

# 2014

# Annual Report



**Metro Systems Corporation Public Company Limited**

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## Message from the Chairman

Throughout 2014, the Thai economy decreased from 2013 levels because of many factors, including reduced export of products and services with the slow world economic recovery, loss of tourist revenue during the first six months of political unrest, and sluggish government spending. There were signs of recovery at year-end as a result of increasing consumption and private investment which boosted employment and other revenues excluding agriculture. However, the reduction of operation costs in the business sector, following decreasing global commodity prices, and the restructured domestic retail oil price must be closely monitored. The fluctuation of capital fund flow between countries, volatile exchange rates, and the declining trend of oil and agriculture product prices all contributed to the weakening of the economic recovery.

The ICT industry and Thai Government policy are moving forward together towards a 'Digital Economy'. This is now a wake-up call for ICT business companies to be at the forefront of expansion in the domestic digital economy in four main areas: 1) Infrastructure, 2) Electronic business and commerce, 3) Human resource development, and 4) Digital government development. At IDC, we believe that the master plan for the digital economy will include new revenue channels for service providers, such as telecommunication operators and digital content-related businesses, including digital entertainment, online games, various types of electronic commerce, and other communication devices. We anticipate that the digital economy will generate 30 % of GNP by 2020.

IDC expects IT in Thailand to expand rapidly, with increasing investments in technology platform generation 3 consisting of Mobility, Big Data, and Social Networking. We believe that revenue from Thailand's IT industry will increase by 10.6 % in 2015 with market expansion of telecommunication devices, IT solution services, virtualization software, and storage equipment.

The Company will watch carefully and closely monitor significantly strategic technology trends. We will prepare to support these new trends, providing products and services which are contemporary and correspond to customer needs. Our aim is to support all changes, including technology progress towards digital business such as cloud computing, and new applications regarding big data which will enhance faster data processing, higher efficiency, and cost-effectiveness in terms of IT system management. We will continue to provide data analysis software, security software for mobile phones, and solutions for IP technology to support all time data access. We will improve the interface ability through network systems, mobile application development, and Business Continuity System Service to continue our operations without any pause, in normal or crisis situations. In addition, we will focus on human resource development to learn new technologies and create business strength and sustainability for the organization.

On behalf of the Board of Directors, I really appreciate the long-lasting support from our customers and shareholders. I would like to thank all our management, officers and staff who are determined to work hand to their best capability. The Company will still operate the business with transparency and ethics, and maintain our place at the forefront to develop a sustainable IT society.

**Mr. Sunpitt Sethpornpong**

Chairman

# Corporate Policy and Background

## Corporate Background

Metro Systems Corporation Plc. was founded in 1986 with 4-million-baht registered capitals. The Company operates its business as the distributor of IBM products. After that, the Company expanded its business by distributing IT solutions and providing services from other leading IT companies so that the services provided would be comprehensive and meet the needs of customers.

In 1995, the Company resolved to increase its registered capital to 180 million baht and restructured its business by registering to be the public company limited with the Stock Exchange of Thailand (SET). The first common stock was traded on 9 May 1996. Throughout the Company's operation period, the Company has changed its registered capital properly to its size business. Today the Company's registered capital is 360 million baht (paid-up capital).

## Significant Improvement and Development

Metro Systems Corporation Plc. has continuously developed its organization by aiming to achieve the operating efficiency based on the business environment. The following significant improvement and development were conducted during the past five years:

Year	Significant Improvement and Development
2014	The Company invested in human resources development on recruiting, developing and retaining personnel so that we have officers who are qualified to meet the organization's job requirements. We also train our staff in accordance with Core Company Principles for career advancement and professional pride which leads to sustainable organization growth.
2013	The Division of Business Continuity Solutions relating to the corporate information protection has been certified by ISO/IEC 27001:2005.
2012	The Company established Metro Info Dynamics Co., Ltd. with the investment ratio of 99.99% for distribution of computers and software and other related products.
2011	The Company invested in JBCC (Thailand) Co., Ltd. by subscribing the shares of JBCC Holding Inc., Japan with the value of 2 million baht or 20% ratio in order to expand the business to Japanese customers in Thailand.
2010	The Division of Managed Services was certified by ISO/IEC 20000-1:2011 in IT service administration system standard for corporate's efficient IT service and ISO/IEC 27001:2005 in IT safety management system standard for IT risk management.

Year	Significant Improvement and Development
2009	The Company established Metro Connect Co., Ltd. with the investment ratio of 99.99% for distribution of computer and peripheral devices through online partner in different industries and distributors (systems integrators).
2008	The Company was certified by ISO 9001:2008.

## Mission

The main mission of the Company is “To be a world-class information technology total solutions provider with effective business continuity management to customer success and to make significant contribution to the development of the information society”.

## Vision

- To be the leading distributor of major products in IT industry.
- To enhance and develop comprehensive IT services in order to add more value to the Company.
- To support the personnel to be skilled and able to provide standardized services and to create customer's progress so that the customer can respond to technology changes.

## Quality Policy

The quality policy of the Company is “Accuracy, Timeliness, and Commitment to Continuous Improvement”.

## Goals of Business Operation

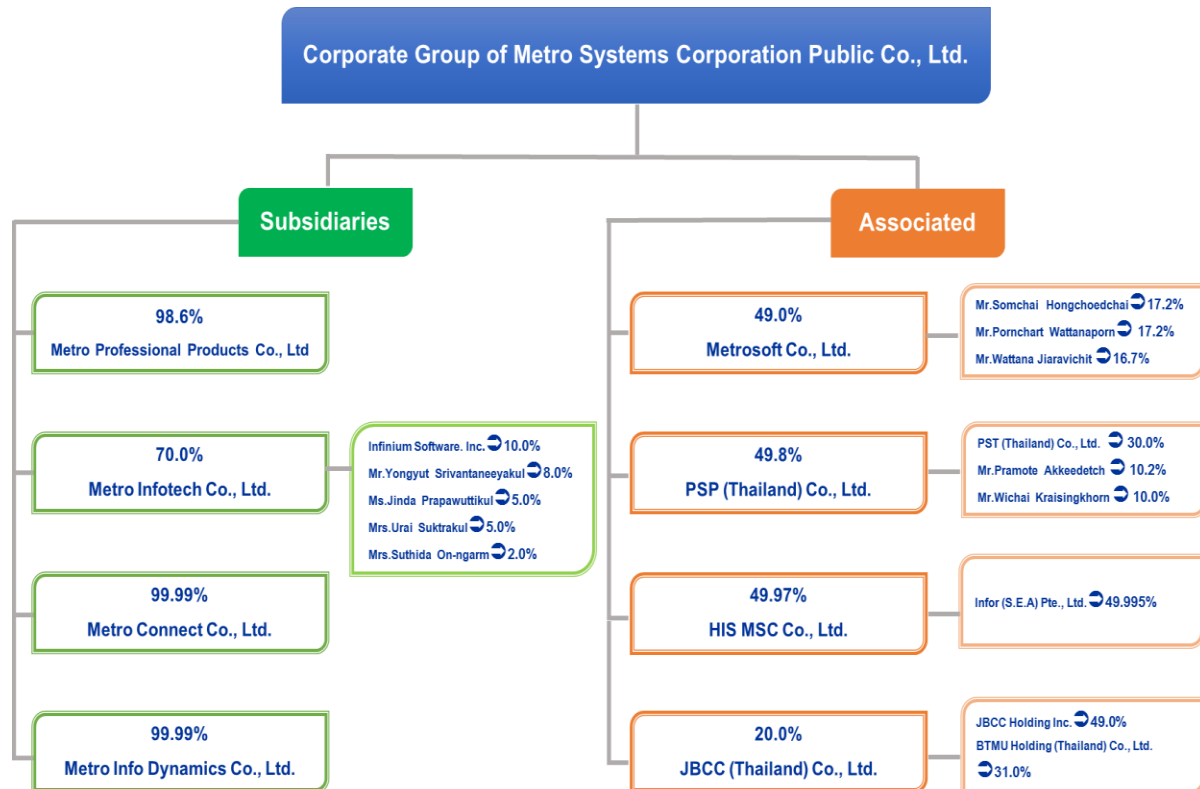
In 2015, the Company targets that the growth of gross revenue and gross profit will be close to

that of 2014 and the Company still maintains the emphasis on various operations to achieve the goals, which are:

1. Maintaining sales from past customers and increase sales from new customers. This can be done by closely cooperating with other business partners in order to offer the solutions that meet the needs of the targeted customer group;
2. Emphasizing on selling high-grade products or solutions both for hardware and software products as well as virtualization technology to enhance performance and reduce cost;
3. Emphasizing on investing in new technology to create customer's confidence that the technology used by the Company and sold to the customer are efficient and effective;
4. Using ISO/IEC 20000:2005 and ISO/IEC 27001:2005 certification standard as the strength to expand the outsourcing service business in order to help customers to manage information technology security, reduce the risks from threats and create continuity in business operation; and,
5. Researching and developing sales to track potential changes, such as Cloud, Big Data and Mobility.

## Corporate Shareholding Structure

By promoting and supporting its main business operation, the Company has invested in 8 related IT companies (consisting of 4 subsidiaries and 4 joint venture companies) in order to meet the customers' demand and effectively provide full-range of service. The shareholding structure and management policy are determined by the Company as follows.



## Relationship between Main Groups of Corporate Shareholders

Main groups of corporate shareholders and Charuvajana Family are currently the founders of these companies.



# Nature of Business

The Company operates its business as the distributor for computer, peripheral devices, software solutions, IT system, and office supplies, including system installation service providing, software development as required by the customers and complete training.

Based on the business operation under new mission framework, the Company has determined clear work division among the main Company, Metro System Corporation Public Company Limited and its subsidiaries covering products IT products and services. The Company has divided its product and service lines into the following categories:

- **Enterprise Systems Group (ESG)** To distribute computer hardware comprising with middle-sized computer, PC, Storage devices, retail system, Software for backup, security and mobility with 38.3% of total revenue in 2014.

- **Solutions Integration Group (SIG)** To distribute software solution and provide system installation service, including IT consulting and training service providing for enhancing

effective business management with 30.4% of total revenue in 2014.

- **Office Supplies Group (OSG)**

To distribute office supplies products, such as ink cartridge, data cartridge for computer, small-sized printer, camera and projector, smart phones, and tablets with 30.7% of total revenue in 2014.

The Company also developed demonstration centre for new integrated technology that could be utilized for maximum operation, such as information management solution for executive's business decision, data centre development in line with business direction and risk prevention.

Mixed concept regarding IT technology and types of communication is known as Unified Communication leads to the idea of working or doing business at all places and time. The facility is open for customers, government agencies, private sectors and education institutions to visit, test and try out those technologies according to Proof of Concept.

## Revenue Structure

The revenue structure of the Company and its subsidiaries could be divided into these following categories based on the nature of business during the period of last 3 years.

(Unit : Million Baht)

Products and Services	Operated By	2014		2013		2012	
		Income	%	Income	%	Income	%
Part 1 : Sale and Service Incomes							
Enterprise Systems Group (ESG)	MSC/MPP/MCC/ MID	2,712	38.3	2,532	37.4	2,285	35.6
Solutions Integration Group (SIG)	MSC/MIT	2,154	30.4	2,019	29.8	1,920	30.0
Office Supplies Group (OSG)	MSC	2,170	30.7	2,184	32.2	2,173	33.9
Others		3.3	0.0	8.4	0.1	5.3	0.1
Total Sale and Service Incomes		7,041	99.4	6,743	99.5	6,383	99.6
Part 2 : Other Incomes		35	0.5	29	0.4	32	0.5
Total Company's and Subsidiaries' Incomes		7,076	99.9	6,773	100.0	6,416	100.1
Part 3 : Profit (Loss) of Associated Companies	PSP/MS/HIS/JBTH	5.1	0.07	0.3	0.01	-4	-0.06
Total Income		7,081	100	6,773	100	6,412	100

Source : Combined Financial Statement

## Products and Services

The Company currently operates business as the distributor and service provider for complete IT solutions with the world's leading brands such as IBM, Hewlett-Packard, Canon, Lenovo, Cisco, Dells, Acer, Epson, Hitachi, Microsoft, Solid Work. The Company is divided into three business units. Each unit has a distinguished strategy plan following different business competition as follows:

### Enterprise Systems Group (ESG)

*We sell and distribute hardware comprising middle-sized computers, PCs, Notebooks, storage devices, retail systems, and software for backup, security and mobility. This also includes computer system design and implement for customers, applying complete solutions, program coding as required, and RPG program training.*

Our main strategy is to provide after sales service, with a team of experts. The Company focuses on developing individual expertise which can then respond to customer demand, and create value-added products and services, instead of only a price mechanism strategy. Moreover, we cooperate with Production Companies, business partnerships and other software developers to propose complete solutions for both hardware and software to expand the market to customers in other business sectors and industries.

### Solutions Integration Group (SIG)

*We sell software solutions with system implementation and IT consulting to promote more efficient business management. We offer solutions for data centers, network systems, IT technology, and for executive decision making, emergency backup systems*



***for business, software for design, managed services, IT knowledge training and testing.***

Our main strategy is to offer the complete solution, focusing on the world's top ten products with our expertise in specific business sectors. In addition, we have been appointed as an official software distributor. We strive to create more value to our services by developing expertise in the products. We ensure that our staff are trained, tested and certified in all our products. The Company also provides software to customers according to their requirement and price ranges. Some of this software can be downsized, and is therefore more appropriate for the Company to expand as a market to middle-class and small customers.

#### **Office Supplies Group (OSG)**

***We provides office consumable supplies such as printing ink cartridges, data cartridge for computer, small-sized printers, cameras, projectors, and smart phones and through direct sale channels such as telemarketing, expansion via retail, and sale through E-Procurement on [www.metro-oa.com](http://www.metro-oa.com)***

Our main strategy is for Tele Sales staff to present genuine quality products to target customers from business units in SMB to major consumer groups. This also includes government and education institutions nationwide. We rely on registered companies in Thailand and IT systems to manage customer databases and target groups. Furthermore, we apply IT systems to manage the complete sale process, both prior to and after sale.

## Marketing and Competitive Trend

### Marketing Policy

The Company has clear business operating policies, especially in creating of distinctive service and IT consultancy service providing in order to add value of its products and services. In general, the competition in dealer business does not depend much on different product brands or product specifications. Therefore, most dealers put focus on marketing activities especially pricing and service quality competition. As the result, the Company has prepared the strategic plan in managing external factors to reduce business risks as the following:

1. For product management, the Company focuses on the increase in wide ranges of product and service from multiple manufacturers. The Company also finds the way to add value to products as proven to manufacturing Company and customer by leverage of officers' expertise. All strategies have the aim to make distinguishing quality out of other dealers and competitors in the market.

2. For customer-based management, the Company places the importance on the expansion of customers in private sector from SMEs to larger organizations and those in various industries, such as, electronic parts, automobile and financial institutions with the aim to diversify the risk in case of industrial investment recession. The Company also seeks the cooperation with manufacturing Company and software developer to expand the business into the new group of customer such as education institution etc. The Company attempts to avoid engaging in highly competitive business such as mega project

bidding, government agency project and wholesale business. Moreover, the Company has prepared the business risk management plan by diversifying the revenue equally received from each customer or one particular customer base to mitigate the impact in case of lost customer. This includes the development of sale and marketing activity to maintain good relationship with customers.

3. The Management on Customer Shares and Distribution Channels was conducted through both direct sale and dealers. However, the Company has long experience and expertise in this kind of direct sale since it can expand great deal of market shares with high profit and also manage the risk about debtor more effectively. On the contrary, dealers method encourages the product distribution to retail customers, customer group in provincial areas or industries in which the Company does not have expertise.

4. The continuous human resources ability development has been designed for officers to be able to give advice on IT investment and present IT solution corresponding to the customer's need. This development will create added value and distinction in application effectiveness more than only mechanism in pricing competition. It also includes the development of technology demonstration centre based on Proof of Concept which gives opportunity for study and direct experience in actual usage. Customer will have more confidence in making decision on IT investment.

## Natures and Groups of Targeted Customers

Majority of Company's targeted customers are from small-sized to large-sized businesses, such as financial institutes, governmental divisions, state enterprises and educational institutions. The Company had also mainly focused on the customers from private sectors with the ratio at 92% of total revenue.

In 2014, 75% of total Company's existing customers repurchased the products and services with the ratio at 95% of total revenue.

The Company has currently no main customer who has more than 10% of total purchased order of products and services, therefore, reduces its risk for the case of the loss of main customer.

## Sales and Distribution Channels

The Company tends to concentrate on overall distribution for all customers. The Company has also organized the distribution system through both direct sales and dealers. However, the Company tends to concentrate on direct sale more than dealers at the ratio of 87:13.

## Industry Trend and Competition

IDC Thailand reports that the PC market has been shrinking for the past three years. PC sales have reduced by 17 %, with the total number of PC and tablet sales 2.48 million units and 3.45 million units respectively.

In 2015, IDC Thailand forecast that IT spending in Thailand will grow from 2014 by 10.6% to 440,000 million baht. The telecommunication device market will grow the most. The IT service market (support services and operation management), software product market in cloud and virtualization and the storage equipment market will show less growth. IDC Thailand anticipates that in 2015, the total number of PC sales will be 2.66 million units. Total tablet sales will be 2.65 million units, decreasing by 23 % from 2014. In 2015, total tablet sales will be mainly from government projects which will help to recover the confidence of the private sector and customers after the economic slowdown as a result of political uncertainty and lack of government investment stimulus. In addition,

another boost is that the Bank of Thailand predicts improved GDP by 4 %.

IDC expects that number of smart phone users will increase to half of the population in 2015. This opens up more opportunity to access the smart phone user group. We will apply Mobile First Strategy to use the smart phone as the important channel to contact and reach the customers. As a result, application programming to connect with organizations information is crucial. With the increasing popularity of smart phone use, several organizations will realize the importance of mobile device management and the security of smart phones and tablets.

Big data will continue to expand. Organizations will benefit from data analysis for in-depth business information, and create competitive business advantage. Organizations will utilize the big data systems to improve their agility in business operations and data purification for better efficiency and investment return. However, data will increase tremendously and become obsolete very quickly. Organizations need

highly efficient tools to display and analyze vast amounts of data.

IDC expects the investment in cloud computing in 2015 to expand. Many organizations will accept the cloud system applications. Also, the cloud user rate in Thai financial institutions is higher than in other countries in the Asia Pacific region. There is more investment in the cloud system in Thailand, especially in the public sector and cloud systems are expected to have a value of 30.5 million dollars.

The Company has closely followed up technology advancement and prepared a supporting plan for the upcoming trend. Therefore, we will be able to provide products and services corresponding to customer requirements. As an

example, cloud computing and new applications related to big data will enhance processing efficiency with faster database management, higher efficiency, and cost saving in IT system management. We also provide database analysis software, security software for mobile phones, and solutions for IP technology to support continuous data access and improve the operation potential of network systems as well as application development on mobiles. In addition, we provide service on Business Continuity to support uninterrupted work in the event of crisis, and we are committed to the development of staff to learn new technology which strengthens our business operation.

#### **Products and Services Procurement**

The Company procures products and services through two main channels as follows:

1. We purchase directly from the production companies, mostly major companies such as IBM, Microsoft, Hewlett-Packard, Epson, SolidWorks, Cisco, and Imation. We also have the commerce agreements which appoint us as distribution representatives with effective periods of between 1 to 2 years. In 2014, the Company made 70 % of direct purchases from production companies.

2. Orders from the main product representative companies which accounted for the remaining 30 %.

Most distributed products are purchased from the Production Company in the Thailand operation branch; this will reduce the risk from exchange rate fluctuation. Exchange rate volatility could affect cost and selling price mechanisms for products ordered from overseas. For example, we buy software from dealers in Singapore and USA. For each purchase we will accept a forward currency exchange rate. The Company has a proportion of 72:28 for domestic and overseas purchases respectively

## Main Agreements Related to Business Operation

Majority of business operation of the Company and its subsidiaries are contracted as “Distribution Agreement” in which the existing related parties are detailed as follows.

Parties / Agreement	Term of Agreement	Details
1. IBM (Thailand) Co., Ltd. / Partner Agreement	2 Years (December 2014-2016)	This is categorized as “Distributorship Agreement” for the products in the group of System-X and retailed computers.
2. IBM (Thailand) Co., Ltd. / Partner Agreement	2 Years (December 2014-2016)	This is categorized as “Distributorship Agreement” for the products in the group of System-X, AIX/Linux Operating Systems, banking devices and services.
3. IBM (Thailand) Co., Ltd. / Partner Agreement	2 Years (May 2014-2016)	This is categorized as “Distributorship Agreement” for the products in the group of System-X, AIX/Linux Operating Systems which have been upgraded (IBM Pure System), banking devices and services.
4. IBM Singapore Pte., Ltd. / Partner Agreement	10 Months (Mar 2014-Dec 2014)	This is categorized as “Distributorship Agreement” for the products in the group of software, i.e. Lotus, IBM, Tivoli and Cognos.
5. Hewlett-Packard Thailand Ltd. / Authorized Dealer Agreement	Unspecified	This is categorized as “Distributorship Agreement” for the products in the group of personal computers, printers, database, and office supplies.
6. Microsoft Regional Sales Corporation, Singapore / Microsoft Channel Agreement	1 Year (Sep 2014 – Aug 2015)	This is categorized as “Distributorship Agreement” for Microsoft software.

Parties / Agreement	Term of Agreement	Details
7. SolidWorks Corporation, USA / Software Reseller Agreement	1 Year (Apr 2014 – Mar 2015)	This is categorized as “Distributorship Agreement” for SolidWorks.
8. Epson (Thailand) Co., Ltd.	1 Year (Apr 2014 – Mar 2015)	Epson products, both authentic products and accessories.
9. Lexmark International (Singapore) Pte., Ltd.	Unspecified	Toner cartridges to be used with printers.
10. Cisco Systems	2 Years (28 Jan 2013 – 27 Jan 2015)	Peripheral Devices for Computers, Telephone System, Remote Meeting, Computer System Security.
11. Imation South Asia Region (Authorized Distributor Certificate)	1 Year (Jan– Dec 2014)	Imation Product Brand Distributor

#### **Environmental Impact:**

- None -

#### **Undelivered Work:**

- None -



# Risk Factors

Main risk factors which affect business stability in the form of IT products and service dealers can be classified as follows:

**Risk from the entry of cloud computing service providers** could affect customer purchase decisions on hardware and software. Customers may consider purchasing services on a monthly basis which could have an impact on Company total sales. However, the Company can still increase the revenue generated from system consulting services, data connection services and other secondary channels.

**Risk caused by manufacturers' policy** that the Company's manufacturers can appoint additional dealers or make direct sale to consumers. Also, the period of contract the Company is holding as dealer is quite short for only 1 to 2 years. This short contract period could result in contract termination or dealer's role reduction. Therefore, the Company precedes the strategic plan to add more varieties of product and service, appropriately manage the proportion of sale and profit receiving from products and services with balanced allocation in order to diversify the risks

**Risk from the customer policy to reduce expenditure** could cause a reduction in consumable supply purchases. The possibility of this risk is not obvious at the moment with constant demand, but the Company has prepared a risk management plan by increasing the base of small and middle customers. Also, the Company is expanding product range to reduce the risk and dependence on consumable supplies only. The Company will focus on selling complete office equipment and supplies in the future.

