



Metro Systems Corporation Public Company Limited

Annual report 2019





Metro Systems Corporation Public Company Limited

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Messages from the Chairman



The Company conducts the business operation in the information technology industry for over three decades. As expected by the Company, Cloud Computing, Big Data, Mobility, Internet of Things continuously play an important role in this year. The Company strongly believes in the expertise and potential of our personnel to support the customers to get through and overcome the modern era that has rapidly changed technology without business interruption. Based on the number of our current customers, this figure shows the confidence of our existing customers and a continued increase of new customers due to the Company has the commitment that the customer's success is our business and according to the strategy of the organization to adjust the business model in accordance with technology trends in order to respond to the consumers' behavior to create the competitive advantage within the technology market.

In addition to the business success, the Company considers the sustainability development of the environmental, social and governance issues important. The Company, therefore, runs various corporate social responsibility projects under the great cooperation and participation of the directors, executives and employees by aiming to be a sustainable company in the digital economy. Moreover, the Company also places an emphasis on the innovation that will help to create business and social value for the organization in the long-term period. In 2019, the Company has been certified for information technology security management system (ISO27001:2013), in which the customers can be confident that the Company has a completed and qualified management system.

Finally, on behalf of the Board of Directors I would like to thank all stakeholders for supporting the business operations of the Company. Please be assure that the Company commits to step forward with stability and strength within the information technology industry. I can confirm that the Company will remain dedicated to fully conduct business with transparency, adhering to the Code of Conduct and recognizing by all stakeholders, as well as conducting business together with social and environmental responsibility to create the sustainable success of the Company in the future.

Sunpitt Sethpornpong
Chairman



Board of Directors and Executives



1. Mr. Sunpitt Sethpornpong

Chairman

2. Mr. Kittit Techataveekijkul

Vice Chairman

3. Mr. Tavit Charuvajana

*Director / CEO/
Chairman of Executive Committee*

4. Mr. Wanarak Eakachai

Director/ Deputy CEO

5. Mr. Suvij suvaruchiphorn

Director

6. Mr. Narong Charuvajana

Director

7. Mr. Pravitt Chattalada

Independent Director

8. Dr. Virach Aphimeteetamrong

Independent Director

9. Assoc. Prof. Phornsiri

Thivavarnvongs

Independent Director

10. Mr. Thongchai Lumveerakul

Executive Committee

11. Mr. Veeraphan Durongsang

Executive Committee

12. Mr. Aroon Tor-ekbundit

Executive Committee

13. Mr. Suradet Lertthammajak

Executive Committee

14. Mrs. Nittaya Thanaviriyakul

Executive Committee

CUSTOMER SUCCESS
IS OUR BUSINESS



Awards and appreciations



MSC has been re-certified as a member of the Collective Action Coalition Against Corruption (CAC) for the second time on 4 February 2019.



MSC won Strategic Award 2018 as “The Best GreenLake Reseller” and “Best GreenLake Reseller Award FY18” which represent the ability of HPE GreenLake Program highest total value of sale in the HPE Partner Kickoff 2019.



MSC won “FY2019 Champion of Data Protection Group” Award from Dell EMC Thailand FY20 Partner Kick Off which represents the leadership capability of Data Protection Dell EMC that generated the highest total sales.



Alliances



Moonwalk Universal Inc. appoint Metro Connect Co., Ltd. as an authorized dealer Moonwalk in Thailand to meet business needs and expand business together in the future.

HIS MSC Company Limited signed Business agreement contract with SYNCHROWEB Technology bring the Kiwire Enterprise Captive Portal Solutions with build-in analytics from Synchroweb Technology to provide hotelier better understanding of their guest and new guest and hotel engagement via innovative technology and next level of guest satisfaction.

HIS MSC Company Limited signed Business agreement contract with UbiComp System, a thought-leader in hospitality technology, the Qikinn© application suite enables hotels to achieve higher business operational efficiency and build guest loyalty.

HIS MSC Company Limited signed Business agreement contract with Aroon Place Co.,Ltd. and The Senses Resort Co.,Ltd. to improve high performance financial reporting and services with forecast that embrace Infor HMS, Metro Brita Hotel Accounting Management, Metro Brita Points of Sale, Business Intelligent (BI) and analytics' full potential stand to gain significant competitive advantage through optimized operations.



Activities

- ✓ MSC arranged "The Ultimate Way to Protect Your Data".
- ✓ MSC arranged "Fortinet Enterprise Security Solution".
- ✓ MSC arranged "Transform Your Business with IBM - MSC".
- ✓ MSC arranged "Squeezing Sales Using CRM AI Microsoft Dynamics 365".
- ✓ MSC joined with Lenovo and Nutanix Reinforcing the success to be number one on HCI.
- ✓ MSC arranged "EMPOWER THE DIGITAL WORKSPACE".
- ✓ MSC arranged "SECURE US TO SECURE ME".
- ✓ MSC arranged "Value Creation through Digital Transformation" BI to AI.
- ✓ MSC arranged "IBM i Forum 2019" Updated New Technology on IBM i 7.4.
- ✓ Metro SOLIDWORKS presented Solution in Manufacturing Expo 2019.
- ✓ MSC arranged "4.X Manufacturing Transformation".
- ✓ MSC joined Dell EMC arranged Dell Technology World 2019.
- ✓ MSC joined M.TECH arranged Redesign Cyber Security Posture.
- ✓ MSC arranged MSC Open House for Japanese Customer.
- ✓ MSC arranged Big Data & AI : (Artificial Intelligent) Transformation Journey.
- ✓ MSC arranged "SOLIDWORKS Roadshow 2019".
- ✓ MSC joined M.TECH arranged Redesign Cyber Security Posture.
- ✓ MSC presented I-See-You Solution in IBM Think Thailand 2019.
- ✓ MSC arranged "The SuperApp for Digital Business Process Revolution".
- ✓ MSC arranges "SOLIDWORKS Innovation Day 2020"
- ✓ MSC arranged "Enhancing Microsoft Team Room Experience".
- ✓ MSC arranged Accelerating your Journey to AI.
- ✓ MSC joined Brother arranged Making Digital Workflow Reality.
- ✓ MSC arranged Metro IoT Conference 2020.

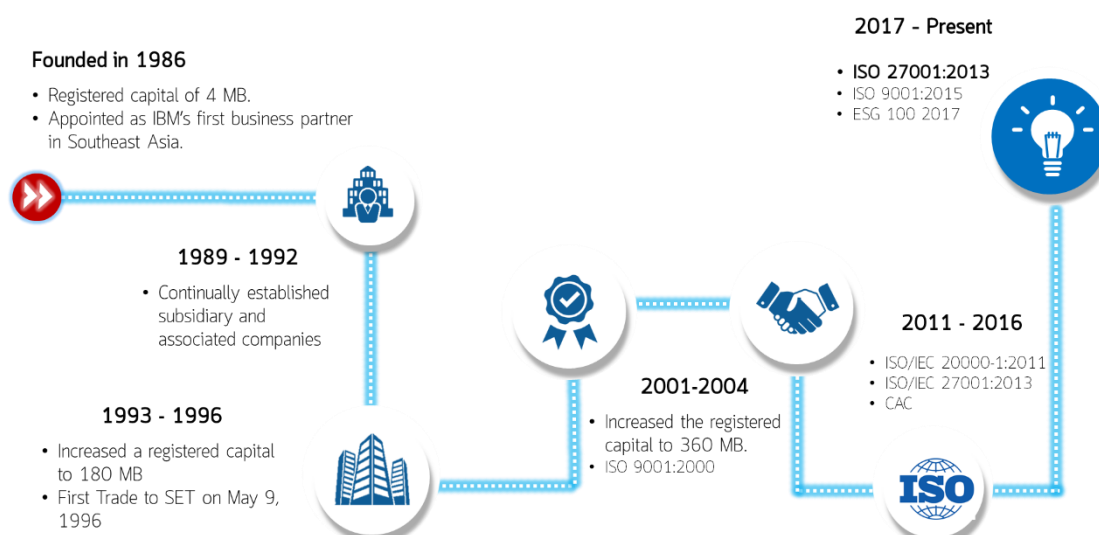




Metro Systems Corporation Public Co., Ltd. was founded on 6 January 1986 with 4 million baht of registered capital. The Company operated its core business as the first distributor of IBM products in Southeast Asia from IBM (Thailand) Co., Ltd. After that, the Company expanded its business by distributing IT solutions and providing services from other leading IT companies, such as IBM, Hewlett-Packard, Lenovo, Dell, Acer, Microsoft, and SolidWorks etc., 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 a 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 to recognize the size of its business. Today the Company's registered capital is 360 million baht (paid-up capital). There are currently three product categories in the Company, namely Digital Solutions Group (DSG), Solutions, Solutions Integration Group (SIG) and Digital Printing Group (DPG).

The Company's Management is conducted via its subsidiaries and associated companies, totaling 6 companies to cover the whole of the technology trade and industries.





Operational Policy

Mission

- We are committed to be an excellent company in innovation and modern information technology to support and respond to the digital economy.
- We focus on providing a full range of services and being consultant on system application which can meet the consumer behavior of the digital age to create an impression that exceeds the customers' expectations and sustainably builds good relationships.
- We strive to develop our personnel to be a professional in both information technology innovation and full range of service.
- We are committed to create a culture of creativity which gives the opportunity to the personnel to think and act in order to form the knowledge organization and develop the potential of the organization to grow sustainably.
- We aim to manage the organization in good corporate governance principles, including promoting social and environmental responsibility.

Vision

We will be a leader in providing a full range of IT services that help our customers to manage their business with continuity in the digital economy.



Corporate Goals

The Company has set clear business goals for both short-term and long-term period by defining the operational frameworks and concrete plans based on the domestic economic conditions, the competition circumstances in the market and the performance in the past years, along with the implementation of the goals planned by the Board of Directors at least twice a year. In 2019, the Company aimed to continuously generate revenue growth and gross margin. Additionally, the Company built a new business foundation to support and respond to the digital economy and organized a technology innovation project contest to keep up with the changes in the digital age, as well as set up a team with specific knowledge and expertise to help customers step into the changing digital world. In this regard, the Company has accomplished and exceeded the target set and is ready for future continuous development. In addition to the increase of revenue growth and gross profit margin for the company, the Company has also taken the sustainability matter into account by operating its business under the



Objectives

- To be excellent in innovation and information technology
- To create the outstanding valuable potentials
- To create a sustainable growth foundation



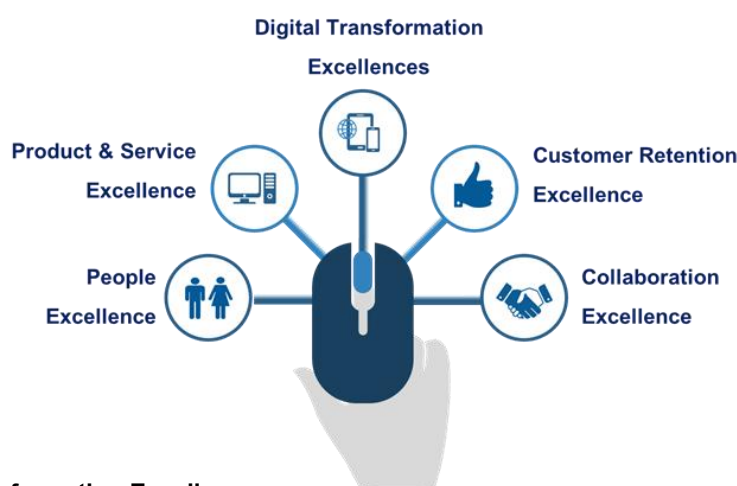
principles of good corporate governance, participating in community and social development and maximizing its resources based on the benefits of all stakeholders. The Company has also set the short-term sustainability goals to find specific management guidelines for any significant issues regarding sustainability in order to meet the needs and expectations of the stakeholders, as well as establishing long-term goals in the corporate sustainability for further development in line with the Sustainable Development Goals adopted by the United Nations (SDGs).

Quality Policy

“Accuracy, Timeliness and Commitment to continuous improvement”

Operational Strategies

The Company has established 5 strategies along with creating corporate culture on Metro Way values under the framework of good corporate governance to achieve the corporate vision and mission goals. The Company's operational strategies are detailed as follows:



1. Digital Transformation Excellences

The Company has changed its business model upon the trend of information technology, i.e. Cloud Computing, Big Data and Security Digital Printing in accordance with the digital transformation era, in which technology or innovation plays an important role in business success to support the current rapidly changing situation and respond to consumer behavior in order to continually create competitive advantage.

2. Product & Service Excellence

The Company has developed a market leadership strategy in distribution of IT products and services, as well as being an IT consulting organization on the latest technology products selected by our Company from the international leading brands in both hardware and software solution to expand the product group to support every customer's needs in the digital era. The Company's team of Total Solution Service Provider that has been certified by the product owners and fully expertized are also established to provide the best service to the customers.

3. People Excellence

This strategy is set up to build capacity in human resource by developing potential and upgrading the skills, knowledge and abilities of personnel to become professionals. The Company supports the creation of



technological innovations within the organization to inspire new innovations initiatives and encourages its personnel to give new ideas and take action to increase the ability of business competition and increase their potential.

4. Customer Retention Excellence

The aim of this strategy is to retain the Company's customers which are mostly categorized as private companies. The Company focuses on and evaluates the report of customer satisfaction in order to analyze and improve on product supplies and modern service providing to continuously meet the customer needs.

5. Collaboration Excellence

The Company has expanded its network and created good cooperation with all stakeholders by adhering to the Corporate Social Responsibility (CSR) and the ethical business practice in community, social and environment under the corporate culture framework (METRO Way) for sustainable growth.

Significant Improvement and Development

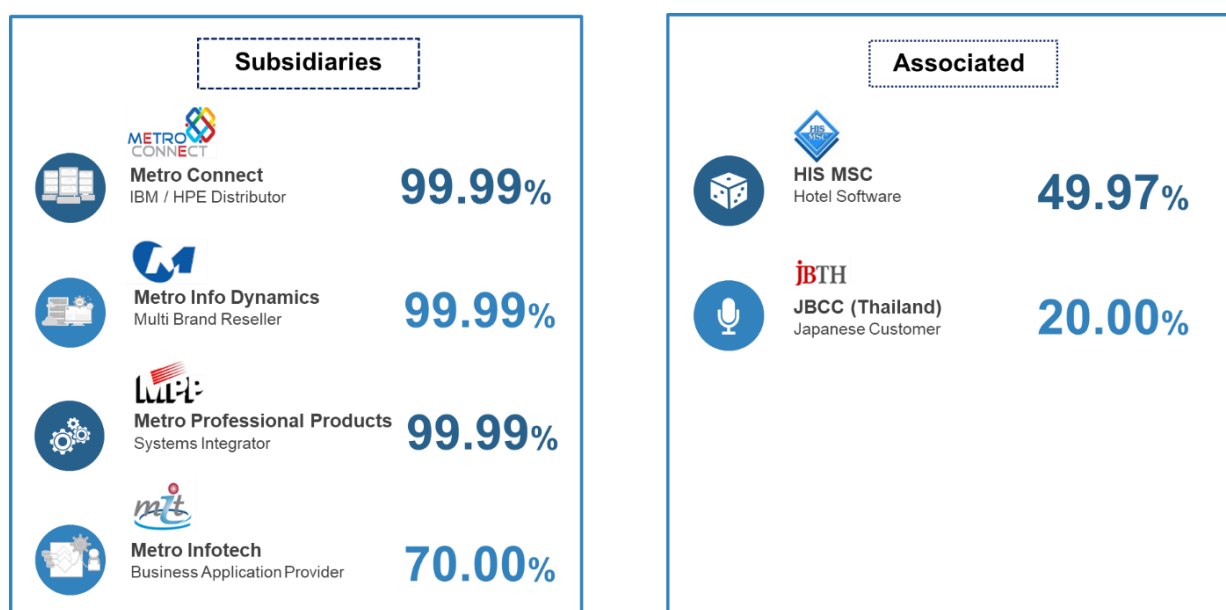
Metro Systems Corporation Public Co., Ltd. has continuously developed its organization to make the business more effective and consistent with the business environment. The following significant improvements and development were conducted during the past three years.

Year	Significant Improvements and Development
2019	In term of corporate shareholding structure, the Company received a refund from the reduction in its registered capital from a subsidiary company "Metro Info Dynamic Co., Ltd.". For the management structure, the Company has appointed a new independent director in replacement of the previous director resigned from the position. In addition, the Company had been certified for its member status renewal from Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) on 4 February 2019, including a certification for information technology security management system (ISO 27001: 2013) on 19 November 2019.
2018	The Company has adjusted the shareholding structure by discontinuing the operation of their subsidiaries; Metro Infotech Co., Ltd. and Metro Info Dynamics Co., Ltd., due to the Company has a policy to restructure its business to be more concise. The Company has changed the name of the Software Solution Product Group to a Software Integration Group, including expanding the business by adding a sub-business group in digital transformation in order to meet the customers' need in dealing with the changes in the modern era.
2017	The Company has improved its quality management system in accordance with ISO 9001: 2008 to ISO 9001: 2015. It was certified on 14 March 2017, with the additional requirements for understanding the organization and the corporate contexts of understanding the needs and expectations of stakeholders to be used in risk management and other requirements. This is the basis for helping organizations move towards sustainable development. On 30 May 2017, Thaipat Institute announced that the Company was one of only 13 listed companies in Technology-TECH category to be one of 100 listed companies with outstanding environmental, social and corporate governance (ESG100). Additionally, the Company has sold its total capital of Metro Soft Co., Ltd., totaling 49% of the registered capital on 24 January 2017.



Corporate Shareholding Structure

The Company has invested in other related IT to promote and support the main business operation of the Company in order to fully and efficiently meet the needs of the customers. The six related IT companies consist of 4 subsidiaries (Metro Professional Products Co., Ltd., Metro Connect Co., Ltd., Metro Infotech Co., Ltd., Metro Info Dynamics Co., Ltd.) and 2 Associated Companies (HIS MSC Co., Ltd., JBCC (Thailand) Co., Ltd.) by promoting and supporting its main business operation in order to meet the customers' demands and effectively provide a full-range of services. The shareholding structure and management policy are determined by the Company as follows:



Investment policy in subsidiaries and associates

The company has a policy to invest in specific businesses that operate in the same way or related to the main business of the company by aimed to invest in a sufficient proportion that the company could have mutual management and determine an important business directions which enhance and support the operation in main business of the company to be stable and to have an ability to compete in the market coverage including to develop solutions for various industries effectively together with respond the customers need completely.

Relationship of Corporate Shareholders

The main group of corporate shareholders currently consist of the companies owned by the Charuvajana Family as the founders of these companies.

Nature of Business



The Company operates its business as a distributor for computers, peripheral devices, software solutions, IT system, and office supplies, including providing system installations, software development and intellectual properties as required by the customers including complete training for the technology. Based on the business operation the Company has determined clear operating divisions within the head office of Metro Systems Corporation Public Company Limited and its subsidiaries, covering products, IT products and services.

Revenue Structure

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

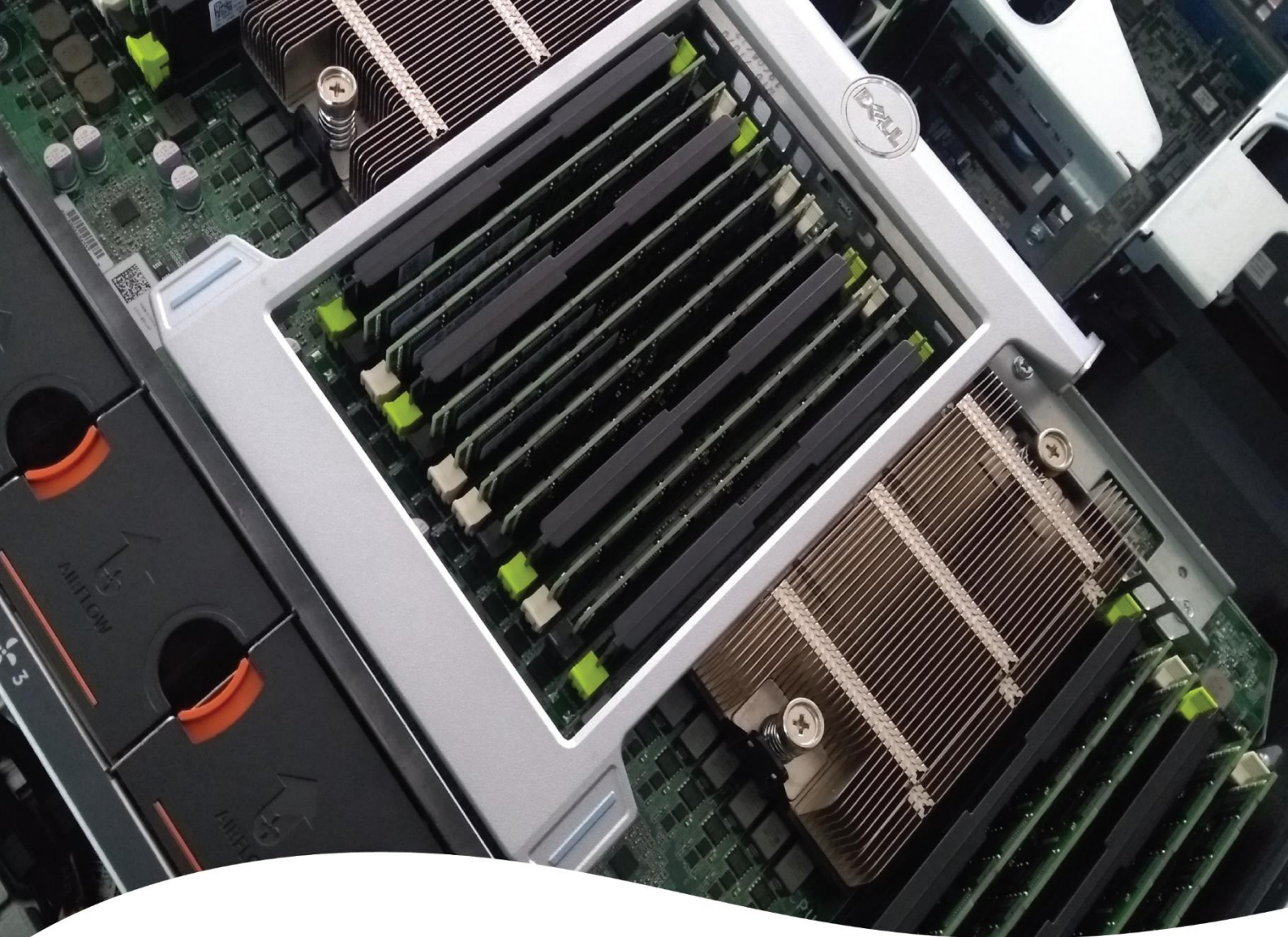
(Unit: Million Baht)

Products and Services	Operated By	2019		2018		2017	
		Revenue	%	Revenue	%	Revenue	%
Part 1 : Revenue from sales and rendering service							
Digital Solutions Group (DSG)	MSC/MPP/MCC/MID	2,153	28.8	2,870	35.6	2,560	34.3
Solution Integration Group (SIG)	MSC/MIT	3,475	46.5	3,211	39.9	2,841	38.2
Office Supplies Group (OSG)	MSC	1,774	23.7	1,893	23.5	1,994	26.8
Total Revenue from sales and rendering service		7,402	99.0	7,974	99.0	7,395	99.3
Part 2 : Other Incomes		73	1.0	78	1.0	49	0.7
Total Company's and Subsidiaries' Income		7,475	100.0	8,052	100.0	7,444	100.0
Part 3 : Profit (Loss) of Associated	HIS/JBTH	2		1		1	
Total Revenue		7,477		8,053		7,445	

Source : Combined Financial Statement

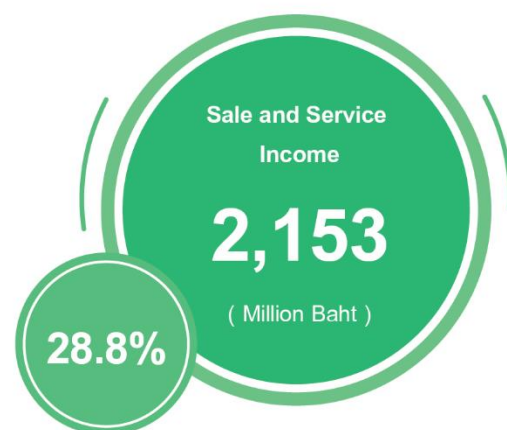
Products and Services

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 SolidWorks, Qlikview, K2, etc. The Company is divided into three business units. Each unit has a distinguished strategy plan following different business categories as follows:



Digital Solutions Group (DSG)

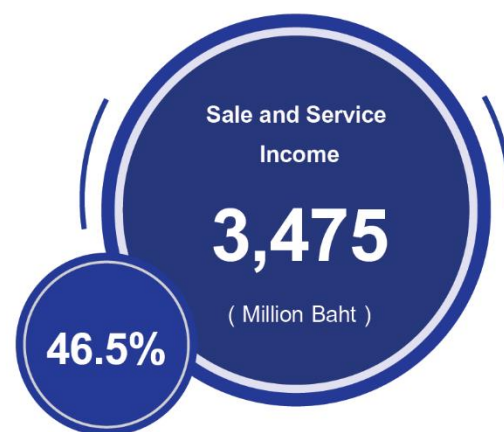
Digital Solutions Group (DSG) operates as a distributor of hardware products which include server, storage, PC, notebook, workstation and printer, and network system services, as well as the design and installation of computer systems, software and solutions, such as retailing systems (Point-Of-Sale systems and software), Video Surveillance Systems (IP Camera and firewall software) and solutions for backup, security and mobility. ESG also offers programming to meet the needs of customers and RPG Programming Training, including serving various functions, such as rental and sales of products and services in the form of Managed-Service (MSP). Additionally, the Digital Solutions Group (DSG) expanded the scope of sales by offering a Cloud Solution to support the use of Cloud Service by partnering with AWS (Amazon Web Services) and Salesforce (CRM on Cloud), as well as providing services for transferring existing systems from customers' servers to the Cloud servers, including tracking usage. The Company also provided related consultation and solution services for the users. The main targeted customers included financial banking group, industry group and other medium-size to large-size organizations.





Solutions Integration Group (SIG)

The Company distributes software solutions with system installation, implementation and IT consulting to promote more efficient business management. We offer solutions for data centers, network systems, IT technology, security system for data and network, Cloud Computing and OpenSource software for executive decision making, Business Process Automation software, CRM software, BigData and AI for emergency backup systems, intellectual properties software, managed services, IT training and testing, software for design, etc. The Company is also the main distributor of IBM, Cisco, Microsoft, Qlikview, K2, VMware, Veeam, Red Hat, SolidWorks, and so on. In addition, the Solutions Integration Group has held various events throughout the year to launch several intellectual products developed by the Company. Cooperation with business partners was also conducted, as well as seminars providing knowledge and technology updates to customers, business partners and interested parties.





Digital Printing Group (DPG)

Digital Printing Group (DPG) distributes printers, office supplies, such as cartridges, toners, recording tape for computers, compact printers, cameras, projectors, smart phones, tablets and printer hire purchase service or printer rental service, including the distribution of office supplies for all brands of printers, IT office products through direct sales channels from telemarketing and retailers. In addition, the Company has invested in printing service center within the Company and accept all types of printing, such as business cards, posters, calendars, including all various formats of book.





The main strategy of each business group



Digital Solutions Group (DSG)

The main strategy is to provide sales, installation and aftersales services from a dedicated team of specialists. The Company focuses on developing the expertise of its personnel to fully meet the needs of its customers, and selects additional quality IT brands to add value to their products and services instead of using only price mechanisms, including cooperation with manufacturers, business partners and other software developers in order to provide a comprehensive range of hardware and software solutions to market to customers, businesses and industries. However, the Company is expanding its market to EEC (Eastern Economic Corridor) customers, especially Japanese investors and companies. The Company prepares human resources and information technology partnerships to provide solutions in this market. To increase the channels of distribution and the potential of competitiveness on the cloud business, the Company has set a sales policy of Managed Service Provider by determining a monthly service charge. These servers can be installed at both the customer's location (On Premise) and the location of Company's partner (CAT) for further connection via the internet by the customer (On Cloud), The Company also provides Business Continuity Service to support the customers in the information backup server for the emergency situation.

Solutions Integration Group (SIG)



The main strategy of Solutions Integration Group is to upgrade the customers' existing software system that has been used for a long time to support the rapidly changing business challenges by using the software developed by the Company. The Company has also set up a Digital Transformation Services (DTS) team which has the potential to provide the services on consultancy, design and development of modern computer program systems that can properly support in technology change in order to help customers at all levels to step forward to the technological modernization in the digital age. From May 2020, the new Security Operation Center (SOC) will be launched to provide Surveillance and Cyber Security Solutions to the customers.



Digital Printing Group (DPG)

The main strategy is for Tele Sales staff to present different genuine quality products to the targeted customers from business units in SME to major consumer groups. This targeted customers also include 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 sales process, both prior to and after sale.



Marketing and Competition

Marketing Policy

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

1. The Company focuses on the increase in a wide range of products and quality services to meet the need of customers and aims to propose the right solutions to the customers in order to add value based on the customers' judgement by the leverage of officers' expertise. All strategies have the aim of making a distinguishing factor of quality over and above the other dealers and competitors in the market.

2. The Company places an importance on the expansion of the customer base in the private sector from SMEs to larger organizations and to those in various industries, such as, electronic parts, automobile and financial institutions with the aim of diversifying the risk in case of an industrial investment recession. The Company also seeks cooperation with manufacturing Companies and software developers to expand the business into new groups of customers, such as educational institutions etc. The Company attempts to avoid engaging in highly competitive business, such as mega project bidding. Moreover, the Company has prepared the business risk management plan by diversifying the revenue equally received from each customer or over reliance on one particular customer base to mitigate the impact in case of a lost customer. This includes the development of sales and marketing activities to maintain good relationships with customers. According to the fact that current sales in computer (PC) products has high competition according to similarity of products and the existing related services is unnecessary, the overall profit of the organization is affected directly. The Company thus solves this issue by determining the minimum profits in product sales within this product category.

3. The Company has a policy of the organizational and personnel management divided by product lines so that the personnel have specialized knowledge and pride in the distribution of the Company branded products and so that employees can thoroughly take care of those products. Such actions will help to reassure its partners that it will meet the needs of customers appropriately and consistently with the policy of the customer.

4. The Management of Distribution Channels was conducted through both direct sales and dealers. However, the Company has long experience and expertise in this kind of direct sales since it can greatly expand the market share with high profit and manage the risks from debtors more effectively. Additionally, the Company has cooperated with the other business partners to increase business alliance and services thus offering support to each other's sales. This helps customers to benefit from an all-in-one service plan.

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



6. The Company has invested in the technology sector by building a demonstration center for customers to visit the newest and best technology within the company offering the ability to illustrate the potential use of or connections to the hardware and/or software technology. With such investments, the Company recognizes the importance of technology at the heart of the business and this represents the efforts to show and ensure the effective realization of products before customers make a purchase. Customers therefore gain a true reflection of the technology which in turn guarantees the value of the investment and business success.

Natures and Groups of Targeted Customers

Majority of the 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 has also mainly focused on the customers from private sectors.

In 2019, 94% of the total of the Company's existing customers repurchased products and services with the ratio at 87% of total revenue. The total sales are as high as 98% of the Company's total revenue.

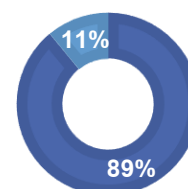
The Company has currently no main customer who has equal to or more than 10% of the total purchased orders of products and services. This, therefore, reduces the risk in the case of the loss of one principle customer.

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 focuses on the product design, quality selection, delivery of service and installation provided by expertized teams and after sales service providers to meet the customers' expectation. The sales ratio of direct sales and the dealers' sales is at a ratio of 89:11.

PROPORTION OF SALE

■ Direct Sales ■ Dealers

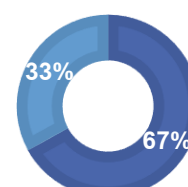


Domestic and International Sales and Distribution

Most distributed products are purchased from production companies in the Thailand operational area. This reduces the risk of 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. In 2019, the Company has a proportion of 67:33 for domestic and overseas purchases respectively.

PROPORTION OF PURCHASES

■ Domestic ■ International





Current Competitive Situations

The overview of the industry is very competitive. As a result of technology changes, the new business competitors from both domestic and international markets also offer the Cloud and Data server, including As-a-Service which receives the revenue from service fees. This all-in-one service includes application, software, hardware, consultancy, installation and maintenance services and has a direct affect to the distributors. Therefore, the change of sales model is required from CAPEX to OPEX formula in the form of Rental, Leasing and Managed-Service as an alternative to customers.

In the future, there will be more new Total Solution Providers, offering a full range of partner solutions from product providers. New Age Solutions Developers and IT Network Service Providers will create solutions for specific industries, such as financial institutions, banks, hospitals, and educational institutions.

The Company has been cooperating with all Suppliers to support the delivery of all types of solutions to meet the needs of the market, such as providing information on changing technology trends, introducing Solution Partners to market and provide solutions as well as financially supporting product investment and Solution demonstrations.

Industrial and Competitive Trends

The current technology trend focuses on using platform business model, such as Cloud, Mobility, Big Data, Block-chain and Social, as well as using innovative accelerator technologies, such as AR/VR, AI computer system, advanced security system, Internet of Things (IoT), 3D printing and robotic systems, including 5G technology. In 2019, "5G" technology has been launched in the powerful technological countries and the world economy, such as China, the United States, South Korea and Japan, as well as some European countries. However, from 2020 "5G" technology will be widespread throughout the world, especially among general consumer groups. The mobile network operators will use 5G technology as the main strategy to develop their products and services. This is expected to create a complete change in consumer behavior and society. The latency of data transmission and the accuracy of remote control will be improved. This will be resulted in IoT maximization.

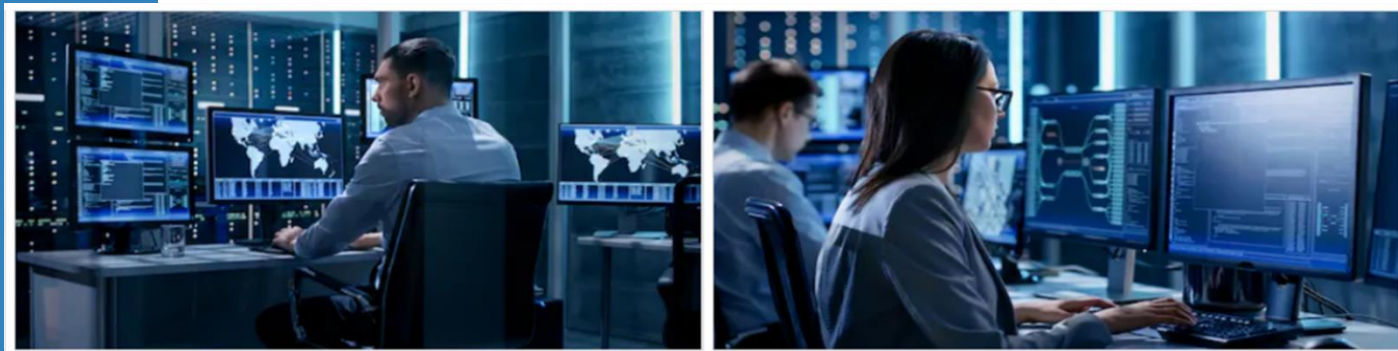
However, the more technology evolves, the security development must be increased accordingly to keep up with the higher technology. The security trends in 2020 are detailed as follows:

1. Expansion of Cloud-Based Security

As the world moves a lot of technology infrastructure into the cloud, therefore, we have seen Cloud-based Security platforms and services. Cloud computing has evolved greatly over the last two decades and today is frequently used to support critical operations of everyday businesses. From Cloud-based Data-storage services like Dropbox to all-in-one CRM clouds, such as Salesforce, consumers and businesses have grown depending on sensitive data storage in the cloud environments.

2. Data-Encryption Advancements

Cyber attack have become more sophisticated over the years. As a result, a growing number in Data-Encryption has increased accordingly. Various companies have started to apply the Data-Encryption strategy consistently across their enterprises. However, when such encryption technology or strategy becomes outdated and vulnerable to the cyber attack, all data can be easily compromised. Many encryption advancements can help stay ahead of security threats. These include leading privacy technologies, ring signature system and Zero-



knowledge proof and distributed ledger technologies. When these technologies are used in combination with one another, not only is full or partial data anonymization achievable, but data and identity verification is also automated.

3. Development of Passwordless Authentication

Password privacy and protection is a major security issue plaguing us since the dawn of AOL. However, recently, a new authentication method has taken the place of passwords. Passwordless authentication tools can include hardware tokens or One-time password generators (OTP), biometric authentication and knowledge-based authentication.

As a leading Company in the technology industry, the Company is well prepared for situations, trends, business opportunities and risk factors. Additionally, the Company is ready to continuously progress along with the changing and developing digital world. Cloud Computing and updated applications related to Big Data will help in the processing and management of information offering efficient and cost-effective IT management. SaSS IT Service offers products and networks relating to IP technology to support data access at any time and maximize network performance through network systems. This includes software management for data analysis, application development and mobile security software, and business continuity services to support continued operations in times of crisis, as well as software services in the form of services from software developed and owned by the Company (Intellectual Properties). The Company established a Security Operation Center (SOC) to provide Surveillance and Cyber Security Solutions and offer a full range of excellent service to meet the needs of customers effectively. The Company also develops the personnel to learn new technologies on a regular basis to maintain the competitive potential in rapidly changing conditions. The Company has established a special team to provide information and handle with the customers during this continuing change in technology. The customers will be interested in applying IoT and Big Data in their organizations. In addition, digital marketing has been significantly prioritized by organizations and will be the driving force toward investment in IT platforms to support new marketing strategies of the customers' organizations.



Products and Services Procurement

Procurement Methods

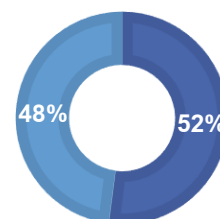
The Company procures products and services through two main channels as follows.

1. The Company purchases directly from the production companies, mostly major companies such as IBM, Microsoft, Hewlett-Packard, Epson, SolidWorks, Cisco, QlikView and etc. The Company also has commerce agreements which appoint us as distribution representatives with effective periods of between 1 to 2 years. In 2019, the Company made 52 % of direct purchases from production companies.

2. Orders from the main product representative companies accounted for the remaining 48 %.

PROPORTION OF PROCUREMENT

■ Producer ■ Dealer



Environmental Impact from Production Process or Disposal of Wastes

As the company is a distributor, not a manufacturer and the Company has no production line. Therefore, there are no actions that cause environmental impacts. However, the left- over raw materials, such as ink cartridges, were returned to the product manufacturers for the disposal purposes according to the product owner's policy. In the past year, the Company has been recognized as a model company in environmental protection from the product owners for IT materials and packaging recycling before shipping to customers. The Company has used the environmentally friendly packages which are easy to be decomposed, such as biodegradable bags, etc. Proudly, the Company has never had any disputes or lawsuits regarding the environment.



Undelivered Work

-None-



Main Agreements Related to Business Operation

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

Parties	Details of Agreement
1. IBM (Thailand) Co.,Ltd	Distributorship Agreement for medium- size and large- size computers, IBM Power Systems, and data backup devices <u>Term</u> : Renewed automatically for subsequent 2 years
2. Hewlett-Packard (Thailand) Ltd.	Distributorship Agreement for the products in the group of personal computers, printers, database, and office supplies. <u>Term</u> : Throughout the validity of Agreement
3. Dell Corporation (Thailand) Co., Ltd.	Distributorship Agreement for DELL products in the group of desktop computer, notebooks, servers, screens, data backup devices, and office supplies. <u>Term</u> : Renewed automatically for subsequent 1 year
4. Microsoft Regional Sales Corporation, Singapore	Distributorship Agreement for Microsoft Software <u>Term</u> : 1 September 2019 – 31 August 2020
5. Dassault Systems SolidWorks Corporation	Distributorship Agreement for the products of SolidWorks <u>Term</u> : Throughout the validity of Agreement
6. QlikTech Singapore PTE Ltd.	Distributorship Agreement for QlikView software for administration, data analysis, data display and distribution <u>Term</u> : Throughout the validity of Agreement
7. Cisco International Limited	Distributorship Agreement for peripheral devices for computers, telephone systems, remote meeting systems, anti-virus systems, data processing, and wireless internet broadcasting systems <u>Term</u> : May 2019 - May 2021
8. Epson (Thailand) Ltd.	Distributorship Agreement for EPSON products in both authentic products and accessories <u>Term</u> : April 2019 - March 2020
9. PTC Inc.	Distributorship Agreement for ThingWorx software <u>Term</u> : Renewed automatically
10. Lenovo (Thailand) Limited	Distributorship Agreement for Lenovo products and services <u>Term</u> : 1 October 2018 – 30 September 2020
11. Amazon Web Services, Inc.	Distributorship Agreement for Amazon products and services <u>Term</u> : Throughout the validity of Agreement
12. Huawei Technologies (Thailand) Co.,Ltd	Distributorship Agreement for Huawei hardware software and services <u>Term</u> : 2 February 2021 – 31 December 2021
13. HCL Singapore Pte,Ltd.	Distributorship Agreement for software <u>Term</u> : July 2020 to terminate the contract
14. Talend Singapore Pte Ltd.	Distributorship Agreement for Amazon products and services <u>Term</u> : 1 July 2020 - 30 June 2021

Risk Factors and Protection Measures



The Company is committed to giving importance to risk management as a continuous process by managing risk throughout the organization and in accordance with business strategies and goals and responds to the needs of stakeholders to reflect good management. To support good governance, build investors' confidence, as well as helping the organization achieved its objectives and goals, the Company thus considered the external factors which are affected by the changing business environment including globalization, current competition and other internal factors. This is due to the efficiency of the process and the strategies that can be used to meet today's business needs. The main risks affecting the stability of business operation as an IT products distributor and service provider can be summarized as follows:



Major Risks Caused by External Factors



Risks from technology changes

The technological advancement makes life style, business operation and the world economy change. As the emerging technologies have different potentials and higher benefits, the Company should prepare to encounter the incoming circumstances that may affect the Company's sales in hardware and software, as well as the supplier that may cancel the sales of certain products. Therefore, the Company may have to find products from other suppliers that have new technologies in replacement and must consider increasing more integrated services to meet the needs of the market.



Risks of consumer behavior change

As the business environment is based on globalization and higher competition at present, so consumer behavior is directly affected. This so-called "Online behavior" or "Digital Behavior" causes the need for the Company to be prepared for a full range of services providing by learning and understanding the basic needs of customers and supporting impressive services beyond the customer's expectations to build a good and sustainable relationship.



Risk from legal

Due to the technological advancement has played a role in everyone's lifestyle, including business operations, the authority's regulations must be more concentrated in order to protect consumers and monitor innovation development. This issue raises concerns for businesses that have access to customers' personal information, such as the enforcement of new data protection laws or General Data Protection Regulation (GDPR). Therefore, the Company must prepare readiness for partners and employees to realize such regulations and determine the control plans within the organization.



Risks from competitors

This may affect the business operation and total sales of the Company due to the introduction of products and new sales markets, including Open source or Startup. This trend has caused changes in customers' purchasing decisions. However, the Company has increased revenue from being a system service consultant providing a full range of services, data connection and more.



Risk caused by manufacturers' policy

The Company's manufacturers can appoint additional dealers or make direct sales to consumers. In addition, the Company may fail to comply with contracts or Codes of Conduct of the manufacturers, which may result in the termination of the contract or a reduction of its role as a distributor. Even though the Company has continuously been trusted by the major manufacturers for contract renewals, such risk may reduce in the Company's revenue or business interruption. The Company's strategy is to diversify its products and services to meet the changing technology. The Company also precedes a strategic plan to add a greater variety of products and services, and to appropriately manage the proportion of sales and profits received from products and services with balanced allocation in order to diversify the risks.



Major Risks Caused by Internal Factors



Risks of Digital Transformation

Changes of external factors affect directly and indirectly with the current operations of every organization both in terms of information technology that is growing and changing rapidly and the needs of customers with changing behavior. In this regard, the operation of the organization is required for continuous improvement and development. The Company, therefore, has developed a plan for operational processes within the organization for efficiency and effectiveness which can meet the needs of stakeholders and keep up with changes in globalization.



Risks of confidential IT data management

Due to the fact that current technology is continuously developing and becoming a part of daily life and operations at each stage of the business, any confidential information is stored and forwarded through various information channels, such as internet channels, Cloud channels and social media channels that are widely used today. This may cause risks to the data or affect the stability of the business. The Company therefore has prepared and developed operational processes within the organization in accordance with the international standard system in order to enhance the ability of internal control and risk management processes.



Risks of human resource

Nowadays, the rapid growth of technology and change of globalization, as well as higher competition affect the business environment. The Company needs to adjust its operation and the existing personnel may have not enough skills, knowledge or ability to such changes. The demand of employee recruitment, especially the personnel qualified with knowledge, skills and competencies, are needed in the IT market. This causes a difficulty in recruiting qualified personnel and may result in the unexpected operational performance. Therefore, the Company has set up a recruitment development plan to respond to the technology change, market demand and skill development, including relationship building through various activities to create a culture of teamwork for the staff, as well as to helping to unite the personnel and commit to the organization.

Emerging Risks

Risks from Economy and Public Policy

The growth of technology and globalization change has affected government policies that drive Thailand and businesses to change in line with the digital age. According to the Thai government's policy for industry 4.0 or e-Tax, every organization is alert and prepared to adjust accordingly. However, since the domestic economy in last year was not as good as it should be, some organizations had to request to delay or cancel various projects. As a result, the expected revenue may not meet the target. The Company has, therefore, adjusted the strategy plan in accordance with the current business conditions, including controlling the internal costs to be reduced or as expected.

Corporate Overview

Details of Company, Subsidiaries, Associated Company and Related Persons
Metro Systems Corporation Public Co., Ltd.



Head Office

Company Name	: Metro Systems Corporation Public Co., Ltd.
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., Nongbon, Pravat, Bangkok 10250
Telephone	: 02-089-4000
Web Site	: http://www.metro-systems.co.th
Facebook	: http://www.facebook.com/metro-systems-corp/



Branches

Bangkok Advanced Learning : 979/27-31 16th Floor, SM Tower, Phaholyothin Road, Samsen-nai, Phayathai, Bangkok 10400

Purpose of Business : Microsoft Training and Demonstration Centre

Telephone : 02-089-4000

Fax : 02-298-0260

Web Site : <http://www.bal2001.com>

Skulthai Surawong Tower : 141 Surawong Road, Suriyawong, Bangrak, Bangkok 10500

Purpose of Business : Office

Telephone : 02-233-5456

Website : <http://www.metrosystems.co.th>



Branches

Envisioning Center : 888/15 -17 Mahatun Plaza Building, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

Purpose of Business : IBM Training and Demonstration Centre

Telephone : 02-089-4135

Fax : 02-253-0563

Web Site : <http://www.metrosystems.co.th>

Subsidiaries Companies

Company Name	: Metro Professional Products Co., Ltd.
Group of Industry/ Business	: Technology/ Information Technology and Communications
Nature of Business	: Distributor of Computer/ Service Provider of Complete Computer System including rent out the computer
Registered and Paid Capital	: THB 50,000,000.00
Number of Shares	: 500,000 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	: 02-019-9399
Fax	: 02-019-9398
Web Site	: http://www.mpp.co.th

Company Name	: Metro Infotech Co., Ltd.
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	: 02-089-4551, 02-089-4552
Fax	: 02-726-2530
Web Site	: http://www.metroinfotech.co.th

Subsidiaries Companies

Company Name	: Metro Connect Co., Ltd.
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, Pratu, Bangkok 10250
Telephone	: 02-089-4000
Fax	: 02-726-2539
Web Site	: http://www.metroconnect.co.th

Company Name	: Metro Info Dynamics Co., Ltd
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, Pratu, Bangkok 10250
Telephone	: 02-089-4000
Fax	: 02-726-2630
Web Site	: -

Associated Companies

Company Name	: HIS MSC Co., Ltd.
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 Chalemprakiat Rama 9 Rd., Nhongbon, Pravet, Bangkok 10250
Telephone	: 02-089-4101, 02-089-4107-8
Fax	: 02-726-2910
Web Site	: http://www.hismsc.com

Company Name	: JBCC (Thailand) Co., Ltd.
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, 21st Floor, Sukhumvit Road, Klongton Nua, Wattana, Bangkok
Telephone	: 02-662-2218
Fax	: 02-662-2219
Web Site	: -

Other Reference

Share Registrar	Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel. 02-009-9000
Certified Public Accountant	Mrs. Wilasinee Krishnamra C.P.A. License No. 7098, and/or Mr. Chavala Tienpasertkij C.P.A. License No. 4301, and/or Mrs. Nisakorn Songmanee C.P.A. License No. 5035, and/or Ms. Kornthong Luangvilai C.P.A. License No. 7210 Deloitte Touche Tohmatsu Jaiyos Audit Limited No.11/1, AIA Sathorn Tower, 23rd – 27th Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok, 10120. Tel : 02-034-0000 Fax : 02-034-0100 E-mail : wkrishnamra@deloitte.com
Legal Consultant	Legal Office of Metro Systems Corporation (Public) Co., Ltd.
Telephone	02-089-4352
Financial Consultant	- None-
Consultant or Manager under Management Contract	- None-

Shareholders



Number of registered capital and paid-up capital

As of 31 December 2019, 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. Registered in Stock Exchange of Thailand, namely “MSC”.

Shareholders

The first 10 shareholders list and the shareholding ratio evaluated on 17 January 2020 are details as follow:

Group of Shareholders	Type of Business	Amount of Shares	Ratio (%)
1. Metro Value Creation Co., Ltd.	Holding	88,331,363	24.53
2. Charuvajana Family***		73,857,367	20.51
3. Metrophose Co., Ltd.	Holding	69,165,402	19.21
4. MC Bakery Co., Ltd.		16,029,600	4.45
5. Makaranant Co., Ltd.		14,560,000	4.04
6. Chuerattanapong Family		13,940,910	3.87
7. Mr. Harakishin Thunwani		10,000,000	2.77
8. Suvarupjorn Family		7,592,490	2.10
9. Mrs. Chaweewan Achavaniyut		3,249,000	0.90
10. Miss Swangchit Laohathai		2,631,333	0.73
Total		299,357,465	83.11

Source: Report of Shareholders List as of January 17, 2020, Thailand Securities Depository Co., Ltd.

