67
3. Office Supplies	69.92	30.08	64.33	35.67
4. Computer Software	89.67	10.33	97.63	2.37
5. Services	96.21	3.94	95.40	4.60
Total	80.45	19.55	81.71	18.29

As we can see, the company has increase the focus on direct selling rather than distribution through dealers because of the market expansion and more lucrative profitability with less risks in terms of credits.

To enhance direct selling operation, the company has provided training and knowledge relevant to the products and business of the customers to the personnel in order to effectively and professionally offer outstanding services. On the part of the vendors and business partners, the company continues to promote good and long-term relationship. The company remains supportive to personnel seeking knowledge and certification from product manufacturers as part of the scheme to bolster the confidence of the customers. At present, the number of certified personnel is 49, of which 20 persons are from the sales and marketing side, while the remaining 29 persons are system engineers.

Sourcing of products and services

1) Medium Scale Systems and Computer Peripherals

The company procures products under the Medium Scale Systems and Computer Peripherals category for domestic distribution with 94.91% of the supplies being ordered directly from product manufacturers. The remaining 5.09% of the products are ordered through domestic distributors. The largest supplier for the company in terms of order is IBM (Thailand) Co., Ltd.



2) Personal Computers and Computer Peripherals

The company procures products under the Personal Computers and Computer Peripherals category for domestic distribution with 82.86% of the supplies being ordered directly from product manufacturers. The remaining 17.14% of the products are ordered through domestic distributors.

3) Computer Software

The company imports packaged software such as Microsoft, Tivoli and Lotus, whose ratio makes up 62.24% of total computer software under distribution. The remaining 37.76% of the products are sourced locally. The company buys directly from manufacturers and appointed distributors at the ratio of 61.67% and 38.33% respectively. Most orders are made to Singapore and the United States. In dealing with foreign currencies, the company has a policy to hedge for risk in case of currency fluctuation.

4) Office Supplies

The company imports 11.93% of the products under this category and buys the remaining 88.07% domestically. The company orders directly from manufacturers and appointed distributor at the ratio of 85.74% and 14.26% respectively. In dealing with foreign currencies, the company has a policy to hedge for risk in case of currency fluctuation.

5) Services

The company provides services mainly to corporate clients with cases of collaboration among fellow services providers.

Competition

In 2004, Thailand has experienced terrible unrest in 3 southern provinces since earlier in the year. The outbreak of bird flu and tsunami disaster that hit 6 provinces on the Andaman side of the country affected the economy of the country severely. The IT industry as tool to enhance business capability and efficiency was also suffering from the indirect impact, which kept the growth to within 11.8% over that of the previous year to 92 billion baht in total value.

In 2005, sales within the industry are expected at 1,309,983 units, up 11% from that of the previous year with estimated value of around 38,768 million baht 5.9% increase. Personal computers are predicted at 1,014,095 units, up 10.6% or up 7.9% to 23,762 million baht in terms of value. Sales for portable computers or notebooks are predicted at 274,300 units or 12,476 million baht in value, up 12.5% and 3.2% respectively. Sales of X 86 servers are projected at 21,588 units, up 8.2%, which are equivalent to 2,620 million baht in value. As for ratio of buyers, household, production industry, communications including media and telecommunications, banking and government sectors are expected to dominate the market at 20%, 18.4%, 15.4%, 10.3% and 9.7% respectively.

Competition according to the type of products

Computers and Computer Peripherals

As for the overall picture of Computers and Computer Peripherals market in 2004, the sales of personal computers included 916,761 units in terms of volume, up 1.9%, while the value declined 2.8% as a result of continuous decline in computer prices. Laptop computers on the other hand grew 13.6% to 243,898 units, 8.16% of which are products of international brands. The ratio of local products dropped from 24% in 2003 to 16.1% in 2004.

Competition is high in the computer market, whose concentration can be divided into 2 market categories - direct sale and wholesale. Direct sellers are trying to offer integrated products and services to generate added value to the sales. The competition depends on the efficiency of offered solutions rather than pricing. However, profit margin in computer sales shows significant signs of decline. Distributors on the other hand remain profitable from distribution of software and services. With regard to the wholesale business, most of the operators are international with network of operations around the globe, whose policy focuses on sales volume rather than high profit margin. They therefore prepare to compete in pricing and product availability rather than good after-sale services.

As for medium scale computer systems, the competition is not very high since in this category, operators need to focus on providing services. Products from IBM including i-Series, p-Series, POS and database unit are faced with little competition as IBM commanded the highest market share.

Competition remains high in the personal computer market because there are several brands of products available, both imported and locally made with large number of product distributors, from small vendors within shopping malls to large firms, making products highly accessible. The competition in this category remained focused on pricing with very low profit margin.

Medium scale computer systems and personal computers from IBM were faced with small number of competitors. Distributors were concentrating on maintaining their own niche market for each product, where they had expertise. The company opted to focus on corporate customers in various industries in order to lessen risks. These industries included electronic parts, financial institutions, department stores, etc. In addition, the company offered products through direct selling, while competitors kept their focus on large projects, banking sector, government sector and wholesale channel. This resulted in a less intensified competition.

With regard to computer peripherals, the company chose to compete in terms of system installation instead of pricing, with complete product lines to support business.

Computer Software

Operating software and other types of software are pivotal to current development. Software from Microsoft commanded the highest market share. Software development for greater efficiency will result in greater demand for hardware.

As for software used in resource management, demands have varied in different price levels. Large software developers have reduced the sizes and prices of their software to attract buyers in the medium and small markets. More of Business Intelligence solutions had been offered to the market.

Competition within system software category focuses on service rather pricing. Customers decide on products that can accommodate their business and future expansion with more consideration given to international operators.



Meanwhile, operating software for personal computers is still competing in pricing. Developers play an influential role in determining the price of products and number of legitimate users.

Office Supplies

The market for office supplies is large and there are large number of vendors even though the value of products in each category is not very high. Competition focuses on both pricing and service involving delivery. Consumers are accessible to the products even through small outlets at department stores.

Services

Service business requires experience and skills of personnel responsible in providing the service. They must be specialized in the field of service, which includes only particular areas unlike large operators who are capable of providing integrated services with wide variety of solutions to meet the needs of the customers. Competition in each area is not high but customers remain unacceptable with paying large amount of service fees like in other countries. The service business has the tendency to grow in the future.

Table of business conducted by companies within Metro System Corporation PLC Group

Company	Address	Type of business	No. of shareholders	Shareholding percentage	No. of shares sold
Subsidiary					
1.Metro Distribution Co., Ltd.	23/3 Moo 9 Sukhumvit 103 Rd., Nongbon, Prawes, Bangkok Tel.726-2555 Fax. 02-726-2630-9	Wholesale and retail business for computers	79,300	99.13	80,000
2.Metro Info Dynamics Co., Ltd.	23/3 Moo 9 Sukhumvit 103 Rd., Nongbon, Prawes, Bangkok Tel.02-726-2555 Fax. 02-726-2630-9	Servicing and distribution of software	99,200	99.20	100,000
3.Metro Professional Products Co., Ltd.	98/44 Factory Land 2 Soi 3 Moo 11 Putthamonthon Sai 5, Nakhon Pathom	Manufacturing and distribution of personal computers under the trademark of MPP	197,200	98.60	200,000
4. Metro-Infinium (Thailand) Co., Ltd.	23/3 Moo 9 Sukhumvit 103 Rd., Nongbon, Prawes, Bangkok Tel.02-726-2555 Fax. 02-726-2630-9	Servicing and distribution of Infinium corporate resource management software	35,000	70.00	50,000
5. Application Hosting Services Co., Ltd.	979/53-55, 21 Fl., SM Tower Bldg., Phahonyothin Rd., Samsen Nai, Phaya Thai, Bangkok 10400	Servicing of Oracle system software	56,100	51.00	110,000
6. Advanced Business Exchange Co., Ltd. (indirect holding)	23/3 Moo 9 Sukhumvit 103 Rd., Nongbon, Prawes, Bangkok Tel.02-726-2555 Fax. 02-726-2630-9	Support service to e-commerce	491,536	98.3072	500,000
Affiliated company					
7. Metrosoft Co., Ltd.	141/16 Sakulthai Surawong Bldg., Surawong Rd., Suriyawong, Bangrak, Bangkok Tel. 02-237-4220-5	Servicing and development of customized software	29,400	49.00	60,000
8.PSP (Thailand) Co., Ltd.	973 Room 10 F, 10 Fl., President Tower Bldg., Ploenchit Rd., Lumpini, Pathumwan Bangkok 10330 Tel. 02-6561616	Distribution and development of PROGRESS database management software	49,800	49.80	100,000
9 .Intentia BP (Thailand) Co., Ltd.	487/1 Sri Ayudthaya Bldg., 18 Fl., Sri Ayudthaya Rd., Phaya Thai, Phaya Thai, Bangkok Tel. 02-642-7201-9	Servicing and distribution of Movex system software	40,000	40.00	100,000
10. HIS MSC Co., Ltd.	23/3 Moo 9, Sukhumvit 103 Rd., Nongbon, Prawes, Bangkok Tel.02-726-2555 Fax. 02-726-2630-9	Servicing and distribution of hotel system software	19,988	49.97	40,000
Related company					
11. Maximage Co., Ltd.	530 Soi Tong Loh, Sukhumvit 55 Rd., Klongton, Klongtoey, Bangkok Tel. 02-714-8660-3	Advertising and public relations services	9,600	19.20	50,000
12.MDEC International (1991) Co., Ltd.	1/33 Moo 7, Aom Noi, Krathum Ban, Samut Sakorn Tel. 02-420-1546	Manufacturing and distribution of household and office furniture and imported raised floor furniture	66,680	6.67	1,000,000

Revenue structure of the company and subsidiaries

The structure of consolidated revenues of the company and its subsidiaries according to the types of business in the last 3 years is as follows:

(unit: thousand baht)

Product/Service	Operated by	2002		2003		2004	
		Revenue	%	Revenue	%	Revenue	%
Part 1: Revenues from the rendering							
Enterprise System Group (ESG)	MSC/MPP	2,642,318	63.11	2,708,282	56.47	2,776,243	52.58
Office Supplies Group (OSG)	MSC	1,093,254	26.11	1,465,847	30.56	1,777,270	33.66
Solution Integration Group (SIG)	MSC/MIT/ AHOST/ABX	365,394	8.73	505,154	10.53	647,179	12.26
Others	MSC	66,674	1.59	89,919	1.87	47,730	0.90
Total revenue from the rendering		4,167,340	99.53	4,769,201	99.43	5,248,422	99.40
Part 2: Other Revenues							
		19,282	0.46	28,068	0.59	25,950	0.49
Total revenue for company and subsidiaries		4,186,622	99.99	4,797,270	100.02	5,274,372	99.90
Part 3: Profit and loss for affiliated companies							
	HIS/PSP/MS/ IBP	499	.01	-996	-.02	5,484	.01
Total revenue		4,187,121	100	4,796,304	100	5,279,856	1,000

Risk Factors

The company realizes the importance of management of risks, whose internal and external factors may affect the operation. Guidelines for risk prevention are as follows:

1. Risk from relying on supplies from large manufacturers

The company's main revenue comes from IBM products. Its revenue and profit may be affected if IBM decides to change its business policy such as direct selling to business operators and end-users instead of product distribution through distributors; or altering various conditions on distribution.

Major contributor to the sales is IBM i-Series for medium scale system, which faces only little competition. The company with good reputation, expertise and availability to offer quality services provides good customer base for IBM, which is also in line with IBM policy to have business partners focusing on business expansion rather than doing it on its own.