**Price risk** could result in the reduction of sale and profit. Therefore, it needs to concentrate on value added to products and services by

utilizing the officers' constant developed expertise to make unique difference from competitors.

**Risk of product depreciation** due to the rapid change in technology and customer's requirements have significant impact on cost and inventory. Consequently, the Company has arranged inventory management system to monitor and check the movement of product, planned investment project and marketing campaign activities to reduce the period of sale on the inventory and the cause of out-of-dated products.

**Debt management risk** caused by Company's approval to the customers for direct credits without paying back or following to the terms and conditions required by the Company, the Company has reduced the risk on bad debt, the Company, therefore, determined the credit approval standard and appropriate credit policy, followed up and controlled the debt management continuously, and determined the policy on allowance of doubtful debt which has been unexpected to pay back according to the Account Receivable Aging.

For **currency exchange risk** based on the overseas purchase order, the Company has the preventive policy on Currency Fluctuation by making an advance currency contract with the manufacturers in order to reduce the risk on costs.

Regarding **Human resource risk**, to keep up with the shift of technology and customer's demand, the Company has prepared continuous and comprehensive human resources plan at all levels, such as key success factor, career training or other relevant knowledge for creating well-rounded officers, sale and service skill ranking test according to the manufacturing Company's requirement, team building seminar and incentive fair payment

# Corporate Overview

## Details of Company, Subsidiaries, Associated Company and Related Persons

### Metro Systems Corporation Public Co., Ltd.

#### Head Office :

<b>Company Name:</b>	<b>: Metro Systems Corporation Public Co., Ltd.</b>
Group of Industry/ Business	: Technology/ Information Technology and Communications
Nature of Business:	: Distribution Agency for Computer Hardware and Software Solutions, including full IT services
Registration No.	: 0107538000347
Registered and Paid Capital	: THB 360,000,000.00
Number of Shares	: 360,000,000 shares
Par Value	: THB 1.00
Head Office Location	: 400 Chalermprakiat Rama 9 Rd., Nhongbon, Pravet, Bangkok 10250
Telephone	: 02-726-2555, 02-727-4000
Fax	: 02-726-2630
Website	: <a href="http://www.metrosystems.co.th">http://www.metrosystems.co.th</a>

#### Branches :

<b>Bangkok Advanced Learning</b>	<b>: 979/27-31 16<sup>th</sup> Floor, SM Tower, Phaholyothin Road, Samsen-nai, Phayathai, Bangkok 10400</b>
Purpose of Business	: Microsoft Training and Demonstration Centre
Telephone	: 02-727-4015, 02-727-4724
Fax	: 02-298-0038
Website	: <a href="http://www.bal2001.com">http://www.bal2001.com</a>
<b>Envisioning Centre</b>	<b>: 888/15 -17 Mahatun Plaza Building, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330</b>
Purpose of Business	: IBM Training and Demonstration Centre
Telephone	: 02-727-4437, 02-7274379, 02-727-4082
Fax	: 02-253-0563
Website	: - - -

## Subsidiaries Companies

<b>Company Name:</b>	:	<b>Metro Professional Products Co., Ltd.</b>
Group of Industry/ Business	:	Technology/ Information Technology and Communications
Nature of Business:	:	Service Provider of Complete Computer System
Registered and Paid Capital	:	THB 20,000,000.00
Number of Shares	:	200,000 shares
Par Value	:	THB 100.00
Head Office Location	:	98/44 Factory Land 2 Alley 3, Moo 11, Bhudhamolthon 5, Rai Khing, Sam Pran, Nakorn Pathom 73210
Telephone	:	02-811-8098
Fax	:	02-811-8099
Website	:	<a href="http://www.mpp.co.th">http://www.mpp.co.th</a>

<b>Company Name:</b>	:	<b>Metro Infotech Co., Ltd.</b>
Group of Industry/ Business	:	Technology/ Information Technology and Communications
Nature of Business:	:	Installation and Service Provider and Distributor of Software of Customer Relationship Management, Business Process Management and Business Intelligence
Registered and Paid Capital	:	THB 5,000,000.00
Number of Shares	:	50,000 shares
Par Value	:	THB 100.00
Head Office Location	:	400 Chalermprakit Rama 9 Rd., Nongbon, Pravat, Bangkok 10250
Telephone	:	02-727-4564, 02-727-4551
Fax	:	02-726-2530
Website	:	<a href="http://www.metroinfotech.co.th">http://www.metroinfotech.co.th</a>

<b>Company Name:</b>	:	<b>Metro Connect Co., Ltd.</b>
Group of Industry/ Business	:	Technology/ Information Technology and Communications
Nature of Business:	:	Distributor of Computer Product, Peripheral devices, and Software through IT Service Providers
Registered and Paid Capital	:	THB 10,000,000.00
Number of Shares	:	1,000,000 shares
Par Value	:	THB 10.00
Head Office Location	:	400 Chalermprakit Rama 9 Rd., Nongbon, Pravat, Bangkok 10250
Telephone	:	02-726-2555

Fax	:	02-727-4466
Website	:	<a href="http://www.metroconnect.co.th">http://www.metroconnect.co.th</a>
<b>Company Name:</b>	:	<b>Metro Info Dynamics Co., Ltd.</b>
Group of Industry/ Business	:	Technology/ Information Technology and Communications
Nature of Business:	:	Distributor of Computer Product, Peripheral devices, and Software
Registered and Paid Capital	:	THB 10,000,000.00
Number of Shares	:	100,000 shares
Par Value	:	THB 100.00
Head Office Location	:	400 Chalermprakit Rama 9 Rd., Nongbon, Pravee, Bangkok 10250
Telephone	:	02-726-2555
Fax	:	02-727-4989
Website	:	---

### Associated Companies

<b>Company Name:</b>	:	<b>HIS MSC Co., Ltd.</b>
Group of Industry/ Business	:	Technology/ Information Technology and Communications
Nature of Business:	:	Service Provider and Distributor for Hotel Management Software, for example, Eptome Software
Registered and Paid Capital	:	THB 4,000,000.00
Number of Shares	:	40,000 shares
Par Value	:	THB 100.00
Head Office Location	:	400 Chalermprakit Rama 9 Rd., Nongbon, Pravee, Bangkok 10250
Telephone	:	02-727-4101, 02-727-4107-8
Fax	:	02-726-2910
Website	:	<a href="http://www.hismc.com">http://www.hismc.com</a>

<b>Company Name:</b>	:	<b>Metrosoft Co., Ltd.</b>
Group of Industry/ Business	:	Technology/ Information Technology and Communications
Nature of Business:	:	Service Provider and Developer for System Software Based on Customers' Demand
Registered and Paid Capital	:	THB 1,500,000.00
Number of Shares	:	60,000 shares
Par Value	:	THB 25.00
Head Office Location	:	141/16 Sakulthai-Surawong Building, Surawong Rd., Surawong, Bangrak, Bangkok 10500

Telephone	:	02-237-4220-5
Fax	:	02-237-4226
Website	:	- - -
<b>Company Name:</b>	:	<b>PSP (Thailand) Co., Ltd.</b>
Group of Industry/ Business	:	Technology/ Information Technology and Communications
Nature of Business:	:	Database Management Software Distribution and Development
Registered and Paid Capital	:	THB 10,000,000.00
Number of Shares	:	100,000 shares
Par Value	:	THB 100.00
Head Office Location	:	973 Room No. 10F, 10 <sup>th</sup> Floor, President Tower Building, Pleonchit Rd., Lumpini, Pathumwan, Bangkok 10330
Telephone	:	02-656-1616
Fax	:	02-656-0606
Website	:	- - -
<b>Company Name:</b>	:	<b>JBCC (Thailand) Co., Ltd.</b>
Group of Industry/ Business	:	Technology/ Information Technology and Communications
Nature of Business:	:	IT Products Distribution for Japanese Customers
Registered and Paid Capital	:	THB 10,000,000.00
Number of Shares	:	10,000 shares
Par Value	:	THB 1,000.00
Head Office Location	:	591 Samatchavanich 2 Building, 21 <sup>st</sup> Floor, Sukhumvit Road, Klongton Nua, Wattana, Bangkok
Telephone	:	02-662-2218
Fax	:	02-662-2219
Website	:	- - -

### Other Referees

Share Registrar:	Thailand Securities Depository Co., Ltd. 62 Rachadabhisek Road, Klong Toey, Bangkok 10110 Tel. 02-229-2800	
Certified Public Accountant:	Mr. Pornchai Kittipanyangam	CPA Licence No. 2778 and/or
	Mrs. Suwanee Kittipanyangam	CPA Licence No. 2899
	Bunchikij Accounting Co., Ltd. 87/102 Modern Town Building, 9 <sup>th</sup> Fl., Ekkamai 3, Sukhumvit 63, Klong Toey Nue, Wattana, Bangkok 10110 Tel. 02-382-0414	
Legal Consultant:	Legal Office of Metro Systems Corporation (Public) Co., Ltd. Tel. 02-727-4349	
Financial Consultant:	- None-	
Consultant or Manager under Management Contract	- None-	



# Shareholder

As of 31 December 2014, the Company has the registered capital as paid-up amount with 360 million baht which has been divided into 360 million shares with a par value of 1 baht.

## Shareholders

The first 10 shareholders list and the shareholding ratio evaluated on 15 January 2015 are detailed as follows.

Group of Shareholders	Type of Business	Amount of Shares	Ratio (%)
1. Metro Value Creation Co., Ltd.	Holding	88,331,363	24.54
2. Charuvajana Family ***		71,760,167	19.93
3. Metrophose Co., Ltd.	Holding	65,665,402	18.24
4. Chuerattanapong Family		33,635,010	9.34
5. Miss Phanit Ngamkerkchote		15,430,000	4.29
6. Tangtrongsak Family		10,921,200	3.03
7. Mrs. Khema Wisuttiwattanakorn		9,138,220	2.54
8. Suvarupjorn Family		7,592,490	2.11
9. Mrs. Chaweewan Achavaniyut		3,249,000	0.90
10. Mr. Somchai Pongsuriyanan		3,034,500	0.84
<b>Total</b>		<b>308,757,352</b>	<b>85.77</b>

Source: Report of Shareholders List as of January 15, 2015, Thailand Securities Depository Co., Ltd.

## Shareholding Details

### Metro Value Creation Co., Ltd. (As of April 25, 2014)

Group of Shareholders	Amount of Shares	Ratio (%)
1 Miss Seangchit Laohathai	80,000	20.00
2 Mr. Aeron Tangtrongsak	80,000	20.00
3 Miss Somchit Charuvajana	40,000	10.00
4 Mrs. Khema Wisuttiwattanakorn	40,000	10.00
5 Miss Phanit Ngamkerkchote	40,000	10.00

6	Miss Kanya Pathomburana	40,000	10.00
7	Mr. Sunpitt Sethpornpong	40,000	10.00
8	Mr. Pheerapong Sethpakdee	40,000	10.00
<b>Total</b>		<b>400,000</b>	<b>100.00</b>

**Shareholding Details of Charuvajana Family\*\*\***

Group of Shareholders		Amount of Shares
1	Mr. Narong Charuvajana	16,711,331
2	Mr. Tavit Charuvajana	15,287,348
3	Mrs. Pornthip Charuvajana	10,000,000
4	Miss Somchit Charuvajana	7,000,610
5	Miss Thipawan Charuvajana	4,981,649
6	Mr. Pirawitch Charuvajana	4,000,000
7	Mrs. Napaporn Charuvajana	3,684,989
8	Mrs. Orawan Chaiwiwat	3,281,936
9	Miss Amornsri Charuvajana	2,400,000
10	Miss Piyaporn Charuvajana	2,044,800
11	Mr. Boonchuay Charuvajana	1,219,811
12	Mr. Naris Charuvajana	506,444
13	Miss Kanokporn Charuvajana	352,673
14	Mrs. Butsadee Charuvajana	248,420
15	Mrs. Wanthanee Charuvajana	40,156

**Metrophose Co., Ltd. (As of April 25, 2014)**

Group of Shareholders		Amount of Shares	Ratio (%)
1	Metro Co.,Ltd.	4,270,000	85.40
2	Prachin Lap Co., Ltd.	525,000	10.50
3	N.K.L. Co., Ltd.	150,000	3.00
4	Trans Asia Pacific Co., Ltd.	45,000	0.90
5	Mr. Sawangtham Laohathai	2,999	0.06
6	Mr. Aeron Tangtronsakdi	2,499	0.05
7	Metro Group Co., Ltd.	1,503	0.03
8	Mr. Sunpitt Sethpornpong	1,500	0.03
9	Mr. Pheerapon Sethpakdee	1,499	0.03
<b>Total</b>		<b>5,000,000</b>	<b>100.00</b>

# Dividend Policy

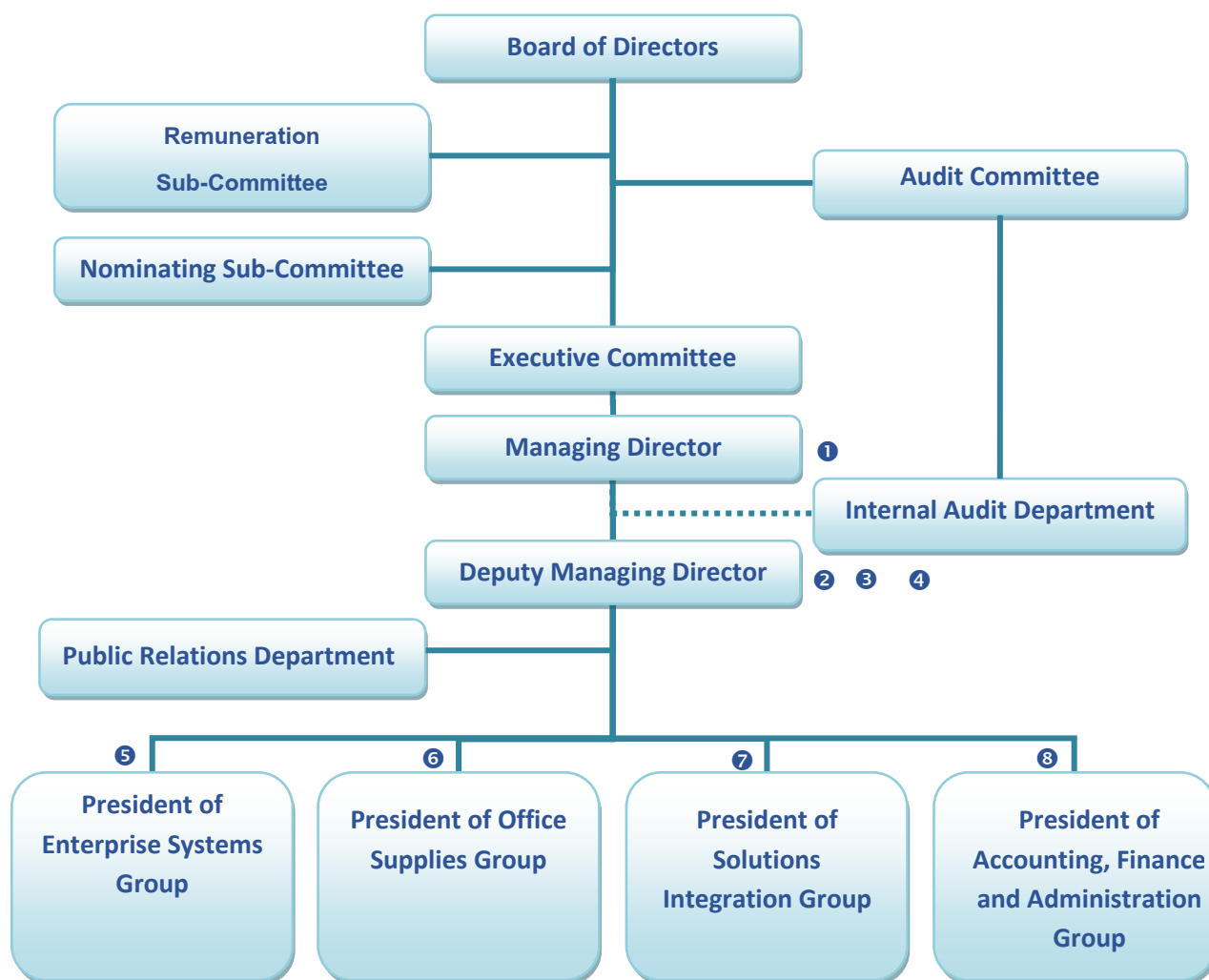
The Company's dividend policy determines that the dividend payment under the specific financial statement under the specific financial statement shall be made at the rate not lower than 50 percent of net profit after tax, unless the Company has the accumulated loss, brought forward or any investment for earning more revenue is needed.

The dividend payment of the subsidiaries shall be made by considering to the subsidiaries' accumulated profits and financial liquidity

Dividend Payment (Last 5 years)	2013	2012	2011	2010	2009
Dividend (Baht/Share)	0.30	0.35	0.25	0.20	0.10

# Management Structure

The Company has organized the overall management structure under the governance of Board of Directors and Executives as shown in the following organization chart:



①-⑧ are the Executive Director as notified by The Securities and Exchange

## Management Structure

The Board of Committees is the group of persons who are entrusted by the shareholders to give the directions of the company's business control, to supervise the Company's executives, to manage the Company's risks and operational system, and audit the Company's management as referred to COSO, including careful consideration in the conflict of interest for all management and operational levels' efficient and transparent performances.

The board of committees has the period of service as specified in the articles of association. In addition, the Company requires that the chairman of committees shall neither be the same person as a Managing Director nor a Non-Executive Committees. Any executives taking the roles of committees in other

companies shall thus disclose this matter to their superiors. The company shall prepare the manual of committee. The company's secretary is responsible for giving any legal advices and informing any provisions of which is the board of committees should acknowledge. Furthermore, the company's secretary has the responsibility for taking care of any activities of the board of committees, including providing the operating coordination under the resolution of the board of committees.

The structure of committees consist of 5 groups of committees, namely, Board of Directors, Executive Committees, Audit Committees, Remuneration Sub-committees, and Nominating Sub-committees as follows.

### 1. Board of Directors

The Board of Directors consists of four executives and five non-executive directors (included three Independent Directors) as the following:

No.	Title	Name
1	Chairman	Mr. Sunpitt Sethpornpong
2	Vice Chairman	Mr. Narong Charuvajana
3	Director	Mr. Tavit Charuvajana
4	Director	Mr. Kitti Techataveekijkul
5	Director	Mr. Suvij Suvaruchiphom
6	Director	Mr. Wanarak Eakachai
7	Independent Director	Mr. Pravitt Chattalada
8	Independent Director	Dr. Virach Aphimeteetamrong
9	Independent Director	Mr. Charcree-Amorn Tirachulisoonthorn

#### Remarks:

- 1) The directors no.1-4 are the authorized directors according to the corporate's certificate.
- 2) The ninth independent director was appointed in November 2014 in replacement of previous independent director, Mr. Chuchart Wattanatham, who resigned in October 2014.

### **Qualifications of Independent Committees**

1) The independent Committee shall not hold the share not exceeding to 1 percent of all shares with the voting rights, of the Company, its subsidiaries, associated companies or any juristic persons which may have any conflicts. In addition, the shares of any related persons of such independent Committees shall be counted.

2) The independent Committee shall not be or were not the directors involving the management, employees, staffs, consultants receiving any regular remuneration or the persons having the power to control the Company, its subsidiaries, associated companies or other juristic persons which may have any conflicts, unless they have been retired not less than two years before this appointment.

3) The independent Committee shall not have blood relationship or the relationship under the legal registration, such as parents, spouses, siblings and children, including the spouses of the executives' children, major shareholders, persons having the control power or persons nominated to take the role of the executives or persons having the controlling power in the Company and its subsidiaries.

4) The independent Committee shall not do or did not have any business relation with the Company, its subsidiaries, associated companies or any juristic persons who may have any conflicts resulting in the obstacles to their independent discretion and who are not or were not the major shareholders, independent Committees or executives working for any persons having the business relation with the Company, its subsidiaries, associated companies or any juristic persons who may have any conflicts, unless such persons have been retired as specified above, not less than two years before this appointment.

5) The independent Committee shall not be or were not the auditors of the Company, its subsidiaries, associated companies or any juristic persons who may have any conflicts, and who are not or were not the major shareholders, independent Committees or executives or managing partners of any audit firms where the auditors of the Company, its subsidiaries, associated companies or any juristic persons who may have any conflicts, is a member, unless such persons have been retired as specified above, not less than two years before this appointment.

6) The independent Committee shall not be or were not the professionals in any fields, including legal counsels or financial consultants who have/had been paid for the service more than THB two million per annum by the Company, its subsidiaries, associated companies or any juristic persons who may have any conflicts. In case the professionals are the juristic persons, it shall include the major shareholders, committee members who are not the independent Committees, executive officers or managing partners providing the professional services for such persons, unless such persons have been retired as specified above, not less than two years before this appointment.

7) The independent Committee shall not be the committee members appointed to act for the Company's committee members, major shareholders or any shareholders relating to the Company's major shareholders.

8) The independent Committee shall not be in other natures resulting in freely giving the opening on the Company's performance



## 2. Executive Committees

There are 7 members of Executive Committees as follows.

No.	Title	Name
1	Chairman of Executive Committee	Mr. Tavit Charuvajana
2	Vice Chairman of Executive Committee	Mr. Kitti Techataveekijkul
3	Vice Chairman of Executive Committee	Mr. Narong Charuvajana
4	Executive Director	Mr. Thongchai Lumveerakul
5	Executive Director	Mr. Aroon Tor-ekbundit
6	Executive Director	Mr. Veeraphan Durongsang
7	Executive Director	Mrs. Nittaya Thanaviriyakul

## 3. Audit Committees

The audit committees consist of three members of the independent committees who are fully qualified under the announcement of the Stock Exchange of Thailand (SET), regarding the qualification and working scope of the audit committees. They shall not relate with the company, its subsidiaries, associated companies or any juristic persons who may have any conflicts.

No.	Title	Name
1	Chairman of Audit Committee	Mr. Pravit Chattalada
2	Audit Committee	Dr. Virach Aphimeteetamrong
3	Audit Committee	Mr. Charcree-Amorn Tirachulisoonthorn

### Remarks:

- 1) *Dr. Virach Aphimeteetamrong has adequate knowledge and experience to review the reliability of financial statement.*
- 2) *The third audit committee was appointed in November 2014 in replacement of previous independent director, Mr. Chuchart Wattanatham, who resigned in October 2014.*

## 4. Remuneration Sub-Committees

Three members of the remuneration sub-committees consist of an independent committee, a non-executive committee and an executive committee. The chairman of committees and managing directors shall not be the chairman or a members of the remuneration sub-committees.

No.	Title	Name
1	Chairman of Remuneration Sub-Committee	Mr. Suvij Suvaruchiphom
2	Vice Chairman of Remuneration Sub-Committee	Mr. Pravit Chattalada
3	Remuneration Sub-Committee	Mr. Narong Charuvajana

## 5. Nominating Sub-Committees

Three members of the Nominating Sub-Committees consist of an independent committee, a non-executive committee and an executive committee. The chairman of committees and managing directors shall not be the chairman or a member of the nominating sub-committees.