Shareholding Details

Metro Value Creation Co., Ltd. As of April 4, 2019

Group of Shareholders	Amount of Shares	Ratio (%)
1. Miss Seangchit Laohathai	133,334	33.34
2. Mr. Aeron Tangtrongsak	133,333	33.34
3. Mr. Sunpitt Sethpornpong	66,667	16.66
4. Mr. Pheerapon Sethpakdee	66,666	16.66
Total	400,000	100.00



Shareholding Details of Charuvajana Family

Group of Shareholders	Amount of Shares
1. Mr. Narong Charuvajana	16,711,487
2. Mr. Tavit Charuvajana	15,287,348
3. Mrs. Pornthip Charuvajana	10,000,000
4. Miss Somchit Charuvajana	7,753,010
5. Miss Thipawan Charuvajana	5,033,649
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	2,144,800
11. Mr. Boonchuay Charuvajana	1,305,811
12. Mr. Naris Charuvajana	686,344
13. Miss Kanokporn Charuvajana	1,002,673
14. Mrs. Budsadee Charuvajana	540,720
15. Mr. Nattapol Charuvajana	24,600
Total	73,857,367

Metrophose Co., Ltd. (As of April 4, 2019)

Group of Shareholders	Amount of Shares	Ratio (%)
1. Metro Co.,Ltd.	4,990,000	99.80
2. Mr. Sawangtham Laohathai	2,999	0.06
3. Mr. Aeron Tangtrongsak	2,499	0.05
4. Mr. Sunpitt Sethpornpong	1,500	0.03
5. Mr. Pheerapon Sethpakdee	1,499	0.03
6. Metro Group Co., Ltd	1,503	0.03
Total	5,000,000	100.00

Issue of other securities

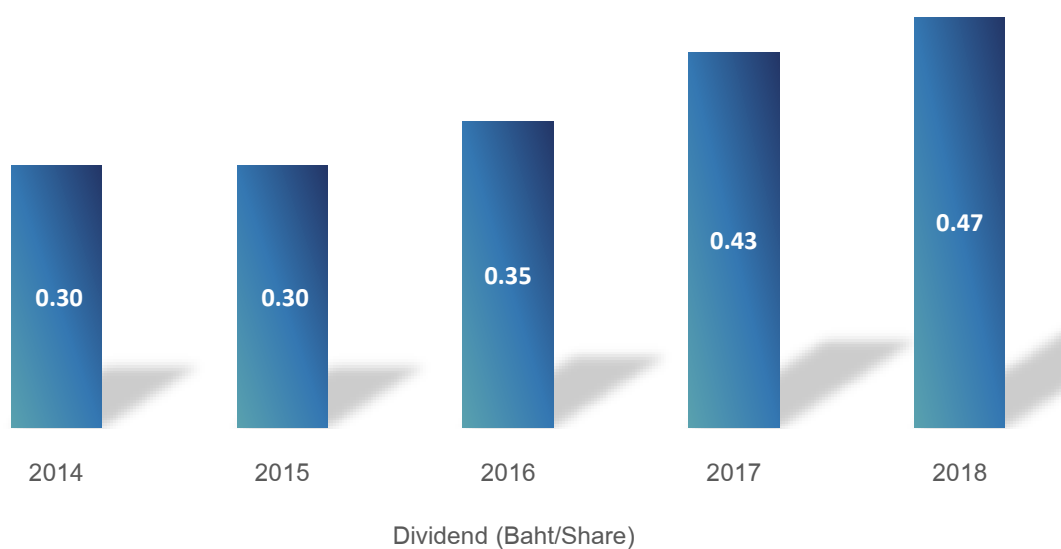
-None-



Dividend Policy

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

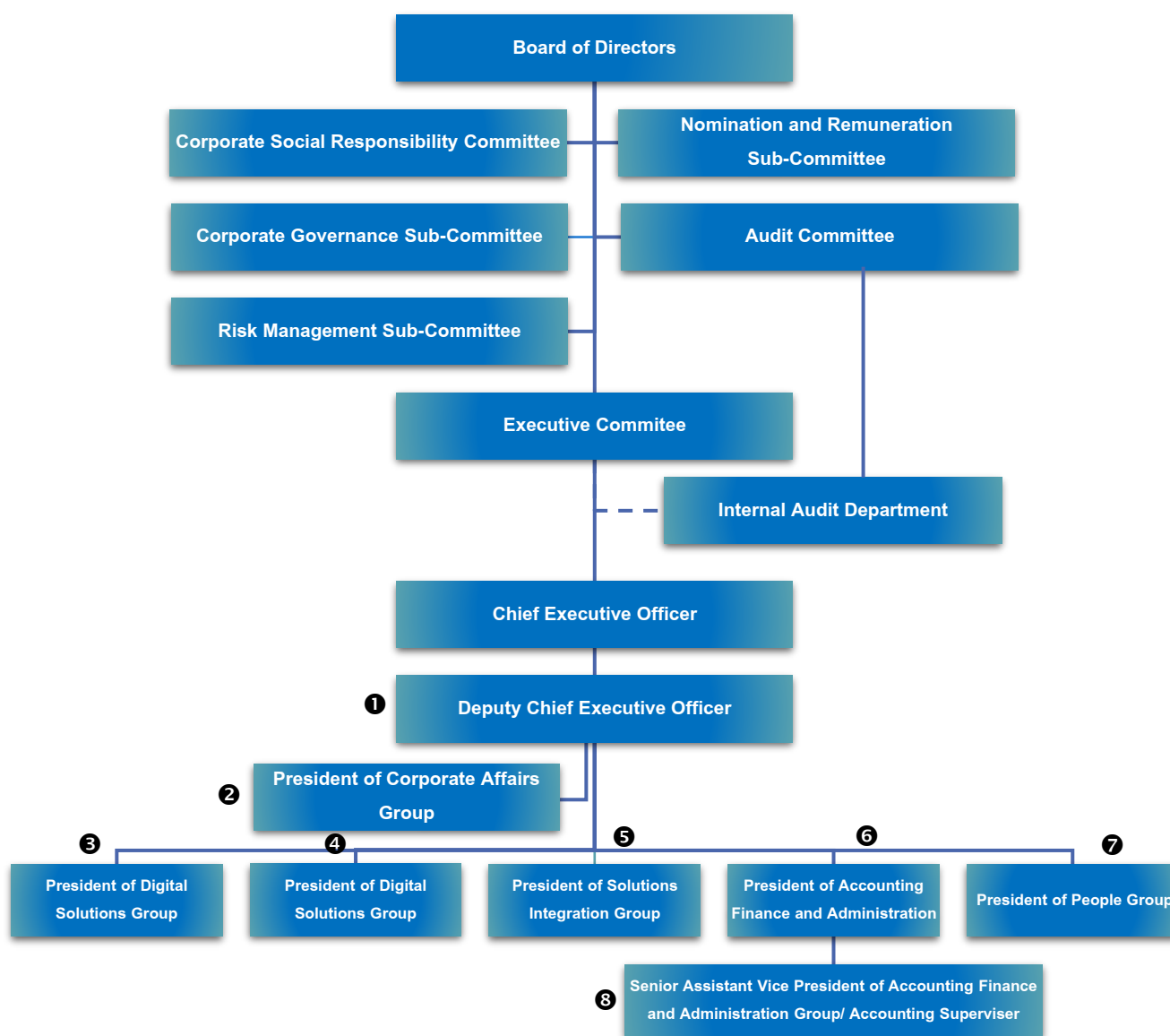
Dividend Payment (Last 5 years)





Management Structure

The Company has organized a management structure under the supervisory board and management team as shown in the management structure chart as follows:



- Note:**
- 1) The 1st to 8th position are the company's management in accordance with the notification of Securities and Exchange Commission No. TorChor. 23/2008.
 - 2) The Board of Directors Meeting No. 1/2020 was held on 28 January 2020 which passed a resolution to change the name of subcommittee from Corporate Social Responsibility Committee to Sustainable Development Sub-Committee, effective from 28 January 2020 onwards.



Board of Directors

List of the Board of Directors consists of 9 board members as of 31 December 2019.

No.	Position	Name List
1	Chairman	Mr. Sunpitt Setthapornpong
2	Vice Chairman	Mr. Kitti Techataveekijkul
3	Director	Mr. Tavit Charuvajana
4	Director	Mr. Narong Charuvajana
5	Director	Mr. Wanarak Ekachai
6	Director	Mr. Suvij Suvaruchiporn
7	Independent Director	Mr. Pravit Chattalada
8	Independent Director	Dr. Virach Aphimeteetamrong
9	Independent Director	Assoc. Prof. Phornsiri Thivavarnvongs

Note: 1. Mr. Chakreeamorn Tirachuleesoonthorn resigned from the position of independent director on 9 August 2019. The Board of Directors approved to appoint Assoc. Prof. Phornsiri Thivavarnvongs as the replacement position at the meeting No. 5/2019, effective from 27 August 2019 onwards.

Composition of the Board of Directors

The Board of Directors consists of knowledgeable and capable persons who have important roles in determining the company's objectives and goals by partnering with senior management on policy, vision, strategic and the company's operational direction. The Company has reviewed annually and supervise the management operations according to specified policy with efficiency and effectiveness as well as monitoring and supervision the substantial implementation.

Therefore, the Board of Directors does not have prohibited qualifications as follows:

1. Not bankrupt, have never been served a term of imprisonment by final judgment relating to property guilt in dishonesty, have never been convicted or removal from office of government service or organization or government agencies for corruption.
2. Not carrying out the business as a partner or as a shareholder of any juristic persons that hold the same business type or being a competitor with the company.
3. Independent directors must possess the qualification according to the qualifying requirement of company's independent director as specified in corporate governance.





Board Diversity Policy of Structure

The Board of Directors has specified the director qualification and nomination process to be diverse for those who shall serve as directors by considering the lack of necessary skills on committee as well as professions and specialized expertise including unlimited race, religion, and gender etc. In addition, the qualifications of Chief Executive Officer have been determined by considering the necessary skills.

Directors Authorized to Sign on Behalf of the Company

Authorized signatory of the directors to bind the Company are Mr. Sunpitt Setthapornpong or Mr. Kittit Techataveekijkul or Mr. Tavit Charuvajana or Mr. Narong Charuvajana. Two of these four directors jointly sign and affix the company's seal.

Table of Subcommittee Tenure in Positions

The list of sub-committees as of 31 December 2019 are as follows:

Name List	Executive Board of Directors	Audit Committee	Nomination and Remuneration Subcommittee	Corporate Social Responsibility Committee	Good Corporate Governance Subcommittee	Risk Management Subcommittee
Mr. Kittit Techataveekijkul				Director	Director	Director
Mr. Tavit Charuvajana	Chairman					
Mr. Narong Charuvajana			Vice-chairman			
Mr. Wanarak Ekachai				Director	Director	Director
Mr. Suvij Suwaruchiporn			Chairman			
Mr. Pravit Chattalada*		Chairman	Director	Chairman		
Dr. Virach Aphimeteetamrong*		Director			Chairman	
Assoc. Prof. Phornsiri Thivavanvongs*		Director				Chairman
Mr. Veeraphan Durongsang	Director				Director	Director
Mr. Aroon Tor-ek Bundit	Director				Director	Director
Mr. Thongchai Lumveerakul	Director				Director	Director
Mrs. Nittaya Thanaviriyakul	Director				Director	Director
Mr. Suradet Lertthamchak	Director					

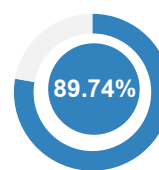
Note: *Qualified directors are the independent directors according to the requirements of company's independent directors.

Board of Directors Meeting

The company has scheduled a Board meeting full year in advance, excluding extraordinary meeting and notify each director to acknowledge such schedule from the beginning of every year. The meetings are held at least five times per year. For any sub-committee is scheduled to hold a meeting each year, at least 2 times a year unless the Audit Committee and Risk Management Committee meetings are held every quarter. The Company has a policy of encouraging each director to attend Board meetings regularly, on average, at least 80% of all Board meetings during the year and disclosed the number of meetings and attendance of Board and each subcommittee meetings in the Annual Registration Statement (Form 56-1) and the company's



annual report. In the year 2019, the Board of Directors attended the committee meeting, representing an average score of 89.74 %.



Chairman and/or Vice Chairman jointly considered the agenda for Board of Directors meeting. Each director is free to suggest topics for the agenda, in which the company secretary is responsible to send the meeting invitation letter and meeting documentation to each director in advance at least 5 working days prior to the meeting, consisting of pre-set meeting agendas and clearly separated categories such as information for acknowledgement, consideration and approval. The principle requirement and information format in the document shall be presented to the Board of Directors to be complete, sufficient, and appropriate for supporting the Board of Directors meeting to proceed smoothly and quickly including the most effective laws and regulations involved. Each department can be referenced and considered as a standard in data preparation before submission. The company secretary department collected and presented to Board at each meeting so that the Board of Directors has sufficient time to study the information before attending the meeting, except in case of urgent necessity. The documents must be made a long story short but given all relevant information. For matters that do not wish to disclose in writing shall be discussed at the meeting due to the Chairman will allocate sufficient time for executive to propose such matter and enough for the directors to carefully discuss important issues in general. The Chairman's meeting gives the opportunity for each director to express their opinions independently and the meeting time will be allocated appropriately and efficiently. In the event of any directors who have conflict of interest in any considered matter, the committee will report to the meeting for acknowledgment and must not participate in expressing opinions as well as without the right to vote on such matters. The minimum number of quorums while the Board of Directors will vote at meeting must have the Board not be less than 2 in 3 of total number of directors. In addition, the Company has set a policy for determining the Board of Directors meeting agenda regarding the securities holding report of director whether has changes in each quarter.

However, the Company Secretary is responsible to record the minutes of meeting. The company has a policy for company management to attend a monthly meeting in order to summarize and analyze the operating results and present to every Board meeting for acknowledge. In each board meeting, the company has a policy and allow executives attending a board meeting to know and provide more detailed information as related to the issue directly. The Board can access additional necessary information from the Chief Executive Officer or Company Secretary or other assigned executives.

Additionally, the Company has arranged a meeting between the non-executive directors without management team attending the meeting annually and in the event that is necessary to discuss any issues and problems related to important management such as defining new strategic plans, succession plan for top management, etc. and to allow the non-executive directors to express their opinions freely. In this regard, the directors who are not involved in management will report the meeting results to the Board of Directors accordingly.





Table Showing the Number of the Board of Directors and Sub-committees Meeting Attendance for the Year 2019

Board of Directors Name	Board of Directors	Executive Board of Directors	Audit Committee	Nomination and Remuneration Subcommittee	Corporate Social Responsibility Committee	Corporate Governance Subcommittee	Risk Management Subcommittee	Non-Executive Board	Annual General Meeting 2019
1. Mr. Sunpitt Setthapornpong	6/6	10/12	-	-	-	-	-	-	1/1
2. Mr. Kittit Techataveekijkul	6/6	11/12	-	-	3/3	3/3	4/4	1/1	1/1
3. Mr. Tavit Charuvajana	6/6	12/12	-	-	-	-	-	-	1/1
4. Mr. Narong Charuvajana	6/6	12/12	-	3/3	-	-	-	1/1	1/1
5. Mr. Wanarak Ekachai	5/6	12/12	-	-	2/3	2/3	4/4	-	1/1
6. Mr. Suvij Suwaruchiporn	6/6	-	-	3/3	-	-	-	1/1	1/1
7. Mr. Pravitt Chattalada**	5/6	1/12	4/5	3/3	3/3	-	-	1/1	1/1
8. Dr. Virach Aphimeteetamrong**	6/6	-	5/5	-	-	3/3	-	1/1	1/1
9. Assoc.Prof. Phornsiri Thivavanvongs**	2/6	-	1/5	-	-	-	1/4	1/1	-
10. Mr. Veeraphan Durongsaeng	6/6	12/12	-	-	-	3/3	4/4	-	1/1
11. Mr. Aroon Tor-ek Bundit	5/6	11/12	-	-	-	3/3	4/4	-	1/1
12. Mr. Thongchai Lumveerakul	6/6	11/12	-	-	-	3/3	4/4	-	1/1
13. Mrs. Nittaya Thanaviriyakul	6/6	12/12	-	-	-	3/3	4/4	-	0/1
14. Mr. Suradet Lerthamchak	5/6	11/12	-	-	-	-	-	-	1/1

Note: Assoc. Prof. Phornsiri Thivavanvongs has been appointed by the Board of Directors as a Director, Independent Director and Chairman of the Risk Management Subcommittee on 27 August 2019.

Executive Committee

List of Executive Committee as of 31 December 2019

No.	Name List	Position
1	Mr. Tavit Charuvajana	Chief Executive Officer (CEO)
2	Mr. Wanarak Ekachai	Deputy Chief Executive Officer (Deputy CEO)/ President of People Group
3	Mr. Veeraphan Durongsaeng	President of Digital Solutions Group
4	Mr. Aroon Tor-ek Bundit	President of Solutions Integration Group
5	Mr. Suradech Lerthamchak	President of Solutions Integration Group
6	Mr. Thongchai Lumveerakul	President of Digital Printing Group
7	Mrs. Nittaya Thanaviriyakul	President of Accounting Finance and Administration / President of Corporate Affairs Group/ Chief Financial Officer

All 7 executives are executives according to the definition of "Executive" according to the announcement of the Capital Market Supervisory Board No. ThorJor. 23/ 2008 including no prohibited qualifications as follows.

1. Not bankrupt, have never been served a term of imprisonment by final judgment relating to property guilt in dishonesty, have never been convicted or removal from office of government service or organization or government agencies for corruption.

2. Not carrying out the business as a partner or as a shareholder of any juristic persons that hold the same business type or being a competitor with the Company.



By the way, the list of holding an executive position in the accounting department as at 31 December 2019 are Mr. Warayut Promsara, Assistant Managing Director of Senior Group Accounting Department and supervising the company accounting. Details are disclosed in the history of the board of directors and management.

In addition, the Board of Directors has approved the scope of executive authority clearly for transparency and agility in its operations appropriately and also responsible for controlling expenses and investment budget to the extent which the Board of Directors approved the annual plan, implementation of human resources policy, problem resolution or conflict affecting organization.

However, the company also has a directors and officers liability insurance plan which provides coverage for directors and officers of the Company against losses or financial damages due to "Violations or Wrong-doing" in which the director or officer of the Company be liable under law.

Information being a Director in a Subsidiary Company and Associated Company as a Main Business as at 31 December 2019

Name List	Metro Professional Product Co., Ltd.	Metro Connect Co., Ltd.	Metro Infotech Co., Ltd.	Metro Info Dynamic Co., Ltd.	HIS MSC Co., Ltd.
Mr. Tavit Charuvajana		Chairman	Director	Chairman	Director
Mr. Narong Charuvajana	Director	Director			Director
Mr. Kitti Techataveekijkul	Director	Director			Director
Mr. Veeraphan Durongsang		Director		Director	
Mr. Aroon Tor-Ekbundit			Director		Director
Mrs. Nittaya Thanaviriyakul	Director	Director		Director	





Corporate Secretary

The Board of Directors appointed Corporate secretary to oversee Board meetings, the Shareholders' Meeting and any activities of the Board of Directors as well as supervise the compliance in company to assist the board of directors and employees comply with the relevant laws and regulations including support for corporate governance in accordance with good corporate governance standards. Currently, the Board of Directors has appointed Ms. Sumateta Jitsiripol as a Corporate secretary from 28 February 2017.

Corporate Secretary's Scope of Duties and Responsibilities

The Corporate Secretary shall perform the duties as specified in Section 89/15 and Section 89/16 of the Securities and Exchange Act. (No.4) B.E 2551, which entered into force on 31 August 2008 with responsibility, caution and honesty to comply with the laws, objectives, company regulations, company's board resolution as well as resolution of the shareholders meeting. However, the Corporate Secretary's scope of duties are as follows.

- 1) Preparation and storage the following documents
 - 1.1 Director registration
 - 1.2 Meeting invitation letter for the Board of Directors, Board of Directors meeting minutes and Annual Report.
 - 1.3 Notice of shareholder meeting and minutes of shareholder meetings.
- 2) Keeping the conflict of interest reports which are reported by directors or management.
- 3) Consultation and initial recommendations to the Board of Directors on issues related to the laws, rules, company regulations and best practices for good corporate governance, follow up with compliance accurately and consistently including reports of significant changes to the directors.
- 4) Providing legal advice and related regulations and best practices of governance in the Board's activities according to the laws.
- 5) Duties in conducting the board meetings and shareholders' meetings.
- 6) Contact and coordinate with company internal department to comply with the board's resolution and shareholders meeting's resolution.
- 7) Contact and coordinate with regulatory agencies such as the Office of Securities and Exchange Commission, overseeing the disclosure of information, report information to regulatory agencies and the public correctly and completely in accordance with laws, regulations and company information disclosure policy.
- 8) Provide education to advise to newly appointed directors.
- 9) Other duties as assigned by the Company.





Remuneration of Directors and Management

Remuneration of Directors



The Nominating and Remuneration Sub-committee is to determine the director remuneration by scrutinizing the various appropriateness. Directors will receive remuneration which based on their experience, duties, scope of roles and responsibilities and compared with the same industry as well as considering the business expansion and profitable company growth. Therefore, the director remuneration shall be in accordance with the principle and specified policy by the Board within the approval framework of the shareholders meeting. (For the types of remuneration that must be approved by the shareholders' meeting).

The Annual General Meeting for the year 2019 on 3 April 2019, resolved to consider and approve the remuneration of Board of Directors and sub-committees by specifying the remuneration as a meeting fee and the Annual Bonus of Board of Director as follows:

Remuneration of Directors



The Annual Bonus of Board of Director not over than 2,700,000 Baht/Year
 Attendance fee amounting to 22,000 Baht/person/meeting times
 Therefore, the Board will allocate the Annual Bonus in appropriate within the said amount.

Remuneration of Audit Committee

For the Chairman amounting to 130,000 Baht/Quarter
 For each member amounting to 100,000 Baht/Quarter

Remuneration of Executive Committee

For the Chairman amounting to 14,000 Baht/Meeting times
 For each member amounting to 14,000 Baht/person/ Meeting times

However, the Directors who take the position of Executive Committee are unable to get the Board of Directors attendance fee.

Remuneration of Other Subcommittees

Board	Chairman	Each Sub-committee
Corporate Social Responsibility Committee	17,000 Baht/times	12,000 Baht/person/times
Good Corporate Governance Sub-committee	17,000 Baht/times	12,000 Baht/person/times
Risk Management Sub-committee	17,000 Baht/times	12,000 Baht/person/times
Nominating and Remuneration Sub-committee	17,000 Baht/times	12,000 Baht/person/times

Comparison Summary of Director Remuneration

(Unit: Baht)

Type of Remuneration	2018		2019	
	No. of Persons	Amount	No. of Persons	Amount
Attendance fee	13	3,262,000	15	4,017,000
The Annual Bonus	9	1,900,000	9	2,140,000
Total		5,162,000		6,157,000



Other Remuneration of Directors

The company has no policy to remunerate other remuneration to the Directors.

Remuneration Summary of Each Director Received in the Year 2019

Name List	Board of Directors	Executive Board of Directors	Audit Committee	Nominating and Remuneration Subcommittee	Corporate Social Responsibility Committee	Corporate Governance Sub-committee	Risk Management Sub-committee	Total (Baht)
Mr. Sunpitt Sethpornpong	468,000							468,000
Mr. Kittit Techataveekijkul	353,000				34,000	34,000	46,000	467,000
Mr. Tavit Charuvajana	225,000	162,000						387,000
Mr. Narong Charuvajana	353,000			34,000				387,000
Mr. Wanarak Ekachai	331,000				22,000	22,000	46,000	421,000
Mr. Suvij Suvaruchiphorn	353,000			49,000				402,000
Mr. Pravitt Chattalada	333,000		520,000	34,000	49,000			936,000
Dr. Virach Aphimeteetamrong	353,000		390,000			49,000		792,000
Mr. Chakreeamorn Thirachuleesoonthorn (Resignation from director on 9 August 2019)	309,000		290,000				49,000	648,000
Assoc. Prof. Phomsiri Thivavarnvongs (Became a Director on 27 August 2019)	44,000		100,000				17,000	161,000
Mr. Veeraphan Durongsang		162,000				34,000	46,000	242,000
Mr. Aroon Tor-Ekbundit		148,000				34,000	46,000	228,000
Mr. Thongchai Lumveerakul		148,000				34,000	46,000	228,000
Mrs. Nittaya Thanaviriyakul		162,000				34,000	46,000	242,000
Mr. Suradet Lerthamchak (Became an Executive Committee on 1 January 2019)		148,000						148,000
Total	3,122,000	930,000	1,300,000	117,000	105,000	241,000	342,000	6,157,000

Remuneration of Executives

Remuneration of executives, including Chief Executive Officer's remuneration based on the company performance in both short and long term and individual performance compared to the performance indicators as a measure of financial indicators and the development process as well as personnel development indicators such as total revenue excluding interest, operating expenses against operating income and customer satisfaction, etc. for the success of sustainable company, subject to rules on transparency in accordance with the scope and responsibilities of working position

In 2019, Executives are Chief Executive Officer, Deputy Chief Executive Officer, Managing Director Business Group or workgroup received the remuneration, consisting of salary, bonus, provident fund and other welfares as follows:



Monetary Remuneration

Type of Remuneration	2018		2019	
	No of Person	Amount	No of Person	Amount
Salary, bonus and other income	6	52,169,000	7	64,845,000



Other Remuneration of Executives

The company executives received benefits and other welfare benefits in accordance with the regulation of company same as employees such as benefit rights to medical treatment, health checkup and various types of welfare loans.

Human Resources

Number of Employees and Remuneration

As of 31 December 2019, the Company and its subsidiaries had a total of 1,161 employees. The number of employees in each company is as follows.

Company	Executives	Sale Department	Engineering Department	Other Department
Metro System Corporation Plc.	7	223	638	188
Metro Professional Products Plc.	1	7	24	11
Metro Connect Plc.	1	16	18	2
HIS MSC Co., Ltd.	-	6	17	2
Total	9	252	697	203

Note : Executive means executive according to the definition of "Executive" as announcement of the Capital Market Supervisory Board.

The Company and its subsidiaries had no labor disputes in the past three



The total remuneration of the company's personnel at the end of the year 2018 and 2019 totaled 696 million baht and 807 million baht respectively. Such remuneration includes salaries, bonuses, commissions, contributions to provident funds and other welfares.

Human Resource Management Policy

The company provides a strong emphasis on human resource management because we believe that every employee is the driving force for business progress and sustainable growth. We therefore set policies according to the following categories:



Recruiting Employees

The Company's policy is to recruit good employee and highly talented standard. The success factors of an organization are leadership with initiative, problem-solving skills, good communication, teamwork, skilled knowledge and competency, according to their own career path with high efficiency. The recruiting employees are required to follow the necessity and appropriateness as specified in the company manpower planning as well as the hired employee must have the qualification, experience and ability suitable for the position. Such recruitment will not be limited to



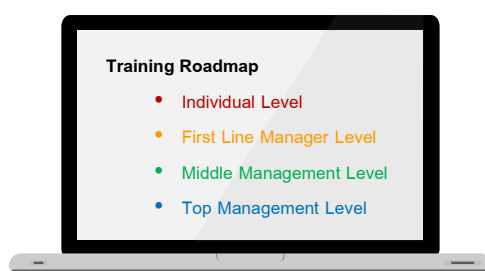
New employee orientation

gender, race and religion or other disadvantaged groups for remuneration. The company has stipulated wage standards and salary structure by position, level, and / or job description which is comparable with businesses in the same industry competitors. Employee recruitment is conducted through multiple channels such as social media advertising (Company website, various types of advertising media on Website, Facebook, Linkin and Line), corporate relations project and vacancies (MSC university network, Jobs Fair posted by leading technology universities) including recommended by management or employees, which allows for more efficient recruitment.

Human Resource Development

The company's policy is to develop knowledgeable personnel, the ability and implements practical effectiveness by focusing on continuous development in order to become a high-performance organization and providing demonstration centers for employees to learn, enhance their skills and the availability on development as well as enhance the performance of their own to cope with the rapidly changing technology, competitive business environment, the economy, both inside and outside organization including the change of disruptive innovation. The personnel development will be in line with the business direction, strategy, vision and mission of the company along with participation in social responsibility.

The company provides continuous training and development for employees at all levels with a variety of learning through integrated skills development, which begins by providing an orientation for new employees so that employees can learn and adapt to the corporate culture and basic knowledge about social responsibility, business ethics, corruption and anti-corruption as well as providing in-house training, public training, E-learning, on the job training, coaching-feedback, special project assignment, online learning and encouraging employees to learn and study in foreign countries. The Company plans to review the learning and development every year in order to comply with the strategy and organization's business operations including training roadmap that the company has set up to develop skills, knowledge and ability of employees which divided by the learning level as follows.





1. Individual Level: The company encourages employees to learn basic courses such as practices of new employees, code of business conduct for employees, ISO 9001 quality management system, awareness of information technology, safety, occupational health and work environment, self-leadership, performance management (Metro PRO), organizational success factors (Metro success factors) and principles of adhering to core values of organization (METRO way) etc.

2. First Line Manager Level: The Company encourages employees to learn the leadership development course such as Management Development Program for Line Manager, 5E's Leadership, Performance Appraisal, Coaching and Feedback, HR for Non-HR and People Management etc.

3. Middle Management Level: The Company encourages employees to learn skills development at the management level such as Advanced Management Development Program for Executive, Mini MBA, finance for non-finance, 7 habits of highly effective people and various courses in strategy management etc.

4. Top Management Level: The Company encourages employees to learn skills development in the senior executive style such as corporate culture, Advanced Management Development Program for Executive and Director Accreditation Program (DAP) Course, Director Certification Program Course (DCP) and others organized by the Thai Institute of Directors Association etc.

The company has included human resource development through the learning process and various activities organized by the company such as enabling employees to participate in corporate social responsibility projects to promote work ethics, emotional and psychological development and generosity for society and environment, financial planning, investment, fund management for savings with experts from financial institutions by providing regular savings knowledge to employees in order to create lasting financial stability in the long term, employee health promotion projects (Wellness Program) by providing a dietitian for advice on diet, coupled with exercise properly and organizing various innovation activities to motivate further creative initiatives for employees etc.



Therefore, the company aims to have employees work habits by way of the core values of an organization (METRO Way), comprising:

1. Moral Faithfulness, honesty, fairness person by proceeding under the spirit of law, ethics and always adhere to what is right and fair.



2. Excellence Excellence in service, hold on to create something new and different, delivering quality work on time beyond expectations, causing customers to think of the organization first and commitment to self-improvement all the time to win the competition.

3. Teamwork Working together as a team by collaborating to help each other, considerate to each other and maintain a good relationship, so the atmosphere is always cooperation.

4. Respect & Trust Respecting colleagues, customers as well as business partners. The organization believes that talented people want to work their duties to the fullest potential and perform the best on foundation of mutual trust.

5. Ownership Awareness of being a part of the organization, sense of ownership in their work, relationship, serious responsibility for the results of completion and development work to improve the effectiveness of their work ongoing.

Recognition Program

The Company recognizes the great importance of its employees for their excellent performance and their role as a corporate model. This recognition program is considered as an appreciation and culture expression of the corporate values and to create an organizational culture that has a positive effect to attract and unite the employees within the MSC culture. In this regard, the Company provides the recognition program for the employees with the great operational performance and a role model qualification, throughout many forms of recognition, such as a recognition card for an occasion that the executives and employees wish to express their gratitude and appreciation to colleagues according to the cultural value or METRO Way. This recognition card can be given in every working-day to encourage colleagues and create a supportive and cooperative operational atmosphere.

The management and Human Resource Department have annually organized METRO Way Award to recognize any individual who has the outstanding performance and clearly represents the corporate values in the form of Hall of Frame and Role Model award to be proud and pass on the corporate culture to create the happy lives and sustainability.

In 2019, the company is to provide the training and testing knowledge from the product owner to increase the skills, knowledge and expertise for the employees both locally and abroad. The trained employee is not less than 6 hours in the amount of 845 persons, or 89 % of the total workforce and employees who have tested expertise of the owners are 129 persons.



METRO Way Recognition Card



METRO Way role model award



Human Resource Management System Development

The Company focuses on the development of human resource management system from recruitment, training, development and maintaining ongoing to create employee engagement. We believe that employees are deep bond to work towards the organization will result in the employees' performance being highly effective as well.

The Company has assessed its performance through annual performance management system (Metro PRO) to improve the performance of employees. The reward and opportunities for career growth of employees was highlighted by a 2-way communication between supervisors and employees in terms of defining indicators to work individually (individually KPIs), work plan and update, coaching-feedback, career path, individual development plan and training need etc.



In addition, the company also pays attention to the development of information systems for human resources management (HRIS) which will cover the work from requesting to hire employee, evaluation of probationary employees, requesting leave approval for various types, working time recording, transferred employee, promoted work, requesting part-time work, requesting overtime pay and overtime allowance, annual employee performance evaluation, approval of training and testing, recording personal information of employees and data processing and analysis, which can support various functions in the device including smart phone for the convenience and mobility with more usage as well as support changes in technology changing (Digital transformation).

Employees Motivation and Retention

The Company aims to take care of and retain every employee throughout their service period with the Company. By assigning the appropriate duties according to individual potential, developing personal skills in line with professional goals, creating a working environment that supports and respects each other, providing competitive salary and incentives, as well as paying attention to the work-life balance of all employees, the employees, therefore, will have the encouragement and engagement with the organization. These are the important part of creating sustainability in any business growth. In this regard, the Company has set a target for the overall retention rate equal to or greater than 90% and the overall employee turnover rate is equal to or less than 10%.

The Human Resources Department initiated the "Mentoring Program" in 2019 to provide a mentor for every new employee in order to

New Employee (Contract)	115 Persons
Mentors	37 Presons
Satisfaction	95 %



welcome, take care of, introduce culture values and support the new employee at the start of a new job. The Human Resources Department has developed the mentoring skills and techniques for every mentor. There are follow-up and development projects through the evaluation of new employees, as well as organizing the creative and acceptable recognition activities for all



mentors, such as pizza parties, for their supports to increase the new employee's efficiency and relationship with the organization.

Employees' Potential Development

MSC Academy of Human Resources Department has a policy to develop the potential of employees and encourages all employees to develop knowledge, skills and personal characteristics in consistent with the individual development plan and career development path through highly effective and international curriculums and learning activities and contemporary learning experience. The learning and development are important for driving competitiveness and become an important strategy to retain the employees to work and grow with the organization.

Number of Training Courses (Public + In-house):	256 courses
Satisfaction Rate of Learning and Development:	90%
Popular Training Courses:	Driving Force to Customer Success Emotional Intelligence Coaching Skills



MSC Academy

Guidelines on Remuneration and Welfare for Employees

The Company has a strategy and guidelines on remuneration and welfare clearly in order to provide motivations for working which the company will consider from the company's performance, employee performance each year (Key Performance Indicators: KPIs) and economic trends simultaneously. However, the company has considered comparable with the marketing payments in the same business and industry group for consideration of remuneration (Salary, rewards, bonuses and non-monetary) and any welfare in order to be on par with the market, motivation for highly skilled and experienced personnel to work in the company and retaining talented employees for long-term work with the Company.

For wages, the company provides a salary structure for all positions, divided into different levels and according to the main work groups. Each level of employment will obviously determine the minimum and maximum salaries. This is to serve as a framework for managing salaries to the same standards of conduct, which will give rise to fairness within the organization. The salary structure is specified by the results of the survey, wages in the labor market from the same business and similar business. Therefore, determining the



salary structure is a confirmation the belief that employee payroll of company as a whole is at a level of competitive market. The amount of salary at the same level will vary depending on the level of performance. (Performance rating) and experience or the number of years in that position.

For the benefit and other welfares specified by the company or provided to employees, take into account the benefits that can cover and across the organization and modified to reflect the economic environment has changed and to achieve stability in the work of employee which will lead to lasting success such as holiday, employee uniform, health uniform (swimming pool, futsal field, basketball court, sauna room, exercise equipment, etc.), yoga activities, aerobic activities, life insurance, group health insurance, nursing room and common medicine providing services to relieve initial illnesses, welfare for housing loans or emergency use with additional consideration to suit the responsibilities and capabilities of the position.



In addition, the Company has provided welfare committee which the resolution or opinion of welfare committee will be sent to the Human Resources department for the purpose of reviewing benefits in accordance with the employee needs.

Respect for Human Rights

The company realizes the importance of respecting human rights as a fundamental right and treats those involved, whether they are employees, communities and the surrounding society with respect for the value of humanity and recognizes the equality and parity which was promoted to directors, executives and employees aware of the obligation to respect human rights, rights, duties and responsibilities towards themselves and others by following the guidelines.

1. Respect and awareness in practice of human rights based on human dignity for all stakeholders by being on equality and parity, not discriminating against anyone and not violating the rights of other people, both physically and verbally.

2. Protecting personal information of stakeholders without infringing on privacy or wrongful exploitation from information, data collection, information disclosure or the use of other people's information must be done with the consent of the data owner unless an act of duty lawfully, rules or company regulation.

3. The company has established a process to monitor and supervise the business operations of the company including the performance of employees to prevent not to be involved in violation actions of human rights such as child labor, sexual harassment etc. as well as the follow-up report to the Board of Directors for acknowledgment.

The company has announced a policy on human rights to executives and employees including communicated to new employees in the orientation of new employees via e-learning and communicate the current employee at all levels through the test every year to raise awareness on such issue which in recent years has already carried out since December 2019.



Treatment of employee fairly

The Company recognizes the importance of human resource management and the treatment of labor fairly because the personnel is an important factor in driving and supporting organizations to compete and conduct business with growth and sustainability. Therefore, the Company has established policies and procedures to treat the labor fairly as follows.

1. Respect the rights of employees under the principles of human rights and compliance with labor laws, Act. and Emergency Decree on the workers protection.
2. Defining employment policies and fair employment conditions including the remuneration and the performance of their employees fairly.
3. Providing welfare for employees as required by law such as social security fund, workmen's compensation fund, vacation and sick leave of employees and beyond the legal requirements such as health insurance, accident insurance, life insurance and provident fund etc. as well as various types of grants such as gifts, marriage and funeral allowances.
4. Arranging an annual health check for employees at all levels of the company by risk factors according to age and circumstances of individual work.
5. Promoting knowledge and awareness of safety, occupational health and the work environment for employees to work safely with good hygiene in the workplace and always facilitates the work of employees such as help to maintain cleanliness, preventing accidents and various accidents, temperature of the workplace etc. including arranging the space to practice a fire escape on a yearly basis.
6. Encourage employees at all levels have been developing their capabilities by providing training, academic seminars related to the development of knowledge and ability according to potential employees as well as instilling the core values in practice on the basis of accuracy, honesty, morality, ethics, and work together as a team.
7. The employees at all levels are encouraged to participate in community development such as participate in Children's Day activities with the school every year as well as other projects that help the community develop alongside corporate sustainability.
8. The company gives employees the opportunity to express opinions, report clues or complaints about unfair treatment, incorrection actions in the company, corruption, human rights violations, offense or good corporate governance principles, or failure to comply with company ethics as well as provide protection for employees who commented, report clues or such report complaints to management directly through the complaints on the company website as well.

As the company has followed a policy of human resources mentioned above, the company can reduce the turnover rate of employees and increase the deep bond of organization. In recent year, a turnover rate of employee was about 9% , which decreased by 2% from the prior year.





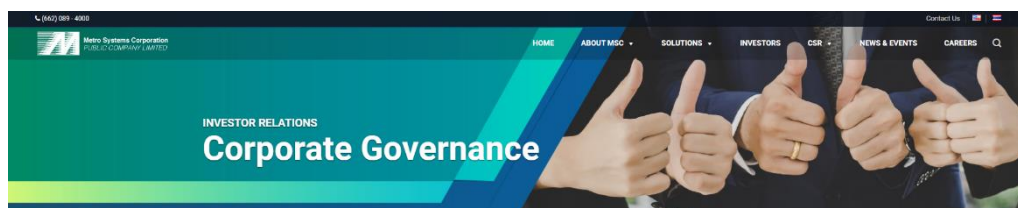
The Company was fully committed to operating its business based on the principles of transparency and fairness, where the Board of Directors and employees of all levels were required to be responsible for complying with the principles of good corporate governance, business ethics, laws, and other relevant regulations. The Company had appointed the Corporate Governance Sub-committee to perform duties within the scope of authority in the management structure since December 1, 2015. Each year, the Board of Directors, considered by the Corporate Governance Subcommittee, would regularly review the handbook of good corporate governance to ensure the Board of Director and executives had complied with good corporate governance principles accurately and appropriately, while also developing various communication channels, including online public relations, tests and questionnaires, and knowledge-based activities. This helped the employees acknowledge the requirements and importance of complying with good corporate governance principles, regarded as a vital part to help the Company achieve sustainable growth in the long term.

Over the previous years of business operations, the Company had consistently adhered to the principles of good corporate governance principles, including laws, regulations, and several other requirements, for instance, the Code of Best Practices for Directors of Listed Companies, the Good Corporate Governance principles specified by the Stock Exchange of Thailand (SET), the Corporate Governance Report of Thai Listed Companies (CGR) required by the Thai Institute of Directors (IOD), and the Checklist of the Quality of Annual General Meetings of Shareholders determined by the Thai Investors Association (TIA). However, as the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) had issued the Corporate Governance Code (CG Code) used as a guideline for listed companies, the Company had determined to improve the contents in its corporate governance manual of the new CG Code by revising the original contents to cover all eight corporate governance practices, which had already been approved by the Board of Directors and the Corporate Communications Committee. This reflected the efficiency of operations and responsibilities of the Board of Directors and executives, built greater confidence among stakeholders, and shifted the corporate governance standards to a higher level. At the same time, the Company had stipulated that good corporate governance was required to be part of the Company's mission and corporate values, particularly in creating an appropriate return for all stakeholders as well as the added value for all parties based on the principles of good corporate governance.

Additionally, the Company's best practices, emphasizing on good corporate governance, business ethics, management structure, and policies and guidelines related to compliance with good corporate governance, had been gathered in a written form known as the 'Corporate Governance Handbook' aiming to provide the Board of Directors, executives, and employees of the Company with guidelines for proper conduct in accordance with the framework of good corporate governance, while assigning the Corporate Governance Subcommittee to supervise the standards of good corporate governance and review the policies, principles,



and guidelines related to good corporate governance on a yearly basis. Such information had been disseminated in the Company's website <https://ir.metrosystems.co.th/corporate-governance/>



In 2019, the Company posted splendid achievements related to corporate governance as follows:



The Stock Exchange of Thailand (SET) had announced the Corporate Governance Report of Thai Listed Companies (CGR) as of 2019, in which the survey and assessment had been conducted by the Thai Institute of Directors (IOD), stating that the

Company's average score was maintained at a very satisfactory level. The Company achieved the total average score of 82 percent, SET100 of 90 percent, and SET50 of 92 percent. The Company's total score was reported at 89 percent, which was higher than



the average score achieved by the average of the listed companies. The Company's scores classified by category, including the Right of Shareholders, Equitable Treatment of Shareholders, Consideration of Stakeholders' Roles, Disclosure of Information and Transparency, and Responsibilities of the Board of Directors, were reported at 97 percent, 96 percent, 90 percent, 91 percent, and 83 percent, respectively. This year, the Company's average score was higher than the previous year, which was maintained at 88 percent. According to the assessment results by category, the scores of the five categories, including the Right of Shareholders, Equitable Treatment of Shareholders, Consideration of Stakeholders' Roles, Disclosure of Information and Transparency, and Responsibilities of the Board of Directors, were reported to be higher than the scores achieved by the average of the listed companies.



The Thai Investors Association reported the Checklist of the Quality of Annual General Meetings (AGM Checklist) as of 2019, stating that the average score of the listed companies was maintained at 93.70 percent, while the Company achieved 97.50 percent. This remarkable score accomplished by the Company was higher than the average of the listed companies.



Corporate Governance Policy

The Company had established its corporate governance policy in a written form for corporate governance by consistently reviewing the policy aiming for the appropriateness of business operations, compliance with law and best practices, conditions of economic environment, and aspects of changing society. The Company's Board of Directors, executives and employees at all levels were required to acknowledge and adhere to the said policy to be used as an operational guideline, where the Board of Directors were considered a role model of the code of conduct and corporate governance to promote the Company as an organization of business efficiency and management excellence, backed by transparency, accountability, and fairness towards stakeholders. The Company had also set its sight to increase value for its shareholders and stakeholders that helped lead to sustainable growth, consisting of important factors described below:

Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

The Board of Directors was aware of the roles, duties, and responsibilities as the leaders of the Company to make the Company possess good management. Meanwhile, the Company's business operations were required to be transparent, which helped lead to sustainable business. The roles and responsibilities of the Board of Directors could be described with the following guidelines.

1. Set main objectives and goals of operating the business as well as clarified corporate vision and mission, where all employees were expected to be driven in the same direction. Everyone in the Company was required to be committed to building the organization, leading to a mutual goal to create sustainable value for the Company's business in terms of economy, society, and environment by taking into account all groups of stakeholders.

2. In every annual Board of Directors meeting, the Board of Directors would review the Company's policies, work plans, and budgets to be in accordance with the business direction, while also following and evaluating the business results by considering the ability to compete in technology as well as the impacts caused to the Company's business in both short and long runs for the Management to gear up for better performances, allowing the Company to be able to adapt itself under changing factors efficiently and appropriately.

3. Specified the roles and responsibilities of the Board of Directors in accordance with the Board of Directors handbook and charter of each subcommittee required to be reviewed annually to ensure the Board of Directors and the Management would be able to perform their duties with responsibility, carefulness, and honesty, which could be taken into action correctly and appropriately with regard to various changes. Duties of the Board of Directors and the Management were separated clearly to make sure that business operations had been performed accurately and efficiently in accordance with the laws, regulations, resolutions of shareholder meetings, and guidelines.

4. Determined strategies, policies, regulations, and business ethics for the Board of Directors, executives, and employees covering all operations of the Company, while holding meetings for the Board of Directors to monitor performances of the Management to ensure that the Company's strategies had truly been implemented at least once a year. Meanwhile, policies were required to be collected in the form of a corporate governance manual to be used as a guideline for ethical work practices, emphasizing mainly on the



responsibilities towards shareholders and rights of others, where all stakeholders were required to be treated fairly and appropriately in accordance with good corporate governance principles to reflect the Company's principles and guidelines of operations ready to drive the Company's business forward based on the Company's corporate culture, also known as METRO Way. Also, the Board of Directors had been expected to maintain a good role model, regarded as the leaders of good corporate governance by taking into account the impact on the society and environment aside from financial performances.

However, details of the corporate governance structure related to organizational management characterized by the Board of Directors, Subcommittee, Management, departments, and other agencies deemed to have been involved in corporate governance were shown in the subject titled 'Management Structure'.



Principle 2 Define Objectives that Promote Sustainable Value Creation

The Board of Directors had jointly established and reviewed the Company's visions, missions, and strategies of business operations to be in accordance with the objectives and goals set to maximize the economic value for the Company and shareholders, backed by the ability to set clear business objectives both in the short and long runs and the determination of operational framework regarding the existing economic conditions, market competitiveness, risk factors, and business performances over the past years. Several projects and works had been achieved as planned, which helped increase the value of the Company, customers, stakeholders, and the society as a whole. The Board of Directors had successfully built confidence and trust for all stakeholders with freedom to express their opinions, while never seeking benefits for oneself or anyone involved or taking any actions that were in conflict or in competition with the interests of the Company and its subsidiaries. At the same time, technology and innovation had played their key roles in the Company's business operations. Technology and innovation were used safely and appropriately based on the requirements of social and environmental responsibility, getting ready to push the organization forward to corporate sustainability.

Principle 3 Strengthen Board Effectiveness

The Board of Directors had recognized the importance of corporate governance for the highest benefit of the Company, while having a clear understanding of their duties, roles, and responsibilities. Roles and responsibilities of the Board of Directors and the Management had been separated clearly, in which the Company would be encouraged to have confidence in transactional works and activities based on the principles of laws and ethics. Nonetheless, to ensure the efficiency of performances of the Board of Directors, the Board of Directors was required to jointly determine and review the structure of the Board of Directors and strictly pursue the requirements stated in the handbook of the committee or the charter of each subcommittee, where the Secretary would be assigned to take care of the Board of Directors' meetings, shareholder meetings, and several other activities determined by the Board of Directors, together with the supervision of the Compliance Department aiming to allow the Board of Directors and employees to be able to access necessary information. There would be compliance with relevant laws and regulations as well as supports to corporate governance in accordance with good corporate governance standards.



Principle 4 Ensure Effective CEO and People Management

The Board of Directors was aware of the Company's personnel of all positions and levels, considered a key part in driving the Company towards its targeted goals. Hence, the Board of Directors had supervised the selection, appointment, and development of the Chief Executive Officer and high-ranking executives with appropriateness and transparency by considering their knowledge, expertise, and experience under the compensation expected to be paid appropriately to members of each committee, while being able to determine guidelines for consistent development of knowledge for the Board of Directors and evaluating performances of the Board of Directors and the Subcommittee on a regular basis to enable the stakeholders to believe that the Board of Directors could be responsible for the Company within the scope of duties and responsibilities as specified. This included the supervision of personnel management and development in accordance with the Company's directions and strategies.

Besides, the Company had prepared its succession plan for the position of chief executive of the organization in case when his term was terminated to keep faith of corporate investors as and employees that the Company's operations could be continued smoothly and consistently, where a meeting was held for discussion by the Nomination and Remuneration Subcommittee on a yearly basis.



Principle 5 Nurture Innovation and Responsible Business

The Board of Directors had recognized the importance of innovation and remained firm to support the development of innovation aiming to create value for the Company's business, while simultaneously creating substantial benefits for customers and relevant parties, with responsibilities to the society and environment achieved by the development of an operation plan so that all parties could proceed in accordance with the Company's objectives, goals, and strategies by operating the business base on fairness and responsibility and taking into account the interests of all groups of stakeholders.

1. The Company encouraged its employees to keep pace with innovation in terms of strategic process and increasing value. Hence, the Metro Brain-Based Startup project had been launched to provide the Company's employees with an opportunity to manifest their potential in creating initiatives and ideas for new businesses, successfully making progress on innovation as the Company was admired for being a corporate owner of intellectual property. This not only created a good image for a new generation company that had been expected to be a leader of a future business, but also made it achieve sustainable growth. The Company had expected to be the leader of innovation and technology for sustainable development.

2. The Company had determined to proceed with social responsibility by supporting and encouraging all employees to take part in doing good things for the society in a consistent manner, while focusing on potential development of children and youth to be more efficient.

The Company's business operations didn't affect the society, environment, or stakeholders. There was no legal violation regarding the principles of corporate social responsibility, varying in good corporate governance, fair business operations, anti-corruption, respect of human rights, unbiased labor treatment, consumer responsibility, environmental conservation, social and community development, and innovation dissemination.



3. The Company had recognized the importance of having responsibility towards all parties of stakeholders to be able to achieve the main objectives and goals in a sustainable manner, where resources were allocated and managed efficiently. The Company realized the impact and development of resources throughout the supply chain and was committed to conducting its business based on the principles of business ethics, good corporate governance, social responsibility, anti-corruption, procurement and inspection of business partners, intellectual property protection, where all stakeholders, including shareholders, customers, competitors, partners and creditors, government employees, and people in the society, would be offered a good care provided by the Company in accordance with the benefits and protection that they were expected to receive based on the principles of fairness and appropriateness as follows:

1) Shareholders, Investors, and Analysts:

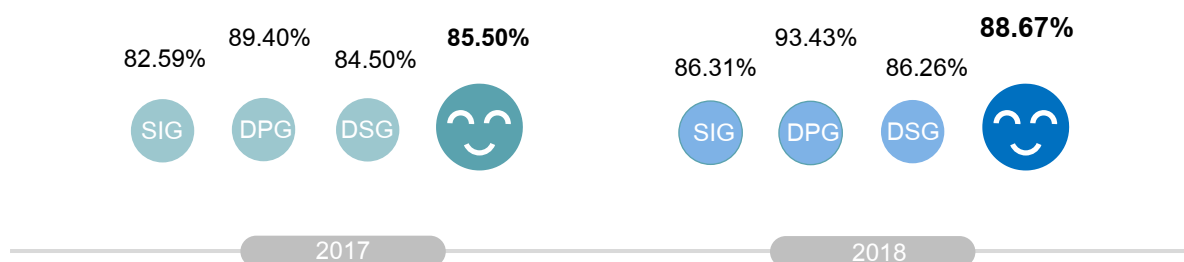
The Company operated the business in a transparent, accurate, and fair manner in compliance with and relevant laws and regulations with the consideration of good returns to shareholders, while disclosing accurate and equal information



via the websites of the Stock Exchange of Thailand (SET) and the Company's investor relations section on a regular basis. The Company also organized its 'Opportunity Day' following the announcement of the Company's financial statements of the second and fourth quarters aiming for the highest benefit and value of shareholders in the long term.

2) Customers: The Company developed its products and services to be distributed in fair prices, with the quality guaranteed with the globally accepted standards, and treated customers fairly to create the highest satisfaction for customers. The Company had complied with the contract with transparency, completion, and accuracy, while being able to maintain concrete relationship with its customers. The Company had conducted various surveys to evaluate customer satisfaction, varying in customers' confidence and trust in the Company's products and services, satisfaction of services provided by sales officers, regularity of product and service information acquisition, personnel's knowledge and understanding towards the products and services, accuracy and speediness of the order process and delivery service, and satisfaction of products and services classified by business category. Survey results were analyzed by relevant departments to seek ways for further development and improvement of both products and services aiming for customers' long-term satisfaction, expecting to achieve at least 80 percent of all survey results.

Customer Satisfaction Survey Results



Business group: SIG / DPG / DSG



3) Competitors: Executives and employees of the Company had formulated business strategies to treat competitors with fair competition within the framework of laws related to trade competition. At the same time, the Company remained ethical and transparent to avoid dishonest conducts that could cause damage to competitors. The Company never proceeded with any improper action deemed to have violated competitors' intellectual property, sought confidential information in a dishonest or inappropriate manner, or destroyed competitors' reputation with false accusations regardless of facts. Meanwhile, the Company had managed to cooperate in trade competition to create desirable market conditions by providing the information about products, product creativity, and new services, including agreements made with competitors or parties deemed to have decreased or limited trade competition.

4) Business Partners: The Company had recognized the importance of treating business partners equally in accordance with the honest and transparent trade competition framework. The Company respected the rights of others, never requesting for or benefit of all types from its partners or purchasing products from business partners deemed to have violated others' intellectual property or human rights. Additionally, the Company never got involved in any partner's business deemed illegal, while refraining from creating bargaining power by means of reciprocity or conditions for compliance and being honest in conducting the business in a collaborative manner to be in accordance with the procurement regulations announced by the Company to ensure effective management of business affiliates expected to be in the same direction. This started from the procurement of products and services to be distributed to customers, selection of business partners regarding the screening process based on the required criteria, determination of business partners and procurement methods, appointment of import-export dealers, inspection of business partners, works, and inspection conditions, and preparation of code of ethics and best practices for business partners aiming for the Company's professionalism, transparency, and fairness.