However, the company is trying to minimize any possible risks from relying heavily on IBM by increasing distribution of products from other manufacturers such as Dell and HP, while developing the organization into becoming a technology leader. In addition, the company also tries to raise ratio of revenue on the part of software and services because this area of business offers better profit margin compared with selling of hardware alone.

2. Operating risks

The company has been appointed non-exclusive distributor for most of its products especially hardware, which allows the manufacturers to continue appointing new distributors at all times to bolster market share. With this competition in the hardware and software industries continues to increase, while profitability nosedives. Some of the manufacturers conduct business via e-commerce or direct selling to customers, which obviously undermine the role of product distributors.

The company has a policy to deal with this situation by increasing the number of business alliance and business partners to help create added value in particular industries such as hotel, automotive, retail, department store and financial institution with focus being made strongly on international corporate clients requiring good services, understanding and complete offering of products and services. The company has also expanded its services to cater to the needs of customers expanding into e-commerce. The services include infrastructure and online trading and payment.

The shifting of revenue contribution ratio - focusing more software and services - helps reduce the risk in this aspect. The company has tried to shift to being system integrator offering hardware, software and services to generate added value to products under distribution and services, which is the reason for the company to maintain competitive advantages even against other distributors offering the same products at lower prices.

Most of the distribution contracts made with product manufacturers are short-term with duration of 1-2 years. The contract counterparts have the right to end the contract. With that as a risk, despite being normal business practice within the industry, the company is able to perform to a degree that helps secure contract renewals. It has so far never been canceled on a contract before or not awarding contract renewal. It is not easy for manufacturers to cancel existing distributors and appoint new ones. Products especially hardware require certain amount of time to develop personnel to understand how the products work. The company in this aspect is advantageous compared with new distributors on the account of adequate number of quality personnel. The risk in not getting distribution contract renew is low.

3. Risk from out dated products

Since the company is dealing with IT products, whose technology is fast changing, there could be risk from out dated products in stock. The measure preventing such a risk involves stock control, keeping them at inventory within limited time period. Products with tendency to become obsolete will enter a sales promotion. With current policy on stock and inventory, the company stands a very small chance of being affected by out dated products. The company also puts up reserve for out dated product with no movement of more than 1 year.

4. Risk from outstanding debts

With rising sales, the company now stands an increasing risk of uncollected debts. The method of preventing such a risk involves debt control with reserves set out for doubtful debts as assessed by how long they have been conducting business.

5. Risk from operation of subsidiaries and affiliated companies

As at December 31, 2004, then company has a total of 10 subsidiaries and affiliated companies, which are equivalent to 110.15 million baht in investment value or 98.67 million baht in investment according to the equity method where investment is 11.48 million baht lower than the capital method following the operating losses beyond

the capital level on the part of subsidiaries and affiliated companies namely Advanced Business Exchange Co., Ltd. and Metrosoft Co., Ltd. The risk occurs if these companies continue to perform at a loss.

The company tries to reduce risk from the operation of subsidiaries and affiliated companies by closely monitoring their management and operating performance. Without profitability, the company has a policy to withdraw investment in such companies.

Explanation and analysis of financial status and operating performance

Performance according to the business plan

In 2004, according to the company financial statement, total sales value at 5,274.37 million baht, up 9.95% over that of 2003 as the company concentrates on customers in specific industries and target customers to allow performance within the office supplies and software and service groups to rise 21.25% and 28.12% respectively over that of 2003. Enterprise System Group in 2004 improves 2.51% over that of the previous year due to high competition and low profit margin.

Net profit jumps 35.88% over that of the previous year. Basic earnings go up 19.82% with cost of sales and administration increasing with interest expense dropping 9.94%. Burden on the part of sales and administration increases 5.47% following investment in assets, which prompted depreciation value to go up.

Performance on the part of subsidiaries and affiliated companies continue at a loss as most of the business involve services and sales of operating system software, which require time to make improvement to the sales. However, the company is determined to make all the company operate according to targets.

1) Revenues

Total consolidated revenues in 2003 and 2004 valued at 4,797.27 million baht and 5,274.37 million baht respectively. The consolidated revenues in 2004 went up 9.95% over that of 2003. Around 92% of the revenues came from sales. Sales in 2004 went up from 2003 by 8.46%. Contributors include enterprise system group, office supplies group and Solution Integration Group. Performance of each business can be concluded as follows:

(A) Enterprise System Group

In 2004, the company was able to sell products within this group at total value of 2,776.24 million baht, up 2.51 % over that of the previous year or 52.64% of the total revenue. The company focused on existing customers, who demanded upgrade of equipment. During the year, existing customers were 92% of the company's total customers. The company is clear on making higher profit margin rather than earning more through volume sales.

(B) Office Supplies Group

Office supplies are showing signs of continuous expansion. In 2004, the company sold 1,777.27 million baht worth of office supplies, up 21.25% from that of 2003 or 33.70% of 2004's total sales. The company has a policy to raise revenue ratio in this business group following higher business opportunity in promoting higher sales volume.

(C) Solution Integration Group

The company has been earning from Solution Integration Group, providing software and services with continuous and high growth rate. In 2004, the company sold 647.18 million baht worth of software and services, up 28.12% over that of 2003 as a result of the company's determination to expand into the software business, which offers high initial profits. The sales of software influence the sales of hardware as well, adding greater



value to products for customers. In 2004, the sales from this business group is 12.27% of the company's total revenues.

2) Cost of sales

In 2004, the company and its subsidiaries had total expenses in terms of sales and services at 4,455.26 million baht, up from 2003 by 8.47%. About 96.87% of the costs are sale costs, which valued at 4,315.89 million baht, up 7.63%, still below the sales growth which stood at 8.46%, producing initial profits for the company and its subsidiaries higher than that of 2003.

As for the costs of services, the value was equivalent to 139.37 million baht, up 43.03% over that of the previous year. The higher costs were result of higher revenues coming from providing services and rentals following the company's policy to offer more service of this type to customers.

3) Cost of Sales and Administration

The company is trying to control the cost of sales and administration. In 2004, the cost of sales and administration was 12.17% of the company's total revenues, up slightly when compared with 11.59% ratio posted in 2003. Interest burden in 2004 continuously declined as debts were reduced by 290 million baht and interest rates were on the downward trend.

4) Profit

In 2004, the company had gross profit of 15.11%. In 2003, the figure was only 13.88%. The figure went up by 8.86% over the year as the company tried to maintain its ability to make profit through expansion in the sector yielding highest profit margin such as the solution integration business.

In 2004, profit before gains and losses in subsidiaries and affiliated companies was 85.30 million baht, up 32.28% over that of 2003. Profit rise was a result of higher sales. With higher profit margin and lower interest burden, net profit in 2003 and 2004 was 66.82 million baht and 90.79 million baht respectively. The 2004 figure was 35.87% improvement over that of 2003.

5) Return of Shareholder's investment

With higher revenues and lower expenses, the company is able to offers shareholders better return for their investment. In 2003 and 2004, return of shareholder's investment was equivalent to 9.83% and 11.84% respectively.

In 2004, the company had registered capital of 360 million baht, of which 339.74 million baht was paid up. Dividend payment in 2004 was 33.70 million baht or equivalent to 37.27% of the company's unconsolidated net profit.

Analysis of financial position**1) Assets**

As at the end of 2004, the company's total assets were valued at 2,473.25 million baht. Most of the assets were trade receivables, which were equivalent to 36.26% of the total asset value. Other assets included buildings, lots and equipment at 35.14% and inventories at 15.09%. With higher sales, the value of trade receivables and inventories went up. Details of assets in each category are as follows:

(A) Current Assets

Current assets were valued at 1,412.87 million baht, down from the end of 2003 by 2.88% as a result of declining trade receivables from 929.89 million baht in 2003 to 896.80 million baht in 2004. Decline in trade receivables was resulted from more efficient collection policy. In addition, cash in hand and bank deposits went down from 108.98 million baht to 60.164 million baht, while value of inventories went up from 314.99 million baht to 373.19 million baht. The company realized the importance of management of inventories as in 2004, inventory period went up to 29 days, up slightly from that of 2003 due to product orders made at the end of the year in preparation for distribution in early 2005. In 2004, reserves exceeding 360 days were valued at 7.41 million baht.

(B) Fixed Assets

In 2003 and 2004, the company had 213.14 million baht and 137.28 million baht worth of fixed assets, while fixed assets being sold out in 2003 and 2004 valued 67.94 million baht and 76.10 million baht respectively. Fixed assets that changed hands in 2003 and 2004 included office equipment and automobiles.

(C) Investment in subsidiaries and affiliated companies

The company invested in 6 subsidiaries. At the end of 2003, investment was valued at 81.44 million baht. In 2004, the company increased investment in Metro Professional Products Co., Ltd. ("MPP") to 14.79 million baht making the total investments in subsidiaries at the end of 2004 go up to 96.23 million baht. At the end of 2003 and 2004, such investment according to the equity method was valued at 50.17 million baht and 71.59 million baht respectively.

In 2004, Two of its subsidiaries namely Metro Distribution Limited ("MDC") and Metro Info Dynamics Co., Ltd. ("MID") recorded a loss in operation. On the part of MDC, investment valued through equity method was shrinking by 2.07%. Investment in MID under the same method declined 11.97%.

As for Two other subsidiaries namely Metro Professional Products Co., Ltd. ("MPP") and Application Hosting Services Co., Ltd. ("AHOST") had satisfactory performance as investment value according to the equity method increased 32.25% and 9.68% respectively. The company has indirect holding in Advanced Business Exchange Co., Ltd. ("ABX"), whose operation was at a loss beyond capital value. However, in 2004 ABX reported net profit of 345,000 baht.

At the end of 2004, the company invested in 4 affiliated companies with combined investment value of 13.92 million baht. According to the equity method, the investment value in this 4 companies is equivalent to 27.08 million baht. Most affiliated companies enjoyed good operating results except for Metrosoft Co., Ltd. ("MS"), whose operation recorded a loss beyond capital value.



2) Liquidity

(A) Cash Flow

Cash flow of the company increase in value to 4.95 million baht in 2003 and dropped to 48.81 million baht in 2004. Cash flow movements were results of changing cash flow in operation, investment and financing, whose details are as follows:

- Cash Flows from Operating Activities

In 2004, net cash flow from operating activities increased to 352.49 million baht from 2003, of which cash in hand went up 63.3 million baht, while trade receivables declined to 317.25 million baht. Current assets and other current assets declined to 53.28 million baht. Inventories on the other hand increased to 83.61 million baht, while trade payables and other current liabilities increased to 2.25 million baht.

- Cash Flows from Investing Activities

In 2004, cash flow from investing activities dropped 4.1 million baht. Cash from fixed assets and long-term investment increased 17.61 million baht and 5.2 million baht respectively. Cash from investment in affiliated companies, temporary investment and others was equivalent to 18.72 million baht.

- Cash Flows from Financing Activities

In 2004, cash flow in financing activities dropped to 410.36 million baht from 2003 as a result of higher payments to short-term and long-term debts worth 339.09 million baht. In 2004, the company's dividend payment increased over that in 2003 by 6.7 million baht. In 2004, the company raised registered capital by 64.56 million baht from 2003.

(B) Ability to make interest payment

The company was capable of making interest payment better in 2004 from 2.10 times in 2003 to 12.93 times due to better cash flow from operating activities following higher sales and profit margin. Interest burden also improved as debts had declined, while interest rates continued its downward trend.