No.	Title	Name
1	Chairman of Nominating Sub-Committee	Mr. Suvij Suvaruchiphom
2	Vice Chairman of Nominating Sub-Committee	Mr. Pravit Chattalada
3	Nominating Sub-Committee	Mr. Narong Charuvajana

## Management Committees

There are 17 executives in the Company as follows.

No.	Title	Name
1	Mr. Tavit Charuvajana	Managing Director
2	Mr. Kittit Techataveekijkul	Deputy Managing Director
3	Mr. Narong Charuvajana	Deputy Managing Director
4	Mr. Wanarak Eakachai	Deputy Managing Director
5	Mr. Veeraphan Durongsang	President of Enterprise Systems Group - ESG
6	Mr. Aroon Tor-ekbundit	President of Solutions Integration Group - SIG
7	Mr. Thongchai Lumveerakul	President of Office Supplies Group - OSG
8	Mrs. Nittaya Thanaviriyakul	President of Accounting Finance and Administration Group / Secretary of Company
9	Mr. Chirasak Trangkineenart	Vice President of Enterprise Systems Group - ESG
10	Miss Areerat Vitooraporn	Vice President of Enterprise Systems Group - ESG
11	Mr. Thitipong Charanachitta	Vice President of Solutions Integration Group - SIG
12	Mr. Yongyut Srivanthaneeyakul	Vice President of Solutions Integration Group - SIG
13	Mr. Suradet Lertthammajak	Vice President of Solutions Integration Group - SIG
14	Mr. Somsak Manayingcharoen	Vice President of Solutions Integration Group - SIG
15	Miss Orawan Vichiangavee	Vice President of Solutions Integration Group - SIG
16	Mr. Kritsada Panlamyai	Vice President of Office Supplies Group - OSG
17	Mrs. Naowanit Limprasertsiri	Vice President of Office Supplies Group - OSG

1. The director no.1-8 are defined by the Stock Exchange of Thailand (SET).
2. The Board of Directors had the resolution to appoint Mrs. Nittaya Thanaviriyakul to be the Secretary of Company from 7 August 2008, as referred to Form 56-1, Appendix 1: Qualifications of the Secretary of Company.
3. The forth director was appointed in July 2014.

## Board of Executives' Meeting

The Company shall set the Board meeting schedule for the whole year in advance and inform each Director at the beginning of the year. It should be at least 5 meetings a year.

In each Board meeting, the Chairman and/or Vice Chairman and Managing Director are independent to propose and consider the Board meeting's agendas. The Company has encouraging policy to have the Management attend the Board meeting to acknowledge or directly clarify additional details in related issues, and also allocate the time for the Management to present and discuss the topics in many perspectives. The Company will deliver invitation letters and meeting documents to all Directors and other meeting participants in advance except the confidential matters to strictly reveal for discussion in the meeting only.

Moreover, the Company usually hold monthly Management meeting to brief and analyze operating performance and then present the report to the Board of Directors for acknowledgement in every meeting. The Board of Directors could request for additional necessary materials from Managing Director or Corporate Secretary or other Management who has been assigned within job description.

The Board of Director has issued the policy that non-executive Directors should have meeting together at least once a year to have discussion on issues and assess the situation without the attendance of the Management. Then, the minutes of meeting should be submitted to Managing Director for acknowledgement.

**The details of Committees and Executives attending the meetings during the previous year are listed as follows.**

List of Committees and Executives		No. of Meeting Attendance / No. of Meeting Held in Year 2013					
		Directors	Executive Committees	Audit Committees	Nominating Committees	Remuneration Sub-Committees	Non-Executive Committees
1	Mr. Sunpitt Sethpornpong	4/5	9/12				1/1
2	Mr. Tavit Charuvajana	5/5	12/12				
3	Mr. Narong Charuvajana	5/5	11/12		3/3	1/1	
4	Mr. Kittit Techataveekijkul	5/5	11/12				
5	Mr. Suvij Suvaruchiphorn	3/5			3/3	1/1	1/1
6	Mr. Wanalak Eakachai	5/5	5/12				
7	Mr. Pravitt Chattalada	5/5	1/12	5/5	3/3	1/1	1/1
8	Dr. Virach Aphimeteetamrong	4/5		4/5			
9	Mr. Chuchart Vattanatham	4/5		4/5			
10	Mr. Charcree-Amorn Tirachulisoonthorn						
11	Mr. Aroon Tor-Ekbundit	5/5	12/12				
12	Mr. Thongchai Lumveerakul	5/5	11/12				
13	Mr. Veeraphan Durongsang	5/5	12/12				
14	Mrs. Nittaya Thanaviriyakul	4/5	12/12				

**Remarks:** 1) The ninth director resigned from his position in October 2014.

- 2) *The sixth director was appointed in July 2014.*
- 3) *The tenth director was appointed in replacement of the ninth director in November 2014.*

## **Board of Directors and the Management's Development and Self-Assessment**

Board of Directors shall have annual performance assessment on individual basis and then, the result shall be concluded and presented to Board of Directors so to make suggestion for Board of Directors' improved performance on next occasion.

The Company promotes training or seminar regarding corporate governance for Directors, Audit Committee, the Management, Corporate Secretary, including officers whose works involve corporate governance activities from both internal arrangement and service from external institutions such as Thai Institute of Directors (IOD).

### **Secretary of Company**

Board of Directors had the resolution to appoint Mrs. Nittaya Thanaviriyakul as the Secretary of

Managing Director and the Management shall prepare development plan and succession scheme and present it to Board of Directors. Every time the member of Directors has been changed, Corporate Secretary shall send new Director the useful documents related to Board duties and give new Director orientation outlining the business characteristic and policy that the Company follows with.

Also, the Company has Directors and Officers Liability Insurance which offers the protection to Directors and officers against the loss or financial damage resulting from "violation or offence" that Directors or Officers is liable.

Company from 7 August 2008 as referred to Form 56-1, Appendix 1: Qualifications of Secretary of Company.

## **Remuneration for Board of Directors, Executives and Audit Committees**

The Company's policy requires that the remuneration of any management and committees shall be at same rate as other similar industries for purpose of inducing and properly rewarding them for the competence and responsibilities. The above-said remuneration rate shall be approved by the remuneration sub-committees and shall be offered to the board of committees and the shareholder meeting for approval.

The remuneration for the executives shall be considered by relying on the Company's performance and individual executive's working performance.

The ordinary shareholders meeting for the year 2014, held on 28 March 2014, passed the resolution stating that the remuneration for the managements and audit committees should be paid at the same rate of year 2013 according to the these following categories; with the amount of 2,400,000 baht/group as annual pension, 17,000 baht/meeting as individual meeting allowance; 130,000 baht/quarter as Chairman of Audit Committees Remuneration; and 90,000 baht/quarter as Audit Committee Remuneration.

### Remuneration Comparison between Directors, Executives, and Audit Committees

(Unit: Baht)

Type of Remuneration	Remuneration for Directors and Audit Committees		Remuneration for Executives	
	2013	2014	2013	2014
Salary/Bonus/Provident Fund	--	--	45,390,856	48,173,116
Meeting Allowance	1,681,000	1,665,000	982,000	972,000
Pension	1,080,000	1,080,000	1,260,000	1,260,000
<b>Total</b>	<b>2,761,000</b>	<b>2,745,000</b>	<b>47,632,856</b>	<b>50,405,116</b>
Number of Persons	6	6	7	8

### Summary of Meeting Allowance and Pension for Each Member of Committees and Executives

(Unit : Baht)

Type of Remuneration		2013		2014	
		Meeting Allowance	Pension	Meeting Allowance	Pension
1	Mr. Prasert Tangtrongsakdi	15,000	180,000		
2	Mr. Sunpitt Sethpamong	81,000	180,000	68,000	180,000
3	Mr. Narong Charuvajana	130,000	180,000	132,000	180,000
4	Mr. Tavit Charuvajana	142,000	180,000	144,000	180,000
5	Mr. Kittit Techataveekijkul	142,000	180,000	132,000	180,000
6	Mr. Suvij Suvaruchiphorn	81,000	180,000	51,000	180,000
7	Mr. Wanalak Eakachai	51,000		85,000	180,000
8	Mr. Pravit Chattalada	591,000	180,000	605,000	180,000
9	Mr. Chuchart Vattanatham	431,000	180,000	428,000	180,000
10	Dr. Virach Aphimeteetamrong	431,000	180,000	428,000	180,000
11	Mr. Thongchai Lumveerakul	142,000	180,000	132,000	180,000
12	Mr. Aroon Tor-ekbundit	142,000	180,000	144,000	180,000
13	Mr. Veeraphan Durongsaeng	142,000	180,000	144,000	180,000
14	Mrs. Nittaya Thanaviriyakul	142,000	180,000	144,000	180,000
<b>Total</b>		<b>2,663,000</b>	<b>2,340,000</b>	<b>2,637,000</b>	<b>2,340,000</b>

#### Remarks:

- 1) The first director resigned from his position on 20 February 2013.

2) *The seventh director was appointed on 27 March 2013.*

## Board of Directors, Executives and Audit Committees

	<p><b>Mr. Sunpitt Setthpornpong</b> <b>Chairman *</b> <b>49 year</b>, Number of Shares: 0.28%</p> <p><b>Educational Background / Certificates:</b></p> <ul style="list-style-type: none"><li>▪ M.M. Kellogg School of Management, Northwestern University, Evanston, Illinois, USA</li><li>▪ B.S. Mechanical Engineering (Graduate Cum laude), Massachusetts Institute of Technology, USA</li><li>▪ Certificate of Director Certificate Program (DCP) 2013, Thai Institute of Directors</li></ul> <p><b>Professional Experience:</b></p> <p><u>Listed Companies</u></p> <ul style="list-style-type: none"><li>▪ 2013 – Present: Chairman of Board of Directors of Metro Systems Corporation PLC.</li><li>▪ 2000 – Present: Director of Metro Systems Corporation PLC.</li></ul> <p><u>Other Companies</u></p> <ul style="list-style-type: none"><li>▪ 2001 - Present: Director, Woodwalk (Thailand) Co., Ltd.</li><li>▪ 2008 - Present: Executive Director, Metro Co., Ltd.</li><li>▪ 2010 – Present: Director of MDEC International (1991) Co., Ltd.</li></ul>
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*\*The appointment was made in February 2013.*





**Mr. Narong Charuvajana**

**Vice Chairman / Deputy Managing Director / Vice Chairman of Executive Committee**

**60 years,** Number of Shares: 5.67%

**Educational Background / Certificates:**

- MBA Executive, Chulalongkorn University
- Master of Accounting, Thammasart University
- Bachelor of Accounting, Ramkamhaeng University
- Certificate of Director Accreditation Program (DCP) 2003, Thai Institute of Directors
- Certificate of Certification Program (DCP), Thai Institute of Directors

**Professional Experience:**

Listed Companies

- 1986 – Present: Director / Executive Director, Metro Systems Corporation PLC.

Other Companies

- 1991 – Present: Director, HIS MHC Co., Ltd.
- 1992 – Present: Director, Metro Professional Product
- 1993 – Present: Director, Metro Soft Co., Ltd.
- 1994 – Present: Director, PSP (Thailand) Co., Ltd.
- 2009 – Present: Director, Metro Connect Co., Ltd.



**Mr. Tavit Charuvajana**

**Director / Managing Director / Chairman of Executive Committee**

**65 years,** Number of Shares: 7.02%

**Educational Background / Certificates:**

- Honorary Master of Science, Information Technology Field, Chandrakasem Rajabhat University
- Executive Development Program, Commerce and Accounting Faculty, Thammasat University
- Anusorn Business College

**Professional Experience:**

Listed Companies

- 1986 – Present: Director/Managing Director, Metro Systems Corporation PLC.

Other Companies

- 1991 - Present: Director, HIS MHC Co., Ltd
- 2009 - Present: Director, Metro Connect Co., Ltd.
- 2010 - Present: Director, Metro Infotech Co., Ltd.
- 2012- Present: Director, Metro Info Dynamics Co., Ltd.



**Mr. Kitti Techathaveekijkul**

**Director/Deputy Managing Director/Vice Chairman Of Executive Committee**

62 years, Number of Shares: 0%

**Educational Background / Certificates:**

- Higher Vocational Certificate, Telecommunication Department, King Mongkut's Institute of Technology Ladkrabang
- Certificate of Director Certification Program (DCP), Thai Institute of Directors

**Professional Experience:**

Listed Companies

- 1993 - Present: Director/Executive Director, Metro Systems Corporation PLC.

Other Companies

- 1991 - Present: Director, HIS MSC Co., Ltd.
- 1992 - Present: Director, Metro Professional Products Co., Ltd.
- 1994 - Present: Director, PSP (Thailand) Co., Ltd.
- 2009 - Present: Director, Metro Connect Co., Ltd.



**Mr. Suvij Suvaruchiphorn**

**Director/Chairman of Nominating Sub-committees/ Chairman of Remuneration Sub-committees**

72 years, Number of Shares: 0.13%

**Educational Background / Certificates:**

- Bachelor of Law, Thammasat University

**Professional Experience:**

Listed Companies

- 1986 - Present: Director, Metro Systems Corporation PLC.
- 1988 - Present: Chairman, United Flour Mill PLC.

Other Companies

- 1983 - Present: Vice Chairman, HMC Polymers Co., Ltd.
- 1984 - Present: Managing Director, Metro Co., Ltd.
- 1988 - Present: Chairman, Polymers Marketing Co., Ltd.
- 1991 - Present: Director, MDEC International (1991) Co., Ltd.



**Mr. Pravit Chattalada**

**Independent Director / Chairman of Audit Committee**

**82 years**, Number of Shares: 0.06%

**Educational Background / Certificates:**

- BS.(Mathematics, Physics), Oregon State University, USA
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors

**Professional Experience:**

Listed Companies

- 1995 - Present: Independent Director/Chairman of Audit Committee, Metro Systems Corporation PLC.

Other Companies

- 1995 - Present: Director, Association of Thai Communication (ATCI)



**Mr. Charcree-Amorn Tirachulisoonthorn**

**Independent Director / Audit Committee**

**46 years**, Number of Shares: 0 %

**Educational Background / Certificates:**

- MBA (Investment), Drexel University, Philadelphia, Pennsylvania, USA

**Professional Experience:**

Listed Companies

- 2014 - Present: Independent Director /Audit Committee, Metro Systems Corporation PLC.
- 2010 - 2012: Independent Director, Sino-Thai Resources Development PLC.

Other Companies

- 2013 - Present: Chief Executive Director, Tan Power Co., Ltd.
- 2013 – Present: Chief Executive Director, Prime Street Advisory Co., Ltd.
- 2007 - Present: Managing Partner, Aquarius Capital Co., Ltd.



**Dr. Wirat Aphimeteetamrong**

**Independent Director / Audit Committee**

**71 years**, Number of Shares: 0%

**Educational Background / Certificates:**

- Ph.D Finance, University of Illinois, USA
- M.B.A. Gothenburg, Sweden
- M.A.S. University of Illinois at Urbana-Champaign (UIUC), USA
- Bachelor of Accounting (honor), Chulalongkorn University
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors Professional Experience

**Professional Experience:**

Listed Companies

- 1995 – Present: Independent Director /Audit Committee Director, Metro Systems Corporation Public Co., Ltd
- 1990 – Present: Director Supalai PLC.
- 2004 – Present: Independent Director / Chairman of Audit Committee, Asia Plus Security PLC.
- 2004 – Present: Independent Director / Chairman of Audit Committee, Bangkok Chain Hospital PLC.
- 2007 – Present: Chairman, Intouch Holding PLC.
- 2013 – Present: Independent Director, Thai Agro Energy PLC.

Other Companies

- 1988 – Present: Chairman, Office of Dr. Wirat & Associates Co.,Ltd.
- 2002 – Present: Independent Director, Tris Rating Co., Ltd.
- 2002 – Present: Independent Director / Chairman of Audit Committee, Tris Corporation Co., Ltd.



**Mr. Wanarak Eakachai**

**Director/Deputy Managing Director**

**58 years**, Number of Shares: 0%

**Educational Background / Certificates:**

- BA (Political Science), University of Wisconsin, USA
- Master of Philosophy, University of Wisconsin, USA

**Professional Experience:**

Listed Companies

- July 2014 - Present: Vice Chairman, Metro Systems Corporation PLC.
- April 2013-June 2014: Independent Director, Metro Systems Corporation PLC.
- 2006-2009: General Consultant, Corporate and Organization Restructuring Professional/Counsel of Deputy Director and Vice President of Executives, CP All PLC.



**Mr. Thongchai Lamveerakul**

**President of Office Supplies Group (OSG) / Executive Director**

**54 years** Number of share: 0.28%

**Educational Background / Certificates:**

- Bachelor of Commerce, Bangkok University
- Executive Development Program, Commerce and Accounting Faculty, Thammasat University
- Certificate of Director Certification Program (DCP), Thai Institute of Directors

**Professional Experience:**

Listed Companies

- 2007 – Present: President of Office Supplies Group / Executive Director, Metro Systems Corporation PLC.
- 1995 - 2007: Director / Executive Director, Metro Systems Corporation PLC.



**Mr. Aroon Tor-Ekbundit**

**President of Solutions Integration Group (SIG) / Executive Director**

**54 years** Number of share: 0%

**Educational Background / Certificates:**

- Vocational Certificate, Rajamangala Technology Institute, Borphitphimuk Jakkrawat Campus
- Executive Development Program, Commerce and Accounting Faculty, Thammasat University
- Certificate of Director Certification Program (DCP), Thai Institute of Directors

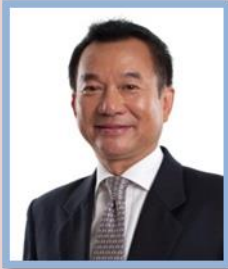
**Professional Experience:**

Listed Companies

- 2007 – Present: President of Solutions Integration Group (SIG) / Executive Director, Metro Systems Corporation PLC.
- 1995 – 2007 Director / Executive Director, Metro Systems Corporation PLC.

Other Companies

- 1991 – Present: Director, HIS MSC Co., Ltd.
- 1993 – Present: Director, Metro Soft Co., Ltd.
- 2000 – Present: Director, Metro Infotech Co., Ltd.



**Mr. Veeraphan Durongsang**

**President of Enterprise System Group (ESG) / Executive Director**

**54 years** Number of share: 0.17%

**Educational Background / Certificates:**

- Business Advertising and Marketing (BS), Emporia State University, USA
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors

**Professional Experience:**

Listed Companies

- 2007 – Present: President of Enterprise System Group (ESG) / Executive Director, Metro Systems Corporation PLC.
- 2002 – 2007: Director/ Executive Director, Metro Systems Corporation PLC.

Other Companies

- 2009 – Present: Managing Director, Metro Connect Co., Ltd.
- 2012 – Present: Managing Director, Metro Info Dynamics Co., Ltd.



**Ms. Nittaya Thanaviriyakul**

**President of Accounting, Finance and Administrative Affairs/ Executive Director, Secretary of Company**

**53 years** Number of share: 0.003%

**Educational Background / Certificates:**

- Master of Accounting, Thammasat University
- BA (Accounting), Thammasat University
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors

**Professional Experience:**

Listed Companies

- 2011 – Present: President of Accounting, Finance and Administrative Group / Executive Director, Metro Systems Corporation PLC.

Other Companies

- 2009 – Present: Director, Metro Connect Co., Ltd.
- 2012 – Present: Director, Metro Info Dynamics Co., Ltd.
- 2013 – Present: Director, Metro Infotech Co., Ltd.
- 2013 – Present, Director, Metro Professional Products Co., Ltd.

## Human Resources

### Number of Employees and Remunerations

As of 31 December 2014, the Company and subsidiaries had a total of 798 employees. The number of employees in each major department was as follows:

Employee Category	The Company	Subsidiaries/Affiliates
Executive (person)	17	8
Sales and Marketing Staff (person)	208	68
Technician, Admin. and other (person)	176	51
Technician, Administrator and other (person)	226	44
<b>Total</b>	<b>627</b>	<b>171</b>
Employee Remuneration	437	123

It is important note that the Company and subsidiaries have had no labor-related disputes for the past three years.

The total remuneration of human resources in the Company as at 2013 year-end was 565 million baht and for 2014 it was 560 million baht. This consists of salary, bonus, commission, provident fund contribution and other benefits.

### Human Resource Development Policy

The Company realizes the importance of employees. They are the force which drives the business to prosperity and sustainable growth. Therefore, the Company provides employees with benefits and welfare as follows:

1. To set up an illustration center where employees can learn and improve their skills and expertise in making presentations to customers or interested parties.
2. To hold orientation training for new employees to learn and adapt them into the corporate culture.
3. To supply training and knowledge testing from the production company to enhance employee skills, knowledge and expertise in both domestic and overseas markets. In 2014, 663 employees (76.2 %) participated

in training for at least six hours. Of these 74 passed the expertise tests set by the production companies.

4. To provide provident fund contributions for retirement.
5. To arrange a place for exercise machines where employees can relax and maintain good health.
6. To have annual medical check-ups for all employees.
7. To provide life insurance and health group insurance for employees.
8. To have a ward room with first aid relief medicines for employees.
9. To manage safety, sanitary conditions and the environment by setting up committees in charge of each aspect.
10. To exercise an annual fire drill.
11. To provide safety training for all employees.
12. To provide loan welfare for housing to employees by cooperating with banks.
13. To encourage the employees to participate in the annual children's day at the community school.

# Corporate Governance

## Corporate Governance Policy

The Company has determined good corporate governance policy as good practice guideline for Board of Directors, the Management and officers at all levels. It intends to support as effective business organization with transparency and auditing process for the best interest distributing to shareholders, stakeholders communities and society.

## Shareholders' Right

The Company's shareholders have the right to purchase and sell or transfer their shares, and are entitled to the profit payment, meeting attendance and voting in Shareholders Meeting, ballot vote for transparent and accountability purposes, proxy voting exercised by other attorney-in-fact or the Chairman of Audit committee or the Audit Committee, invitation of meeting, information access prior to and after meeting, including meeting results and voting resolution, through various communication channels, such as Thailand Security Depository Co., Ltd., company's homepage, etc.

## Fair Treatment of All Shareholders

The Company treats all shareholders equally, either major or minor shareholders, institutional investors or foreign shareholders. The updated useful information of the Company is disclosed through the Company's official website for all shareholders. The clear procedures of internal data usage is also outlined in writing and notified to any other related persons for strict compliance. All directors and executive committees shall have the duties to report their shares subscription to the Board of Directors in each quarter. The Company also sends the meeting invitation both in English and Thai languages to its shareholders. The shareholders can express their opinions and raise the questions concerning the Company's activities in the meeting or they can submit the enquiry to the prior to the meeting. The shareholders are entitled to appoint individual director. For any shareholder who is also in

the executive position of the Company, additional agenda is not required advance notification if unnecessary, especially any significant agenda that required more time for consideration from the shareholders.

In 2014, the Company held the Shareholders' Annual General Meeting on 28 March 2014 at its head office.