5) Creditors: The Company was able to operate its business under fair and reasonable conditions in accordance with the requirements of the industry as well as comply with fair trade conditions and agreements without taking advantage from contractual parties. Also, the Company never used fraud methods or concealed any important information or facts which could cause damage to the creditors. The Company was strictly committed to pursuing the terms and conditions of various contracts, which had been strictly made with all creditors accurately and punctually as scheduled, while being able to repay the loan with interest in a full amount to the creditors within the agreed period and being responsible for various types of guarantees with honesty to build trust and fairness for the creditors. In case where the Company was unable to comply with the required conditions, it would notify and negotiate with creditors in advance to seek ways to prevent damage that could possibly occur to both parties.

6) Employees: The Company realized that employees were valuable resources. Employees working with talent, diligence, and honesty would make the Company's business run smoothly and sustainably. The company has stipulated fair compensation and welfare for its employees equal to other companies in the same industry, while managing to review the remuneration structure on a yearly basis to ensure it was in accordance with the Company's performances in both short and long terms. Guidelines for the increase of annual wages and provident funds had also been set. Besides, the Company provided several other benefits, such as medical care for employees and their families, personal allowances, and supports on skill development.

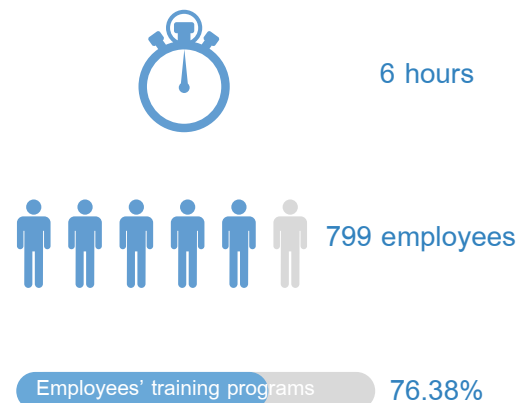


Employees were also encouraged to comply with the code of conduct as well as provided with healthy workplace environment and modern facilities, backed by the development of green areas surrounding the Company, where employees had been urged to make use of bicycles instead of personal cars for travelling in the Company's compound to reduce pollution and save energy. The Company also arranged adequate protection equipment to be ready to cope with unexpected injuries or damages caused by daily operations, with a nursing room arranged to provide first aid treatments during the working hours.



The Company treated its personnel and stakeholders in accordance with the principles of human rights and strictly pursued labor laws and regulations related to employees. There was no illegal use of labors as employees were treated fairly and equally with regard to human dignity, rights, liberty, and equality, while having established human right policies to support the implementation of human right principles in a more substantial manner.

The Company's employees were ready to support business growth as they were encouraged to attend different training programs. In 2019, employees had an average number of training of not less than six hours, totaling 799 employees, accounting for 76.38 percent of all employees. The Company had set a goal to provide its employees with training and potential development programs to increase efficiency and quality of work in accordance with the Skill Development Promotion Act, B.E. 2545 (2002), in which at least 50 percent of the employees were required to participate in training programs with the minimum requirement of six hours per year. Those participating in the training programs were also required to achieve at least 80 percent of attendance throughout the entire training period.



7) Government and Public Agencies: The Company cooperated well with government agencies to act as good citizens and comply with all legal requirements for operating the business, accounting standards, and tax payment in accordance with the nature of the business. Also, the Company engaged in the business with government agencies in an honest and fair manner, treating them with the sincerest courtesy and goodwill like customers in general, refrained from bribery and unethical hiring of civil servants to immensely facilitate the Company's business, abstained from any illegal or fraudulent conducts with government officials, and never allowed any government officials to misbehave or seek personal gain from the Company's business.

8) Society and Community: The Company remained firm to support the society and communities, strived to support various activities deemed beneficial to the society and communities, refrained from conducting any business activities that might cause problems to the society, abstained from any actions

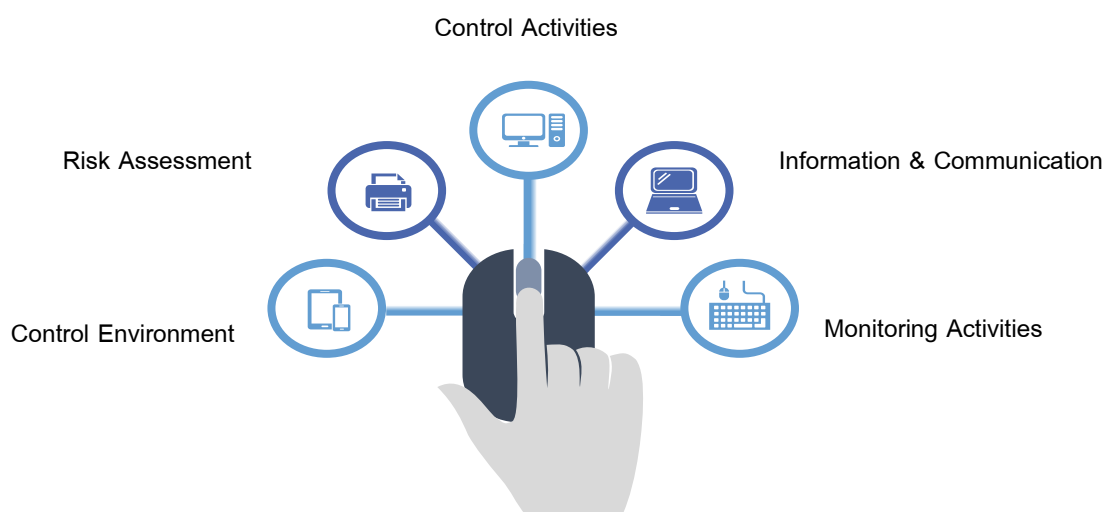


that affected the environment and natural resources. At the same time, the Company had collaborated with all parties in various communities by offering its devotion of time, effort, and financial support to people in an appropriate manner, while encouraging its employees and relevant parties to have greater awareness in acting as good citizens and be responsible for the society and community.



Principle 6 Strengthen Effective Risk Management and Internal Control

The Board of Directors was required to be responsible for assessing the adequacy of the internal control system. The Company used the assessment form for the adequacy of the internal control system in accordance with the guidelines provided by the Office of the Securities and Exchange Commission (SEC), considered a tool to assess the adequacy of the Company's internal control in accordance with the concept developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which defined the elements of internal control in five areas as follows:





To ensure the Company's operations possessed appropriate and sufficient internal control, including the compliance with relevant laws and regulations under the operations of the Internal Audit Department in gathering data and submitting the assessment of the adequacy of the Company's internal control of the Board of Directors each year to the Audit Committee prior to reporting the results to the Board of Directors as well as the development of the appropriate risk management system, the Company had therefore established clear risk management policies, while assigning the Risk Management Subcommittee to consider risks, assess their impacts and understand chances of occurrence to identify risk levels and appropriate risk management methods.

Principle 7 Ensure Disclosure and Financial Integrity

The Board of Directors was aware of the roles and responsibilities to maintain its financial credibility for shareholders and other stakeholders, such as investors and analysts, by overseeing the financial reporting system, monitoring the adequacy of financial liquidity and ability to pay off debts. The Audit Committee, consisting of independent directors, had been appointed to be responsible for the quality of financial reports and internal control systems. For the disclosure of financial statements, the Board of Directors was required to be responsible for reporting the total amount of financial statements of the Company and its affiliates, in which all reports were required to be prepared in accordance with generally accepted accounting standards of Thailand. The Board of Directors had applied highly appropriate accounting policies into the Company's operations and practiced them on a regular basis, with clear explanation prepared by the Management to support the disclosure of quarterly financial statements, while using the best discretion and estimation when making reports as well as disclosing significant information in a sufficient manner, particularly in the notes to financial statements. The Board of Directors had successfully maintained its most effective internal control system to ensure accounting records were accurate, complete, and sufficient towards the sustainability of the Company's assets, while being able to understand weaknesses to prevent fraud or significant irregularities as well as having supportive plans to solve financial problems when they occurred or were likely to take place by considering the rights of stakeholders as a whole.

Disclosure of Information

The Company had established policies for communication and disclosure of information in an accurately and sufficient manner in accordance with relevant rules, standards, and practices. General and financial information had been disclosed in accordance with the requirements of the Stock Exchange of Thailand (SET), where policies were also revealed to the public and stakeholders accurately, completely, and transparently via easily accessible channels with equality and reliability as shown in the pattern of communication channels, varying in email, website, annual registration statement (Form 56-1), and annual report (56-2), made in both Thai and English versions. The Secretary, responsible for coordinating and communicating with investors and shareholders, was approved by the Board of Directors to disclose the information via various communication channels in both Thai and English versions to be reported to the Securities and Exchange Commission (SEC) or the Stock Exchange of Thailand (SET) accordingly. This could help facilitate shareholders, investors, analysts, and media to receive accurate, complete, and transparent information in a timely manner, particularly since it became a matter that affected the decisions of investors



and stakeholders. Hence, it was necessary to determine effective measures for the disclosure of financial and non-financial information required to comply with relevant laws.

In addition, the Company provided an opportunity for shareholders and investors to visit the Company and access the Company's information through the announcement of executive performances, including the organization of important activities, in a consistent manner. The Company had been prepared to provide such information and respond to stakeholders' inquiries based on the contact information as

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provided. However, the Company had allocated budgets for investor relations every year to improve the operations of investor relations to be more efficient, while proceeding with the analysis of opportunities, problems, and investor relations development, where the objectives of investor relations and annual plans would be reported to high-ranking executives. According to the Board of Directors, the disclosure of information was required to be practiced in an accurate, sufficient, unbiased, and timely manner.

Nonetheless, the Company had established a set of policies related to the disclosure of information with transparency, where the Board of Directors was required to oversee the disclosure of information related to the Company's operations in the annual report and website of the Company. It was also necessary for the Board of Directors to review the policies related to the disclosure of information and transparency on a yearly basis to ensure the said policies were developed with consistency and accuracy in accordance with the Company's current regulations. The Company also opened various channels for the filing of complaints and comments, suggestions, or inquiries through the Company's website.

The Company had managed to abide by the laws, rules and regulations as stipulated by the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), while making follow-up actions on various changing situations to ensure the information had been disclosed correctly and appropriately, considered a guarantee for shareholders to believe in the Company's transparent business operations.

Principle 8 Ensure Engagement and Communication with Shareholders Rights of Shareholders

The Company's shareholders have the right to determine the direction of the operation, buy, sell or transfer shares, share in the profit of the company, participate and vote in advance of the meeting, to elect members of the board of director, make decisions on any transactions that affects the company, invitations to meetings, use of voting cards for important agenda items such as related party transactions or accountability, use of voting rights by yourself or by proxy, invitation to the meeting, information access prior to and after such meetings (including meeting results and voting resolutions are available through various communication channels, such as Thailand Security Depository Co., Ltd., company's homepage, etc).

The Company holds an Annual General Meeting every year and the Shareholders' Meeting was conducted according to the law, regulations and guidelines for corporate governance. In addition to the basic rights, the Company also provides the following.



Prior to Annual General Meeting

1) The Company holds the Annual General Meeting once a year. The meeting shall be held within 4 months from the end of the fiscal year. If there are urgent cases that require the resolution of the shareholders, the Company will convene an Extraordinary General Meeting. In 2019, the Annual General Meeting was held on 3 April 2019 at the Head Office of Metro Systems Corporation Public Co., Ltd., located at No. 400 Chalermprakit 9 Road, Nongbon Sub-district, Prawet District, Bangkok, however, there was no Extraordinary General Meeting throughout the year.

2) The Company disclosed the information in the Notice of Shareholders Meeting, both in the Thai language and in English with the date, time, venue, agenda, and information for consideration of various agenda items, together with the attached Proxy Form Type A, Type B and Type C as prescribed by the Ministry of Commerce so that the shareholders can appoint the Audit Committee or any person to attend the meeting on their behalf, including a map of the meeting venue. The information on the 2019 meeting could also be accessed through the Company's website on 4 March 2019 prior to a delivery of the Meeting Invitation to the shareholders.

3) Delivery of the Notice of the Annual General Meeting and meeting documents together with the Annual Report in the form of QR-Code was provided to the Thailand Securities Depository Co., Ltd. in order to be delivered to all shareholders prior to the date of the Annual General Meeting and not later than 7 days before. The shareholders could therefore obtain the information for their decision to cast their votes correctly, completely and transparently. The notice of the annual general meeting was also announced in the newspapers, with both in English and Thai language versions for three consecutive days prior to the meeting and at least 7 days in advance as a notice for any shareholders to attend the meeting.

4) The shareholders can propose agenda and/or elect members of the board of director in the Annual General Meeting from 30 August to 2 December, including to send their questions to the company prior to the meeting date. The shareholders can take action through various channels, such as by e-mail or by mail to Corporate Secretary.



On the Date of General Annual Meeting

1) The Company arranged a venue that was convenient for traveling with a sufficient size to accommodate the number of shareholders and proxies which was at the Head Office of Metro Systems Corporation Public Co., Ltd., located at No. 400 Chalermprakit 9 Road, Nongbon Sub-district, Prawet District, Bangkok.

2) For the convenience of registration process, the Company has applied a barcode registration system. This barcode will be printed on the registration and proxy form which represented each Shareholders' registration numbers. Besides, the Company had prepared the revenue stamp and the officers to facilitate all attendees during the registration process.



3) The Company set up guidelines for the Annual General Meeting and facilitated the shareholders equally. Shareholders could register to attend the meeting at any time and freely exercise the right to vote or abstain as well as to comment freely within a reasonable time.

4) By the time the meeting had begun, the Directors, Sub-Committee, Executive Director, Auditors and Legal Counsel were in attendance. Before the meeting starts the Chairman of the Meeting had authorized the legal adviser of the Company to clarify the rules relating to the meeting as the meeting opened and to offer advice on voting rights, including how the votes would be counted and the rights of the shareholders to vote on each item.

5) The Company use of voting cards for each agenda item for transparency and accountability. The Company allowed shareholders to individual vote. By voting method for each agenda The Chairman of the meeting would ask the meeting whether any shareholders or proxies disapproved or abstained. The shareholders or proxies who disapproved or abstained were asked to raise their hands and voting on the voting card, along with signing and the officers will record the votes by scanning the barcode on the voting card. Along with collecting the said card as for shareholders who agree, vote and sign their names in the voting cards without raising their hands. And the company will collect all the voting cards at the same time, all after the meeting is finished.

6) The details of the voting results of each agenda will be collected, counted and announced immediately only after the completion of the voting. When the officers have finished counting the votes, the meeting will be informed of the voting results immediately.

7) The Company had representatives from Company Secretary assigned the Board of Directors who acted as a monitor in counting of votes and the volunteer representatives from Thai Investor Association who participated as observer throughout the meeting.

8) The shareholders attending the meeting after the Chairman of the meeting had started the meeting can cast their votes in only the agenda items that have not yet been resolved. This shall be counted as a quorum from the agenda attended by the shareholders who come late, etc. and this may cause the person having the right to vote on each agenda item is not equal.

9) At the Annual General Meeting, if there is a director who has conflict of interest in any agenda, that director must notify to the meeting to be refrained from voting from such particular agenda.

10) For Annual General Meeting, the schedule of the meeting will be arranged according to announced agenda, without changing the order of the agenda nor adding further issues for consideration. After completion of all announced agenda, the Chairman of the meeting will provide an opportunity for Shareholders to ask questions for any interesting matters before closing the meeting.

After the Date of General Annual Meeting

1) The Company disclosed the resolutions of the Annual General Meeting and informed the Stock Exchange of Thailand (SET) after the end of the meeting and on the same day and make publicly available on its website by the next working day the result of voting during the Annual General Meeting.



2) The Company has prepared the Minutes of the Annual General Meeting with clear agenda by specifying the lists of directors attending the meeting/not attending the meeting, the details of shareholders' inquiries, the explanations of the Board of Directors, vote count and the results of the vote on each agenda item in full, prior to submit to the Stock Exchange of Thailand (SET) within 14 days after the meeting date as prescribed by SET and disclose the Minutes of Annual General Meeting to the shareholders on the Company's website www.metrosystems.co.th

Equitable Treatment of Shareholders

The Company treats all shareholders equally, whether major or minor shareholders, institutional investors or foreign shareholders. Updated useful information on the Company is disclosed through the Company's official website for all shareholders. The clear procedures of internal data usage are also outlined in writing and notified to any other related persons for strict compliance. All directors and Executive Committee shall have the duty to report their shares subscription to the Board of Directors in each quarter. The Company also sends meeting invitations both in English and Thai languages to its shareholders.

The shareholders can express their opinions or raise any questions concerning the Company's activities, to propose to add any advance questions item prior to the shareholders meeting date. The shareholders are entitled to appoint an individual director to represent them.

The meeting is subject to the Articles of Association the agenda shall offer the option for shareholders to request more details on each item in the meeting or in its entirety with consideration for clear transparency. If a shareholder in a management position wishes to add any agenda item, he/she should notify other shareholders in advance, especially if it is an issue that will require shareholders to spend a good deal of time to study before deciding.

The Board of Directors should be aware to use of inside information for abusive self-dealing, such as insider trading or related party transactions or who may be presumed that the person knows or possess information that is material to the price or value of securities or information which has not been disclosed to the general public. According to the Securities and Exchange Act (Vol. 5) B.E. 2559, Section 242 (2) which states that "It is prohibited to disclose inside information to others, whether directly or indirectly and whether by any means. The recipient knows or should know that the information may be useful to use that information to buy or sell securities or bound by derivatives related to securities whether for themselves or others unless it is done in a manner that is not exploiting others or in the manner as announced by the SEC. Therefore, the Company has set a time limit for trading the Company's securities of the Company during one month prior to each meeting of the Board of Directors.

The Company has given shareholders an opportunity to propose agenda and elect members of the board of director before the Annual General Meeting. The Company has published such rules through the SET Portal system of the Stock Exchange of Thailand (SET) as well as the Company's website. In the past year, there was no shareholder proposing any agenda or nominating a person to be elected members of the board of director before the Annual General Meeting 2019 in accordance with the above rules and procedures.



The Company organized various activities to build good relationship with its shareholders, such as the Opportunity Day activity held after the announcement of financial statements in the fourth quarter of 2018 dated April 4, 2019 and the second quarter of 2019 dated September 11, 2019 at the headquarters of the Stock Exchange of Thailand (SET).



Opportunity Day activity

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 systems, and audit the Company's management as referred to COSO, including careful consideration in the conflict of interest for all management and operational level efficiency 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 Chief Executive Officer nor a Non-Executive Committees. Any executives taking on the role of a committee member in another company shall thus disclose this matter to their superiors. The company shall prepare a director's manual and the Corporate Secretary is responsible for giving any legal advice and with the information of any provision of which the board of committees should acknowledge including responsible for taking care of any activities of the board of committees, providing the operating co-ordination under the resolution of the board of committees.

Furthermore, the Company has arranged compliance unit which is under the supervision of the Corporate Affairs Group to ensure that the company will supervise the operation of all business groups according to the law, rules, regulations, orders, announcements both internal and external organization strictly. The compliance unit is also a center for providing information and consulting to the employees involving to the law, rules, regulations accordingly.

The Management Structure consists 7 groups of committees, namely, Board of Directors, Executive Committee, Audit Committee, Nominating and Remuneration Sub-committee, Corporate Social Responsibility Committee, Corporate Governance Sub-committee and Risk Management Sub-committee as follows.



Board of Directors

The Board of Directors consists of 2 executive committees and 7 non-executive directors. This number is included 3 Independent Directors.

No.	Title	Name
1	Chairman	Mr. Sunpitt Sethpornpong
2	Vice Chairman	Mr. Kitti Techathaveekijkul
3	Director	Mr. Tavit Charuvajana
4	Director	Mr. Narong Charuvajana
5	Director	Mr. Wanarak Eakachai
6	Director	Mr. Suvij Suvaruchiphom
7	Independent Director	Mr. Pravit Chattalada
8	Independent Director	Dr. Virach Aphimeteetamrong
9	Independent Director	Assoc. Prof. Phornsiri Thivavarnvongs

Note : The directors no.1-4 are the authorized directors according to the corporate's certificate by two out of four directors joint signature and company seal.

: Mr. Chakreeamorn Tirachuleesoonthorn resigned from the position of independent director on 9 August 2019. The Board of Directors approved to appoint Assoc. Prof. Phornsiri Thivavarnvongs as the replacement position at the meeting No. 5/2019, effective from 27 August 2019 onwards.

Scope of Chairman's Authorities

- 1) The Board of Directors shall set the date, time and agenda of any meeting.
- 2) The Chairman of the Board of Directors will supervise the meeting and shall have a casting vote in the event the Board of Directors having a vote and the item voted on is shared by both sides equally.
- 3) The Chairman shall conduct any meeting efficiently according to the company regulations and support the opportunity for those present to express their opinions freely.
- 4) The Chairman shall act as the Chairman of the AGM of the company and control the shareholders meeting.
- 5) The Chairman will encourage and support the Board by allowing them to work at full capacity to conduct their duties and responsibilities according to the principles of corporate governance.
- 6) The Chairman will monitor the administration of the Board of Directors, the Executive and other committees and act according to achieve the objectives set.

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 Committees. The details of authorization will follow the boundary of the Executive Committee's authority and duty. Such authorization shall ensure that the Executive Committees 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 have the authority to nominate a Sub-Committee to perform special actions under the scope of authorities assigned, including removal from office.

4) To set up the policy, mission, vision, strategy and direction of Company's operation and to supervise the operation of the management in accordance with the best policies for effectiveness and efficiency by reviewing annually and monitoring the implementation in practice.

5) To consider the operating results in quarterly, and to implement a reliable accounting system, financial statements, and account audits. This will include the assessment of appropriate internal audit, risk management and an efficient internal audit system.

6) To prepare a succession plan for senior executives' position of the organization in order to be prepared in case of their ending of their office term.

Nomination of Independent Directors

1) A person who holds less than 1 percent of the shares with voting rights of the Company inclusive of the shares held by related persons of the potential independent director as well.

2) A person who did not or does not serve as a director, an employee, a consultant on staff receiving monthly salaries or an authorized person of the Company unless it is clear from the foregoing relationship of not less than two years.

3) A person who has no blood ties of the other Directors, Company Executives, Its major shareholders or the authorized person or of a person to be proposed as a director, executive or authorized person of the Company or its subsidiaries.

4) A person who did not or does not have a business relationship with the Company in a manner which could obstruct the use of independent judgment including being or having been a significant shareholder or an authorized person of a company that have a business relationship with the Company, unless it is clear from the foregoing relationship not less than two years.

5) A person who has never been or is a former auditor of the Company, a significant shareholder or authorized person or partner of the audit firm which is engaged as the auditors of the Company, unless it is clear from the foregoing relationship not less than two years.

6) A person who did not or does not provides any professional services to the Company (this includes serving as a legal advisor or financial advisor) which has received over two million baht per year from the Company, including being a significant shareholder, authorized person or partner of the service provider firm, unless it is clear from the foregoing relationship not less than two years.

7) A person who does not serve as a Director appointed as a representative of the Board of Directors, its major shareholders or shareholders who are related to the major shareholders.



8) A person who does not operate in a business of the same industry and in significant competition with the business of the Company or subsidiary or not a significant partner in a partnership or being a executive committees, employees, consultants who receive a regular salary or holding shares exceeding 1 percent of the total voting shares of other companies, which operates in the same business and in significant competition with the business of the company or subsidiary

9) A person who has none of any characteristics which make it impossible to provide an independent opinion about the company's operations.

All Independent Directors can express their opinion freely and not fall under the influence of any person or group of people. There is no such circumstances to force the Independent Directors not to express their own comments and the independent directors must be able to participate in a collective decision.



Executive Committee

There are 6 members of Executive Committee as follows.

No.	Title	Name
1	Chairman of Executive Committee	Mr. Tavit Charuvajana
2	Executive Committee	Mr. Thongchai Lumveerakul
3	Executive Committee	Mr. Aroon Tor-Ekbundit
4	Executive Committee	Mr. Veeraphan Durongsang
5	Executive Committee	Mrs. Nittaya Thanaviriyakul
6	Executive Committee	Mr. Suradet Lertthammajak

Scope of the Chief Executive Officer

1) Managing and controlling the Company's day-to-day operation, for example, considering the products or services' contracts.

2) Defining the Company's mission, objectives, policies and guidelines governing the operation. Contacting with business entrepreneur, maintaining the customer relationship and participating in marketing.

3) Considering the formulation and implementation of the strategic plan that guides the Company's direction, the source of funding and presenting it to the committees, and / or the Board of Directors, according to the priority.

4) Having authority to appoint a deputy or assistant of Chief Executive Officer and any Consultants that are required for the business operations.

5) Having authority to employ, appoint and dismiss all employees as well as determining the wage rate, rewards, merit increase and bonus. Unless there is an employment, appointment and dismissal of Chief Executive Officer or Deputy Chief Executive Officer, the proposal must be prior approved by the Board of Directors.

6) Having authority to consider and approve in the matters relating to the operation or to enter into any contracts or agreements regarding to the purchase or sale of products or services that Company usually trades, or the procurement contract or the other contracts that generates beneficial results for the Company.



However, the scope must be included in the Company's annual approval plan or as delegated by the Board of Directors.

7) Having authority to consider and approve financial matters as follows Company's annual approval plan or as delegated by the Board of Directors.

8) Operating in other matters as delegated by the Board of Directors.

The Chief Executive Officer may delegate the authority to the Deputy Chief Executive Officer, President, Vice President or Executive Management of the Company for managing and operating on behalf of Chief Executive Officer as necessary and appropriate and upon the discretion of the Chief Executive Officer. However, the Chief Executive Officer or Deputy Chief Executive Officer cannot approve any matters that may have conflicts of interest with the Company or its subsidiaries, unless the approval is granted as a normal business and/ or in accordance with the guidelines approved by the Board of Directors.

Scope of the Executive Committee's Authorities

1) To establish the organizational structure for employees and management, to cover all the details of the selection, training, as well as to approve the appointment or dismissal of employees in the role of president or vice president.

2) To have the 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 approve with regard to the implementation or to enter into any contract or agreement with respect to the purchase or sale of products or services, which is considered normal to the operation of the company or approve contracts on the procurement contract or any other advantage in the affairs of the company. However, as set out in the annual approval schedule by the Board of Directors.

4) To approve the financial matters as follows Company's annual approval plan or as delegated 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 the 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 President, Vice President or Executive Manager to approve financial transactions, certain contracts, or other matters as the Executive Committee deem appropriate. However, those approved transactions shall not cause a conflict of interest between the Executive Committee, or the proxy from the Executive Committee 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.



Term of Office

The Executive Committee was appointed by the Board of Directors in accordance with Article 24 of the Articles of Association as appropriate without specifying the number of years or term of the incumbent.

Article 24 of Articles of Association "The Board have the authority and responsibility to manage the company according to the law, and the regulations and resolutions of the shareholders' meeting.

The Board of Directors have the authority to elect any person to an Executive Committee or to run one or many. The condition of one or more directors may appoint one or more persons or other persons to perform any of the board."

Executive Committee retired on

- 1) death;
- 2) resignation;
- 3) disqualified or prohibited by law;
- 4) the Board of Directors voted to dismiss.



Audit Committee

The Audit Committee consists of three members of the independent committee who are fully qualified under the announcement of the Stock Exchange of Thailand. They shall not relate to the company, its subsidiaries, associated companies or any juristic persons who may have any conflicts. The lists of Audit Committee are shown as follows:

No.	Title	Name
1	Chairman of Audit Committee	Mr. Pravit Chattalada
2	Audit Committee	Dr. Virach Aphimeteetamrong
3	Audit Committee	Assoc. Prof. Phornsiri Thivavarnvongs

Note : Dr. Virach Aphimeteetamrong and Assoc. Prof. Pornsiri Tiwawannawonghas adequate knowledge and experience to review the reliability of the financial statement.

: Mr. Chakreeamorn Tirachuleesoonthorn resigned from the position of independent director on 9 August 2019. The Board of Directors approved to appoint Assoc. Prof. Phornsiri Thivavarnvongs as the replacement position at the meeting No. 5/2019, effective from 27 August 2019 onwards.

Scope of Audit Committee's Authorities

- 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 controls, internal audit systems and risk management systems appropriately and efficiently.
- 3) To review the Company's work process, risk management, control, Information technology governance and information security and effective communication network systems.
- 4) To review the results of monitoring and measures to prevent corruption within the organization. Including reviewing the company's internal Whistleblowing and complaints.
- 5) 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.



6) 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.

7) To consider and review the audit results recommendations of both auditors and Internal Audit Department including follow up to ensure that the management has sufficiently forwarded such recommendations.

8) To consider policies and procedures regarding non-audit services of the auditor's office and approve the use of such services to ensure that it will not affect the independence of the auditor (if any)

9) To consider the connected transactions or any transaction's 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.

10) 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.

11) Have the authority to hire advisors or third parties in accordance with the Company's regulations Come to give an opinion or consultation in case of necessity

12) To prepare the audit committee's report at least four times a year, presented in the Company's Annual Report which the audit committee chairman must sign. The report shall consist of the information as follows.

- To give opinion on the accuracy, adequacy and reliability of the Company's financial statement.
- To give opinion on the adequacy of the Company's internal control systems.
- 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.
- To give opinion on the suitability of the auditor.
- To give an opinion on any transactions that may cause a conflict of interest.
- To state the number of audit committee meetings and the attendances of each member of the audit committee.
- To give an overall opinion or comment that the audit committee perform their duty by following the charter.
- 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.

13) 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 duties 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. In order that, the audit committee must report the results of the preliminary examination to the Securities and Exchange Commission and the authorized auditor within 30 days from the date of receiving the notification from the certified public accountant regarding behavior that



has reasonable grounds to suspect that the director, manager or person responsible for the company's operations has committed an offense relating to management corrupt and fraudulent work.

Term of Office

The Audit Committee was nominated by the Board of Directors every two years after the first nomination made on 29 August 1998. Due to this Audit Committee completing their term of office on 28 August 2018, and the Board of Directors passed the resolution in the Meeting No. 4/2018 on 10 August 2018 to extend the term of office of the Audit Committee from 28 August 2018 to 27 August 2020.



Nominating and Remuneration Sub-Committee

Nominating and Remuneration Sub-Committee consists of an independent director and 2 non-executive directors. The non-executive director shall be the chairman of the Nominating and Remuneration Sub-Committee, nominated by the Board of Directors every two years. The lists of Nominating and Remuneration Sub-Committee are shown as follows:

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

Scope of Nominating and Remuneration Sub-Committee's Authorities

1) To consider the Company had specified the qualifications of members of the Board of Directors to be selected in accordance with the Company's business strategies prepared in the form 'Skill Matrix' of the Board of Directors described.

2) To set the criteria and policy regarding the nominating and remuneration of The Board of Committees and Sub-Committee.

3) To consider and nominate any appropriate persons to be a part of the committee and offer the list of nominated persons to the Board of Committees and/or the shareholder meeting for approval, as the case may be;

4) To consider and nominate any appropriate persons to be the Chief Executive Officer when there is any vacancy, including considering the criteria on the succession of the chief executive officers. To be selected in accordance with the Company's business strategies prepared in the form 'Skill Matrix' of the Board of Directors described.

5) To determine the proper remuneration on a yearly basis for the purpose of inducing and retaining the Committee, Sub-Committee and Chief Executive Officer.

6) To establish the principles and policies requiring the remuneration of the Committee and Chief Executive Officer and offer to the Committee and/or the Meeting of Shareholders for approval, as the case may be.



7) To be responsible for the Committee and shall give answers to any questions regarding to the remuneration of the Committee and Chief Executives to the Meeting of Shareholders.

8) To report the policy regarding the nominating and remuneration of any committee members and disclose such policy in the Annual Report.

9) To perform their duties as assigned by the Board of Directors in each period.

Term of Office

The Nominating and Remuneration Sub-Committee was nominated by the Board of Directors every two years after the first nomination made on 8 May 2006, completing their term of office on 31 May 2018. The Board of Directors passed the resolution in the Meeting No. 3/2018 on 10 May 2018 to extend the term of office of the Nominating and Remuneration Sub-Committee from 31 May 2018 to 30 May 2020.



Corporate Social Responsibility Committee

Social Responsibility Committee consists of an independent director, an executive committees and a non-executive directors, nominated by the Board of Directors every two years. The independent director shall be the chairman of Social Responsibility Committee. The lists of Social Responsibility Committee are shown as follows:

No.	Title	Name
1	Chairman of CSR Committee	Mr. Pravit Chattalada
2	CSR Committee	Mr. Kittit Techathaveekijkul
3	CSR Committee	Mr. Wanarak Eakachai

Scope of Corporate Social Responsibility Committee's Authorities

- 1) To consider the activities and policies of social responsibility and submit to the Board of Directors.
- 2) To screen the operational plan, annual budget, and review the operational performance on social responsibility and report to the Board of Directors.
- 3) To monitor and notify to the Board of Directors on the current and future issues or trends of social responsibility, as well as the impact that may have on the Company.
- 4) To appoint a working team on Corporate Social Responsibility as necessary.
- 5) To promote the involvement of the Board of Directors, executives and employees in activities related to Corporate Social Responsibility policy of the Company.
- 6) To report on Corporate Social Responsibility performance to the Board of Directors and disclose in the Annual Report.
- 7) To perform any duties as assigned by the Board of Directors in each period.



Term of Office

The Corporate Social Responsibility (CSR) Committee was nominated by the Board of Directors every two years after the first nomination made on 6 November 2015 and hold the term of office from 1 December 2017. The Board of Directors passed the resolution in the Meeting No. 6/2019 on: 8 November 2019 to extend their term of office from 1 December 2019 to 30 November 2021.



Corporate Governance Sub-Committee

Corporate Governance Sub-Committees consists of an independent director, an executive committees and a non-executive directors and 4 executive committees. The independent committee shall be the chairman of Corporate Governance Sub-Committees, nominated by the Board of Directors every two years. The lists of Corporate Governance Sub-Committee are shown as follows:

No.	Title	Name
1	Chairman of Corporate Governance Sub-Committee	Dr. Virach Aphimeteetamrong
2	Corporate Governance Sub-Committee	Mr. Kitti Techathaveekijkul
3	Corporate Governance Sub-Committee	Mr. Wanarak Eakachai
4	Corporate Governance Sub-Committee	Mr. Thongchai Lumveerakul
5	Corporate Governance Sub-Committee	Mr. Aroon Tor-Ekbundit
6	Corporate Governance Sub-Committee	Mr. Veeraphan Durongsang
7	Corporate Governance Sub-Committee	Mrs. Nittaya Thanaviriyakul

Scope of Corporate Governance Sub-Committee's Authorities

1) To propose the corporate governance procedure to the Board of Directors and suggest the directors, executives, employees and staffs of the Company on the good governance procedures relating to ethnics and code of conduct.

2) To continuously and properly control, supervise and advice the Board of Directors and executives of the Company on duties and responsibility according to the scope and criteria of a good corporate governance.

3) To regularly consider, review and update the policy on good corporate governance so that the policy on corporate governance of the Company is up to date and in line with the international standards and practices, as well as the rules, laws, regulations and the feedbacks given by the internal organization responsible for corporate governance.

4) To monitor and evaluate the performance of directors and management according to the good practices and prepare and submit the annual report of corporate governance to the Board of Directors, including their opinion and recommendation as necessary.

5) To report the policy regarding the corporate governance to the Board of Directors and disclose such policy in the Annual Report.

6) To perform any duties as assigned by the Board of Directors in each period.



Term of Office

The Corporate Governance Sub-Committee was nominated by the Board of Directors every two years after the first nomination made on 6 November 2015 and hold the term of office from 1 December 2017. The Board of Directors passed the resolution in the Meeting No. 6/2018 on 8 November 2019 to extend their term of office of the Corporate Governance Sub-Committee from 1 December 2019 to 30 November 2021.



Risk Management Sub-Committee

Risk Management Sub-Committee consists of an independent director, an executive committees and a non-executive directors and 4 executive committees. The independent committee shall be the chairman of Risk Management Sub-Committee, nominated by the Board of Directors every two years. The lists of Risk Management Sub-Committees are shown as follows:

No.	Title	Name
1	Chairman of Risk Management Sub-Committee	Assoc. Prof. Phornsiri Thivavarnvongs
2	Risk Management Sub-Committee	Mr. Kitti Techathaveekijkul
3	Risk Management Sub-Committee	Mr. Wanarak Eakachai
4	Risk Management Sub-Committee	Mr. Thongchai Lumveerakul
5	Risk Management Sub-Committee	Mr. Aroon Tor-ekbundit
6	Risk Management Sub-Committee	Mr. Veeraphan Durongsang
7	Risk Management Sub-Committee	Mrs. Nittaya Thanaviriyakul

Note: Mr. Chakreeamorn Tirachuleesoonthorn resigned from the position of independent director on 9 August 2019. The Board of Directors approved to appoint Assoc. Prof. Phornsiri Thivavarnvongs as the replacement position at the meeting No. 5/2019, effective from 27 August 2019 onwards.

Scope of Risk Management Sub-Committee's Authorities

- 1) To review the risk management report in order to monitor the significant risks and find the ways to manage risk adequately and appropriately.
- 2) To determine the policies, strategies and scope of risk management for the Board of Directors' approval.
- 3) To control and supervise the development and compliance of policy and scope of risk management in order to create a continued effective system of risk management and compliance. Consistent with the strategy and business goals, including changing situation.
- 4) To appoint a working group on Risk Management as necessary.
- 5) To coordinate with the Audit Committees regarding the significant risks under the revision of the internal audit function in order to ensure that the Company has internal control to manage risks and properly apply the risk management system in practice.
- 6) To notify the Board of Directors on any significant risk and risk management on a regular basis and disclose the related performance in the Annual Report;
- 7) To perform their duties as assigned by the Board of Directors in each period.



Term of Office

The Risk Management Sub-Committee was nominated by the Board of Directors every two years after the first nomination made on 6 November 2015 and hold the term of office from 1 December 2017. The Board of Directors passed the resolution in the Meeting No. 6/2019 on: 8 November 2019 to extend their term of office of the Risk Management Sub-Committee from 1 December 2019 to 30 November 2021.



Management Committee

There are 24 executives in the Company as follows:

No.	Name	Position
1	Mr. Tavit Charuvajana	Chief Executive Officer (CEO)
2	Mr. Wanarak Eakachai	Deputy Chief Executive Officer (Deputy CEO) / President of People Group
3	Mr. Veeraphan Durongsang	President of Digital Solutions Group
4	Mr. Aroon Tor-ekbundit	President of Solutions Integration Group
5	Mr. Suradet Lertthammajak	President of Solutions Integration Group
6	Mr. Thongchai Lumveerakul	President of Digital Printing Group
7	Mrs. Nittaya Thanaviriyakul	President of Accounting Finance and Administration / President of Corporate Affairs Group / Chief Financial Officer
8	Mr. Chirasak Trangkineenart	Vice President of Digital Solutions Group
9	Ms. Areerat Vitooraporn	Vice President of Digital Solutions Group
10	Mr. Aekachai Limprasert	Vice President of Digital Solutions Group
11	Mr. Somsak Manayingcharoen	Vice President of Solutions Integration Group
12	Ms. Teeraporn Lertthammajak	Vice President of Solutions Integration Group
13	Mr. Chaiwat Likhitchayakul	Vice President of Solutions Integration Group
14	Mr. Pongpeera Chawalathawat	Vice President of Solutions Integration Group
15	Mrs. Urai Suktrakul	Vice President of Solutions Integration Group
16	Mr. Rattapol Sompolwattana	Vice President of Solutions Integration Group
17	Mrs. Vilai Kaewpongmongkol	Vice President of Digital Printing Group
18	Ms. Prapavadee Orasanond	Vice President of Digital Printing Group
19	Ms. Saowalak Phaksuphan	Vice President of Accounting, Finance and Administration Group
20	Ms. Natpachamon Tungjitlerdkij	Vice President of Accounting, Finance and Administration Group
21	Ms. Samlee Noomsri	Vice President of People Group
22	Mrs. Saowakon Sirakidakorn	Vice President of People Group
23	Ms. Sumateta Jitsiripol	Vice President of Corporate Affairs Group / Corporate Secretary
24	Mr. Warayuth Phornsara	Senior Assistant Vice President of Accounting, Finance and Administration Group / Accounting Supervisor

Note : Executives No. 1 to 7 are executives according to the definition of the Securities and Exchange Commission.



Nomination and Selection

Nomination of Directors

The Articles of Association require that the Board of Directors shall consist of not less than 5 members but not more than 30 members and has a membership of not less than one-half of the directors. All Directors must be residents in the Kingdom of Thailand.

The selection of persons to be appointed as directors shall be nominated by the Nominating and Remuneration Sub-Committee. The criteria for selection by the Nominating and Remuneration Sub-Committee are determined by a professional qualifications and experience. The selection will operate without limits of race, religion, sex and will consider the following qualifications:

1. To have knowledge, skills, industry experience a candidate may bring to the company or financial, accounting, administrative or other knowledge as appropriate in accordance with the strategy and operations of the Company and shall not be contrary to the Articles of Association.

2. To be qualified and not been prohibited according to the law on Public Company. The applicant must not have characteristics that reflect the nature or the lack of proper qualities to be entrusted with the management of the Company by the shareholders in accordance with the Securities and Exchange Commission and the Stock Exchange of Thailand (SET).

3. To fully contribute towards the Company, particularly in the important decisions that are for the benefit of the Company.

4. To have a moral person or to have any other qualifications that might be required legally or appropriately by the Board of Directors.

Then, the Nominating and Remuneration Sub-Committee shall propose to the Board of Directors for consideration prior to the Meeting of shareholders' meeting for consideration and submission to the meeting of shareholders to elect directors to hold office. The rules governing the election of directors according to the Articles of Association are as follows:

1) Each shareholder shall have one vote per one share subscribed.
2) Each shareholder shall use all available votes to elect under Clause 1) one or several directors or but an individual's votes cannot be split among the candidates.

3) Persons receiving the highest votes in descending order shall be elected as a Director of the Board. Directors shall have a casting vote at that meeting if the person elected in descending order has equal votes exceeding the number of directors to be elected. The chairman shall retain a casting vote.

In every Annual General Meeting, Directors must retire at the rate of one in three if the number of directors to can be divided into three parts, if not possible then the number nearest to 1 in 3.

The election of Directors to retire in the first year and the second year after the Company registration will take place in a voting card. For the subsequent years, the Directors who were in their office the longest shall retire from the position of Director who vacates office may be re-elected

At the Shareholders' Meeting, any director may be voted out of office before the expiration of their term with the votes of not less than three-fourths of the shareholders present and voting and holding shares



amounting to not less than one-half of the shares held by the shareholders present at the meeting and entitled to vote.

However, the shareholder whose shareholding is not less than 5 percent of the Company's voting rights, and the conditions can be either a single shareholder or combined shareholders who unceasingly hold the share within defined proportion at least one year and must hold the share on the date of directors' nomination and the date of closing registration book, can exercise the rights in the Annual General Meeting. The shareholders who have voting rights can nominate the name of candidates for Director Nomination from September 1 to November 30 of each year to the Nomination and Remuneration Committee to scrutinize prior to the Board of Directors and the Annual General Meeting for approval.

In seeking members of the Board of Directors, the Company had specified the qualifications of members of the Board of Directors to be selected in accordance with the Company's business strategies prepared in the form 'Skill Matrix' of the Board of Directors described as follows:

Name of Director	Information Technology	Political Science / Philosophy	Laws	Accounting, Finance, and Audit	Business Administration and Management	Good Corporate Governance
1. Mr. Sanpitch Sethpornpong	✓				✓	✓
2. Mr. Thavich Jaruvajana	✓				✓	✓
3. Mr. Kitti Techataweekijkul	✓				✓	✓
4. Mr. Narong Jaruvajana	✓			✓	✓	✓
5. Mr. Suvich Suwarujiporn	✓		✓			✓
6. Mr. Wanarak Ekkachai	✓	✓				✓
7. Mr. Pravitt Chattalada	✓					✓
8. Dr. Virat Apimetheethamrong	✓			✓	✓	✓
9. Assoc. Prof. Phornsiri Thivavarnvongs				✓	✓	✓

Nomination and Appointment of Independent Directors

The Company has defined an independent director of the Company which follows the rules strictly defined by the Securities and Exchange Commission or the Stock Exchange of Thailand.

The selection and appointment of Independent Directors are determined by the number of Independent Directors in the composition being of at least 1 in 3 of the total number of Directors. The person who was selected must not be prohibited on the basis of the Securities and Exchange Commission and will be presented to the Board for consideration before submission to the meeting of shareholders to elect directors to hold office. This person should be deemed to be completely independent according to the following criteria:

1) A person who holds no more than 1 percent of the shares with voting rights of the Company inclusive of the shares held by related persons of the potential Independent Director as well.



2) A person who did not or does not serve as a director, an employee, a consultant on the staff receiving a monthly salary or an authorized person of the Company unless it is clear from the foregoing relationship of not less than two years.

3) A person who has no blood ties of the other Directors, Executive Committee, its major shareholders or the authorized person or of a person to be proposed as a Director, Executive Committee or authorized person of the Company or its subsidiaries.

4) A person who did not or does not have a business relationship with the Company in a manner which could obstruct the use of independent judgment including being or having been a significant shareholder or an authorized person of a company that has a business relationship with the Company, unless it is clear from the foregoing relationship not less than two years.

5) A person who has never been or is a former auditor of the Company, a significant shareholder or authorized person or partner of the audit firm which is engaged as the auditors of the Company, unless it is clear from the foregoing relationship not less than 2 years.

6) A person who did not or does not provides any professional services to the Company (this includes serving as a legal advisor or financial advisor) which has received over 2 million baht per year from the Company, including being a significant shareholder, authorized person or partner of the service provider firm, unless it is clear from the foregoing relationship not less than 2 years.

7) A person who does not serve as a Director appointed as a representative of the Board of Directors, its major shareholders or shareholders who are related to the major shareholders.

8) A person who does not operate in a business of the same nature and in competition with the business of the Company or its subsidiaries or in a partnership, Executives, Director, employee, consultant, has an employee salary or holds more than 1 percent of the shares in the business of the same nature.

9) A person who has none of any characteristics which make it impossible to provide an independent opinion about the company's operations including connections to company, subsidiaries, associate, shareholder, or authorized person of the Company.

All Independent Directors can express their opinion freely and not fall under the influence of any person or group of people. There is no such circumstances to force the Independent Directors not to express their own comments and the independent directors must be able to participate in a collective decision.

Nomination and Appointment of Chief Executive Officer

The Nomination and Remuneration Committee will prudently consider the appropriate and qualified person to be Chief Executive Officer. The persons should have knowledge and expertise in the Company's business, ability to create and develop the future Company's direction, having leadership skills and characteristics, and no undesirable behaviors. After the completion of selection process, the Nomination and Remuneration Committee will submit the proposal to the Board of Directors for approval.

Separation of Chairman and Chief Executive Officer

The Company had separated the roles and responsibilities between Chairman and Chief Executive Officer, who were responsible for the establishment of policies and management of the Company's daily



operations, respectively. This helped facilitate the Board of Directors to perform their duties independently and be able to supervise and evaluate the management of daily operations efficiently. The Company had determined a policy, where Chairman of the Board of Directors and Chief Executive Officer were required to be different people. Both positions were also required to be selected by the Board of Directors and screened by the Nomination and Compensation Committee to obtain fully qualified persons.



