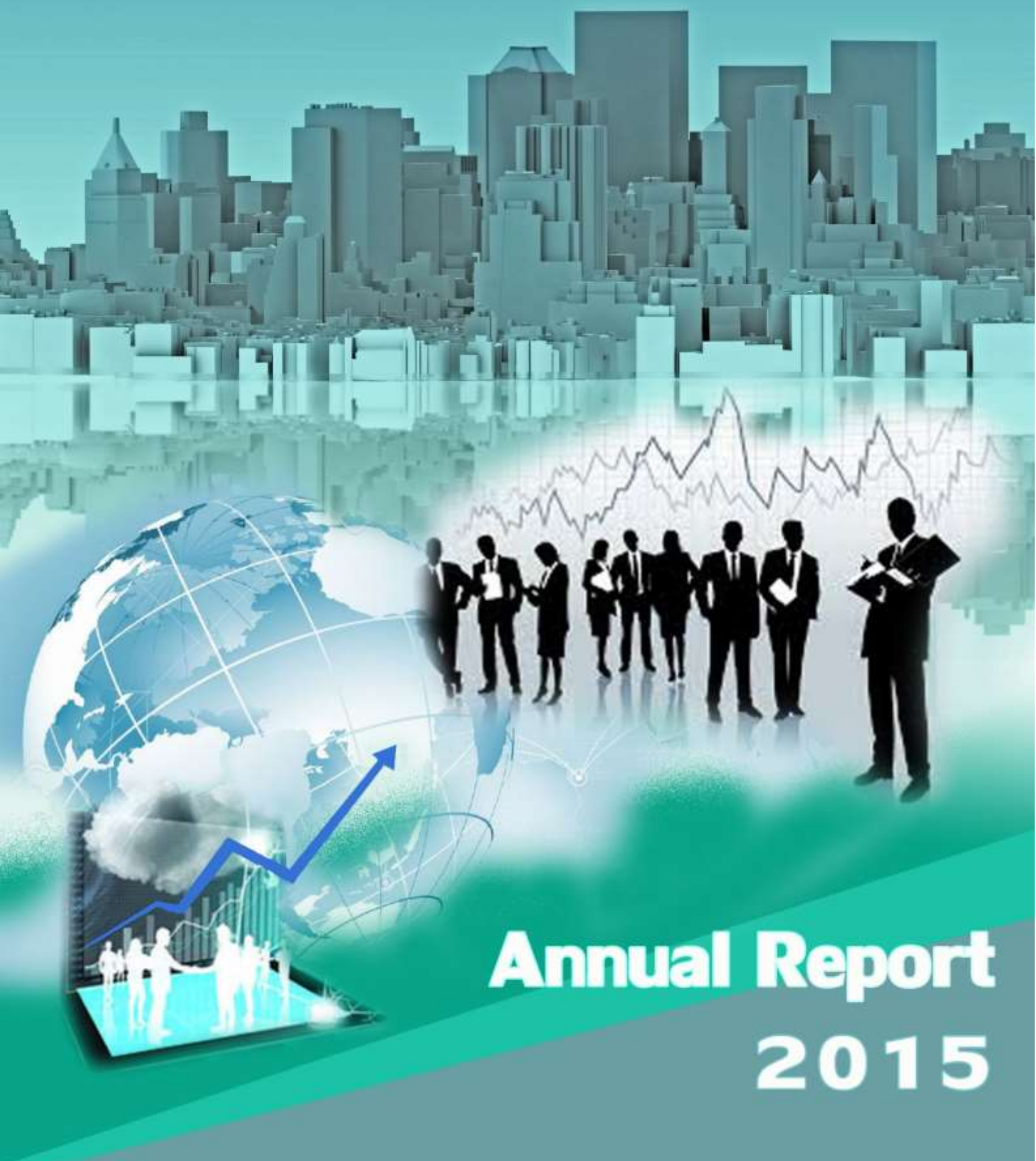




Metro Systems Corporation Public Company Limited



# Annual Report 2015

# Vision

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



# Mission

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



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## Message from the Chairman



Overall Thailand's economy in 2015 has expanded due to the main contributing factors of government expenditure and the economic stimulus policy during the fourth quarter in the ICT business. IDC (Thailand) Co., Ltd. has identified that the ICT business in Thailand in 2015 has slightly grown but the trend of change was notable, namely the application of 3rd Platform technology of cloud mobility and big data analytics. It is expected that the outlook for IT spending in the commercial sector for year 2016 will be one of growth of investment in IT services and software rather than the spending of money for the purchase of new hardware.

The performance for the year 2015 of the Company and its subsidiaries' total revenue was 7,016 million baht, a decrease in the amount of 60 million baht, equivalent to 0.8 percent from the previous year, with a net profit of (attributable to owners of the parent) 206 million baht, an increase in the amount of 30 million baht or 17 percent from the previous year.

The Company keeps tracking of advanced technology and continuously prepares for the trends that will be likely to occur in order to supply products and services that meet customer requirements, such as cloud computing, updated applications relating to Big Data, SaSS, presentation of products and networks with IP technology to provide anytime access to information and the enhancement of work through networking, as well as supplying software for data analysis and the development of applications and mobile security software.

To help the company grow steadily and sustainably in the year 2015, the company has developed a human resource management system by aiming to enhance the skills, knowledge and competence of its personnel and to promote anti-corruption by the use of its policy against corruption and making its declaration to engage in Thailand's Private Sector Collective Action against Corruption (CAC). Meanwhile, the Company has appointed committees and three additional groups of sub-committees to be in charge of social responsibility, good governance, and risk management for the supervision of each specific matter.

In 2016, the Company focus will be on the continued revenue generated from its services and increasing revenues from the software developed and owned as its intellectual properties and aims to become a leader in supplying products or innovative Solutions to a high standard.

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

**Mr. Sunpitt Sethpornpong**

Chairman



## “Metro Systems won the “Microsoft Business Partner Award” ”

Mr. Thitiphong Charanachitta

Vice President of Solutions Integration Group of Metro Systems Corporation Public Co., Ltd., received the “Licensing Solution Partner of the Year 2015”

which is one of the Microsoft Business Partner

Awards, a prestigious award of success and achievement given by Microsoft to the successful business partner who is able to present effective technology and solutions, as well offering outstanding service and continuously exceeding the customers’ expectations.



## “Metro Connect shows its excellency by winning 3 new awards from IBM”



Mr. Chirasak Trangkineenart

Director of Metro Connect Co., Ltd. (“MCC”), a subsidiary of Metro Systems Corporation Public Co., Ltd., presents the three awards given by IBM; which are:

1. “IBM 2014 Top Distributor of the Year Cross Brand Award”
2. “IBM 2014 Top Power Distributor Award”
3. “IBM 2014 Top STG Distributor Award”

## “MID won “The Best Corporate Reseller Award 2014””



Ms. Chanpen Chutimakulchai

General Manager of Metro Info Dynamics Co., Ltd. (“MID”), a subsidiary of Metro Systems Corporation Public Co., Ltd., received “The Best Corporate Reseller Award 2014” from “Dell Partner Forum 2015” which was held at Le Meridien, Suvarnabhumi on: 7 April 2015.

## “Metro Systems won “IBM 2014 Best Technical Vitality Business Partner Award –STG””

Ms. Phunnada Chuengpaisal,  
General Manager of Enterprise Systems Group  
of Metro Systems Corporation Public Co., Ltd.,  
received the “IBM 2014 Best Technical  
Vitality Business Partner Award – STG” from  
“IBM Business Partner Connect 2015” on:  
23 April 2015 at the Ballroom, Grand Hyatt  
Erawan Bangkok Hotel.



# Corporate Policy and Background



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. After that, the Company expanded its business by distributing IT solutions and providing services from other leading IT companies, such as IBM, Hewlette-Packard, Lenovo, Dell, Acer, Microsoft, SolidWorks and so on, 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). Metro Systems Corporation Public Co., Ltd. has divided its administration into 3 groups of product, namely Enterprise Systems Group (ESG), Solutions Integration Group (SIG), and Office Supplies Group (OSG), including the administration of the other eight companies of its subsidiaries and jointed ventures in order to cover the whole trade and overall industry.