## Liability of Stakeholders

By recognizing the importance of social responsibility and community, which is synonymous with the business, the Company is committed to conducting its business in accordance with the Code of Conduct, good corporate governance policies, and policies on corporate social responsibility, anti-corruption policies, security policies, occupational health and working environment, human rights protection policy, intellectual property or copyright policies. All stakeholders, including customers, competitor, business partners or creditors, employees, government, and government authorities, and community and societies are treated by the Company in accordance with fair and reasonable benefits and protection as follows:

- 1) **Shareholders:** The Company runs the business with transparency, legitimacy, fairness and compliance, obeying rules and regulations as well as applicable laws. Shareholder return is our major concern and we disclose information in correct and fair manner through the Company investor relations website.
- 2) **Customer:** The Company sells products and services at a fair price and treats all customers equally to achieve their satisfaction.
- 3) **Competitor:** The Company executives and employees determine the strategy in business competition. We also treat our



competitors fairly and ethically. The Company will avoid using dishonest means to obstruct competitors. We are willing to give competitive cooperation to create a good market atmosphere, such as sharing product information or creating new products and services.

- 4) **Business partner or Creditor:** The Company operates the business under reasonable and fair business conditions in compliance with normal industrial practice. In addition, we always follow trading conditions and agreements in a fair manner. The Company gives equal opportunity to all business partners and creditors in terms of business activities. We have no leverage trade bargaining power for mutual benefits or follow enforced conditions. The Company conducts joint business activities with honesty.
- 5) **Employee:** The Company regards employees as valuable assets in the business. Good, talented, diligent, honest employees will help run the business operation more efficiently. We will treat all employees in a fair and just manner, and determine fair remuneration. The Company also supports the employees to enhance their ability and work efficiently as much as possible.
- 6) **Government and Agencies:** The Company fully cooperates with agencies as good citizen practice. We follow the application laws which regulate business conduct, accounting, and tax payments to government in a proper business manner. The Company does business with agencies honestly, directly and fairly, the same as ordinary customers. We refrain from offering bribery to government officers for special facilitation in business operations. We will not give any

cooperation to support corruption by government officers. The Company will not allow government officers to commit corruption in our business.

- 7) **Society and Community:** We provide assistance to benefit society and the community. The Company refrains from operating any business which adversely affects society and any acts which destroy natural resources and the environment. We closely monitor our business operations so that they do not cause pollution to the environment and community. The Company provides full cooperation with all parties in the community giving our time, labour and money as deemed appropriate.

### Information Disclosure and Transparency

These shall include the Company's general information and financial statement disclosure according to the regulation imposed by SET, the disclosed corporate governance and relevant policies and performance record of Board of Directors and other Committees correctly and completely through communication channels as appeared in annual report, annual information disclosure form, and the Company's official website. Investor Relations will be in charge and responsible for the above tasks.

The Investor Relations Division also provides the accurate, full and updated information and answers any enquiries from the shareholders, investors, analysts, and media press through website: [www.metrosystems.co.th/en/ir\\_index.asp](http://www.metrosystems.co.th/en/ir_index.asp) or tel. 02-727-4115.

### Board of Directors' Responsibilities

The responsibilities of the Board of Director appear in "Structure and Role & Duty of Board of Directors" considered as the duty to reconsider management structure, compliance and internal control policy, business ethic and performance assessment so to fit in current work condition and business circumstance.

## Board of Directors Structure

The structure of corporate committees consists of 5 groups of the following committees:

### **Board of Directors**

#### **Scope of Chairman's Authorities**

1) To control, supervise, and follow up the management by the Executive Directors and other committees to achieve the planned objectives.

2) To convene the Meeting of the Board of Directors, schedule the meeting date & time, and determine the meeting agenda.

3) To act as Chairman at the Meeting of the Board of Directors, control the meeting and cast the decisive vote in case the votes at the Board Meeting are equal on both sides.

4) To act as Chairman at the Shareholders' Meeting by controlling and attending the Meeting.

#### **Scope of Board of Directors' Authorities**

1) To perform duties in accordance with applicable laws, corporate objectives, articles of association, and resolutions from the Shareholder's meeting, with the exception of matters which require resolution by Shareholders prior to proceedings. These are matters regulated by law which require resolution by the Shareholders' Meeting, connected transactions, and significant asset purchases or sales according to SET rules and regulations.

2) To have the authority to both appoint and remove the Executive Directors. The details of authorization follow the boundary of the Executive Director's authority and duty. Such authorization shall ensure that the Executive Directors can only approve matters in which they or any third party have no gain, loss, or conflict of interest. This shall include the performance assessment and remuneration consideration for the management.

3) To determine Company policy and strategic direction, and control the management to efficiently and effectively operate the business in accordance with the approved policy.

4) To consider the operating result for every quarter, and implement a reliable accounting system, financial statement, and account audit. This will include the assessment of appropriate internal auditors and an efficient internal audit system.

### **Executive Directors**

#### **Scope of Executive Directors' Authorities**

1) To set up organization and management structures which shall cover all details of recruitment, training, and the authority of appointing and removing the Vice President and Assistant Vice President.

2) To have authority of preparing, suggesting, and determining Company policy and business strategy, business plans, management authorization, annual reports, approving the annual budget for business operations, estimating the expenses, and proceeding in accordance with the business plan and strategy, in line with predetermined policy and business guidelines.

3) To have authority of approving the engagement of contracts or agreements related to purchase or sale of products or services which are deemed normal business trading for the Company, or contracts regarding procurement, or other contracts for the benefit of the Company's business.

4) To have authority for approving a financial amount not exceeding 200 million baht or equivalent or as assigned by the Board of Directors.

5) To have authority of approving financial transactions with banks in several matters, including all types of account opening with commercial banks in both domestic and international locations. To have the authorization signature on cheques and documents in connection with the bank accounts, and authority to close the Company's bank accounts.

6) To perform other duties as assigned by the Board of Directors.

The Executive Directors may give proxy to the Vice President or Assistant Vice President or Executive Manager to approve financial transactions, certain contracts, or other matters as the Executive Directors

deem appropriate. However, those approved transactions shall not cause a conflict of interest between the Executive Directors, or the proxy from the Executive Directors and the Company or subsidiaries, and the approval will be done according to usual business conduct and/or according to the principles approved by the Board of Directors.

### **Audit Committee**

#### **Audit Committee's boundary of authority and duty**

1) To audit and ensure that the Company's financial statement is correct and adequate.

2) To audit and ensure that the Company implements internal control and audit systems appropriately and efficiently. To appoint an independent internal audit department to approve the appointment, removal or termination of the internal audit head or other departments related to internal audit affairs.

3) To audit and ensure that the Company complies with the laws regarding security and the stock market, SET regulations, and applicable laws related to the Company's business.

4) To consider, select and appoint an independent person to act as the Company's auditor, and propose the remuneration for the selected person by considering reliability, adequacy of resources, amount of audited jobs, experience and performance over the past year, as well as considering removal of the auditor and attending meetings with the auditor and management at least once a year.

5) To consider the connected transactions or any transactions which may cause a conflict of interest in compliance with the applicable laws and SET regulations. This will ensure that such transactions are deemed most reasonable and beneficial to the Company.

6) To prepare the audit committee's report, presented in the Company's annual report which the audit committee chairman must sign. The report shall consist of the information as follows:

6.1 To give opinion on the accuracy, adequacy and reliability of the Company's financial statement.

6.2 To give opinion on the adequacy of the Company's internal control system.

6.3 To give opinion regarding the compliance with laws related to security and the stock market, SET regulations, and applicable laws related to the Company's business.

6.4 To give opinion on the suitability of the auditor

6.5 To give opinion on any transactions which may cause a conflict of interest

6.6 To state the number of audit committee meetings and the attendances of each member of the audit committee.

6.7 To give overall opinion or comment that the audit committee perform their duty by following the charter.

6.8 To inform the shareholders or regular investors regarding matters that they should be aware of under the duty and responsibility assigned by the Board of Directors.

7) To perform other jobs as assigned by the Board of Directors with the agreement of the audit committee.

In relation to acting under the authorized duty mentioned above, the audit committee shall be held directly accountable to the Board of Directors, and the Board of Directors will also have responsibility for the Company's operating result towards the third parties.

### **Remuneration Sub-Committees**

#### **Scope of Remuneration Sub-Committees'**

#### **Authorities**

1) To determine the proper remuneration on yearly basis for purpose of inducing and retaining the committee, sub-committee and managing directors.

2) To establish the principles and policies requiring the remuneration of the committee and managing directors and offer to the committee and/or the Meeting of Shareholders for approval, as the case may be.

3) The remuneration sub-committee shall be responsible for the Company's committee and shall give the answer to any questions regarding to the remuneration of the committee and chief executive officers, to the Meeting of Shareholders.

4) To report the policy regarding to the remuneration of any committee members and reveal in the annual report.

#### **Nominating Sub-Committees**

##### **Scope of Nominating Sub-Committees'**

##### **Authorities**

1) To set the criteria and policy regarding the nomination of the board of committees and sub-committee;

2) To consider and nominate any appropriate persons to be the committees and offer the list of nominated persons to the board of committees and/or the shareholder meeting for approval, as the case may be;

3) To consider and nominate any appropriate persons to be the managing directors when there is any vacancy, including considering the criteria on the succeeding of the chief executive officers.

#### **Managing Director**

##### **Scope of Managing Director's Authorities**

1) To manage and control the Company's normal business operations relating to the product and service purchase agreement.

2) To determine the mission, objective, policy guideline, control the overall operation, and maintain contact with the product owners, customer relations, and marketing.

3) To consider and prioritize the Company's business strategy and funding as presented by the Executive Directors and/or the Board of Directors as deemed appropriate.

4) To appoint the Vice or Assistant Vice President and other advisors as deemed necessary for business operations.

5) To hire, appoint, remove, dismiss, determine the wages, rewards, salary rises, remuneration, and bonus for employees at all levels,

except the position of president which shall be approved by the Executive Directors.

6) To consider the approval and engagement of contracts or agreements regarding the Company's normal business operations and/or the extension of normal trading contracts or, product purchases with significant condition amendments.

7) To consider approving money of an amount not exceeding 100 million baht or equivalent, or as assigned by the Board of Directors.

8) To perform other duties as assigned by the Board of Directors.

The Managing Director can give proxy to the deputy managing director, president, vice or assistant vice president, or the management officer, to take care of matters and procedure deemed to be proper and necessary at the Managing Director's discretion. However, such proxy will stipulate that the Managing Director or the proxy from the Managing Director cannot approve any matters which may cause conflict of interest with the Company or subsidiaries except the approval of normal business transactions and/or in accordance with the criteria approved by the Board of Directors.

#### **Secretary of the Company**

##### **Scope of Secretary of The Company's Authorities**

The Corporate Secretary shall perform duties as stipulated in section 89/15 and 89/16 of the Security and Stock Market Act (issue no. 4) 2008 effective since 31 August 2008 with responsibility, caution, and honesty. The corporate secretary shall also comply with the applicable laws, objectives, articles of association, and the resolutions from the Board of Directors as well as the resolutions from the Shareholder's meeting. The duties of the Corporate Secretary are as follows:

1) To prepare and keep the following documents:

1.1 The Register of Directors

1.2 The invitation letter to the Board of Directors' meeting, minutes of Board of Directors' meeting and the Company annual reports.

1.3 The invitation letter to the Shareholders' meeting and the minutes of the Shareholders' meeting

2) To keep the stakeholder interest report by the Directors or the Management, and submit copies according to section 89/14 to the Chairman, the Board of Directors and the Audit Committee within seven days of the date of receipt of such report.

3) To perform other tasks as required by the Capital Market Committee.

4) To give advice on relevant laws and regulations and best practice for activity control under the Board of Directors' authority in compliance with laws.

5) To convene and facilitate the Board of Directors' meetings and the Shareholders' meetings.

6) To contact and coordinate with other departments in the Company to follow the resolutions from the Board of Directors and the Shareholders.

7) To contact and coordinate with the compliance units such SET, oversee the disclosure of information, and report to any compliance units and the public by applicable law.

8) To give orientation and advice to a newly appointed director.

9) To perform other tasks as assigned by the Company.

### **Nominating Criteria on Committees and Directors**

Any persons to be appointed as the Company's committee members shall be nominated by the recruitment subcommittee. They shall have the qualification conforming to the Company's requirements and the criteria set by the Securities and Exchange Commission. The recruitment subcommittee shall offer the list of selected persons to the Company's committee for consideration before offering to the Meeting of Shareholders for passing the resolution under the Company's following terms:

- Each shareholder is entitled to the vote as the same number of his/her shareholding. The shareholder is able to cast total amount of his/her votes for electing one person or

several persons to be the committee, but unable to divide his/her shareholding to any person with neither more nor less amount of his/her total votes entitled.

- The member of the committee shall be elected by relying on the higher number of votes of which their received and running respectively until it reaches the number of committee members that is required or should be elected at that time. In case the elected persons have the equal number of votes, the chairperson of the meeting shall be entitled to a vote for judgment.
- For all of the annual ordinary meeting, one-third of all committee members or the similar number, shall be retired. The retirement of the committee members in the first and second years after the Company's incorporation, shall be determined by the means of drawing lots. For the following years, the committee members who hold the position for the longest period shall be retired. Any committee members, who have been already retired, can be reelected.
- The Meeting of Shareholders may pass the resolution to dismiss any committee members prior to their due date of retirement. In such case, it is required the votes not less than three-fourth of the shareholders and their combined shares shall not less than the half of total shares held by the shareholders presenting in the meeting and having the rights to cast their votes.

For selection criteria of Executive Committees, the Company's committees shall appoint the executive committee members under the articles of association specifying that the committee has the power to elect any committee members or any persons to be the members of the executive committee for doing thing or things under any conditions or assign a member or members of the committee or other persons to do any acts for the committee, provided any persons taking

the role of the executive committee shall be qualified and competent for their performance.

### **Business Control of Subsidiaries and Associated Companies**

In order to comply with the control regulations, the Company is responsible for the supervision of subsidiaries and associated companies. To protect the interests of the Company's investment, the Company has appointed its representative to be the directors of subsidiaries and jointed venture companies in proportion to their shareholding, except the Jointed Venture Company where the company holds less than 20 % of total shares.

The representatives of the Company as the director of subsidiaries and associates shall participate in the administrative policy and provide the quarterly performance reports.

### **Terms of Internal Information Usage**

The committee members and executives are prohibited from exploiting any internal information of which its contents regarding to the Company that is still not disclosed to the public, for their own benefits or for other persons' benefits. This includes the securities exchange of the Company. The committee members, executives and employees receiving any internal information due to their works, are prohibited from

purchasing and selling any Company's securities for one month before the financial statement will be disclosed to the public. The Company shall inform its committee members and executives of the period in which the exchange of the securities should be suspended.

Additionally, the Company' policy requires any related persons to receive any information as long as it is necessary to their work and the said persons shall keep various information in confidence. The disclosure of the said information can be made with the approval of the executives of that unit.

The Company requires the executive directors to report their change of securities subscription to The Securities and Exchange Commission under Section 59 of Securities and Stock Exchange Acts B.E. 2535 and submit the report copy to the Company on the same date.

### **Remuneration of Accounting Auditor**

#### **Accounting Audit Fee:**

The Company and its subsidiaries paid for the remuneration of accounting audit to Bunchikij Accounting Co., Ltd. for the financial year 2014 with the amount of 2,260,000 baht.

#### **Other Services:**

- None -

# Corporate Social Responsibility

The Company maintains strong faith in business operations on the basis of good corporate governance, business ethics, and participation in social development. The Company realizes the importance of the shareholders, employees, customers, business partners, society and the community. Therefore, to operate business in a sustainable way and maintain a role in social responsibility, the Company has determined policy on social responsibility as follows:

1. The Company shall operate the business under the principles of good corporate governance and implement transparent systems, fairness, justice, and efficiency which can be verified. The Company will not receive any benefits from unlawful operations, including the violation of intellectual property.

The Company will contact and communicate with the Shareholders and investors in a fair, transparent, and timely manner. The information disclosed to the Shareholders and investors shall be correct and adequate, through channels which are equally easy to access.

2. The Company will treat business partners and creditors with fairness by giving them equal opportunity for business contact, and honesty in business partnerships.

The Company's products and services result from overseas imports. The Company shall therefore focus on promoting products and service brands in a responsible manner for society regarding the import choice of products to customers. The Company will

select the product and service provider with social responsibility.

In addition, the Company will place emphasis on the standard of the products and services. The Company has a policy on marketing and will present products & services with social responsibility.

- The products presented will be of good quality and standard guaranteed by the product owners.

- The standard of service will be certified with guaranteed outcome.

- The Company will keep customer trading information confidential.

3. The Company will oppose any corruption and operate the business in accordance with good corporate governance principles and business ethics. The Company has concern about corruption from both within and outside. The Company has determined an anti-corruption policy in a separate chapter, which was approved at the Board of Directors' Meeting no.2/2015 on 24 February, 2015. In this matter, employees at all levels shall play a role in overseeing any acts of corruption and denying any such acts.

4. The Company shall treat the employees in a fair and respectful manner. The Company will support all employees to have a good life quality, an opportunity to show their ability and a chance to develop working skills as deemed appropriate. The Company realizes the importance of the employee at all levels. The Company will give

justice to all employees and support them in future career path advancement by constantly providing training and encouragement.

5. The Company will take care of the environment and foster knowledge among employees to efficiently use resources and save energy. The Company will support any activities regarding the development of the environment and the conservation of energy. The Company has a campaign to save power consumption, use paper efficiently, and reduce paper use in compliance with the standards of environmental and energy conservation.

6. The Company will encourage and support community & society development activities.

The Company realizes the importance of education as a significant foundation in living. The society and community must stand together with business operations. Therefore, the Company has a policy to support any activities and projects related to education. The Company will give opportunities to students from many education institutes to learn about the in-house IT system. The Company has a program to admit students for on-the-job-training. Students who pass the training will receive a certificate and they will be employed by the Company immediately. The Company will provide support in terms of education media to schools in remote areas which lack the facilities.



# Internal Control and Risk Management

The Company has well prepared appropriate internal control system, including monitor and assessment. Those systems consist of certified ISO 9001:2008 standard for Business Process, certified ISO/IEC 20000-1:2011 for continuous business development and certified ISO/IEC 27001:2005 for contingency plan in case of crisis. Moreover, the Company annually reviews the Management's authorized approval and designated authorization for balance of power, hires external consult for giving correct financial advices, monthly follows up performance by the Management committee and quarterly presents the result to Board of Directors for consideration.

The Company has the adequate monitoring and evaluation system operated by the executive committee. Its result shall be quarterly submitted to the Company's committee for performance evaluation, condition of business competition on quarterly basis. The Audit Committee has appointed Mrs. Thasa Varochathanin to be the Head of Internal Control Division (see also the "Appendix 3: Description of Head of Internal Control Division) whom is considered by the committees that Mrs. Thasa Varochathanin is qualified to effectively perform the duty of the said position, therefore, such Head of Internal Control Division shall be approved by the Audit Committees in any cases of appointment, deposition, and transfer.

In the committee meeting No. 2/2558, held on 24 February 2015, there were the Audit Committees and committees presented in the meeting and considered the sufficiency of the internal control.

The committee gave the opinion on the operation control of the management division stating that the Company has clearly determined the power scope of the executives in each level and set any strict measures for monitoring any transaction between the Company and major shareholders, committee members, executives or any persons related to the those and it shall be approved according to the procedures determined by any persons related to such transaction emphasizing on the best benefits of the Company. The Company sets its measures to keep the transaction conforming to the relevant laws for purpose of reducing any risks in business operation and keeping the Company's reputation.

In case of the approval given to any transactions made with the related persons that bind the Company in the long term, the Company shall monitor and keep it conforming to the agreed conditions throughout the period of said binding. The Company regularly monitors and controls any investment fund of its subsidiaries or associated companies, including giving the direction to the persons who are appointed by the Company to take the role of committee members or executives thereof.

## Inter-Company Transaction

## Inter-Company Transaction

In 2014, the Company had the Inter-Company Transactions between Company and its subsidiaries with related people for approximately 4 main categories of transactions, consisted of normal business transaction, normal business supporting transaction, short-term assets rental or letting transaction, and properties or services transaction. For other Inter-Company Transactions between the Company and its subsidiaries or Associated Companies, there can be reviewed from the Company's Note to Financial Statement found in attachment.

The details of individual Inter-Company Transaction are listed as follows.

**1) Relationship: Some of MSC directors are the directors of other related juristic persons.**

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. HMC Polymer Co., Ltd. 2. N.I.M Co., Ltd. 3. MC Foods Co., Ltd. 4. MCF Marketing Co., Ltd. 5. Sri Krung Wattana Group Co., Ltd. 6. Metro Group Co., Ltd. 7. United Flour Mill Public Co., Ltd. 8. MCF Products Co., Ltd. 9. MDEC International (1991) Co., Ltd. * Juristic Person No.1-8 have the same	Normal Business	MSC Revenue: - Product Sales - Service Sales - Other Sales  MSC Expense: - Product Purchase - Service Purchase	833,371 1,977,125 60,000  4,670,905 400,700	In accordance with the normal business based on the same price of product and service compared with external parties regarding to the terms and conditions of general trade.
Director: Mr. Suvij Suvaruchiphorn * Juristic Person No.9 has two same Directors: Mr. Suvij Suvaruchiphorn and Mr. Sunpitt Sethpompong	Assets/Services	MSC Expense: - Assets Purchase - Other Expenses	176,395 71,737	In accordance with the normal business based on the same price of product and service compared with external parties.

**2) Relationship: Some of MSC committees are main shareholders (> 10%) in other related juristic persons.**

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
Metro Co., Ltd. MC Bakery Co., Ltd.  * The MSC Director, Mr. Sunpitt Sethpornpong is the main shareholder, with shareholding ratio at 15.4% in Juristic Person No. 1 and 16.7% in Juristic Person No. 2.	Normal Business	MSC Revenue: - Product Sales - Service Sales	69,650 478,600	In accordance with the normal business based on the same price of product and service compared with external parties regarding to the terms and conditions of general trade.
	Short-term Rental/Leasing For Assets	MSC Expense: - Office Rental Fee	340,800	In accordance with the normal business based on the same rate of rental fee compared with external parties regarding to the terms and conditions of general trade.
	Assets/Services	MSC Expense: - Public Utilities Fee	178,800	In accordance with the normal business based on the same price of product and service compared with external parties.

**3) Relationship: The related person is the daughter of MSC committee.**

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
Mrs. Thippawan Charuvajana  * She is the daughter of MSC Director, Mr. Tavit Charuvajana.	Short-term Rental For Assets	MSC Expense: - Rental Fee for Document Storage	480,000	In accordance with the normal business based on the same rate of rental fee compared with external parties regarding to the terms and conditions of general trade.

**4) Relationship: Some of MSC director are shareholders or executive of other related juristic person.**

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. Asian Wire Products Co., Ltd. 2. Inteltion Co., Ltd. * A brother of Mr. Sunpitt Sethpornpong, MSC Director, is the Director of Juristic Person No. 1. * A son of Mr. Suvij Suvaruchiphom, MSC Director, is the Director of Juristic Person No. 2.	Normal Business	MSC Revenue: - Product Sales - Service Sales	341,281 132,998	In accordance with the normal business based on the same rate of rental fee compared with external parties regarding to the terms and conditions of general trade.