(C) Liquidity Ratios

In 2004, flow of inventory turnover declined allowing sales period to increase from 28 days to 29 days because the number of product orders increased at the end of the year in order to accommodate distribution in the following year. Higher revenues from rendering of services and products prompted the value of trade payables to increase with longer averaged payment period, while trade receivables increased with longer payment collection period. The cash flow cycle in 2003 and 2004 was equivalent to 32 days. The ratio of current assets to current liabilities was good at 1.01 times with high debt to equity ratio of 2.10 times, most of the debts are short term. Despite having low liquidity, the company has yet to experience any problems with liquidity shortage.

3) Sources for Funding

The company's funding mostly comes from higher cash flow in operating activities and credit from product suppliers. The company has more short-term debts than long-term debts with total liabilities being valued at 1,676 million baht in 2004, down from 1,824.86 million baht in 2003 or 8.16% decrease.

At present, the company's shareholder's equity declined from 2.10 times in 2003 to 2.50 times as a result of better operation and cash flow from operating activities that facilitated to lessening of debt burden.



As at December 31, 2004 and 31 December 2003, the company's burden in terms of Letter of Guarantee was valued at 33.25 million baht and 21.48 million baht respectively.

Related Parties Transactions

Details of transactions

In 2004, the company conducted transactions with related companies and individuals, which can be classified into 2 major types of transactions - financial and property rental transactions. The company has determined a policy for these related parties transactions as follows:

Type of transaction	Price policy
Lending	Market price
Trade between the company and subsidiaries	
- Selling products and services to subsidiaries	Market price
- Buying products and services from subsidiaries	Market price
Transactions between company & subsidiaries and related companies	Market price
Property rental	Market price

Details of related parties transactions with conflict of interest is concluded as follows:

1. Related parties transactions between the company, subsidiaries, affiliated companies and interest groups.

-none-

2. Related parties transactions between the company and parties with conflict of interest

2.1 PSP (Thailand) Co., Ltd.

Relationship: affiliated company

Trade transaction (market price)

- PSP bought products from the company worth 2,255,000 baht.

- PSP sold products to the company worth 4,620 baht.

Property rental none

2.2 Metrosoft Co., Ltd.

Relationship: affiliated company

Trade transaction none

Property rental

- Metrosoft Co., Ltd. has rented office from the company with address of suite No.141/16, 12th floor of Sakulthai Surawong Building. Rental rate is 400 baht per square meter per month for 150 square meters.

Contract duration: September 1, 2003 – December 31, 2004

2.3 Intenia BP (Thailand) Co., Ltd.

Relationship: affiliated company

Trade transaction (market price) - Intenia BP (Thailand) Co., Ltd. bought product from the company worth 19,286,950 baht

Property rental none

2.4 MDEC International (1991) Co., Ltd.

Relationship: related company

Trade transaction (market price) - MDEC International (1991) Co., Ltd. bought products from the company worth 209,975 baht, software program worth 195,600 baht and others worth 198,362.13 baht. The company on the other hand bought furniture from MDEC International (1991) Co., Ltd. worth 6,724,189.01 baht.

Property rental - MDEC International (1991) Co., Ltd. rented computers from the company worth 195,600 baht.

2.5 Metro Co., Ltd.

Relationship: Some of company's directors are directors of Metro Co., Ltd.

Trade transaction (market price) - Metro Co., Ltd. used company's software program worth 468,000 baht.

Property rental and others - The company has rented office from Metro Co., Ltd. at No. 180-184, 6th floor of Metro Building at rental rate of 400 baht per square meter per month for 71 square meters. Contract duration: January 1, 2004 - December 31, 2004.

Appropriateness of related parties transactions

Related parties transactions as appeared in the consolidated financial statements of the company and subsidiaries during 2004 fiscal year can be classified into 2 major types of transaction namely 1. Financial transaction and 2. Property rental between company and related companies. According to a meeting 1/2005 of the Board of Directors dated February 24, 2005, a resolution was reached that such related transactions were necessary and appropriate, given into consideration then company's utmost benefits. These 2 types of transactions are results of general business practices and determined by market price.

Measures and procedures on approving related parties transactions

According to resolutions of meetings 9/2002 and 15/2002 of the Board of Directors dated July 24, 2002 and November 12, 2002, with participation of Audit Committee directors, the meetings appointed the Audit Committee to approve procedures involving related parties transactions. These transactions must be in accordance with the laws governing the securities exchange, regulations and orders from the Stock Exchange of Thailand stating that persons with conflict of interest are not entitled to vote for the transaction. Details are as follows:

1) Executive Committee are empowered to approve related parties transactions in the manner of regular business practices and/or those clearly within their jurisdiction of power.

2) President is empowered to approve related parties transactions in the manner of regular business practices and those clearly within the scope of responsibilities. Approval of transactions with subsidiaries, affiliated companies and persons with conflict of interest within such scope requires no approval from the Board of Directors.



Future related parties transactions

During a resolution of the Board of Directors Meeting NO.9/2002 dated July 24, 2002, with participation of Audit Committee directors, the board has reached a resolution to determine the future of related parties transactions as follows: Conditions and agreements for related parties transactions will be in accordance with general business practices and at market price, comparable to that offered to ordinary customers. The company has empowered the Audit Committee, accountant or independent expert, depending on the situation to exercise prudent judgement on the appropriateness of the pricing and transactions.

Related parties transactions in the future will be in accordance with the laws governing stocks and stock market, rules and regulations of the Stock Exchange of Thailand and required practices with regard to information disclosure of related parties transactions and acquisition and selling of assets important to the company.

In case of future conflict pertaining to related parties transactions, the company will assign the Audit Committee to exercise judgement on the appropriateness of the transactions. If the Audit Committee lacks expertise to achieve suitable consideration, then company will appoint personnel with special knowledge and skill such as public accountant or independent expert to provide his views on the matter. The views of the Audit Committee or expert personnel will be used by the Board of Directors or shareholders depending on circumstances to aid decision making. The company will disclose information pertaining to related parties transactions as supplementary note to its financial statements.

Report of the Audit Committee

The Board of Directors of Metro Systems Corporation Public Company Limited has appointed an Audit Committee in accordance with the requirements of the Stock Exchange of Thailand. As in 2004 fiscal year, the Audit Committee held 4 joint meetings with personnel under the Internal Audit Department and Board of Directors in order to learn of the results of internal auditing and assessment of the internal audit system in accordance with the generally accepted auditing standards for the purpose of evaluating the procedures according to existing laws and regulations.

The Audit Committee agrees that the company's existing system of internal audit and control is sufficient and in accordance with existing rules and regulations. The financial statements are audited with generally accepted accounting principles with sufficient information disclosure provided to parties concerned.

Furthermore, the Audit Committee has considered proposing appointment of certified public accountant with determined amount of auditing fees for the 2004 fiscal year to the company's Board of Directors and shareholders.

Pravit Chattalada
Audit Committee Chairman
February 24, 2005

Responsibility of the Board of Directors for Financial Statements

The Board of Directors is responsible for the Consolidated financial statements of Metro System Corporation Public Company Limited and its group companies and the financial data presented in the annual report and web site. The financial statements have been prepared in accordance with generally accepted accounting principles in Thailand and suitable accounting policies, consistently applied and supported by prudent judgement. Essential data and information have been sufficiently disclosed in a supplementary note to the financial statements.

The Board of Directors has sustained effective system of internal control to provide reasonable assurance that the system is contributing towards achieving reliability of financial reporting, thereby protecting the company's assets, while preventing malfeasance or irregularity.

The Board of Directors has appointed an Audit Committee consisting exclusively of non-executive members. The Audit Committee is responsible for ensuring the integrity of the company's financial statements and system of internal control. The views and observations of the Audit Committee have been consolidated into the annual report.

The Board of Directors holds the view that the company's system of internal control is effective and can provide reasonable assurance as to the reliability of the financial statements of the company as at December 31, 2004.

(Mr. Anan Leetrakul)

Vice Chairman

(Mr. Tavit Charuvajana)

President & CEO



METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS AND AUDITOR'S REPORT
JANUARY 1, 2004 TO DECEMBER 31, 2004

*Auditor's Report***To the Shareholders and Board of Directors of Metro Systems Corporation Public Company Limited**

I have audited the consolidated balance sheets as at December 31, 2004 and 2003, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended of METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES, and have audited the balance sheets as at December 31, 2004 and 2003, and the statements of income, changes in shareholders' equity and cash flows for the years then ended of METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. The financial statements of two associated companies for the years ended December 31, 2004 and 2003, were audited by other auditors, which financial statements reflect investment in associated companies by the equity method as at December 31, 2004 and 2003, in the amount of Baht 22,170,379 and Baht 17,982,296 (0.90% and 0.70% of total assets), respectively and equity in net profit for the years then ended of the associated companies in the amount of Baht 4,188,084 and Baht 2,997,077, (0.08% and 0.06% of total revenues), respectively.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

/In my opinion.....



In my opinion, the consolidated and the company financial statements for the year 2004 and 2003, referred to above present fairly, in all material respects, the consolidated financial position as at December 31, 2004 and 2003, consolidated results of its operation, and its cash flows for the years then ended of METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES, and present fairly, in all material respects, the financial positions as at December 31, 2004 and 2003, results of its operation and its cash flows for the years then ended of METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED in conformity with generally accepted accounting principles.

(Mrs. Suwanee Kittipanya-ngam)

Authorized Auditor No. 2899

Bunchikij Co., Ltd.

Bangkok

February 24, 2005

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

As at December 31, 2004 and 2003

Unit : Baht

	Note	ASSETS			
		CONSOLIDATED		THE COMPANY	
		2004	2003	2004	2003
CURRENT ASSETS					
Cash and cash equivalents	4	60,163,669	108,977,952	17,531,922	85,192,136
Current investments	5	2,500,000	2,500,000	0	0
Trade accounts receivable -net	3.2, 3.9 and 6	896,794,762	929,888,322	807,446,637	854,784,837
Short-term loans to related parties	7	0	0	0	9,000,000
Inventories -net	3.3, 3.4 and 8	373,193,068	314,992,000	344,747,910	292,979,078
Other current assets					
Accrued income		46,643,957	64,601,661	45,254,548	60,516,890
Deposits		5,056,605	1,341,214	4,523,019	256,028
Withholding income taxes		782,347	14,366,060	0	13,275,075
Others		27,734,135	18,160,683	17,826,510	10,115,937
Total current assets		<u>1,412,868,543</u>	<u>1,454,827,892</u>	<u>1,237,330,546</u>	<u>1,326,119,981</u>
NON-CURRENT ASSETS					
Investments for using the equity method	9	27,080,569	21,655,028	98,669,697	71,828,922
Other long-term investments	10 and 18	131,002,225	106,291,967	112,128,000	79,128,000
Long-term loans to employees	11	205,651	290,351	205,651	290,351
Property, plant and equipment -net	3.7, 12 and 18	869,192,230	940,728,432	835,849,932	917,124,926
Intangible assets -net	3.7 and 13	12,292,277	9,233,919	12,292,277	9,233,919
Other non-current assets					
Deposit and gaurantees		4,913,220	4,866,562	3,074,803	3,416,629
Withholding income taxes		14,545,922	21,563,977	13,289,935	19,232,927
Others		1,152,919	1,388,485	0	0
Total non-current assets		<u>1,060,385,013</u>	<u>1,106,018,721</u>	<u>1,075,510,295</u>	<u>1,100,255,674</u>
Total assets		<u>2,473,253,556</u>	<u>2,560,846,613</u>	<u>2,312,840,841</u>	<u>2,426,375,655</u>

Notes to financial statements are an integral part of these statements.