## Significant Improvement and Development

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

ปี	เหตุการณ์สำคัญ
2015	The Board of Directors had its resolution at the meeting No. 2/2015, on 24 February 2015 to separately determine the individual anti-corruption policy. The Company had therefore applied this policy with its directors, executives, and employees so that the Company's operation was in line with the policy on good corporate governance. In addition, the Company had prepared the policy on information disclosure and transparency. The Board of Directors also had its resolution to nominate the Social Responsibility Committee, Good Governance Sub-Committee and Risk Management Sub-Committee at the meeting No. 5/2015, on: 6 November 2015.
2014	The Company invested in human resources development on recruiting, developing and retaining personnel so that we have officers who are qualified to meet the organization's job requirements. We also train our staff in accordance with Core Company Principles for career advancement and professional pride which leads to sustainable organization growth.
2013	The Company established Metro Info Dynamics Co., Ltd. with the investment ratio of 99.99% for distribution of computers and software and other related products.
2012	The Company established Metro Info Dynamics Co., Ltd. with the investment ratio of 99.99% for distribution of computers and software and other related products.
2011	The Company invested in JBCC (Thailand) Co., Ltd. by subscribing the shares of JBCC Holding Inc., Japan with the value of 2 million baht or 20% ratio in order to expand the business to Japanese customers in Thailand.
2010	The Division of Managed Services was certified by ISO/IEC 20000-1:2011 in IT service administration system standard for corporate's efficient IT service and ISO/IEC 27001:2005 in IT safety management system standard for IT risk management.
2009	The Company established Metro Connect Co., Ltd. with the investment ratio of 99.99% for distribution of computer and peripheral devices through online partner in different industries and distributors (systems integrators).



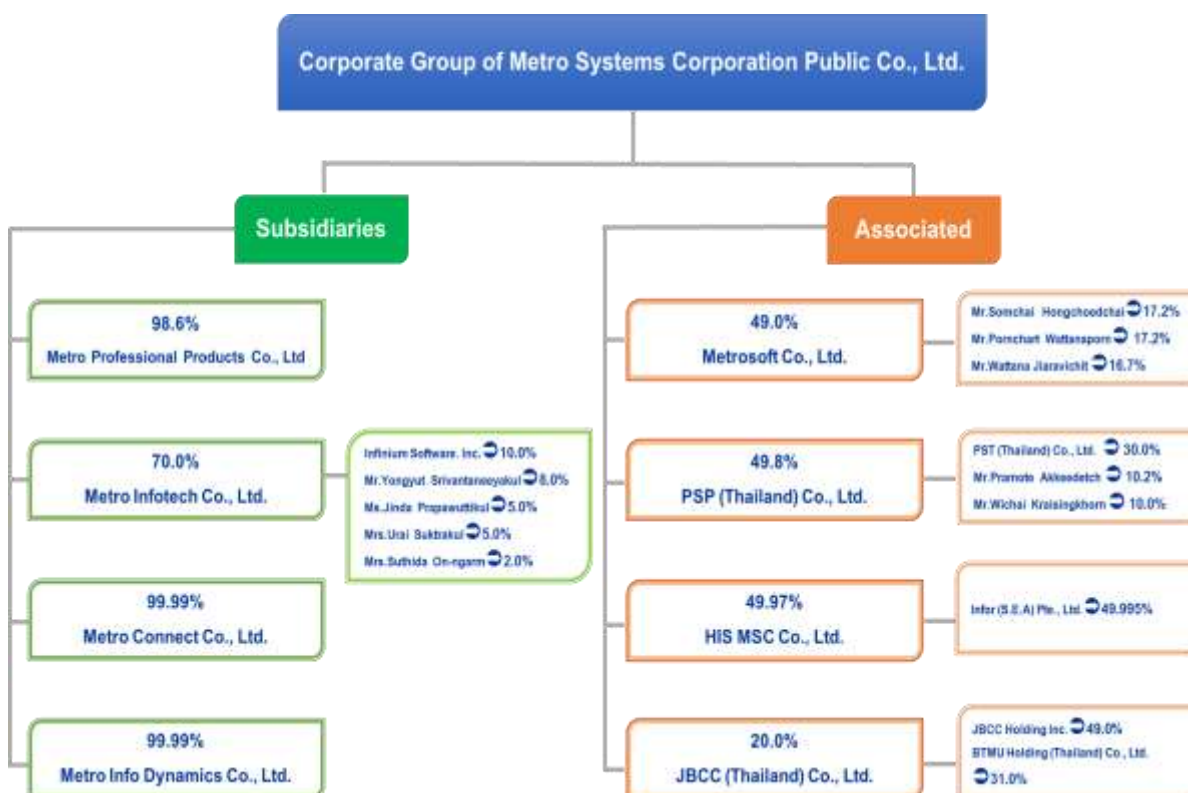
## Goals of Business Operation

The Company has set the following business goals of the year 2016 in order to support the stable and sustainable growth of the Company as follows.

1. **Recurring Revenue** – To continuously achieve the service income as follows:
  - *Managed Service*: This is a monthly maintenance service for computer system, suitable for the customers who have no IT department or require IT professional service.
  - *Business Continuity Service*: This service helps the customers in management of IT system safety, both data and office space backup;
  - *IPs (Intellectual Properties Services)*: The software or solution service developed by the Company to meet the customers' demand and best interest. The service which will be on the cloud.
2. **High Value Added Products Leader** – The Company has set its goals to become a leader in supplying products or solution with a high or innovative standard, including hardware, software and to increase the leading brands in order to satisfy and meet the need of customers as much as possible.
3. **Strategic Customer Focus** – The Company recognizes the customers who focus on data safety solution, business information analysis, as well as the Japanese customers who have potential to expand its business in Thailand. However, the Company continues to maintain the sales target with its existing customer base and increase its sales with the new customers.
4. **Strategic Partners Relationship** – The Company focuses on building a good relationship with the owners of product and software solutions partner in order to propose the solution that will completely meet the needs of targeted customers.
5. **Human Resource Development (HRD)** – The Company recognizes the importance of human resource development in accordance with the Core Company by aiming to provide its employees a career success, organizational commitment, including Succession Plan for its sustainable growth in the future.
6. **Corporate Social Responsibility** – The Company adheres to the principles of good corporate administration, governance and ethnic, participation in social development and focuses on the anti-corruption both inside and outside the organization. In 2015, the Company set and announced its policy on anti-corruption to its directors, executives and employees. The Board of Directors had its resolution to engage with the Thailand Anti-corruption Commission (CAC) on: 21 January 2016.
7. **ISO** – The Company emphasizes on the development and maintenance of quality standard system in order to create business continuity under the following standards:
  - *ISO/IEC 20000-1:2011* Standard of IT Service Management
  - *ISO/IEC 27001:2013* Standard of Information Security Management System
  - *ISO 9001:2008* Standard of Quality Management, The Company aims to upgrade its standard of ISO 9001:2008 to be ISO 9001:2015 by 2017
8. **Enterprise Risk Management (ERM)** – The Company recognizes the importance of risk management and aims to prepare a risk management system in 2016. This system will be used a tool to assess the sufficiency of control and solution, operational improvement and therefore help all sub-divisions, divisions and the lines of command to effectively achieve their objectives.