**5) Relationship: Main MSC Shareholders are main shareholders (> 10%) in other related juristic persons.**

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. Chin Seng Huat Auto Parts Co., Ltd. 2. Treemit Marketing Co., Ltd. 3. Roj Anan Consultancy Co., Ltd. 4. UFM Fuji Super Co., Ltd. 5. UFM Food Center Co., Ltd.	Normal Business	MSC Revenue: - Product Sales - Service Sales	6,597,149 6,216,785	In accordance with the normal business based on the same rate of rental fee compared with external parties regarding to the terms and conditions of general trade.
6. MC Plastic Co., Ltd. 7. MC Industrial Chemical Co., Ltd. 8. Siam Flour Trading Co., Ltd.  * Chuerattanapong Family, MSC main shareholder is the main shareholder of Juristic Person No. 1. * Metrophose Co., Ltd., MSC main shareholder is the main shareholder of Juristic Person No. 2-8.	Business Support	MSC Expense: - Insurance Premium - Other Expense	801,757 5,247,788	In accordance with the normal business based on the same price of service compared with external parties regarding to the terms and conditions of general trade.

**6) Relationship: Subsidiaries and Jointed Venture Companies and other related MSC Juristic Persons.**

**6.1 Metro Professional Products Co., Ltd.**

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. UFM Food Center Co., Ltd. 2. Center Container Co., Ltd.  * Metrophose Co., Ltd., MSC main shareholder is the main shareholder of both juristic persons.	Normal Business	MPP Revenue: - Product Sales - Service Sales	43,900 60,800	In accordance with the normal business based on the same rate of rental fee compared with external parties regarding to the terms and conditions of general trade.
	Business Support	MPP Expense: - Other Expense	49,719	In accordance with the normal business based on the same price of service compared with external parties regarding to the terms and conditions of general trade.

## 6.2 Metro Infotech Co., Ltd.

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. Siam Aroon Group Co., Ltd. 2. UFM Food Center Co., Ltd.  * Mr. Sujit Suvaruchiphorn, MSC Director, is also the Director of Juristic Person No.1. * Metrophose Co., Ltd., MSC main shareholder is the main shareholder of Juristic Person No. 2.	Business Support	MIT Revenue:		In accordance with the normal business based on the same price of service compared with external parties regarding to the terms and conditions of general trade.
		- Service Sales	432,500	
		MIT Expense:		
		- Other Expense	41,910	

## 6.3 Metro Connect Co., Ltd.

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. UFM Food Center Co., Ltd.  * Metrophose Co., Ltd., MSC main shareholder is the main shareholder of the above juristic persons.	Business Support	MCC Expense:  - Other Expense	178,175	In accordance with the normal business based on the same price of service compared with external parties regarding to the terms and conditions of general trade.

## 6.4 HIS MSC Co., Ltd.

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. UFM Food Center Co., Ltd.  * Metrophose Co., Ltd., MSC main shareholder is the main shareholder of the above juristic persons.	Business Support	HIS Expense:  - Other Expense	419,351	In accordance with the normal business based on the same price of service compared with external parties regarding to the terms and conditions of general trade.

## 6.5 Metro Info Dynamics Co., Ltd.

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. UFM Food Center Co., Ltd.  * Metrophose Co., Ltd., MSC main shareholder is the main shareholder of the above juristic persons.	Business Support	MID Expense:  - Other Expense	99,800	In accordance with the normal business based on the same price of service compared with external parties regarding to the terms and conditions of general trade.

## Reasonability of Inter-Company Transaction

Related transaction between the Company and the subsidiary company of related person for the accounting year of 2014, according to the board of director resolution at the meeting No. 2/2558 on 24 February 2015 on which there was an attendance of the Audit Committee was deemed to be necessary,

## Future Inter-Company Transaction

According to the resolution of the board of the directors at the meeting No. 9/2545 on 24 July 2002 and resolution of the board of the directors at the meeting No. 3/2551 on 7 August 2008 on which there was an attendance of the Audit Committee, the possible future related transactions were prescribed to be as follows.

The Company will prescribe the terms and conditions in the related transactions to be in accordance with general trade terms and market price which can be compared to the price incurred to third party. The Audit Committee or the auditor of the Company, or any other independent expert, as the case may be, will be the one who considers and gives a suggestion about the appropriateness of the price and reasonableness of the transaction.

The Board of Directors of the Company is responsible for ensuring that the possible future related transactions are in accordance with the Law on Security and Stock Exchange, regulation, notification, order or

reasonable and for the maximum benefit of the Company. Currently, all of the four related transactions are transactions with trade agreements that are arranged in the same way that any ordinary prudence ought to do with his contractual party in the same situation.

specification of the Stock Exchange of Thailand or other related agency, as well as the requirement regarding the disclosure of related transaction information and the acquisition or disposal of major assets of the Company.

If the Company engages in a transaction between persons that may be in conflict in the future, the Audit Committee shall be the one who gives the opinion about the reasonableness of such transaction. In case it is found that the Audit Committee is not specialized in considering such occurring related transaction, other skilled person, such as the Company's auditor or independent experts shall be the one who gives the opinion about such related transaction.

The opinion of the Audit Committee and specialized person shall be used as a factor accompanying the decision making of the Board of Directors or shareholders, as the case may be. The Company is required to disclose such related transaction in the Notes to Financial Statement.

# Financial Summary

	Consolidated Financial Statements			Separate Financial Statements		
	2014	2013	2012	2014	2013	2012
<b>Statements of Comprehensive Income</b>						
Total Revenues (Million Baht)	7,076	6,784	6,446	5,630	5,668	5,731
Revenues from Sales and Services (Million Baht)	7,041	6,743	6,383	5,598	5,625	5,668
Net Profit (Loss) (Million Baht)	176	204	201	136	145	190
<b>Statements of financial Position</b>						
Total Assets (Million Baht)	3,124	2,819	2,516	2,260	2,234	2,140
Total Liabilities (Million Baht)	1,657	1,414	1,190	1,012	1,012	937
Total Equity (Million Baht)	1,467	1,405	1,326	1,248	1,222	1,203
Net Profit (Loss) (per share)	0.49	0.57	0.56	0.38	0.40	0.53
Dividend (per share)	--	--	--	0.30	0.30	0.35
<b>Financial Ratio :</b>						
Gross Profit Margin (%)	13.8	14.1	14.3	14.8	14.0	14.1
Net Profit (Loss) Margin (%)	2.5	3.0	3.1	2.4	2.6	3.3
Dividend (%)	--	--	--	79.2	74.5	66.2
ROA (%)	5.9	7.7	8.1	6.1	6.6	8.9
ROE (%)	12.3	15.0	16.0	11.0	12.0	16.7
Current Ratio (Times)	1.6	1.6	1.7	1.8	1.7	1.8
Debt to Equity Ratio (Times)	1.1	1.0	0.9	0.8	0.8	0.8
<b>Shares Information</b>						
No. of Registered Shares (Million Shares)	360	360	360	360	360	360
Paid up Capital (Million Baht)	360	360	360	360	360	360
Par Value (Baht / Share)	1	1	1	1	1	1
Book Value (Baht / Share)	4.08	3.90	3.68	3.47	3.39	3.34

## Analysis and Explanation from the Management

### Operating Performance

In 2014, the overall Thai economy was still in a state of depression. The computer market had shrunk continuously for three consecutive years. A report by IDC Thailand stated that the PC market growth reduced by 17% in 2014. The total sales of PC's were 2.48 million units with tablets 3.45 million units.

With the current sluggish economy, there was a reduction in Company and subsidiary operation results compared to last year. Although the total sales increased, the more competitive market forces produced a slim gross margin decrease. In 2014, Company has revenue from sales and services 7,041 million Baht, increased by 4% from the Enterprise Systems Group (ESG) and Software Integration Group (SIG) increased by 7% over two Business Units. The gross profit 13.8% decreased from the previous year with a rate of 14.1% and the Company has a net profit of 176 million Baht, decrease 8.8% compared to last year, excluding the reversal provision for litigation and claims at 193 million Baht.

### Revenue

Revenue from sales and services, classified by Business Units, was as follows.

1) **Enterprise Systems Group (ESG)** was 2,712 million Baht which was equal to 38% of total revenue, increased by 7% from the previous year. Most sales were host servers and large-sized storage units, including PC's and tablets.

2) **Software Integration Group (SIG)** was 2,154 million Baht which was equal to 30% of total revenue, increased by 7% from the previous year. Most from sales were host systems, software, and other services.

3) **Office Supplies Group (OSG)** was 2,170 million Baht which was equal to 31% of total revenue, slightly decreased by 0.6% from the previous year. The reduction was caused by a printing consumable supplies decrease as customers changed to printer leasing contracts which charged expenses on a page by page basis. However, the Company adjusted its sale strategy, and revenue only dropped slightly.

In 2013, the Company has income from the reversal provision for litigation and claims. In 2010, the Company was sued by two companies for purchase contract violation. They claimed compensation of 31.5 and 51.85 million Baht respectively. In 2012, the Company compromised with one of the companies, resulting in a reversal provision for litigation and claims of 31 million Baht. In 2013, the Company compromised with the second company. This gave another revised estimate of liability for 12 million Baht. In 2014, the Company had no remaining liability from the two lawsuit cases mentioned above.

The gross profit margin slightly reduced from 14.1% in 2013 to 13.8% in 2014. There was more competition in the IT market. The Company will try to maintain a gross profit margin close to that of the previous year.



## Expenses

The Company's expenses consist of:

- Selling and administration expenses increased from last year by 36 million Baht or 5%. It was 10.8% compared to revenue from sales and services in 2014, which was close to the 10.7% in 2013.

- Financial cost increased from the previous year by 10 million Baht or 56 %. When compared to the revenue from sales and services in 2014, this is a 0.41% increase compared to 0.27% in 2013.

- Corporate tax increased by 8 million Baht or 20%. When compared to the revenue from the sales of products and services in 2014, this is a 0.7% increase compared to 0.6% in 2013.

As the result, the Company generated a net profit of 176 million Baht. This compared to 204 million Baht in 2013, a reduction of 28 million Baht or 13.8%. However, when compared to the annual net profit, excluding the reversal provision for litigation and claims in 2014, it decreased by 8.8%.

The Company had a profitability ratio was equal to 2.5% decreased from the previous year was equal to 3%. Return of Equity is reduced from the previous year at 15% to 12.3%.

## Financial Status

### Assets

As at 31 December 2014, the Company had total assets of 3,124 million Baht, increased by 305 million Baht or 11% from the previous year. The total assets consisted of the current assets of 2,200 million Baht or 70% of the total assets, and non-current assets of 924 million Baht or 30% of the total assets. The main reasons for the asset increase were as follows:

- The current assets of 2,200 million Baht increased by 7%, derived from current portion of financial lease receivables during the year increasing

by 66 million Baht, the inventory after deduct allowance for obsolete goods increased by 295 million Baht, other current assets increased by 12 million Baht. On the other hand, the cash and cash equivalent reduced by 10 million Baht and trade and other receivables after deduct allowance for doubtful reduced by 213 million Baht. More than 99% were trade receivable from other companies.

### Trade and Other Receivables

The Company's Trade and other receivables after deduct allowance for doubtful as at 31 December, 2014 were 1,136 million Baht reduced by 213 million Baht from last year. Most of the receivable accounts (72%), the receivables that is not yet due for payment and 28% are in the process of debt collection. Without receivables older than 1 year. The Company estimated the allowance for doubtful by considering each receivable under the Company's receivable account criteria. In 2014 the Company estimated allowance for doubtful of 8.4 million Baht or 0.8% of the total receivable accounts. The Company has an average debt collection period of 60 days from sales at the end of last quarter.

### Inventory

The Company's outstanding inventory after deduction of allowance for obsolete goods as at 31 December 2014 was 729 million Baht increase by 295 million Baht from the last year. The average day sales was 19 days equal to the previous year. The inventory increased after deducting the allowance for obsolete goods, but not significantly. Most products were new items and items that a customer has made a purchase

contract already. In 2014, the Company estimated an allowance for obsolete value of 0.03 %.

- The non-current assets were 924 million Baht, increased by 20%. This derived from the increase in financial lease receivables by 153 million Baht. Other non-current assets increased by 17 million Baht. The investments in associated companies increased by 4.6 million Baht. Deposits at banks used as collateral increased by 7 million Baht. Property, plant and equipment (net) decreased by 26 million Baht and the return on fixed assets was 51%.

## **Liquidity**

### **Cash Flow**

As at 31 December 2014, the Company had net cash and cash equivalent reduced by 10 million Baht net was 148 million. The main reasons were from:

- Net cash from operating activities was 202 million Baht, mainly resulting from operating profit before tax was 335 million Baht, the change in trade and other receivables decrease 208 million Baht, an inventory increase of 299 million Baht, other current assets increasing by 12 million Baht, other assets increasing by 0.6 million Baht, the financial lease receivables increasing by 219 million Baht, trade and other payables increasing by 271 million Baht, current liability increasing by 16 million Baht and the employees benefit obligations decreasing by 2 million Baht. These caused the Company to have cash inflow from operating activities equal to 297 million Baht. The Company paid for interest expenses at the amount of 29 million Baht and income tax expense 66 million Baht, which cause the Company to have net cash inflow from operating activities equal to 202 million Baht.

- Net cash used in investing activities was 57 million Baht, because the Company improved its

buildings whose cost was 13 million Baht and bought furniture and office equipment at the amount of 32 million Baht.

- Net cash used in financing activities was 155 million Baht, because short-term loan from financial institution decreased by 192 million Baht. Cash inflow from selling and leasing back increased by 223 million Baht. While the Company paid liabilities under finance lease contracts at the amount of 67 million Baht and paid long-term loans from financial institutions at the amount of 10 million Baht. The Company also paid for dividends at the amount of 108 million Baht.

### **Significant Liquidation Ratio**

As at 31 December 2014, the Company had a D/E ratio of 1.1 increasing by 0.1 from 2013. This resulted from the increased liability from trade and other payables, long-term loans, and liabilities under finance lease contract. The Shareholder's portion increased from the annual net profit. However, the Company's total debt occurs from the normal business operation.

The debt service coverage ratio was 0.9 increased from 0.84 in 2013 because of in 2014 the Company had cash flow from operating activities to 202 million Baht. The main reason that cash flow from operating activities increased due to the decreased of trade and other receivables by 208 million. The inventory increased by 299 million Baht, other current assets increased by 12 million, finance lease receivables increased by 219 million Baht. Trade and other payables increased by 271 million Baht. The Company paid back debts of 77 million Baht, bought assets of 46 million Baht and paid 108 million Baht in dividends.

The Liquidity Ratio as of the end of year 2014 was equal to 1.6, which is decreased from the previous year, due to the Company had shorter average

duration of collection period from 62 days to 60 days. On the contrary, the payment period was increase from 43 days to 52 days, compared to fixed average days sales of 19 days. The quick ratio in 2014 was at 0.9 time which is reduced from year 2013 at 1.2 times, mainly from trade and other receivables reduce by 208 million Baht. Conversely, the amount of trade and other payables was increased at 271 million Baht.

## **Source of Funds**

### **Liability**

Total liabilities as at 31 December, 2014 was 1,657 million Baht, increased by 242 million Baht or 17% from the previous year. The total liabilities consisted of the current liability at 1,386 million Baht or 84% of the total liabilities and the non-current liability at 271 million Baht or 16% of the total liabilities. The main reasons for the increase in debt were as follows:

- The current liability was 1,386 million Baht increased by 10% due to the increased trade and other payables by 262 million Baht. More than 99% is trade payables to other companies. The Company has payment period of 52 days. The current portion of long-term liabilities increased by 43 million Baht. Other current liability increased by 16 million Baht. Bank overdrafts and short-term loans from financial institutions reduced by 193 million Baht.

- The non-current liability was 271 million Baht increased by 75% due to the liability under finance lease contracts increasing by 114 million Baht and the

employee benefit obligations increasing by 12 million Baht. The long-term loans from financial institutions reduced by 10 million Baht and the deferred tax liabilities decreased by 0.3 million Baht.

### **Shareholder's Equity**

The Shareholder's equity as at 31 December 2014 was 1,467 million Baht increased by 4% because of the net profit in 2014 was 176 million Baht. The Company paid dividends in 2013 at the rate of 0.3 Baht per share, totaling 108 million Baht.

### **Committed Liability and Out-of-Balance Sheet Management**

The Company engaged in lease contracts as follows:

1. Vehicle lease contract for 5 years which can be terminated. As at 31 December 2014, the minimum amount was 5.6 million for 1 year, and 3.2 million Baht paid within 1 to 3 years.

2. Computer and equipment lease contract for 4 years. As at 31 December 2014, the Company had a minimum amount of 1.4 million Baht which must be paid back within 1 year.

The Company has disclosed this information in the Note of Financial Statement, Clause 28.2 of financial statement year 2014.

### **Factors which may affect the financial status or future operation**

- None -

*\*Investors can learn more about the Company information from the Annual Registration Statement (Form 56-1) of the Company presented in the website [www.sec.or.th](http://www.sec.or.th) or in the Company's website: [www.metro systems.co.th](http://www.metro systems.co.th)*

# Auditing Committees Report 2014

The Audit Committee of Metro System Corporation Public Co., Ltd. has been appointed by the Board of Directors which consists of three Directors. They have knowledge and experience in law, accounting, finance, technology, IT and organization management. The Board of Directors passed a resolution to appoint Mr. Chacree-Amorn Tirachulisoonthorn as member of the audit committee, replacing Mr. Chuchart Wattanatham who resigned on 24 October 2014. As a result, the current audit committee consists of Mr. Pravitt Chattalada as the Chairman, Dr. Virach Aphimeteetamrong and Mr. Chacree-Amorn Tirachulisoonthorn as members of the Audit Committee.

The Audit Committee performs duties as assigned by the Board of Directors under the guideline of the Audit Committee's charter which is consistent with SET regulations. In 2014 fiscal year, there were five meetings of the Audit Committee. The auditor is allowed to attend one meeting. The Audit Committee has a joint meeting with the Board of Directors five times and one meeting with the non-executive directors and the executive directors every year. The mission over the past year can be summarized as follows.

## **Financial Statement**

The Audit Committee audits the financial statement on a quarterly and yearly basis for the Company and subsidiaries in coordination with the auditor, the management, and the internal audit department. The Audit Committee gives advice and ensures that the financial statement is correct and reliable. The disclosure of information is adequate and timely for those who require, in compliance with applicable laws, and certified accounting standards as usual practice.

## **Connected transactions which may cause conflict of interest**

The Audit Committee audits the connected transactions, the engagement and the information disclosure. The Audit Committee considers the transaction by adhering to the principles of correctness, caution, reasonable grounds, and the benefit of the Company's stakeholders. This includes adequate information disclosure in compliance with conditions and criteria imposed by the SEC.

## **Internal Control and Risk Management**

The Audit Committee audits the adequacy and suitability of internal control systems within the Company. The Committee's consideration is based on reports from the internal audit department to evaluate the adequacy of internal control systems, the risk management, and management consistent with the Company's policy. The Committee implements adequate internal control systems as a priority.

## **Law Compliance**

The Audit Committee audits the Company's policy and practice guidelines to ensure that they are in line with good corporate governance principles, in compliance with the applicable laws regarding security and SET, regulations set by SET, and laws related to the Company's business.

## **Selection, Nomination, Termination and Determination of Accounting Auditor**

The Audit Committee considers, selects, and appoints the Company's auditor from Bunchikij Company Limited, and determines the auditor fee for 2014 by considering the performance, knowledge, ability, business understanding, and independency. The certified auditor has no relation with the Company and subsidiaries as proposed to the Board of Directors and the Shareholders.

Mr. Pravit Chattalada

Chairman of Audit Committee

## Responsibilities Report of Board of Directors

Board of Directors has responsibility for the Company and subsidiaries' financial consolidated statements; financial information appeared in annual report or on the internet. The mentioned statement is made in accordance with the General Accepted Accounting Principles in Thailand by choosing appropriate accounting policy and practicing it constantly and carefully for the maximum benefit. In addition, it includes adequate disclosure of information in financial statement notes.

Moreover, the Board of Directors has the duty to maintain efficient internal audit control system in order to assure that the accounting record is correct, complete and adequate to protect assets. At the same time, they alarm the Company to be aware of weak point as to prevent any frauds or irregular activities with significances.

Furthermore, the Board of Directors has appointed Audit Committees which consist of independent directors who have duties and responsibilities to oversee the quality of financial statement and internal audit control system. Audit Committees' opinions regarding the mentioned issues have been shown in this annual report.

Thus, the Board of Directors has agreed that the Company's internal audit control system is at satisfactory level and is able to create reasonable confidence for the Company and subsidiaries' creditability of financial statement as of 31 December 2014

(Mr. Sunpitt Sethpornpong)

Chairman

(Mr. Tavit Charuvajana)

Managing Director

**METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED**

**AND ITS SUBSIDIARIES**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**

**JANUARY 1, 2014 TO DECEMBER 31, 2014**

# Independent Auditor's Report

To the Shareholders and Board of Directors of Metro Systems Corporation Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Metro Systems Corporation Public Company Limited and its subsidiaries, and of Metro Systems Corporation Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2014, the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

## Management's Responsibility for the Consolidated and Separate Financial Statements

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

## Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



## Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at December 31, 2014 and the financial performance and cash flows for the year then ended of Metro Systems Corporation Public Company Limited and its subsidiaries and Metro Systems Corporation Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

(Mr. Pornchai Kittipanya-ngam)

Certified Public Accountant

Registration No. 2778

Bunchikij Co., Ltd.