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

As at December 31, 2004 and 2003

Unit : Baht

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	CONSOLIDATED		THE COMPANY	
		2004	2003	2004	2003
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from					
- financial institutions	14 and 18	351,997,705	724,571,281	345,997,705	720,571,281
Trade accounts and notes payable	15	802,108,941	694,595,906	706,629,106	613,411,612
Accounts payable to forward exchange contract	3.9	237,444	36,070	237,444	36,070
Current portion of long-term loans	16	108,749,975	161,381,215	102,705,979	159,882,321
Other current liabilities					
Accrued expenses		57,013,147	48,193,790	51,766,247	44,895,330
Others		74,340,128	50,102,073	62,818,053	33,894,778
Total current liabilities		<u>1,394,447,340</u>	<u>1,678,880,335</u>	<u>1,270,154,534</u>	<u>1,572,691,392</u>
NON-CURRENT LIABILITIES					
Long-term loans	16 and 18	281,554,540	145,978,388	272,896,198	143,223,250
Total non-current liabilities		<u>281,554,540</u>	<u>145,978,388</u>	<u>272,896,198</u>	<u>143,223,250</u>
Total liabilities		<u>1,676,001,880</u>	<u>1,824,858,723</u>	<u>1,543,050,732</u>	<u>1,715,914,642</u>
SHAREHOLDERS' EQUITY					
Share capital	26				
Authorized share capital					
360,000,000 Common shares of Baht 1 each,		<u>360,000,000</u>	<u>360,000,000</u>	<u>360,000,000</u>	<u>360,000,000</u>
Issued and paid-up share capital					
339,743,600 Common shares of Baht 1 each,					
fully paid		339,743,600		339,743,600	
337,152,850 Common shares of Baht 1 each,					
fully paid			337,152,850		337,152,850
Premium on share capital		234,000,000	234,000,000	234,000,000	234,000,000
Retained earnings					
Appropriated					
Legal reserve	24	25,277,442	20,755,310	25,277,442	20,755,310
Unappropriated		184,100,178	132,238,013	170,769,067	118,552,853
Total shareholders' equity-parent company		<u>783,121,220</u>	<u>724,146,173</u>	<u>769,790,109</u>	<u>710,461,013</u>
Minority interest		14,130,456	11,841,717	0	0
Total shareholders' equity		<u>797,251,676</u>	<u>735,987,890</u>	<u>769,790,109</u>	<u>710,461,013</u>
Total liabilities and shareholders' equity		<u>2,473,253,556</u>	<u>2,560,846,613</u>	<u>2,312,840,841</u>	<u>2,426,375,655</u>

Notes to financial statements are an integral part of these statements.

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF INCOME

For the years ended December 31, 2004 and 2003

Unit : Baht

	Note	CONSOLIDATED		THE COMPANY	
		2004	2003	2004	2003
Revenues					
Revenues from sale of goods		4,895,811,059	4,514,042,249	4,537,297,893	4,127,263,010
Revenues from rendering of services		315,696,039	220,299,281	203,317,507	128,346,641
Rent income		36,914,680	34,858,602	30,566,784	33,288,770
Other income		25,949,761	28,068,576	26,652,828	27,128,447
Share of profits from investments for using the equity method		5,483,698	2,326,962	12,108,933	12,245,911
Total revenues		5,279,855,237	4,799,595,670	4,809,943,945	4,328,272,779
Expenses					
Costs of sale of goods		4,315,885,050	4,009,777,827	4,002,469,783	3,659,943,840
Costs of the rendering of services		112,073,393	75,977,109	45,181,619	27,321,853
Cost of rent		27,297,165	21,463,185	24,936,999	20,712,208
Selling and administrative expenses		637,937,735	552,510,534	564,497,850	495,547,592
Directors' remuneration		3,798,000	3,330,000	1,958,000	1,650,000
Total expenses		5,096,991,343	4,663,058,655	4,639,044,251	4,205,175,493
Profit before interest expenses and income tax		182,863,894	136,537,015	170,899,694	123,097,286
Interest expenses		(46,427,281)	(51,549,004)	(45,733,848)	(50,916,937)
Income tax	3.11 and 20	(43,569,293)	(12,807,866)	(34,723,215)	(4,858,526)
Profit after income tax		92,867,320	72,180,145	90,442,631	67,321,823
Profit (loss) of minority interest		2,078,738	5,363,243	0	0
Net profit	22	90,788,582	66,816,902	90,442,631	67,321,823
Earnings per share					
3.12 and 27					
Basic earnings per share					
Net profit		0.2680	0.2453	0.2670	0.2472
Diluted earnings per share					
Net profit		0.2579	0.2311	0.2569	0.2328

Notes to financial statements are an integral part of these statements.



METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

CONSOLIDATED

For the years ended December 31, 2004 and 2003

Unit : Baht

	Note	Issued and capital paid-up	Premium on share capital	Unrealized gain (loss)	Retained earnings		Minority Interest	Total
				on Available for sale Securities investment	Appropriated Legal reserve	Unappropriated		
Balance as at January 1, 2003		270,000,000	234,000,000	(190,593)	17,389,219	92,450,035	9,748,594	623,397,255
Unrealized gain (loss) on Available-for-sales-Security investment				190,593				190,593
Net gain and loss not recognised in the income statements				0				0
Dividend paid	25					(27,000,000)		(27,000,000)
Appropriated for legal reserve	24 and 25				3,366,091	(3,366,091)		0
Decrease in proportion on sale of investment in subsidiary company						(396,400)		(396,400)
Loss in excess of share capital in subsidiary company						3,600,010		3,600,010
Adjustment entry of investment in associated company-prior period						133,557		133,557
Increase in share capital	26	67,152,850						67,152,850
Net profit for the year ended December 31,2003						66,816,902	2,093,123	68,910,025
Balance as at December 31, 2003		337,152,850	234,000,000	0	20,755,310	132,238,013	11,841,717	735,987,890
Balance as at January 1, 2004		337,152,850	234,000,000	0	20,755,310	132,238,013	11,841,717	735,987,890
Unrealized gain (loss) on Available-for-sales-Security investment				0				0
Net gain and loss not recognised in the income statements				0				0
Dividend paid	25					(33,704,285)		(33,704,285)
Appropriated for legal reserve	24 and 25				4,522,132	(4,522,132)		0
Increase in share capital	26	2,590,750						2,590,750
Decrease in allowance for doubtful accounts for loans to subsidiary company						(700,000)		(700,000)
Net profit for the year ended December 31,2004						90,788,582	2,288,739	93,077,321
Balance as at December 31, 2004		339,743,600	234,000,000	0	25,277,442	184,100,178	14,130,456	797,251,676

Notes to financial statements are an integral part of these statements.



METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
THE COMPANY

For the years ended December 31, 2004 and 2003

Unit : Baht

	Note	Issued and capital paid-up	Premium on share capital	Unrealized gain (loss) on Available for sale Securities investment	Retained earnings		Total
					Appropriated Legal reserve	Unappropriated	
Balance as at January 1, 2003		270,000,000	234,000,000	(190,593)	17,389,219	81,530,610	602,729,236
Unrealized gain (loss) on Available-for-sales-Security investment				190,593			190,593
Net gain and loss not recognised in the income statements				0			0
Dividend paid	25					(27,000,000)	(27,000,000)
Appropriated for legal reserve	24 and 25				3,366,091	(3,366,091)	0
Adjustment entry of investment in subsidiary company prior period	17					66,511	66,511
Increase in share capital	26	67,152,850					67,152,850
Net profit for the year ended December 31,2003						67,321,823	67,321,823
Balance as at December 31, 2003		<u>337,152,850</u>	<u>234,000,000</u>	<u>0</u>	<u>20,755,310</u>	<u>118,552,853</u>	<u>710,461,013</u>
Balance as at January 1, 2004		337,152,850	234,000,000	0	20,755,310	118,552,853	710,461,013
Unrealized gain (loss) on Available-for-sales-Security investment				0			0
Net gain and loss not recognised in the income statements				0			0
Dividend paid	25					(33,704,285)	(33,704,285)
Appropriated for legal reserve	24 and 25				4,522,132	(4,522,132)	0
Increase in share capital	26	2,590,750					2,590,750
Net profit for the year ended December 31,2004						90,442,631	90,442,631
Balance as at December 31, 2004		<u>339,743,600</u>	<u>234,000,000</u>	<u>0</u>	<u>25,277,442</u>	<u>170,769,067</u>	<u>769,790,109</u>

Notes to financial statements are an integral part of these statements.

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS

For the years ended December 31, 2004 and 2003

Unit : Baht

	Note	CONSOLIDATED		THE COMPANY	
		2004	2003	2004	2003
Cash flows from operating activities :					
Net profit		90,788,582	66,816,902	90,442,631	67,321,823
Adjustments to reconcile net profit to net cash by operating activities					
Depreciation		168,064,923	149,414,602	158,158,433	142,937,346
Amortization of copyright charge		2,568,780	3,045,621	2,568,780	3,045,621
Amortization of leasehold rights		1,055,357	1,139,438	1,055,357	1,139,438
Allowance for doubtful accounts		10,457,066	1,329,793	(552,764)	2,016,794
Allowance for obsolete goods		7,375,686	(4,425,121)	7,364,304	(4,434,094)
Decrease in allowance for bad debt on short-term loans to related party		(700,000)	0	(700,000)	(2,800,000)
Gain on sales of investment in securities		0	(80,693)	0	(80,693)
Gain on sales of fixed assets		(3,829,511)	(2,853,244)	(4,302,853)	(2,451,478)
Loss on writing-off assets		0	18,823	0	18,823
Donation - assets		304,916	0	304,916	0
Loss on exchange rate		1,453,881	573,695	1,454,740	578,686
Gain on sales of investment in subsidiary company		0	0	0	(49,550)
Gain on sales of investment in associated company		0	(7,119,462)	0	(7,119,462)
Share of profits from investments in subsidiary companies for using the equity method		0	0	(6,625,235)	(9,918,948)
Share of profits from investments in associated companies for using the equity method		(5,483,698)	(2,326,962)	(5,483,698)	(2,326,962)
Amortization of excess of cost over book value in associated companies		58,157	116,314	58,157	116,314
Adjustment for beginning retained earnings		0	133,558	0	0
Amortization of forward exchange contract		0	22,687	0	22,687
Minority interest in net profit (loss) of subsidiary companies		2,288,738	2,093,122	0	0
Loss in excess of share capital in subsidiary company		0	3,600,009	0	0
Decrease in proportion on sale of investment in subsidiary company		0	(396,400)	0	0

Notes to financial statements are an integral part of these statements.