Profile of Board of Directors and Executives

Mr.Sunpitt Sethpornpong																											
Present Positon	Chairman																										
Age	54 years																										
Educational Background	<ul style="list-style-type: none">- M.M.Kellogg School of Management, Northwestern University, Evanston, Illinois, USA- B.S. Mechanical Engineering (Graduate Cumiaude), Massachusetts Institute of Technology, USA																										
Certificates	<ul style="list-style-type: none">- Certificates of Director Certification Program (DCP) 2013, Thai Institute of Directors																										
Professional Experience	<u>Listed Companies</u> <table><tr><td>2013 – Present</td><td>Chairman</td><td>Metro Systems Corporation PLC.</td></tr><tr><td>2000 – 2013</td><td>Director</td><td>Metro Systems Corporation PLC.</td></tr></table> <u>Other Companies</u> <table><tr><td>2015 – Present</td><td>Director</td><td>N.I.M Co., Ltd.</td></tr><tr><td>2012 – Present</td><td>Director</td><td>Metrophos Co., Ltd.</td></tr><tr><td>2010 – Present</td><td>Director</td><td>MDEC International (1991) Co., Ltd.</td></tr><tr><td>2008 – Present</td><td>Executive Director</td><td>Metro Co., Ltd.</td></tr><tr><td>2008 – Present</td><td>Director</td><td>Metro Group Energy Co., Ltd.</td></tr><tr><td>2001 – Present</td><td>Director</td><td>Woodwalk (Thailand) Co., Ltd.</td></tr></table>			2013 – Present	Chairman	Metro Systems Corporation PLC.	2000 – 2013	Director	Metro Systems Corporation PLC.	2015 – Present	Director	N.I.M Co., Ltd.	2012 – Present	Director	Metrophos Co., Ltd.	2010 – Present	Director	MDEC International (1991) Co., Ltd.	2008 – Present	Executive Director	Metro Co., Ltd.	2008 – Present	Director	Metro Group Energy Co., Ltd.	2001 – Present	Director	Woodwalk (Thailand) Co., Ltd.
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2012 – Present	Director	Metrophos Co., Ltd.																									
2010 – Present	Director	MDEC International (1991) Co., Ltd.																									
2008 – Present	Executive Director	Metro Co., Ltd.																									
2008 – Present	Director	Metro Group Energy Co., Ltd.																									
2001 – Present	Director	Woodwalk (Thailand) Co., Ltd.																									
Number of Shares As of 1 January 2019	0.28 %																										
Number of Shares As of 31 December 2019	0.28 %																										
Shareholdings (Ordinary Shares) (as of January 17, 2020)																											
- Held personally	0.28 %																										
- Held by Spouse or minor children	0.11 %																										
- Family Relationship among Directors and Executives	-None-																										



Mr. Tavit Charuvajana

Present Position	Director Chairman of Executive Committee Chief Executive Officer
Age	70 years
Educational Background	- Honorary Master of Science, Information Technology Field, Chandrakasem Rajabhat University
Certificates	- Executive Development Program, Commerce and Accounting Faculty, Thammasat University - Anusorn Business College
Professional Experience	<u>Listed Companies</u> 1986 - Present Director / Chairman of Executive Committee / Chief Executive Officer Metro Systems Corporation PLC. <u>Other Companies</u> 2012 - Present Director Metro Info Dynamics Co., Ltd 2010 - Present Director Metro InfoTech Co., Ltd. 2009 - Present Director Metro Connect Co., Ltd. 1991 - Present Director HIS MSC Co., Ltd
Number of Shares As of 1 January 2019	4.24 %
Number of Shares As of 31 December 2019	4.24 %
Shareholdings (Ordinary Shares) (as of January 17, 2020)	
- Held personally	4.24 %
- Held by Spouse or minor children	6.47 %
- Family Relationship among Directors and Executives	A brother of Mr. Narong Charuvajana



Mr. Kitti Techataveekijkul

Present Position	<p>Vice Chairman</p> <p>Corporate Social Responsibility Committee</p> <p>Corporate Governance Sub-Committee</p> <p>Risk Management Sub-Committee</p>
Age	67 years
Educational Background	- Higher Vocational Certificate, Telecommunication Department, King Mongkut's Institute of Technology Ladkrabang
Certificates	- Certificate of Director Certification Program (DCP) 2003, Thai Institute of Directors
Professional Experience	<p><u>Listed Companies</u></p> <p>2017 – Present Vice Chairman, Metro Systems Corporation PLC.</p> <p>2015 – Present Corporate Social Responsibility Committee/ Corporate Governance Sub-Committee/ Risk Management Sub-Committee, Metro Systems Corporation PLC.</p> <p>1989 – 2017 Director Metro Systems Corporation PLC.</p> <p><u>Other Companies</u></p> <p>2009 – Present Director Metro Connect Co., Ltd.</p> <p>1995 – Present Director Center Containers Co., Ltd.</p> <p>1992 – Present Director Metro Professional Products Co., Ltd.</p> <p>1991 – Present Director HIS MSC Co., Ltd.</p>
Number of Shares As of 1 January 2019	-None-
Number of Shares As of 31 December 2019	-None-
Shareholdings (Ordinary Shares) (as of January 17, 2020)	
- Held personally	-None-
- Held by Spouse or minor children	-None-
- Family Relationship among Directors and Executives	-None-



Mr. Narong Charuvajana

Present Position	Director / Vice Chairman of Nominating and Remuneration Sub-Committee
Age	65 years
Educational Background	<ul style="list-style-type: none"> - MBA Executive, Chulalongkorn University - Master of Accounting, Thammasart University - Bachelor of Accounting, Ramkhamhaeng University
Certificates	<ul style="list-style-type: none"> - Certificate of Director Accreditation Program (DAP) 2003, Thai Institute of Directors - Certificate of Certification Program (DCP) 2003, Thai Institute of Directors - Certificate of Role of The Compensation Committee (RCC) 2007, Thai Institute of Directors - Certificate of Current Issue Seminar (R-CIS) 2009, Thai Institute of Directors - Certificate of Compensation Survey Seminar 2014, Thai Institute of Director - Certificate of Board Matter and Trends (BMT) 2016, Thai Institute of Director
Professional Experience	<p><u>Listed Companies</u></p> <p>2006 – Present Vice Chairman of Nominating and Remuneration Sub-Committee Metro Systems Corporation PLC.</p> <p>1986 – Present Director, Metro Systems Corporation PLC.</p> <p><u>Other Companies</u></p> <p>2009 – Present Director Metro Connect Co., Ltd.</p> <p>1995 – Present Director Center Containers Co., Ltd.</p> <p>1992 – Present Director Metro Professional Product</p> <p>1991 – Present Director HIS MHC Co., Ltd.</p>
Number of Shares As of 1 January 2019	4.64 %
Number of Shares As of 31 December 2019	4.64 %
Shareholdings (Ordinary Shares) (as of January 17, 2020)	
- Held personally	4.64 %
- Held by Spouse or minor children	3.52 %
- Family Relationship among Directors and Executives	A brother of Mr. Tavit Charuvajana



Mr. Suvij Suvaruchiphorn

Present Position	Director		
	Chairman of Nominating and Remuneration Sub-committee		
Age	77 years		
	Bachelor of Law, Thammasat University		
Educational Background	-None-		
Certificates	<u>Listed Companies</u>		
Professional Experience	2006 – Present	Chairman of Nominating and Remuneration Sub-committee Metro Systems Corporation PLC.	
	1986 – Present	Director Metro Systems Corporation PLC.	
	1988 – Present	Chairman United Flour Mill PLC.	
	<u>Other Companies</u>		
	1992 – Present	Director	MCF Marketing Co., Ltd
	1992 – Present	Director	MCF Products Co., Ltd
	1991 – Present	Director	MDEC International (1991) Co., Ltd.
	1991 – Present	Director	N.I.M Co., Ltd
	1990 - Present	Director	T.S.T Development Co., Ltd
	1990 - Present	Director	Siam Aroon Group Co., Ltd
	1988 – Present	Director	Polymers Marketing Co., Ltd.
	1987 – Present	Director	MC Foods Co., Ltd.
	1987 – Present	Director	Bangkok Industrial Gas Co., Ltd.
	1984 – Present	Managing Director	Metro Co., Ltd.
	1983 – Present	Vice Chairman	HMC Polymers Co., Ltd.
	1979 – Present	Director	United Grains Co., Ltd.
Number of Shares As of 1 January 2019	0.13 %		
Number of Shares As of 31 December 2019	0.13 %		
Shareholdings (Ordinary Shares) (as of January 17, 2020)			
- Held personally	0.13 %		
- Held by Spouse or minor children	1.98 %		
- Family Relationship among Directors and Executives	-None-		



Mr. Wanarak Eakachai

Present Position	<p>Director</p> <p>Deputy Chief Executive Officer</p> <p>Corporate Social Responsibility Committee</p> <p>Corporate Governance Sub-Committee</p> <p>Risk Management Sub-Committee</p> <p>President of People Group</p>
Age	67 years
Educational Background	<ul style="list-style-type: none"> - BA (Political Science), University of Wisconsin, USA - Master of Philosophy, University of Wisconsin, USA
Certificates	<ul style="list-style-type: none"> - Certificate of Director Accreditation Program (DAP) 2016, Thai Institute of Directors
Professional Experience	<p><u>Listed Companies</u></p> <p>2016 – Present President of People Group Metro Systems Corporation PLC.</p> <p>2015 – Present Corporate Social Responsibility Committee/ Corporate Governance Sub-Committee/ Risk Management Sub-Committee Metro Systems Corporation PLC.</p> <p>2014 – Present Deputy Chief Executive Officer Metro Systems Corporation PLC.</p> <p>2013 – Present Director Metro Systems Corporation PLC.</p> <p><u>Other Companies</u></p> <p>2017 – Present Director Phoenix World Energy Co., Ltd</p>
Number of Shares As of 1 January 2019	-None-
Number of Shares As of 31 December 2019	-None-
Shareholdings (Ordinary Shares) (as of January 17, 2020)	
- Held personally	-None-
- Held by Spouse or minor children	-None-
- Family Relationship among Directors and Executives	-None-



Mr. Pravitt Chattalada

Present Position	Independent Director Chairman of Audit Committee Chairman of Corporate Social Responsibility Committee Nominating and Remuneration Sub-Committee
Age	87 years
Educational Background	- BS.(Mathematics, Physics), Oregon State University, USA
Certificates	- Certificate of Director Accreditation Program (DAP) 2004, Thai Institute of Directors
Professional Experience	<u>Listed Companies</u> 2015 – Present Chairman of Corporate Social Responsibility Committee Metro Systems Corporation PLC. 2006 – Present Nominating and Remuneration Sub-Committee Metro Systems Corporation PLC. 1995 – Present Independent Director/ Chairman of Audit Committee Metro Systems Corporation PLC. <u>Other Companies</u> 2013 – Present Director The Association of Thai ICT Industry (ATCI) 1995 – 2012 President The Association of Thai ICT Industry (ATCI)
Number of Shares As of 1 January 2019	-None-
Number of Shares As of 31 December 2019	-None-
Shareholdings (Ordinary Shares) (as of January 17, 2020)	
- Held personally	-None-
- Held by Spouse or minor children	0.06
- Family Relationship among Directors and Executives	-None-



Assoc. Prof. Phornsiri Thivavarnvongs

Present Position	Independent Director Audit Committee Chairman of Risk Management Sub-Committee
Age	67 years
Educational Background	- M.B.A. (Finance), University of Wisconsin at Madison, USA - Bachelor of Accounting (Honour with gold medal), Chulalongkorn University
Certificates	- Certificate of Director Accreditation Program (DAP) 2002, Thai Institute of Directors - Risk Management Program for Corporate Leaders (RCL) 2019, Thai Institute Of Directors
Professional Experience	<u>Listed Companies</u> 2019 – Present Independent Director / Audit Committee/ Chairman of Risk Management Sub-Committee Metro Systems Corporation PLC. 2013 – 2019 Chairman of Audit Committee and Risk Management/ Independent Director/ Director Siam Global House PLC. 2008 – 2012 Independent Director/ Audit Committee/ Director Siam Global House PLC. <u>Other Companies</u> 2015 – Present Audit Committee/ Director Toyota Kaennakorn Co.,Ltd
Number of Shares As of 1 January 2019	-None-
Number of Shares As of 31 December 2019	-None-
Shareholdings (Ordinary Shares) (as of January 17, 2020)	
- Held personally	-None-
- Held by Spouse or minor children	-None-
- Family Relationship among Directors and Executives	-None-



Dr. Virach Aphimeteetamrong

Present Position	Independent Director / Audit Committee / Chairman of Corporate Governance Sub-Committee
Age	76 years
Educational Background	<ul style="list-style-type: none"> - Ph.D Finance, University of Illinois, USA - M.B.A.Göteborg, Sweden - M.A.S. University of Illinois at Urbana-Champaign (UIUC), USA - Bachelor of Accounting (honor), Chulalongkorn University
Certificates	<ul style="list-style-type: none"> - Certificate of Director Accreditation Program (DAP) 2003, Thai Institute of Directors - Certificate of Anti-Corruption for Executive Program (ACEP) 2012, Thai Institute of Directors - Certificate of Corporate Governance for Capital Market Intermediaries (CGI) 2015, Thai Institute of Directors
Professional Experience	<p><u>Listed Companies</u></p> <p>2015 – Present Chairman of Corporate Governance Sub-Committee Metro Systems Corporation PLC.</p> <p>1995 – Present Independent Director/ Audit Committee Metro Systems Corporation PLC.</p> <p>2015 – Present Independent Director/ Chairman of Audit Committee Asia Plus Group Holdings PLC.</p> <p>2013 – Present Independent Director, Thai Agro Energy PLC.</p> <p>2007 – Present Chairman, Intouch Holding PLC.</p> <p>2004 – Present Independent Director/ Chairman of Audit Committee, Bangkok Chain Hospital PLC.</p> <p>1990 – Present Director Supalai PLC.</p> <p><u>Other Companies</u></p> <p>2004 – Present Independent Director/ Chairman of Audit Committee Asia Plus Securities Co., Ltd.</p> <p>2002 – Present Independent Director/ Chairman of Audit Committee, Tris Corporation Co., Ltd.</p> <p>1988 – Present Chairman, Dr.Virach & Associates Office Co.,Ltd</p>
Number of Shares As of 1 January 2019	-None-
Number of Shares As of 31 December 2019	-None-
Shareholdings (Ordinary Shares) (as of January 17, 2020)	
- Held personally	-None-
- Held by Spouse or minor children	-None-
- Family Relationship among Directors and Executives	-None-



Mr. Thongchai Lumveerakul

Present	Executive Director/ Corporate Governance Sub-Committee/ Risk Management Sub-Committee/ President of Digital Printing Group (DPG)
Age	59 years
Educational Background	- Bachelor of Commerce, Bangkok University
Certificates	- Executive Development Program, Commerce and Accounting Faculty, Thammasat University - Certificate of Director Certification Program (DCP) 2003, Thai Institute of Directors
Professional Experience	<u>Listed Companies</u> 2015 – Present Corporate Governance Sub-Committee/ Risk Management Sub-Committee Metro Systems Corporation PLC. 2007 – Present Executive Director / President of Digital Printing Group Metro Systems Corporation PLC. <u>Other Companies</u> -None-
Number of Shares As of 1 January 2019	0.28 %
Number of Shares As of 31 December 2019	0.28 %
Shareholdings (Ordinary Shares) (as of January 17, 2020)	
- Held personally	0.28 %
- Held by Spouse or minor children	-None-
- Family Relationship among Directors and Executives	-None-



Mr. Aroon Tor-ekbundit

Present Position	Executive Director/ Corporate Governance Sub-Committee/ Risk Management Sub-Committee/ President of Solutions Integration Group (SIG)
Age	59 years
Educational Background	- Vocational Certificate, Rajamangala Technology Institute, Borphitphimuk Jakkrawat Campus
Certificates	- Executive Development Program, Commerce and Accounting Faculty, Thammasat University - Certificate of Director Certification Program (DCP) 2003, Thai Institute of Directors
Professional Experience	<p><u>Listed Companies</u></p> <p>2015 – Present Corporate Governance Sub-Committee/ Risk Management Sub-Committee Metro Systems Corporation PLC.</p> <p>2007 – Present Executive Director/ President of Solutions Integration Group (SIG) Metro Systems Corporation PLC.</p> <p><u>Other Companies</u></p> <p>2000 – Present Director, Metro InfoTech Co., Ltd</p> <p>1991 – Present Director, HIS MSC Co., Ltd.</p>
Number of Shares As of 1 January 2019	-None-
Number of Shares As of 31 December 2019	-None-
Shareholdings (Ordinary Shares) (as of January 17, 2020)	
- Held personally	-None-
- Held by Spouse or minor children	-None-
- Family Relationship among Directors and Executives	-None-



Mr. Veeraphan Durongsang

Present Position	Executive Director/ Corporate Governance Sub-Committee/ Risk Management Sub-Committee/ President of Digital Solutions Group (DSG)		
Age	59 years		
Educational Background	- Business Advertising and Marketing (BS), Emporia State University, USA		
Certificates	- Certificate of Director Accreditation Program (DAP) 2006, Thai Institute of Directors		
Professional Experience	<u>Listed Companies</u> 2015 – Present Corporate Governance Sub-Committee/ Risk Management Sub-Committee Metro Systems Corporation PLC. 2007 – Present Executive Director/ President of Digital Solutions Group (DSG) Metro Systems Corporation PLC. <u>Other Companies</u> 2012 – Present Director/ Metro Info Dynamics Co., Ltd. Managing Director 2009 – Present Director Metro Connect Co., Ltd. 2009 – 2017 Managing Director Metro Connect Co., Ltd.		
Number of Shares As of 1 January 2019	0.17 %		
Number of Shares As of 31 December 2019	0.17 %		
Shareholdings (Ordinary Shares) (as of January 17, 2020)			
- Held personally	0.17%		
- Held by Spouse or minor children	-None-		
- Family Relationship among Directors and Executives	-None-		



Mrs. Nittaya Thanaviriyakul

Present Position	Executive Director / Chief Financial Officer/ Corporate Governance Sub-Committee/ Risk Management Sub-Committee/ President of Accounting, Finance and Administration/ President of Corporate Affair Group
Age	58 years
Educational Background	<ul style="list-style-type: none"> - Master of Accounting, Thammasat University - BA (Accounting), Thammasat University
Certificates	<ul style="list-style-type: none"> - Certificate of Director Accreditation Program (DAP) 2013, Thai Institute of Directors - Certificate of Anti-Corruption the Practical Guide (ACPG) 2015, Thai Institute of Directors - Certificate of Board Reporting Program (BRP) 2016, Thai Institute of Directors - Certificate of Strategic Financial Leadership Program (SFLP) 2018, Thai Institute of Directors
Professional Experience	<p><u>Listed Companies</u></p> <p>2018 – Present Chief Financial Officer, Metro Systems Corporation PLC.</p> <p>2016 – Present President of Corporate Affairs Group, Metro Systems Corporation PLC.</p> <p>2015 – Present Corporate Governance Sub-Committee/ Risk Management Sub-Committee, Metro Systems Corporation PLC.</p> <p>2011 – Present Executive Director/ President of Accounting, Finance and Administrative, Metro Systems Corporation PLC.</p> <p><u>Other Companies</u></p> <p>2013 – Present, Director, Metro Professional Products Co., Ltd.</p> <p>2012 – Present: Director, Metro Info Dynamics Co., Ltd.</p> <p>2009 – Present: Director, Metro Connect Co., Ltd.</p>
Number of Shares As of 1 January 2019	0.003 %
Number of Shares As of 31 December 2019	0.003 %
Shareholdings (Ordinary Shares) (as of January 17, 2020)	
- Held personally	0.003 %
- Held by Spouse or minor children	-None-
- Family Relationship among Directors and Executives	-None-



Mr. Suradet Lertthammajak

Present Position	Executive Director/ President of Solutions Integration Group (SIG)
Age	55 years
Educational Background	<ul style="list-style-type: none"> - Master of Business Administration (M.B.A.), Chulalongkorn university - Computer Science - Stamford College, Singapore
Certificates	<ul style="list-style-type: none"> - Certificate of Director Accreditation Program (DAP) 2017, Thai Institute of Directors
Professional Experience	<p><u>Listed Companies</u></p> <ul style="list-style-type: none"> - January 2019 – Present Executive Director Metro Systems Corporation PLC. - December 2018 – Present President of Solutions Integration Group Metro Systems Corporation PLC. <p><u>Other Companies</u></p> <p>-None-</p>
Number of Shares As of 1 January 2019	-None-
Number of Shares As of 31 December 2019	-None-
Shareholdings (Ordinary Shares) (as of January 17, 2020)	
- Held personally	-None-
- Held by Spouse or minor children	-None-
- Family Relationship among Directors and Executives	-None-



Subsidiaries Management



The Company retains a focus on business investment in its subsidiary companies. The management of the subsidiary companies should always act in accordance with the principles of governance and transparency. The Company has set the rules for the supervision of subsidiaries including measures for monitoring the management of its subsidiaries in order to safeguard the interests of the investment firm. At the Board of Directors Meeting have approved the implementation of a regulatory policy regarding subsidiaries, this policy has been thoroughly assessed by the Sub-Committee on Corporate Governance and approved by the Executive Committee. The management of the subsidiary is treated as a company within the same organization. The policy guidelines for overseeing the management of the subsidiaries contain the following four aspects:

1. Management of Subsidiaries

-Nomination of Director in the Subsidiaries: The Company will send a person approved by the Board of Directors to serve as a director of the Company, at least in proportion to their shareholding in the subsidiary. The Directors who have been nominated must be fully qualified and have no characteristics considered as a lack of trust by the Securities and Exchange Commission under the provision of “Nature of the Lack of Trust in Directors and Executives of the Company.”

- Scopes of Duties and Responsibilities of Subsidiaries’ Directors: The Directors must comply with the regulations of the Company, including the laws governing companies and act in accordance with the policies governing the operations of its subsidiaries or other policies of the Company and ensure that internal control systems, risk management systems and fraud prevention systems are applied appropriately. The Directors must provide adequate disclosure of significant transactions and ensure the directors and management of the subsidiaries are able to access information and ensure adequate and appropriate internal controls which allow the Company's internal audit department to access directly.

- Disclosure of Directors and Management of Subsidiaries: The Directors and management of the subsidiaries should disclose information on their interests and any related parties or a person related to the subsidiary in any transactions that may pose a conflict of interest to the Company's Board of Directors of subsidiaries or the Board of Directors of the Company can authorize a subsidiary within the time limit if the Board of Directors of the Company has been notified a transaction could pose a conflict of interest to the Company. The Directors and management of the subsidiaries shall have no part in any matter which they have an interest or a conflict of interest or receive financial benefits other than normal.

- Disclosure of Subsidiaries: The subsidiaries are responsible for disclosing results of operations and the financial position, including any transactions between subsidiaries with related parties, the acquisition or disposition of assets, or transactions of any of its subsidiaries, and to provide accurate reports and business plans, large business growth areas and large investment projects, as well as any joint venture with other operators through the company reports and monthly or quarterly operating results as necessary and appropriate.

- Intercompany transactions: The Directors, management or a related party of the subsidiaries may have any transactions with the Company only when the transaction has been approved by the Board of Directors or the Shareholders Meeting of the Company as the transaction was calculated based on the



guidelines set out in the transaction announcement, unless the transaction is a commercial agreement in the same way that a reasonable person would conduct business with the two parties in the same situation or a commercial agreement that has been approved by the Board of Directors or in accordance with the principles approved by the Board of Directors.

2. Financial Control of Subsidiaries

The subsidiary is obliged to submit monthly operating results as well as quarterly and annually, these financial statements should include the approval of the management or directors as well as information for the preparation of these financial statements and provide an estimate of future operating results, summary of operating results for the quarter and any financial reporting issues that have been detected or when requested by the Company.

3. Treatment and Use of Information within Subsidiaries

The subsidiary will be aware of the importance of preservation and use of information within the company and its subsidiaries under the guidelines below:

- Internal Information Confidentiality: If there is a need to publish anything considered to be confidential information it must be approved by the Managing Director of the subsidiary before the Investment Public Relations Department has published such data. If it is all about an individual, a consent must be obtained from the third parties or stakeholders before publishing. The staff of the subsidiary must not answer any questions or express opinions to others, unless there is a duty or assigned duty to answer those questions.

- Internal Information Usage: The use of internal information that could affect the Company and its subsidiaries. Any person privileged to internal information regarding the Company or its subsidiaries should not buy or sell the shares or securities of the Company nor persuade any third parties to buy, sell or offer for sale of shares or securities of the Company whether in person or through a broker and never offer prohibited material facts that may cause changes in the price of securities which are not publicly disclosed. Whether such actions would lead to gain for themselves or others, the Company has a policy prohibiting Directors or executives of its subsidiaries during the period of one month prior to the meeting of the Board of Directors each time.

- Internal Information Usage Prevention: The Company has set up internal control systems to protect data files or documents. Access to confidential information will only be permitted by recognized executives and employees as necessary. Violators will be subject to disciplinary action or legal redress where necessary.

4. Voter Rights at a Meeting of Shareholders of the Subsidiaries

The Company will send a representative to attend any meeting of shareholders of its subsidiaries and will be delegated the right to vote on the agenda items as well as retaining the right to offer opinion on the any other business item agenda of the meeting.



Insider Information

The Company places importance on the use of internal information by setting the details of internal information usage in writing in the internal control manual in order to understand the correct practices.

The Company has prohibited use of inside information for abusive self-dealing, such as insider trading or related party transactions and any information that has not been made public for the benefit of themselves or others. This includes the trading by Directors, Management and employees in the agency access to internal information are prohibit to trade in securities of the Company during the period of one month prior to the disclosure of financial statements to the public. The Company will announce the time that the Company's Directors and management of the Company.

The Company constantly gives priority in maintaining the confidentiality of customer information by not taking information technology for the benefit of the Director. Executives, employees and related persons, unless the information is required to disclose by law. The Company also has well acknowledgement about the security of the data in the information system. The Company, therefore, have restriction and/or prevention for the third parties' access in the Company's information. In case, there are outsiders who participate in specialized work that relates to inside information. The inside information can be information that has not been disclosed to the public and is in the process of negotiation. To prioritize the confidentiality of data and avoid information leakage that might affect the price movement of Company's securities, the outsiders must sign the Confidentiality Agreement contract and keep data confidentiality until the information is revealed to the Stock Market and Securities and Exchange Commission.

The Company has determined that the Managing Director, Manager and the incumbent administration should prepare and report any changes of their shareholdings, including couples or those living together, husband and wife and underage children to the Company Secretary to within 30 days after the inauguration. In addition, the Directors and Chief Executive Officer must report every purchase or sale of Company's securities at least 1 day in advance to the Board of Directors or Delegate person of Board of Directors in order to report to the Securities and Exchange Commission within 3 business days. This practice covered under the Securities Exchange Act of 2016 must be complied strictly.

Directors, Executives and employees who violate the inside information policy must accept the disciplinary from the Company and / or from the law.

Auditors

According to the Public Companies Act B.E. 2535, Section 120 requires that the Meeting of Shareholders shall include for the appointment and remuneration of the Company's auditors every year. The appointment of the same auditors may be approved as being the previously appointed auditors. The Articles of Association, Article 46 requires that the auditor must not be a director, an employee or holding any position in the Company. As per the recommendation of the Audit Committee in compliance with the aforementioned Public Companies Act B.E. 2535, the Board of Directors has therefore considered and decided to propose to the Annual General Meeting to approve the appointment of auditors from Deloitte Touche Tohmatsu Jaiyos



Audit as auditors of the Company for the year 2019 and remunerations of the annual audit for the year of 2019 are detailed below.



Mrs. Wilasinee Krishnamra

C.P.A. License No. 7098, and/or



Mr. Chavala Tienpasertkij

C.P.A. License No. 4301, and/or



Dr. Suwatchai Meakhaamnouychai

C.P.A. License No. 6638, and/or



Mr. Wonlop. Vilaivaravit

C.P.A. License No. 6797

Auditors from Deloitte Touche Tohmatsu Jaiyos Audit

Remuneration of Auditors

Remuneration for the annual audit was set up at the amount of 1,050,000 baht, for quarterly financial statements of the three quarters at the amount of 1,350,000 baht and for a total audit remuneration for the year 2019 at 2,400,000 baht. However, Deloitte Touche Tohmatsu Jaiyos Audit also acts as the auditor of the Company's subsidiaries and associate: Metro Professional Products Co., Ltd., Metro Connect Co., Ltd., and HIS MSC Co., Ltd., by receiving the remuneration for annual audit of year 2019 from the aforementioned companies with the amount of 1,100,000 baht. The auditor has no relationship or interest with the Company, its subsidiaries, management, major shareholders or any person who is associated with such individuals.

Other Fees

-None-

Compliance with Best Practices for Directors of Listed Companies

The Company was committed to maintaining corporate governance by pursuing relevant laws and regulations as well as the Code of Best Practices for Directors of Listed Companies, principles of good corporate governance specified by the Stock Exchange of Thailand (SET). The Board of Directors had developed a process for implementing the Corporate Governance Code (CG Code) as of 2017 used as a framework for practice in addition to the practices already in accordance with the Corporate Governance Principle (CG Principle) as of 2012. The Company had prepared the good corporate governance manual to be used as a guideline for best practices regarding ethics and business conducts of the Board of Directors, executives, and employees. The manual would be proposed to the Corporate Governance Subcommittee for regular reviews at least once a year prior to proposing to the Board of Directors for approval and would be communicated to the Board of Directors and executives to strictly pursue the requirements of the manual.



The Company had determined effective processes to monitor and assess performances of the Board of Directors and the Sub-committee annually. According to the CGR Checklist as of 2019 surveyed and evaluated by the Thai Institute of Directors (IOD), the Company had scored 83 percent for the responsibilities of the Board of Directors, which was higher than the average score of 75 percent achieved by other listed companies.

- Principle 1 Establish Clear Leadership Role and Responsibilities of the Board
- Principle 2 Define Objectives that Promote Sustainable Value Creation
- Principle 3 Strengthen Board Effectiveness
- Principle 4 Ensure Effective CEO and People Management
- Principle 5 Nurture Innovation and Responsible Business
- Principle 6 Strengthen Effective Risk Management and Internal Control
- Principle 7 Ensure Disclosure and Financial Integrity
- Principle 8 Ensure Engagement and Communication with Shareholders

For pending requirements, the Company would use them as a guideline for more proper conducts including:

Pending Requirements	Reason(s)
Chairman was considered an independent director.	Chairman of the Board of Directors was a different person from Chief Executive Officer, in which the Company has clearly separated the responsibilities of the Board of Directors and the Management to create a balance between administration and corporate governance.
The Board of Directors should clearly specify the tenure of the independent directors in the corporate governance policy not exceeding nine years.	The Board did not specify the term of the independent directors as the Company believed the aforementioned directors were knowledgeable and capable persons, with sufficient experiences to perform their duties efficiently and appropriately.
The Board of Directors was required to determine the number of listed companies where each director would take their positions, which should not exceed five places without exception.	The Board of Directors did not specify the number of listed companies of each director to take their positions as the Company believed each director could perform their duties perfectly without



	deficiency or damage even though they held their positions in more than five listed companies.
The Board of Directors should consider organizing the board meetings of more than six times per year.	Basically, the Company held at least five board meetings per year to consider annual and quarterly financial statements, including the formulation of corporate strategies, while considering that such meetings were already complete and appropriate in terms of discussions and decision-making practices.

Evaluation of the Board of Directors and Sub-Committees Performance

The Company has a policy that the Board of Directors evaluates its own performance annually. The evaluation of the performance was performed in accordance with practices of the Stock Exchange of Thailand as appropriate. The Board of Directors has reviewed its work and the obstacles to work during the past year. In the process of evaluating, the Company Secretary has also submitted an assessment of the performance of the Board of Directors and submit it to the Board of Directors and individuals to review the annual performance evaluation of the Board of Directors. Additionally, the Company Secretary has gathered the results of assessment from the Board of Directors and summarized the scores and analyzed the performance results of the Board of Directors to inform the Board of Directors of any problems and acknowledging the contributions. The conclusions will be used to improve the performance of the Board of Directors in the future.

In addition, the Company has a policy that the Board of Sub-Committees evaluates their own personal annual performance. This provides a framework for monitoring performance during the past year to be able to perform any corrective actions and enhance performance. The results were presented to the Board of Directors for acknowledgment.

Board of Directors

Evaluation Form for the Board of Directors contains 6 main topics of:

- 1) Structure and Qualifications of the Board of Directors
- 2) Roles, Duties and Responsibilities of the Board of Directors
- 3) Meeting of the Board of Directors
- 4) Responsibilities of Director
- 5) Relationship with the Management
- 6) Development of the Directors and Executives.

The criteria to evaluate each topic sets out a five-level rating as below.

0 = Strongly disagreed or no action on the topic



- 1 = Disagreed or have taken less actions about the topic
- 2 = Agreed or have taken some actions about the topic
- 3 = Positively agreed or have taken the actions about the topic
- 4 = Strongly agreed or have taken the actions very well about the topic

Individual Director

Evaluation Form for each member of the Board of Directors contains 3 main topics of:

- 1) Structure and Qualifications of the Board of Directors
- 2) Meeting of the Board of Directors
- 3) Roles, Duties and Responsibilities of the Board of Directors.

The criteria to evaluate each topic sets out a five-level rating as below.

- 0 = Strongly disagreed or no action on the topic
- 1 = Disagreed or have taken less actions about the topic
- 2 = Agreed or have taken some actions about the topic
- 3 = Positively agreed or have taken the actions about the topic
- 4 = Strongly agreed or have taken the actions very well about the topic.

Sub-Committees

Evaluation of each member of Sub-Committees is divided into 3 main topics:

- 1) Structure and Qualifications of the Board of Sub-Committees.
- 2) The Meeting of Sub-Committees.
- 3) Roles, Duties and Responsibilities of Sub-Committees.

The criteria to evaluate each topic sets out a five-level rating as same as those for Individual Director.

The secretary of each Board will collect and process the performance results prior to submitting to the Board of Directors annually. In 2019, the average rating results are as followed.

- The average assessment result for Board of Directors as a group was scored 91.01%.
- The average assessment result for Board of Directors as individual was scored 90.39%.
- The average assessment result for Sub-Committees as individual was scored 91.92%, divided to
 - Audit Committees; with the average assessment results 91.66%
 - CSR Committees; with the average assessment results 90.68%
 - Nominating and Remuneration Sub-Committees; with the average assessment results 90.10%
 - Corporate Governance Sub-Committees; with the average assessment results 90.75%
 - Risk Management Sub- Committees; with the average assessment results 87.18%

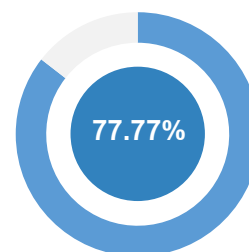


Director Orientation

The Company had arranged orientation programs for directors taking new positions to enhance knowledge and understanding of the directors taking the new positions for the first time as well as learn the nature of business and operations of the Company. Secretary of the Company would present documents and useful information, for instance, the guide to good corporate governance, business ethics, rules and regulations of the Company, shareholder structure, performances of the Company, and relevant laws, to the newly appointed directors.

Director's Knowledge Enhancement

The Company realize how importance of knowledge enhancement by stimulate training continuously to the Board of Directors, Sub-Committees, Executive Committee and Corporate Secretary to increase their knowledge and apply the ideas of their operation in accordance with the Company's ongoing business operations. The training and education are conducted internally and externally through the services of external institutions or activities organized by the Thai Institute of Directors (IOD), Securities and Exchange Commission (SEC), as well as other leading training institutes during the years. With this encouraging determination, there were 7 out of 9 Committees who has been trained and certified in the director and other related programs which was totaled as 77.77% of overall.



There are the participants of the courses involved as follows:

Name	Certificates
Mr.Sunpitt Sethpornpong	Director Certification Program 2013
Mr.Kitti Techataveekijkul	Director Certification Program 2013
Mr.Narong Charuvajana	Board Matter and Trends 2016 Director Accreditation Program 2003 Director Certification Program 2003 Role of the Compensation Committee 2007
Mr .Wanarak Eakachai	Director Accreditation Program 2016
Mr .Pravit Chattalada	Director Accreditation Program 2004
Dr .Virach Aphimeteetamrong	Anti-Corruption for Executive Program 2012 Director Accreditation Program 2003
Assoc. Prof. Phornsiri Thivavarnvongs	Director Accreditation Program 2002



Training Programs / Seminar Topics for Directors and Executives Directors

Name of Director / Position	Training Programs / Seminar Topics
Mr. Sunpitt Sethpornpong - Chairman	GDPR Opportunity and Challenges for ICT Industry by Metro Systems Corporation Plc.
Mr. Tavit Charuvajana - Chief Executive Officer	GDPR Opportunity and Challenges for ICT Industry by Metro Systems Corporation Plc.
Mr. Kittit Techataveekijkul - Vice Chairman	Techsauce Global Summit 2019 by the Stock Exchange of Thailand (SET)
	GDPR Opportunity and Challenges for ICT Industry by Metro Systems Corporation Plc.
	Strategic Thinking and Planning (Observer) by iPlus Learning & Consultative Co., Ltd.
Mr. Narong Charuvajana - Director	Techsauce Global Summit 2019 by the Stock Exchange of Thailand (SET)
	GDPR Opportunity and Challenges for ICT Industry by Metro Systems Corporation Plc.
	Strategic Thinking and Planning (Observer) by iPlus Learning & Consultative Co., Ltd.
Mr. Wanarak Eakachai - Director - Deputy Chief Executive Officer - President of People Group	GDPR Opportunity and Challenges for ICT Industry by Metro Systems Corporation Plc.
Assoc. Prof. Phornsiri Thivavarnvongs - Director - Independent Director	Risk Management Program for Corporate Leaders (RCL) by the Thai Institute of Directors (IOD)
Mr. Aroon Tor-Ekbundit - Executive Director - President of Solutions Integration Group	GDPR Opportunity and Challenges for ICT Industry by Metro Systems Corporation Plc.
Mr. Veeraphan Durongsang - Executive Director - President of Digital Solutions Group	GDPR Opportunity and Challenges for ICT Industry by Metro Systems Corporation Plc.
Mrs. Nittaya Thanaviriyakul - Executive Director	THSI Exclusive Coaching 2019 by the Stock Exchange of Thailand (SET)



<p>- President of Accounting Finance and Administration</p> <p>- President of Corporate Affairs Group</p>	<p>Cybersecurity and Personal Data Protection: Get Ready for New Business Standards</p> <p>by the Stock Exchange of Thailand (SET)</p>
	<p>TFRS 16 by the Stock Exchange of Thailand (SET)</p>
	<p>GDPR Opportunity and Challenges for ICT Industry</p> <p>by Metro Systems Corporation Plc.</p>
	<p>Auditors' Challenges towards AI and Block chain Technology</p> <p>by the Federation of Accounting Professions</p>
	<p>Strategic Thinking and Planning (Observer)</p> <p>by iPlus Learning & Consultative Co., Ltd.</p>
	<p>Preparation for Accounting, Audit, and Lease Agreement</p> <p>by the Department of Business Development</p>
	<p>TLCA CFO Professional Development Program (TLCA CFO CPD) 2019</p> <p>by the Thai Listed Companies Association</p>
	<p>SEC Policies towards Stock Exchange Development and Support for Listed Companies</p> <p>by the Thai Listed Companies Association</p>
	<p>TLCA CFO Professional Development Program (TLCA CFO CPD) (No. 2/2019)</p> <p>by the Thai Listed Companies Association</p>
	<p>Continuous Auditing</p> <p>by the Federation of Accounting Professions</p>
	<p>TLCA CFO Professional Development Program (TLCA CFO CPD)</p> <p>by the Thai Listed Companies Association</p>
	<p>COSO ERM 2017 Enterprise Risk Management Integrating with Strategy and Performance</p> <p>by the Federation of Accounting Professions</p>
	<p>TFRS and Financial Market</p> <p>by Federation of Accounting Professions</p>
	<p>e-Tax Invoice & e-Receipt</p> <p>by the Department of Revenue</p>



<p>Mr. Suradet Lertthammajak</p> <p>- President of Solutions Integration Group</p>	7 Habits of Highly Efficient Person by Metro Systems Corporation Plc.
	GDPR Opportunity and Challenges for ICT Industry by Metro Systems Corporation Plc.
	Board Matters and Trends (BMT) Class 8 (8/2019) by the Thai Institute of Directors (IOD)
	Strategic Planning & Strategic Mapping Training by Metro Systems Corporation Plc.
<p>Miss Theeraporn Lertthamajak</p> <p>- Vice President of Solutions Integration Group</p>	Design Thinking by Metro Systems Corporation Plc.
	ERP and Related Solutions by Metro Systems Corporation Plc.
	GDPR Opportunity and Challenges for ICT Industry by Metro Systems Corporation Plc.
	Strategic Thinking and Planning by iPlus Learning & Consultative Co., Ltd.
	Strategic Planning & Strategic Mapping Training by Metro Systems Corporation Plc.
<p>Mr. Chaiwat Likhitchanyakul</p> <p>- Vice President of Solutions Integration Group</p>	GDPR Opportunity and Challenges for ICT Industry by Metro Systems Corporation Plc.
	Understanding Accounting, Tax, and Analysis for Business Decision by the Faculty of Commerce and Accountancy, Chulalongkorn University
<p>Mr. Somsak Manayingcharoen</p> <p>- Vice President of Solutions Integration Group</p>	GDPR Opportunity and Challenges for ICT Industry by Metro Systems Corporation Plc.
<p>Mr. Pongpeera Chawalathawat</p> <p>- Vice President of Solutions Integration Group</p>	GDPR Opportunity and Challenges for ICT Industry by Metro Systems Corporation Plc.
	Director Accreditation Program(DAP) by the Thai Institute of Directors (IOD)
	Strategic Thinking and Planning by iPlus Learning & Consultative Co., Ltd.
	Strategic Planning & Strategic Mapping Training by Metro Systems Corporation Plc.



Miss Urai Suktrakul - Vice President of Solutions Integration Group	BlackLine Partner Training Subscription by Metro Infotech Co., Ltd.
	Corporate Innovation Summit 2019 by RISE Accelerator
Mr. Chirasak Trangkineenart - Vice President of Digital Solutions Group	GDPR Opportunity and Challenges for ICT Industry by Metro Systems Corporation Plc.
Miss Areerat Vitooraporn - Vice President of Digital Solutions Group	Microsoft PowerPoint 2016 Infographic Design (S.2) by Metro Systems Corporation Plc.
Mr. Aekachai Limprasert - Vice President of Digital Solutions Group	GDPR Opportunity and Challenges for ICT Industry by Metro Systems Corporation Plc.
Miss Prapavadee Orasanond - Vice President of Digital Printing Group	GDPR Opportunity and Challenges for ICT Industry by Metro Systems Corporation Plc.
Mrs. Vilai Kaewpongmongkol - Vice President of Digital Printing Group	GDPR Opportunity and Challenges for ICT Industry by Metro Systems Corporation Plc.
	Strategic Thinking and Planning by iPlus Learning & Consultative Co., Ltd.
Miss Saowalak Phaksuphan - Vice President of Accounting, Finance and Administration Group	TFRS 9 Sharing by the Federation of Accounting Professions
	GDPR Opportunity and Challenges for ICT Industry by Metro Systems Corporation Plc.
	TFRS 9 by Deloitte Touche Tohmatsu Jaiyos Co., Ltd.
Miss Samlee Noomsri - Vice President of People Group	Information Security ISO27001: 2013 by the Thailand Productivity Institute
	GDPR Opportunity and Challenges for ICT Industry by Metro Systems Corporation Plc.
Mrs. Saowakon Sirakidakorn - Vice President of People Group	THAILAND HR DAY by the Personnel Management Association of Thailand
	Unlock Your Creative Potential by James Taylor by M Academy
Miss Sumateta Jitsiripol - Vice President of Corporate Affairs Group - Secretary	THSI Coaching 2019 by the Stock Exchange of Thailand (SET)
	CG Report Writing by the Stock Exchange of Thailand (SET)



	Financial Plans for Retirement by UOB Asset Management Co., Ltd.
	Supply Chain Management Training: Beginner Level by the Stock Exchange of Thailand (SET)
	Strategic Thinking and Planning (Observer) by iPlus Learning & Consultative Co., Ltd.
	State of the Corporate Sustainability: Sector Perspective from 100 Reporting Organizations by the Thai Listed Companies Association
	TFRS 9 by Deloitte Touche Tohmatsu Jaiyos Co., Ltd.
	ONE Report by the Securities and Exchange Commission (SEC)
	TDPG 2.0: Building Trust with Data Protection by the Stock Exchange of Thailand (SET)
Mr. Warayuth Promsara - Accounting Supervisor	Effective Recruiting Interview by Metro Systems Corporation Plc.
	Financial Statement Analysis by Dharmniti Seminar and Training Co., Ltd.
	Strategic Thinking and Planning (Observer) by iPlus Learning & Consultative Co., Ltd.
	TFRS 15 and TFRS 16 by Rajamagala University Of Technology Krungthep (Bophit Phimuk Mahamek Campus)
	General Data Protection Regulation (GDPR) and Personal Data Protection Act, B.E. 2562 (2019)(Class 2) by Metro Systems Corporation Plc.
	TFRS 9 by Deloitte Touche Tohmatsu Jaiyos Co., Ltd.



Conflicts of Interest

The Company has placed a focus on its personnel not to seek personal gain. In order to avoid situations that could cause a conflict of interest with the interests of their own company, these are set out in the Corporate Governance Handbook on the roles, duties and responsibilities of the Boards. It has set clear guidelines and is beneficial for the Company and its shareholders as a whole. The stakeholders are not involved in the decision of conflict of interest and the Board of Directors also oversees compliance with the procedures performed and ensures the disclosure of transactions with potential conflicts of interest in the transaction is complete and accurate. If this may be the case and the transaction requires approval from the shareholders meeting, an approval should be sought under the laws and regulations of the Company.

Whistle Blowing

The Company had provided channels for complain filing and whistleblowing concerning illegal acts, violations, non-compliance with ethical principles, and behaviors that might lead to corruption in the organization as follows:

Complaint Process

Any person seeing an act suspected of violating good corporate governance, non-compliance with the code of conduct, incorrect financial reports, or defective internal control system would be allowed to submit an inquiry or a report to a responsible person, where procedures for complaint filing could be described as follows:

1. Fact Gathering

The complaint administrator or person responsible for handling of complaints would collect facts related to corruption, engagement of offensive cases, violation of good corporate governance principles, non-compliance with the code of ethics, disrespect of human rights, inaccurate financial reporting, or defective internal control system by himself.

2. Data Processing and Filtering

The complaint administrator or person responsible for handling of complaints would proceed with data processing and filtering to consider the most appropriate process and method in dealing with each complaint. The person would be allowed to directly proceed with data processing and filtering or assign such duties to the Investigation Committee on his behalf prior to proceeding with data filtering. The Investigation Committee would be appointed by Chief Executive Officer or the Board of Directors depending on situations as appropriate.

3. Investigation

In case where the complaint administrator had investigated the facts and found that an alleged person was truly guilty, in case of being an employee of the Company, it would be subject to disciplinary action in accordance with the regulations of the Company. However, in case of being an external person causing any type of damage to the Company, the Company would be allowed to proceed with prosecution against such person.



4. Reporting

The complaint administrator or person responsible for handling of complaints would be responsible for reporting of an investigation result to the employee in case where he was considered the whistleblower. In case where it was an important issue and caused a direct impact to the Company, it was suggested to report to the Top Management of the Company, the Audit Committee, or the Board of Directors, while seeking ways to seriously prevent the reoccurrence of the said case.

Measures for Protection of Complainant and Investigator

The complainant and investigator would be offered protection in accordance with the following criteria.

1) The complainant and investigator would be allowed not to reveal themselves in case when it was likely to cause insecurity or damage to themselves. However, in case when the complainant or investigator intended to be disclosed, it would facilitate the Company in reporting the progress of a case, giving clearer explanation of facts, and relieved damage more conveniently and quickly.

2) The Company would not disclose the name, surname, photo, or information of the complainant and investigator and would proceed with further investigation of facts and truthfulness accordingly.

3) The complaint administrator or person responsible for handling of complaints would be required to maintain confidentiality of the reported information and would disclose such information only when it was necessary with regard to safety and damage of the complainant and investigator, sources of facts, and other related parties.

4) In case when the complainant or investigator might consider that he would be unsafe or troubled by any possible damage, the complainant or investigator would be allowed to request the Company to apply appropriate protection measures to be considered by Chief Executive Officer or the Company might specify protection measures without request in case when it was considered a matter that was likely to cause damage or insecurity.

5) A person suffering any type of damage would be alleviated with appropriate and fair procedures approved by the Investigation Committee.

6) The complainant, investigator, or those not involving in the corruption or violation of business ethics would be offered protection provided by the Company and would not be regarded as a reason to reduce the position, terminate employment, proceed with punishment, give negative results, or take any actions deemed harmful to such person.

False Reporting

In case when the Company found that any whistleblowing or complaint with evidence to prove that it was involved in an act of dishonesty and intent to cause damage, in case of being an employee of the Company, he would be subject to disciplinary action in accordance with the regulations of the Company. However, in case when it was an external person causing the Company to be damaged, the Company would consider the legal action against such person accordingly.



Complaint Channels

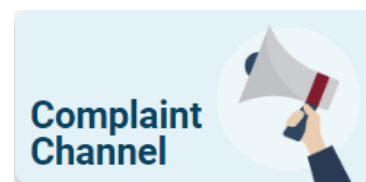
Any person seeing an act suspected of violating good corporate governance, disrespect of human rights, non-compliance with the code of conduct, incorrect financial reports, or defective internal control system would be allowed to submit an inquiry or a report to the following responsible persons.

- 1) Supervisor of certain business sections or departments of whistleblowers.
- 2) Internal control manager
- 3) Independent director
- 4) Audit Committee

In this regard, when intending to make a complaint in case of having any behavior or event that might be involved in the violation of the principles of good corporate governance, non-compliance with the Company's code of ethics, incorrect financial reports, or defective internal control system, a person would be allowed to notify responsible persons of the matter directly via the following channels.

- A) Postal mail : Addressed to Corporate Secretary
Metro Systems Corporation Public Company Limited
No. 400 Chalermprakiat Rama IX Road, Nong Bon sub-district, Prawet district, Bangkok 10250
- B) Telephone : 0-2089-4124
- C) Email : corporatesecretary@metrosystems.co.th
- D) Website : <https://ir.metrosystems.co.th/complaint-channel/>

However, the Company had developed effective management processes to fight against the violation of business ethics, while establishing prevention plans to be prepared for the occurrence of such case. The Company would test its complaint filing and whistleblowing notification system on the Company's website on a regular basis to ensure its accuracy and efficiency of operations. According to the recent testing, there was no abnormality occurred to those channels and nobody had reported any violation of business ethics.



Sustainability Report

Metro Systems Corporation Public Co., Ltd.





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Corporate Social Responsibility

Metro Systems Corporation Public Company Limited is a business organization and have its intention to conduct its business in accordance with the social responsibility framework and intends to continuously be involving in developing a social. The Company adheres to conduct its business on the good management and the customer supervision policies. The Company also an etiquette, a responsibility to a social, environment, and all involving parties, all of which are in accordance with the guideline set out by the Stock Exchange of Thailand. Such guideline covers 3 dimensions, which are the economic, social and development. Therefore, the Company set out its visions, missions, and strategies on the sustainability organization in order to move the growth of the Company to the targets set out as follow:

Vision

We will be a model organization for sustainability in business operation, coupled with economic, social and environment concerns.



Strategy

We will conduct our business within the policy framework of the social responsibility by enhance the engagement of the stakeholders in all sectors.



Mission

We are committed to be a sustainable company in the digital economy era as well as developing a learning society

Corporate Culture

Moral **E**xcellent **T**eamwork **R**espect and Trust **O**wnership

METRO Way is both the values and basic philosophy of Metro operations and becomes the corporate culture that we adhere to and use as a direction to lead to sustainable success.



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“The company is committed to conducting business with due regard for all stakeholders, encourage employees to participate in driving the organization towards sustainable progress and driving education in order to create a true learning society”

Mr. Pravit Chattalada

Chairman of Corporate Social Responsibility Committee

The overview of the Policy

The Company has set out the social responsibility process, whether the Company Social Responsibility in process (CSR in process) or the Company Social Responsibility after the process (CSR after process). This process is made by the movement of all policies in accordance with the criteria of the Stock Exchange of Thailand. The directors of the Company has the policies to conduct the business by taking into account of the responsibility to the social, environment and interesting parties by setting up the Social Responsibility Committee and the Working group of the social responsibility so that these two units will push policies to be success and efficient in accordance with the framework of the Company. The Company also the short targets in identify the essential issues of the Company and to find the solution to manage the sustainability of the Company. The Company also has the long targets to respond the Sustainable Development Goals of the United Nations (SDGs) then, the Company has set out the policy frameworks of the social responsibility as a guideline to proceed on as follow:



1) Corporate Governance

The Company conducts its business under the good governance code as disclosed to the public in the Company website and such code is in accordance with the same set out by the Stock Exchange of Thailand. Such code will be a guideline of the Board of Directors of the Company as the top responsibility leader of the



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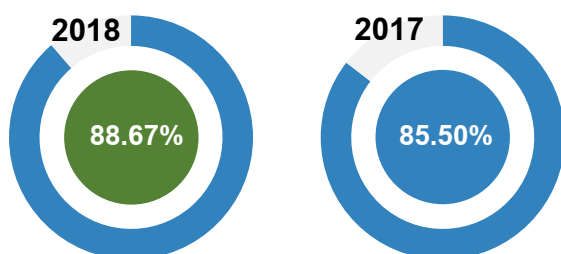


Company to apply with the supervision of the Company so that the Company will gain the good returning in its long run, will create not only its creditability to all interesting parties but also the sustainable value to the business. The Company established the transparency, fair, and efficient management of the Company. The Company ensure no intellectual property infringement, non-discrimination basing on the mis-business process. The Company has the legal tax practice, which are valid, completely, transparency, auditability and punctual payment per the legal timing. The Company intends to comply with all relevant laws and will not have any tax avoidance and the Company will have the tax management in accordance with the regulations of every countries that the Company involving.

In addition, the Company manage to have the punctually, and equally communication with the all investors and shareholders through several channel, which are easily and equally access, for example the company website. The Company will also create the opportunities for the shareholders, investors or any interesting parsons to visit the site of the Company and make any queries also visit a technology demonstration center within the Company in order to have the technology updates.

2) Fair Business Operation

The Company have its operation towards a counter party, or a creditor on the fair and good faith basis along with the intension to jointly conducting the businesses. The Company set out the quantity target of the satisfaction of the customers towards the image of the Company not less 80 percent, whereby the evaluation of the products and services of the Company will be made to compare the results with the target set out by the Company. Such results will be used to develop and adjust the products and services of the Company so that the Company can gain much higher satisfaction of the customers. On 2018, the Company has prepared the survey of satisfaction of the overview of the Company and the Company has received the total score 88.67 percent, which is 3.17 percent higher than the score of the year 2560 (the score of 2560 is 85.50 percent). This score results from the customer satisfaction survey of the top 30 purchasing customers in each business group.



The Company set up the procurement policy as the working framework. When purchasing and making the import of the goods to sell to the customers, the Company emphasize the important of the procurement policy, whether the procurement will have the goods with the high quality and such goods will be solely from the

owner or the distributor of the product so that it is ensure the Company will receive the legal valid goods and not being the intellectual property infringement and create the fair in doing business with the customer, the counter party. All interesting parties will strictly comply with such policy. This will ensure all interesting



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parties the Company will treat all customers, counterparties, equally, per the fair and transparency distribution basis in accordance with the business etiquette and the etiquette of the counterparty.

In addition, the Company will focus on the important on the standard of goods and services, whereby having the marketing policy and the presentation of the products and services with the social responsibility, such as the present of the products with the good quality and good standard, the warranty of the product from the owner of the products, the service with the good the good standard with the product representations and warranties. The confidential information of the customers will be protected in accordance with the Personal Information Protection Act, 2020 and the General Data Protection Regulation (GDPR) of the European Union.

3) Anti-Corruption

The Company recognizes the important of the anti-corruption so that the conduction of the business of the Company will be per the policy of the good governance and the good business etiquette. The Company then set up the policy as to the anti-corruption with the intention to create the organization culture of the anti-corruption as to the public and private businesses conducting in all respects. All directors, executive, and staffs of the Company will assist the Company to anti- corruption directly or in directly. The Company has opened the channel for the information of any complains and leads of corruption of the personnel of the Company on the Company website so as to protect and control corruption. The Company also joins the anti-corruption activities annually as the participant of the Anti-corruption network with the privates sectors to show force jointly to decline for the corruption and the public information of the national anti-corruption day so that the staff of the Company will join such activities and recognize the important of such day.

The Company has been approved to be a party of the Collective Action Coalition against corruption (CAC) since 2016. This year, the Company applied to renew of being the party of the CAC for the second time and the Company has been approved for being such party on February 4, 2020. In addition, the Company increased the anti-corruption policy towards the counterparty in the demand chain of the business conducting of the Company. The Company also join as a party to exchange with the counterparty about the information as to the practice of the Company so as to raise the potential in the organization level to the national level by providing assistant to anti-corruption. The assistant may be made by sending the letter informing the business operation to the counterparty in order to request from the counterparty the jointly operation within the business etiquette, which it will create the sustainable growth and encourage all counterparties to join as a party to anti-corruption in all forms whatsoever.





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4) Respectful of Human Rights

The Company recognizes the important of the respect of the human rights, which is the fundamental rights on the basis of equally and non-discrimination. The Company supports and respects the protection of the human rights on the basis of the human dignity of all interesting parties, taking into account of social, community as well as counterparties, customers, staffs. These will prevent of the breach of the human rights and the Company will give important of the providing the equal rights from the interview for recruitment of the new staffs till the retirement of the staffs. This year the Company has set up the policy as to the human rights and disclose in the intranet of the Company and the Company also set up the internal event to distribute the knowledge of the respect of the human rights and avoid the chances of the breach of the human rights. The Company has opened the channel for the complaint on the company website for any acts as to the breach of the human rights. These actions will be the protection of the human rights per the sustainable development and encourage everyone to jointly move the growth of the Company sustainable in the long run.