Bangkok

February 24, 2015

Metro Systems Corporation Public Company Limited and its subsidiaries

Statements of financial position

As at December 31, 2014

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	3.2 and 5	147,876,309	157,603,978	48,204,044	55,207,459
Trade and other receivables	3.3 and 6	1,136,203,220	1,349,390,899	954,032,266	1,107,036,877
Current portion of finance lease receivables	12	149,012,406	82,742,402	60,862,928	18,954,451
Inventories	3.4 and 7	729,061,523	434,210,945	368,536,758	329,661,874
Other current assets		37,641,175	25,412,145	3,822,256	15,077,561
Total current assets		2,199,794,633	2,049,360,369	1,435,458,252	1,525,938,222
Non-current assets					
Investments in associated companies	3.5.1 and 8	24,468,605	19,902,735	9,918,800	11,918,800
Investments in subsidiary companies	3.5.1 and 8	0	0	43,219,370	43,219,370
Deposits at banks used as collateral	3.5.2 and 10	110,701,907	103,655,342	87,220,016	87,220,016
Property, plant and equipment	3.7, 11 and 26	468,537,617	494,481,738	452,867,788	476,991,860
Finance lease receivables	3.6, 12 and 26	232,752,099	79,632,286	152,335,378	20,332,997
Intangible assets	3.8 and 13	11,752,700	11,781,835	11,254,798	11,781,835
Deferred tax assets	3.15 and 25	10,893,448	12,310,793	7,505,847	10,868,460
Other non-current assets	14	65,066,781	47,983,811	60,697,262	45,770,013
Total non-current assets		924,173,157	769,748,540	825,019,259	708,103,351
Total assets		3,123,967,790	2,819,108,909	2,260,477,511	2,234,041,573

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

Metro Systems Corporation Public Company Limited and its subsidiaries

Statements of financial position (Continued)

As at December 31, 2014

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	15 and 26	79,803,046	273,084,818	0	128,863,829
Trade and other payables	16	1,153,809,930	892,212,657	714,732,610	705,614,484
Current portion of long-term liabilities	17	97,828,234	55,133,688	52,679,936	28,897,254
Accrued income tax	3	11,559,750	3,999,038	0	0
Other current liabilities		42,750,415	34,343,414	44,162,716	31,763,391
Total current liabilities		1,385,751,375	1,258,773,615	811,575,262	895,138,958
Non-current liabilities					
Long-term loans from financial institutions	18	4,349,720	14,764,253	4,349,720	14,764,253
Liabilities under finance lease contracts	19	162,492,706	48,299,253	102,781,798	18,246,375
Deferred tax liabilities	3.15 and 25	0	265,604	0	0
Employee benefit obligations	3.13 and 20	104,091,207	91,812,829	93,485,734	84,301,514
Total non-current liabilities		270,933,633	155,141,939	200,617,252	117,312,142
Total liabilities		1,656,685,008	1,413,915,554	1,012,192,514	1,012,451,100
Shareholders' equity					
Share capital					
Authorized share capital					
360,000,000 Ordinary shares of Baht 1 each,		360,000,000	360,000,000	360,000,000	360,000,000
Issued and paid-up share capital					
360,000,000 Ordinary shares of Baht 1 each,					
fully paid		360,000,000	360,000,000	360,000,000	360,000,000
Premium on ordinary shares		234,221,748	234,221,748	234,221,748	234,221,748
Retained earnings					
Appropriated for legal reserve		47,900,000	47,900,000	47,900,000	47,900,000
Unappropriated		818,988,251	754,586,071	606,163,249	579,468,725
Total equity holders of the parent		1,461,109,999	1,396,707,819	1,248,284,997	1,221,590,473
Non-controlling interests		6,172,783	8,485,536	0	0
Total shareholders' equity		1,467,282,782	1,405,193,355	1,248,284,997	1,221,590,473
Total liabilities and shareholders' equity		3,123,967,790	2,819,108,909	2,260,477,511	2,234,041,573

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

**Metro Systems Corporation Public Company Limited and its subsidiaries**  
**Statements of comprehensive income**  
**For the year ended December 31, 2014**

Unit : Baht

	Consolidated financial statements		Separate financial statements	
Note	2014	2013	2014	2013
<b>Revenues from sales and services</b>				
Revenues from sales of goods	6,426,593,344	5,988,333,622	5,111,733,292	4,965,918,738
Revenues from rendering of services	586,501,592	572,734,037	456,429,508	478,219,148
Rental income	27,437,958	182,293,545	29,959,772	181,083,793
<b>Total revenues from sales and services</b>	<b>7,040,532,894</b>	<b>6,743,361,204</b>	<b>5,598,122,572</b>	<b>5,625,221,679</b>
<b>Costs of sales and services</b>				
Costs of sales of goods	(5,665,676,255)	(5,246,903,041)	(4,472,425,258)	(4,343,680,261)
Costs of the rendering of services	(381,621,730)	(375,839,630)	(273,247,152)	(320,862,319)
Cost of rent	(21,560,768)	(172,624,028)	(21,560,768)	(172,411,062)
<b>Total costs of sales and services</b>	<b>(6,068,858,753)</b>	<b>(5,795,366,699)</b>	<b>(4,767,233,178)</b>	<b>(4,836,953,642)</b>
<b>Gross profit</b>	<b>971,674,141</b>	<b>947,994,505</b>	<b>830,889,394</b>	<b>788,268,037</b>
Other incomes	35,288,895	27,940,838	32,247,930	29,981,338
Reversal provision for litigation and claims	21	0	0	11,579,223
Reversal of allowance for diminution in value of investments	0	1,440,000	0	1,440,000
<b>Profit before expenses</b>	<b>1,006,963,036</b>	<b>988,954,566</b>	<b>863,137,324</b>	<b>831,268,598</b>
Selling expenses	(125,690,280)	(121,763,588)	(107,280,698)	(109,025,812)
Administrative expenses	(633,929,601)	(602,150,361)	(566,696,740)	(529,326,369)
<b>Profit before share of profit from investments in associated companies</b>	<b>247,343,155</b>	<b>265,040,617</b>	<b>189,159,886</b>	<b>192,916,417</b>
Share of profit from investments in associated companies	5,146,977	340,061	0	0
<b>Profit before finance costs and income tax</b>	<b>252,490,132</b>	<b>265,380,678</b>	<b>189,159,886</b>	<b>192,916,417</b>
Finance costs	(28,966,176)	(18,499,875)	(15,040,883)	(9,871,117)
<b>Profit before income tax</b>	<b>223,523,956</b>	<b>246,880,803</b>	<b>174,119,003</b>	<b>183,045,300</b>
Income tax expenses	3.15 and 25	(48,772,100)	(40,739,919)	(37,755,927)
<b>Profit for the years</b>	<b>174,751,856</b>	<b>206,140,884</b>	<b>136,363,076</b>	<b>144,874,364</b>
<b>Other comprehensive income</b>				
Actuarial gains (losses)	(4,059,528)	0	(2,086,065)	0
Share of other comprehensive income from investments in associated companies	(726,384)	0	0	0
Income tax of other comprehensive income	957,183	0	417,213	0
<b>Other comprehensive income for the years, net of income tax</b>	<b>(3,828,729)</b>	<b>0</b>	<b>(1,668,852)</b>	<b>0</b>
<b>Total comprehensive income for the years</b>	<b>170,923,127</b>	<b>206,140,884</b>	<b>134,694,224</b>	<b>144,874,364</b>
<b>Profit attributable to</b>				
Equity holders of the parent	176,020,876	204,302,190	136,363,076	144,874,364
Non-controlling interests	(1,269,020)	1,838,694	0	0
	<b>174,751,856</b>	<b>206,140,884</b>	<b>136,363,076</b>	<b>144,874,364</b>
<b>Total comprehensive income attributable to</b>				
Equity holders of the parent	172,401,880	204,302,190	134,694,224	144,874,364
Non-controlling interests	(1,478,753)	1,838,694	0	0
	<b>170,923,127</b>	<b>206,140,884</b>	<b>134,694,224</b>	<b>144,874,364</b>
<b>Basic earnings per share</b>				
Profit of equity holders of the parent	3	0	1	0

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

**Metro Systems Corporation Public Company Limited and its subsidiaries**  
**Statement of changes in shareholders' equity (Consolidated Financial Statements)**  
**For the year ended December 31, 2014**

Unit : Baht

	Note	Equity holders of the parent				Non-controlling	Total	
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total	Interests	Shareholders' Equity
				Appropriated for legal reserve	Unappropriated			
Balance as at January 1, 2013		360,000,000	234,221,748	47,900,000	676,283,576	1,318,405,324	7,381,097	1,325,786,421
Increase in share capital of the subsidiary							300	300
Result from change of shareholding in subsidiary					(45)	(45)	45	0
Dividend paid	22				(125,999,650)	(125,999,650)	(734,600)	(126,734,250)
Total comprehensive income for the year 2013					204,302,190	204,302,190	1,838,694	206,140,884
Balance as at December 31, 2013		360,000,000	234,221,748	47,900,000	754,586,071	1,396,707,819	8,485,536	1,405,193,355
Dividend paid	22				(107,999,700)	(107,999,700)	(834,000)	(108,833,700)
Total comprehensive income for the year 2014					172,401,880	172,401,880	(1,478,753)	170,923,127
Balance as at December 31, 2014		360,000,000	234,221,748	47,900,000	818,988,251	1,461,109,999	6,172,783	1,467,282,782

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

**Metro Systems Corporation Public Company Limited and its subsidiaries**  
**Statement of changes in shareholders' equity (Separate financial statements)**  
**For the year ended December 31, 2014**

Unit : Baht

	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total shareholders' equity
				Appropriated for legal reserve	Unappropriated	
Balance as at January 1, 2013		360,000,000	234,221,748	47,900,000	560,594,011	1,202,715,759
Dividend paid	22				(125,999,650)	(125,999,650)
Total comprehensive income for the year 2013					144,874,364	144,874,364
Balance as at December 31, 2013		360,000,000	234,221,748	47,900,000	579,468,725	1,221,590,473
Dividend paid	22				(107,999,700)	(107,999,700)
Total comprehensive income for the year 2014					134,694,224	134,694,224
Balance as at December 31, 2014		360,000,000	234,221,748	47,900,000	606,163,249	1,248,284,997

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 year ended December 31, 2014**

Unit : Baht

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Cash flows from operating activities					
Profit before income tax		223,523,956.0	246,880,803.0	174,119,003.0	183,045,300.0
Adjustments to reconcile profit before income tax to net cash provided by operating activities					
Depreciation		72,976,381.0	66,527,414.0	68,872,349.0	62,376,933.0
Amortization of prepaid leases		924,178.0	1,144,662.0	924,178.0	1,144,662.0
Amortization of intangible assets		3,413,639.0	2,214,199.0	2,952,169.0	2,214,199.0
Bad debt and doubtful accounts		4,462,198.0	2,053,355.0	4,462,198.0	1,495,315.0
Withholding income tax - written off		312,046.0	0.0	312,046.0	0.0
Allowance for obsolete goods (reversal)		37,580.0	(34,961.0)	14,378.0	(35,201.0)
Allowance for diminution in value of investments (reversal)		0.0	(1,440,000.0)	2,000,000.0	(1,440,000.0)
Gain on sales, donation and writing-off of fixed assets		(1,193,639.0)	(239,260.0)	(620,233.0)	(58,611.0)
Gain on exchange rate		(1,335,504.0)	(51,175.0)	(1,366,273.0)	(357,171.0)
Share of profit from investments in associated companies		(5,146,977.0)	(340,061.0)	0.0	0.0
Gain on sale investment in other company		0.0	(500,000.0)	0.0	(500,000.0)
Employee benefit expenses		10,674,850.0	12,312,378.0	9,554,155.0	11,475,072.0
Reversal provision for litigation and claims		0.0	(11,579,223.0)	0.0	(11,579,223.0)
Dividend income		0.0	(325,000.0)	(7,666,000.0)	(6,691,896.0)
Interest income		(2,684,517.0)	(4,121,670.0)	(1,823,347.0)	(3,426,598.0)
Interest expenses		28,966,176.0	18,499,875.0	15,040,883.0	9,871,116.0
		334,930,367.0	331,001,336.0	266,775,506.0	247,533,897.0
Change in operating activities					
(Increase) decrease in assets					
Trade and other receivables		208,179,542.0	(213,756,299.0)	148,326,211.0	(93,086,810.0)
Inventories		(299,373,460.0)	(47,341,837.0)	(43,374,564.0)	(37,528,091.0)
Other current assets		(11,690,163.0)	(861,944.0)	12,112,554.0	(2,177,381.0)
Other non-current assets		(567,450.0)	0.0	(567,450.0)	0.0
Finance lease receivables		(219,389,817.0)	(22,218,845.0)	(173,910,859.0)	10,065,918.0

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 year ended December 31, 2014**

Unit : Baht

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Change in operating activities (Continued)					
Increase (decrease) in liabilities					
Trade and other payables		271,363,328.0	67,746,549.0	17,759,613.0	56,842,894.0
Other current liabilities		16,156,714.0	10,805,633.0	12,262,948.0	11,872,239.0
Employee benefit obligations		(2,456,000.0)	(1,506,400.0)	(2,456,000.0)	(1,506,400.0)
Provision for litigation and claims		0.0	(20,000,000.0)	0.0	(20,000,000.0)
Cash generated from operations		297,153,061.0	103,868,193.0	236,927,959.0	172,016,266.0
Interest paid		(29,143,143.0)	(18,123,768.0)	(15,019,897.0)	(9,697,133.0)
Income taxes refund		12,213,431.0	0.0	12,213,431.0	0.0
Income taxes paid		(77,828,662.0)	(74,031,419.0)	(61,785,556.0)	(60,321,539.0)
<b>Net cash provided by operating activities</b>		<b>202,394,687.0</b>	<b>11,713,006.0</b>	<b>172,335,937.0</b>	<b>101,997,594.0</b>
<b>Cash flows from investing activities</b>					
(Increase) decrease in fixed deposits used as collateral		(7,046,565.0)	(5,615,280.0)	0.0	5,779,984.0
Increase in fixed assets		(42,466,927.0)	(78,759,663.0)	(40,143,303.0)	(76,945,521.0)
Purchase for intangible assets		(3,384,504.0)	(5,584,339.0)	(2,425,132.0)	(5,584,339.0)
Increase in investment in subsidiary company		0.0	0.0	0.0	(5,999,700.0)
Proceeds from government bond		0.0	3,000,000.0	0.0	3,000,000.0
Proceeds from sale of investments in other company		0.0	5,500,000.0	0.0	5,500,000.0
Interest received		2,985,271.0	4,229,378.0	1,928,712.0	3,674,189.0
Dividend received		0.0	1,164,496.0	7,666,000.0	6,691,896.0
Payment for accounts payable for fixed assets		(8,337,875.0)	(3,408,777.0)	(8,337,875.0)	(3,408,778.0)
Proceeds from sales of fixed assets		1,408,873.0	1,766,334.0	795,826.0	1,529,529.0
<b>Net cash used in investing activities</b>		<b>(56,841,727.0)</b>	<b>(77,707,851.0)</b>	<b>(40,515,772.0)</b>	<b>(65,762,740.0)</b>

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 year ended December 31, 2014**

Unit : Baht

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<b>Cash flows from financing activities</b>					
Increase (decrease) in bank overdrafts		(1,417,942.0)	3,696,793.0	0.0	0.0
Increase (decrease) in short-term loans from financial institutions		(191,863,830.0)	126,027,387.0	(128,863,829.0)	(4,972,613.0)
Increase in long-term loans from financial institutions		0.0	30,000,000.0	0.0	30,000,000.0
Payment of long-term loans from financial institutions		(9,858,515.0)	(5,396,852.0)	(9,858,515.0)	(5,396,852.0)
Repayment of liabilities under finance lease contracts		(66,896,562.0)	(49,942,816.0)	(31,047,077.0)	(21,044,990.0)
Proceeds from sale and leaseback transactions		223,228,543.0	61,547,536.0	138,809,164.0	20,910,278.0
Proceeds from shares of subsidiary company		0.0	300.0	0.0	0.0
Dividend paid		(108,472,323.0)	(126,419,606.0)	(107,863,323.0)	(125,888,585.0)
<b>Net cash provided by (used in) financing activities</b>		<b>(155,280,629.0)</b>	<b>39,512,742.0</b>	<b>(138,823,580.0)</b>	<b>(106,392,762.0)</b>
<b>Decrease in cash and cash equivalents, net</b>		<b>(9,727,669.0)</b>	<b>(26,482,103.0)</b>	<b>(7,003,415.0)</b>	<b>(70,157,908.0)</b>
<b>Cash and cash equivalents as at January 1,</b>		<b>157,603,978.0</b>	<b>184,086,081.0</b>	<b>55,207,459.0</b>	<b>125,365,367.0</b>
<b>Cash and cash equivalents as at December 31,</b>	3.2 and 5	<b>147,876,309.0</b>	<b>157,603,978.0</b>	<b>48,204,044.0</b>	<b>55,207,459.0</b>
<b>Supplemental cash flows information :</b>					
Non-cash items :					
Accounts payable for fixed assets		295,265.0	7,792,405.0	295,265.0	7,792,405.0
Increase in assets from inventory transfer		4,819,342.0	3,974,761.0	4,819,342.0	3,974,761.3
Accrued dividend expenses		361,377.0	314,645.0	136,377.0	111,065.0

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

## Note to Financial Statements

### 1. General information

1.1 The Company was incorporated in Thailand on January 6, 1986, and has been listed in the Stock Exchange of Thailand since 1996. The operations of the Company and its subsidiaries are distributors of computers and equipments, softwares, office equipments, telecommunication equipments and other related services.

1.2 The address of the Company is 400 Chelermprakiat Rama 9 Road, Nhongbon, Prawet, Bangkok 10250. There are 3 branches and rental as follows :

Branch 1      888/15-17 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.

On February 3, 2014, the Company decreased in the Branch 5    18 Charansanitwong Road 81, Bangaow Bangplad Bangkok. And on November 18, 2014, the Company decreased in the Branch 4    7/405 Central Pinklao Floor 3 Room 323, Baromrajchonanee Road, Aroonummarin Bangkoknoi Bangkok.

1.3 The major shareholders of the Company are Metro Value Creation Co., Ltd, Charuvajana Family and Metrophose Co., Ltd.

### 2. Basis for the preparation and presentation of the financial statements

2.1 The financial statements have been prepared in accordance with the Thai Financial Reporting Standards which are issued under the Accounting Professions Act B.E. 2547, and have been presented under the Accounting Act B.E. 2543, and according to the requirements of the Securities and Exchange Commission, and the regulation of the Stock Exchange of Thailand.

## 2. Basis for the preparation and presentation of the financial statements (Continued)

2.2 The financial statements are presented for Thai currency reporting purposed and prepared in Thai language. This English translation of financial statements has been prepared for the convenience of the readers who were not conversant with Thai language.

### 2.3 Basis for the preparation of consolidated financial statements

The consolidated financial statements included the accounts of the Company and its subsidiary companies.

	Ratio (%)		Numbers of shares		Held shares	
	2014	2013	2014	2013	2014	2013
Metro Professional Products Co., Ltd.	98.6000	98.6000	200,000	200,000	197,200	197,200
Metro Info Tech Co., Ltd.	70.0000	70.0000	50,000	50,000	35,000	35,000
Metro Connect Co., Ltd.	99.9997	99.9997	1,000,000	1,000,000	999,997	999,997
Metro Info Dynamics Co., Ltd.	99.9940	99.9940	100,000	100,000	99,994	99,994

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

The financial statements of the subsidiaries are prepared by using the same significant accounting policies as applied to the Company.

## 2. Basis for the preparation and presentation of interim financial statements (Continued)

### 2.4 Notifications of applying the Financial Reporting Standards

The Federation of Accounting Professions has issued the following new and revised Financial Reporting Standards.

2.4.1 The Financial Reporting Standards which are effective for accounting periods beginning on or after January 1, 2014.

#### **Conceptual Framework for Financial Reporting (revised 2014)**

##### **Accounting Standards**

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Venture
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

##### **Financial Reporting Standards**

TFRS 2 (revised 2012)	Share – based Payments
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

##### **Accounting Standards Interpretations**

TSIC 15	Operating Leases-Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements – Disclosure
TSIC 32	Intangible Assets-Web Site Costs

## 2. Basis for the preparation and presentation of interim financial statements (Continued)

### 2.4 Notifications of applying the Financial Reporting Standards (Continued)

#### 2.4.1 The Financial Reporting Standards which are effective for accounting periods beginning on or after January 1, 2014. (Continued)

##### Financial Reporting Standard Interpretations

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

The adoption of the above Thai Financial Reporting Standards are not material impacts on the financial statements for this accounting period.

#### 2.4.2 The Financial Reporting Standards which are effective for accounting periods beginning on or after January 1, 2015.

##### Accounting Standards

TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events after the Reporting Period

## 2. Basis for the preparation and presentation of the financial statements (Continued)

### 2.4 Notifications of applying the Financial Reporting Standards (Continued)

#### 2.4.2 The Financial Reporting Standards which are effective for accounting periods beginning on or after January 1, 2015. (Continued)

##### Accounting Standards (Continued)

TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property

## 2. Basis for the preparation and presentation of the financial statements (Continued)

### 2.4 Notifications of applying the Financial Reporting Standards (Continued)

2.4.2 The Financial Reporting Standards which are effective for accounting periods beginning on or after January 1, 2015. (Continued)

#### Financial Reporting Standards

TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

#### Accounting Standards Interpretations

TSIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases - Incentives
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs

## 2. Basis for the preparation and presentation of the financial statements (Continued)

### 2.4 Notifications of applying the Financial Reporting Standards (Continued)

2.4.2 The Financial Reporting Standards which are effective for accounting periods beginning on or after January 1, 2015. (Continued)

#### Financial Reporting Standard Interpretations

TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 (revised 2014) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

2.4.3 The Financial Reporting Standards which are effective for accounting periods beginning on or after January 1, 2016.

#### Financial Reporting Standards

TFRS 4 (revised 2014)	Insurance Contracts
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The Company and its subsidiaries would not yet adopt the above standards before the effective date. The management of the Company and its subsidiaries will evaluate the impacts of these accounting standards on the financial statements in the year when they are initially applied.

2.5 Preparation of the financial statements in conformity with Thai Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.



### 3. Summary of Significant Accounting Policies

#### 3.1 Summary of Significant Accounting Policies

Historical cost is used as measurement basis in preparing these financial statements except some items indicated in relevant notes.

#### 3.2 Cash and cash equivalents

Cash represents cash on hand and demand deposits with bank.

Cash equivalents comprise fixed deposits and short-term highly liquid investments which are not restricted in their uses, and that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value, such as deposit expiring less than 3 months from acquisition date or investments.

#### 3.3 Trade and other receivables

Trade and other receivables are stated at net realizable value which are the amount of invoices netted from allowance for doubtful account. Allowance for doubtful accounts is based on the estimated uncollectible amounts by considering from the present financial status of each account receivable, and the management's opinions.

#### 3.4 Inventories

Inventories are valued at cost or net realizable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

The costs of purchased inventories comprise the purchase price and other costs directly attributed to the acquisition of goods. The costs of inventories are calculated on the following bases:

Finished goods	-	Valued at cost price under at average and specific methods
Goods in transit	-	Valued at cost price
Raw material	-	Valued at cost price under at average method

The company and its subsidiaries have policy to approximate the allowance for obsolete goods by considering from each item of merchandises that has not been moving.

### 3. Summary of Significant Accounting Policies (Continued)

#### 3.5 Investments

##### 3.5.1 Investments in subsidiary, associated, and other companies

Investments in associated companies for the consolidated financial statements are accounted for by the equity method. (Note 8)

Investments in subsidiary and associated companies for the separate financial statements are accounted for by the cost method less allowance for decline in value of investments.

Investments in other companies are recorded at cost method less allowance for decline in value of investments.

##### 3.5.2 Investments in Debt Securities

Long – term investments in Debt Securities and fixed deposits are stated at fair value.

Investment in Government bonds are stated at fair value.

#### 3.6 Leases agreement

##### Finance Leases

The leases of assets, which the substantial all the risks and rewards associated with the ownership of the assets have been transferred to the lessee, title may or may not eventually be transferred to the lessee under the finance lease arrangements, are classified as finance leases. The lessee is to record the finance lease as an asset and obligation at an amount equal to the fair value of the leased asset or the present value of the minimum lease payment whichever is lower. The interest expense is charged to profit or loss over the lease period. The leased asset is depreciated over the useful life of the asset.

##### Operating Leases

The leases of assets, which the substantial all the risks and rewards associated with the ownership of the assets have not been transferred to the lessee, are classified as operating leases. The payments made under operating leases are charged to profit or loss on a straight-line method over the period of the lease.

### 3. Summary of Significant Accounting Policies (Continued)

#### 3.7 Property, Plant and Equipment

Property is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation is calculated by straight-line method, based on the estimated useful lives of the assets as follows:

Land improvement	5 years
Building	30 years
Leasehold building improvement	5-20 years
Furniture and fixtures	5 years
Vehicles	5 years
Office equipment	3-5 years
Assets for rent	3-5 years
Other fixed assets	5 years

An initial estimated of the costs of dismantling and removing the item and restoring the site, when the Company and its subsidiaries have obligation to do, have been included in cost of Property, plant and equipment.