## Corporate Shareholding Structure

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



## Relationship between Main Groups of Corporate Shareholders

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

## **Nature of Business**

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

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

- **Enterprise Systems Group (ESG)** To distribute high value product both of hardware with middle-size computer, Enterprise Server, Storage, VDI Solution, CCTV, retail system, PC, Notebook and Software for backup, security and mobility with 36.8% of total revenue in 2015
- **Solutions Integration Group (SIG)** To distribute software solutions with system installation, implementation and IT consulting. We offer solutions for data centers, network systems, IT technology, and for executive decision making,

emergency backup systems for business, software design, intellectual properties software, managed services, IT knowledge training and testing, etc. with 30.6% of total revenue in 2015

- **Office Supplies Group (OSG)** To distribute office supplies products, such as ink cartridge, data cartridge for computer, small-sized printer, camera and projector, smart phones, and tablets with 31.9% of total revenue in 2015

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

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

## Revenue Structure

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

(Unit : Million Baht)

Produsts and Services	Operated By	2014		2557		2556	
		Income	%	Income	%	Income	%
Part 1 : Sale and Service Incomes							
Enterprise Systems Group (ESG)	MSC/MPP/MCC/MID	2,585	36.8	2,712	38.3	2,532	37.4
Solutions Integration Group (SIG)	MSC/MIT	2,147	30.6	2,154	30.4	2,019	29.8
Office Supplies Group (OSG)	MSC	2,237	31.9	2,170	30.7	2,184	32.2
Others		8	0.1	3.3	0.0	8.4	0.1
Total Sale and Service Incomes		6,977	99.4	7,041	99.4	6,743	99.6
Part 2 : Other Incomes		39	0.6	35	0.5	29	0.4
Total Company's and Subsidiaries'Incomes		7,016	100.0	7,076	99.9	6,773	100.0
Part 3 : Profit(Loss) of Associated Companies	PSP/MS/HIS/JBTH	8	0.1	5.1	0.07	0.3	0.01
Total Income		7,024	100.0	7,081	100.0	6,773	100.0

Source : Consolidated Financial Statement

## Products and Services

The Company currently operates business as the distributor and service provider for complete IT solutions with the world's leading brands such as IBM, Hewlett-Packard, Canon, Lenovo, Cisco, Dells, Acer, Epson, Hitachi, Microsoft, Solid Work, Qlikview, K2. The Company is divided into three business units. Each unit has a distinguished strategy plan following different business competition as follows:

### - Enterprise Systems Group (ESG)

We sell and distribute high value product both hardware consists of middle-sized computers, , storage devices, retail systems, PCs, Notebooks and software for

backup, security and mobility. This also includes computer system design and implement for customers, applying complete solutions, program coding as required, and RPG program training.

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



software to expand the market to customers in other business sectors and industries.

**- Solutions Integration Group (SIG)**

We sell software solutions with system implementation and IT consulting to promote more efficient business management. We offer solutions for data centers, network systems, IT technology, and for executive decision making, emergency backup systems for business, software for design, intellectual properties software, managed services, IT knowledge training and testing.

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

**- Office Supplies Group (OSG)**

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

Our main strategy is for Tele Sales staff to present genuine quality products to target customers from

business units in SMB to major consumer groups. This also includes government and education institutions nationwide. We rely on registered companies in Thailand and IT systems to manage customer databases and target groups. Furthermore, we apply IT systems to manage the complete sale process, both prior to and after sale.

## Marketing and Competitive Trend

### Marketing Policy

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

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

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

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

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

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

### Natures and Groups of Targeted Customers

Majority of Company's targeted customers are from small-sized to large-sized businesses, such as financial institutes, governmental divisions, state enterprises and educational institutions. The Company had also mainly focused on the customers from private sectors with the ratio at 90% of total revenue.

In 2015, 73% of total Company's existing customers repurchased the products and services with the ratio at 95% of total revenue.

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

## **Sales and Distribution Channels**

The Company tends to concentrate on overall distribution for all customers. The Company has also organized the distribution system through both direct

sales and dealers. However, the Company tends to concentrate on direct sale more than dealers at the ratio of 85:15

## **Industry Trend And Competition**

IDC Thailand stated that it was quite difficult in the year 2015 for Thailand's ICT business. Normally, the growth rate of expenditure on ICT business was higher than GDP around 3-8%. For this year, the difference between the rates of those period was lower at 1%. Therefore, the forecast of this year's expenditure was reduced to 3.8% or equal to 6.77 billion baht from the previous forecast of growth at 13%.

While the costs associated with data center did not meet the targets forecasted by IDC at 14% due to the decrease of voice usage. Even though the data distribution (data receiving – sending) was increased, the package price was decreased and the revenue growth did not meet the expectation.

IDC Thailand's top ten predictions concerning the significant trend of the Thai business and technology for year 2016 consist of these following: 1. Thai companies will fully spend on the Cloud Computing in which 55% of all companies will use at least one type of Cloud; 2 the financial, banking, insurance, telecom and retailing industries will start to invest in Big Data due to the competition of data analysis; 3. the introduction of 4G frequency allows Thai people to use the smart phones more up to 40 mobiles; 4. the Internet of Things (IoT) will continue to excite many industries; 5. the trend of new industrial revolution is coming, especially in robots, cyber or analysis system; 6. Thai people will be familiar with SaaS through purchasing of license software; 7. Cloud Storage/Application will be used increasingly due to the traffic problem will stimulate the mobility working; 8.

Mobile Banking and Payment will be used widely by mobile users in Thailand up to more than 9 million accounts; 9. The opening of AEC in 2016 will increase the competition among the SME businesses and therefore it is necessary to apply the digital technology with both communication and E-commerce; 10. the exercising trend will drive the popularity in the Internet of Things (IoT) devices that are related to health, especially wearable devices.

The abovementioned report also forecasted that ICT spending in Thailand will grow by 7% of GDP which was predicted by IDC that the growth of ICT spending will be grew up as equal to the growth in agricultural sector. The ratio of this spending will be from, such as the purchase of PC, smart phones will be around 54.5%. The IT spending trend in commercial group in 2016 will be increased approximately 6.1% or valued to 2.37 billion baht compared to the previous year at 2.23 billion baht due to the main investment in IT service and software rather than spending in new hardware. The main group of ICT high investment will be the business sectors of telecommunication, financial institution and production industry. However, the public sectors and educational sectors will be slightly grown up or up to 0.4% after the decrease in growth for a couple of years due to the boost of public sector in several projects and the investment in hardware and infrastructure development to support the digital economy policy of this year, including IT investment of the small or SME businesses as the main group that effected to the Thai economy. It is predicted that the use

of Public Cloud and software services will be increased at 7.1 %.

The Company has closely followed up technology advancement and prepared a supporting plan for the upcoming trends. Therefore, we will be able to provide products and services corresponding to customer requirements. As an example, cloud computing and new applications related to big data will enhance processing efficiency with faster database management, higher efficiency, cost savings in IT system management, SaSS

service, and products and network relating to IP technology to support continuous data access and improve the operating potential of network systems as well as the application development on mobiles. In addition, we provide services on Business Continuity to support uninterrupted work in the event of a crisis. We also provide software developed and owned by the Company as its intellectual properties and we are committed to the development of staff to learn new technology which further strengthens our business operation.

## Products and Services Procurement

### Procurement Methods :

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

1. We purchase directly from the production companies, mostly major companies such as IBM, Microsoft, Hewlett-Packard, Epson, SolidWorks, Cisco, and Qlikview. We also have the commerce agreements which appoint us as distribution representatives with effective periods of between 1 to 2 years. In 2014, the Company made 69% of direct purchases from production companies.

2. Orders from the main product representative companies which accounted for the remaining 31%

Most distributed products are purchased from the Production Company in the Thailand operation branch;

this will reduce the risk from exchange rate fluctuation. Exchange rate volatility could affect cost and selling price mechanisms for products ordered from overseas. For example, we buy software from dealers in Singapore and USA. For each purchase we will accept a forward currency exchange rate. The Company has a proportion of 76 : 24 for domestic and overseas purchases respectively.