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (Continued)

For the years ended December 31, 2004 and 2003

Unit : Baht

	Note	CONSOLIDATED		THE COMPANY	
		2004	2003	2004	2003
Cash flows from operating activities (Continued)					
Change in operating activities					
(Increase) decrease in assets					
Trade accounts and notes receivable		22,637,460	(294,615,018)	47,890,963	(273,849,307)
Inventories		(65,576,753)	18,030,999	(59,133,136)	29,964,031
Other current assets		18,229,886	(16,934,395)	16,537,165	(16,134,940)
Other non-current assets		7,206,964	(10,919,287)	6,284,820	(9,848,251)
Increase (decrease) in liabilities					
Trade accounts and notes payable		105,875,177	129,777,412	91,579,743	93,337,006
Accounts payable to forward exchange contract		382,911	77,980	382,911	77,980
Other current liabilities		33,143,893	7,293,789	35,816,880	10,673,212
Net cash provided by operating activities		396,302,415	43,814,162	383,102,114	22,236,076
Cash flows from investing activities					
Increase in current investments		0	(1,750,000)	0	0
Decrease in short-term loans to related parties		0	0	9,700,000	1,800,000
Decrease in long-term loans to employees		84,700	75,500	84,700	75,500
Increase in long-term investments		(24,710,258)	(29,913,967)	(33,000,000)	(2,750,000)
Increase in fixed assets		(46,406,740)	(69,962,853)	(37,608,827)	(61,657,599)
Increase in intangible assets		(6,682,500)	0	(6,682,500)	0
Increase in investment to related parties		0	0	(14,790,000)	0
Sales of investment in securities		0	559,006	0	559,006
Sales of investment in subsidiary company		0	0	0	49,550
Sales of investment in associated company		0	13,230,000	0	13,230,000
Sales of fixed assets		10,779,891	16,724,376	7,472,580	15,611,685
Net cash (used in) investing activities		(66,934,907)	(71,037,938)	(74,824,047)	(33,081,858)

Notes to financial statements are an integral part of these statements.

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (Continued)

For the years ended December 31, 2004 and 2003

Unit : Baht

	Note	CONSOLIDATED		THE COMPANY	
		2004	2003	2004	2003
Cash flows from financing activities					
Increase (decrease) in bank overdrafts		(39,923,308)	37,616,586	(39,923,308)	37,616,586
Increase (decrease) in short-term loans					
from financial institutions		(332,650,268)	98,229,854	(334,650,268)	98,229,854
Increase (decrease) in current portion of long-term loans		(52,631,240)	37,928,064	(57,176,341)	37,991,073
Increase (decrease) in long-term loans		173,000,000	(74,152,284)	173,800,000	(73,391,078)
Decrease in hire-purchase payables		(94,864,914)	(107,598,979)	(86,876,303)	(107,119,554)
Increase in common shares		2,590,750	67,152,850	2,590,750	67,152,850
Divident paid		(33,704,285)	(27,000,000)	(33,704,285)	(27,000,000)
Net cash provided by (used in) financing activities		(378,183,265)	32,176,091	(375,939,755)	33,479,731
Increase effects of exchange rate					
changes on cash and cash equivalents		1,474	510	1,474	510
Increase (decrease) in cash and cash equivalents		(48,814,283)	4,952,825	(67,660,214)	22,634,459
Cash and cash equivalents as at January 1,		108,977,952	104,025,127	85,192,136	62,557,677
Cash and cash equivalents as at December 31,	3.14	60,163,669	108,977,952	17,531,922	85,192,136
Supplemental cash flows information :					
Cash paid during the period for :					
Interest expenses		37,616,939	53,089,586	36,038,301	51,654,838
Income tax		35,820,621	26,434,875	26,388,942	18,133,601
Non-cash item :					
Hire-purchase for fixed assets		57,441,067	143,174,541	42,749,251	143,174,541

Notes to financial statements are an integral part of these statements.

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements

As at December 31, 2004 and 2003

1. General Information

1.1 The company was incorporated on January 6, 1986. The operations of the company and its subsidiaries are distributor of computer and equipment, software, office equipment, service and telecommunication equipment.

1.2 The company has been listed in the Stock Exchange of Thailand since 1995. The address is 23/3 Moo 9 Sukhumvit 103 Road, Nhongbon, Prawet, Bangkok 10260. There are 5 branches as follows:

Branch 1 : 888/14-17 Ploenjit Road, Lumpinee Phatumwan Bangkok.

Branch 2 : 141/15-18 Skulthai Tower Surawong Road, Suriyawong Bangrak Bangkok 10500.

Branch 3 : 979/27-31 SM Tower Pahonyothin Road, Samsennai Phayathai Bangkok 10400.

Branch 4 : 7/405 Central Pinklao Floor 3 Room 323, Baromrajchonanee Road, Aroonummarin Bangkoknoi Bangkok.

Branch 5 : 454/ 132 Charansanitwong Road, Bangplad Bangkoknoi Bangkok.

1.3 The number and cost of employees

	Consolidated		The company	
	2004	2003	2004	2003
The number of employees Persons)	850	804	729	695
The cost of employees (Baht)	314,751,583	285,236,070	265,267,228	237,586,494

2. Basis for preparation and presentation of the financial statements

2.1 The financial statements have been prepared in accordance with the accounting principles generally accepted in Thailand, and according to the requirements of the Securities and Exchange Commission, and the regulation of the Stock Exchange of Thailand.

2.2 The measurement basis used in preparing the financial statements is that the other than those disclosed in notes to the financial statements, the financial statements are prepared on the historical cost basis.

2.3 Basis for preparation of the consolidated financial statements

The consolidated financial statements included the accounts of the company and its subsidiary companies. (Attachment 1)



All significant intragroup balances and intragroup transactions, and the investment of parent company and shareholders' equity of the subsidiaries have been eliminated in this consolidation.

Advanced Business Exchange Co., Ltd., a subsidiary company had a continuous loss operation for many years, for the year ended December 31, 2004, shown deficit in the amount of Baht 95.43 million, current liabilities at December 31, 2004, in excess of current assets in the amount of Baht 46.41 million and total liabilities in excess total assets in the amount of Baht 45.43 million, which these factors indicate the existence of a material uncertainty which may cast significant doubt about the ability to continue as a going concern. As indicated in Note 7 to the financial statements, the company has provided allowance for doubtful account for loans to this subsidiary company in the full amount of Baht 47.80 million.

3. Summary of significant accounting policies

3.1 Recognition of revenues

Sales income are recognized when delivery has taken place and transfer the significant risks and rewards of ownership of the goods to the buyers. Service income is principally based on services rendered. Rent income is recognized by the time of period.

3.2 Allowance for doubtful accounts

The company and its subsidiaries have policy to approximate the allowance for doubtful accounts equal to the estimated collection losses as follows:

20 percent for accounts overdue 91-180 days

50 percent for accounts overdue 181-360 days

100 percent for accounts overdue over 360 days

100 percent for sued trade accounts

3.3 Allowance for obsolete goods

It is the company's policy to approximate the allowance for obsolete goods by considering from the merchandise that has not been moving for more than 365 days.

3.4 Inventory pricing

Inventories are valued at lower of cost price under average method or net realisable value. Goods in transit are valued at cost price.

3.5 Investment recording

3.5.1 Investment in subsidiary, associated, related and other companies

Investment in subsidiary and associated companies are accounted for by the equity method. Investment in related and other companies are account for by the cost method.

One of investment in other companies was in the process of insolvency which the cost price is Baht 213,000. The company provided the allowance for loss on investment in the full amount.

3.5.2 Investment in Debt and Equity Securities

3.5.2.1 Short – term investment in Debt Securities and fixed deposit are stated at fair value.

3.5.2.2 Investment in marketable equity securities (available for sales) was recorded at fair value (the lasted bid price) as at the ended of the period. The unrealized gain (loss) on the adjustment value of investment is booked in shareholders' equity, and will realize gain or loss when they have been disposal.

3.6 Amortization the excess of cost over book value (excess of book value over cost) in subsidiary companies and excess of cost over book value (excess of book value over cost) in associated companies.

It is the company's policy to amortize the excess of cost over book value (the excess of book value over cost) of investment in subsidiary companies, and the excess of cost over book value (the excess of book value over cost) of investment in associated companies within 5 years.

3.7 Property, plant and equipment/depreciation and amortization

Property is stated at cost price.

Land improvement, plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation of plant and equipment is calculated by reference to their costs on a straight-line method at the following rates:

Land improvement	5	years
Building	20	years
Building improvement	5-20	years
Machinery and Equipment	5	years
Furniture and Fixtures	5	years
Vehicles	5	years
Office equipment	3-5	years
Other fixed assets	5	years

Leasehold rights are amortized over the useful lives of leasehold right contract for 6-14 years. Amortization for the year 2004 and 2003 is Baht 1,055,357 and Baht 1,139,438, respectively.

Deferred copyrights are amortized by the life of contract agreement for 9 years. Amortization for the year 2004 and 2003 is Baht 2,568,780 and Baht 3,045,621, respectively.

3.8 Impairment of assets

The company and its subsidiaries should assess the impairment of assets i.e. Property, Plant and Equipment and intangible assets whenever there is indication that an asset may be impaired, the impairment will be assessed by estimating the recoverable amount of asset, if it is below the carrying amount of the asset, it signs an asset is impaired. The company should recognize the impairment loss in the statements of income.

Recoverable amount of assets is the higher of an asset's net selling price and its value in use, and it is determined from an individual asset of a cash-generating unit.

3.9 Translation of foreign currency transactions

During the period, the foreign currency transactions are translated at the spot rate. At the end of period, the remaining balances of foreign currency assets and liabilities are translated respectively at the average buying and selling rates of Commercial Banks, based on the rate of the Bank of Thailand, gain or loss are stated in the statements of income.

Foreign currency receivables which were covered by the forward exchange contract are translated at the rate prescribed in the contract, the difference will be written off along the period of loan agreements.

Unit : Baht

Consist of :	Consolidated		The company	
	2004	2003	2004	2003
Accounts receivable from - forward exchange contract	31,460,143	17,490,773	31,460,143	17,490,773
<u>Less</u> Accounts payable to - forward exchange contract	31,697,587	17,526,843	31,697,587	17,526,843
Net	(237,444)	(36,070)	(237,444)	(36,070)

3.10 Staff provident fund

The company established a contributory registered provident fund which has been registered in accordance with the Provident Fund Act B.E. 2530 (1987) on October 1, 1998. The contributions from staffs are deducted from the monthly salaries, with the company matching the individual's contributions.¹

3.11 Income tax

Income tax (if any), the company and its subsidiaries recorded the total amount of income tax as expense for the period, and recorded the accrued portion as liabilities in the balance sheets.

3.12 Earnings per share

For the years ended December 31, 2004 and 2003, the basic earnings per share is computed by dividing the net profit by the weighted average number of common shares outstanding during the period.

Diluted earnings per share are computed by dividing the net profit by the weighted average number of ordinary shares at the end of period plus the weighted average number of ordinary shares which would be issued on the conversion of the dilute potential ordinary shares (warrants) into ordinary shares.

3.13 Cash and cash equivalents, and preparation of statements of cash flows

The company and subsidiary companies adopted the policy in preparing in the statements of cash flows that cash and cash equivalents mean cash on hand, deposit at banks (except time deposit), and short-term highly liquid investments that are readily convertible to known amounts, and that they present negligible risk of change in value, which are not restricted in its use.