Cost of addition, improvement, repair or extensions of lease agreement that increase the future economic benefit are recognized as assets.

Depreciation is separately calculated on each component of assets, when the cost of each component is significant in relation to the total cost of the item.

Depreciation method, useful life and residual value of assets are reviewed at least at each financial year-end.

Depreciation is recognized as expense for each accounting period.

### 3. Summary of Significant Accounting Policies (Continued)

#### 3.8 Intangible assets

Intangible assets are stated at cost less accumulated amortization and allowance for loss on impairment of assets (if any). Amortization is charged to the statements of income by the straight-line method from the date that intangible assets are available for use over the estimated useful lives of the economic benefit of the assets. Unless such lives are indefinite, intangible assets with an indefinite useful life are not amortized but are systematically tested for impairment at each statement of financial position date. The estimated useful lives are as follow :

Computer softwares	1-15	Years
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The Company and its subsidiaries recorded the amortization as expenses for each accounting period.

#### 3.9 Prepaid lease expenses

Prepaid lease expenses are leasehold rights which are amortized over the useful lives of leasehold right contract for 10-18 years.

#### 3.10 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 and its subsidiaries should recognize the impairment loss in profit or loss.

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.

#### 3.11 Liabilities, provisions and expenses

The Company and its subsidiaries recognize liabilities, provisions and expenses in the financial statements when it has legal obligation or possible obligation arising from past events, the settlement of which is expected to be made in the amount that can be estimated with sufficient reliability.

The Company and its subsidiaries recognize accrued the dividend, approved by the resolution of ordinary shareholders' meeting.

### 3. Summary of Significant Accounting Policies (Continued)

#### 3.12 Revenue recognition

Revenue from sales of goods is recognized when significant risks and rewards of ownership have been transferred to the buyer based on the invoice value less discount, goods return, and amounting to the estimates (if any).

Finance lease receivables have been recorded in the amount of contract value. The difference between the contract value and the cash selling-price of the goods is recognized as unearned interest income. Interest income on finance lease is recognized over the term of the lease by using the annuity method.

Revenue from service is recognized when the outcome of a service can be estimated reliably based on the stage of completion of the transaction at the balance sheet date. When the outcome of a service can not be estimated reliably, revenue is recognized only to the extent of expenses that are recoverable.

Lease income is recognized over the lease term.

Dividend income is recognized when the right of receiving dividend is announced.

Interest income is recognized on the period of time.

#### 3.13 Employee benefits

##### Short-term employee benefits

Short-term employee benefits, which fall due wholly within 12 months after the end of period in which the employees render the related service, are recognized as expenses when incurred.

##### Postemployment benefits

The company and its subsidiaries and their employees have jointly a provident fund. The contributions from employees are deducted from the monthly salaries and contributions by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognized as expenses when incurred.

The severance payments retirement under the labor law as a defined benefit plan, was calculated on the basis of Actuarial Valuation Methods by using the projected unit credit method.

The Company and its subsidiaries recognize the actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to postemployment benefit plans in profit or loss.

#### 3.14 Translation of foreign currency transactions

Foreign currency transactions are translated into Thai Baht at the exchange rate on the transaction rate. The remaining balances of assets and liabilities denominated in foreign currency at the end of reporting periods are translated into Thai Baht at the exchange rate of that date. Exchange differences are accounted in profit or loss.

### 3. Summary of Significant Accounting Policies (Continued)

#### 3.15 Income tax

Income tax represents the aggregate of current income tax expense and deferred tax.

Current income tax expense and deferred tax are recognized in profit or loss except for the extent that they related to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income tax represents the amount of expected income tax payable or recoverable on the taxable profit or loss for the period, using tax rates in accordance with the regulation in the Revenue Code.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts used for taxation purpose.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities is recognized for all income taxes payable in the future periods in respect of taxable temporary differences.

Deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### 3.16 Basic earnings per share

Basic earnings per share are computed by dividing the net profit attributable to equity holders of the parent by the number of weighted average ordinary shares which are issued during of the years. (360,000,000 shares)

### 4. Related party transactions

4.1 The Company and its subsidiaries's policy about the price charge to the related parties are as follow :

Types of transaction	Policies of price setting
Transactions between the company and its subsidiaries	
- Sales and services to the subsidiary companies	Market price
- Sales and services 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 intercompany shareholding or the same group of shareholders, directors or management team. Besides, the related parties are considered when one of parties has the ability to control the other party or can exercise significant influence over the other party in making financial and operating decisions. Some part of the Company and its subsidiaries's assets, liabilities, revenues and expenses arose from transaction with the persons and related parties. The effects of these transactions are reflected in the accompanying financial statements on the basis determined by the normal business.

#### 4. Related party transactions(Continued)

##### 4.2 The relationship of person or related parties

Person or related parties	The relationship
Metro Professional Products Co., Ltd.	Holding and co-directors
Metro Info Tech Co., Ltd.	Holding and co-directors
Metro Connect Co., Ltd.	Holding and co-directors
Metro Info Dynamics Co., Ltd.	Holding and co-directors
Metrosoft Co., Ltd.	Holding and co-directors
HIS MSC Co., Ltd.	Holding and co-directors
PSP (Thailand) Co., Ltd.	Holding and co-directors
JBCC (Thailand) Co., Ltd.	Holding
MDEC International (1991) Co., Ltd.	Co-directors
Metro Co., Ltd.	Co-directors

Related party transactions consist of :

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Balance at the end of periods</b>				
Trade receivables				
Subsidiary companies				
Metro Professional Products Co., Ltd.	0	0	33,170	26,750
Metro Info Tech Co., Ltd.	0	0	222,545	774,641
Metro Connect Co., Ltd.	0	0	8,560,972	3,462,738
Metro Info Dynamics Co., Ltd.	0	0	7,353,248	5,621,884
Associated companies				
Metrosoft Co., Ltd.	1,089,360	1,496,382	207,001	626,153
HIS MSC Co., Ltd.	291,897	315,357	291,897	315,357
Related parties				
MDEC International (1991) Co., Ltd.	47,198	79,506	47,198	79,506
Metro Co., Ltd.	73,969	200,144	73,969	200,144
Accrued income				
Subsidiary companies				
Metro Info Tech Co., Ltd.	0	0	1,072	3,817
Metro Connect Co., Ltd.	0	0	6,744	6,776
Metro Info Dynamics Co., Ltd.	0	0	140,372	3,247
Associated companies				
HIS MSC Co., Ltd.	2,411	3,327	2,411	3,327
Trade payables				
Subsidiary companies				
Metro Info Tech Co., Ltd.	0	0	823,934	1,348,262
Metro Connect Co., Ltd.	0	0	0	2,290,132
Metro Info Dynamics Co., Ltd.	0	0	100,473	0
Related party				
MDEC International (1991) Co., Ltd.	521,467	881,054	514,791	881,054

#### 4. Related party transactions (Continued)

Related party transactions consist of (Continued)

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Balance at the end of periods (Continued)</b>				
Other payables				
Related parties				
MDEC International (1991) Co., Ltd.	0	614,850	0	614,850
Metro Co., Ltd.	44,343	44,343	44,343	44,343
Deferred incomes				
Associated companies				
Metrosoft Co., Ltd.	581,377	582,148	1,109	2,610
HIS MSC Co., Ltd.	2,406	3,905	2,406	3,905
Related parties				
MDEC International (1991) Co., Ltd.	104	1,356	104	1,356
Metro Co., Ltd.	939	266	939	266
<b>Revenues and expenses for the years</b>				
Sale income				
Subsidiary companies	0	0	93,186,715	9,875,973
Associated companies	4,354,404	7,210,950	2,275,145	4,824,950
Related parties	405,285	373,345	396,785	343,045
Service income				
Subsidiary companies	0	0	16,030,389	6,277,225
Associated companies	2,303,624	2,418,634	1,349,624	1,319,518
Related parties	743,900	639,157	743,900	639,157
Rental income				
Subsidiary companies	0	0	3,203,111	2,504,185
Associated companies	2,012,432	2,243,232	2,012,432	2,243,232
Other income				
Subsidiary companies	0	0	8,649,370	4,384,525
Associated companies	2,073,273	2,372,892	2,073,273	2,372,892
Related parties	60,000	60,000	60,000	60,000



#### 4. Related party transactions (Continued)

Related party transactions consist of (Continued)

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Revenues and expenses for the years (Continued)</b>				
Dividend income				
Subsidiary companies	0	0	7,666,000	5,527,400
Associated companies	0	839,496	0	839,496
Purchase				
Subsidiary companies	0	0	5,531,622	11,327,346
Related parties	7,686,436	6,818,432	4,675,436	6,818,432
Cost of service				
Subsidiary companies	0	0	8,520,384	9,960,309
Associated companies	0	77,273	0	0
Related parties	455,700	630,560	400,700	630,560
Expenses				
Related parties	579,243	634,867	579,243	634,867
Purchase of fixed assets				
Subsidiary companies	0	0	7,219,000	394,308
Related parties	171,864	3,561,324	171,864	3,561,324
<b>Management benefit expenses</b>	<b>58,339,127</b>	<b>55,688,634</b>	<b>52,934,516</b>	<b>50,393,855</b>

## 5. Cash and cash equivalents

Unit : Baht

Consist of :	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash on hand and demand deposits with banks	137,425,125	147,312,605	48,204,044	55,207,459
Cash equivalents				
Fixed account at bank 2, 3 months	10,451,184	10,291,373	0	0
Total	147,876,309	157,603,978	48,204,044	55,207,459

## 6. Trade and other receivables

Unit : Baht

Consist of :	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade receivables				
- Other companies	1,041,480,009	1,198,770,069	856,278,098	975,505,870
- Related parties	1,502,424	2,091,389	16,790,000	11,107,173
Total	1,042,982,433	1,200,861,458	873,068,098	986,613,043
<b>Less</b> Allowance for doubtful accounts	8,426,062	6,268,765	7,409,971	5,252,674
Net	1,034,556,371	1,194,592,693	865,658,127	981,360,369
Cheque receivables	16,409,560	28,058,100	13,973,703	28,058,100
Postdated cheques	25,684,990	36,275,661	25,684,990	24,698,404
Total trade receivables	1,076,650,921	1,258,926,454	905,316,820	1,034,116,873
Other receivables				
- Accrued income	20,682,128	30,255,282	18,678,436	21,774,929
- Prepaid expenses	34,608,080	54,956,897	28,334,281	48,600,736
- Others	4,262,091	5,252,266	1,702,729	2,544,339
Total other receivables	59,552,299	90,464,445	48,715,446	72,920,004
Total trade and other receivables	1,136,203,220	1,349,390,899	954,032,266	1,107,036,877

## 6. Trade and other receivables (Continued)

The aging of the past due trade account receivables are as follow :

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Not yet due	771,044,901	808,414,069	681,494,577	724,759,421
Overdue 1-90 days	240,373,560	334,450,004	171,714,158	194,500,676
Overdue 91-180 days	37,883,566	82,944,856	27,195,048	81,739,250
Overdue 181-360 days	9,147,388	1,451,823	9,147,388	1,451,823
Overdue 360 days	0	428,000	0	0
Sued trade receivables	10,218,008	9,448,367	9,201,917	8,860,277
Total	1,068,667,423	1,237,137,119	898,753,088	1,011,311,447
<b>Less</b> Post dated cheques	25,684,990	36,275,661	25,684,990	24,698,404
Trade receivables	1,042,982,433	1,200,861,458	873,068,098	986,613,043

## 7. Inventories

Unit : Baht

Consist of :	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Finished goods	323,779,117	324,548,622	306,015,107	287,189,215
Computer components	0	87,142	0	0
Others	94,187	108,992	94,187	108,992
Goods in transit	405,294,294	109,534,684	62,509,142	42,430,967
Total	729,167,598	434,279,440	368,618,436	329,729,174
<b>Less</b> Allowance for obsolete goods	106,075	68,495	81,678	67,300
Net	729,061,523	434,210,945	368,536,758	329,661,874

The merchandise that has not been moving is as follows :

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Finished goods	106,075	68,495	81,678	67,300
<b>Less</b> Allowance for obsolete goods	106,075	68,495	81,678	67,300
Net	0	0	0	0

## 8. Investments in subsidiary and associated companies

Consist of :

Unit : Baht

	Business	Relationship	Consolidated financial statements					
			Paid-up share capital		% of investment		Investment (Equity method)	
			2014	2013	2014	2013	2014	2013
INVESTMENTS IN SUBSIDIARY COMPANIES								
Metro Professional Products Co., Ltd.	Computer distributor	Shareholder	20,000,000	20,000,000	98.6000	98.6000	96,728,920	89,488,892
Metro Info Tech Co., Ltd.	Distribute and services computer programs	Shareholder	5,000,000	5,000,000	70.0000	70.0000	11,195,532	16,833,002
Metro Connect Co., Ltd.	Distribute and services computer programs	Shareholder	10,000,000	10,000,000	99.9997	99.9997	118,394,298	96,179,822
Metro Info Dynamics Co., Ltd.	Distribute and services computer programs	Shareholder	10,000,000	10,000,000	99.9940	99.9940	15,175,818	7,851,065
Total							241,494,568	210,352,781
Less Eliminated intragroup transactions							(241,494,568)	(210,352,781)
							0	0
INVESTMENTS IN ASSOCIATED COMPANIES								
Metrosoft Co., Ltd.	Services and develop computer systems	Shareholder	1,500,000	1,500,000	49.0000	49.0000	3,798,566	3,202,899
HIS MSC Co., Ltd.	Computer programs distributor	Shareholder	4,000,000	4,000,000	49.9700	49.9700	16,079,905	14,062,675
PSP (Thailand) Co., Ltd.	Distribute and services computer programs	Shareholder	10,000,000	10,000,000	49.8000	49.8000	4,590,134	2,637,161
JBCC (Thailand) Co., Ltd.	Distribute and services computer programs	Shareholder	10,000,000	10,000,000	20.0000	20.0000	0	0
							24,468,605	19,902,735
Total							24,468,605	19,902,735

## 8. Investments in subsidiary and associated companies (Continued)

Consist of :

Unit : Baht

			Separate financial statements							
			Paid-up share capital		% of investment		Investment ( Cost method )		Dividend	
			2014	2013	2014	2013	2014	2013	2014	2013
INVESTMENTS IN SUBSIDIARY COMPANIES										
Metro Professional Products Co., Ltd.	Computer distributor	Shareholder	20,000,000	20,000,000	98.6000	98.6000	19,720,000	19,720,000	5,916,000	3,944,000
Metro Info Tech Co., Ltd.	Distribute and services computer programs	Shareholder	5,000,000	5,000,000	70.0000	70.0000	3,500,000	3,500,000	1,750,000	1,583,400
Metro Connect Co., Ltd.	Distribute and services computer programs	Shareholder	10,000,000	10,000,000	99.9997	99.9997	9,999,970	9,999,970	0	0
Metro Info Dynamics Co., Ltd.	Distribute and services computer programs	Shareholder	10,000,000	10,000,000	99.9940	99.9940	9,999,400	9,999,400	0	0
Total							43,219,370	43,219,370	7,666,000	5,527,400
INVESTMENTS IN ASSOCIATED COMPANIES										
Metrosoft Co., Ltd.	Services and develop computer systems	Shareholder	1,500,000	1,500,000	49.0000	49.0000	2,940,000	2,940,000	0	0
HIS MSC Co., Ltd.	Computer programs distributor	Shareholder	4,000,000	4,000,000	49.9700	49.9700	1,998,800	1,998,800	0	839,496
PSP (Thailand) Co., Ltd.	Distribute and services computer programs	Shareholder	10,000,000	10,000,000	49.8000	49.8000	4,980,000	4,980,000	0	0
JBCC (Thailand) Co., Ltd.	Distribute and services computer programs	Shareholder	10,000,000	10,000,000	20.0000	20.0000	2,000,000	2,000,000	0	0
							11,918,800	11,918,800	0	839,496
Less Allowance for decrease in value cost							(2,000,000)	0		
Total							9,918,800	11,918,800	0	839,496

## 8. Investments in subsidiary and associated companies (Continued)

### Investments in associated companies

The financial statements of associated companies are as follow :

Unit : Baht

	Consolidated financial statements	
	2014	2013
HIS MSC Co., Ltd.		
Total assets	56,084,859	50,274,792
Total liabilities	23,905,742	22,132,556
Total revenues	42,509,133	38,864,359
Total comprehensive income for the years	4,324,376	1,609,166
Metrosoft Co., Ltd.		
Total assets	18,287,994	14,122,090
Total liabilities	13,474,595	10,524,336
Total revenues	45,686,246	41,368,949
Total comprehensive income for the years	2,248,837	884,170
PSP (Thailand) Co., Ltd.		
Total assets	28,001,546	23,764,043
Total liabilities	18,784,408	18,468,539
Total revenues	44,599,425	45,365,038
Total comprehensive income for the years	3,783,838	231,385
JBCC (Thailand) Co., Ltd.		
Total assets	16,407,157	15,374,899
Total liabilities	45,252,177	15,864,917
Total revenues	38,800,887	31,983,342
Total comprehensive income for the years	(25,883,843)	(5,552,578)

The financial statements of one associated company, named JBCC (Thailand) Co., Ltd., for the year ended December 31, 2014, was prepared by the management of the Company, the share of losses of this associated exceeds its interest in the associated, so the Company discontinues to recognize its share of further losses.

## 9. Other long-term investments

Long-term investment in Government Bond, for 5 years, at the interest rate of 4.25% p.a., which due in March 2013.

In September 2013, the Company has sold investment in SIAM M & B PUBLISHING Co., Ltd., (hold 5.0% of authorized share capital), which has gain on sale of investment in the amount of Baht 500,000.

## 10. Deposits at bank used as collateral

Unit : Baht

Consist of :	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Fixed a/c at banks (Note 26)	110,701,907	103,655,342	87,220,016	87,220,016

## 11. Property, plant and equipment

Unit : Baht

Consist of :	Consolidated financial statements					
	Dec. 31, 2013	Increase	Sale/Transfer	Transfer in	Transfer out	Dec. 31, 2014
Cost price						
Land	226,387,673	0	0	0	0	226,387,673
Land improvement	17,480,598	0	0	0	0	17,480,598
Building	526,709,906	13,035,477	0	1,036,043	0	540,781,426
Furniture and fixtures	67,721,043	2,409,605	2,150,106	0	0	67,980,542
Vehicles	17,154,675	584,313	2,832,941	0	0	14,906,047
Office equipment	659,489,644	29,910,740	25,891,474	5,486,042	257,893	668,737,059
Assets for rent	8,568,080	0	0	268,979	294,961	8,542,098
Other fixed assets	51,035,795	1,568,961	278,880	0	0	52,325,876
Total cost price	1,574,547,414	47,509,096	31,153,401	6,791,064	552,854	1,597,141,319
Accumulated depreciation						
Land improvement	14,757,024	873,430	0	0	0	15,630,454
Building	403,843,941	19,380,835	0	0	0	423,224,776
Furniture and fixtures	52,683,772	4,238,070	2,144,770	0	0	54,777,072
Vehicles	15,549,068	929,526	2,816,241	0	0	13,662,353
Office equipment	554,290,450	42,658,768	25,416,685	290,309	237,204	571,585,638
Assets for rent	3,613,762	2,268,512	0	239,377	292,482	5,829,169
Other fixed assets	41,565,869	2,627,240	226,431	0	0	43,966,678
Total accumulated depreciation	1,086,303,886	72,976,381	30,604,127	529,686	529,686	1,128,676,140
Property, plant and equipment	488,243,528					468,465,179
Assets in progress	6,238,210	72,438	0	0	6,238,210	72,438
Property, plant and equipment	494,481,738					468,537,617
Depreciation for the year	66,527,414					72,976,381

## 11. Property, plant and equipment (Continued)

Unit : Baht

Consist of :	Separate financial statements					
	Dec. 31, 2013	Increase	Sale/Transfer	Transfer in	Transfer out	Dec. 31, 2014
Cost price						
Land	220,674,673	0	0	0	0	220,674,673
Land improvement	17,480,598	0	0	0	0	17,480,598
Building	521,924,950	12,653,717	0	1,036,043	0	535,614,710
Furniture and fixtures	66,733,231	2,289,625	2,026,106	0	0	66,996,750
Vehicles	14,581,139	0	1,308,216	0	0	13,272,923
Office equipment	638,340,315	28,734,780	25,612,475	5,486,042	257,893	646,690,769
Assets for rent	8,568,079	0	0	268,979	294,961	8,542,097
Other fixed assets	50,599,006	1,507,350	263,105	0	0	51,843,251
Total cost price	1,538,901,991	45,185,472	29,209,902	6,791,064	552,854	1,561,115,771
Accumulated depreciation						
Land improvement	14,757,024	873,430	0	0	0	15,630,454
Building	399,933,738	19,222,616	0	0	0	419,156,354
Furniture and fixtures	51,851,785	4,195,606	2,020,776	0	0	54,026,615
Vehicles	13,608,496	599,666	1,308,212	0	0	12,899,950
Office equipment	543,193,254	39,118,546	25,158,700	290,309	237,204	557,206,205
Assets for rent	3,613,760	2,268,512	0	239,377	292,482	5,829,167
Other fixed assets	41,190,284	2,593,973	212,581	0	0	43,571,676
Total accumulated depreciation	1,068,148,341	68,872,349	28,700,269	529,686	529,686	1,108,320,421
Property, plant and equipment	470,753,650					452,795,350
Assets in progress	6,238,210	72,438	0	0	6,238,210	72,438
Property, plant and equipment	476,991,860					452,867,788
Depreciation for the year	62,376,933					68,872,349

Property and plant are used as collateral as per notes No. 19 to the financial statements.

As at December 31, 2014 and 2013, the cost of plant and equipment, which were deducted depreciation in fully amounts in consolidated financial statements is in the amount of Baht 599 million (2013 : Baht 591 million) and in separate financial statements is in the amount of Baht 591 million (2013 : Baht 583 million).