## Main Agreements Related to Business Operation

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

Parties / Agreement	Term of Agreement	Details
1. IBM (Thailand) Co., Ltd. / Partner Agreement	2 Years (December 2014-2016) (renewed automatically for subsequent 2 years)	This is categorized as “Distributorship Agreement” for the products in the group of System-X and retailed computers.
2. IBM (Thailand) Co., Ltd. / Partner Agreement	2 Years (June 2014- 2016) (renewed automatically for subsequent 2 years)	This is categorized as “Distributorship Agreement” for the products in the group of System-X, AIX/Linux Operating Systems which have been upgraded (IBM Pure System), banking devices and services.
3. IBM Singapore Pte., Ltd. / Partner Agreement	2 Years (January 2015 - 2017)	This is categorized as “Distributorship Agreement” for the products in the group of software, i.e. Lotus, IBM, Tivoli, B2B Integration, Connections Cloud
4. Hewlett-Packard Thailand Ltd. / Authorized Dealer Agreement	Unspecified	This is categorized as “Distributorship Agreement” for the products in the group of personal computers, printers, database, and office supplies.
5. Microsoft Regional Sales Corporation, Singapore / Microsoft Channel Agreement	1 Year (September 2015–August 2016)	This is categorized as “Distributorship Agreement” for Microsoft software.
6. Solid Works Corporation, USA / Software Reseller Agreement	Unspecified	This is categorized as “Distributorship Agreement” for SolidWorks.
7. Epson (Thailand) Co., Ltd.	1 Year (April 2015-March 2016)	Epson products, both authentic products and accessories.
8. Lexmark International (Singapore) Pte., Ltd	Unspecified	Toner cartridges to be used with printers.
9. Cisco Systems	1 Year (May 2015–May 2016)	Peripheral Devices for Computers, Telephone System, Remote Meeting, Computer System Security.
10. QlikTech Singapore Pte., Ltd.	1 Year (October 2015-September 2016)	This is categorized as a “Distributorship Agreement” of QlikView software for administration, data analysis, data display and distribution..

### Environmental Impact:

- None -

### Undelivered Work:

- None -



## Risk Factors

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

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

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

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

Company will focus on selling complete office equipment and supplies in the future.

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

developed expertise to make unique difference from competitors.

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

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

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

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

# Corporate Overview

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

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

#### Head Office

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

#### Branches :

<b>Bangkok Advanced Learning</b>	:	979/27-31 16th Floor, SM Tower, Phaholyothin Road, Samsen-nai, Phayathai, Bangkok 10400
<b>Purpose of Business</b>	:	Microsoft Training and Demonstration Centre
<b>Telephone</b>	:	02-727-4015, 02-727-4724
<b>Fax</b>	:	02-298-0038
<b>Website</b>	:	<a href="http://www.bal2001.com">http://www.bal2001.com</a>

<b>Envisioning Center</b>	:	888/15 -17 Mahatun Plaza Building, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
<b>Purpose of Business</b>	:	IBM Training and Demonstration Centre
<b>Telephone</b>	:	02-727-4437, 02-7274379, 02-727-4082
<b>Fax</b>	:	02-253-0563
<b>Website</b>	:	- - -

## Subsidiaries Companies

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

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

<b>Company Name:</b>	:	<b>Metro Connect Co., Ltd.</b>
<b>Group of Industry/ Business</b>	:	Technology/ Information Technology and Communications
<b>Nature of Business:</b>	:	Distributor of Computer Product, Peripheral devices, and Software through IT Service Providers
<b>Registered and Paid Capital</b>	:	THB 10,000,000.00
<b>Number of Shares</b>	:	1,000,000 shares
<b>Par Value</b>	:	THB 10.00
<b>Head Office Location</b>	:	400 Chalermprakit Rama 9 Rd., Nhongbon, Pravat, Bangkok 10250
<b>Telephone</b>	:	02-726-2555
<b>Fax</b>	:	02-727-4466
<b>Website</b>	:	<a href="http://www.metroconnect.co.th">http://www.metroconnect.co.th</a>



<b>Company Name:</b>	<b>: Metro Info Dynamics Co., Ltd.</b>
<b>Group of Industry/ Business</b>	<b>: Technology/ Information Technology and Communications</b>
<b>Nature of Business:</b>	<b>: Distributor of Computer Product, Peripheral devices, and Software</b>
<b>Registered and Paid Capital</b>	<b>: THB 10,000,000.00</b>
<b>Number of Shares</b>	<b>: 100,000 shares</b>
<b>Par Value</b>	<b>: THB 100.00</b>
<b>Head Office Location</b>	<b>: 400 Chalermprakiat Rama 9 Rd., Nhongbon, Pravat, Bangkok 10250</b>
<b>Telephone</b>	<b>: 02-726-2555</b>
<b>Fax</b>	<b>: 02-727-4989</b>
<b>Website</b>	<b>: ---</b>

#### Associated Companies

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

<b>Company Name:</b>	<b>: Metrosoft Co., Ltd.</b>
<b>Group of Industry/ Business</b>	<b>: Technology/ Information Technology and Communications</b>
<b>Nature of Business:</b>	<b>: Service Provider and Developer for System Software Based on Customers' Demand</b>
<b>Registered and Paid Capital</b>	<b>: THB 1,500,000.00</b>
<b>Number of Shares</b>	<b>: 60,000 shares</b>
<b>Par Value</b>	<b>: THB 25.00</b>
<b>Head Office Location</b>	<b>: 141/16 Sakulthai-Surawong Building, Surawong Rd., Surawong, Bangrak, Bangkok 10500</b>
<b>Telephone</b>	<b>: 02-237-4220-5</b>
<b>Fax</b>	<b>: 02-237-4226</b>
<b>Website</b>	<b>: - - -</b>

<b>Company Name:</b>	:	<b>PSP (Thailand) Co., Ltd.</b>
<b>Group of Industry/ Business</b>	:	Technology/ Information Technology and Communications
<b>Nature of Business:</b>	:	Database Management Software Distribution and Development
<b>Registered and Paid Capital</b>	:	THB 10,000,000.00
<b>Number of Shares</b>	:	100,000 shares
<b>Par Value</b>	:	THB 100.00
<b>Head Office Location</b>	:	973 Room No. 10F, 10 <sup>th</sup> Floor, President Tower Building, Pleonchit Rd., Lumpini, Pathumwan, Bangkok 10330
<b>Telephone</b>	:	02-656-1616
<b>Fax</b>	:	02-656-0606
<b>Website</b>	:	- - -

<b>Company Name:</b>	:	<b>JBCC (Thailand) Co., Ltd.</b>
<b>Group of Industry/ Business</b>	:	Technology/ Information Technology and Communications
<b>Nature of Business:</b>	:	IT Products Distribution for Japanese Customers
<b>Registered and Paid Capital</b>	:	THB 10,000,000.00
<b>Number of Shares</b>	:	10,000 shares
<b>Par Value</b>	:	THB 1,000.00
<b>Head Office Location</b>	:	591 Samatchavanich 2 Building, 21 <sup>st</sup> Floor, Sukhumvit Road, Klongton Nua, Wattana, Bangkok
<b>Telephone</b>	:	02-662-2218
<b>Fax</b>	:	02-662-2219
<b>Website</b>	:	- - -

### Other Referees

Share Registrar:	Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok Tel. 02-009-9000	
Certified Public Accountant:	Mr. Pornchai Kittipanyangam	CPA Licence No. 2778 and/or
	Mrs. Suwanee Kittipanyangam	CPA Licence No. 2899
	Bunchikij Accounting Co., Ltd. 87/102 Modern Town Building, 9th Fl., Ekkamai 3, Sukhumvit 63, Klong Toey Nue, Wattana, Bangkok 10110 Tel. 02-382-0414	
Legal Consultant:	Legal Office of Metro Systems Corporation (Public) Co., Ltd. Tel. 02-727-4349	
Financial Consultant:	- None-	
Consultant or Manager under Management Contract	- None-	

# Shareholder

As of 31 December 2015, the Company has the registered capital as paid-up amount with 360 million baht which has been divided into 360 million shares with a par value of 1 baht.