3.14 Accounting estimation

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

4. Cash and cash equivalents

Unit : Baht

Consist of :	Consolidated		The company	
	2004	2003	2004	2003
Cash on hand	171,189	135,892	111,189	90,892
Cash at banks-current a/c	3,017,457	14,968,740	2,438,373	14,413,008
Cash at banks-savings a/c	56,078,394	92,200,808	14,982,360	70,688,236
Cash at banks-fixed a/c 3 months	896,629	1,672,512	0	0
Total	60,163,669	108,977,952	17,531,922	85,192,136

5. Current investments

Unit : Baht

Consist of :	Consolidated		The company	
	2004	2003	2004	2003
Fixed a/c at banks – 6 months	2,500,000	2,500,000	0	0
Total	2,500,000	2,500,000	0	0

6. Trade accounts receivable – net

Unit : Baht

Consist of :	Consolidated		The company	
	2004	2003	2004	2003
Trade accounts receivable				
- Domestic	905,555,235	930,125,881	805,281,787	857,640,433
- Related companies	11,589,530	9,655,378	10,201,052	5,733,370
Total	917,144,765	939,781,259	815,482,839	863,373,803
Less Allowance for doubtful accounts	20,350,003	9,892,937	8,036,202	8,588,966
Net	896,794,762	929,888,322	807,446,637	854,784,837

As at December 31, 2004 and 2003, the aging of past due trade accounts receivable are as follows:

Unit : Baht

Consist of :	Consolidated		The company	
	2004	2003	2004	2003
Past due 91-180 days	2,521,507	3,385,115	2,521,507	2,866,534
Past due 181-360 days	22,478,976	938,948	0	880,357
Past due over 360 days	2,788,326	2,164,311	2,740,034	2,029,555
Sued trade accounts receivable	5,827,888	6,581,948	4,791,866	5,545,926
Total	33,616,697	13,070,322	10,053,407	11,322,372
Allowance for doubtful accounts	20,350,003	9,892,937	8,036,202	8,588,966

7. Short-term loans to related parties

They represent promissory notes, at call.

Unit : Baht

Consist of :	Amount		Policy about cost of inter-company loans	
	2004	2003	2004	2003
Subsidiary companies				
ADVANCED BUSINESS EXCHANGE CO., LTD.	47,800,000	48,500,000	-	-
METRO PROFESSIONAL PRODUCTS CO., LTD.	0	9,000,000	-	7.50% p.a.
Total	47,800,000	57,500,000		
Less Allowance for short-term loans to -related parties	47,800,000	48,500,000		
Net	0	9,000,000		

Advanced Business Exchange Co., Ltd., a subsidiary company, has loss in excess of share capital, so the company has provided the allowance for doubtful account for loans to this subsidiary company in the full amount.

8. Inventories –net

Unit : Baht

Consist of :	Consolidated		The company	
	2004	2003	2004	2003
Finished goods	265,395,187	249,918,264	249,382,867	243,214,482
Raw material	12,339,929	15,318,113	0	0
Supplies	204,179	203,117	204,179	203,117
Goods in transit	102,664,905	49,587,953	102,551,641	49,587,953
Total	380,604,200	315,027,447	352,138,687	293,005,552
Less Allowance for obsolete goods	7,411,132	35,447	7,390,777	26,474
Net	373,193,068	314,992,000	344,747,910	292,979,078

9. Investments for using the equity method

(Attachment 2 and 3)

Advanced Business Exchange Co., Ltd., a indirect subsidiary company, has continuous loss operation, in this accounting period when the company recognized the share of loss in the subsidiary company by the equity method, the share of loss exceeded the carrying amount of investment. The company then accounted for such loss to the extent of the balance of the investment. The investment was reported at nil value.

10. Other long-term investments

Unit : Baht

Consist of :	Consolidated		The company	
	2004	2003	2004	2003
Investment in other company				
-common shares	5,000,000	5,000,000	5,000,000	5,000,000
Fixed a/c at banks (Note 18)	118,374,225	93,663,967	99,500,000	66,500,000
Investment in related parties				
MDEC International (1991) Co., Ltd. (hold 6.67% of authorized share capital)	6,668,000	6,668,000	6,668,000	6,668,000
MAX Image Co., Ltd. (hold 19.20% of authorized share capital)	960,000	960,000	960,000	960,000
Total	131,002,225	106,291,967	112,128,000	79,128,000

11. Long-term loans to employees

It represents loans to employees and there is no agreement about interest rate.

12. Property, plant and equipment -net

(Attachment 4)

The cost of Plant and equipment, which were depreciated in fully amount.

Unit : Baht

Consist of :	Consolidated		The company	
	2004	2003	2004	2003
Building	5,827,705	4,802,912	5,827,705	4,802,912
Building improvement	4,709,920	10,758,194	3,966,202	10,758,194
Furniture and fixtures	47,100,939	44,916,776	46,591,606	44,916,776
Plant Machinery and equipment	13,220	0	0	0
Vehicles	8,899,301	6,516,558	8,897,701	6,516,558
Office equipment	178,721,670	146,623,040	175,574,894	146,623,040
Other fixed assets	10,571,287	9,514,634	10,492,473	9,514,634
Total	255,844,042	223,132,114	251,350,581	223,132,114

13. Intangible assets -net

Unit : Baht

	Consolidated			
	2003	Increase	Decrease	2004
Cost price-intangible assets				
Leasehold right – building	18,944,443	6,682,500	10,450,000	15,176,943
Copyright – software	25,272,500	0	0	25,272,500
Total	44,216,943	6,682,500	10,450,000	40,449,443
Accumulated amortization-intangible assets				
Leasehold right – building	12,733,071	1,055,357	10,449,995	3,338,433
Copyright – software	22,249,953	2,568,780	0	24,818,733
Total	34,983,024	3,624,137	10,449,995	28,157,166
Intangible assets -net	9,233,919			12,292,277
Amortization for the period	4,185,060			3,624,137

13. Intangible assets –net (Continued)

Unit : Baht

	The company			
	2003	Increase	Decrease	2004
Cost price-intangible assets				
Leasehold right – building	18,944,443	6,682,500	10,450,000	15,176,943
Copyright – software	25,272,500	0	0	25,272,500
Total	44,216,943	6,682,500	10,450,000	40,449,443
Accumulated amortization-intangible assets				
Leasehold right – building	12,733,071	1,055,357	10,449,995	3,338,433
Copyright – software	22,249,953	2,568,780	0	24,818,733
Total	34,983,024	3,624,137	10,449,995	28,157,166
Intangible assets -net	9,233,919			12,292,277
Amortization for the period	4,185,060			3,624,137

14. Bank overdrafts and short-term loans from financial institutions

Unit : Baht

Consist of :	Consolidated		The company	
	2004	2003	2004	2003
Bank overdrafts	21,040,199	60,963,508	21,040,199	60,963,508
Trust receipts	64,965,904	71,400,205	64,965,904	71,400,205
Bill of exchange and promissory notes -financial institutions (Interest rate 3.90-6.50% p.a.)	265,991,602	592,207,568	259,991,602	588,207,568
Total	351,997,705	724,571,281	345,997,705	720,571,281

Bank overdrafts and loans from financial institutions are guaranteed by the assets per note No. 18 to the financial statements, and some directors.

15. Trade accounts and notes payable

Unit : Baht

Consist of :	Consolidated		The company	
	2004	2003	2004	2003
Trade accounts payable				
- Related companies	1,707,434	244,041	4,545,420	4,147,133
- Others	794,371,321	691,340,111	702,083,686	609,264,479
Total	796,078,755	691,584,152	706,629,106	613,411,612
Post-dated cheques	6,030,186	3,011,754	0	0
Total trade accounts and notes payable	802,108,941	694,595,906	706,629,106	613,411,612

16. Long-term loans

Unit : Baht

Consist of :	Consolidated		The company	
	2004	2003	2004	2003
Long-term loans				
16.1 Loans from banks	239,100,000	114,600,000	239,100,000	114,600,000
16.2 Loans from financial institutions	2,400,000	3,200,000	0	0
16.3 Hire-purchase payable	148,804,515	189,427,638	136,502,177	188,373,606
16.4 Loans from other companies (Interest rate 3.413% p.a.)	0	131,965	0	131,965
Total	390,304,515	307,359,603	375,602,177	303,105,571
Current portion of long-term loans				
16.1 Loans from banks	24,000,000	73,300,000	24,000,000	73,300,000
16.2 Loans from financial institutions	800,000	800,000	0	0
16.3 Hire-purchase payable	83,949,975	87,149,250	78,705,979	86,450,356
16.4 Loans from other companies	0	131,965	0	131,965
Less Current portion of long-term loans	108,749,975	161,381,215	102,705,979	159,882,321
Net	281,554,540	145,978,388	272,896,198	143,223,250

16. Long-term loans (Continued)

16.1 Loans from banks

16.1.1 Loans from one local bank amounting to Baht 335 million, guaranteed by mortgaging the land and building, the repayment will be 84 months or 7 years starting from October 25, 1994, with 18 months of grace period, the installment repayment will be every 6 months totally 11 installments, at Baht 30 million per installment, and the last installment will be Baht 35 million. Since April 2001 onward, the bank graces the company to pay the principal by monthly, at Baht 2 million per installment within November 2004 at the interest rate of MLR+0.5%p.a. The last installment has already been paid in November 2004.

16.1.2 Loans from one local bank amounting to Baht 200 million, guaranteed by mortgaging the land and building, the repayment will be 83 months or 6 years and 11 months starting from January 29, 2004, the company has to repay the principal by monthly, at Baht 0.2 million per installment for the first year, at Baht 1.5 million per installment for the second year, , at Baht 2 million per installment for the third and fourth year, at Baht 3 million per installment for the fifth year, at Baht 4 million per installment for the sixth year, at Baht 4.5 million per installment for the seventh year (January – October) and at Baht 2.6 million for the last installment. The loan will be repay within December 2010 at the interest rate of MLR% p.a.

16.1.3 Loans from one local bank amounting to Baht 56.34 million, guaranteed by some directors, the repayment will be 84 months starting from June 26, 2001, the company has to repay the principal by monthly. The loan will be repay within June 2008 at the interest rate of MLR% p.a.

16.2 Loans from financial institutions

They represent promissory notes at the interest rate of 5.75% p.a.

16.3 Hire-purchase payables are consisted of computer and vehicle hire-purchase.

17. Adjustment entry on financial statements

There was an adjustment entry about equity method to the beginning balance of the financial statements as at December 31, 2003 of one local subsidiary company, so it effected to increase the beginning retained earnings in the amount of Baht 66,511.

18 Collateral

Fixed deposits at banks are used as guarantee for bank overdrafts and loans from financial institutions. Land and building are mortgaged to secure the long-term loans and loans from financial institutions.