5) Equitable Treatment of Labor

The Board of directors has appointed the Welfare Committee to open the chance for the staff to jointly consult about the issues of the welfare, other interests, or changes in the regulations of the Company, which may have as effect on the staff. The compensation for the staff will be per their actual performance. The evaluation will be usually made in the fair, transparency manner and in accordance with the clear regulation. The results of the evaluation will also be continuously used to develop the potential of the staff by regularly arranging the training of the knowledge for the staff, whether for the operating staff level or the supervisor level. This intend to create the confident of the staff in their career path. The Company also stipulates the regulation on the recruitment and payment of the compensation for the staff in order to show that the Company has nondiscrimination practice and provide the opportunities equally to everyone, whether the handicap or other others who have disadvantages. This regulation process will also have the benefit to motivate all others potential personnel to join the Company and to preserve the existing potential staff of the Company to remain working with the Company in the long run. The Company also set up the measure to terminate the hire of a staff and clearly stipulated such termination provisions in the staff regulations in order to show the Company has the fair practice to take care its staff. The Company in addition arrange the activities and several other projects to develop safety, health and hygiene of the staff in the working environment so to decrease the chances the staff will be unhealthy or ill or having accident due to such working environment.





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6) The Responsibility to the Consumers

The Company intends to create the satisfaction and confident of the customers, who received the products and services, whether it will be the pre-sale of after-sale services. The Company selects the resources, which is friendly to the environment, to deliver the products and services to the customer, taking into account of its responsibility to the customers. The Company has also kept the good, fair, and good faith relationship with the consumers.



7) Environment Protection

The Company recognizes that the conduct of a business will have the effect, directly or indirectly, to all interesting parties with respect to the environment issues. Therefore, the Company will intend to push and support several actions having the effects on the environment as less as possible. The Company has set up the measure as to the health, hygiene and safety in working for every staff in the organization. This will be done by the Company set up the Socially Responsible Committee to have the duty to work in accordance of the socially responsible policy of the Company. Such policy and actions include the management and protection of the environment. The Company issues the campaign for encourage all staff in the organization to strictly comply with the environment policy of the Company. This campaign will be a guideline of the practice and the contribution of the sense of the staff to efficiency use the resources as much as possible and appropriate save the such resources. With respect to the health, hygiene, and safety issues, the Company creates the conscious to provide the knowledge and to communicate to the staff as well as those working under the supervision on the Company. The Company continuously arranged the training curriculum about the environment, health, hygiene and safety for the staff of the Company so that all staff aware of the important of and raising the knowledge level and support the practice to be in accordance with the environment policy of the Company.

In addition, relating to the printing machine business, which the Company is a distributor, the Company has focuses on and selected the machine being the environment friendly. Such printer is a machine having the ability to preserve the environment with the technology has no dust, heatless, smokeless, and odorless. This ability will help the customer to reduce the maintenance costs, electricity costs, and toner costs. The Company also process on several actions as to the development and preservation of the environment per the target of the Sustainable Development Goals-(SDGs), in the topic; "Affordable and Clean Energy". Such actions of the Company will support the reliable, sustainable and up-to-date energy which everyone can have access, such as the campaign of the saving and reducing of the use of energy, using the sunlight electricity, changing the light tube to be the LED tube with the higher saving energy ability, reducing the quantity of the usage of the paper, recycling of the resources, using the products being friendly with the environment, management of the waste by sorting out the

7 AFFORDABLE AND CLEAN ENERGY





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garbage before throwing it away, using the bicycle instead of a car, regularly adjust the environment and landscape, all of which will be made in accordance with the environment and energy preservation policy set up by the Company.

8) Community and Society Development

The Company supported and contributed the social development activity and community as appropriate and encourage the staff to regularly participate in the development of the society and community and educate several technology knowledge to the students, teachers from the surrounding school and to the interesting persons. The technology demonstration center of the Company still opened for educational visiting guided by the trained expertise. The Company has made the survey of the effect of the operation of the Company on the present or those to be occurred in the future so that the Company can follow up such effect on the social and community for solving or prevent any problems that may arise. Nevertheless, no effects of the operation of the Company on the surrounding social and community have been found. The Company still focus on the important of continuously taking care of the society and community by set up the quantitative target relating to the assistant to the society not less than 80 percent of the society contacting the Company seeking for an assistant through several project of the Company, such as the genius study room project, which is the project educating the computer knowledge to the students and teachers in the surrounding area, Donation activities of the old calendar for reproduce as the braille document for a blind person, the child day activities, Donation activities of things to the people in the surrounding area and the blood donation activities at the Siriraj Hospital for example. The donation and support will be per the criteria as set out by the regulation of the Company.

Set up the quantitative target
relating to the assistant to
the society

↑ 80%

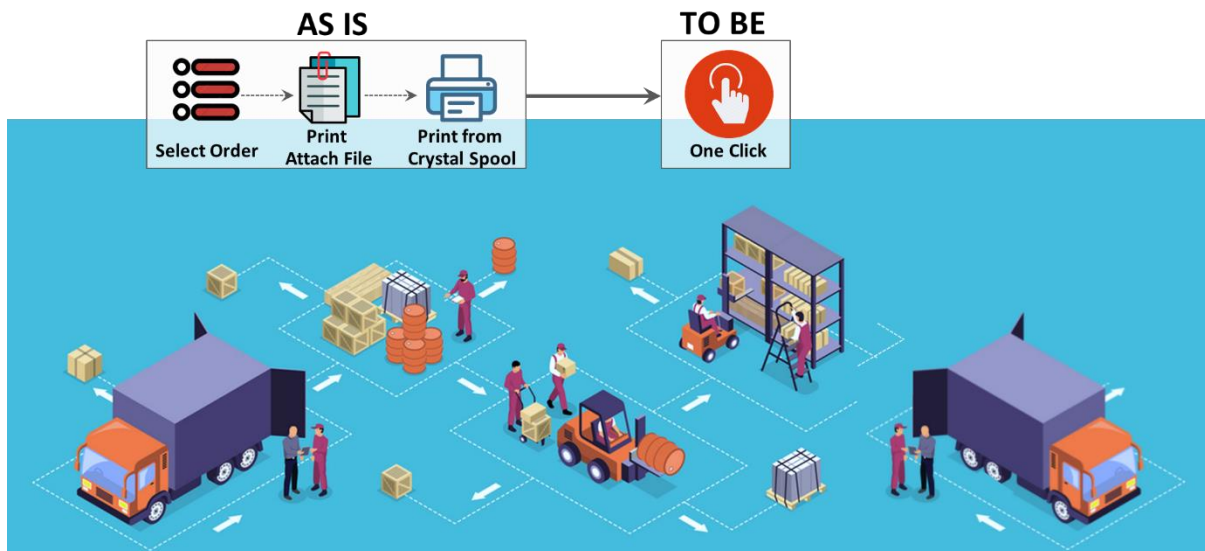


9) Creation and Distribution of the Innovation

The Company encourages the staff to regularly create and develop the new innovation relating to the business of the Company in order to develop, and further technology innovation of the Company. This has the objective to create benefit or social value and/or environment such as the development the document approval process by reducing the steps of works in order to reach the much more efficient works and reducing the paper works and the reducing the paper following up, the paper usage, saving working time or develop the RPA; - Robotic Process Automation system, which reduces the step of working process and results to the much efficient work in the shorten time and cause the staff to have much additional time to create the new work to achieve the social responsibility target so that it will move the organization to growth sustainability.



Innovation : Invoice Printing Process



The Operation process and the Report Preparation

The Report Preparation Process

The Company prepared and reported the operation process with respect to the social responsibility in order to show the results of the operation of Metro System Corporation Public Company Limited for 2019, commencing from January 1, 2019 to December 31, 2019, all of which relates to the management of the sustainability relating also to the issues of the economic, social, and environment. This management has been made by the Social Responsibility working group, which has a duty to mobilize the policies and set up the relating activities and making the report to the Social Responsibility Committee for screening the policies, activities, working plans, and the annual budget and present it all to the board of directors of the Company as regularly annually shown in the annual information form 56-1 and 56-2 and in the website of the company as required by the regulation of the Stock Exchange of Thailand, which focus on the details of all substances for the benefit of all investors, customers, counterparties, shareholders, interested parties so that all such persons could consider all angles of the conducting of businesses of the Company and conducts the business along with the social responsibility as described in the regulations of the Company. The essential substances contemplated and incorporated in this report are:



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The Company has identified the important issues in this report as follows:

The step 1; Identify the important issues

Identifying of the important issue having the effect with the sustainability of the Company and covering several dimensions of economics, social and environment, whether in or outside the organization and considers risks and businesses opportunities of the Company. Data and information will be collected from all departments and units of the Company having the responsibility of that particular issue.

The step 2; Arranging of the Issues per its Priorities

Arranging and ordering the issues of the sustainable issue, and set up the relevant strategy and the short term and long term target and evaluate its priorities of such issues effecting on the business conducting of the Company, whether on the social economic or the environment and considers the level of approval of the authorized person by using Materiality Matrix as assisted, advised, and suggested by the Stock Exchange of Thailand.



The Step 3; Preparation of the Working plan and Delegates the Responsible Department

Collection of the evaluation results, important issues, and describe the linking points between each issues in order to prepare the important issues summary and analyze the methodology in managing of each issue and delegates the responsible department in each of such works and present the all reports to the executive committee to approve in the important and relevant sustainable issues and in the scope and substances of the report.



The Step 4; The Following up and the Evaluation

Reconsidering the results of the evaluation, the important issues including the following up, controlling and supervising of the work done regularly so that the sustainable strategy of the Company can be achieved.



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Quality Control of the Preparation of the Report

The preparation of the report has been reviewed and rechecked the correctness of the substances before distribution. The mean of the information collection will be per the plan as set out by the joint meeting of responsible department so delegated and the interested persons, directly or indirectly in order to analyze, set up the issue and collect the quantitative and quality issues. These information collections will ensure the report covers all dimensions of the sustainability issues of the company.



Contact

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The Operations

The Company conducts the operation process per the social responsibility policy (CSR in process) of the Company in several issues on the fair basis in order to protecting the corruption, respecting of the rights of the interested parties, and taking into account of the environment of the Company. The Company evaluates the risks, stipulates the practice methodology, reviewing of the results of the operation and making the regularly contacting with the staff on the regularly basis. The Company also reconsiders the environment policy so that the policy is up to date, The Company supports and makes the campaign for the staff recognizing the important of the social responsibility and participating with the social in several activities set up by the Company. In this regard, the Company has opened the channel of notification of the social responsibility activities in the intranet of the Company and process on the mobilize the Company to the sustainability as follow.

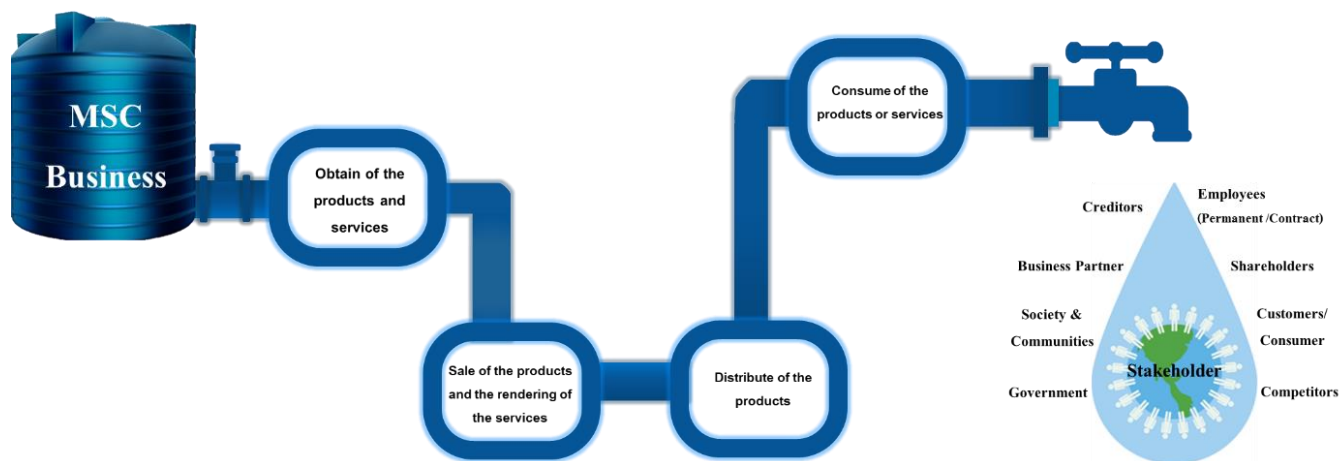
The Management of Supply Chain

The Company aware of and focus on the important of the sustainable management of the supply chain by emphasize on the important of the interested parties in all segments, which will be the important part to rapidly mobilize the Company. In order to make such mobilize and, the Company will grow in the long run, the policy, target, and strategy are set up in accordance with the sustainability target taking into account of the target in the source till the end of the water. It will begin with the search for the products and raw material, till the process of the products delivery to the customers. Therefore, in order that the Company has the ability in the manage the growth of the business sustainable, the Company has set up the demand-supply chain within the Company to reflect the satisfaction of the customers in accordance with the following steps:




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Participation with the stakeholders

The Company has set up the strategy, mission, policy, and management guideline as to the stakeholders. The information obtained from participation with the stakeholders will be used to lay down the policy as to such participation with the stakeholders being appropriated with the needs, expectation, concerning of the stakeholders. The Company also stipulated the index for the continuously follow up of the results of the operations of the Company so that the Company will have the good management system, the transparency working operation being able for supervision. The Company respects the equality in rights of the shareholders and have the responsibility to the interested parties. The relevant department have the liability to continuously make the direct report to executives of the Company, The Social Responsibility Committee and the Board of Directors as follow:



Stakeholders	Expectations	Participations and Means of Communications
1. The Shareholders and Co-investors 	<ul style="list-style-type: none"> - The good turn over - Dividend payment - Good Governance and risks management - Complete valid information, and being on time for making decision and transparent, Information disclosure, - Having the good strategy in conducting a business. 	<ul style="list-style-type: none"> - Annual General Meeting - Annual Information Form - Company website - Set up the investor meeting day event - News distributed to mass media for distribution to the publics - Company visits - Telephone/ email



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Stakeholders	Expectations	Participations and Means of Communications
2. Employees	<ul style="list-style-type: none"> - Good compensation and welfare - Stability in career path - Progress in career path - Improvement and development of the potential of the staff - Equally and non-discrimination treatment 	<ul style="list-style-type: none"> - Email, intranet media, announcement on the computer screen, building TV, land line within building telephone, company website, slack program - Comments of staff towards the Company - Set up of the training course as to the working relating knowledge to the staff - Meeting of the Welfare committee - Two-way evaluation
3. Customers, Consumers	 <ul style="list-style-type: none"> - Received the good quality and standard products - Punctual delivery of products and services rendering - Ensure of the Customer important information protection - Compliance with the terms and conditions of the contract - Sale presentations of the products in accordance with the trend of the current technology 	<ul style="list-style-type: none"> - Email/ telephone/ company website - Customer satisfactory survey - Set up of several seminar events - Channel of complaint to the Company



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Stakeholders	Expectations	Participations and Means of Communications
4. Counterparties, business partners	<ul style="list-style-type: none"> - Fair and transparency of the procurement and hire - Complete and punctual payment - Long terms business relationship - Having the standard for conducting of the business - Compliance with the terms of the contracts - Receipt of the complete and valid information - The sustainable growth of all the Company and counterparty and business partners 	<ul style="list-style-type: none"> - Correspondences - Code of conduct for supplier - Survey of the customers satisfaction towards the business counter parties - Company visit of the office of the business counterparties 
5. Social and Communities	 <ul style="list-style-type: none"> - Receipt of assistant and support all needs - Participation of the development of the social and communities - Receipt of the chances in working with the Company. - Encourage the awareness with respect to the responsibility with the social 	<ul style="list-style-type: none"> - Community website - Jointly set up of events - Arrange of the training for giving the knowledge to university or school - Opportunities for the company visiting - Survey of the needs of the communities
6. Government Sectors	<ul style="list-style-type: none"> - Giving the assistant and support in several ways - Completely tax and fee payments as required by laws - Compliance with laws and the relevant agreements 	<ul style="list-style-type: none"> - Company website - Email 



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Stakeholders	Expectations	Participations and Means of Communications
7. Competitors	<ul style="list-style-type: none"> - Fair competition - No intellectual infringement - Wish to be the business partners with the Company 	<ul style="list-style-type: none"> - Company website - Code of conduct
8. Creditors 	<ul style="list-style-type: none"> - Payments of interest and debt in accordance with terms of the contracts - Cash discount from payments of goods 	<ul style="list-style-type: none"> - Letters - Email - Telephone - Meeting

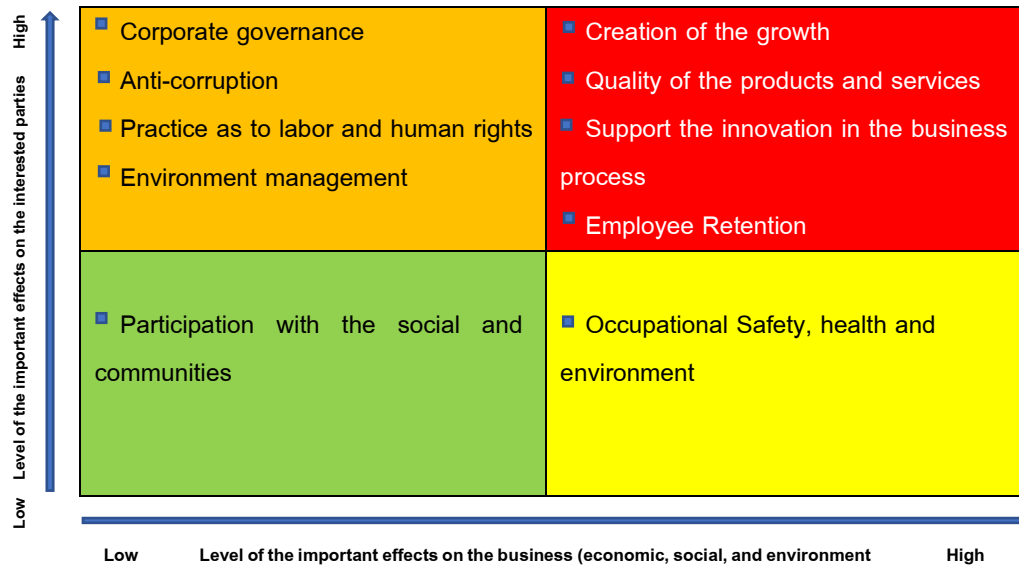
Identification of the Important Issues as to the Sustainability

The Company has the process to identify the important issues of business by considering of the comments, and support information from all the relating interested parties, that may effect on the sustainability issue of the organization, whether in the economic, social and environment. Identification of such important issues used the internal information from the meeting of the responsible parties of such important issues relating to the sustainability and strategy of the organization. The Company also has the risks management, which the Company required both in the long term and the short term in order to meet the target set out. Outside information from the meeting with the responsible parties in several responsibility lines having the participation with the interested parties is used in order to recognize the factors having effects on the decision of each interested parties' group. The outside information has been learned by the Company by making the survey of the comments, collection of appropriate information of each group. Such important issues have been approved from the Social Responsibility Committee by arrange its priorities in the matrix having horizontal-axis showing the important level effects on the businesses (economic, social and environment) and having the vertical axis showing the important effects on the interested parties as follow:



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Cyber Security and Safety and the Safety of the Personal cyber Information

The Company set up the policy as to the safety and security on the information technology so that the Company will have its own appropriate and efficient technology being able to continuously conducting of the business and to protect any problems that may arise from the misuse of technology as well as from any threats. The policy covers the protection of the personal information of the customers, notification to the customers prior to the collection of information of the customers and the scope of the use of the personal information of the customers. The measure is set up by the Company to notify the customers as to the guideline to collect the information and to protect such personal information collected in several ways and set up the practice to secure the information and information technology system, which is in accordance with the policy of the Company. Such guideline will be used by the staff as the guideline to operate, the information technology Department will be responsible directly to operate in taking care about the security of the information technology.



In this year, the Company has arranged the training curriculum in the topic as to "The Awareness of the Staff as to the Security of the Information Technology" and in the topic as to "General Data Protection Regulation (GDPR) and the topic as to "the Personal Information Protection Act 2019. This intend to protect the staff from mis use of the personal information and reduce the relating risks that may arise.

Internal Innovation within the Organization

The Board of Directors and top managements of the Company have the policy to encourage the discovery of the innovation within the organization by arranging the competition to search for the new business as to the development the up-to-date system or steps of works per the scope of the project; "Metro Brain-Based Challenge". The decision criteria is the possibility in increasing the business opportunities, growth



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potential of the market, whether in terms of numbers and value, the usefulness and the outstanding of the innovation, the worthiness of investments, value of costs, period of the payback time so that such innovation will create the value to the social efficiently, and have the performance in the effective level and in the acceptable level and such innovation will be advantage to the overall of the Company, encourage the competition ability of the staff and mobilize the organization to be the leader in the business in the future.



Metro Brain-Based Challenge Project

Consuming of the Resources Efficiently

The Board of Directors of the Company has appointed the Social Responsibility Committee to have a duty supervising control and proceed on with respect to the social responsibility of the Company by having the social responsibility working group to prepare the working plan per the project, which has been approved from the Social Responsibility Committee, and also has the duty to implement such plan. This will have the short-term target to reducing the consuming of the resources not less than 1 percent from the previous year and also have the long-term target to re-use the water within the organization with the highest efficient as much as possible. The Company also focus on the important of regularly using the resources so the Company has set up the target of consuming the resources and set up the internal event within the organization in order to encourage everyone in the organization participation in using the resources efficiently as follow:



- Consuming of electricity / energy efficiently

The Company has set the target to reduce the cost of using electricity to be not less than 1 percent in every year by considering from the installation of the solar cell on the roof and on the parking building in order to save the electricity energy and build the environment friendly image. The Company has arranged the campaign for the staff to jointly save the using of the energy through several channel, beginning with changing their own behavior, such as turn off the light, when it is not needed, pull off the electricity plug every time after completely using the electric appliances. This campaign results to reducing in the costs in 2019, from the year, 2015 (the base year) for the 36 percent and reduce the cost from 2018 for 3.34 percent and reduce the consuming quantity of the carbon dioxide for 393,784.87 carbon dioxide kilograms per year and reduce the energy using for 701,933.81 kilowatt hour per year. The Company has also set up the target to reduce the

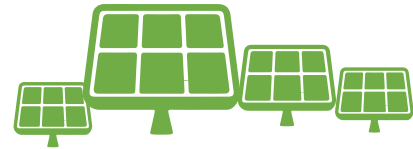


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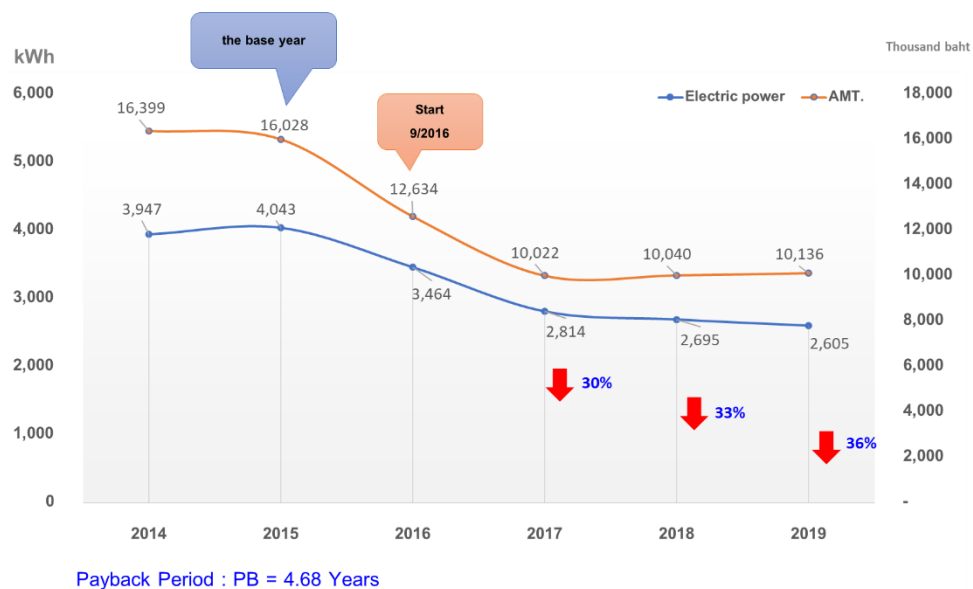
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quantity of releasing of the greenhouse gas in the next year to be not less than 1 percent comparing to 2019. The Company provides the advantages to the social by providing the information and the new chances for the new interesting parties to visit the solar electricity production of the Company as well as giving advices as to the operation and benefits to be received. This action may encourage other company to apply the using of such system with their own organization and it may assist such company to conduct the business sustainability.



Comparing of the Electricity Costs in each Year



Consuming of Water Efficiently

Since the Company is in the business of being the sale distributor, the business of the Company does not require consuming the high volume of water mainly in the office of the Company. As a result thereof, the costs of using water of the Company is not in the large sum. The Company then set the target in reducing the consuming of the water resources within the organization to be not less than 1 percent of the previous year. Nevertheless, taking into account of the information of the water usage collected by the Company, the numbers unit of the water usage in 2019 reduces from 2018 for 6,71 percent, The Company, however, has the campaign for the water saving within the organization by making the public relation to the staff to acknowledge and comply with through the METRO Green Clean Office Project. This campaign is done by encouraging the employees to turn off the water when it is not needed and to use the water in the most efficient way as much as possible.

The numbers unit of the water usage in 2019 reduces from 2018

↓6.71%



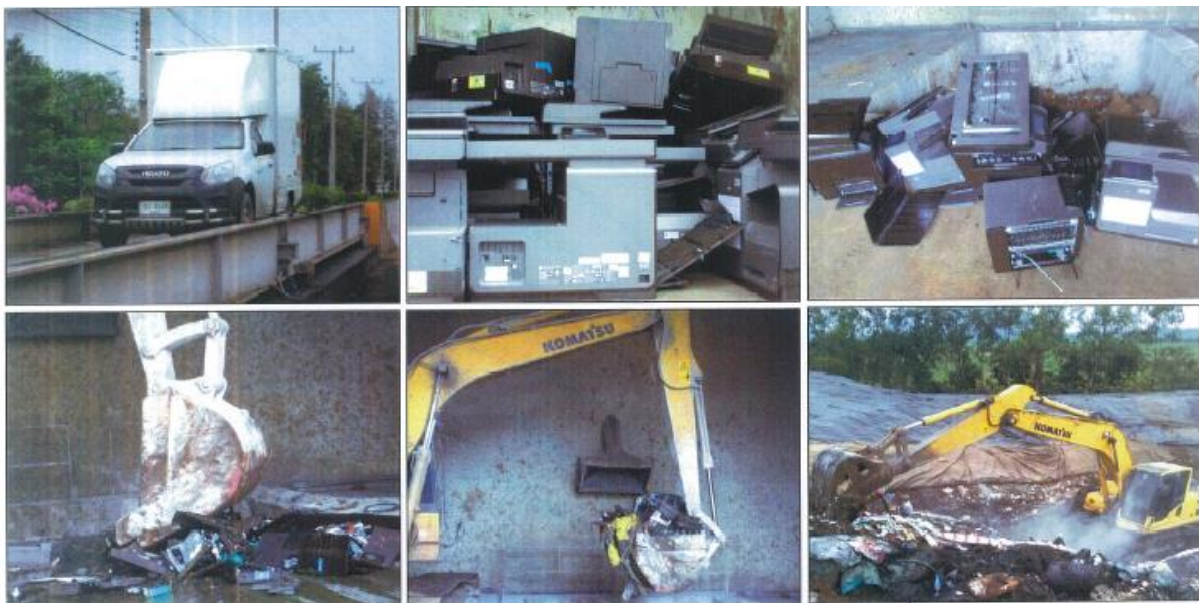
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- Reducing of the waste material from the business Process

The Company aware of the customers, counterparties due to being an interested person and being a part of the supply-demand chain by opening the chances for the customers, counterparties and the outsiders to visit the demonstration printing technology center and “PRINTSERV – Digital Printing Service Center”, which is the new up-to-date and full cycle printing services of the Company, as the Company is one of the largest information technology companies in Thailand. The Company also use the environment friendly technology and it help the Company and the organization of the customer to save and reduce the cost in printing. The Company, then, has a process in eliminating the toner by delivering the toner back to the Hewlett-Packard (Thailand) Company Limited in the number of 857 units for any other benefit. The Company has the process to eliminate the factory toxic waste of the production process by taking the not used electronic appliances back to the treatment and elimination process in the amount of 0.39 ton at Factory toxic waste services center (Sam Dam), Bangkok. The process is processed by the stabilization or ingot and safely bury it. Such process is also approved by General Environmental Conservation Public Company Limited.



Process to eliminate the factory toxic waste of the production process

The Company has a guideline to sort the garbage in accordance with the principle of; 3R: Reduce Reuse Recycle, by reducing the use of the toilet paper and use the automatic hand dryer instead and distribute the cloth bag instead of using the plastic bag and taking foliage and toilet paper into making the composting fertilizer for using within the organization, The Company make a campaign to encourage the staff to aware of



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the important of the correctly sorting the garbage before dumping it. This year the Company arranged the project; METRO Green Clean Office, which is the activity for a competition of the staff to sort the garbage in the trash can. This activity has the objective that the sorting of garbage is 100 percent correct and reduce the pollution from the business process, which may arise in the Company. The garbage, which has been sorted out correctly, will be used by the Company for the making of the fertilization from the discarded food digestion machine. The target of the organization to reduce the garbage is set up at least the 100 kilograms from the previous year. The results of such garbage sorting show that the volume of the garbage reduces from 2018 in the amount of 356.95 kilograms.

The Hygiene and Safety of the Working Environment

The Company focus on encouraging the staff to aware and to understand the culture of the organization by requires the new staff to have the orientation per the quality management system ISO9001:2015 and receive the primary legal training in order to understand how to behave at the time of commencing works by adhering to the etiquette and moral principal as the important basis in operating of business of the Company per the requirement of the working regulation of the staff. The Company arranged several training courses to develop and to increase the efficient of the new staff in order to have the chance of further progressing in the career path per each relevant capability. The Company give the METRO Way Award to the staff having the working behavior in accordance with "METRO Way". As the award of the good behavior per the culture of the organization.



METRO Way role model award

In addition to the training as to their relevant working duty, the Company still aware of the health and hygiene and safety in the working environment of the staff by arranging the project encouraging the staff to aware and able to handle the risks of the working environment. Measurement and evaluation of the working environment by developing the working environment so that the office place is always the up-to-date and convenience and safety working environment and the same will also be suitable for working, such as using the light bulb protecting an eye sight, set the timer to open and turn off the air conditioner in the office to have the cooling room suitable temperature, install the air-purifier to eliminate the contaminants in the air, which will be the source of the un-healthiness removes the printing machine from the office room to prevent the dust in the air and arrange the entertain activities for recreation and release of the stress of the staff and create the unity among the staff.



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The Company concerns the healthiness of the staff by always arranging the annual health checking for the staff. The Company also educate the staff of how to take care their own healthiness. The Company still set up the project to check for the cervical cancer, and breast cancer for the female staff of the Company as the female will be more convenience than directly contacting for checking at the hospital. This year, Thailand has the serious and poor air quality after its quality air index show the PM. 2.5 in Bangkok and its suburb is in the level continuously exceed the standard. The Company aware of the dangerous and then arranging to distribute the N-95 clinical mask to all staff to prevent the PM 2.5 dust. The Company also make the campaign for the staff to pay their attention to their own healthiness and hygiene both in and outside working hours in order to protect their own from illness, such as the 2019 corona virus, which is seriously widespread in the present.

In this year, the Company has given much more attention to the healthiness of the staff to prevent the problem of the office syndrome arising from the unsuitable working environment, especially sitting for a long period without any movements or changes of the posture. This reason will cause a myositis and have pains and aches in organs of the body. This syndrome occurs with most of the people. As the office syndrome can lead to the serious illness having the effect to a life activities and reduce the qualities of life, the Company ten arrange to have the exercise for healthiness by setting up the exercise activities club in order to encourage the staff to regularly exercise and taking care of their own health and have several options in exercise per their own interesting, such as the football club, badminton club, yoga club, aerobic club. The inter organization football competition has been arranged by the football club and the money received from the competition and all needs things will be collected to make the donation at Wat Phrabatnampu. Besides the sport club, the Company arranged the outdoor sport field for playing football, basketball, badminton, and knock-board and a



Medical Check



Check for the breast and cervical cancer program



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sport club building with several facilities for the staff to use out of the working time as their deems to be appropriate, such as the fitness room, table tennis room, a salted water swimming pool, a sauna room etc.



In addition, the Company has arranged for the practicing of the emergency fire drill as the guideline for the staff to recognize the protection method, if such emergency events arise. Such drill is set up per the requirements of the announcement of the Ministry of Interior, re: “The protection and suppress the fire in the establishment”. This is done for the safety in working of the employee and the employer will arrange to have such drill at least once a year. The Company has appointed BP Fire Guard and Services Company Limited to have a duty to arrange for such drill. The Company also appointed SAFETECH Company Limited to regularly arrange for the training and knowledge to the staff as to the health and hygiene and working environment every year. This will create the awareness of the new and existing staff about the occupational, safety and environment so that all staff can apply such knowledge with the working in the office efficiently and it will also





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be the protection as the reducing of the risks from the illness and injuries in the office and in every days life of each staff.

On 2019, the Company has set the target that such events will not occur for more than 2 percent and the rate the staff will take a leave due to such illness and injuries will be not more than 0 percent.

Take a leave due to such injuries 0%

Take a leave due to such illness 0%

Participating with the Social and Communities

The Company conducts several social activities focusing on the important of the social and community's development and the Company aware that such development is needed to be handled together with the conducting of the business. Then, the Company has a policy to support the activity and project as to the education and communication and encourages the staff to have such awareness and participation in such activities and projects. On this year, the Company arranged to have the MSC Job Fair in order to have the opportunities for the students and their alumni to have a working directly matching with their potential. This fair is set up at Chulalongkorn University, Thammasart University (Rang Sit). The Company still set up the MSC University Network activities at Bangkok University, Burapha University (Chonburi), and Thai-Nichi Institute of Technology to making the knowledge distribution as to technology to the students by the expertise and specialize lecturer of the Company. This fair will increase the opportunities for the students to have the access to digital, enhance of their knowledge, understanding, skill and direct experiences to the student and it will assist to develop the quality of the people in the society and create the good quality IT personnel to the social and to the country.



MSC University Network



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Business Operation affecting on CSR

The Company conducts the business as to the social responsibility without any legal violations relating thereof, such as the good governance, the fair business practice, anti-corruption, respectful of the human rights, fair practice to the labor, responsibility to the consumers, taking care of the environment, joint development of the social and community, creation of the innovation and distribution of such innovation. These activities have no negative effects with any of the social, environment or any other interested parties.

Activities for the benefit of the Social and Environment (CSR after process)

The activity proceeded in addition to the normal business operation of the Company. The Company supports and encourages all staff to continuously do all good things and provide any assistants to the social and communities and the Company still focuses on the development of the potential of the child and the youth efficiently.

(1) Corporate Governance

The Company adhere with the policy of the corporate governance and compliance with all relating laws, rules and regulations as well as all requirements to practice of the directors of the registered company and the rules of being the company having the good governance per the guideline given by the Stock Exchange of Thailand (SET). The Company also participate in the events set up by the SET and the Company also set up several activities for the staff to participate with the assistance to the social and community, support the social activities of the Company and participate in the public benefit activities per the appropriate chances and this is per the etiquette of the staff.

(2) Education

The Company set up the training for the creation of the teaching material by the Microsoft Excel program for the teacher and personal of Surao Charake Khop School on May 11 and 14, 2019. This training has the objective to integrate the knowledge, skill, and capability of all related teachers and personal to apply such training with the creation of the teaching material and design the learning activities in order to open the vision on the information technology for the students and the project to create the good relationship with several universities to establish the networks between the Company and the education institutes. This project is responsible by the expertise and specialist on the specific field of the Company and the specialist will give the knowledge and relating information of the organization to the student in the postgraduate level to further the knowledge in the university. The Company encourages the academic cooperation, develop the curriculum for opening the chances for the students to practice and to apply for working with the Company and wishes the attendant of the training have some entertainment while attend such events as well.



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Microsoft Excel Training

The Company has opened the chances for the graduated persons in the pre-graduated level in the computer technology field or computer engineering or information technology or related fields to join the Youth Creative Programmer (YCP) project in order to train the usage and to write the program on the Server IBM Power I, without any costs charged and to be the first step to be the professional programmer.

(3) Environment

The Company recognize that the conduction of the business, directly or indirectly, with the interested parties with respect to the environment. The Company then concentrate on encouraging and supporting several operations as less as possible and create the health and hygiene and the safety in working for everyone in the organization in order to reach the business growth and environment management sustainability. The Company also set up the METRO Green Clean Office activity for the staff to participate in using the resources as much efficient as possible. This objective will be done by making the campaign for the save of the electricity costs and sorting of the garbage and composite the wet trash to be the fertilizer to use in the Company and make the public relation for all staff to acknowledge and strictly comply with.



(4) Social and Community Development

The Company continuously develop the social and community by support several social activity as it deems appropriate and support the staff to participate with the same as well as provide the knowledge as to the new technology to the students and teachers in the surrounding area. The activities have been set up as follow:

- Arranging the activity; "Metro Donation blood donation for the life of the fellow human" as the event in the 34 years anniversary of the establishing of the Company. This activity will be a part of the making



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the merit by donate the blood to the blood bank of the Siriraj Hospital on the January 7, 2019 at Metro Systems Corporation Public Company Limited, head office.



Metro Donation Project

- Support the National Child day activity 2019 by giving the teaching material and child gifts to schools, i.e. Kotchapuakanusorn school, Wat Takram school, Surao Bueng Nongbon school, Surao Chorakhekob school (Kulangkoon oubpratham), and Klong makamteh school. The Company has continued arranged this activity every year in order to support the education and activities to the schools and students in the communities. This year, this event is set on Friday, January 11, 2019.



National Child day activity

- Providing the teaching materials to support the education to schools in the communities. Such schools are: Kotchapuakanusorn school, Klong makamteh school, Wat Takram school, Wat Kratumsuepla school, Surao Chorakhekob school, Surao Tubcheang school, Surao Salaroa school as per the objective of the “METRO Run” project, which is the running activities for a charity setting up by the Company on 2018. This project intends to support the education by making the donation of the teaching material to the primary schools in the surrounding area of the Company. The donation was made on January 22, 2019.



Providing the teaching materials



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- Set up the activity; “Old calendar, we ask for it”, which is set up for the third times by making the donation of the old calendar of the staff and deliver it to the Education Technology for the Blind, Foundation for the Blind in Thailand under the Royal Patronage of H.M. The Queen in order to produce the Braille document to the blind on April 24, 2019.



Old calendar donation

- Delivery the donation things received in the event; Sustainable Development Day (SD Day), which is collected from the staff donating old clothes, and cosmetics to Baannokkamin Foundation (Bangkok). The staff of the foundation will sort out and distribute such things to all those in needs. The event set up on September 13, 2019.



Donation Activity

- Delivery the teaching material as to the science room, library, child room, to the Or.Bor.Thor. Saikao School (Tha Hor), Aumphur Phan, Chiang Rai province per the volunteer architect project, which has been arranged continuously every year by the post graduate students, interior architect academic department, Kingmongkut Institute of Technology Ladkrabang. The Or.Bor.Thor. Saikao School (Tha Hor) is the school, which has the effects from the quake in 2014 and still lacks the teaching materials.

- Set up the activity; “Old lottery, we ask for it” for the staff to donate the old government lottery, which has not been awarded, to be used in the other benefitable area, such as making a wallpaper. This activity will be one of the methods to reduce the trash and the environment problem.

Prevention of Corruption Involvement

Anti-corruption Policy

The Company focus on the important and awareness of the anti-corruption in all aspects so that the business proceeding of the Company will be in accordance with the corporate governance principal. The Company then set up the specific policy to anti-corruption on February 24, 2015 and make the communication as to the anti-corruption policy to all executives and staff in all level as well as to the counterparties, customers, interested parties in all sectors for their acknowledgment. The Company will review the anti-corruption policy annually in order that such policy will have the complete substances and covering all risks of the corruptions in the business of the Company to be arising.

The Company has been approved to be a member of the Thai private sector against the corruption (Collective Action Coalition against corruption; or CAC) for the first time on April 22, 2016. Presently,



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the Company has been approved to renew the membership in the second time on February 4, 2019. The staff in all levels has participating in the supervising any corruption acts and decline all corruption in any possible ways, whether directly or indirectly and set up the guideline to make the complaint or informs any leads as to the corruption in the policy of the notification of the leads and complaints. Such policy has its substances as to the method and channel to any persons, who sees the

behavior relating to misconduct per the business etiquette, the involving in the fraud and corruption or the violation in a human rights, can notify such actions to the relevant supervisor of the one who see such actions or the head of the Internal Affair Department, Independent directors, Audit Committee and the person who informs such leads and complaint can select not to disclose his/her names, addresses or telephone numbers and the relevant supervisors are required to keep such relevant information in confident and on the need to know basis, taking into account of the damages that may arise with the person making such leads and complaints.

The Company set up the policy and practice guideline as to the anti-corruption and the prevention measurements in the “policy as to the anti-corruption as the practice guideline for directors, executives, and staffs to comply with as the culture of the organization. Such policy has 6 chapters as follow:

Chapter 1; Definitions of the Company, subsidiaries and the anti-corruption

Chapter 2; The relevant persons, which require all directors, executives, and staffs in all levels to jointly against the corruption.

Chapter 3; Duties and responsibilities of the Board of Directors and the Audit Committee, Executive Committee, Chairman of the Executives Officers, the head of the Internal Affair Department, the Social Responsibilities Committee.

Chapter 4; The practice guideline of directors, executives in all levels.

Chapter 5; Requirements and prohibitions as to the recruitment of the personnel, promotion, giving of receipt of gifts and other benefits and arrangement of the party or the reception party, the supporting and charity money, business relation, and the procurement to be made with the government sectors.

Chapter 6; Notification of the leads or complaints, channel of the notification, considering process when receipt of such leads and complaints of the corruption, the measurement to protect the person. Who make such notifications or the person giving the corporation and the notification of the false notification.



CAC Certificate



Sustainable Development

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The Company explicitly incorporates the definitions of the anti-corruption in such policy as well as the relating persons such as directors, executives, staffs in all levels to anti-corruption in order to prevent the business activities of the Company to involving with the corruption in any ways. The Company has the internal supervision in accordance with the good governance under the anti-corruption measurement and has incorporate the penalty clause and follow up and take care it to be as per the anti-corruption policy.

The Actions

As to the evaluation of the risks relating to the anti-corruption, the Company assigns the subcommittee on the risks management to have a duty to evaluate the risks as to the possible corruption that may arise within the organization. This duty may be done by separate the risks as to the corruption from other risks, use the self-evaluation per the clearly requirement set out, having the explicit following up method for all completion of the whole process, reconsider regularly the risks continuously, both in the organization and department level and follow up the progress and set up the risks controlling measurement or any risks factors, which is changed and has effect to present to the Board of Directors to acknowledge and to make the further proceed.

This year, the Company has, for the 6 years, made the campaign for the anti-corruption by joining the anti-corruption day 2019 in accordance with the school of thought; “Join the voluntary force against the corruption” of the Anti-Corruption organization (Thailand) and make the public relation as to the national anti-corruption policy to all staff in the organization so that everyone will aware of the important of the anti-corruption and the penalty of the involving of the staff in the corruption. The Company also set up the online test as to the business etiquette, rules and regulations and policy as to the anti-corruption of the Company. This intends to create the awareness and the support and contribute of the good etiquette and practice to all in the organization so that all can validly conduct the business sustainability. All staffs are required to answer the test correctly not less than 80 percent per the target set up by the Company on 2019. After making the conclusion of information of such test, it appears that all executives and staffs make the test correctly in the rate of 100%.



Joining the anti-corruption day 2019



Sustainable Development

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The Company seriously focus on the important of the anti-corruption and support and make the contribution to the personnel in all levels to have a conscious to anti-corruption in all forms. The Company then make the announcement of the regulations as to the giving or receipt the gifts, donation of the charity money to be as the guideline for the executives and staffs to correctly conducts the business and to prevent the corruption. Such announcements are as follow:

- Giving the gifts or support to the activities, the person who make the gifts has to make in the name of the Company and clearly identifying the name of the responsible department and specify the objective of the giving and such giving will not have the objective of binding or bribery or have the influence on the business decisions towards each other and such gifts will be per the normal practice or normal trade practice and it will be made in transparency and without any legal violation. Any giving having value of more than Baht 3,000 will need to have the approval from the Chairman of the Executive Officers. The giving of gifts to a government unit, government officers will be allowed to be made only for the gifts having the value not exceeding Baht 3,000.

- Receipt of the gifts and the gifts management. Receipt of the gifts having the value not more than Baht 5,000 will not have the objective to show any binding or bribery, which the person giving the gifts or the seller will have the special treatment as to the business or prices better than others or have the sell conditions to be changed or adjusted to be the benefit for the seller. In these regards, the person making the personal gift having the value more than Baht 5,000 is require proceeding on with the requirements set out by the Company and have the evidence of gifts to the Company. It is also not allowed to receive the gifts in cash or in the cash equivalent.

- The charity donation the charity donation will only make in the name of the Company to any trustable organization having the supporting documents with the objective clearly showing that its activity is for the social benefit and doing its activity transparency. The donation is required to be made through the steps set out by the Company and can be followed up and checked so that it can ensure of the donation is not a bribery.



Internal Control and the Risk Management

Metro Systems Corporations Public Company Limited focus on the important of the Corporate Governance. The Company is reasonably ensure that the process of the Company has the suitable and sufficient systems to take care such process to reach the target and objectives as to the quality, effective of preventing the corruption, damages and have the trustable financial report and the complying with legal requirements, and the relating rules and regulations of the Company. The Board of Directors of the Company has clearly designated the duties of all directors and the executives in order to supervise and take care the business of the Company and to explicitly set up the organization structure and line of supervision and report. The Company also have a measure to supervise and take care, to follow up the management of subsidiaries so that the Company can take care of the benefit from the investment of the Company in the subsidiaries as well as the conducting of the transactions with the persons, which may have the conflictions of interests with the Company. This will be in accordance with requirements of the Stock Exchange of Thailand and the Security Exchange Committee (S.E.C.). The Company also has the transparency rules and regulations to entering into any transactions.

The Audit Committee considered the results of the internal control report, rechecked the results of the evaluation of the internal control and operations systems, and the information technology, all of which has been reported by the Internal Audit Department and the evaluation of the sufficient of the internal control under the concept of COSO (The Committee of Sponsoring Organizations of the Treadway Commission). The Committee results that the internal control is good and sufficient and suitable for the conducting of the business of Metro Systems Corporations Public Company Limited, and the Committee find no substantial error or weakness, and the Company has the number of the sufficient for the conducting of the business. The summary of the internal controls is as follow:



Control Environment

Metro Systems Corporations Public Company Limited designated the duties and responsibilities of the Board of Directors, executives, and all level of the staffs and set out the policies, the business etiquette and the Code of Conduct to use in the business operation of the Company to be in good faith and transparency. Every year, the Company arranges the online testing of the business etiquette, policies, and several regulations, by making the testing through the Office 365 system. This test intends to know whether all staffs has the correct knowledge and understanding of the same, the Company has set up the clearly line of supervisions and reports, have the proper evaluation process of work in accordance with the regulations in the operation handbooks of the executives. The operations of the staff will be evaluated on every 6 months and annually and the Company has the policy to develop and manage the growth in the career path of the staff to be in the same standard of changing, and promotion of the staff so that each Staff can aware the progress in their career.



Risk Assessment

Risks Assessment. The Company considers the chances that it may occur and may have the 5 effects. Such effects are; the financial effects, business operations effects, image and the well-known effect, legality effect and information technology effects, Risks assessment of all internal and outside factors and of the macro and industrial level may have the effects on the organization, or operation unit. The Company set up the risks management systems and the measure to report and to follow up by making the report to the Sub-Committee of the Risks Management, Audit Committee and the Board of Directors.



Control Activities

The Company set up the internal control having the framework to manage the risks to be suitable with the conduct with the business and environments and risks of the Company from the risks assessment. The Company has the management structure and the working steps of the Business Process. The Company then received the standard quality approval per the; ISO 9001, and the Company further developed the continuously business management, which results to the receipt of the standard quality; ISO/IEC 20000-1:2011 and ISO/IEC27001:2013. The Company in addition prepare the emergency business plan in the event of crisis arising.



Information & Communication

The Company has the process to communicate information for the internal control by arranging the meeting to distribute the knowledge to the relevant responsible persons of each department in order to apply such knowledge for their operation and regularly report the results to the executives. These will result to the problem solving and follow up of the results and create the channel of communication for the staff in all organization. Such organization will be for the internal and outside organization and will have the channel to notify the leads of the fraud for the Whistleblower so that all interested parties can safely notify the information of fraud and arrange the event relating with the presentations of information and the business operations to investors, shareholders, and interested parties to acknowledge.



Monitoring Activities

The Board of Directors set up the guideline of the follow up and the comply with the business etiquette. All directors, staff, supervisors in all levels are required to comply with and the Internal Audit Department will have a duty, professionally and freely, to follow it up through the supervision and evaluation process in accordance with the International Standards for the Professional Practice of Internal Auditing; (IIA). This also will give the Assurance and the Consulting as to the evaluation and supervise the sufficient of the internal control, whether covering the operation process in the legal, rules and regulations of the Company and the reliable of information of the Company and the subsidiaries. And make the regularly report to the Audit Committee and to regularly follow up any adjustments and modifications and to have the anti-corruption plan to support the intention of the Company to anti the fraud and corruption.



The Head of the Internal Audit and Compliance Department Information

- The Internal Audit Department;

The audit committee has the authority to appoint, transfer or terminate the head of internal audit which now such the head of internal audit and secretary of the Audit Committee is Mrs. Thasa Varochathanin. She has worked for 9 years, received Bachelor of Accountancy from Business Management Faculty, Siam University and received the Certified of Internal Audit of Thailand (CPIAT).

- Compliance Department;

The Company has established a compliance department under the supervision of the Corporate Affairs group. With Ms. Sumateta Jitsiripol as the Head of the Compliance Department.



Inter-Company Transactions

Currently, the Company has complied the policy on inter-company transactions according to the resolution of the Board of Director at the Meeting No.2/2020, dated on February 27, 2020 and the regulations as set forth by The Securities and Exchange Act B.E. 2535 with the revised version effective from August 31, 2008 (Section 89/12). The Securities and Exchange Commission (SEC) has set the details and supervises any inter-company transactions of the listed companies based on the purposes of good governance principle and related laws. Therefore, the decision making on any inter-company transactions will be transparent without any conflict of interests and result in an ultimate benefit to the Company and its shareholders. All inter-company transactions require the following details:

- Any related person is required to identify his/her name and clear relationship, such as subscription information in shares, relationship with administrative or major shareholder. If the related person is a juristic person, the details of such juristic person must be described, such as group of major shareholder, nature of business, etc.

- The characteristic of the transaction is required to clearly identify the type of transaction, such as normal trading transaction of the Company, transaction related to property or other services (such as property acquirement or distribution, property giving, property right granting, service providing or use) or financial aid (such as money or other property lending, use of property as collateral, guarantee, debt settlement) and so on.

- Price and conditions must be clearly compared with those offered by related person so that the shareholders have adequate information for decision making. All details should match with the transaction characteristics. For example, the price list must be referred in the case of product and service available in a normal business. The other market price reference may be compared with third parties and require the comments of independent specialists (such as price estimation for real estate by an independent value, etc). However, the contractual price should contain the material conditions and contexts as well.

- The Board of Directors, executives, or related parties may enter into transactions with the Company or its subsidiaries only when such transactions have been approved by the shareholders' meeting. Unless the transaction is a commercial agreement in the same manner as the individual will do to the counterparty in the same situation with no bargaining power from having the status of a director, an executive or a related person, as the case may be. And the transaction must be an official agreement approved by the Board of Directors or in accordance with the principles approved by the Board of Directors with reasons, hypotheses and factors available for consideration.

- Any opinions relating to inter-company transactions provided by the Board of Directors must be requested for approval at the shareholders meeting, provided that any related directors who are stakeholders are not allowed to participate in such meeting. The Board of Directors' opinion must include the following matters:

1. Reasons are that the transaction is for the best benefit of the Company, including the risk to the company, such as lending or guaranteeing loans to affiliates.



2. Criteria used to set prices and conditions and whether it is fair to the company or not if compared with the same criteria dealt with any third parties.

3. Protection measures that will ensure that a review of actual transactions are conducted in accordance with the contract or policy.

4. The Company must immediately notify the resolutions of the Board of Directors when the Company had any inter-company transactions through SET Portal (normally on the approval date of the Board of Directors) within the approval date of the Directors or by 9.00 am of the following business day.