## Shareholders

The first 10 shareholders list and the shareholding ratio evaluated on 21 January 2016 are details as follow :

Group of Shareholders	Type of Business	Amount of Shares	Ratio (%)
1. Metro Value Creation Co., Ltd.	Holding	88,331,363	24.54
2. Charuvajana Family ***		71,860,667	19.96
3. Metrophose Co., Ltd.	Holding	69,165,402	19.21
4. Chuerattanapong Family		31,975,010	8.88
5. Miss Phanit Ngamkerkchote		15,430,000	4.29
6. Tangtrongsak Family		10,921,200	3.03
7. Mrs. Khema Wisuttiwattanakorn		5,554,020	1.54
8. Suvarujiporn Family		7,592,490	2.11
9. Mrs. Chaweewan Achavaniyut		3,249,000	0.90
10. Mr. Somchai Pongsuriyanan		2,480,000	0.69
<b>Total</b>		<b>306,559,152</b>	<b>85.15</b>

Source: Report of Shareholders List as of January 21, 2016, Thailand Securities Depository Co., Ltd.

## Shareholding Details

### Metro Value Creation Co.,Ltd. As of April 27,2015

Group of Shareholders	Amount of Shares	Ratio (%)
1 Miss Seangchit Laohathai	80,000	20.00
2 Mr. Aeron Tangtrongsak	80,000	20.00
3 Miss Somchit Charuvajana	40,000	10.00
4 Mrs. Khema Wisuttiwattanakorn	40,000	10.00
5 Miss Phanit Ngamkerkchote	40,000	10.00
6 Miss Kanya Pathomburana	40,000	10.00
7 Mr. Sunpitt Sethpornpong	40,000	10.00
8 Mr. Pheerapong Sethpakdee	40,000	10.00
<b>Total</b>	<b>400,000</b>	<b>100.00</b>

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

Group of Shareholders		Amount of Shares
1	Mr. Narong Charuvajana	16,711,331
2	Mr. Tavit Charuvajana	15,287,348
3	Mrs. Pornthip Charuvajana	10,000,000
4	Miss Somchit Charuvajana	7,102,410
5	Miss Thipawan Charuvajana	4,981,649
6	Mr. Pirawitch Charuvajana	4,000,000
7	Mrs. Napaporn Charuvajana	3,684,989
8	Mrs. Orawan Chaiwiwat	3,281,936
9	Miss Amornsri Charuvajana	2,400,000
10	Miss Piyaporn Charuvajana	2,044,800
11	Mr. Boonchuay Charuvajana	1,220,811
12	Mr. Naris Charuvajana	533,144
13	Miss Kanokporn Charuvajana	352,673
14	Mrs. Butsadee Charuvajana	222,420
15	Mrs. Wanthanee Charuvajana	30,156
16	Mr.Nattapol Charuvajana	7,000
<b>Total</b>		<b>71,860,667</b>

**Metrophose Co.,Ltd. (As of October,2015)**

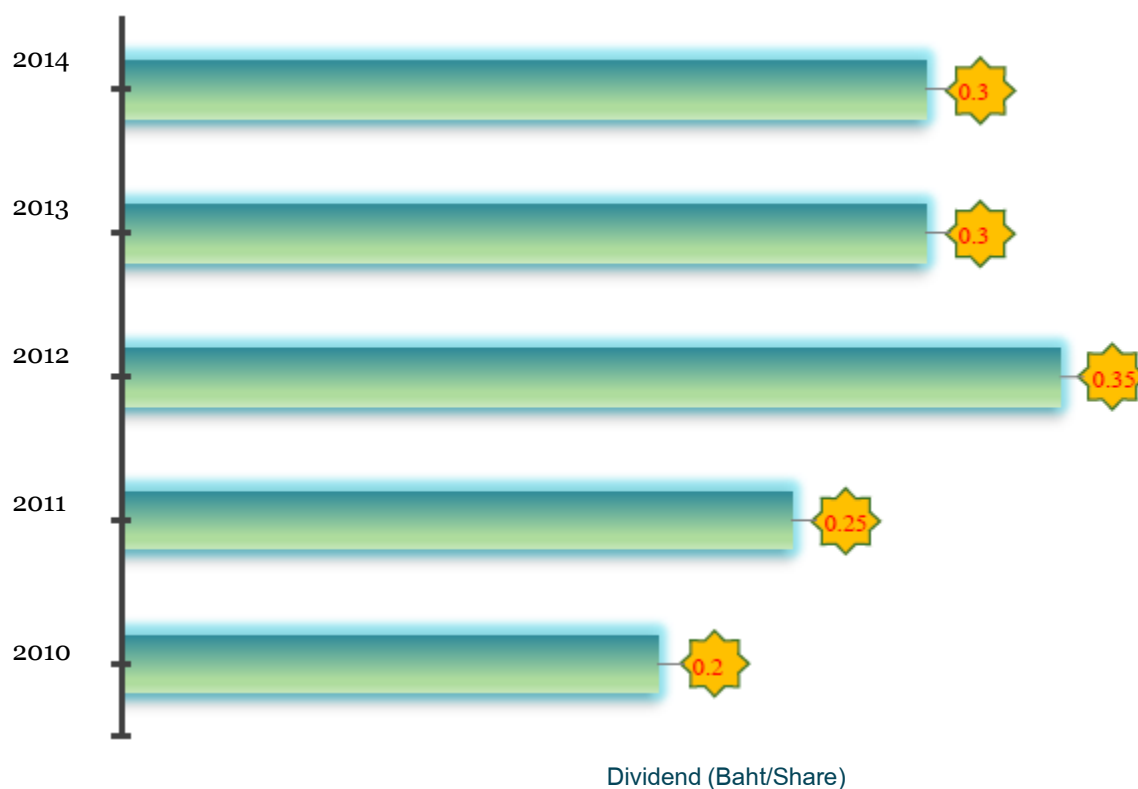
Group of Shareholders		Amount of Shares	Ratio (%)
1	Metro Co.,Ltd.	4,795,000	95.90
2	N.K.L. Co., Ltd.	150,000	3.00
3	Trans Asia Pacific Co., Ltd.	45,000	0.90
4	Mr. Sawangtham Laohathai	2,999	0.06
5	Mr. Aeron Tangtronsakdi	2,499	0.05
6	Metro Group Co., Ltd.	1,503	0.03
7	Mr. Sunpitt Sethpornpong	1,500	0.03
8	Mr. Pheerapon Sethpakdee	1,499	0.03
<b>Total</b>		<b>5,000,000</b>	<b>100.00</b>