19. Related party transactions

The company's policy about the price charge to the related parties are as follows :

Types of transaction	Policies of price setting
Transactions between the company and its subsidiaries	
- Sales to the subsidiary companies	Market price
- Purchase from the subsidiary companies	Market price
Transactions related to the company, its subsidiaries with the related parties	Market price

The financial statements included related party transactions, by considering the following: intragroup shareholding or the same group of shareholders, directors or management team. As at December 31, 2004 and 2003, the outstanding balances of these transactions are as follows:

Unit : Baht

Consist of :	Consolidated		The company	
	2004	2003	2004	2003
Trade accounts receivable				
Subsidiary companies				
Metro Professional Products Co.,Ltd.	0	0	24,581	156,961
Application Hosting Services Co.,Ltd.	0	0	447,447	1,059,145
Metro-infinium (Thailand) Co.,Ltd.	0	0	313,614	211,886
Associated companies				
Metrosoft Co.,Ltd.	2,822,313	3,122,846	2,819,370	3,122,846
HIS MSC Co.,Ltd.	449,364	853,421	449,364	853,421
PSP (Thailand) Co.,Ltd.	2,140,000	5,795	2,140,000	5,795
Business Application Co.,Ltd.	0	7,010	0	7,010
Intertia BP (Thailand) Co.,Ltd.	3,858,736	18,182	3,858,736	18,182
Related party				
MDEC International (1991) Co.,Ltd.	2,273,107	5,602,114	101,930	252,114
Metro Co.,Ltd.	46,010	46,010	46,010	46,010
Trade accounts payable				
Subsidiary companies				
Metro Professional Products Co.,Ltd.	0	0	2,254,790	1,792,089
Application Hosting Services Co.,Ltd.	0	0	223,730	2,120,430
Metro-infinium (Thailand) Co.,Ltd.	0	0	359,466	0
Associated companies				
HIS MSC Co.,Ltd.	0	107,000	0	107,000
PSP (Thailand) Co.,Ltd.	214,000	0	214,000	0
Related party				
MDEC International (1991) Co.,Ltd.	1,493,434	108,641	1,493,434	99,214
Metro Co.,Ltd.	0	28,400	0	28,400

19. Related party transactions (Continued)

Unit : Baht

Consist of :	Consolidated		The company	
	2004	2003	2004	2003
Accrued income				
Subsidiary companies				
Metro Professional Products Co.,Ltd.	0	0	0	552,842
Metro-infinium (Thailand) Co.,Ltd.	0	0	24,060	27,083
Related party				
MDEC International (1991) Co.,Ltd.	943,357	0	0	0
Metro Co.,Ltd.	0	1,431,713	0	1,431,713
Advance received				
Subsidiary companies				
Metro-infinium (Thailand) Co.,Ltd.	0	0	340,000	0
Deposit payables				
Subsidiary companies				
Metro-infinium (Thailand) Co.,Ltd.	0	0	0	1,194,288
Other accounts payable				
Subsidiary companies				
Metro Professional Products Co.,Ltd.	0	0	21,400	0
Related party				
MDEC International (1991) Co.,Ltd.	3,980	0	3,980	0
Metro Co.,Ltd.	28,400	0	28,400	0
Lending				
Subsidiary companies				
Balance brought forward				
Advanced Business Exchange Co.,Ltd.	0	0	48,500,000	51,300,000
Metro Professional Products Co.,Ltd.	0	0	9,000,000	8,000,000
Increase in loans receivable in the period				
Metro Professional Products Co.,Ltd.	0	0	0	22,500,000
Repayment of loans receivable in the period				
Advanced Business Exchange Co.,Ltd.	0	0	700,000	2,800,000
Metro Professional Products Co.,Ltd.	0	0	9,000,000	21,500,000
Balance carried forward				
Advanced Business Exchange Co.,Ltd.	0	0	47,800,000	48,500,000
Metro Professional Products Co.,Ltd.	0	0	0	9,000,000

19. Related party transactions (Continued)

Transactions for the years ended December 31, 2004 and 2003 are as follows :

Unit : Baht

Consist of :	Consolidated		The company	
	2004	2003	2004	2003
Revenues				
Subsidiary companies	0	0	1,306,542	10,048,707
Associated companies	19,951,110	11,118,074	19,868,360	10,980,374
Related party	15,446,631	5,625,766	209,975	545,504
Service income				
Subsidiary companies	0	0	1,944,250	1,300,907
Associated companies	937,555	397,267	937,555	397,267
Related party	536,550	535,000	536,550	535,000
Rental income				
Subsidiary companies	0	0	932,687	1,690,016
Associated companies	1,193,952	5,107,285	1,193,952	5,107,285
Related party	195,600	195,600	195,600	195,600
Other income				
Subsidiary companies	0	0	2,172,157	2,214,268
Associated companies	6,222,804	4,990,863	6,222,804	4,990,863
Related party	129,812	55,600	129,812	55,600
Purchase				
Subsidiary companies	0	0	26,000,424	32,030,901
Associated companies	2,295,000	1,620,000	2,295,000	1,620,000
Related party	7,130,314	2,890,716	6,724,189	2,452,403
Expenses				
Subsidiary companies	0	0	2,323,866	1,903,158
Associated companies	760,000	211,000	760,000	211,000
Related party	1,787,828	7,638,162	1,787,828	7,638,162
Interest income				
Subsidiary companies	0	0	332,363	802,681
Related party	2,607,059	0	0	0

20. Income tax

As at December 31, 2003, the company has not recorded income tax payable because of the prepaid tax included with the withholding tax is higher than the tax which has to be paid. The income tax in the consolidated financial statements represented income tax of some subsidiary companies.

21. Commitments

As at December 31, 2004 and 2003, the company has commitments with bank in letter of guarantee in the amount of Baht 33,252,999 and Baht 21,478,710 respectively.

22. The inequality of net profit and retained earnings for the financial statements of the company only and the consolidated financial statements

Net profit for the years ended December 31, 2004 and 2003 of the company were different from the consolidated financial statements in the amount of Baht 345,951 and Baht 504,921, respectively because Advanced Business Exchange Co., Ltd. a subsidiary company, has a loss in excess of share capital and no obligation to the subsidiary company.

Retained earnings for the years ended December 31, 2004 and 2003 of the company were different from the consolidated financial statements in the amount of Baht 13,331,111 and Baht 13,685,160, respectively because Advanced Business Exchange Co., Ltd. a subsidiary company, has a loss in excess of share capital and no obligation to the subsidiary company, and there was allowance for short-term loans to subsidiary company account in the amount of Baht 47.80 million.

23. Disclosure of financial instruments

The company complied with the Thai Accounting Standard No. 48 "Presentations and Disclosure of Financial Instruments" as a guidance to disclose about the financial instruments on balance sheet as following:

23.1 Accounting policies

The accounting policies were disclosed on notes to financial statements No 3.

23.2 Credit risk

In the case of financial assets, the carrying amount of assets recorded in the balance sheets, net of portion of provision for doubtful accounts, represents the company and its subsidiaries maximum exposure to credit risk.

The company entered into forward foreign exchange contracts to manage its exposure to foreign currency exchange rate risk.

23.3 Interest rate risk

Interest rate risk arises from the potential for a change in interest rates to having affect operation of the company in the current reporting period, and in the future years.

23.4 Fair value of financial instruments

The following methods and assumptions are used by the company in estimating fair value of financial instruments:

Cash on hand and deposits at financial institutions, short-term investments, short-term loans to related parties, investment in related parties and investment in other companies, the carrying values approximate at their fair values.

Investment in marketable equity securities are stated at fair value.

Bank overdraft and short-term loans from financial institutions, the carrying value approximate at their fair values.

Current portion of long-term loans and long-term loans, the carrying value approximate at their fair value.

24. Legal reserve

Pursuant to the Public Limited Companies Act B.E. 2535 (1992), the company must appropriate the annual net profit to be a reserve fund which not less than five percent of the annual net profit deducted by the total deficit brought forward (if any) until reserve reaches an amount of not less than ten percent of the registered capital.

25. Dividend payment

25.1 By the resolution of ordinary shareholders' meeting No. 9/2004 on April 2, 2004, the company announced to pay the 2003 dividend to the shareholders at Baht 0.10 per share (totally Baht 33,704,285). The company appropriated for the legal reserve at 5% of net profit and pursuant to the Public Limited Companies Act B.E. 2535 (1992), the company appropriated for the legal reserve as indicated in Note 24 to the financial statements as at December 31, 2004, Baht 4,522,132 (totally Baht 25,277,442).

25.2 By the resolution of ordinary shareholders' meeting No. 8/2003 on April 11, 2003, the company announced to pay the 2002 dividend to the shareholders at Baht 1.00 per share (Baht 27 million). The company appropriated for the legal reserve at 5% of net profit and pursuant to the Public Limited Companies Act B.E. 2535 (1992), the company appropriated for the legal reserve as indicated in Note 24 to the financial statements as at December 31, 2003, Baht 3,366,091 (totally Baht 20,755,310).

26. Authorized share capital

26.1 The extraordinary shareholders' meeting No.2/2002 on August 29, 2002 approved the resolution of capital increase as follows:-

26.1.1 The increase of authorized share capital Baht 180 million by issuing 18 million common shares of Baht 10 per share (totally Baht 360 million). The registration of increased capital to the Ministry of Commerce was on September 6, 2002. The company provided the 9 million common shares of Baht 10 per share to existing shareholders' on the basis of 2 old shares to 1 new common share, at Baht 10 per share which each 1 new common share received 1 warrant (no value). Each warrant can be used to purchase one common share for Baht 10.

26.1.2 To provide the 9 million common shares of Baht 10 per share totally Baht 90 million to the existing shareholders' on the basis of 2 old shares to 1 new share, at Baht 10 per share. The registration of increase share capital to the Ministry of Commerce was on October 29, 2002.

26.1.3 To reserve 9 million common shares for the exercise of warrants in the proportion as indicated in Prospectus of Warrant Issuance which is approved by the Securities and Exchange Commission. Each warrant can be used to purchase one common share for Baht 10. The warrants must be exercised in three years. The warrants can be exercised quarterly on March 30, June 30, September 30, and December 30, all through the life of warrants since June 30, 2003 to June 30, 2006.

The warrants are exercised by shareholders as follows :

<i>No</i>	<i>Exercise Date</i>	<i>Warrants (Unit)</i>	<i>Common share increase (Unit)</i>	<i>Registration Date</i>
1	June 30, 2003	371,160	371,160	July 16, 2003
2	September 30, 2003	196,565	196,565	October 16, 2003
3	December 30, 2003	6,147,560	6,147,560	December 1, 2003
4	March 31, 2004	1,892,000	1,892,000	April 9, 2004
5	June 30, 2004	170,750	170,750	July 14, 2004
6	September 30, 2004	528,000	528,000	October 6, 2004
7	December 30, 2004	10,507,200	10,507,200	January 7, 2005

26.2 The extraordinary shareholders' meeting No.1/2003 on December 9, 2003 approved the resolution of share capital as follows :-

26.2.1 To split of authorized share capital of Baht 10 per share to Baht 1 per share by issuing 360 million common shares of Baht 1 per share so the share capital was Baht

360 million. The registration of split the capital to the Ministry of Commerce was on December 11, 2003.

26.2.2 To change of the exercise of warrant in the proportion in Prospectus of Warrant Issuance which each warrant can be used to purchase one common share at Baht 10 per share change to each warrant can be used to purchase 10 common shares at Baht 1 per share.

27. Computation of diluted earnings per share

27.1 For the year ended December 31, 2004.

	Net profit (Baht)		Weighted average Number of ordinary Share (Unit)	Per share (Baht)	
	Consolidated	The Company		Consolidate d	The Company
Basic earnings per share					
Net profit	90,788,582	90,442,631	338,742,708	0.2680	0.2670
The effects to dilutive potential ordinary Shares diluted earnings per share			13,319,277		
Net profit attributable to ordinary Shareholders Deemed to have been converted into ordinary shares	90,788,582	90,442,631	352,061,985	0.2579	0.2569

27.2 For the year ended December 31, 2003.

	Net profit (Baht)		Weighted average Number of ordinary Share (Unit)	Per share (Baht)	
	Consolidated	The Company		Consolidated	The Company
Basic earnings per share					
Net profit	66,816,902	67,321,823	272,333,931	0.2453	0.2472
The effects to dilutive potential ordinary Shares diluted earnings per share			16,834,742		
Net profit attributable to ordinary Shareholders Deemed to have been converted into ordinary shares	66,816,902	67,321,823	289,168,673	0.2311	0.2328

28. Segment information

Segment information consist of :

(See attachment No. 5)

29. Reclassified items

There are some items in the year 2003 which were reclassified for the comparative financial statements, but the status of the financial statements however has not changed substantively.