Transactions between Company and its subsidiaries with related people

In 2019, the Company had the Inter-Company Transactions between Company and its subsidiaries with related people for approximately 4 main categories of transactions, consisting of normal business transactions, normal business supporting transactions, short-term assets rental or letting transactions, and properties or services transactions. For other Inter-Company Transactions between the Company and its subsidiaries or Associated Companies, these can be reviewed from the Company's Note to Financial Statement found in the attachment. The details of individual Inter-Company Transactions 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. Center Containers Co., Ltd. 2. TST Development Co., Ltd 3. Siam Arun Group Co., Ltd. 4. N.I.M Co., Ltd. 5. MDEC Internantional (1991) Co., Ltd. 6. United Flour Mill PLC. 7. United Grains Co., Ltd 8. HMC Polymer Co., Ltd. 9. MC Broker Co., Ltd. 10.MC Foods Co., Ltd. 11.MCF Products Co., Ltd. 12.MCF Marketing Co., Ltd. 13.Duckhams Oils (Thailand) Co., Ltd. 14.Promsri Property Co., Ltd. 15.Metro Group Energy Co., Ltd. 16.Suparat Place Co., Ltd. 17.Siam Aroon Property Co., Ltd. 18.Siam Aroon Sriracha Co., Ltd.	Normal business	MSC revenue: - Product Sales - Service Sales - Other Sales MSC Expenditure: - Product Purchase - Service Purchase	1,094,853 2,665,685 2,614,150 6,076,730 226,780	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.



<p>Juristic Person no. 1 have two same directors; Mr. Kitti Techataveekijkul, Mr. Narong Charuvajana</p> <p>Juristic Person no. 2 - 6 have two same directors; Mr. Sunpitt Sethpornpong, Mr Suvij Suvaruchiphorn.</p> <p>Juristic Person no.7 - 12 have the same directors; Mr Suvij Suvaruchiphorn.</p> <p>Juristic Person no.13 - 18 have the same directors; Mr.Sunpitt Sethpornpong.</p>	Assets/Services	<p>MSC Expenditure:</p> <ul style="list-style-type: none"> - Assets Purchase - Other Expenses 	<p>553,438</p> <p>43,692</p>	In accordance with the normal business based on the same price of product and service compared with external parties.
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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
<p>1. Metro Co., Ltd.</p> <p>2. MC Bakery Co., Ltd.</p> <p>* The MSC Director, Mr. Sunpitt Sethpornpong is the main shareholder, with shareholding ratio at 15.45% in Juristic Person No. 1 and 16.67% in Juristic Person No. 2.</p>	Normal Business	<p>MSC Revenue:</p> <ul style="list-style-type: none"> - Product Sales - Service Sales - Other Income 	<p>184,035</p> <p>20,000</p> <p>459,685</p>	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.
	Rental For Assets	<p>MSC Expenditure:</p> <ul style="list-style-type: none"> - Rental Fee 	138,240	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.
	Asset/Service	<p>MSC Expenditure:</p> <ul style="list-style-type: none"> - Public utility 	177,241	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 child of MSC committee.

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
<p>1. Mrs. Thippawan Charuvajana</p> <p>* She is the daughter of MSC Director, Mr. Tavit Charuvajana.</p>	Short-term Rental For Assets	<p>MSC Expenditure:</p> <ul style="list-style-type: none"> - 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 executives of other related juristic person.

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction		Necessity and Reasonability
1. Intellion Co., Ltd. 2. Siam Flour (2012) Co., Ltd. 3. United Flour Trading (2012) Co., Ltd. * A son of Mr. Suvij Suvaruchiphorn, MSC Director, is the Director of Juristic Person No.1 * A brother of Mr.Sunpitt Sethpornpong, MSC Director, is the Director of Juristic Person No.2-3.	Normal Business	MSC Revenue: - Product Sales - Service Sales - Other Income MSC Expenditure: - Service Purchase	74,780 2,000 468,000	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.

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. Treemit Marketing Co., Ltd. 2. Roj Anan Consultancy Co., Ltd. 3. UFM Fuji Super Co., Ltd. 4. UFM Food Center Co., Ltd. 5. Siam Flour Trading Co., Ltd. 6. MC Plastic Co., Ltd. 7. MC Industrial Chemical Co., Ltd.	Normal Business	MSC Revenue: - Product Sales - Service Sales - Others	1,845,329 375,665 419,200	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.
* Metrophose Co., Ltd., MSC main shareholder is the main shareholder of Juristic Person No. 1-7.	Business Support	MSC Expenditure: - Insurance Premium - Other Expense - Goods Purchase - Service Purchase	1,471,626 3,179,440 - -	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
MDEC Internantional (1991) Co.,Ltd. Mr.Sunpitt Sethpornpong and Mr. Suvij Suvaruchiphorn are the director of Juristic Person above.	Normal Business	MPP Revenue: - Product Sales - Other Expense MPP Expenditure: - Goods Purchase - Service Purchase	- 80,325	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.
	Business Support	MPP Expenditure: - Other Expense - Goods Purchase	-	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 Connect Co., Ltd.

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
UFM Food Center Co., Ltd. * Metrophose Co., Ltd., MSC main shareholder is the main shareholder of this juristic person.	Business Support	MCC Expenditure: - Other Expense	180,958	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.

6.3 HIS MSC Co., Ltd.

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
UFM Food Center Co., Ltd. * Metrophose Co., Ltd., MSC main shareholder is the main shareholder of this juristic person.	Business Support	HIS Expenditure: - Other Expense	100,070	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 Transactions

According to the Board of Directors' resolution in the meeting No.2/2019 on 27 February 2020 on which there was an attendance of the Audit Committee and the Board of Directors, the inter-company transactions of year 2018 were deemed to be necessary, 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.

Policy or trend of Inter-Company Transaction

The Company has established a policy and the possibility of future related transactions were prescribed 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 a 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 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 enough in considering such occurring related transaction, other skilled persons, such as the Company's auditor or independent experts shall be the one who will be called upon to offer an opinion about such related transactions.

The opinion of the Audit Committee and specialized persons 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 transactions in the Notes to Financial Statement.

Financial Highlight



Financial Highlight

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Million Baht)

	2017	2018	2019
Consolidated Income Statements			
Revenue from sales and services	7,395	7,974	7,402
Cost and expenses	7,148	7,706	7,203
Profit before finance costs, income tax expense, Depreciation and amortization and includes dividends from associates (EBITDA)	314	364	284
Profit for the year	235	283	220

Consolidated Statements of financial Position

Assets	3,156	3,510	3,282
Liabilities	1,417	1,648	1,389
Shareholders' equity	1,739	1,862	1,893
Equity attributable to owners of the parent	1,732	1,860	1,889

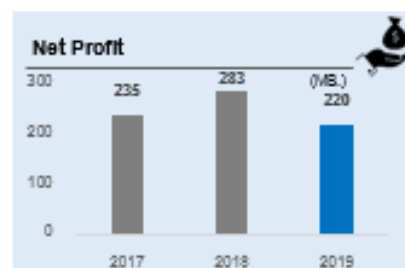
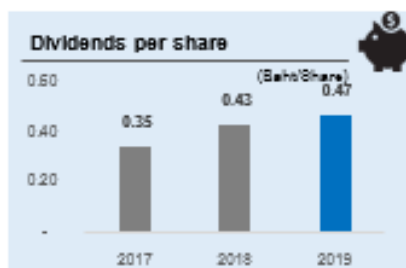
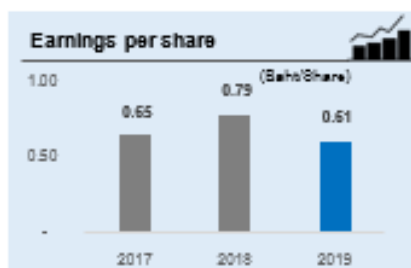
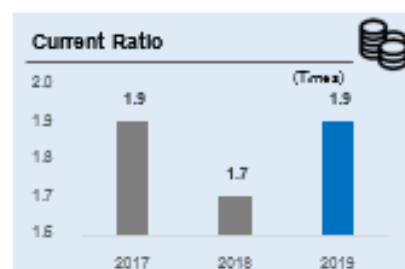
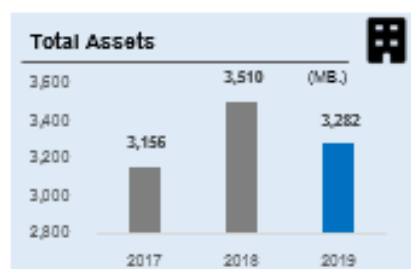
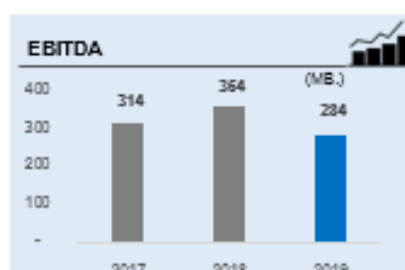
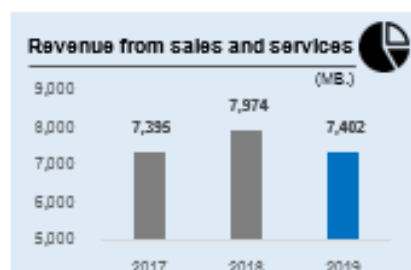
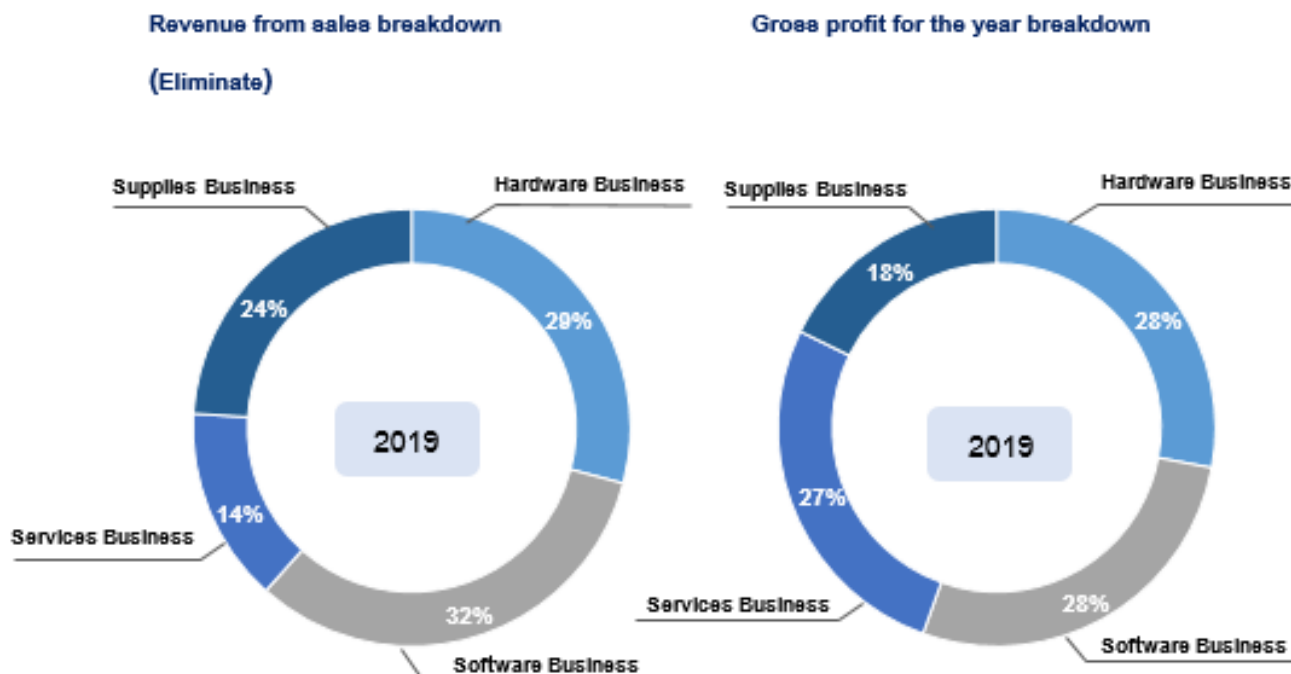
Financial Ratio

Total number of shares issued (Million Shares)	360	360	360
Book value per share (Baht)	4.8	5.2	5.3
Earnings per share (Baht)	0.65	0.79	0.61
Dividends per share (Baht)	0.35	0.43	0.47
Dividends payout ratio on profit for the year (%)	3.2	3.5	2.9
Return on equity (%)	14.0	15.7	11.7
Return on assets (%)	7.5	8.5	6.5
Current ratio (Times)	1.9	1.7	1.9
Debt to equity ratio (Times)	0.8	0.9	0.7
Price earnings ratio (Times)	9.0	9.2	8.6
Net debt to EBITDA ratio (Times)	4.5	4.5	4.9



Financial Highlight

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



Analysis and Explanation from the Management

Operating Performance

The overall Thai economy in 2019 grew at 2.4% due to the global economic slowdown, uncertainties of trade barriers and the appreciation of the baht. These caused a decrease in the industrial sector and a negative value of exports. The IT market at the end of the year was still stable. The enterprise software market was, however, the fastest growing market this year. As a result, the Company's revenue from product sales and services in 2019 was at 7,402 million baht, a decrease of 7% from the hardware products and office supplies groups. In addition, the Company has a policy to focus on selling high-standard products and service. Therefore, the Company's gross profit margin has been increased from the previous year and the Company had a net profit of 220 million baht, representing a decrease of 22%.

Revenue

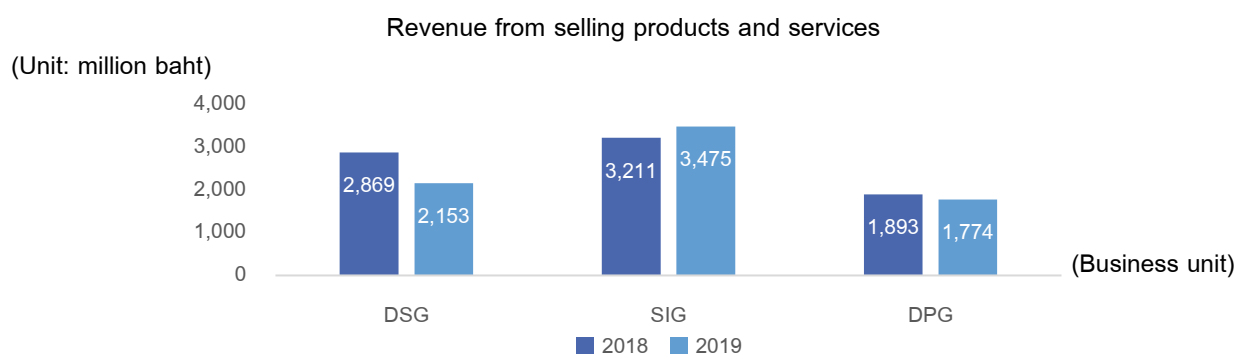
The Company has revenue from the sale of products and rendering of services divided into:

- Digital Solutions Group (DSG): The revenue was 2,153 million baht, accounting for 29%, a decrease of 25% from the previous year due to a decrease in the sales of medium-sized computers and large-sized storage devices. Due to the economic downturn, the private sector investing in the large-scale projects has slowed down the purchase of hardware products compared to the year 2018.

- Solutions Integration Group (SIG): The revenue was 3,475 million baht, accounting for 47%, an increase of 8% from the previous year due to an increasing sales in the network, Application Software Infrastructure and Software License products.

- Digital Printing Group (DPG), The revenue was 1,774 million baht, accounting for 24%, a decrease of 6% compared to the previous year. Since many organizations had measures to control the budget for the purchase of supplies, the overall income of the products mentioned above was decreased in this year.

The gross profit margin was higher than to the figure of 2018, which has a gross profit margin of 15.8%, while the year 2019 was 16.3% due to the Company still focused on selling the high-standard products, service providing and changing the sales method of consumable products to long-term purchase contracts.





Expenses

- The selling and administrative expenses increased from the previous year by 27 million baht, when compared to the revenue from the sale of products and rendering of services in 2019, representing 13.5%, an increase compared to 12.2% in 2018. The increase was mainly due to the reserve of employee benefits of 45 million baht and the company had reversal of provision for doubtful debts in the amount of 31.4 million baht due to the civil court gave judgement for the company won a lawsuit. Nevertheless, these expenses did not negatively affect the operating cash flow of the company.

- The financial cost was decreased from the previous year by 5 million baht, when compared to the revenue from the sale of products and services in 2019 at 0.18%, which was close to 0.23% in 2018.

- The income tax was decreased by 13 million baht due to a decrease in the profit before tax in 2018, when compared to the revenue from the sales of products and services in 2019 at 0.7% which was close to 0.8% in 2018.

As a result, the profit of the company was 220 million baht, compared to 283 million baht in 2018, a decrease of 63 million baht or 22%. The main reason was due to a decrease in sales of 572 million baht, resulting in a decrease in gross profit of 47 million baht.

Regarding the profitability ratio, the Company had a net profit margin of 2.9%, a decrease from 3.5% in the previous year. The equity ratio was decreased at 11.7%, compared to 15.7% in the previous year.

Financial Position

Assets

As at the end of year 2019, the Company had total assets of 3,282 million baht, a decrease of 228 million baht from year 2018. The total assets consisted of the current assets of 2,255 million baht or 69% of the total assets, and non-current assets of 1,027 million baht or 31% of the total assets. The main reasons for the asset decrease were as follows:

- The current assets of 2,255 million baht decreased by 195 million baht derived from a decrease in trade and other current receivables after deducted allowance for doubtful accounts of 350 million baht, a decrease in inventories of 46 million baht, a decrease in current portion of finance lease receivables of 23 million baht, a decrease in cash and cash equivalent of 12 million baht, and decrease in other current assets of 1 million baht. As for an increase in current investments of 238 million baht from the capital invested by the Company in money market fund.

Trade and Other Receivables

The Company's trade receivables after deducting allowance for doubtful accounts at the end of year 2019 were 1,000 million baht, a decrease of 361 million baht from last year. Most accounts receivable at the rate of 80% are accounts receivable that are not yet due. The remaining 20% of the receivables are in the process of payment tracking. There was accounts receivable with unpaid debts in excess of 1 year in the amount of 0.4 million baht and this category of debtors is under the legal proceeding for the amount of 38 million baht which are the debtors who are paying the debt installation and under the process of debt collection.



The Company considered the allowance for doubtful accounts in accordance with the status of each debtor in accordance with the criteria set by the Company to assess the quality of the debtors. In 2019, the Company has set up an allowance for doubtful accounts equal to 6 million baht, amounting to 6% of total receivables. The Company has an average collection period in 2019 of 60 days, while unbilled trade receivables at the end of 2019 were 157 million baht, a decrease of 35 million baht.

Other receivables at the end of 2019 were 164 million baht, an increase of 46 million baht. Most of receivables were prepaid expenses.

Inventories

The Company has inventories after deducting allowance for diminution in value of goods at the end of 2019 equals to 401 million baht, a decrease of 46 million baht. The inventories can be divided into finished goods, work in progress and goods in transit. The average sales period is 24 days in accordance with the management policy to control and prevent the risk of the Company.

- The non-current assets were 1,027 million baht, a decrease of 34 million baht due to a decrease in the value of property, plant and equipment(net) by 60 million baht, a decrease in the finance lease receivables by 2 million baht, a decrease in the deposit at financial institutions used as collaterals by 2 million baht, an increase in the deducted at source by 18 million baht, an increase in the deferred tax assets by 7 million baht, an increase in the intangible assets by 4 million baht and a increase of the investment in associated from share of profit at 1 million baht. The Company had a return on the fixed assets at 41.1%.

Liquidity

Cash flow

As of 31 December 2019, the Company had cash and cash equivalents equal to 42 million baht, a decrease of 12 million baht due to the following:

- Net cash provided by the Company's operations in the amount of 597 million baht, mainly due to earnings before income tax after deduction of non-cash expenses of 399 million baht, changes in trade and other receivables, decreased by 426 million baht, finance lease receivables increased by 12 million baht, inventories decreased by 37 million baht, other current assets decreased by 1 million baht, and trade and other payables decreased by 167 million baht. As a result, the Company had a net cash flow from the operations of 685 million baht and the Company had paid employee benefit obligations of 15 million baht and paid a net income tax of 72 million baht, resulting the Company to have net cash from the operating activities at 597 million baht.

- Net cash used in the investment activities of the Company amounted to 251 million baht due to the Company had cash to buy current investments of 237 million baht, fixed deposits at bank decreased by 2 million baht, cash received from disposal of property, plant and equipment and intangible assets at 0.5 million baht, purchase of fixed assets and intangible assets increased by 35 million baht from the investment in equipment, office supplies and decorations paid to the creditors for the assets payable of 0.4 million baht, and interest income of 18 million baht.



- Net cash used in financing activities of the Company was 358 million baht due to the Company had 79 million baht in cash to pay back the bank overdrafts and short-term loans from financial institutions, cash paid from the short-term loans by other companies for the amount of 28 million baht, cash received from sales and lease back by 31 million baht, long-term loans decreased by 24 million baht, payment of liabilities under financial lease for the amount of 76 million baht and a dividend payment of 168 million baht.

Significant Liquidation Ratio

As of 31 December 2019, the Company had a debt to equity ratio of 0.7 times, a decrease from 2018. The decrease in liabilities mainly occurred from short-term loans from the financial institutions, trade account payable and other payables while the shareholders' equity increased from the net profit of the year. However, total liabilities of the Company were the liabilities arising from the normal business operations.

The debt-service coverage-ratio in 2019 was 1.5 times, increasing 2.4 times from the figure in 2018 due to the cash flow of the Company's operation in 2019 was increased by 597 million baht. The main reasons were that the accounts receivable and other receivables of 350 million baht were decreased, the financial lease receivable were increased by 23 million baht, the inventories has decreased by 46 million baht, other non-current assets were decreased by 1 million baht. The trade and other payables were decreased by 167 million baht and the employee benefit obligations were 40 million baht. The Company paid back debts of 207 million baht, bought assets of 35 million baht and paid 168 million baht for dividends.

The Company's liquidity ratio at the end of 2019 was 1.9 times, increased from 2018 due to the decrease in trade receivables. The Company has an average collection period increased from 53 days to 60-days. The average payment period increased from 38 days to 39 days and the average product selling period increased from 20 days to 24 days. For the quick ratio at the end of year 2019, the current ratio was 1.2 times equal to year 2018 due to trade receivables and other receivables after deduction of allowance for doubtful accounts decreased by 350 million baht and trade and other payables decreased by 181 million baht.

Source of Funds

Liabilities

The total liabilities at the year-end of 2019 was 1,389 million baht, a decrease of 260 million baht from the previous year. The total debt consisted of the current liability of 1,169 million baht or 84% of the total liabilities and the non-current liabilities at 219 million baht or 16% of the total liabilities. The main reasons for the decrease in liabilities were as follows:

- Current liabilities of 1,169 million baht, a decrease of 260 million baht, resulting from a decrease in Trade and other payables of 181 million baht. The Company had an trade payable of 572 million baht, a decrease of 194 million baht. The Company had an average payment period of 39 days. The other payables amount was 328 million baht, an increase of 13 million baht, consisting of accrued expenses, deposits and deferred Incomes. The bank overdraft and short-term loans from financial institutions decreased by 79 million baht, the current portion of financial lease liabilities decreased by 16 million baht, the long-term liabilities due



within one year decreased by 15 million baht, the short-term borrowings decreased by 6 million baht, and income tax payable increased by 3 million baht.

- The non-current liabilities of 219 million baht increased by 0.6 million baht due to an increase in non-current provisions liabilities for employee benefits by 40 million baht, a decrease in long-term finance lease liabilities by 26 million baht, a decrease in long-term borrowing by 9 million baht, and a decrease in deferred income tax by 5 million baht.

Shareholders' Equity

The Shareholder's equity at the end of year 2019 was 1,893 million baht, an increase of 2% due to the net profit in 2019 was 220 million baht. The Company paid dividends in 2019 at the rate of 0.47 baht per share, totaling 169 million baht.

Liability Commitment and Out-of-Balance Sheet Management

The Company engaged in lease contracts as follows:

Car lease contracts for 5 years which cannot be terminated. As of 31 December 2019, the minimum future payment within one year was 11 million baht and 10 million baht to be paid within 5 years.

The Company has disclosed this information in the Note of Financial Statement, Clause 32 of financial statement year 2019.

Factors which may affect the financial status or future operation

- None -

Report of Audit Committee



The Audit Committee of Metro Systems Corporation (Public) Co., Ltd., has been appointed by the Board of Directors, consisting of 3 independent directors who are fully qualified and have experience in law, accounting, finance, information technology and management. On 9 August 2019, Mr. Chacree- Amorn Tirachlisoonthorn, resigned from the position and the Meeting of the Nomination and Remuneration Sub-Committee No. 2/2019, on 27 August 2019, passed the resolution to appoint Assoc. Pornsiri Thiwawanwong, to hold the position of Independent Director and Audit Committee due to having all the qualifications under the definition of an Independent Director and the Audit Committee, including having the knowledge, ability to bring the knowledge to develop the Company and give advice to the organization independently. In 2019, there were five meetings held in the previous year. Each member of the Audit Committee attended the meetings as follows.

Name	Position	Meetings
Mr. Pravit Chattalada	Chairman of Audit Committee	4/5
Dr. Virach Aphimeteetamrong	Audit Committee	5/5
Mr. Chacree-Amorn Tirachlisoonthorn	Audit Committee (Resigned on: 9 August 2019)	4/5
Assoc. Prof. Phonsiri Thivavarnvongs	Audit Committee (Appointed on: 27 August 2019)	1/5

The Audit Committee has established guidelines in accordance with the charter in accordance with the requirements of The Stock Exchange of Thailand, performs the duties to comply with any assignments as required by the Board of Directors, and promotes the principles of corporate governance within the organization. In 2019, there were meetings held by the Audit Committee to discuss about Management, Internal Auditors and Certified Personal Accountant (CPA) without any executive members. The purposes of meetings were to review the substantial issues, special transactions and acknowledge the explanations from CPA, Management and Internal Auditors. However, the Audit Committee also held a joint meeting with the non-executive directors last year. In addition, the Audit Committee annually assesses their performance according to the following significant matters.

Financial Statement

The Audit Committee audits the quarterly financial statements, annual financial statements and consolidated financial statements of the Company and its subsidiaries, reviews accounting policy and significant transaction adjustments by discussing or collaborating with the Auditors, Accounting Group Management, Finance and Administration Department of the Company to ensure that the financial statements are accurate and reliable and the disclosure of significant information is adequate and timely for users in compliance with the applicable laws and generally accepted accounting standards as normal practice. The Audit Committee held a meeting together with the CPA quarterly to discuss the accounting audit. The comments from the CPA were



also reported independently to the Audit Committee for consideration. The disclosure of the notes in the financial statements has approved the said financial statements which was reviewed and audited by the auditor. The Key Audit Matters was emphasized within the organization and the Audit Committee's operation and the CPA's comments were conducted independently.

Related Transactions and Transactions (which may cause of conflict of interest)

The Audit Committee audits any related transactions or transactions which may cause conflict of interest. These transactions were considered by adhering to general trading conditions to ensure that such transactions are rational and disclosed to the Stock Exchange of Thailand (SET).

Internal Audit

The Audit Committee has supervised the internal audit department to perform duties independently by reporting directly to the Audit Committee and annually reviews the Charters of Audit Committee and the Charters of the Internal Audit Department in accordance with the Company's current situation. The Audit Committee also reviewed the internal audit plan, annual audit plan, plan implementation, operating performance monitoring for new work systems and information technology systems by providing recommendations and following up on corrective actions of significant matters as specified in the Report of Internal Control Audit to ensure that the Company has adequate internal control.

Corporate Governance

Metro Systems Corporation (Public) Co., Ltd., has adhered to the Corporate Governance Code (CG Code) as an operational guideline. The Company is additionally committed to conducting business in accordance with sustainable development under the principles of good corporate governance by referring to the Stock Exchange of Thailand (SET) and the Thai Institute of Directors (IOD). As a result, the Company can analyze the strengths, weakness and the overall details of good corporate governance and develop, improve and apply to its subsidiaries as appropriate for the business. The Audit Committee also reviews the compliance on the Company's corporate social responsibility (CSR) in order to create reliability among shareholders, investors, creditors and all stakeholders of the Company. The Company has clear policies and guidelines and provides various communication channels throughout the organization to ensure that the operation can be conducted in practice. The Committee has examined the results of fraud investigation and risk and fraud assessment, including reviewing the complaint and fraudulent reporting process. The Company developed a system of compliant reporting for both insiders and the third party through www.metrosystems.co.th, telephone, e-mail, and postal address to comply with the principle of with the Corporate Governance Code and the Code of Conduct.

Internal Control and Risk Management

The Audit Committee has considered the Report of Internal Audit and reviewed the Report of Internal Control Assessment for both operating and IT system. As a result, the assessment based on the adequacy of the internal control system under the COSO concept (The Committee of Sponsoring Organizations of the



Treadway Commission) was found that the adequacy was appropriate for the business operations of Metro Systems Corporation (Public) Co., Ltd., and there was no significant deficiency.

The Audit Committee has reviewed the efficiency and effectiveness of the risk management procedures where they were the responsibility of the Risk Management Committee in both internal and external factors of the risk management framework. The Company's risk management, review and monitoring plan were also evaluated. The Report of Risk Management of the Company was also prepared by the Risk Management Team to assess the adequacy of the internal control system and report to the Board of Directors.

Nomination and Remuneration of Auditor

The Audit Committee has considered, selected and appointed "Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd." to be the Company's auditor and set the audit fee for the year 2019 which was presented to the Board of Directors and proposed to the shareholders' meeting for the year 2019 to consider the appointment and approval of the audit fees. The Company's audit team for the year 2018 was represented by Miss Wilasinee Krishnamamra, with CPA License No. 7098, and/or Mr. Chavala Tienpasertkij, with CPA License No. 4301, and/or Dr. Suwatchai Meakhaamnouychai, with CPA License No.6638, and/or Mr.Wonlop Vilaivaravit, with CPA License No. 6797, from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

The Audit Committee therefore believes that the Audit Committee has fully performed its duties as assigned by the Board of Directors, by using their knowledge, ability and prudence with adequate independence, as well as disclosing related party transactions or adequate transactions that may cause of conflicts of interest, and complying with the laws, rules and regulations and relating to the Company's operation.

Mr.Pravit Chattalada
Chairman of Audit Committee

Report of Corporate Social Responsibility Committee



Dear Shareholders,

The Corporate Social Responsibility (CSR) Committee was initially appointed at the meeting No 5/2015, held on 6 November 2015 to serve for the term of office for 2 years. In 2019, the Board of Directors' meeting No. 6/2019, held on 8 November 2019, passed a resolution to extend another term of office of the CSR Committee from 1 December 2019 to 30 November 2021.

The CSR Committee consists of the following members:

No.	Name	Position
1	Mr. Pravitt Chattalada	Chairman of Corporate Social Responsibility Committee
2	Mr. Kittit Techataveekijkul	Corporate Social Responsibility Committee
3	Mr. Wanarak Eakachai	Corporate Social Responsibility Committee

The CSR Committee comprises of three Directors in which the independent Director acts as the chairman. The CSR Committee has various duties relating to the business operations of the Company in accordance with its aim of social responsibility by the screening of policy, arranging activities, doing operational plans and specifying the annual budget before presenting it to the Board of Directors. The duties also include reviewing the performance of corporate social responsibility, monitoring and reporting on CSR issues or trends that are emerging at present and in the future, as well as the impact it may have on the Company and the reporting of these items to the Board of Directors. The Board of Directors has also appointed a working team responsible for CSR as necessary with a representative from each of the business units to drive policies and activities related to corporate social responsibility.

The CSR Committee is committed to ensure that the Company conducts its business in an ethical manner with the principles of corporate governance. The CSR Committee has conducted its duties as assigned by the Board of Directors thoroughly. In 2019, the CSR Committee has participated in three meetings to consider the various issues regarding the following.

1. To consider and screen the annual work plan and budget and review the operational performance regarding social responsibility, as well as to monitor the internal and external activities according to the corporate social responsibility policy and present the information to the Board of Directors.

2. To review the nine policies of corporate social responsibility, comprising of good corporate governance, fair business operation, anti-corruption, respect for human rights, fair treatment of labor, responsibility to consumers, environmental care, community and social development and innovation creation and disclosure. The CSR activities were also published on the Company's website so that any third parties can access the information quickly and accurately and the Directors, executives, employees, stakeholders and all other parties may acknowledge and appropriately comply with the policies in various aspects.



3. To implement social responsibility policies and activities related to social responsibility. In this year, the Corporate Social Responsibility Committee has set goals for economic, social and environmental development as well as the business operations to move towards sustainability. The CSR Committee, therefore, set up the social responsibility frameworks as follows:

3.1 Corporate Governance

The Company organized an annual general meeting every year, adhering to corporate governance policy and to comply with relevant laws and regulations, including good practices for Directors of listed companies and criteria for being a Company with good corporate governance system as guided by SET. In this regard, the Company participated in the activities organized by SET.

The Company regularly reviewed all policies and regulations to serve as a guideline for the Board of Directors, executives and employees, and prepared the new Corporate Governance Handbook in accordance with the regulations set by the Stock Exchange of Thailand in 8 aspects, which are:

Principle 1: Establish clear leadership roles and responsibilities of the Board of Directors to create sustainable value for the business.

Principle 2: Define the objectives to promote the sustainable value creation of the business

Principle 3: Strengthen the Board of Directors' effectiveness

Principle 4: Ensure effective CEO and personnel recruitment and management

Principle 5: Promote innovation and responsible business practices

Principle 6: Strengthen an appropriate risk management and internal control system

Principle 7: Maintain financial integrity and disclosure.

Principle 8: Ensure engagement and communication with shareholders

In this regard, the Company emphasizes the operation and management of the Board of Directors in accordance with the principles of corporate governance for the listed companies. The Company has consistently conducted a test on the Code of Conduct and the Company's policies and regulations to ensure that the management and employees have understood and implemented the organization's practices correctly and strictly.

The Company initially participated in the sustainability assessment for the year 2019, which was organized by the Stock Exchange of Thailand. The Company received a total score of 47 points, covering 3 dimensions which were economic, environmental and social dimensions. The Company was suggested to develop guidelines for sustainable operations as well as a comment from the Stock Exchange of Thailand under the Kick-Start Your SD Journey Project, which the Company will develop in each area to create long-term sustainability for the organization.

In addition, the Company is aware of the importance of business operations along with the sustainability of the organization. By realizing the importance of the economy, society and environment, the Company has organized the SD Day (Sustainable Development Day) project for the directors, executives and employees to understand the meaning of sustainability and realize that sustainability plays an important role in creating long-term revenue for the organization and invited Mr. Chonlathorn Damrongsak, the Specialist in Corporate Governance and Social Responsibility of the Stock Exchange of Thailand to share knowledge and



experiences on business management for sustainable development to all participants so that the Company's personnel will be able to apply to themselves and the organization's business for future sustainability.

3.2 Anti-corruption

The Board of Directors approved the Company to announce its intention to join the Thai Private Sector Collective Action Coalition Against Corruption (CAC) on 21 January 2016. Therefore, the Company submitted a request to become a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) on 24 February 2016 and has been certified as an official member from 22 April 2016. Currently the Company is continuously certified as a member after the second membership renewal submitted on 4 February 2019. The employees at all levels of the Company helped to monitor the corruption and refuse the corruption in all forms, both directly and indirectly. The Company also established the guidelines for anti-corruption or compliant reporting in the whistleblowing and complaint policy. This procedure provides the channels for any anonymous person who witnessed any violations of Code of Conduct, involvements of corruption, or violations of human rights to report to the direct supervisor, Internal Audit Manager, Independent Director, Audit Committee. The recipient of the complaint must keep the relevant information confidential and disclose the information as necessary with consideration to Complainant's safety and reputation. However, from the available channels of whistleblowing and complaint reporting, throughout the year 2019, no one submitted any complaint on improper conduct according to the Code of Conduct, corruptions or violations of human rights for consideration. In addition, the Company has campaigned and implemented anti-corruption by participating in the Anti-Corruption Day 2019 event under the concept of "Unite to Fight Anti-corruption" organized by the Anti-Corruption Organization (Thailand). The CSR Committee has communicated on the National Anti-Corruption Day to everyone in the organization to acknowledge the importance of this day and the relevant penalties for any employees involved in corruption.

3.3 Education

The Company has organized a training program "Teaching Media with Microsoft Excel" for teachers and personnel of the Chorakhe Khob Mosque School (Prawet District) on 11 and 14 May 2019 with the main objective of integrating knowledge, skills and abilities of the teachers and related personnel to create the IT teaching and learning media and design the IT learning activities to students

In addition, the Company provided the opportunity to the teachers and students to visit various technology demonstration centers within the Company and participate in a lecture of the experts in order to exchange the experience and knowledge that is beneficial to the future work. The Company also supported the Company's personnel to give knowledge and educational guidance in the leading institutions in Thailand by aiming to create a network and build mutual relationships between companies and institutions as well as build good relationships in the future with students who would like to work with the organization

3.4 Environment

The Company realizes that the business operation will directly and indirectly affect the stakeholders' environment. Therefore, the Company is determined to drive and support various operations to minimize environmental impacts and enhance occupational health and safety in the workplace for everyone in the organization to allow business growth together with sustainable environmental management by organizing activities for employees to participate in environmental protection, such as a campaign for water and power



energy saving, a campaign for waste management before disposal, and a recycling of wastes to fertilizers used within the Company. These policies were publicized to employees for acknowledgment and to put into common practice.

3.5 Community and Social Development

The Company has continuously developed community and society by supporting activities within various communities as deemed appropriate. Additionally, the Company encouraged the employees to regularly participate in community and social development, as well as providing new technology to students and teachers from schools within the vicinity. The activities for community and social development organized by the Company are listed as follows:

- To organize the "Metro Donation" activity on the occasion of the 34th anniversary of the Company by donating blood to the blood bank of Siriraj Hospital on 7 January 2019 at Metro Systems Corporation (Public) Co., Ltd.

- To support the activities on "National Children's Day of the Year 2019" on 11 January 2019 by providing educational tools and gifts to various schools, such as Kochapueak Anusorn School, Wat Taklam School, Mosque School, Bueng Nong Bon Mosque School, Chorakhe Khob Mosque School and Khlong Makhamtet School in order to support education and promote activities for students in the community.

- To donate educational materials to the schools in the community, such as Kochapueak Anusorn School, Khlong Makhamtet School, Wat Taklam School, Wat Krathum Sue Pla School, Chorakhe Khob Mosque School, Tab Chang Mosque School and Salaloy Mosque School under "METRO Run Project" held on 22 January 2019.

- To organize the activity "Old Calendar We Request" by accepting the old calendars from employees and delivering them to the Educational Technology Center for the Blind Foundation for the Blind in Thailand under the Royal Patronage to produce the Braille media for the visually impaired and delivered to the center on 24 April 2019.

- To deliver the unused items, such as, clothing, books, children's toys and old cosmetics, which were donated by the employees under the Sustainable Development Day (SD Day) activity to Baan Nokkamin Foundation (Bangkok) on 13 September 2019. Therefore, the Foundation's staff will sort and give away the items to the needed children.

- To donate the teaching and learning materials to the students at Sai Khao Subdistrict Administrative Office (Tha Hor) School, Phan District, Chiang Rai Province, for using in the science room, library, and playroom under the "Architecture Volunteer Project". This is an annual academic activity held by the graduate students of the Department of Interior Architecture, Faculty of Architecture, King Mongkut's Institute of Technology Ladkrabang. However, Sai Khao Subdistrict Administrative Office (Tha Hor) School was affected by the earthquake in 2014 and there is still a shortage of equipment required for teaching and self-learning purposes.

4. To prepare the Report of the Corporate Social Responsibility (CSR) Committee In order to report the operational performance of the year 2019 as specified in the plan.



The Corporate Social Responsibility (CSR) Committee thus believed that the operation of the Corporate Social Responsibility (CSR) Committee in the year 2019 was implemented in accordance with the plans as specified and assigned by the Board of Directors and the Company's employees also were aware of the importance of corporate social responsibility, community and the environment which will help the Company to grow sustainably.

Date: 16 January 2020

On behalf of Corporate Social Responsibility Committee

Mr. Pravit Chattalada

Chairman of Corporate Social Responsibility Committee

Report of Nominating and Remuneration Sub-Committee



Dear Shareholders,

The Nominating and Remuneration Sub-Committee consists of the following members:

No.	Name	Position
1	Mr. Suvij Suvaruchiphorn	Chairman of Nominating and Remuneration Sub-Committee
2	Mr. Narong Charuvajana	Vice Chairman of Nominating and Remuneration Sub-Committee
3	Mr. Pravit Chattalada	Nominating and Remuneration Sub-Committee

The Nominating and Remuneration Sub-Committee consists of at least three members of an independent director, non-executive director and executive director for a period of two years in the office.

The Nominating and Remuneration Sub-Committee performs the duties as assigned with diligence and transparency with the most regard to the benefit of the shareholders and all stakeholders. Further information on related matters has been studied carefully. The Nominating and Remuneration Sub-Committee has the authority concerning the regulations and policies on nomination and remuneration relating to the Committees and Sub-Committees of the Company, recruiting suitable candidates to the position of Director and with purpose to the Board of Directors for further consideration and/or propose for approval by the Meeting of Shareholders, to consider the suitable candidates for the position of Managing Director in the event of a vacancy, to establish the criteria for senior executive succession, set up the necessary and appropriate remuneration criteria and policies for the Committee and Managing Director for approval and/or consideration at the shareholders' meeting to motivate and retain the members of Committees, Sub-Committees and Managing Director each year, having the responsibility to the Board of Directors and to clarify questions about the Nominating and remuneration of Directors and senior management in the shareholders' meeting, and report the Nominating and Remuneration Policies and disclose them in the Annual Report.

In 2019, the Nominating and Remuneration Committee held 3 meeting to consider various matters. All members of the Nominating and Remuneration Committee attended every meeting to follow up and consider important issues assigned by the Board of Directors. The meetings can be summarized as follows:

1. To consider the nomination of directors who will replace those retired by rotation for the year 2018 and propose to the Board of Directors for approval at the shareholders' meeting.
2. To consider the remuneration of Directors and Sub-Committees for the year 2019 and propose to the Board of Directors for approval at the shareholders' meeting.
3. To follow up the succession plan to ensure continuity of important positions and to maintain and develop personnel to be ready for the vacancy in August 2019 and purpose to the Board of Directors for approval.
4. To consider recruiting the Chief Executive Officer who completed the term of office in December 2019 and propose to the Board of Directors for approval.



5. To consider nominating the Corporate Social Responsibility Committee, Risk Management Sub-Committee and Corporate Governance Sub-Committee who completed the term of office in November 2019 and propose to the Board of Directors for approval.

The Nominating and Remuneration Sub-Committee has the opinion that their operation plan during the year 2019 has been achieved as assigned by the Board of Directors. The nomination for Directors and Executives and remuneration for Directors and Executives has been considered appropriately and at a level that helps in maintaining the Board of Directors, Sub-Committees and Executives of the Company for the organization's benefit and sustainable development.

Date: 16 January 2020

On behalf of Nominating and Remuneration Sub-Committee

Mr. Suvij Suvaruchiphorn

Chairman of Nominating and Remuneration Sub-Committee

Report of Corporate Governance Sub-Committee



Dear Shareholders,

The Corporate Governance Sub-Committee was initially appointed by the Board of Directors at meeting No. 5/2015, held on 6 November 2015 to serve for the term of office of 2 years. In 2019, the Board of Directors' Meeting No. 6/2019, held on 10 November 2019 passed a resolution to extend for another term of office of the Corporate Governance Sub-Committee from 1 December 2019 to 30 November 2021.

The Corporate Governance Committee consists of the following members:

No.	Name	Position
1	Dr. Virach Aphimeteetamrong	Chairman of Corporate Governance Sub-Committee
2	Mr. Kitti Techataveekijkul	Corporate Governance Sub-Committee
3	Mr. Wanarak Eakachai	Corporate Governance Sub-Committee
4	Mr. Aroon Tor-Ekbundit	Corporate Governance Sub-Committee
5	Mr. Veeraphan Durongsang	Corporate Governance Sub-Committee
6	Mr. Thongchai Lumveerakul	Corporate Governance Sub-Committee
7	Mrs. Nittaya Thanaviriyakul	Corporate Governance Sub-Committee

The Corporate Governance Sub-Committee consists of seven directors, three directors and four other executives who are independent directors or directors who are not executives serving as the chairman. The scopes of the Corporate Governance Sub-Committee's duties are to offer practical guidelines, provide good corporate governance and guidance on good practice regarding Code of Conduct and integrity in business operation to the directors, executives, employees and staff consistently and appropriately, consider, review and improve the policy on corporate governance so that the Company's corporate governance policy will be up-to-date and in line with international standards. The Good Corporate Governance Subcommittee must perform its duties in full according to the Charter of the Good Corporate Governance Sub-Committee and as assigned by the Board of Directors, as well as laws, rules and regulations of the listed company supervision department, monitor and evaluate the performance of directors and management in accordance with best practice and prepare the annual Report of Corporate Governance Assessment and present to the Board of Directors. The Sub-Committee also offers necessary suggestions and performs any further duties as assigned by the Board of Directors in each period.

In 2019, the Corporate Governance Sub-Committee operated according to the assigned roles and duties and held three meetings to consider the following issues:

1. To provide guidelines for good corporate governance as required by the regulations and laws to the Board of Directors, a summary of the Company's overall corporate governance and guidance for good



practice on Code of Conduct for directors, executives and employees of the Company to be in line with the Company's strategy for year 2019.

2. To regularly consider and review the following policies prior to purpose to the Board of Directors for approval.

2.1 New policy establishment

- Code of Conduct for Business Partners: The Corporate Governance Sub-Committee has proposed to establish the Code of Conduct for supplier to be used as a guideline in conducting business in accordance with the law and the Company's Code of Conduct. The scope and important guidelines include the business ethics, human rights, forced labor, safety and occupational health, environment etc.

- Charter of Corporate Governance Sub-Committee: The Corporate Governance Sub-Committee has proposed to create a new charter to serve as an operational framework for the Corporate Governance Sub-Committee in accordance with the corporate governance principles, ethics, responsibility to the shareholders and all stakeholders by specifying the details of appropriate and transparent responsibility and corporate governance guidance of the Company.

- Corporate Governance Handbook: The Corporate Governance Sub-Committee has proposed to create a new Corporate Governance Handbook in accordance with the Principles of Corporate Governance (CG Code), which has a total of 8 categories, including these following sections: 1) Establish clear leadership roles and responsibilities of the Board of Directors to create sustainable value for the business; 2) Define the objectives to promote the sustainable value creation of the business; 3) Strengthen the Board of Directors' effectiveness; 4) Ensure effective CEO and personnel recruitment and management; 5) Promote innovation and responsible business practices; 6) Strengthen an appropriate risk management and internal control system; 7) Maintain financial integrity and disclosure; 8) Ensure engagement and communication with shareholders.

2.2 Policy review and improvement

- Code of Conduct: The Corporate Governance Sub-committee proposed to review the Company's Code of Conduct to be up-to-date and appropriate according to the current situation so that the directors, executives and employees can adhere with this guideline to apply in practice correctly.

- Disclosure and Transparency Policy: The Corporate Governance Sub-Committee has reviewed the disclosure and transparency policy in order to reflect the actual work performance and suitable for the current situation by categorizing the details for better understanding and clarity.

- Intellectual Property Policy: The Corporate Governance Sub-Committee has revised the intellectual property policy in order to be up-to-date and appropriate according to the current situation so that so that the directors, executives and employees can adhere with this guideline to apply in practice correctly.

- Subsidiary Operational Control Policy: The Corporate Governance Sub-Committee has reviewed the subsidiaries' corporate governance policy and found that the present policy can be complied in practice and is still compliant with the current legal regulations. Therefore, none of the policy's content has been amended.

- Inter-Company Transaction Policy: The Corporate Governance Sub-Committee has reviewed the content of the inter-company transaction policy and found that the present policy can be complied in



practice and is still compliant with the current legal regulations. Therefore, none of the policy's content has been amended.

In addition, the Company has prepared a test on the Company's Code of Conduct, policies and regulations as a communication channel and assess the employees' knowledge and correct understanding relating to the Company's policies and regulations. The Company is aware of the importance of regular communication on policies and regulations to its employees. In 2019, all employees of the Company, representing 100% participated in the test and the passed the test with the score at 80%.

3. To continuously supervise and provide the directors to attend the training course to enhance their knowledge and encourage the directors to attend various courses offered by the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand (SET), and the Securities and Exchange Commission. Some external qualified experts were also invited to provide useful knowledge to allow the directors to perform their duties in line with the Corporate Governance Code under the section of "Director Development".

4. To advise on the preparation plan for the Annual General Meeting to ensure that the meeting was conducted in an effective and transparent manner in accordance with good governance principles and the AGM Checklist criteria. As a result, the Company has been awarded for the qualified annual general meeting from the Thai Investors Association a score of 97.5% which was higher than the average overall score for listed companies of 93.70%.

5. To supervise the setting of criteria for the opportunity given to the shareholders to propose agenda items of the Annual General Meeting of Shareholders and to nominate persons to be elected as directors prior to the Annual General Meeting of Shareholders Year 2019 from 30 August to 2 December 2019.

Regarding the opportunity given to shareholders to propose items for the agenda of meeting and nominating persons to be elected as directors in advance, none of the minority shareholders proposed any matters at the Annual General Meeting 2020 before the expiry of the given period.

6. To provide guidance on the implementation of the CGR Checklist that the Company has participated in the Survey Project of Corporate Governance of Thai Listed Companies (CGR), which was under the supervision of the Thai Institute of Directors (IOD), resulting in the Company's 89% which was higher than the average overall scores (82%) of the listed companies.

7. To prepare a report of the Corporate Governance Sub-Committee, in order to report upon operational performance for the year 2019 to the Board of Directors.

The Corporate Governance Sub-Committee is fully committed to overseeing the Company's compliance policies, corporate governance and code of conduct, as well as vigorously improving corporate governance and business ethics continually so that the Company will gain the confidence of stakeholders and comply with all international standards.

Date: 28 January 2020

On behalf of Corporate Governance Sub-Committee

Dr. Virach Aphimeteetamrong

Chairman of Corporate Governance Sub-Committee

Report of Risk Management Sub-Committee



Dear Shareholders,

Metro Systems Corporation Public Company Limited has set up an Enterprise Risk Management System under the supervision of The Risk Management Sub-committee to ensure that the Company has effective and efficient risk management to cover all possible risks under the principles of Corporate Governance. The Risk Management Sub-Committee shall have authorities and duties as assigned by the Board of Directors from 1 December 2015 onwards for a period of two years in office. The Risk Management Sub-Committee consists of the following seven members:

No.	Name	Position
1	Mr. Chacree-Amorn Tirachulisoonthorn*	Chairman of Risk Management Sub-Committee
	Assoc. Prof. Phonsiri Thivavarnvongs **	
2	Mr. Kittu Techataveekijkul	Risk Management Sub-Committee
3	Mr. Wanarak Eakachai	Risk Management Sub-Committee
4	Mr. Thongchai Lumveerakul	Risk Management Sub-Committee
5	Mr. Aroon Tor-ekbundit	Risk Management Sub-Committee
6	Mr. Veeraphan Durongsang	Risk Management Sub-Committee
7	Mrs. Nittaya Thanaviriyakul	Risk Management Sub-Committee

Note: * The Board of Directors' Meeting approved Mr. Chacree-Amorn Tirachulisoonthorn to resign from the position of Chairman of Risk Management Sub-Committee from 9 August 2019.

** The Board of Directors' Meeting passed a resolution to appoint Assoc. Prof. Phonsiri Thivavarnvongs to hold the position of Chairman of Risk Management Sub-Committee from 27 August 2019.

The Risk Management Sub-Committee has the scope of duties and responsibilities under the Risk Management Sub-Committee Charter.

In the year 2019, the Risk Management Sub-Committee supervised and supported the risk management to be appropriate and in time by assessing important issues and analyzing the risks of 5 business groups, namely the Digital Solutions Business Group (DSG), Software Integration Group (SIG), Digital Printing Group (DPG), Supporting Group and Metro Connect Co., Ltd. The Risk Management Subcommittee held four meetings to consider the significant issues as follows:

1) There are 5 important risks of the organization.

(1) Skill Development: This is to support on the technological changes, market demand and sales target.



- (2) Business Interruption: There is a possibility of termination of the partnership.
- (3) Digital Transformation: This is to maintain the organization up-to-date with incoming changes.
- (4) Image and Reputation
- (5) Information Technology Risk Management

2) To review the Charter of Risk Management Sub-Committee, risk management policy, the risk management framework and Risk Management Handbook (in the 1st meeting of Risk Management Sub-committee, which was held on 23 January 2019).