## Dividend Policy

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

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

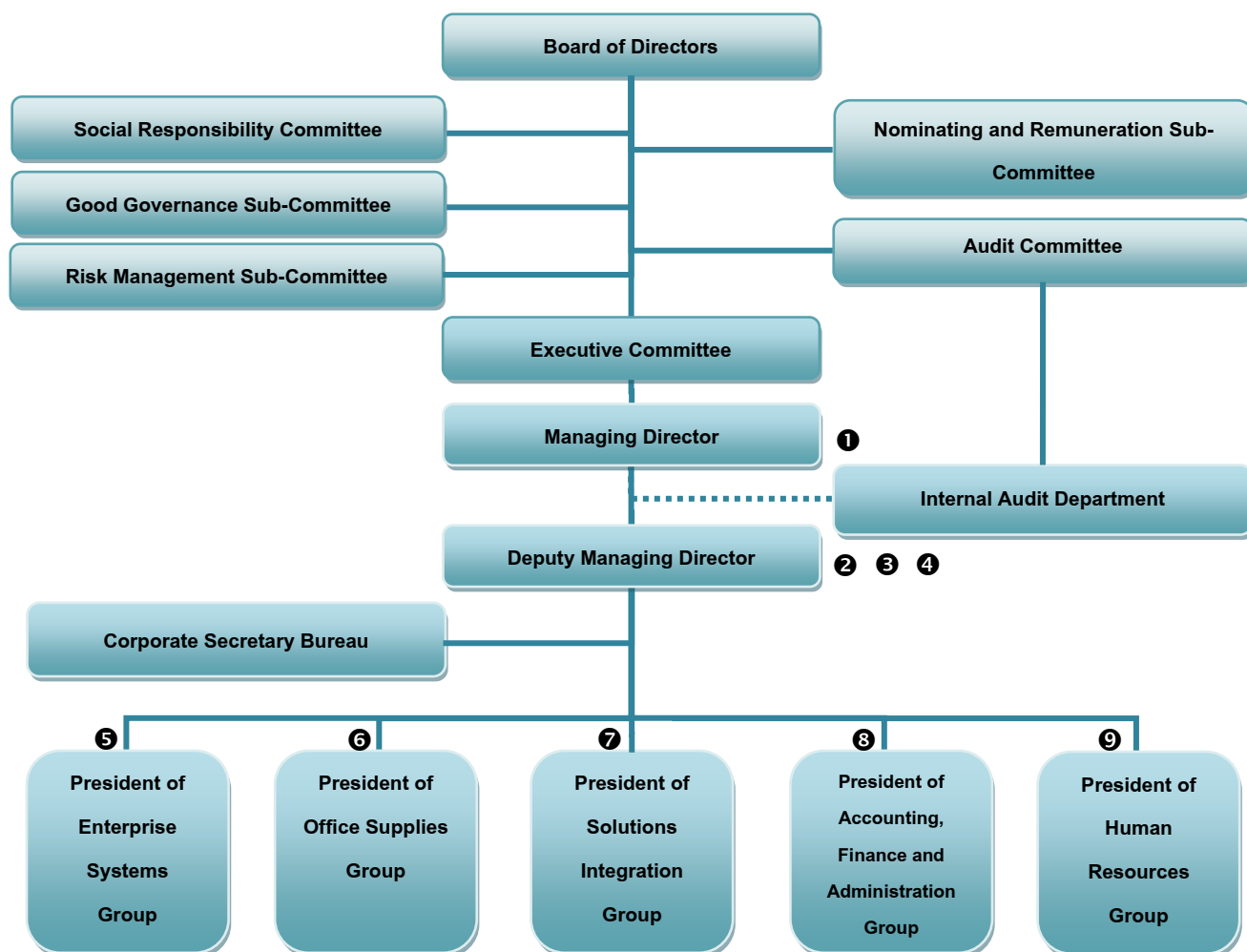
**Dividend Payment (Last 5 years)**





# Management Structure

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



①-⑨ are the Executive Directors as notified by The Securities and Exchange

## Management Structure

The Board of Committees is the group of persons who are entrusted by the shareholders to give the directions of the company's business control, to supervise the Company's executives, to manage the Company's risks and operational 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 Managing Director 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 manual for the committees. The company's secretary is responsible for giving any legal advice and with the information of any provision of which the board of committees should acknowledge. Furthermore, the company's secretary has the responsibility for taking care of any activities of the board of committees, including providing the operating co-ordination under the resolution of the board of committees.

The structure of committees will consist of 7 groups of committees, namely, Board of Directors, Executive Committee, Audit Committee, Nominating and Remuneration Sub-committee, Social Responsibility Committee, Good Governance Sub-committee, and Risk Management Sub-committee as follows.

### Board of Directors

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

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

Remark:

- 1) The directors no.1-4 are the authorized directors according to the corporate's certificate.

### Qualifications of Independent Committee

1. The independent committee shall not hold a share exceeding to 1 percent of all shares with the voting rights, of the Company, its subsidiaries, associated companies or any juristic persons which may have any conflicts. In addition, the shares of any related persons of such independent committees shall be counted.
2. The independent committee shall not be or were not the directors and are not involved with the management, employees, staffs, or consultants who receive any regular remuneration or the persons having the power to control the Company, its subsidiaries, associated companies or other juristic persons which may have any conflicts, unless they have been retired not less than two years before this appointment.
3. The independent committee shall not have blood relationship or the relationship under the legal registration, such as parents, spouses, siblings and children, including the spouses of the executives' children, major shareholders, persons having the control power or persons nominated to take the role of the executives or persons having the controlling power in the Company and its subsidiaries.
4. The independent committee shall not have any business relation with the Company, its subsidiaries, associated companies or any juristic persons who may have any conflicts, unless such persons have been retired as specified above, not less than two years before this appointment.
5. The independent committee shall not have any business relation with the auditors of the Company, its subsidiaries, associated companies or any juristic persons who may have any conflicts, unless such persons have been retired as specified above, not less than two years before this appointment.
6. The independent committee shall not be the professionals in any fields, including legal counsels or financial consultants who have/had been paid for the service more than THB two million per annum by the Company, its subsidiaries, associated companies or any juristic persons who may have any conflicts. In the case that the professionals are the juristic persons, it shall include the major shareholders, committee members who are not the independent committees, executive officers or managing partners providing the professional services for such persons, unless such persons have been retired as specified above, not less than two years before this appointment.
7. The independent committee shall not be the committee members appointed to act for the Company's committee members, major shareholders or any shareholders related to the Company's major shareholders.
8. The independent committee shall not be in other situations and natures result in freely giving an opinion on the Company's performance

### Executive Committee

There are 7 members of Executive Committee as follows.

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

### 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 (SET). They shall not relate with 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	Mr. Charcree-Amorn Tirachulisoonthorn

Remark:

- 1) Dr. Virach Aphimeteetamrong has adequate knowledge and experience to review the reliability of the financial statement as shown in Appendix 1.

### Nominating and Remuneration Sub-Committee

Three members of the Nominating and Remuneration Sub-Committee consist of an independent committee member, a non-executive committee and an executive committee. The non-executive committee shall be the chairman of the Nominating and Remuneration Sub-Committee. 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

Remark:

The Board of Directors has its resolution in the meeting no. 1/2016 on: 21 January 2016 to merge the Nominating Sub-Committee with the Remuneration Sub-Committee together as "Nominating and Remuneration Sub-Committee".

### Social Responsibility Committee

Three members of the Social Responsibility Committee consist of an independent committee member and two executive committee. The independent committee shall be the chairman of Social Responsibility Committee. The lists of Social Responsibility Committee are shown as follows:

No.	Title	Name
1	Chairman of Social Responsibility Committee	Mr. Pravit Chattalada
2	Social Responsibility Committee	Mr. Kittu Techataveekijkul
3	Social Responsibility Committee	Mr. Wanarak Eakachai

Remark:

The Board of Directors has its resolution to appoint the Social Responsibility Committee in the meeting no. 5/2015 on: 6 November 2015.

### Good Governance Sub-Committee

Seven members of the Good Governance Sub-Committees consist of an independent committee, two executive committees and four managing directors. The independent committee shall be the chairman of Good Governance Sub-Committees. The lists of Social Responsibility Committee are shown as follows:

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

Remark:

- 1) The Board of Directors has its resolution to appoint the Good Governance Sub-Committee in the meeting no. 5/2015 on: 6 November 2015.

### Risk Management Sub-Committee

Seven members of the Risk Management Sub-Committee consist of an independent committee, two executive committees and four managing directors. The independent committee shall be the chairman of Risk Management Sub-Committee. The lists of Risk Management Sub-Committees are shown as follows:

No.	Title	Name
1	Chairman of Risk Management Sub-Committee	Mr. Charcree-Amorn Tirachulisoonthorn
2	Good Governance Sub-Committee	Mr. Kitti Techataveekijkul
3	Good Governance Sub-Committee	Mr. Wanarak Eakachai
4	Good Governance Sub-Committee	Mr. Thongchai Lumveerakul
5	Good Governance Sub-Committee	Mr. Aroon Tor-Ekbundit
6	Good Governance Sub-Committee	Mr. Veeraphan Durongsang
7	Good Governance Sub-Committee	Mrs. Nittaya Thanaviriyakul

Remark:

- 1) The Board of Directors has its resolution to appoint the Good Governance Sub-Committee in the meeting no. 5/2015 on: 6 November 2015.