ATTACHMENT 1

2.3 Basis for preparation the consolidation

	Ratio%		Authorized Share Capital	Held share (s)	
	2004	2003		2004	2003
METRO DISTRIBUTION COMPANY LIMITED	99.1250	99.1250	80,000	79,300	79,300
ADVANCED BUSINESS EXCHANGE COMPANY LIMITED	98.3072	98.3072	500,000	495,500	495,500
METRO PROFESSIONAL PRODUCTS COMPANY LIMITED	98.6000	98.6000	200,000	197,200	49,300
METRO INFO DYNAMICS COMPANY LIMITED	99.2000	99.2000	100,000	99,200	99,200
APPLICATION HOSTING SERVICES COMPANY LIMITED	51.0000	51.0000	110,000	56,100	56,100
METRO-INFINIUM (THAILAND) COMPANY LIMITED	70.0000	70.0000	50,000	35,000	35,000

ATTACHMENT 2

9. Investments for using the equity method

As at December 31, 2004

Unit : Baht

Company	Type of Business	Relationship	Paid-up capital	% of Investment	Investment		Dividend
					Cost method	Equity method	
SUBSIDIARY COMPANIES							
Metro Distribution Co., Ltd.	Computer wholesaler and retailer	Shareholder	8,000,000	99.1250	7,930,000	2,126,330	
Advanced Business Exchange Co., Ltd.	Services electronic systems	Shareholder (Indirect)	50,000,000	98.3072	49,550,000	0	
Metro Professional Products Co., Ltd.	Computers distributor	Shareholder	20,000,000	98.6000	19,720,000	36,368,187	
Metro Info Dynamics Co., Ltd.	Computers, network-equipment and office supplies distributor	Shareholder	10,000,000	99.2000	9,920,000	5,160,635	
Application Hosting Services Co., Ltd.	Computers and service	Shareholder	11,000,000	51.0000	5,610,000	23,558,496	
Metro-infinium (Thailand) Co., Ltd.	Distribute and services computer programs	Shareholder	5,000,000	70.0000	3,500,000	4,375,480	
					96,230,000	71,589,128	0
ASSOCIATED COMPANIES							
Metrosoft Co., Ltd.	Services and develop computer systems	Shareholder	6,000,000	49.0000	2,940,000	0	
HIS MSC Co., Ltd.	Computer programs distributor	Shareholder	4,000,000	49.9700	1,998,800	4,910,189	
PSP (Thailand) Co., Ltd.	Distribute and service computer programs	Shareholder	10,000,000	49.8000	4,980,000	12,942,136	
Intensia BP (Thailand) Co., Ltd.	Software-enterprise resource planing (ERP)	Shareholder	10,000,000	40.0000	4,000,000	9,228,244	
					13,918,800	27,080,569	0
Total					110,148,800	98,669,697	0

ATTACHMENT 3

9. Investments for using the equity method

As at December 31, 2003

Unit : Baht

Company	Type of Business	Relationship	Paid-up capital	% of Investment	Investment		Dividend
					Cost method	Equity method	
SUBSIDIARY COMPANIES							
Metro Distribution Co., Ltd.	Computer wholesaler and retailer	Shareholder	8,000,000	99.1250	7,930,000	2,171,180	
Advanced Business Exchange Co., Ltd.	Services electronic systems	Shareholder (Indirect)	50,000,000	98.3072	49,550,000	0	
Metro Professional Products Co., Ltd.	Computers distributor	Shareholder	5,000,000	98.6000	4,930,000	16,316,175	
Metro Info Dynamics Co., Ltd.	Computers, network-equipment and office supplies distributor	Shareholder	10,000,000	99.2000	9,920,000	5,860,431	
Application Hosting Services Co., Ltd.	Computers and service	Shareholder	11,000,000	51.0000	5,610,000	21,479,082	
Metro-infinium (Thailand) Co., Ltd.	Distribute and services computer programs	Shareholder	5,000,000	70.0000	3,500,000	4,347,026	
					81,440,000	50,173,894	0
ASSOCIATED COMPANIES							
Metrosoft Co., Ltd.	Services and develop computer systems	Shareholder	6,000,000	49.0000	2,940,000	0	
HIS MSC Co., Ltd.	Computer programs distributor	Shareholder	4,000,000	49.9700	1,998,800	3,614,575	
PSP (Thailand) Co., Ltd.	Distribute and service computer programs	Shareholder	10,000,000	49.8000	4,980,000	11,484,617	
Intensia BP (Thailand) Co., Ltd.	Software-enterprise resource planing (ERP)	Shareholder	10,000,000	40.0000	4,000,000	6,555,836	
					13,918,800	21,655,028	0
Total					95,358,800	71,828,922	0



ATTACHMENT 4

12. Property, plant and equipment-net

As at December 31, 2004

Unit : Baht

Consist of :	Consolidated				The company			
	2003	Increase	Sale/Transfer	2004	2003	Increase	Sale/Transfer	2004
Cost price								
Land	223,658,890	10,324,294	0	233,983,184	217,945,890	10,324,294	0	228,270,184
Land improvement	29,053,003	0	10,324,294	18,728,709	29,053,003	0	10,324,294	18,728,709
Building	474,297,427	9,867,589	52,000	484,113,016	469,603,538	9,867,589	52,000	479,419,127
Leasehold right and building improvement	24,640,951	6,921,702	26,586,605	4,976,048	24,640,952	6,921,702	26,586,605	4,976,049
Machinery and equipment	31,090	78,600	0	109,690	0	0	0	0
Furniture and fixtures	73,446,900	3,696,197	1,915,328	75,227,769	65,633,427	1,082,388	1,525,714	65,190,101
Vehicles	86,677,469	9,593,581	11,694,660	84,576,390	84,560,682	9,593,581	11,694,660	82,459,603
Office equipment	618,695,475	92,196,228	24,788,483	686,103,220	600,873,449	71,516,753	20,096,563	652,293,639
Other fixed assets	27,123,418	4,604,427	734,987	30,992,858	26,280,691	4,486,582	729,908	30,037,365
Total cost price	1,557,624,623	137,282,618	76,096,357	1,618,810,884	1,518,591,632	113,792,889	71,009,744	1,561,374,777
Accumulated depreciation								
Land improvement	6,453,270	938,358	0	7,391,628	6,453,270	938,358	0	7,391,628
Building	176,089,239	27,491,319	14,448	203,566,110	174,525,685	27,104,021	14,447	201,615,259
Leasehold right and building improvement	16,743,996	1,922,242	13,690,207	4,976,031	16,743,996	1,922,242	13,690,208	4,976,030
Machinery and equipment	19,744	11,096	0	30,840	0	0	0	0
Furniture and fixtures	55,905,045	5,606,603	1,612,282	59,899,366	52,807,016	4,003,910	1,519,280	55,291,646
Vehicles	26,874,342	15,859,421	10,738,821	31,994,942	26,022,627	15,436,305	10,738,820	30,720,112
Office equipment	319,555,840	112,431,748	9,026,775	422,960,813	310,011,476	105,118,377	7,878,667	407,251,186
Other fixed assets	15,254,715	3,804,136	259,927	18,798,924	14,902,636	3,635,220	258,872	18,278,984
Total accumulated depreciation	616,896,191	168,064,923	35,342,460	749,618,654	601,466,706	158,158,433	34,100,294	725,524,845
Property, plant and equipment, net	940,728,432			869,192,230	917,124,926			835,849,932
Depreciation	149,414,602			168,064,923	142,937,346			158,158,433

ATTACHMENT 4

12. Property, plant and equipment-net

As at December 31, 2003 (Audited)

Unit : Baht

Consist of :	Consolidated				The company			
	Dec. 31, 2002	Increase	Sale/Transfer	Dec. 31, 2003	Dec. 31, 2002	Increase	Sale/Transfer	Dec. 31, 2003
Cost price								
Land	223,658,890	0	0	223,658,890	217,945,890	0	0	217,945,890
Land improvement	29,053,003	0	0	29,053,003	29,053,003	0	0	29,053,003
Building	473,795,418	733,639	231,630	474,297,427	469,835,168	0	231,630	469,603,538
Leasehold right and building improvement	19,492,020	5,243,718	94,787	24,640,951	19,492,020	5,243,719	94,787	24,640,952
Machinery and equipment	25,382	5,708	0	31,090	0	0	0	0
Furniture and fixtures	81,004,194	9,732,640	17,289,934	73,446,900	75,072,032	7,802,648	17,241,253	65,633,427
Vehicles	47,965,883	54,483,140	15,771,554	86,677,469	46,293,313	53,778,924	15,511,555	84,560,682
Office equipment	515,558,175	137,678,294	34,540,994	618,695,475	501,753,621	133,069,867	33,950,039	600,873,449
Other fixed assets	21,879,651	5,260,255	16,488	27,123,418	21,351,377	4,936,982	7,668	26,280,691
Total cost price	1,412,432,616	213,137,394	67,945,387	1,557,624,623	1,380,796,424	204,832,140	67,036,932	1,518,591,632
Accumulated depreciation								
Land	0	0	0	0	0	0	0	0
Land improvement	5,517,483	935,787	0	6,453,270	5,517,483	935,787	0	6,453,270
Building	151,443,004	24,877,861	231,626	176,089,239	150,330,062	24,427,249	231,626	174,525,685
Leasehold right and building improvement	15,615,692	1,206,453	78,149	16,743,996	15,615,692	1,206,453	78,149	16,743,996
Machinery and equipment	13,973	5,771	0	19,744	0	0	0	0
Furniture and fixtures	68,046,919	4,844,804	16,986,678	55,905,045	66,247,131	3,533,211	16,973,326	52,807,016
Vehicles	31,762,501	10,469,253	15,357,412	26,874,342	31,325,624	10,052,991	15,355,988	26,022,627
Office equipment	235,965,389	103,923,321	20,332,870	319,555,840	230,410,098	99,754,289	20,152,911	310,011,476
Other fixed assets	12,110,771	3,151,352	7,408	15,254,715	11,879,884	3,027,366	4,614	14,902,636
Total accumulated depreciation	520,475,732	149,414,602	52,994,143	616,896,191	511,325,974	142,937,346	52,796,614	601,466,706
Property, plant and equipment, net	891,956,884			940,728,432	869,470,450			917,124,926
Depreciation	110,382,272			149,414,602	95,180,175			142,937,346

Attachment No. 5

28. Segment information

Unit : Million Baht

	2004			2003			2004		2003		Assets	
	Income			Income			Gross profit		Gross profit		2004	2003
	Sales	Service&Rent	Other income	Sales	Service&Rent	Other income	Sales	Service&Rent	Sales	Service&Rent		
Parent company	4,537	234	39	4,127	161	40	535	164	467	113		
Susidiary companies												
Metro Distribution Co., Ltd.	-	-	-	-	-	-	-	-	-	-		
Metro Professional Products Co., Ltd.	222	7	-	291	7	2	26	3	17	5		
Advanced Business Exchange Co., Ltd.	-	-	-	-	3	-	-	-	-	3		
Metro Info Dynamics Co., Ltd.	1	-	-	-	-	-	-	-	-	-		
Application Hosting Services Co., Ltd.	159	98	2	131	74	1	17	33	17	30		
Metro-infinium (Thailand) Co., Ltd.	4	17	-	7	13	-	2	13	4	7		
Less Inter-office transaction	(27)	(4)	(10)	(42)	(3)	(13)						
Consolidated revenue	4,896	353	31	4,514	255	30					2,473	2,560
Total assets												

References

- **Share Registrar**
Thailand Securities Depository
62 Rachadapisek Road, Kongtoey, Klongtoey District, Bangkok 10110
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- **Auditor**
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Mrs. Suwanee Kittipanya-ngarm , certified public accountant No. 2899 and/or
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-

- **Advisor or manager under contract**
- none -



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