3) To improve the operation of the Risk Management Team to be more streamlined and efficient.

4) To prepare the Report of Risk Management Sub-Committee in order to report the operational performance for the year 2019 according to the plan.

The Risk Management Sub-Committee has the opinion that the implementation of the Risk Management Sub-Committee plan for the year 2019 was conducted in accordance with the Company's goal to provide an exceptional enterprise risk management system and was very well supported by the management and employees.

Date: 28 January 2019

On behalf of Risk Management Sub-Committee

Assoc. Prof. Phonsiri Thivavarnvongs

Chairman of Risk Management Sub-Committee

Report of Board of Directors Responsibilities



The Board of Directors has responsibility for the Company and subsidiaries' financial consolidated statements; financial information that appears in annual reports 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 maximum benefit. In addition, it includes adequate disclosure of information in financial statement notes.

Moreover, the Board of Directors has the duty to maintain an 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 any weak points so as to prevent any potential fraud or irregular activities with significances.

Furthermore, the Board of Directors has appointed Audit Committee which consist of independent directors who have duties and responsibilities to oversee the quality of financial statements and internal audit control systems. 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 a satisfactory level and is able to create reasonable confidence for the Company and subsidiaries' creditability of financial statement as of 31 December 2019.

(Mr. Sunpitt Sethpornpong)

Chairman

(Mr. Tavit Charuvajana)

Chief Executive Officer

Metro Systems Corporation Public Company Limited and its Subsidiaries

Financial statements for the year ended

31 December 2019

and

Independent Auditor's Report

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Metro Systems Corporation Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Metro Systems Corporation Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2019, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Metro Systems Corporation Public Company Limited and its subsidiaries and of Metro Systems Corporation Public Company Limited as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 3.14 to the financial statements that Metro Systems Corporation Public Company Limited and its subsidiaries have adopted Thai Financial Reporting Standard No. 15 “Revenue from contracts with customers” which become effective for fiscal years beginning on or after January 1, 2019. The Company and its subsidiaries elect to recognize the cumulative effect of applying this Standard as an adjustment to the beginning balance of retained earnings of the reporting period.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
<p>Recognition of revenue from rendering of services</p> <p>The Group has many service agreements which have different terms and pricing conditions for each customer. Therefore, the key audit matter is occurrence, accuracy and completeness of recognition of revenue from rendering of services whether the revenue from rendering of services is recognized following the criteria of service contracts accurately in accordance with Thai Financial Reporting Standards.</p> <p>Accounting policies of revenue from rendering of services were disclosed in the Notes 3.14 to the financial statements.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the revenue recognition process related to rendering of services and related internal control procedures • Testing the design and implementation of the internal control procedures related to rendering of services • Performing the operating effectiveness testing over the internal control procedures around revenue recognition process related to rendering of services including related information, and • Performing substantive testing as follows: <ul style="list-style-type: none"> - Evaluating the terms and condition of the service agreements, assessing the group's satisfaction of the performance obligation, recalculating the revenues whether it is appropriately recognized in accordance with the service agreements, examining the related supporting documents of those revenues. - Performing substantive analytical procedures relating to the revenue from rendering of services.

Other Matter

The consolidated statement of financial position of Metro Systems Corporation Public Company Limited and its subsidiaries and the separate statement of financial position of Metro Systems Corporation Public Company Limited as at December 31, 2018 before reclassifications, presented herein as comparative information, were audited by another auditor whose report thereon dated February 25, 2019 expressed an unmodified opinion.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, 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.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BANGKOK
February 27, 2020

Wilasinee Krishnamra
Certified Public Accountant (Thailand)
Registration No. 7098
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

UNIT : BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
ASSETS		2019	2018	2019	2018
CURRENT ASSETS					
Cash and cash equivalents	5	41,801,828	53,632,278	26,658,501	39,143,142
Current investments	6	248,828,477	10,496,933	100,429,629	66,685
Trade and other current receivables	7	1,321,300,331	1,671,782,923	1,172,453,933	1,160,582,336
Current portion of finance lease receivables	13	231,727,559	254,954,284	100,859,534	119,434,679
Inventories	8	400,603,749	446,982,924	328,843,737	324,216,104
Other current assets		10,612,058	11,814,419	7,135,325	8,305,922
Total Current Assets		2,254,874,002	2,449,663,761	1,736,380,659	1,651,748,868
NON-CURRENT ASSETS					
Investments in associates	9	12,388,464	11,266,913	1,998,800	1,998,800
Investments in subsidiaries	10	-	-	37,398,620	44,898,170
Deposits at financial institutions used as collaterals	11	39,290,000	41,290,000	14,290,000	14,290,000
Property, plant and equipment	12	507,011,566	566,589,283	495,001,851	553,661,436
Finance lease receivables	13	238,268,025	240,706,524	159,719,761	151,937,932
Intangible assets	14	20,698,792	16,710,707	20,433,862	16,637,748
Deferred tax assets	15	34,874,084	27,824,614	33,582,583	21,693,914
Withholding tax deducted at source		171,484,570	153,201,627	161,687,657	144,006,804
Other non-current assets		2,977,743	3,010,607	2,877,414	2,915,940
Total Non-current Assets		1,026,993,244	1,060,600,275	926,990,548	952,040,744
TOTAL ASSETS		3,281,867,246	3,510,264,036	2,663,371,207	2,603,789,612

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2019

UNIT : BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions		148,289,974	227,513,553	99,242,837	70,522,862
Trade and other current payables	16	900,186,152	1,080,829,313	746,867,767	791,758,766
Short-term borrowings	17	-	6,296,950	-	6,296,950
Current portion of long-term borrowings from financial institutions	18	5,040,000	5,040,000	5,040,000	5,040,000
Current portion of long-term borrowings from other parties	19	4,306,935	19,091,647	4,306,935	19,091,647
Current portion of finance lease liabilities	20	55,169,078	71,305,462	8,792,244	22,975,054
Current provisions for employee benefits	21	49,038,228	15,374,068	47,601,434	14,820,735
Dividend payable		3,532,493	3,292,427	1,492,913	1,252,847
Current income tax payable		3,438,529	-	-	-
Other current liabilities		211,623	623,267	211,623	623,267
Total Current Liabilities		1,169,213,012	1,429,366,687	913,555,753	932,382,128
NON-CURRENT LIABILITIES					
Long-term borrowings from financial institutions	18	4,420,000	9,460,000	4,420,000	9,460,000
Long-term borrowings from other parties	19	8,794,992	13,102,679	8,794,992	13,102,679
Long-term finance lease liabilities	20	31,216,383	56,844,323	12,947,145	13,390,744
Non-current provisions for employee benefits	21	167,339,925	127,224,071	153,836,161	109,692,844
Deferred tax liabilities	15	7,554,589	12,105,610	-	-
Total Non-current Liabilities		219,325,889	218,736,683	179,998,298	145,646,267
TOTAL LIABILITIES		1,388,538,901	1,648,103,370	1,093,554,051	1,078,028,395

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2019

UNIT : BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
360,000,000 ordinary shares of Baht 1 each	22	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	22	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					
Legal reserve	23	47,900,000	47,900,000	47,900,000	47,900,000
Unappropriated		1,246,051,980	1,217,696,118	927,501,193	883,639,061
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY		697,382	(17,986)	194,215	408
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE					
TO OWNERS OF THE COMPANY		1,888,871,110	1,859,799,880	1,569,817,156	1,525,761,217
NON-CONTROLLING INTERESTS		4,457,235	2,360,786	-	-
TOTAL SHAREHOLDERS' EQUITY		1,893,328,345	1,862,160,666	1,569,817,156	1,525,761,217
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,281,867,246	3,510,264,036	2,663,371,207	2,603,789,612

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Revenue from sales	28	6,334,878,893	7,017,492,628	5,402,578,201	5,361,619,654
Revenue from rendering of services	28	1,048,921,278	938,854,784	858,194,680	725,156,518
Rental revenue	28	18,102,775	17,165,879	21,701,617	17,684,679
Cost of sales	24	(5,447,418,300)	(6,066,665,964)	(4,639,658,669)	(4,583,407,452)
Cost of rendering of services	24	(734,216,622)	(637,970,827)	(562,414,140)	(460,918,668)
Rental costs	24	(10,553,318)	(12,675,204)	(10,468,358)	(12,272,277)
Gross profit		1,209,714,706	1,256,201,296	1,069,933,331	1,047,862,454
Other income		72,532,297	77,656,038	117,209,381	89,983,287
Distribution costs	24	(155,387,222)	(163,041,826)	(137,244,118)	(135,161,020)
Administrative expenses	24	(842,518,166)	(807,380,505)	(773,082,041)	(702,854,565)
Finance costs	24	(13,282,058)	(18,298,771)	(6,781,300)	(11,083,455)
Share of profit of investments in associates	9	2,134,870	537,070	-	-
Profit before income tax		273,194,427	345,673,302	270,035,253	288,746,701
Income tax expenses	15	(50,775,480)	(63,815,470)	(36,279,457)	(45,853,000)
Profit for the years		222,418,947	281,857,832	233,755,796	242,893,701
Other comprehensive income (loss)					
Items that will be reclassified subsequently to profit or loss					
Net change in fair value of current investments -					
available-for-sale investments	6	830,348	(81,786)	242,258	(10,668)
Share of gain (loss) on other comprehensive income of associates		52,933	(24,711)	-	-
Income tax relating to items that will be reclassified					
subsequently to profit or loss		(167,913)	21,490	(48,451)	2,133
Total items that will be reclassified subsequently to profit or loss		715,368	(85,007)	193,807	(8,535)
Items that will not be reclassified subsequently to profit or loss					
Losses on remeasurements of defined benefit plans		(26,344,316)	(1,519,267)	(25,867,667)	(336,144)
Share of other comprehensive income (loss) of associates		(694,946)	139,233	-	-
Income tax relating to items that will not be					
reclassified subsequently to profit or loss		5,407,852	276,007	5,173,533	67,229
Total items that will not be reclassified subsequently to profit or loss		(21,631,410)	(1,104,027)	(20,694,134)	(268,915)
Other comprehensive loss for the years - net of tax		(20,916,042)	(1,189,034)	(20,500,327)	(277,450)
Total comprehensive income for the years		201,502,905	280,668,798	213,255,469	242,616,251

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : BAHT

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	NOTES	2019	2018	2019	2018
PROFIT ATTRIBUTABLE TO:					
Owners of the Company		220,321,568	283,261,848	233,755,796	242,893,701
Non-controlling interests		2,097,379	(1,404,016)	-	-
PROFIT FOR THE YEARS		222,418,947	281,857,832	233,755,796	242,893,701
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Company		199,405,526	281,968,509	213,255,469	242,616,251
Non-controlling interests		2,097,379	(1,299,711)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEARS		201,502,905	280,668,798	213,255,469	242,616,251
BASIC EARNINGS PER SHARE	25 Baht	0.61	0.79	0.65	0.67
WEIGHTED-AVERAGE NUMBER					
OF ORDINARY SHARES	25 Shares	360,000,000	360,000,000	360,000,000	360,000,000

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019
CONSOLIDATED FINANCIAL STATEMENTS

UNIT : BAHT

Note	Shareholders' equity attributable to owners of the Company							Equity attributable to owners of the Company	Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings Appropriated Legal reserve	Unappropriated	Unrealized gain on revaluation of available-for-sale investments - net of tax	Share of other comprehensive income of associates	Total other components of equity			
Beginning balances as at January 1, 2018	360,000,000	234,221,748	47,900,000	1,090,195,512	67,021	-	67,021	1,732,384,281	6,327,057	1,738,711,338
Transactions with owners, recorded directly in shareholders' equity										
Distributions to shareholders of the Company										
Dividends to shareholders of the Company	29	-	-	-	(154,796,603)	-	-	(154,796,603)	-	(154,796,603)
Dividends to non-controlling interests		-	-	-	-	-	-	-	(744,066)	(744,066)
Total transactions with owners, recorded directly in equity		-	-	-	(154,796,603)	-	-	(154,796,603)	(744,066)	(155,540,669)
Changes in ownership interests in subsidiary										
Acquisition of non-controlling interests without a change in control		-	-	-	243,693	-	-	243,693	(1,922,494)	(1,678,801)
Total changes in ownership interests in subsidiary		-	-	-	243,693	-	-	243,693	(1,922,494)	(1,678,801)
Comprehensive income (loss) for the years										
Profit for the years		-	-	-	283,261,848	-	-	283,261,848	(1,404,016)	281,857,832
Other comprehensive loss		-	-	-	(1,208,332)	(65,238)	(19,769)	(1,293,339)	104,305	(1,189,034)
Total comprehensive income (loss) for the years		-	-	-	282,053,516	(65,238)	(19,769)	281,968,509	(1,299,711)	280,668,798
Ending balances as at December 31, 2018		360,000,000	234,221,748	47,900,000	1,217,696,118	1,783	(19,769)	1,859,799,880	2,360,786	1,862,160,666

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019
CONSOLIDATED FINANCIAL STATEMENTS

UNIT : BAHT

	Notes	Shareholders' equity attributable to owners of the Company							Non-controlling interests	Total shareholders' equity	
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity					Equity attributable to owners of the Company
				Appropriated Legal reserve	Unappropriated	Unrealized gain on revaluation of available-for-sale investments - net of tax	Share of other comprehensive income of associates	Total other components of equity			
Balance as at January 1, 2019 - as under previous Thai Financial Reporting Standards		360,000,000	234,221,748	47,900,000	1,217,696,118	1,783	(19,769)	(17,986)	1,859,799,880	2,360,786	1,862,160,666
Effect from adoption Thai Financial Reporting Standard 15	3.14	-	-	-	(1,134,766)	-	-	-	(1,134,766)	(461)	(1,135,227)
Balance as at January 1, 2019 - as under new Thai Financial Reporting Standards		360,000,000	234,221,748	47,900,000	1,216,561,352	1,783	(19,769)	(17,986)	1,858,665,114	2,360,325	1,861,025,439
Transactions with owners, recorded directly in shareholders' equity											
Distributions to shareholders of the Company											
Dividends to shareholders of the Company	29	-	-	-	(169,199,530)	-	-	-	(169,199,530)	-	(169,199,530)
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	(469)	(469)
Total transactions with shareholders, recorded directly in equity		-	-	-	(169,199,530)	-	-	-	(169,199,530)	(469)	(169,199,999)
Comprehensive income for the years											
Profit for the years		-	-	-	220,321,568	-	-	-	220,321,568	2,097,379	222,418,947
Other comprehensive income		-	-	-	(21,631,410)	673,022	42,346	715,368	(20,916,042)	-	(20,916,042)
Total comprehensive income for the years		-	-	-	198,690,158	673,022	42,346	715,368	199,405,526	2,097,379	201,502,905
Ending balances as at December 31, 2019		360,000,000	234,221,748	47,900,000	1,246,051,980	674,805	22,577	697,382	1,888,871,110	4,457,235	1,893,328,345

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2019

SEPARATE FINANCIAL STATEMENTS

UNIT : BAHT							
	Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders equity	Total shareholders equity
				Appropriated Legal reserve	Unappropriated	Unrealized gain (reversal) on revaluation of available-for-sale investments- net of tax	
Beginning balance as at January 1, 2018		360,000,000	234,221,748	47,900,000	795,810,878	8,943	1,437,941,569
Transactions with owners, recorded directly in equity							
Distributions to shareholders of the parent							
Dividends to shareholders of the Company	29	-	-	-	(154,796,603)	-	(154,796,603)
Total transactions with owners, recorded directly in equity		-	-	-	(154,796,603)	-	(154,796,603)
Comprehensive income (loss) for the years							
Profit for the years		-	-	-	242,893,701	-	242,893,701
Other comprehensive loss		-	-	-	(268,915)	(8,535)	(277,450)
Total comprehensive income (loss) for the years		-	-	-	242,624,786	(8,535)	242,616,251
Ending balance as at December 31, 2018		360,000,000	234,221,748	47,900,000	883,639,061	408	1,525,761,217
Beginning balance as at January 1, 2019		360,000,000	234,221,748	47,900,000	883,639,061	408	1,525,761,217
Transactions with owners, recorded directly in equity							
Distributions to shareholders of the parent							
Dividends to shareholders of the Company	29	-	-	-	(169,199,530)	-	(169,199,530)
Total transactions with shareholders, recorded directly in equity		-	-	-	(169,199,530)	-	(169,199,530)
Comprehensive income for the years							
Profit for the years		-	-	-	233,755,796	-	233,755,796
Other comprehensive income		-	-	-	(20,694,134)	193,807	(20,500,327)
Total comprehensive income for the years		-	-	-	213,061,662	193,807	213,255,469
Ending balance as at December 31, 2019		360,000,000	234,221,748	47,900,000	927,501,193	194,215	1,569,817,156

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Cash flows from operating activities					
Profit before income tax expenses		273,194,427	345,673,302	270,035,253	288,746,701
Adjustments for					
Depreciation	12	99,256,825	95,512,956	94,815,675	90,960,488
Amortization of intangible assets	14	6,281,924	3,596,795	6,203,341	3,555,235
Interest received		(18,309,739)	(15,010,448)	(17,942,088)	(14,508,540)
Dividends received	9,10	-	-	(63,499,231)	(29,455,934)
Bad and doubtful debts expense (reversal)	7	(31,073,084)	389,781	(13,917,926)	389,781
Finance costs		13,282,058	18,298,771	6,781,300	11,083,455
Obsolete and slow-moving inventories (reversal)	8	(19,640,472)	19,286,325	(19,640,472)	19,286,325
Loss on write-off inventories		16,100,000	-	16,100,000	-
Gain on sales of current investment - available-for-sale investments	6	(1,029,785)	(871,208)	(280,555)	(613,710)
Loss on write-off of assets		792,102	2,436,913	792,102	2,431,534
Gain on disposals of property, plant and equipment and intangible assets		(112,862)	(3,594,674)	(53,892)	(3,473,720)
Unrealized gain on foreign exchange rate		(448,089)	(1,539,582)	(453,520)	(1,367,165)
Gain on contract termination		-	(432,741)	-	(432,741)
Written - off withholding tax deducted at source		468,627	219,847	-	212,266
Share of profit of investments in associates	9	(2,134,870)	(537,070)	-	-
Employee benefit expense	21	62,809,766	10,358,394	57,848,783	9,045,942
Cash provided by operation before changes in operating assets and liabilities		399,436,828	473,787,361	336,788,770	375,859,917
Changes in operating assets and liabilities					
Operating assets (increase) decrease					
Trade and other current receivables		425,579,412	(665,201,359)	11,728,539	(288,393,060)
Finance lease receivables		(11,645,083)	(121,300,901)	9,243,657	(65,041,298)
Inventories		37,184,888	(54,073,705)	(13,821,920)	(14,853,688)
Other current assets		1,202,361	(7,647,653)	1,170,597	(4,669,587)
Other non-current assets		32,864	(64,952)	38,526	(288)
Operating liabilities increase (decrease)					
Trade and other current payables		(166,619,801)	208,757,824	(22,863,336)	48,875,049
Other current liabilities		(411,644)	(51,765)	(411,644)	(51,765)
Deposit and guarantee		-	-	-	(5,000,000)
Cash provided by (used in) operating activities		684,759,825	(165,795,150)	321,873,189	46,725,280
Employee benefit paid	21	(15,374,068)	(11,229,825)	(14,820,735)	(11,229,825)
Income tax received		54,465,540	1,178,304	51,508,628	-
Income tax paid		(126,759,309)	(112,645,118)	(112,232,524)	(92,218,286)
Net cash provided by (used in) operating activities		597,091,988	(288,491,789)	246,328,558	(56,722,831)

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Cash flows from investing activities					
Interest received		18,182,795	15,799,112	17,815,150	14,547,943
Proceeds from sale of investment in associates		-	-	7,499,550	-
Proceeds from sale of current investment	6	642,049,868	1,406,709,000	349,349,868	1,013,259,000
Acquisition of current investment	6	(878,670,000)	(914,250,000)	(449,190,000)	(653,850,000)
Decrease in fixed deposit at bank		148,649	26,609,391	-	10,000,000
Decrease in deposits used as collateral		2,000,000	2,368,980	-	-
Proceeds from sales of property, plant and equipment and intangible assets		469,403	7,181,160	206,661	7,011,608
Acquisition of property, plant and equipment	4.1	(33,672,183)	(51,602,562)	(29,945,389)	(48,128,348)
Acquisition of intangible assets	4.3	(1,444,527)	(2,020,468)	(1,173,973)	(1,991,468)
Payment for accounts payable for assets	4.1	(403,911)	(848,095)	(375,211)	(848,095)
Dividend received		-	-	63,499,231	29,455,934
Net cash provided by (used in) investing activities		(251,339,906)	489,946,518	(42,314,113)	369,456,574
Cash flows from financing activities					
Finance costs paid		(13,177,541)	(18,904,855)	(6,676,783)	(11,572,237)
Proceeds from short-term borrowings from financial institutions		2,323,916,154	2,583,741,556	1,842,108,730	1,593,750,865
Repayment of short-term borrowings from financial institutions		(2,403,139,733)	(2,410,768,979)	(1,813,388,755)	(1,523,228,003)
Repayment of short-term loans from other parties	17	(27,761,150)	(82,431,195)	(27,761,150)	(82,431,195)
Proceeds from sale and leaseback transactions	4.2	32,417,051	62,262,900	6,190,388	-
Repayment of sale and leaseback transactions	4.2	(1,054,771)	(5,733,023)	(1,054,771)	(5,733,023)
Repayment for long-term loans from financial institutions	18	(5,040,000)	(5,040,000)	(5,040,000)	(5,040,000)
Repayment for long-term loan from other party	19	(19,092,399)	(23,929,462)	(19,092,399)	(23,929,462)
Repayment of finance lease liabilities	4.2	(76,189,460)	(157,914,346)	(22,824,882)	(92,983,963)
Repayment of change in ownership interest in subsidiary without a change in control		(450)	(1,678,800)	-	(1,678,800)
Dividend paid		(168,460,233)	(155,500,168)	(168,959,464)	(154,589,827)
Net cash used in financing activities		(357,582,532)	(215,896,372)	(216,499,086)	(307,435,645)
Net increase (decrease) in cash and cash equivalents		(11,830,450)	(14,441,643)	(12,484,641)	5,298,098
Cash and cash equivalents as at January 1,		53,632,278	68,073,921	39,143,142	33,845,044
Cash and cash equivalents as at December 31,		41,801,828	53,632,278	26,658,501	39,143,142

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. GENERAL INFORMATION AND OPERATIONS

Metro Systems Corporation Public Company Limited (the “Company”) is incorporated in Thailand in 1996. The Company’s registered office at 400 Chalermprakit Rama IX, Nong Bon, Prawet, Bangkok 10250. The Company was listed on the Stock Exchange of Thailand on June 16, 2003. There are 3 branches located as follows:

Branch 1	888/15-17 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Branch 2	141/15-18 Skulthai Tower Surawong Road, Suriyawong, Bangrak, Bangkok 10500
Branch 3	979/27-31 SM Tower Condominium, Phahonyothin Road, Samsennai, Phayathai, Bangkok 10400

The Company’s major shareholders were Metro Value Creation Company Limited, Metrophose Company Limited which were incorporated in Thailand and Jaruwatjana Family.

The principal businesses of the Company and its subsidiaries, together referred to as the “Group”, are involved in trading computer and equipment, software, supplies, office equipment, and related services.

Details of the Company’s subsidiaries as at December 31, 2019 and 2018 were as follows:

Subsidiaries	Type of business	Incorporate country	Ownership interest (%)	
			2019	2018
Metro Professional Products Company Limited	Sale and service of computer and computer programs	Thailand	99.9990	99.9990
Metro Info Tech Company Limited	Sale and maintenance service and computer programs	Thailand	70.0000	70.0000
Metro Connect Company Limited	Sale and service of computer and computer programs	Thailand	99.9997	99.9997
Metro Info Dynamics Company Limited	Sale and computer peripheral service	Thailand	99.9940	99.9940

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The Group maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Group's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2018) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2019 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements (No.2) B.E. 2559" dated October 11, 2016.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies. (Please see Note 3)
- 2.4 The consolidated and separate statements for the year ended December 31, 2018, presented herein for comparison, were audited by another auditor.
- 2.5 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements.

During the year, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the the Group's financial statements, except the following financial reporting standards:

Thai Financial Reporting Standard No.15 "Revenue from Contracts with Customers" ("TFRS 15")

The core principle of this TFRS is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects to consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Under this TFRS, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

This TFRS supersedes the following revenue Standards and Interpretations upon its effective date: Thai Accounting Standard No.11 “Construction Contracts” , Thai Accounting Standard No.18 “Revenue”, Thai Accounting Standard Interpretation No.31 “Revenue-Barter Transactions Involving Advertising Services”, Thai Financial Reporting Standard Interpretation No.13 “Customer Loyalty Programmes”, Thai Financial Reporting Standard Interpretation No.15 “Agreements for the Construction of Real Estate” and Thai Financial Reporting Standard Interpretation No.18 “Transfers of Assets from Customers”.

TFRS 15 requires retrospective method in accordance with Thai Accounting Standard No.8 “Accounting Policies, Changes in Accounting Estimates and Errors” or recognize the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings of the reporting period. The Company chooses to recognize the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings of the reporting period. The effect of related transactions are as described in Note 3.14.

2.6 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective.

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The Group’s management will adopt such TFRSs in the preparation of the Group’s financial statements when it becomes effective. The Group’s management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any material impact on the financial statements of the Group in the period of initial application, expect the financial reporting standards as follows:

Thai Accounting Standard No.12 “Income Taxes”

This revised accounting standard clarifies about recognition the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. An entity shall apply those amendments to the income tax consequences of dividends recognized on or after the beginning of the earliest comparative period. Earlier application is permitted.

Thai Accounting Standard No.19 “Employee Benefits”

This revised accounting standard clarifies that the past service cost or of the gain or loss on settlement is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment or curtailment or settlement but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). This accounting standard requires prospective method for such amendment. It applies only to plan amendments, curtailments or settlements that occur on or after the beginning of the annual period in which it is first applied. Earlier application is permitted.

Group of Financial Instruments Standards

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Group’s business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

The Group’s management is in the process to assess the impact of these Financial Instruments Standards on the financial statements of the Group in the period of initial application.

Thai Financial Reporting Standards No. 16 “Leases”

This TFRS provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 “Leases”, Thai Accounting Standard Interpretation No.15 “Operating Lease - Incentives”, Thai Accounting Standard Interpretation No.27 “Evaluating the Substance of Transactions involving the Legal Form of a Lease” and Thai Financial Reporting Standard Interpretation No.4 “Determining whether an Arrangement contains a Lease”.

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

The Group’s management is in the process to assess the impact of this TFRS on the financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The English version of the consolidated and separate financial statements have been prepared from the Thai version of the consolidated and separate financial statements prepared by law. In the event of any conflict or different interpretation of the two different languages, the Thai version consolidated and separate financial statements in accordance with the Thai law is superseded.

The financial statements have been prepared under the measurement basis of historical cost except as disclosed in the significant accounting policies as follows:

3.1 Basis of preparation of consolidation financial statements

The Consolidated financial statements comprise the Company and its subsidiaries’ financial statements and the Group’s interest in associates.

Transactions eliminated on consolidation

Significant intra-group balances and transactions have been eliminated in the preparation of the consolidated financial statements. The consolidated financial statements for the years ended December 31, 2019 and 2018 were prepared by using the financial statements of its subsidiaries and associates as of the same date.

3.2 Foreign currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized as profit or loss in statement of comprehensive income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

3.3 Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate and commodity price risks arising from operational, financing and investment activities.

The Group entered into forward foreign exchange contracts in asset and liability management activities to control exposure to fluctuations in foreign exchange rates. Further details of financial instruments are disclosed in Notes 30.

Gains and losses on forward foreign exchange contracts designated as hedges of existing assets and liabilities are recognized as income or expense in the statement of comprehensive income.

Amounts to be paid and received are offset in the statement of financial position and included in assets or liabilities category in the statement of financial position.

The Group has no policy to speculate in or engage in the trading of any derivative financial instruments.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, all deposits at financial institutions with the original maturities of three months or less and highly liquid short-term investments, excluding cash at banks used as collateral.

3.5 Trade and other current receivables

Trade and other current receivables are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

3.6 Inventories

Inventories are stated at lower of cost or net realizable value. Cost is calculate by the weighted average method.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

3.7 Investments

Temporary investment

Temporary investment consisting of deposit at banks having a maturity exceeding 3 months but less than 12 months and is not used as collateral is presented at cost.

Investments held as available-for-sale

Investments held as available-for-sale are stated at fair value. Changes in the fair value of these investments are recorded as a separate item in shareholders' equity.

Investments in subsidiaries and associates

Investments in subsidiaries and associates in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in associates

An associate is an entity which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

When a group entity transacts with an associate, profits and losses resulting from such transactions are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Other investments

Other investments are non-marketable equity securities which are stated at cost less any impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognized as profit or loss in the statement of comprehensive income.

If the Group disposes of a partial of its holding investment, the deemed cost of the sold investment is determined using the weighted-average method applied to the carrying value of the total holding of the investment.

3.8 Property, plant and equipment

Recognition and measurement

Property is measured at cost less allowance for impairment losses, if any.

Land improvements, plant and equipment are measured at cost less accumulated depreciation and allowance for impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use. The cost also includes the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for separately by major components.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net as profit or loss in the statement of comprehensive income.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized as an expense in statement of comprehensive income as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount of plant and equipment, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged as an expense to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	20	years
Buildings	5 - 30	years
Furniture and fixtures	5	years
Office equipment	3 - 5	years
Vehicles	5	years
Other fixed assets	5	years
Assets held for lease	3 - 5	years

No depreciation is provided on land and assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.9 Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and allowance for impairment losses, if any.

Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized as an expense in the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible asset, other than goodwill, from the date that they are available for use. The estimated useful lives are as follows:

Software license	1 - 15	years
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Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets with definite useful lives are tested for impairment when there is an indicator that the asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually or when there is an indicator that the asset may be impaired.

3.10 Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized as an expense in the statement of comprehensive income unless it reverses a previous revaluation credited to equity and it subsequently impairs in which case it is charged to statement of comprehensive income.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the higher of the asset's value in use or fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized as an expense in the statement of comprehensive income.

Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications of impairment the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, as if no impairment loss had been recognized.

3.11 Interest-bearing liabilities

Interest-bearing liabilities are recognized initially at fair value less attributable transaction charges in relation to the liabilities. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognized as an expense in the statement of comprehensive income over the period of the borrowings.

3.12 Provision

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

3.13 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of comprehensive income in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value based on salary, mortality rate, service period and other factors. The discount rate used in determining post-employment benefit obligation is the yield of the government bond.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized on a straight-line basis until the benefits become vested. To the extent that the benefits is vested, the expense is recognized immediately in the statement of comprehensive income.

The Group recognizes all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in the statement of comprehensive income.

Past service cost related to the plan amendment is recognized as an expense in the statement of comprehensive income when the plan amendment is effective.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted cash flow basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.14 Recognition of revenues

Revenue from sale of goods

Revenue from sale of goods is recognized in the statement of comprehensive income when control of the goods is transferred to customers, generally on delivery of goods. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Revenue from sales are measured at the amount of consideration received or expect to be received for delivered goods after deduction of discounts, excluding value added tax.

For sale with warranties to assure that the goods complies with agree-upon specifications, the Group recognize the warranty according to TAS 37 “Provisions, Contingent Liabilities and Contingent Assets” consistent with its previous accounting treatment.

The service-type warranties provided customers with a service in addition to the assurance that the product complies with agree-upon specifications is recognized as revenue over the period in which the service is provided.

Revenue from rendering of services

Revenue from rendering of services is recognized over time when services have been rendered considering the stage of completion. The stage of completion is assessed by reference to cost of services incurred. When the outcome of a service rendering contract cannot be estimated reliably, service revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Sales of services - maintenance relating to electronic equipment

The maintenance service is considered to be a distinct service as it is both regularly supplied by the Group to other customers on a stand-alone basis and available for customers from other providers in the market. A portion of the transaction price is therefore allocated to the maintenance services based on the stand-alone selling price of those services.

Revenue relating to the maintenance services is recognized over time. The transaction price allocated to these services is recognized as a contract liability at the time of the initial sales transaction and is released on a straight line basis over the period of service.

Sale of services - installation of software services

The Group provides a service of installation of various software products for specialised business operations. Such services are recognized as a performance obligation satisfied over time. Revenue is recognized for these installation services over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred from work performed to date relative to the estimated total contract costs. The directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under TFRS 15.

Application of new and revised Thai Financial Reporting Standards (TFRSs)

In the current year, the Group has applied TFRS 15 “Revenue from Contracts with Customers” which becomes effective for fiscal years beginning on or after January 1, 2019. This financial reporting standard was aimed at alignment with the corresponding International Financial Reporting Standards. TFRS 15 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in TFRS 15 to deal with specific scenarios. The impact on the Group’s consolidated financial statements are described below.

The Group has applied TFRS 15 “Revenue from Contracts with Customers” on January 1, 2019, the date of initial application. The Company chooses to recognize the cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earning as of January 1, 2019. The effect of the financial statements are described below.

Impact on assets, liabilities and shareholder’s equity

Statement of financial position as at January 1, 2019

	As previously reported as at December 31, 2018	Adjustment	Unit: Thousand Baht After adjusted as at January 1, 2019
Trade and other current receivables ⁽¹⁾	1,671,783	36,052	1,707,835
Finance lease receivables	495,661	(37,471)	458,190
Deferred tax liabilities ⁽²⁾	(12,106)	284	(11,822)
Retained earnings	(1,217,696)	1,135	(1,216,561)

(1) The amounts allocated to the maintenance service for electronic equipment increased as a result of the allocation method required under TFRS 15 i.e. an allocation based on stand-alone selling price. Such services are paid up-front as part of the initial sales transaction whereas revenue is recognized proportionally over the period which maintenance services are provided to the customer. Based on the previous allocation method, no amounts were deferred as the impact was not considered to be material. There has been an adjustment to revenue and the recognition of a contract liability to reflect the change in accounting.

(2) To recognize the impact on deferred income tax of the other adjustments recognized.

Impact on assets, liabilities and shareholder's equity

Statements of financial position as at December 31, 2019

	Unit: Thousand Baht		
	As under previous TFRSs as at December 31, 2019	Effect from adoption TFRS 15	As under new TFRSs as at December 31, 2019
Trade and other current receivables ⁽¹⁾	1,302,394	18,906	1,321,300
Finance lease receivables	489,766	(19,770)	469,996
Deferred tax liabilities ⁽²⁾	7,382	173	7,555
Retained earnings	1,245,361	691	1,246,052

(1) The amounts allocated to the maintenance service for electronic equipment increased as a result of the allocation method required under TFRS 15 i.e. an allocation based on stand-alone selling price. Such services are paid up-front as part of the initial sales transaction whereas revenue is recognized proportionally over the period which maintenance services are provided to the customer. Based on the previous allocation method, no amounts were deferred as the impact was not considered to be material. There has been an adjustment to revenue and the recognition of a contract liability to reflect the change in accounting.

(2) To recognize the impact on deferred income tax of the other adjustments recognized.

Statements of comprehensive income for the year ended December 31, 2019

	Unit: Thousand Baht		
	For the year ended December 31, 2019 as under previous TFRSs	Effect from adoption TFRS 15	For the year ended December 31, 2019 as under new TFRSs
Revenue from sale of goods	6,397,814	(62,935)	6,334,879
Revenue from rendering of services	1,001,975	46,946	1,048,921
Cost of sales of goods	(5,508,577)	61,159	(5,447,418)
Cost of rendering of services	(690,343)	(43,874)	(734,217)
Other income	74,690	(2,158)	72,532
Income tax expense	(50,948)	173	(50,775)
Profit for the year	223,110	(691)	222,419
Basic earnings per share (Baht)	0.61	-	0.61
Total comprehensive income for the year	202,194	(691)	201,503

Consolidated Statements of cash flows for the year ended December 31, 2019

Unit: Thousand Baht

	For the year ended December 31, 2019 as under previous TFRSs	Effect from adoption TFRS 15	For the year ended December 31, 2019 as under new TFRSs
Profit before income tax for the year	274,058	(864)	273,194
Changing in operating assets and liabilities			
Trade and other current receivables	406,673	18,906	425,579
Finance lease receivables	8,125	(19,770)	(11,645)

Rental income from operating lease contracts

Rental income from operating lease contracts is recognised in profit or loss on a straight-line basis over the term of the lease.

Income from finance lease contracts

The Group's recorded the finance lease receivables in the amount of contract value net of unearned interest which represents the difference between the contract value and the cash selling-price of the goods. Interest income on finance lease is recognized over the term of the lease by using the annuity method.

Dividend received

Dividend received is recognized on the date the Group's right to receive payments is established.

Interest income and other income

Interest income and other income are recognized in the statement of profit or loss and other comprehensive income on an accrual basis.

3.15 Expense recognition

Expenses are recognized on an accrued basis.

3.16 Finance costs

Finance costs comprise of interest expense on borrowings and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in statement of comprehensive income using the effective interest method.

3.17 Leases

Operating leases

Long-term leases for assets which a significant portion of the risks and rewards of ownership are still retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged as expense to the statement of comprehensive income on a straight-line basis over the periods of the leases.

When operating leases are terminated before the lease periods expire, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Finance leases

Leases in which substantially all the risks and rewards of ownership, except legal title are transferred to the Company are accounted for as finance leases. The Company capitalized the asset and recorded liabilities in the statements of financial position of the lessee in the amount at the lower of the estimated present value of the underlying lease payments or at the fair value of the leased asset at the contractual date. The leased assets are depreciated using the straight-line method over their estimated useful lives. Interest or financial charge is calculated by the effective interest rate method over the term of contracts. Financial charge and depreciation are recognized as expenses in the statement of comprehensive income.

3.18 Income tax expense

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized as income or expense in the statement of comprehensive income except to the extent that they relate to a business combination, or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable derived from a computation of profit or loss using tax rates enacted and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction in the consolidated financial statement that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period when such a determination is made.

Deferred tax assets and liabilities are offset when they relate to income tax levied by the same taxation authority and the Company and its subsidiaries intend to settle its current tax assets and liabilities on a net basis.

A 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 utilized. 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 realized. The Company recognizes deferred tax liabilities for all taxable temporary differences in the consolidated and separate financial statements.

3.19 Basic earnings per share

The calculations of basic earnings per share for the year are based on the profit for the year attributable to equity holders divided by the weighted-average number of ordinary shares held by outsiders outstanding during the year.

3.20 Fair value measurements

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability as market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

3.21 Accounting estimates and source of estimation uncertainty

Use of management's judgements

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) requires the Group's management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Impairment

The Group's balance assets with definite useful lives are tested for impairment when there is an indicator that the asset may be impaired. The asset balances with indefinite useful lives are tested for impairment annually or when there is an indicator that the asset may be impaired.

Classification of leases

In determining whether a lease should be classified as an operating lease or finance lease, the Group's management has to use judgement to determine whether significant risks and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of such obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group's considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related obligations. Additional information is disclosed in Note 21.

Key sources of estimation uncertainty

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Board of Directors of the Company has set up a valuation committee, which is headed by the Chief Financial Officer, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group uses other observable information either directly or indirectly.

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 31.

Calculation of recoverable amount

In the calculation of recoverable amount, the Group's management estimated the future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Allowance for obsolete and slow-moving inventories

The Group has provided allowance for obsolete and slow-moving inventories based on management's best estimate of net realizable value of damaged, obsolete or deteriorated inventories and review of the aging analysis at the end of each reporting period.

4. DISCLOSURES SUPPLEMENTARY OF CASH FLOWS INFORMATION

4.1 Non-cash transactions occurred from property, plant and equipment for the years ended December 31, are as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Payable for purchases of fixed asset brought forward (recorded as part of other payables)	404	848	375	848
<u>Add</u> Increase during the years	47,932	64,092	44,205	60,588
<u>Less</u> Transferred from inventory	(14,077)	(12,085)	(14,077)	(12,085)
<u>Less</u> Cash payments during the years	(34,076)	(52,451)	(30,320)	(48,976)
Payable for purchases of fixed asset carried forward (recorded as part of other payables)	183	404	183	375

4.2 Movement in finance lease liabilities for the years ended December 31, are as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Finance lease liabilities brought forward	128,150	166,497	36,366	72,046
<u>Add</u> Purchases inventory during the years	-	48,422	-	48,422
<u>Add</u> Purchases fixed asset during the years	3,063	14,615	3,063	14,615
<u>Add</u> Proceeds from sale and lease back	32,417	62,263	6,190	-
<u>Less</u> Cash payments during the years	(77,244)	(163,647)	(23,880)	(98,717)
Finance lease liabilities carried forward	86,386	128,150	21,739	36,366

4.3 Purchases of intangible assets for the years ended December 31, are as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Payable for intangible assets brought forward (recorded as part of other payables)	-	-	-	-
<u>Add</u> Purchases during the years	10,272	7,071	10,002	7,042
<u>Less</u> Transferred from inventory	(8,417)	-	(8,417)	-
<u>Less</u> Transferred from property, plant and equipment	(411)	(5,051)	(411)	(5,051)
<u>Less</u> Cash payments during the years	(1,444)	(2,020)	(1,174)	(1,991)
Payable for intangible assets carried forward (recorded as part of other payables)	-	-	-	-

4.4 Reconciliation of liabilities arising from financing activities

Changes in the liabilities arising from financing activities, including both cash and non-cash changes classified as financing activities in the statements of cash flows, were as follows:

Unit : Thousand Baht				
As at December 31, 2019	Consolidated financial statement			
	Balance as at January 1, 2019	Financing cash flows	Non-cash changes	Balance as at December 31, 2019
			Borrowings directly transferred to supplier	
Short-term borrowing	6,297	(27,761)	21,464	-
Short-term borrowings from financial institutions	227,514	(79,224)	-	148,290
Long-term borrowings from financial institutions	14,500	(5,040)	-	9,460
Long-term borrowings from other parties	32,194	(19,092)	-	13,102
Total	280,505	(131,117)	21,464	170,852

Unit : Thousand Baht				
As at December 31, 2018	Consolidated financial statement			
	Balance as at January 1, 2018	Financing cash flows	Non-cash changes	Balance as at December 31, 2018
			Borrowings directly transferred to supplier	
Short-term borrowing	82,431	(82,431)	6,297	6,297
Short-term borrowings from financial institutions	54,541	172,973	-	227,514
Long-term borrowings from financial institutions	19,540	(5,040)	-	14,500
Long-term borrowings from other parties	56,124	(23,930)	-	32,194
Total	212,636	61,572	6,297	280,505

Unit : Thousand Baht				
As at December 31, 2019	Separate financial statement			
	Balance as at January 1, 2019	Financing cash flows	Non-cash changes	Balance as at December 31, 2019
			Borrowings directly transferred to supplier	
Short-term borrowing	6,297	(27,761)	21,464	-
Short-term borrowings from financial institutions	70,523	28,720	-	99,243
Long-term borrowings from financial institutions	14,500	(5,040)	-	9,460
Long-term borrowings from other parties	32,194	(19,092)	-	13,102
Total	123,514	(23,173)	21,464	121,805

As at December 31, 2018	Unit : Thousand Baht		
	Separate financial statement		
	Balance as at January 1, 2018	Financing cash flows	Non-cash changes
			Borrowings directly transferred to supplier
Balance as at December 31, 2018			
Short-term borrowing	82,431	(82,431)	6,297
Short-term borrowings from financial institutions	-	70,523	-
Long-term borrowings from financial institutions	19,540	(5,040)	-
Long-term borrowings from other parties	56,124	(23,930)	-
Total	158,095	(40,878)	6,297

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consisted of the following:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
	2019	2018
Cash on hand	247	233
Cash at banks - current accounts	15,287	20,242
Cash at banks - saving accounts	26,268	33,157
Total	41,802	53,632

As at December 31, 2019 and 2018, savings accounts and fixed deposit not exceeding 3 months bear interest at the rates between 0.25% - 0.75% and 0.37% - 1.00% per annum, respectively.

6. CURRENT INVESTMENTS

Current investments as at December 31, consisted of the following:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
	2019	2018
Time deposit	2	151
Available-for-sale securities	248,826	10,346
Total	248,828	10,497

Movements during the years ended December 31, of available-for-sale securities were as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2019	2018	2019	2018
Available-for-sale securities				
As at January 1,	10,346	502,017	67	358,873
Purchases during the periods	878,670	914,250	449,190	653,850
Sales during the periods	(641,020)	(1,405,839)	(349,069)	(1,012,645)
Change in fair value	830	(82)	242	(11)
As at December 31,	248,826	10,346	100,430	67

As at December 31, 2019, current investment represent held-to-maturity investment which included time deposits at financial institutions with interest rates of 1.00% per annum and having maturity dates during in 2020.

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, consisted of the following:

	Note	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
		2019	2018	2019	2018
Trade accounts receivable					
Related parties	26	1,111	1,478	1,585	4,495
Other parties		956,777	1,365,258	871,152	981,798
Post-dated cheque		48,390	33,195	19,000	17,276
		<u>1,006,278</u>	<u>1,399,931</u>	<u>891,737</u>	<u>1,003,569</u>
<u>Less</u> allowance for doubtful accounts		<u>(6,008)</u>	<u>(38,281)</u>	<u>(5,589)</u>	<u>(20,708)</u>
		<u>1,000,270</u>	<u>1,361,650</u>	<u>886,148</u>	<u>982,861</u>
<u>Add</u> unbilled trade accounts receivable		<u>156,865</u>	<u>192,233</u>	<u>152,876</u>	<u>86,918</u>
Total trade accounts receivable		<u>1,157,135</u>	<u>1,553,883</u>	<u>1,039,024</u>	<u>1,069,779</u>
Others current receivables					
Others receivables					
Related parties	26	413	2	11,025	1,904
Other parties		7,916	16,708	2,885	7,325
Prepaid expenses		105,703	64,754	104,234	50,662
Contract assets		29,004	-	-	-
Accrued income		21,129	36,436	15,286	30,912
Total other receivables		<u>164,165</u>	<u>117,900</u>	<u>133,430</u>	<u>90,803</u>
Total trade and other accounts receivable		<u>1,321,300</u>	<u>1,671,783</u>	<u>1,172,454</u>	<u>1,160,582</u>

Movements during the years ended December 31, in the allowance for doubtful debts were as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2019	2018	2019	2018
As at January 1,	(38,281)	(40,888)	(20,708)	(23,042)
Impairment losses recognized on receivables	(1,829)	(1,187)	(1,410)	(1,187)
Amounts written off during the year as uncollectible	1,201	2,997	1,201	2,724
Amounts recovered during the year	1,515	797	1,515	797
Impairment losses reversed	31,386	-	13,813	-
As at December 31,	<u>(6,008)</u>	<u>(38,281)</u>	<u>(5,589)</u>	<u>(20,708)</u>

Trade receivables as at December 31, are classified by aging as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2019	2018	2019	2018
Related parties				
Within credit terms	1,074	1,350	1,499	3,073
Overdue:				
Less than 3 months	<u>37</u>	<u>128</u>	<u>86</u>	<u>1,422</u>
Total	<u>1,111</u>	<u>1,478</u>	<u>1,585</u>	<u>4,495</u>
<u>Less</u> allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net	<u>1,111</u>	<u>1,478</u>	<u>1,585</u>	<u>4,495</u>
Other parties				
Within credit terms	802,906	1,126,536	693,184	763,081
Overdue:				
Less than 3 months	157,666	221,647	153,867	192,533
3-6 months	6,589	7,644	5,513	3,240
6-12 months	-	2,759	-	1,939
Over 12 months	421	85	3	-
Account receivables under legal case	<u>37,585</u>	<u>39,782</u>	<u>37,585</u>	<u>38,281</u>
Total	<u>1,005,167</u>	<u>1,398,453</u>	<u>890,152</u>	<u>999,074</u>
<u>Less</u> allowance for doubtful accounts	<u>(6,008)</u>	<u>(38,281)</u>	<u>(5,589)</u>	<u>(20,708)</u>
Net	<u>999,159</u>	<u>1,360,172</u>	<u>884,563</u>	<u>978,366</u>
<u>Add</u> unbilled trade accounts receivable	<u>156,865</u>	<u>192,233</u>	<u>152,876</u>	<u>86,918</u>
Total	<u>1,157,135</u>	<u>1,553,883</u>	<u>1,039,024</u>	<u>1,069,779</u>

The normal credit term granted by the Group ranges from 30 days to 60 days.

8. INVENTORIES

Inventories as at December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2019	2018	2019	2018
Finished goods	366,690	443,047	296,502	322,732
Project in process	37,303	26,587	35,731	24,135
Goods in transit	60	8	60	8
Others	1,068	1,498	1,068	1,498
Total	405,121	471,140	333,361	348,373
<u>Less</u> Allowance for decline in value of inventories	(4,517)	(24,157)	(4,517)	(24,157)
Net	400,604	446,983	328,844	324,216

Inventories which were recognized as expenses and included in the cost of sales for the years ended December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2019	2018	2019	2018
Inventories recognized as an expense in cost of sales:				
- Cost of sale of goods	5,447,418	6,066,666	4,639,659	4,583,407
- Obsolete and slow-moving inventories (reversal)	(19,640)	19,286	(19,640)	19,286
Total	5,427,778	6,085,952	4,620,019	4,602,693

9. INVESTMENTS IN ASSOCIATES

Movements in investments in an associates recorded by the equity method in the consolidated financial statements and by cost method in the separate financial statements for the years ended December 31, are as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2019	2018	2019	2018
At January 1,	11,267	10,638	1,999	1,999
Share of profit of investments in associates	2,135	537	-	-
Share of other comprehensive income of investments in associates	(514)	92	-	-
Dividend income	(500)	-	-	-
At December 31,	12,388	11,267	1,999	1,999

Investments in associates as at December 31, 2019 and 2018 and dividend income for the years ended December 31, 2019 and 2018 consist of:

	Consolidated financial statements									
	Ownership interest		Paid-up capital		Cost method		Equity method		Dividend income	
	As at	As at	As at	As at	As at	As at	As at	As at	for the year	
	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	ended December 31,	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	%	%	Million	Million	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
			Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Associates										
HIS MSC Company Limited	49.97	49.97	4.00	4.00	1,999	1,999	12,388	11,267	500	-
JBCC (Thailand) Company Limited	20.00	20.00	10.00	10.00	2,000	2,000	-	-	-	-
					3,999	3,999	12,388	11,267	500	-
<u>Less</u> Allowance for impairment loss					(2,000)	(2,000)				
Total investments in associates					1,999	1,999				

	Separate financial statements							
	Ownership interest		Paid-up capital		Cost method		Dividend income	
	As at	As at	As at	As at	As at	As at	for the year	
	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	ended December 31,	
	2019	2018	2019	2018	2019	2018	2019	2018
	%	%	Million	Million	Thousand	Thousand	Thousand	Thousand
			Baht	Baht	Baht	Baht	Baht	Baht
Associates								
HIS MSC Company Limited	49.97	49.97	4.00	4.00	1,999	1,999	500	-
JBCC (Thailand) Company Limited	20.00	20.00	10.00	10.00	2,000	2,000	-	-
					3,999	3,999	500	-
Less Allowance for impairment loss					(2,000)	(2,000)		
Total investments in associates					1,999	1,999		

10. INVESTMENTS IN SUBSIDIARIES

Investment in subsidiaries as at December 31, 2019 and 2018 and dividend income for the years ended December 31, 2019 and 2018 consist of:

	Separate financial statements							
	Ownership interest		Paid-up capital		Cost method		Dividend income	
	As at		As at		As at		for the year ended	
	December 31,		December 31,		December 31,		December 31,	
	2019	2018	2019	2018	2019	2018	2019	2018
	(%)		(Million Baht)		(In thousand Baht)			
Subsidiaries								
Metro Professional Products Company Limited	99.9990	99.9990	20.00	20.00	21,399	21,399	40,000	5,916
Metro Info Tech Company Limited	70.0000	70.0000	5.00	5.00	3,500	3,500	-	1,540
Metro Connect Company Limited	99.9997	99.9997	10.00	10.00	10,000	10,000	23,000	22,000
Metro Info Dynamics Company Limited	99.9940	99.9940	2.50	10.00	2,500	9,999	-	-
					37,399	44,898	63,000	29,456

On 25 April 2018, the Company acquired 2,798 ordinary shares of Metro Professional Products Company Limited (“MPP”)’s paid-up ordinary shares from its existing shareholders at the amount of Baht 1.68 million. As a result, the Company’s shareholding interest in MPP increased from 98.60% to 99.99%

On April 25, 2019, at the Annual General Meeting of Shareholders no. 7/2562 of Metro Info Dynamics Company Limited (“MID”) has approved the resolution regarding the reduction of MID’s registered share capital from Baht 10 million to Baht 2.50 million or from Baht 100 per share to Baht 25 per share. Subsequently, on May 2, 2019, Metro Info Dynamics Company Limited registered to decrease capital with Department of Business Development, Ministry of Commerce and on May 3, 2019, MID returned the capital at the rate of Baht 75 per share to all of its shareholders.