## 12. Finance lease receivables

Unit : Baht

	Consolidated Financial Statements					
	Portion due in one year		Portion due in more than one year - but no more than five years		Total	
	2014	2013	2014	2013	2014	2013
Finance lease receivables	164,886,575	90,738,963	247,826,909	83,811,258	412,713,484	174,550,221
<u>Less</u> Unearned finance lease income	15,874,169	7,996,561	15,074,810	4,178,972	30,948,979	12,175,533
Finance lease receivables, net	149,012,406	82,742,402	232,752,099	79,632,286	381,764,505	162,374,688

Unit : Baht

	Separate Financial Statements					
	Portion due in one year		Portion due in more than one year - but no more than five years		Total	
	2014	2013	2014	2013	2014	2013
Finance lease receivables	67,998,281	20,395,473	162,654,726	20,876,110	230,653,007	41,271,583
<u>Less</u> Unearned finance lease income	7,135,353	1,441,022	10,319,348	543,113	17,454,701	1,984,135
Finance lease receivables, net	60,862,928	18,954,451	152,335,378	20,332,997	213,198,306	39,287,448

The gross investment under the finance lease contracts and present value of minimum lease payment receivables are as follow :

Unit : Baht

	Consolidated financial statements			
	2014		2013	
	Gross investment -under the -finance lease -contracts	Present value -of minimum -lease payment receivables	Gross investment -under the -finance lease -contracts	Present value -of minimum -lease payment receivables
Portion due within one year	164,886,575	149,012,406	90,738,963	82,742,402
Portion due in more than one year but no more than five years	247,826,909	232,752,099	83,811,258	79,632,286
Total	412,713,484	381,764,505	174,550,221	162,374,688
<u>Less</u> Unearned finance lease income	30,948,979		12,175,533	
Net investment under the finance lease contracts	381,764,505		162,374,688	

## 12. Finance lease receivables (Continued)

Unit : Baht

	Separate financial statements			
	2014		2013	
	Gross investment -under the -finance lease -contracts	Present value -of minimum -lease payment receivables	Gross investment -under the -finance lease -contracts	Present value -of minimum -lease payment receivables
Portion due within one year	67,998,281	60,862,928	20,395,473	18,954,451
Portion due in more than one year				
but no more than five years	162,654,726	152,335,378	20,876,110	20,332,997
Total	230,653,007	213,198,306	41,271,583	39,287,448
<b>Less</b> Unearned finance lease income	17,454,701		1,984,135	
Net investment under the finance lease contracts	213,198,306		39,287,448	

The gross investment less unearned finance lease income, which increase in new contracts during the period are as follow :

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Gross investment under the finance lease contracts	348,370,357	125,514,353	235,966,956	6,540,696
<b>Less</b> Unearned finance lease income	33,011,523	13,048,929	20,984,412	318,461
Net finance lease income	315,358,834	112,465,424	214,982,544	6,222,235

## 13. Intangible assets

Unit : Baht

Consist of :	Consolidated financial statements			
	Dec. 31, 2013	Increase	Transfer	Dec. 31, 2014
<b>Cost price-intangible assets</b>				
Computer softwares	34,216,780	3,384,504	0	37,601,284
<b>Accumulated amortization-intangible     assets</b>				
Computer softwares	22,434,945	3,413,639	0	25,848,584
Intangible assets	11,781,835			11,752,700
Amortization for the year	2,214,199			3,413,639

### 13. Intangible assets (Continued)

Unit : Baht

Consist of :	Separate financial statements			
	Dec. 31, 2013	Increase	Transfer	Dec. 31, 2014
<b>Cost price-intangible assets</b>				
Computer softwares	34,216,780	2,425,132	0	36,641,912
<b>Accumulated amortization-intangible assets</b>				
Computer softwares	22,434,945	2,952,169	0	25,387,114
Intangible assets	11,781,835			11,254,798
Amortization for the year	2,214,199			2,952,169

### 14. Others non-current assets

Unit : Baht

Consist of :	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deposits and guarantees	3,335,676	2,768,225	3,315,202	2,747,752
Withholding income taxes	61,650,049	44,210,350	57,301,004	42,017,026
Prepaid lease expenses	81,056	1,005,236	81,056	1,005,235
Total	65,066,781	47,983,811	60,697,262	45,770,013

### 15. Bank overdrafts and short-term loans from financial institutions

Unit : Baht

Consist of :	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Bank overdrafts	2,803,046	4,220,988	0	0
Trust receipts	0	68,863,830	0	68,863,829
(As at December 31, 2013, the interest rate are 3.67% - 3.91% p.a.)				
Promissory notes - financial institutions	77,000,000	200,000,000	0	60,000,000
(As at December 31, 2014 and 2013, the interest rate are 3.65% – 5.50% p.a., and 3.53% – 5.50% p.a. respectively)				
Total	79,803,046	273,084,818	0	128,863,829

Bank overdrafts and short- term loans from financial institutions are guaranteed by the assets as per notes No. 26 to the financial statements.

## 16. Trade and other payables

Unit : Baht

Consist of :	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade payables				
- Other companies	1,027,152,522	681,639,710	620,061,387	536,509,568
- Related parties	521,467	881,054	1,439,198	4,519,448
Total	1,027,673,989	682,520,764	621,500,585	541,029,016
Cheque payables	6,613,469	14,112,601	6,283,160	4,793,701
Total trade payables	1,034,287,458	696,633,365	627,783,745	545,822,717
Other payables				
- Accrued expenses	92,801,593	128,385,131	68,267,705	102,565,069
- Deferred income	11,434,916	34,584,168	4,990,227	25,833,798
- Other payables	14,570,260	31,717,324	12,979,402	30,702,354
- Accrued Interest	715,703	892,669	711,531	690,546
Total other payables	119,522,472	195,579,292	86,948,865	159,791,767
Total trade and other payables	1,153,809,930	892,212,657	714,732,610	705,614,484

## 17. Current portion of long-term liabilities

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current portion of long-term loans (Note 18)	10,394,913	9,838,895	10,394,913	9,838,895
Current portion of long-term leases				
(Note 19)	87,433,321	45,294,793	42,285,023	19,058,359
Total	97,828,234	55,133,688	52,679,936	28,897,254

## 18. Long-term loans from financial institutions

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Long-term loans from financial institutions	14,744,633	24,603,148	14,744,633	24,603,148
<u>Less</u> Current portion of long-term loans				
(Note 17)	10,394,913	9,838,895	10,394,913	9,838,895
Long-term loans from financial institutions	4,349,720	14,764,253	4,349,720	14,764,253

On April 17, 2013, the Company entered into loan agreement with one local bank amounting to Bath 30 million, the repayment would be 36 installments. The Company has to repay the principal included interest by monthly, at Bath 910,000 per installment, at the interest rate of MLR - 1.5% p.a..

## 19. Liabilities under finance lease contracts

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Liabilities under finance lease contracts	275,218,575	99,980,518	163,302,755	39,655,252
<u>Less</u> Deferred interest	25,292,548	6,386,472	18,235,934	2,350,518
Total	249,926,027	93,594,046	145,066,821	37,304,734
<u>Less</u> Portion due in one year (Note 17)	87,433,321	45,294,793	42,285,023	19,058,359
Liabilities under finance lease contracts, net from portion due in one year	162,492,706	48,299,253	102,781,798	18,246,375

The Company and its subsidiaries entered into lease contracts of equipments. The Company and its subsidiaries have the option to purchase the asset at the end of the lease term and the Company and its subsidiaries must comply with conditions and limitations specified in the lease contracts.

As at December 31, 2014 and 2013, the balance minimum lease payments in the liabilities under finance lease contracts are as follow :

Unit : Baht

	Consolidated financial statements					
	Portion due in one year		Portion due in more than one year - but no more than five years		Total	
	2014	2013	2014	2013	2014	2013
Minimum lease payments of lease contracts	99,575,990	49,509,965	175,642,584	50,470,553	275,218,574	99,980,518
<u>Less</u> Deferred interest	12,142,669	4,215,172	13,149,878	2,171,300	25,292,547	6,386,472
Present value of future minimum lease payments	87,433,321	45,294,793	162,492,706	48,299,253	249,926,027	93,594,046

Unit : Baht

	Separate financial statements					
	Portion due in one year		Portion due in more than one year - but no more than five years		Total	
	2014	2013	2014	2013	2014	2013
Minimum lease payments of lease contracts	50,194,644	20,697,896	113,108,110	18,957,356	163,302,754	39,655,252
<u>Less</u> Deferred interest	7,909,621	1,639,537	10,326,312	710,981	18,235,933	2,350,518
Present value of future minimum lease payments	42,285,023	19,058,359	102,781,798	18,246,375	145,066,821	37,304,734

## 19. Liabilities under finance lease contracts (Continued)

Book value of assets under the liabilities under finance lease contracts.

Unit : Baht

Consist of :	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Equipments	24,477,952	36,267,388	23,600,070	36,267,388

## 20. Employee benefit obligations

Movements in the present value of the employee benefit obligations are as follow :

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Employee benefit obligations B/F	91,812,829	81,006,851	84,301,514	74,332,842
Service costs	5,960,106	8,605,418	5,308,620	8,076,900
Interest costs	4,714,744	3,706,960	4,245,535	3,398,172
Benefits paid	(2,456,000)	(1,506,400)	(2,456,000)	(1,506,400)
Actuarial (gains) losses	4,059,528	0	2,086,065	0
Employee benefit obligations C/F	104,091,207	91,812,829	93,485,734	84,301,514

Expenses recognized in profit or loss are as follow :

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Recognized in Profit and loss				
Current service cost	5,960,106	8,605,418	5,308,620	8,076,900
Interest cost	4,714,744	3,706,960	4,245,535	3,398,172
Total	10,674,850	12,312,378	9,554,155	11,475,072
Recognized in Other comprehensive income				
Actuarial (gains) losses	4,059,528	0	2,086,065	0
Total	14,734,378	12,312,378	11,640,220	11,475,072

Principal actuarial assumptions at the reporting date

Consist of :	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Discount rate (% per annual)	4.58 – 4.68	4.14 – 4.35	4.63	4.15
Future salary increase (% per annual)	5.00	5.00	5.00	5.00

## 21. Provision for litigation and claims

On January 14, 2010, the company was accused by one company in a civil law case as default a sale contract which demanded the performance approximately Baht 31.50 million. On December 27, 2011, The Civil Court had judgment that the Company had liability to pay approximately Baht 25.00 million. According to the Civil Court's judgment, the Company reserved the provision for the liabilities. After that, the parties have been compromised in the Appeal Court by paying a debt to the plaintiff approximately Baht 20.00 million. So the Company reversed the provision for the liabilities of the lawsuit in the first quarter of 2013, at the amount of Baht 11.58 million. At present the Company has no any litigations and claims.

## 22. Equity

### 22.1 Dividend paid

By the resolution of ordinary shareholders' meeting No. 19/2014 held on March 28, 2014, the Company announced to pay the dividend of the year 2013 to the shareholders at Baht 0.30 per share, totally Baht 108,000,000.

By the resolution of ordinary shareholders' meeting No. 18/2013 held on March 23, 2013, the Company announced to pay the dividend of the year 2012 to the shareholders at Baht 0.35 per share, totally Baht 126,000,000.

### 22.2 Legal reserve

Pursuant to the Public Limited Companies Act B.E. 2535, 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.

The Company's legal reserve is reached to 10% of the registered capital.

### 22.3 Managing capital

The Company has no regulation to maintain the debt to equity ratio with the outside party. So, the Company has policy to manage the capital by maintaining the Company's ability to continue the business as a going concern and providing the appropriated returns to the shareholders. The Company has policy to pay dividend not less than 50% of Company's profit.

## 23. Staff provident fund

The company established a contributory registered provident fund for the staffs of company and group company, 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.

## 24. Classification of expenses by nature

Unit : Baht

Consist of :	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Change in inventories	(294,850,578)	(43,402,037)	(38,874,884)	(33,588,531)
Purchases of goods	5,957,987,506	5,287,606,270	4,511,300,142	4,377,268,792
Outsourcing expenses	262,585,253	205,425,977	154,210,675	150,448,666
Employee expenses	482,940,907	464,439,958	411,354,628	394,626,200
Depreciations and amortization	76,390,020	68,741,613	71,824,518	64,591,132
Management benefit expenses	58,339,127	55,688,634	52,934,516	50,393,855
Finance costs	28,966,176	18,499,875	15,040,883	9,871,117
Others	285,086,399	480,811,287	278,461,021	471,565,709
Total	6,857,444,810	6,537,780,523	5,456,251,499	5,485,176,940

## 25. Income tax

The income tax expenses is computed from the profit before income tax, which is in accordance with the regulation the Revenue Code.

In December 2011, the Royal Decree has been issued regarding the reduction of the income tax rates for net profit, from the rate of 30% to 23% for the year 2012, and 20% for the year 2013 and 2014.

In November 2014, the Royal Decree has been issued regarding the reduction of the income tax rates for net profit, the rate of 20% for the year 2015.

Income tax expenses for the years ended December 31, 2014 and 2013 are as follow:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current income tax:	46,808,453	43,874,856	33,976,101	30,823,741
Income tax expenses				
Deferred tax :				
Temporary differences and reversal of				
temporary differences	1,963,647	(3,134,937)	3,779,826	7,347,195
Income tax expenses	48,772,100	40,739,919	37,755,927	38,170,936



## 25. Income tax (Continued)

Reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2014 and 2013, are as follow :

Unit : Baht

	Consolidated financial statements			
	Rate (%)	2014	Rate (%)	2013
Profit before income tax		223,523,956		246,880,803
Income tax at applicable tax rate	20	44,704,791	20	49,376,160
Current year's tax losses of subsidiaries, not recognized as deferred income tax		993,051		0
Tax effect :				
Disallowed expenses for net profit calculation		105,243,565		46,961,154
Exemption of income/Additional expenses deduction allowed		(104,132,954)		(52,462,458)
Current income tax		46,808,453		43,874,856
Deferred tax:				
Temporary differences and reversal of temporary differences		1,963,647		(3,134,937)
Income tax expenses	22	48,772,100	17	40,739,919

## 25. Income tax (Continued)

Reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2014 and 2013, are as follow (Continued)

Unit : Baht

	Separate financial statements			
	Rate (%)	2014	Rate (%)	2013
Profit before income tax		174,119,003		183,045,300
Income tax at applicable tax rate	20	34,823,801	20	36,609,060
Tax effect : Disallowed expenses for net profit calculation		53,256,086		11,569,932
Exemption of income/Additional deductible expenses		(54,103,786)		(17,355,251)
Current income tax		33,976,101		30,823,741
Deferred tax: Temporary differences and reversal of temporary differences		3,779,826		7,347,195
Income tax expenses	22	37,755,927	21	38,170,936

The amount of income tax relating to each component of other comprehensive income for the years ended December 31, 2014 and 2013, are as follow :

Unit : Baht

	Consolidated financial statements					
	2014			2013		
	Amount before tax	Tax expense (income)	Net of tax	Amount before tax	Tax expense (income)	Net of tax
Actuarial (gains) losses	4,059,528	(811,906)	3,247,622	0	0	0
Share of other comprehensive income from in associated companies	726,384	(145,277)	581,107	0	0	0
Total	4,785,912	(957,183)	3,828,729	0	0	0

## 25. Income tax (Continued)

Unit : Baht

	Separate financial statements					
	2014			2013		
	Amount before tax	Tax expense (income)	Net of tax	Amount before tax	Tax expense (income)	Net of tax
Actuarial (gains) losses	2,086,065	(417,213)	1,668,852	0	0	0
Total	2,086,065	(417,213)	1,668,852	0	0	0

The components of deferred tax assets and deferred tax liabilities as at December 31, 2014 and 2013 are as follow (Continued)

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	1,685,212	1,136,134	1,481,994	1,050,535
Allowance for obsolete goods	21,215	13,460	16,336	13,460
Allowance for decrease in value cost	400,000	0	400,000	0
Employee benefit obligations	20,818,242	17,847,542	18,697,147	16,860,303
Loss from unclaim income tax	0	369,495	0	0
Total	22,924,669	19,366,631	20,595,477	17,924,298
<b>Deferred tax liabilities</b>				
Depreciation of building	5,371,273	3,941,425	5,371,273	3,941,425
Liabilities under finance lease contracts	6,659,948	3,114,413	7,718,357	3,114,413
Total	12,031,221	7,055,838	13,089,630	7,055,838
<b>Deferred tax assets, net</b>	10,893,448	12,310,793	7,505,847	10,868,460
<b>Deferred tax liabilities</b>	-	265,604	-	-

## 26. Collateral

Deposits at banks, and the land and building as at December 31, 2014 in the book value of Baht 3.5 million, are used as collateral for bank overdrafts and loans from financial institutions. Land and building of the Company are mortgaged to secure the long-term loans and loans from financial institutions.

Deposits at bank, and the land and building of Metro Professional Products Co., Ltd., as at December 31, 2014 in the book value of Baht 27.58 million, are used as collateral for credit facilities from financial institutions, and credit facilities are also guaranteed by some directors. The Metro Systems Corporation Public Company Limited., has to stipulate to hold the share capital of Metro Professional Products Co., Ltd. not less than 90%.

The credit facilities of Metro Connect Co., Ltd. and Metro Info Dynamics Co., Ltd in the amount of Baht 335,000,000 and Baht 190,000,000 respectively with the financial institutions, were guaranteed by the Metro Systems Corporation Public Company Limited.

## 27. Information on operating segments

Information on operation segments requires the Company and its subsidiaries disclose the segment information based on the internal reports regularly reviewed by the Company and its subsidiaries's Chief Operation Decision Maker in order to allocate resources to those segments and to assess the segment's performance.

Information on operating segments consist of :

Segment 1 : Computers and equipment

Segment 2 : Computer Software

Segment 3 : Supplies and office equipment

Segment 4 : Rental and others service

Unit : Million Baht

### Consolidated financial statements

	2014						2013					
	Segment	Segment	Segment	Segment	Eliminate	Total	Segment	Segment	Segment	Segment	Eliminate	Total
	1	2	3	4			1	2	3	4		
Sales	2,758	1,703	2,078	637	(135)	7,041	2,486	1,421	2,106	773	(43)	6,743
Profit from operation	278	189	170	335		972	309	214	219	206		948
Other incomes						35						28
Reversal provision for litigation and claims						0						12
Reversal of allowance for diminution in value of investments						0						1
Selling and administration expenses						(759)						(724)
Share of profit (loss) from investments in associated companies						5						0
Finance costs						(29)						(18)
Income tax expenses						(49)						(41)
Profit for the periods						175						206
Property, plant and equipment						468						494
Total assets						3,124						2,819

## 28. Commitments and contingent liabilities

28.1 The Company and its subsidiaries have the commitments with banks as follow :

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Letter of guarantee (Baht)	269,095,795	287,963,296	205,188,140	249,380,366
Letter of guarantee (USD)	396,000	296,000	396,000	296,000
Letter of credit (USD)	17,466	59,903	17,466	59,903
The arrangement of bank overdrafts, short-term loans and long-term loans from financial institutions, and letter of guarantee (Baht)	3,639,100,000	3,514,100,000	2,712,600,000	2,727,600,000

### 28.2 Operating lease obligations

The Company and its subsidiaries have operating lease obligations, which is consist of vehicle and related rental, and equipment rental (computers). The time of operating lease obligations is approximately four to five years.

As at December 31, 2014, the minimum lease payments in the operating lease contracts with the present value of future minimum lease payments are as follow :

		Unit : Baht	
		2014	
Items of lease	Terms	Consolidated	Separate
		Financial Statement	Financial Statement
Vehicles	Within one year	5,550,000	5,281,200
	Within one-three		
	years	3,182,227	2,818,600
Office equipments (computers)	Within one year	1,364,777	1,364,777

## 29. Financial instruments

The Company and its subsidiaries complied to disclose about the financial instruments as follows :

### 29.1 Risk management policies

#### 29.1.1 Credit risk

Credit risk refers to the risk that counterparty will default on its agreement and conditions resulting in a financial loss to the company and its subsidiaries. The Company and its subsidiaries manage the risk by appropriate credit policies, as a means of mitigating the risk of financial losses from defaults.

There is no concentration in trade receivable because the customers are distributed to differentiate of businesses.

In the case of recognized financial assets, the carrying amount of assets recorded in the statements of financial position, net of portion of allowance for the doubtful debts, represents the Company and its subsidiaries maximum exposure to credit risk.

#### 29.1.2 Interest rate risk

Interest rate risk arises from the potential for a change in market interest rates to having affected the value of the financial assets and liabilities of the Company and its subsidiaries.

As at December 31, 2014, the Company and its subsidiaries have the significant financial assets and liabilities which are classified by the type of interest rates, and the fixed interest rates are classified based on the maturity date or the date of new interest rate is fixed, if it is fixed before the maturity date, are as follow :

	Consolidated financial statements				Unit : Million Baht
	2014				
	The fixed interest rate			Non-	
	Within	Over	Floating	interest	
	1 year	1-5 year	interest rate	barring	Total
<b>Financial assets</b>					
Cash and cash equivalents	148	-	-	-	148
Trade and other receivables	-	-	-	1,136	1,136
Finance lease receivables	149	233	-	-	382
Deposits at bank used as collateral	111	-	-	-	111
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans from					
- financial institution	77	-	3	-	80
Trade and other payables	-	-	-	1,154	1,154
Long-term loans from financial institutions	10	4	-	-	14
Liabilities under finance lease contracts	88	162	-	-	250

## 29. Financial instruments (Continued)

The Company and its subsidiaries complied to disclose about the financial instruments as follows :  
(Continued)

### 29.1 Risk management policies (Continued)

#### 29.1.2 Interest rate risk (Continued)

	Separate financial statements				Unit : Million Baht
	2014				
	The fixed interest rate		Floating interest rate	Non- interest barring	Total
	Within 1 year	Over 1-5 year			
<b>Financial assets</b>					
Cash and cash equivalents	48	-	-	-	48
Trade and other receivables	-	-	-	954	954
Finance lease receivables	61	152	-	-	213
Deposits at bank used as collateral	87	-	-	-	87
<b>Financial liabilities</b>					
Trade and other payables	-	-	-	715	715
Long-term loans from financial institutions	10	4	-	-	14
Liabilities under finance lease contracts	42	103	-	-	145

#### 29.1.3 Forward foreign exchange

The Company and its subsidiaries exposure to foreign currency risk relating to purchase which are denominated in foreign currency, the Company and its subsidiaries hedged against currency risk by entering into forward exchange contracts.



## 29. Financial instruments (Continued)

The Company and its subsidiaries complied to disclose about the financial instruments as follows :  
(Continued)

### 29.1 Risk management policies (Continued)

#### 29.1.3 Forward foreign exchange (Continued)

As at December 31, 2014, the Company and its subsidiaries had the balance of the forward exchange contracts as follow :

	Contracts value		Fair value (Baht)
	Foreign currency	Baht	
Forward exchange contracts (USD)	11,150,702	368,070,515	368,829,475
Forward exchange contracts (SGD)	148,037	3,703,655	3,688,057

As at December 31, 2014, the Company and its subsidiaries have the balance of the finance liabilities in foreign currency, which have not hedged against currency risk as follow :

	In the amount of foreign currency	In the amount of Baht (Exchange rate as at Dec. 31, 2014)
United State of America Dollar (USD)	434,331	14,382,076
United State of Singapore Dollar (SGD)	103,607	2,603,376

### 29.2 Fair value of financial instruments

Fair value means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The methods and assumptions are used by the company and its subsidiaries in estimating fair value of financial instruments are as follows :

Financial assets and financial liabilities held for the short-term maturities, such as cash on hand and deposits at financial institutions, accounts receivable and payable, and short-term loans, the carrying amounts in the statements of financial position approximate at the fair value.

## **29. Financial instruments (Continued)**

The Company and its subsidiaries complied to disclose about the financial instruments as follows :  
(Continued)

### **29.2 Fair value of financial instruments (Continued)**

Investments in Debt Securities and Non-marketable Securities Equity Instruments or that do not have a quoted market price in an active market, presented the carrying amounts in the balance sheets at their fair values, or at the net asset value attributable to investments, or at the discount cash flow of the present value.

Liabilities under finance lease contracts, the carrying value approximate at their fair values, calculated by the present value of the contractually determined stream of future cash flow discounted at the rate of interest applied at that time by the market to instruments, presented as at the statements of financial position.

## **30. Events after the Reporting Period**

By the resolution of Board of Directors' meeting No. 2/2015 held on February 24, 2015, approved to pay the dividend of the year 2014 to the shareholders at Baht 0.30 per share, totally Baht 108,000,000.

## **31. Approval of the financial statements**

These financial statements were approved for issue on February 24, 2015 by the authorized directors.

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