## Board of Executives

There are 17 executives in the Company as follows:

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

1. The director no.1-8 are defined by the Stock Exchange of Thailand (SET).

The Board of Directors had its resolution to appoint Mrs. Nittaya Thanaviriyakul to be the Secretary of the Company from 7 August 2008, as referred to Appendix 1: Qualifications of the Secretary of Company.



### Board of Executives' Meeting

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

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

in advance except for confidential matters which are to be revealed for discussion in the meeting only.

Moreover, the Company usually holds monthly Management meetings to brief and analyze the operating performance and then present the report to the Board of Directors for acknowledgement in every meeting. The Board of Directors may make requests for additional necessary materials from the Managing Director or Corporate Secretary or other any Management who has been assigned within the scope of their job description.

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

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

List of Committees and Executives			No. of Meeting Attendance / No. of Meeting Held in Year 2015				
			Directors	Executive Committees	Audit Committees	Nominating Committees	Remuneration Sub-Committees
1	Mr. Sunpitt Sethpornpong	4/5	11/12				1/1
2	Mr. Tavit Charuvajana	5/5	12/12				
3	Mr. Narong Charuvajana	5/5	12/12		1/1	1/1	
4	Mr. Kittit Techataveekijkul	5/5	12/12				
5	Mr. Suvij Suvaruchiphorn	3/5	11/12				
6	Mr. Wanarak Eakachai	5/5	-		1/1	1/1	1/1
7	Mr. Pravitt Chattalada	5/5	-	5/5	1/1	1/1	1/1
8	Dr. Virach Aphimeteeamrong	5/5	-	5/5			1/1
9	Mr. Charcree-Amorn Tirachulisoonthorn	5/5	-	5/5			1/1
10	Mr. Aroon Tor-Ekbundit	5/5	11/12				
11	Mr. Thongchai Lumveerakul	4/5	11/12				
12	Mr. Veeraphan Durongsang	4/5	11/12				
13	Mrs. Nittaya Thanaviriyakul	5/5	12/12				

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

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

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

### Secretary of Company

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

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

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

Company from 7 August 2008, as referred to the Appendix 1: Qualifications of the Company's Secretary.

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

The Company's policy requires that the remuneration of any management and committees shall be at same rate as other similar industries for the purpose of inducing and properly rewarding them for the competence and responsibilities. The above-said remuneration rate shall be approved by the Nominating and Remuneration Sub-Committees and shall be offered to the Board of Directors and/or the shareholders meeting for approval.

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

The ordinary shareholders meeting for the year 2015, held on 31 March 2015, passed the resolution stating that the remuneration for the managements and audit committees should be paid at the same rate as the year 2014 according to the these following categories; with the amount of 2,400,000 baht/group as annual pension, 17,000 baht/meeting as individual meeting allowance; 130,000 baht/quarter as Chairman of Audit Committees Remuneration; and 90,000 baht/quarter as Audit Committee Remuneration.

## Remuneration Comparison between Directors, Executives and Audit Committees

) Unit: Baht(

Type of Remuneration	Remuneration for Directors and Audit Committees		Remuneration for Executives	
	2014	2015	2014	2015
Salary/Bonus/Provident Fund	--	--	48,173,116	54,169,126
Meeting Allowance	1,665,000	1,631,000	972,000	1,057,000
Pension	1,080,000	945,000	1,260,000	1,440,000
<b>Total</b>	<b>2,745,000</b>	<b>2,576,000</b>	<b>50,405,116</b>	<b>56,666,126</b>
Number of Persons	6	5	8	8

The remuneration for executives shall consist of salary, bonus and provident fund and other welfares.

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

)Unit : Baht(

Type of Remuneration		2014		2015	
		Meeting Allowance	Pension	Meeting Allowance	Pension
1	Mr. Sunpitt Sethpompong	68,000	180,000	68,000	180,000
2	Mr. Narong Charuvajana	132,000	180,000	144,000	180,000
3	Mr. Tavit Charuvajana	144,000	180,000	144,000	180,000
4	Mr. Kittit Techataveekijkul	132,000	180,000	144,000	180,000
5	Mr. Suvij Suvaruchiphorn	51,000	180,000	68,000	180,000
6	Mr. Wanarak Eakachai	85,000	180,000	85,000	180,000
7	Mr. Pravitt Chattalada	605,000	180,000	605,000	180,000
8	Mr. Chuchart Vattanatham	428,000	180,000	-	180,000
9	Dr. Virach Aphimeteeamrong	428,000	180,000	445,000	180,000
10	Mr. Charcree-Amorn Tirachulisoonthorn	-	-	445,000	45,000
11	Mr. Thongchai Lumveerakul	132,000	180,000	132,000	180,000
12	Mr. Aroon Tor-ekbundit	144,000	180,000	132,000	180,000
13	Mr. Veeraphan Durongsaeng	144,000	180,000	132,000	180,000
14	Mrs. Nittaya Thanawiriyakul	144,000	180,000	144,000	180,000
<b>Total</b>		<b>2,637,000</b>	<b>2,340,000</b>	<b>2,688,000</b>	<b>2,385,000</b>

# **Board of Directors and Executives**



Metro Systems Corporation PLC.  
บริษัท เมโทรซิสเต็มส์คอร์ปอเรชั่น จำกัด (มหาชน)



Mr. Sunpitt Sethpornpong

Age : 50 years

Number of Shares : 0.28%

**Chairman****Educational Background / Certificates :**

- ▶ M.M.Kellogg School of Management, Northwestern University, Evanston, Illinois, USA
- ▶ B.S.Mechanical Engineering (Graduate Cum laude), Massachusetts Institute of Technology, USA
- ▶ Certificate of Director Certificate Program (DCP) 2013, Thai Institute of Directors

**Professional Experience***Listed Companies*

- ♦ 2013 – Present *Chairman of Board of Director*  
Metro Systems Corporation PLC.
- ♦ 2000 – Present *Director*  
Metro Systems Corporation PLC.

*Other Companies*

- ♦ 2001 - Present: *Director*, Woodwalk (Thailand) Co., Ltd.
- ♦ 2008 - Present: *Executive Director*, Metro Co., Ltd.
- ♦ 2010 – Present: *Director*, MDEC International (1991) Co., Ltd.



Mr. Narong Charuvajana

Age : 61 years

Number of Shares : 5.67 %

**Vice Chairman / Deputy Managing Director / Vice****Chairman of Executive Committee****Educational Background / Certificates :**

- ▶ MBA Executive, Chulalongkorn University
- ▶ Master of Accounting, Thammasart University
- ▶ Bachelor of Accounting, Ramkhamhaeng University
- ▶ 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

**Professional Experience:***Listed Companies*

- ♦ 1986 –Present *Director/ Director*, Metro Systems Corporation PLC.

*Other Companies*

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



Mr. Tavit Charuvajana

Age : 66 years

Number of Shares : 7.02 %

**Director/ Chairman of Executive Directors /  
Managing Director**

**Educational Background / Certificates:**

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

**Professional Experience:**

*Listed Companies*

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

*Other Companies*

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



Mr. Kittu Techathaveekijkul

Age : 63 years

Number of Shares : -

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

**Educational Background / Certificates:**

- ♦ Higher Vocational Certificate, Telecommunication Department, King Mongkut's Institute of Technology Ladkrabang
- ♦ Certificate of Director Certification Program (DCP) 2003, Thai Institute of Directors

**Professional Experience:**

*Listed Companies*

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

*Other Companies*

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





Mr. Suvij suvaruchiphorn

Age : 73 years

Number of Shares : 0.13 %

**Director/Chairman of Nominating and Remuneration  
Sub-committee**

**Educational Background / Certificates:**

- ▶ Bachelor of Law, Thammasat University

**Professional Experience:***Listed Companies*

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

*Other Companies*

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



Mr. Wanarak Eakachai

Age : 59 years

Number of Shares : ---

**Director/Deputy Managing Director/President  
of Human Resources Group**

**Educational Background / Certificates:**

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

**Professional Experience:***Listed Companies*

- April 2013 - Present: Director, Metro Systems Corporation PLC.
- July 2014 - Present: Deputy Managing Director, Metro Systems Corporation PLC.