11. DEPOSITS AT FINANCIAL INSTITUTIONS USED AS COLLATERALS

11.1 As at December 31, 2019 and 2018, the Group have deposits at financial institution used as collaterals of Baht 39.29 million and Baht 41.29 million, respectively in the consolidated financial statements, are pledged as collateral with a financial institution for project performance of and credit facilities.

11.2 As at December 31, 2019 and 2018, the Company have deposits at financial institution used as collaterals of Baht 14.29 million in the separate financial statement, are pledged as collateral with a financial institution for project performance of and credit facilities.

12. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the years ended December 31, are as follows:

As at December 31, 2019

Unit : Thousand Baht

	Consolidated financial statements				Balance as at December 31, 2019
	Balance as at January 1, 2019	Additions	(Disposals)	Transfer in (Transfer out)	
Cost					
Land	226,388	-	-	-	226,388
Land improvements	18,773	-	-	-	18,773
Buildings	546,510	496	(8,308)	582	539,280
Furniture and fixtures	129,432	1,600	(2,006)	-	129,026
Office equipment	809,843	36,056	(77,002)	20,711	789,608
Vehicles	2,903	3,085	(136)	-	5,852
Other fixed assets	65,076	1,735	(2,181)	-	64,630
Assets held for lease	60,526	-	-	(12,174)	48,352
Total	1,859,451	42,972	(89,633)	9,119	1,821,909
Accumulated depreciation					
Land improvements	14,829	236	-	-	15,065
Buildings	430,594	12,447	(8,035)	-	435,006
Furniture and fixtures	92,681	14,536	(1,953)	-	105,264
Office equipment	686,838	57,039	(76,008)	17,425	685,294
Vehicles	2,190	1,158	(411)	-	2,937
Other fixed assets	54,002	4,069	(2,078)	-	55,993
Assets held for lease	31,181	9,772	-	(17,425)	23,528
Total	1,312,315	99,257	(88,485)	-	1,323,087
Assets under construction and Installation	19,453	8,023	(9,756)	(9,530)	8,190
Property, plant and equipment	566,589				507,012

As at December 31, 2018

Unit : Thousand Baht

Consolidated financial statements					
	Balance as at January 1, 2018	Additions	(Disposals)	Transfer in (Transfer out)	Balance as at December 31, 2018
Cost					
Land	226,388	-	-	-	226,388
Land improvements	18,773	-	-	-	18,773
Buildings	535,543	3,264	(1,001)	8,704	546,510
Furniture and fixtures	126,520	3,426	(670)	156	129,432
Office equipment	779,822	32,459	(12,539)	10,101	809,843
Vehicles	12,541	553	(10,191)	-	2,903
Other fixed assets	63,644	3,418	(1,986)	-	65,076
Assets held for lease	59,086	-	(8,969)	10,409	60,526
Total	1,822,317	43,120	(35,356)	29,370	1,859,451
Accumulated depreciation					
Land improvements	14,593	236	-	-	14,829
Buildings	418,656	12,062	(124)	-	430,594
Furniture and fixtures	78,560	14,785	(664)	-	92,681
Office equipment	641,935	52,424	(7,549)	28	686,838
Vehicles	12,019	359	(10,188)	-	2,190
Other fixed assets	51,627	4,214	(1,839)	-	54,002
Assets held for lease	28,744	11,433	(8,968)	(28)	31,181
Total	1,246,134	95,513	(29,332)	-	1,312,315
Assets under construction and Installation	18,288	35,586	-	(34,421)	19,453
Property, plant and equipment	<u>594,471</u>				<u>566,589</u>

Depreciation for the years ended December 31,

2019	Thousand Baht	<u>99,257</u>
2018	Thousand Baht	<u>95,513</u>

As at December 31, 2019

Unit : Thousand Baht

	Separate financial statements				Balance as at December 31, 2019
	Balance as at January 1, 2019	Additions	(Disposals)	Transfer in (Transfer out)	
Cost					
Land	220,675	-	-	-	220,675
Land improvements	18,773	-	-	-	18,773
Buildings	541,260	496	(8,308)	582	534,030
Furniture and fixtures	128,361	1,564	(1,986)	-	127,939
Office equipment	780,676	32,418	(75,535)	20,711	758,270
Vehicles	557	3,063	(121)	-	3,499
Other fixed assets	63,835	1,791	(1,897)	-	63,729
Assets held for lease	60,526	-	-	(12,174)	48,352
Total	1,814,663	39,332	(87,847)	9,119	1,775,267
Accumulated depreciation					
Land improvements	14,829	236	-	-	15,065
Buildings	425,747	12,311	(8,035)	-	430,023
Furniture and fixtures	91,834	14,445	(1,933)	-	104,346
Office equipment	663,100	53,220	(74,655)	17,425	659,090
Vehicles	557	885	(397)	-	1,045
Other fixed assets	53,295	3,947	(1,885)	-	55,357
Assets held for lease	31,182	9,772	-	(17,425)	23,529
Total	1,280,544	94,816	(86,905)	-	1,288,455
Assets under construction and installation	19,542	7,937	(9,759)	(9,530)	8,190
Property, plant and equipment	553,661				495,002

As at December 31, 2018

Unit : Thousand Baht

	Separate financial statements				Balance as at December 31, 2018
	Balance as at January 1, 2018	Additions	(Disposals)	Transfer in (Transfer out)	
Cost					
Land	220,675	-	-	-	220,675
Land improvements	18,773	-	-	-	18,773
Buildings	530,376	3,181	(1,001)	8,704	541,260
Furniture and fixtures	125,426	3,379	(600)	156	128,361
Office equipment	751,868	29,669	(10,962)	10,101	780,676
Vehicles	10,273	-	(9,716)	-	557
Other fixed assets	62,521	3,299	(1,985)	-	63,835
Assets held for lease	59,086	-	(8,969)	10,409	60,526
Total	<u>1,778,998</u>	<u>39,528</u>	<u>(33,233)</u>	<u>29,370</u>	<u>1,814,663</u>
Accumulated depreciation					
Land improvements	14,593	236	-	-	14,829
Buildings	414,004	11,867	(124)	-	425,747
Furniture and fixtures	77,738	14,689	(593)	-	91,834
Office equipment	620,412	48,684	(6,024)	28	663,100
Vehicles	10,273	-	(9,716)	-	557
Other fixed assets	51,083	4,051	(1,839)	-	53,295
Assets held for lease	28,744	11,434	(8,968)	(28)	31,182
Total	<u>1,216,847</u>	<u>90,961</u>	<u>(27,264)</u>	<u>-</u>	<u>1,280,544</u>
Assets under construction and installation	<u>18,288</u>	<u>35,675</u>	<u>-</u>	<u>(34,421)</u>	<u>19,542</u>
Property, plant and equipment	<u><u>580,439</u></u>				<u><u>553,661</u></u>

Depreciation for the years ended December 31,

2019	Thousand Baht	<u>94,816</u>
2018	Thousand Baht	<u>90,961</u>

13. FINANCE LEASE RECEIVABLES

Finance lease receivables as at December 31, consisted of the following:

		Consolidated financial statements				Unit : Thousand Baht
		Portion due within one year		Portion due after one year		Total
		2019	2018	2019	2018	2019 2018
Related parties		59	8	103	-	162 8
Other parties		261,277	282,773	256,309	264,910	517,586 547,683
		261,336	282,781	256,412	264,910	517,748 547,691
<u>Less</u> Unearned interest income		(29,608)	(27,826)	(18,144)	(24,204)	(47,752) (52,030)
		231,728	254,955	238,268	240,706	469,996 495,661
<u>Less</u> Allowance for doubtful accounts		-	-	-	-	- -
Net		<u>231,728</u>	<u>254,955</u>	<u>238,268</u>	<u>240,706</u>	<u>469,996</u> <u>495,661</u>

		Separate financial statements				Unit : Thousand Baht
		Portion due within one year		Portion due after one year		Total
		2019	2018	2019	2018	2019 2018
Related parties		59	8	103	-	162 8
Other parties		120,224	135,660	172,443	166,674	292,667 302,334
		120,283	135,668	172,546	166,674	292,829 302,342
<u>Less</u> Unearned interest income		(19,424)	(16,233)	(12,826)	(14,736)	(32,250) (30,969)
		100,859	119,435	159,720	151,938	260,579 271,373
<u>Less</u> Allowance for doubtful accounts		-	-	-	-	- -
Net		<u>100,859</u>	<u>119,435</u>	<u>159,720</u>	<u>151,938</u>	<u>260,579</u> <u>271,373</u>

		Consolidated financial statements		Separate financial statements		Unit : Thousand Baht
		2019	2018	2019	2018	
Bad and doubtful debts expense for the year		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	

As at 31 December 2019 and 2018 the gross investment under finance lease contracts and present value of minimum lease payments receivable were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements			
	2019		2018	
	Gross investment under finance lease contracts	Present value of minimum lease payments under finance lease contracts	Gross investment under finance lease contracts	Present value of minimum lease payments under finance lease contracts
Portion due within one year	261,336	231,728	282,781	254,955
Portion due after one year but within five years	256,412	238,268	264,910	240,706
Total	<u>517,748</u>	<u>469,996</u>	<u>547,691</u>	<u>495,661</u>
<u>Less</u> Deferred interest income	<u>(47,752)</u>		<u>(52,030)</u>	
Gross investment under finance lease contracts - net	<u>469,996</u>		<u>495,661</u>	

	Unit : Thousand Baht			
	Separated financial statements			
	2019		2018	
	Gross investment under finance lease Contracts	Present value of minimum lease payments under finance lease contracts	Gross investment under finance lease contracts	Present value of minimum lease payments under finance lease contracts
Portion due within one year	120,283	100,859	135,668	119,435
Portion due after one year but within five years	172,546	159,720	166,674	151,938
Total	<u>292,829</u>	<u>260,579</u>	<u>302,342</u>	<u>271,373</u>
<u>Less</u> Deferred interest income	<u>(32,250)</u>		<u>(30,969)</u>	
Gross investment under finance lease contracts - net	<u>260,579</u>		<u>271,373</u>	

14. INTANGIBLE ASSETS

Movements in other intangible assets for the years ended December 31, are as follows:

As at December 31, 2019

Unit : Thousand Baht

	Consolidated financial statements				
	Balance as at January 1, 2019	Additions	(Disposals)	Transfer in (Transfer out)	Balance as at December 31, 2019
Cost					
Software licenses	60,272	9,861	(1,413)	411	69,131
Total	60,272	9,861	(1,413)	411	69,131
Accumulated amortization					
Software licenses	43,561	6,282	(1,411)	-	48,432
Total	43,561	6,282	(1,411)	-	48,432
Other intangible assets	16,711				20,699

As at December 31, 2018

Unit : Thousand Baht

	Consolidated financial statements				
	Balance as at January 1, 2018	Additions	(Disposals)	Transfer in (Transfer out)	Balance as at December 31, 2018
Cost					
Software licenses	53,200	2,021	-	5,051	60,272
Total	53,200	2,021	-	5,051	60,272
Accumulated amortization					
Software licenses	39,964	3,597	-	-	43,561
Total	39,964	3,597	-	-	43,561
Other intangible assets	13,236				16,711

Depreciation for the years ended December 31,

2019

Thousand Baht

6,282

2018

Thousand Baht

3,597

As at December 31, 2019

Unit : Thousand Baht

	Separate financial statements				Balance as at December 31, 2019
	Balance as at January 1, 2019	Additions	(Disposals)	Transfer in (Transfer out)	
Cost					
Software licenses	59,180	9,591	(1,413)	411	67,769
Total	59,180	9,591	(1,413)	411	67,769
Accumulated amortization					
Software licenses	42,542	6,204	(1,411)	-	47,335
Total	42,542	6,204	(1,411)	-	47,335
Other intangible assets	16,638				20,434

As at December 31, 2018

Unit : Thousand Baht

	Separate financial statements				Balance as at December 31, 2018
	Balance as at January 1, 2018	Additions	(Disposals)	Transfer in (Transfer out)	
Cost					
Software licenses	52,138	1,991	-	5,051	59,180
Total	52,138	1,991	-	5,051	59,180
Accumulated amortization					
Software licenses	38,987	3,555	-	-	42,542
Total	38,987	3,555	-	-	42,542
Other intangible assets	13,151				16,638

Depreciation for the years ended December 31,

2019

Thousand Baht

6,204

2018

Thousand Baht

3,555

15. DEFERRED INCOME TAX AND INCOME TAX EXPENSE

Deferred tax assets and deferred tax liabilities as at December 31, are as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2019	2018	2019	2018
Deferred tax assets	34,874	27,825	40,173	34,889
Deferred tax liabilities	(7,555)	(12,106)	(6,590)	(13,195)
Deferred tax - net	27,319	15,719	33,583	21,694

Movements in deferred tax assets and deferred liabilities for the years ended December 31, are as follows:

As at December 31, 2019

	Unit: Thousand Baht Consolidated financial statements			
	Balance as at January 1, 2019	Recognized in		Balance as at December 31, 2019
		Profit or loss	Profit or loss and other comprehensive income	Shareholders equity
Deferred tax assets				
Allowance for doubtful accounts	7,657	(6,539)	-	-
Allowance for obsolescence and decline in value	4,831	(3,928)	-	-
Allowance for decline in values of investment	400	-	-	-
Provisions for employee benefit	28,188	7,881	5,269	-
Finance lease liabilities	19,302	(9,117)	-	-
Deferred revenue	-	(5,259)	-	7,349
Total	60,378	(16,962)	5,269	7,349
Deferred tax liabilities				
Depreciation of buildings	(5,713)	715	-	-
Finance lease receivables	(37,293)	17,409	-	(197)
Accrued income	(1,653)	128	-	-
Current investments	-	-	(158)	-
Prepaid costs	-	4,915	-	(6,868)
Total	(44,659)	23,167	(158)	(7,065)
Deferred tax - net	15,719	6,205	5,111	284

As at December 31, 2018

Unit: Thousand Baht

	Consolidated financial statements			
	Balance as at	Recognized in		Balance as at
	January 1, 2018	Profit or loss	Profit or loss and other comprehensive income	December 31, 2018
Deferred tax assets				
Allowance for doubtful accounts	8,178	(521)	-	7,657
Allowance for obsolescence and decline in value	974	3,857	-	4,831
Allowance for decline in values of investment	400	-	-	400
Provisions for employee benefit	28,058	(174)	304	28,188
Finance lease liabilities	27,602	(8,300)	-	19,302
Total	65,212	(5,138)	304	60,378
Deferred tax liabilities				
Depreciation of buildings	(6,428)	715	-	(5,713)
Finance lease receivables	(44,430)	7,137	-	(37,293)
Accrued income	(1,550)	(103)	-	(1,653)
Current investments	(17)	-	17	-
Total	(52,425)	7,749	17	(44,659)
Deferred tax - net	12,787	2,611	321	15,719

As at December 31, 2019

Unit: Thousand Baht

		Separate financial statements		
	Balance as at	Recognized in		Balance as at
	January 1, 2019	Profit or loss	Profit or loss and other comprehensive income	December 31, 2019
Deferred tax assets				
Allowance for doubtful accounts	4,142	(3,024)	-	1,118
Allowance for obsolescence and decline in value	4,831	(3,928)	-	903
Allowance for decline in values of investment	400	-	-	400
Provisions for employee benefit	24,570	8,606	5,174	38,350
Finance lease liabilities	946	(1,544)	-	(598)
Total	34,889	110	5,174	40,173
Deferred tax liabilities				
Depreciation of buildings	(5,713)	715	-	(4,998)
Finance lease receivables	(5,829)	5,811	-	(18)
Accrued income	(1,653)	128	-	(1,525)
Current investments	-	-	(49)	(49)
Total	(13,195)	6,654	(49)	(6,590)
Deferred tax - net	21,694	6,764	5,125	33,583

As at December 31, 2018

Unit : Thousand Baht

	Balance as at January 1, 2018	Separate financial statements Recognized in		Balance as at December 31, 2018
		Profit or loss	Profit or loss and other comprehensive income	
Deferred tax assets				
Allowance for doubtful accounts	4,609	(467)	-	4,142
Allowance for obsolescence and decline in value	974	3,857	-	4,831
Allowance for decline in values of investment	400	-	-	400
Provisions for employee benefit	24,940	(437)	67	24,570
Finance lease liabilities	8,712	(7,766)	-	946
Total	39,635	(4,813)	67	34,889
Deferred tax liabilities				
Depreciation of buildings	(6,428)	715	-	(5,713)
Finance lease receivables	(16,392)	10,563	-	(5,829)
Accrued income	(1,550)	(103)	-	(1,653)
Current investments	(2)	-	2	-
Total	(24,372)	11,175	2	(13,195)
Deferred tax - net	15,263	6,362	69	21,694

Income tax expenses

Income tax expenses recognized in statements of comprehensive income for the years ended December 31, 2019 and 2018 were as follows:

Income tax recognized in profit or loss

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Current income tax	56,980	66,426	43,043	52,215
Deferred tax expenses relating to the origination and reversal of temporary differences	(6,205)	(2,611)	(6,764)	(6,362)
Income tax expense per the statements of comprehensive income	50,775	63,815	36,279	45,853

Reconciliation of effective tax rate

Unit: Thousand Baht				
Consolidated financial statements				
	2019		2018	
	Tax rate (%)	Amount	Tax rate (%)	Amount
Profit before income tax		273,194		345,673
Income tax using applicable tax rate	20	54,639	20	69,135
Effects of net loss not recognized as deferred tax assets		(6,205)		(2,611)
Tax effect of income and expenses that are not taxable		2,341		(2,709)
Income tax expenses	18	50,775	18	63,815

Unit: Thousand Baht				
Separate financial statements				
	2019		2018	
	Tax rate (%)	Amount	Tax rate (%)	Amount
Profit before income tax expense		270,035		288,747
Income tax using applicable tax rate	20	54,007	20	57,749
Effects of net loss not recognized as deferred tax assets		(6,764)		(6,362)
Tax effect of income and expenses that are not taxable		(10,964)		(5,534)
Income tax expenses	13	36,279	16	45,853

16. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, consisted of the following:

		Unit : Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Trade payables					
Related parties	26	800	1,971	16,678	59,547
Other parties		571,367	763,892	468,160	489,355
Total trade payables		572,167	765,863	484,838	548,902
Other current payables					
Other payables					
Related parties	26	2,809	2,841	2,618	3,065
Other parties		55,569	43,634	50,527	39,664
Accrued expenses		148,954	183,080	122,374	128,158
Deposits and advances received		120,687	85,411	86,511	71,970
Total other current payables		328,019	314,966	262,030	242,857
Total trade and other current payables		900,186	1,080,829	746,868	791,759

17. SHORT-TERM BORROWINGS

As at December 31, 2018, the Company has short-term borrowings from other companies with no interest, due within 12 months, and unsecured at the amount of Baht 6.30 million. (2019 : nil)

18. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Long-term borrowings from financial institutions as at December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2019	2018	2019	2018
Long-term borrowing from financial institutions	9,460	14,500	9,460	14,500
<u>Less</u> Current portion of long-term borrowing	<u>(5,040)</u>	<u>(5,040)</u>	<u>(5,040)</u>	<u>(5,040)</u>
Total long-term borrowing from financial institutions	<u>4,420</u>	<u>9,460</u>	<u>4,420</u>	<u>9,460</u>

19. LONG-TERM BORROWINGS FROM OTHER PARTIES

Long-term borrowings from other parties are borrowing contract that has installment payment as at December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2019	2018	2019	2018
Long-term borrowing from other parties	13,102	32,195	13,102	32,195
<u>Less</u> Current portion of long-term borrowing	<u>(4,307)</u>	<u>(19,092)</u>	<u>(4,307)</u>	<u>(19,092)</u>
Total long-term borrowing from other parties	<u>8,795</u>	<u>13,103</u>	<u>8,795</u>	<u>13,103</u>

20. FINANCE LEASE LIABILITIES

The Group entered into the financial lease agreements of vehicles and office equipment. The minimum lease payments under the financial lease agreements and their present value of liabilities under finance lease agreements as at December 31, consisted of the following:

Unit : Thousand Baht			
Consolidated financial statements			
Minimum lease payments		Present value of minimum lease payment	
2019	2018	2019	2018
Within 1 year	57,606	55,169	71,305
Over 1 year and within 5 years	32,430	31,216	56,845
<u>Less</u> Deferred interest	(3,651)	-	-
	<u>86,385</u>	<u>86,385</u>	<u>128,150</u>

Unit : Thousand Baht			
Separate financial statements			
Minimum lease payments		Present value of minimum lease payment	
2019	2018	2019	2018
Within 1 year	9,480	8,792	22,975
Over 1 year and within 5 years	13,593	12,947	13,391
<u>Less</u> Deferred interest	(1,334)	-	-
	<u>21,739</u>	<u>21,739</u>	<u>36,366</u>

21. PROVISIONS FOR EMPLOYEE BENEFITS

The Group provided employee benefit obligations upon retirement which are considered as unfunded defined benefit plans.

Amounts recognized as expense in the statements of profit or loss and other comprehensive income in respect of the defined benefit plans for the years ended December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2019	2018	2019	2019
Provisions for employee benefit as at January 1,	134,570	141,950	124,514	126,361
Included in profit or loss:				
Current service cost	55,061	7,094	50,809	6,169
Past service cost	2,610	-	2,256	-
Interest cost	5,139	3,264	4,784	2,877
Provision for employee benefit (Paid)	(15,374)	(11,229)	(14,821)	(11,229)
Transfer of provision from a subsidiary	8,028	-	8,028	-
Included in other comprehensive income :				
Actuarial loss on defined benefit plan	26,344	1,519	25,868	336
Provisions for employee benefit as at December 31,	216,378	142,598	201,438	124,514
Current provisions for employee benefits	49,038	15,374	47,602	14,821
Non-current provisions for employee benefits	167,340	127,224	153,836	109,693

During 2019, the Company transferred employees from a subsidiary which has obligation for employee benefits in amount of Baht 8.03 million.

The key actuarial assumptions used to calculate the defined benefit obligation as at December 31, consisted of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
<u>Financial Assumptions</u>				
Employee retirement age	55 years	55 years	55 years	55 years
Mortality rate	Thai Mortality Table 2017	Thai Mortality Table 2017	Thai Mortality Table 2017	Thai Mortality Table 2017
Employee turnover rate (%)	1.43 - 22.92	0.00 - 14.00	1.43 - 17.19	0.00 - 14.00
Discounted rate (%)	1.50 - 1.71	2.90	1.69	2.90
Expected rate of salary increase (%)	5.00	5.00	5.00	5.00

The sensitivity analysis of the above actuarial assumptions impacted on increase (decrease) in present value of the employee benefit obligation as at December 31, consisted of the following:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)
Discount rate - decrease by 1.0%	17,195	10,236	15,997	8,868
Discount rate - increase by 1.0%	(14,949)	(9,056)	(13,885)	(7,850)
Salary increase rate - decrease by 1.0%	(14,551)	(8,576)	(13,597)	(7,458)
Salary increase rate - increase by 1.0%	16,466	9,253	15,300	8,274
Turnover rate - decrease by 1.0%	2,594	1,426	2,022	1,245
Turnover rate - increase by 1.0%	(2,516)	(1,426)	(2,022)	(1,245)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit Method at the end of the report period, which is the same as that applied in calculating the post-employment benefit obligations liability recognized in the statement of financial position.

On April 5, 2019, The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette which will be effective in 30 days after the announce date. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered an amendment to post-employment benefits plan. The Group and the company already reflected the effect of such change by recognizing past service cost as an expense in the consolidated and separate statements of comprehensive income for the period in which the law is effective.

22. SHARE CAPITAL

Share capital as at December 31, consisted of the following:

	Par value per share (in Baht)	2019 Number	2019 Amount	Thousand share /Thousand Baht 2018 Number	2018 Amount
Authorised					
At January 1,					
- Ordinary shares	1.00	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
At December 31					
- Ordinary shares	1.00	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
Issued and paid-up					
At January 1,					
- Ordinary shares	1.00	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
At December 31,					
- Ordinary shares	1.00	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

23. LEGAL RESERVES

Section 116 of the Public Limited Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit less the accumulated losses brought forward, if any, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered capital. The legal reserve is not available for dividend distribution.

As at December 31, 2019 and 2018, the Company’s legal reserve equaled to one-tenth of the registered share capital.

24. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2019	2018	2019	2018
Purchase goods and services	5,379,100	6,157,078	4,624,646	4,634,599
Employee benefits expense	889,385	808,481	806,648	696,670
Cost of maintenance and outsourcing	563,622	478,860	413,863	322,736
Depreciation and Amortization expenses	105,537	99,110	101,019	94,516
Changes in inventory	66,019	(90,412)	15,013	(51,192)
Travelling expense	20,894	34,085	16,145	29,265
Promotion expenses	25,930	33,941	19,147	16,347
Transportation expense	20,252	21,548	19,397	20,332
Provisions for debts and doubtful debts expenses, declining value in inventories and investments; and written off withholding tax deducted at source	(50,546)	19,888	(33,391)	19,888
Finance costs	13,282	18,299	6,781	11,083
Utilities	17,298	17,579	16,679	17,093
Entertainment	11,858	12,598	10,588	10,496
Office, equipment and vehicle rental	11,611	11,789	9,747	10,118
Maintenance expenses	12,936	11,185	12,839	11,003
Professional and consultant fee	8,918	12,726	7,669	10,755
Others	107,280	59,278	82,859	51,988
Total expenses	<u>7,203,376</u>	<u>7,706,033</u>	<u>6,129,649</u>	<u>5,905,697</u>

25. BASIC EARNINGS PER SHARE

The calculations of basic earnings per share for the years ended December 31, 2019 and 2018 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Basic earnings per share				
Profit for the year attributable to owners of the Company (Thousand Baht)	<u>220,322</u>	<u>283,262</u>	<u>233,756</u>	<u>242,894</u>
Number of ordinary shares outstanding (Thousand Share)	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
Earnings per share (Baht)	<u>0.61</u>	<u>0.79</u>	<u>0.65</u>	<u>0.67</u>

26. RELATED PARTIES TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Significant relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Major shareholders		
Metro Value Creation Company Limited	Thailand	A major shareholder
Metrophose Company Limited	Thailand	A major shareholder, common director
Subsidiaries		
Metro Professional Products Company Limited	Thailand	Shareholding, common director
Metro Info Tech Company Limited	Thailand	Shareholding, common director
Metro Connect Company Limited	Thailand	Shareholding, common director
Metro Info Dynamics Company Limited	Thailand	Shareholding, common director
Associates		
HIS MSC Company Limited	Thailand	Shareholding, common director
JBCC (Thailand) Company Limited	Thailand	Shareholding
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly director (whether executive or otherwise) of the Group/the Company
Other related parties		
MDEC International (1991) Company Limited	Thailand	Common shareholder and director
Metro Company Limited	Thailand	Common shareholder and director
N.I.M. Company Limited	Thailand	Common shareholder and director
United Flour Mill Public Company Limited	Thailand	Common shareholder and director
MC Foods Company Limited	Thailand	Common shareholder and director
United Grains Company Limited	Thailand	Common director
Metro Group Energy Company Limited	Thailand	Common shareholder and director
Metro Group Company Limited	Thailand	Common shareholder and director
United Silo & Services Company Limited	Thailand	Common shareholder and director
B I G Marketing Company Limited	Thailand	Common shareholder and director
Metro Group Property Company Limited	Thailand	Common shareholder and director
Prachin Lap Company Limited	Thailand	Common shareholder and director
Metromax Company Limited	Thailand	Common shareholder and director
Bangkok Development (Thailand) Company Limited	Thailand	Common shareholder and director
Land Development Company Limited	Thailand	Common shareholder and director
International Warehousing Company Limited	Thailand	Common shareholder and director
Bangkok Industrial Gas Company Limited	Thailand	Common shareholder and director
Srikrung Wattana Group Company Limited	Thailand	Common shareholder and director
Woodwalk (Thailand) Company Limited	Thailand	Common shareholder and director
Treemit Marketing Company Limited	Thailand	Common shareholder and director
UFM Food Centre Company	Thailand	Common shareholder and director
HMC Polymers Company Limited	Thailand	Common shareholder and director

Name of entities(Continued)	Country of incorporation/ nationality	Nature of relationships
MCF Marketing Company Limited	Thailand	Common shareholder and director
MCF Product Company Limited	Thailand	Common shareholder and director
MC Bakery Company Limited	Thailand	Common shareholder and director
MC Industrial Chemical Company Limited	Thailand	Common shareholder and director
MC Plastics Company Limited	Thailand	Common shareholder and director
Tekheng Company Limited	Thailand	Common shareholder and director
N.K.L. Company Limited	Thailand	Common director
Trans Asia Pacific Company Limited	Thailand	Common shareholder and director
MAC Marina Company Limited	Thailand	Common shareholder and director
MC Solvents Company Limited	Thailand	Common shareholder and director
Samut Transport Company Limited	Thailand	Common shareholder and director
Thai UFM Marketing Company Limited	Thailand	Common shareholder and director
UFM Fuji Super Company Limited	Thailand	Common shareholder and director
Duckhams oils (thailand) Company Limited	Thailand	Common shareholder and director
Universal enterprise Company Limited	Thailand	Common shareholder and director
Mc petroleum Company Limited	Thailand	Common shareholder and director
Srikrung wattana 21 Company Limited	Thailand	Common shareholder and director
Siam aroon group company limited	Thailand	Common shareholder and director
Siam aroon property Company Limited	Thailand	Common shareholder and director
Promsri property co.,ltd.	Thailand	Common shareholder and director
Siam aroon centre company limited	Thailand	Common shareholder and director
Siam aroon sriracha Company Limited	Thailand	Common shareholder and director
T s t development Company Limited	Thailand	Common shareholder and director
Supharat place Company Limited	Thailand	Common shareholder and director
Siam flour trading Company Limited	Thailand	Common shareholder and director
Sri krung kaset wattana Company Limited	Thailand	Common shareholder and director
Miss Thipawan Jaruwatjana	Thai	Close member of key management

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sale of goods and rendering of services	Market prices
Other income	Market prices
Dividend income	As declared for dividend
Purchase of goods and rendering of services	Market prices
Purchase of assets	Market prices
Distribution costs	Market prices
Administrative expenses	Market prices
Interest expense	Contractually agreed rates
Key management personnel compensation	Shareholders and/or Board of Directors approve/ Employment contract

Significant transactions with related parties for years ended December 31, were as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2019	2018	2019	2018
Subsidiaries				
Sale of goods and rendering of services	-	-	10,330	46,347
Rental income	-	-	4,388	4,455
Other income	-	-	12,339	19,161
Dividend income	-	-	63,000	29,456
Purchase of goods and rendering of services	-	-	190,173	290,690
Purchase of assets	-	-	7,293	6,563
Administrative expenses	-	-	105	283
Interest expenses	-	-	-	133
Associates				
Sale of goods and rendering of services	6,564	3,563	5,713	2,663
Other income	4,607	4,339	4,607	4,339
Distribution costs	-	3	-	-
Dividend income	500	-	500	-
Other related parties				
Sale of goods and rendering of services	4,446	4,399	4,375	4,399
Other income	3,493	2,713	3,493	2,713
Purchase of goods and rendering of services	6,391	14,370	6,310	14,344
Distribution costs	2,860	2,911	2,700	2,903
Purchase of assets	589	1,180	553	1,180
Administrative expenses	1,332	1,167	1,318	919
Key management personnel compensation	84,461	72,574	71,804	58,260

Significant balances with related parties as at December 31, were as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2019	2018	2019	2018
Trade receivables - related parties				
Subsidiaries				
Metro Professional Products Company Limited	-	-	73	45
Metro Info Tech Company Limited	-	-	-	303
Metro Connect Company Limited	-	-	441	2,658
Metro Info Dynamics Company Limited	-	-	-	11
Associates				
HIS MSC Company Limited	610	701	610	701
JBCC (Thailand) Company Limited	40	-	-	-
Other related parties				
MDEC International (1991) Company Limited	61	57	61	57
Metro Company Limited	35	471	35	471
N.I.M. Company Limited	18	18	18	18
United Flour Mill Public Company Limited	33	37	33	37
UFM Food Centre Company Limited	71	30	71	30
MC Bakery Company Limited	6	6	6	6
MC Plastic Company Limited	2	2	2	2
MC Foods Company Limited	35	35	35	35
MCF Product Company Limited	26	26	26	26
MCF Marketing Company Limited	26	26	26	26
UFM Fuji Super Company Limited	114	62	114	62
MC Industrial Chemical Company Limited	32	7	32	7
United Grains Company Limited	2	-	2	-
Total	1,111	1,478	1,585	4,495
Other current receivables - related parties				
Subsidiaries				
Metro Professional Products Company Limited	-	-	39	-
Metro Info Tech Company Limited	-	-	8,028	1
Metro Connect Company Limited	-	-	2,545	1,714
Metro Info Dynamics Company Limited	-	-	-	187
Associate				
HIS MSC Company Limited	413	2	413	2
Total	413	2	11,025	1,904
Finance lease receivable - related parties				
- net from unearned interest income				
Associate				
HIS MSC Company Limited	22	8	22	8
Other related party				
Metro Company Limited	124	-	124	-
Total	146	8	146	8

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2019	2018	2019	2018
Trade payables - related parties				
Subsidiaries				
Metro Professional Products Company Limited	-	-	446	-
Metro Info Tech Company Limited	-	-	9,027	11,350
Metro Connect Company Limited	-	-	6,405	46,229
Associate				
JBCC (Thailand) Company Limited	-	3	-	-
Other related parties				
MDEC International (1991) Company Limited	600	1,648	600	1,648
UFM Food Centre Company Limited	200	320	200	320
Total	<u>800</u>	<u>1,971</u>	<u>16,678</u>	<u>59,547</u>
Other current payables - related parties				
Subsidiaries				
Metro Professional Products Company Limited	-	-	-	260
Metro Info Tech Company Limited	-	-	-	40
Metro Connect Company Limited	-	-	-	171
Associate				
HIS MSC Company Limited	198	101	198	101
Other related parties				
MDEC International (1991) Company Limited	38	33	-	33
UFM Food Centre Company Limited	2,573	2,620	2,420	2,373
Metro Company Limited	-	47	-	47
MC Industrial Chemical Company Limited	-	-	-	-
Miss Thipawan Jaruwatjana	-	40	-	40
Total	<u>2,809</u>	<u>2,841</u>	<u>2,618</u>	<u>3,065</u>

27. KEY MANAGEMENT BENEFIT EXPENSES

Benefit expenses to key management of the Group were presented as part of “Employee benefit expenses”.

Management benefit expenses for the years ended December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2019	2018	2019	2018
Short-term management benefits	83,476	71,427	71,040	57,331
Long-term management benefits	985	1,147	764	929
Total	<u>84,461</u>	<u>72,574</u>	<u>71,804</u>	<u>58,260</u>

28. OPERATING SEGMENT

The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are separately managed since they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

Segment 1 : Sales computer and equipment

Segment 2 : Installation software

Segment 3 : Sales supplies and office equipment

Segment 4 : Rental and other services

Information on operating segments

Performance for the years ended December 31, 2019 and 2018, are as follows:

Segment Revenue

	Segment 1		Segment 2		Segment 3		Segment 4		Total reportable segments	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
External revenue	2,153,499	2,869,491	2,407,542	2,255,144	1,773,838	1,892,858	1,067,024	956,020	7,401,903	7,973,513
Inter-segment revenue	143,810	261,119	38,966	40,210	379	496	26,943	64,352	210,098	366,177
Total segment revenue	<u>2,297,309</u>	<u>3,130,610</u>	<u>2,446,508</u>	<u>2,295,354</u>	<u>1,774,217</u>	<u>1,893,354</u>	<u>1,093,967</u>	<u>1,020,372</u>	<u>7,612,001</u>	<u>8,339,690</u>
Timing of revenue recognition										
At a point in time	2,020,019	2,973,622	2,446,508	2,295,354	1,774,217	1,893,354	921,978	917,734	7,162,722	8,080,064
Overtime	<u>277,290</u>	<u>156,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,989</u>	<u>102,638</u>	<u>449,279</u>	<u>259,626</u>
Total revenue	<u>2,297,309</u>	<u>3,130,610</u>	<u>2,446,508</u>	<u>2,295,354</u>	<u>1,774,217</u>	<u>1,893,354</u>	<u>1,093,967</u>	<u>1,020,372</u>	<u>7,612,001</u>	<u>8,339,690</u>
Gross profit	<u>337,930</u>	<u>415,125</u>	<u>333,106</u>	<u>305,384</u>	<u>214,596</u>	<u>229,704</u>	<u>324,083</u>	<u>305,988</u>	<u>1,209,715</u>	<u>1,256,201</u>

Assets and liabilities classified by segment as at December 31, 2019 and 2018 are as follows:

	Unit : Thousand Baht	
	2019	2018
Total assets	<u>3,281,867</u>	<u>3,510,264</u>
Total liabilities	<u>1,388,539</u>	<u>1,648,103</u>

Reconciliation of reportable segment profit or loss

	Unit : Thousand Baht For the period ended December 31,	
	2019	2018
Profit or loss		
Total gross profit from reportable segments	1,209,715	1,256,201
Unallocated amounts:		
- Other income	72,532	77,656
- Distribution costs	(155,387)	(163,042)
- Administrative expenses	(842,519)	(807,380)
- Finance costs	(13,282)	(18,299)
Share of profit of investments in associates	2,135	537
Profit before income tax	<u>273,194</u>	<u>345,673</u>

Geographical information

The Group is operates principally in Thailand. There are no material revenues derived from, or assets located in foreign countries.

For the year 2019 and 2018, the Group has no major customer with revenue of 10 percent or more of the Group's revenues.

29. DIVIDENDS PAIDS

At the annual general meeting of the shareholders of the Company held on April 3, 2019, the shareholders approved the appropriation of dividend of Baht 0.47 per share, amounting to Baht 169.20 million. The dividend had already paid to shareholders in April 2019.

At the annual general meeting of the shareholders of the Company held on April 4, 2018, the shareholders approved the appropriation of dividend of Baht 0.43 per share, amounting to Baht 154.80 million. The dividend was paid to shareholders in April 2018.

30. FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Group is exposed to normal business risks from changes in interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or use derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital Management

The Board of Directors' policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk of future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings. The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

The effective interest rates of borrowings as at December 31, 2019 and 2018 and the periods in which the borrowings mature or re-price were as follows:

As at December 31, 2019		Unit : Thousand Baht			
	Effective interest rate (% per annum)	Consolidated financial statements Outstanding balance maturing			Total
		Within 1 year	After 1 year but within 5 years	Over 5 years	
Current Liabilities					
Short-term borrowings from financial institutions	2.09-2.80	148,290	-	-	148,290
Current portion of long-term borrowings from financial institutions	3.90	5,040	-	-	5,040
Current portion of long-term borrowings from other parties	3.26-4.31	4,307	-	-	4,307
Non-Current Liabilities					
Long-term borrowings from financial institutions	3.90	-	4,420	-	4,420
Long-term borrowings from other parties	3.26-4.31	-	8,795	-	8,795
Total		157,637	13,215	-	170,852

As at December 31, 2018

Unit : Thousand Baht

	Effective interest rate (% per annum)	Consolidated financial statements Outstanding balance maturing			Total
		Within 1 year	After 1 year but within 5 years	Over 5 years	
Current Liabilities					
Short-term borrowings from financial institutions	2.25-4.80	227,514	-	-	227,514
Current portion of long-term borrowings from financial institutions	3.90	5,040	-	-	5,040
Current portion of long-term borrowings from other parties	3.26-4.31	19,092	-	-	19,092
Short-term borrowings	-	6,297	-	-	6,297
Non-Current Liabilities					
Long-term borrowings from financial institutions	3.90	-	9,460	-	9,460
Long-term borrowings from other parties	3.26-4.31	-	13,103	-	13,103
Total		<u>257,943</u>	<u>22,563</u>	<u>-</u>	<u>280,506</u>

As at December 31, 2019

Unit : Thousand Baht

	Effective interest rate (% per annum)	Separate financial statements Outstanding balance maturing			Total
		Within 1 year	After 1 year but within 5 years	Over 5 years	
Current Liabilities					
Short-term borrowings from financial institutions	2.09-2.50	99,243	-	-	99,243
Current portion of long-term borrowings from financial institutions	3.90	5,040	-	-	5,040
Current portion of long-term borrowings from other parties	3.26-4.31	4,307	-	-	4,307
Short-term borrowings	-	-	-	-	-
Non-Current Liabilities					
Long-term borrowings from financial institutions	3.90	-	4,420	-	4,420
Long-term borrowings from other parties	3.26-4.31	-	8,795	-	8,795
Total		<u>108,590</u>	<u>13,215</u>	<u>-</u>	<u>121,805</u>

As at December 31, 2018

Unit : Thousand Baht

	Effective interest rate (% per annum)	Separate financial statements			Total
		Outstanding balance maturing			
		Within 1 year	After 1 year but within 5 years	Over 5 years	
Current Liabilities					
Short-term borrowings from financial institutions	2.32-2.51	70,523	-	-	70,523
Current portion of long-term borrowings from financial institutions	3.90	5,040	-	-	5,040
Current portion of long-term borrowings from other parties	3.26-4.31	19,092	-	-	19,092
Short-term borrowings	-	6,297	-	-	6,297
Non-Current Liabilities					
Long-term borrowings from financial institutions	3.90	-	9,460	-	9,460
Long-term borrowings from other parties	3.26-4.31	-	13,103	-	13,103
Total		100,952	22,563	-	123,515

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

As at December 31, 2019 and 2018, the Group was exposed to foreign currency risk in respect of financial assets, financial liabilities and contingency liabilities which were hedged in the following currencies:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2019	2018	2019	2018
US Dollars				
Trade and other current receivables	5,776	3,900	5,671	3,171
Trade and other current payables	(185,459)	(202,496)	(186,852)	(183,689)
Gross statement of financial position exposure	(179,683)	(198,596)	(181,181)	(180,518)
Currency forwards bought	543,547	554,538	540,779	535,502
Currency forwards sold	(27,937)	-	(27,937)	-
Net exposure	335,927	355,942	331,661	354,984
SG Dollars				
Trade and other current receivables	-	-	-	-
Trade and other current payables	(1,525)	(5,599)	(1,525)	(5,599)
Gross statement of financial position exposure	(1,525)	(5,599)	(1,525)	(5,599)
Currency forwards bought	12,934	11,269	12,934	11,269
Currency forwards sold	-	-	-	-
Net exposure	11,409	5,670	11,409	5,670

As at December 31, 2019 and 2018, the nominal amounts and fair values of forward contracts in the consolidated and separate financial statements are as follows:

	Unit : Thousand Baht			
	Consolidated financial statements			
	Nominal amounts**		Fair values*	
	2019	2018	2019	2018
Forward contracts				
Currency forwards bought	563,039	575,259	558,821	566,784
Currency forwards sold	(27,806)	-	(27,681)	-
Total	535,233	575,259	531,140	566,784

	Unit : Thousand Baht			
	Separate financial statements			
	Nominal amounts**		Fair values*	
	2019	2018	2019	2018
Forward contracts				
Currency forwards bought	560,243	556,071	556,053	547,748
Currency forwards sold	(27,806)	-	(27,681)	-
Total	532,437	556,071	528,372	547,748

* The fair value of forward contracts is the adjustment value of the original contracts which the Company entered with the commercial banks with the market price on the reporting date in order to reflect the current value of the contracts.

** The nominal amount of forward contracts is the value of the original contracts which the Company entered with the commercial banks and must be repaid at the maturity date.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount. At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position. However, management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

31. FAIR VALUE MEASUREMENT

Certain financial assets and financial liabilities of the Group are measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

						Unit : Thousand Baht
Financial assets/ financial liabilities	Consolidated financial statements		Separate financial statements		Fair value hierarchy	Valuation techniques and key inputs for fair value measurement
	Fair value as at December 31, 2019	Fair value as at December 31, 2018	Fair value as at December 31, 2019	Fair value as at December 31, 2018		
<u>Financial assets</u>						
Current investment - available-for- sale investments	248,826	10,346	100,430	67	Level 2	Fair value are measured at fair value based on the redemption value by the financial institutions at the reporting date

These financial assets are presented as a part of current assets in the statement of financial position.

Financial assets and liabilities not measured at fair value in the consolidated and separate statements of financial position as at December 31, are as follows: (fair value disclosure)

	Carrying amount	Unit : Thousand Baht			
		Consolidated financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
As at December 31, 2019					
Forward contracts	528,544	-	531,140	-	531,140
As at December 31, 2018					
Forward contracts	565,807	-	566,784	-	566,784

	Carrying amount	Unit : Thousand Baht			
		Separate financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
As at December 31, 2019					
Forward contracts	525,776	-	528,372	-	528,372
As at December 31, 2018					
Forward contracts	546,771	-	547,748	-	547,748

Fair value hierarchy

The table above analyzes recurring fair value measurements for financial assets. These fair value measurements are categorized into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: other inputs than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

32. COMMITMENTS AND CONTINGENT LIABILITIES

The Group and the Company have commitments and contingent liabilities as follows:

32.1 Future rental and service payments under long-term lease agreements as at December 31, were summarized as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2019	2018	2019	2018
Within one year	11,064	11,532	9,098	9,325
Later than 1 year but not later than 5 years	10,224	20,537	5,567	13,488
Total	<u>21,288</u>	<u>32,069</u>	<u>14,665</u>	<u>22,813</u>

The Group has entered into car and building lease agreements including related services. The agreement periods is ranged from 1 to 5 years, which will expire in 2024.

For the years ended December 31, 2019 and 2018, the Group recorded expense according to the non-cancellable operating lease and service agreements in the consolidated statements of comprehensive income of Baht 12,181 million and Baht 8,529 million, respectively, and the Company recorded expense in the financial statements of comprehensive income amounting to Baht 10,103 million and Baht 7,299 million, respectively.

32.2 Letter of guarantee from financial institutions

As at December 31, 2019 and 2018, the Group had commitments from the financial institutions that issued letter of guarantees to various partners amounting to Baht 324.52 million and USD 0.10 million and Baht 318.59 million and USD 0.10 million, respectively.

As at December 31, 2019 and 2018, the Company had commitments from the financial institutions that issued letter of guarantees to various partners amounting to Baht 251.96 million and USD 0.10 million, and Baht 242.95 million and USD 0.10 million, respectively.

32.3 Related party guarantees

As at December 31, 2019 and 2018, the Company has provided guarantees to suppliers in the total amount of Baht 200 million and Baht 210 million, respectively for credits of purchasing limits facilities obtained by a subsidiary.

As at December 31, 2018, the Company has provided guarantees to the financial institutions in total amount of Baht 60 million for credits facilities obtained by a subsidiary, subsequently on June 2019, the Company has fully redeemed guarantees from the financial institution.

32.4 Assets pledged as collaterals

As at December 31, 2019 and 2018, the subsidiary has pledged its land and existing constructions at the total cost of Baht 10.96 million which has the net book values of Baht 5.98 million and Baht 6.11 million, respectively as collaterals for the credit facilities from the financial institution.

32.5 Others

As at December 31, 2019 and 2018, the Group has unused credit facilities in the amount of Baht 3,293 million and USD 11.20 million, and Baht 2,950 million and USD 12.30 million, respectively.

As at December 31, 2019 and 2018, the Company has unused credit facilities in the amount of Baht 2,038 million and USD 10.12 million, and Baht 1,716 million and USD 11.30 million, respectively.

33. LITIGATIONS

On February 14, 2017, the Company filed a lawsuit against the Federation of Savings and Credit Cooperatives of Thailand Limited (“FSCT”) to the Nonthaburi Provincial Court under the Civil Black case no. P. 277/2560 demanding FSCT to pay the compensation regarding the cancellation of an agreement for design, develop and install the cooperative savings system for cooperative members and information technology services in the amount of Baht 204 million plus interest at the rate of 7.5% per annum from the next day of the submit date until the full payment is made.

On November 9, 2017, FSCT filed a complaint to the Nonthaburi Provincial Court as the Civil Black Case No. P.2295/2560 demanding the Company to pay the compensation regarding the cancellation of such agreement in the amount of Baht 312 million plus interest at the rate of 7.5% per annum from the next day of the submit date until the full payment is made.

On March 8, 2018, the Court ordered to compound these 2 cases for consideration.

On March 12, 2019, the Court judged that FSCT has to pay the Company amount of Baht 97.46 million, including interest at the rate of 7.5% per annum from February 14, 2017 until the full payment.

Subsequently, on June 21, 2019, FSCT appealed its judgment. This case is currently under the processes of submitting a summons to the Company for solve the appeal.

As at December 31, 2019, the Company has reversed allowance for doubtful account for such claim which had been set up in 2016 because of the Court judged that FSCT has to pay the company and the management believes that the Company has correctly complied with the related conditions of the agreement in all respects as lawyer’s opinion.

34. RECLASSIFICATIONS

Certain reclassifications have been made in the financial statements for the year ended December 31, 2018, to conform to the classification used in current year's financial statements. Such reclassifications have no effect to previously reported assets, liabilities, net profit, total comprehensive income and shareholders' equity. The reclassifications are as follows:

	Consolidated financial statements			Separate financial statements		
	As at December 31, 2018			As at December 31, 2018		
	Previous presentation	Reclassifications	Current presentation	Previous presentation	Reclassifications	Current presentation
Unit : Baht						
Statements of financial position						
Trade and other current receivables	1,662,031,754	9,751,169	1,671,782,923	1,159,055,048	1,527,288	1,160,582,336
Current portion of finance lease receivables	248,952,631	6,001,653	254,954,284	116,452,507	2,982,172	119,434,679
Other current assets	24,547,759	(12,733,340)	11,814,419	12,815,382	(4,509,460)	8,305,922
Finance lease receivables	243,726,006	(3,019,482)	240,706,524	-	-	-
Trade and other current payables	1,052,456,721	28,372,592	1,080,829,313	765,617,597	26,141,169	791,758,766
Current portion of long-term borrowing						
from financial institutions	-	5,040,000	5,040,000	-	5,040,000	5,040,000
Current portion of long-term borrowing						
from other parties	20,455,110	(1,363,463)	19,091,647	20,455,110	(1,363,463)	19,091,647
Current portion of finance lease liabilities	74,981,999	(3,676,537)	71,305,462	26,651,591	(3,676,537)	22,975,054
Current provisions for employee benefits	-	15,374,068	15,374,068	-	14,820,735	14,820,735
Non-current provisions for employee benefits	142,598,139	(15,374,068)	127,224,071	124,513,579	(14,820,735)	109,692,844
Other current liabilities	28,995,859	(28,372,592)	623,267	26,764,436	(26,141,169)	623,267
Long-term borrowings from financial institutions	-	9,460,000	9,460,000	-	9,460,000	9,460,000
Long-term loan from other companies	10,888,630	2,214,049	13,102,679	10,888,630	2,214,049	13,102,679
Finance lease liabilities	68,518,372	(11,674,049)	56,844,323	25,064,793	(11,674,049)	13,390,744

35. EVENTS AFTER THE REPORTING PERIOD

- 35.1 On January 21, 2020, the Extraordinary General Meeting of the shareholders no. 1/2020 of Metro Professional Products Company Limited, which is a subsidiary, has passed the special resolution to increase the registered share capital from Baht 20.00 million to Baht 50.00 million by issuing new ordinary of shares 300,000 shares with a par value of Baht 100 per share, totaling Baht 30.00 million. In January 2020, the subsidiary has called and received share subscription from the existing shareholders amounting to Baht 30.00 million. The subsidiary registered the increase in its paid-up capital with the Department of Business Development, Ministry of Commerce on January 31, 2020.
- 35.2 On February 21, 2020, the Board of Directors' Meeting of Metro Professional Products Company Limited, which is a subsidiary, has passed a resolution to pay annual dividends from the operations of the year 2019 at the rate of Baht 12 per share for 500,000 shares, totaling Baht 6.00 million. The proposed dividends shall be subjected to the approval by the annual general meeting of the shareholders of the subsidiary.
- 35.3 On February 21, 2020, the Board of Directors' Meeting of Metro Connect Company Limited, which is a subsidiary, has passed a resolution to pay annual dividends from the operations of the year 2019 at the rate of Baht 21 per share for 1,000,000 shares, totaling Baht 21.00 million. The proposed dividends shall be subjected to the approval by the annual general meeting of the shareholders meeting of the subsidiary.
- 35.4 On February 27, 2020, the Board of Directors' Meeting of the Company has passed a resolution to pay annual dividends from the operations of the year 2019 at the rate of Baht 0.45 per share for 360,000,000 shares, totaling Baht 162.00 million. The proposed dividends shall be subjected to the approval by the annual general meeting of the shareholders of the Company.

36. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements have been approved for issuing by the Board of Directors of the Company on February 27, 2020.



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