*Other Companies*

-None-



Mr. Pravit Chattalada

Age : 83 years

Number of Shares : 0.06 %

**Independent Director / Chairman of Audit Committee  
/ Chairman of Social Responsibility Committee**

**Educational Background / Certificates:**

- ▶ BS.(Mathematics, Physics), Oregon State University, USA
- ▶ Certificate of Director Accreditation Program (DAP) 2004, Thai Institute of Directors

**Professional Experience:**

*Listed Companies*

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

*Other Companies*

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



Mr. Chacree-Amorn Tirachlisoonthorn

Age : 47 years

Number of Shares : ----

**Independent Director / Audit Committee /  
Chairman of Risk Management Sub-Committee**

**Educational Background / Certificates:**

- ▶ MBA (Investment), Drexel University, Philadelphia, Pennsylvania, USA
- ▶ Bachelor of Law (LL.B.), Thammasat University, Bangkok, Thailand
- ▶ Certificate of Director Accreditation Program (DAP) Thai ,2012Institute of Directors

**Professional Experience:**

*Listed Companies*

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

*Other Companies*

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



Dr. Virach Aphimeteetamrong

Age : 72 years

Number of Shares : ---

**Independent Director / Audit Committee / Chairman of  
Good Governance Sub-Committee**

#### **Educational Background / Certificates:**

- ▶ Ph.D Finance, University of Illinois, USA
- ▶ M.B.A. Gothenburg, Sweden
- ▶ M.A.S. University of Illinois at Urbana-Champaign (UIUC), USA
- ▶ Bachelor of Accounting (honor), Chulalongkorn University
- ▶ Certificate of Director Accreditation Program (DAP) 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:**

##### *Listed Companies*

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

##### *Other Companies*

- ♦ 1988 – Present: Chairman, Office of Dr. Wirat & Associates
- ♦ 2002 – Present: Independent Director, Tris Rating Co., Ltd.
- ♦ 2002 – Present: Independent Director / Chairman of Audit Committee, Tris Corporation Co., Ltd.
- ♦ 2004 – Present: Independent Director / Chairman of Audit Committee, Asia Plus Securities Co., Ltd.



Mr. Thongchai Lumveerakul

Age : 55 year

Number of Shares : 0.28 %

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

**Executive Director**

#### **Educational Background / Certificates:**

- ▶ Bachelor of Commerce, Bangkok University
- ▶ Executive Development Program, Commerce and Accounting Faculty, Thammasat University
- ▶ Certificate of Director Certification Program (DCP) 2003, Thai Institute of Directors

#### **Professional Experience:**

##### *Listed Companies*

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

##### *Other Companies*

-None-



Mr. Aroon Tor-ekbundit

Age : 55 years

Number of Shares : --

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

#### **Educational Background / Certificates:**

- ▶ Vocational Certificate, Rajamangala Technology Institute, Borphitphimuk Jakkrawat Campus
- ▶ Executive Development Program, Commerce and Accounting Faculty, Thammasat University
- ▶ Certificate of Director Certification Program (DCP) 2003, Thai Institute of Directors

#### **Professional Experience:**

##### *Listed Companies*

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

##### *Other Companies*

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



Mr. Veeraphan Durongsang

Age : 55 years

Number of Shares : 0.17 %

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

#### **Educational Background / Certificates:**

- ▶ Business Advertising and Marketing (BS), Emporia State University, USA
- ▶ Certificate of Director Accreditation Program (DAP) 2006, Thai Institute of Directors

#### **Professional Experience:**

##### *Listed Companies*

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

##### *Other Companies*

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



Mrs. Nittaya Thanaviriyakul

Age : 54 years

Number of Shares : 0.003 %

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

**Educational Background / Certificates:**

- ▶ Master of Accounting, Thammasat University
- ▶ BA (Accounting), Thammasat University
- ▶ Certificate of Director Accreditation Program (DAP)  
2013, Thai Institute of Directors
- ▶ Certificate of Anti-Corruption Seminar 2013, Thai  
Institute of Directors
- ▶ Certificate of Anti-Corruption : The Practical Guide  
(ACPG) 2015, Thai Institute of Directors

**Professional Experience:**

*Listed Companies*

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

*Other Companies*

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

## Human Resources

### Number of Employees and Remunerations

As of 31st December 2015, the Company and subsidiaries had a total of 703 employees. The number of employees in each major department was as follows:

Employee Category	The Company	Subsidiaries
Executive (person)	17	4
Sales and Marketing Staff (person)	201	41
System Engineer (person)	165	33
Technician, Administrator and other (person)	206	36
<b>Total</b>	<b>589</b>	<b>114</b>
Employee Remuneration (million baht)	472	88

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

The total remuneration to human resources in the Company for 2014 year-end was 510 million baht and for 2015 it was 560 million baht. This consists of salary, bonus, commission, provident fund contribution and other benefits.

### Human Resource Development Policy

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

- 1) To set up a demonstration center where employees can learn and improve their skills and expertise in making presentations to customers or interested parties.
- 2) To hold orientation training for new employees to learn and adapt them into the corporate culture.
- 3) To supply training and knowledge testing from the production company to enhance employee skills, knowledge and expertise in both domestic and overseas markets. In 2015, 787 employees (94%) participated in training for at least six hours. Of these 109 passed the expertise tests set by the production companies.

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



# Corporate Governance

## Corporate Governance Policy

The Company has determined corporate governance policy as good practice guidelines for Board of Directors, the Management and officers at all levels. It intends to support this and prove to be an effective business organization with transparency and show a clear auditing process for the best interests to be distributed to shareholders, stakeholder communities and society as follow :

### Shareholders' Right

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

### Fair Treatment of All Shareholders

The Company treats all shareholders equally, either major or minor shareholders, institutional investors or foreign shareholders. 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 committees shall have the duty to report their shares subscription to the Board of Directors in each quarter. The Company also sends the meeting invitations both in English and Thai languages to its shareholders.

The shareholders can express their opinions and raise the questions concerning the Company's activities in the meeting or they can submit an enquiry prior to the meeting. The shareholders are entitled to appoint an individual

director. For any shareholder who is also in an executive position of the Company, an additional agenda item does not require advance notification but prior notice is requested especially for any significant agenda item that requires more time for consideration from the shareholders.

In 2015, the Company held the Shareholders' Annual General Meeting on 31 March 2015 at its head office.

### Liability of Stakeholders

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

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

are willing to give competitive cooperation to create a good market atmosphere, such as sharing product information or creating new products and services.

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

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

### Information Disclosure and Transparency

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

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

The Company has established the information disclosure and transparency policy and the said policy has been approved accordingly by the Board of Directors in the meeting no. 5/2015 on: 6 November 2015.

### Board of Directors' Responsibilities

The responsibilities of the Board of Directors appeared in "Structure and Role & Duty of Board of Directors" are considered as their duty to reconsider management structure, compliance and internal control policy, business ethics and performance assessment so as to fit in with current working conditions and business circumstances.

## Board of Directors Structure

Board of Directors Structure consist of 7 committees as follow:

### Directors

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

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

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

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

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

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

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

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

3) To determine Company policy and strategic direction, and control the management to efficiently and

effectively operate the business in accordance with the approved policy.

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

### Executive Committee

#### **Scope of Executive Committee's Authorities**

1) To set up the organization and management structures which shall cover all of the details of recruitment, training and to have the authority of appointing and removing the Vice President and Assistant 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 have the authority of approving the engagement of contracts or agreements related to purchase or sale of products or services which are deemed normal business trading for the Company, or contracts regarding procurement, or other contracts for the benefit of the Company's business.

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

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

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

The Executive Directors may give proxy to the President, Vice President or Assistant Vice President or Executive Manager to approve financial transactions, certain contracts, or other matters as the Executive Directors deem appropriate. However, those approved transactions shall not cause a conflict of interest between the Executive Directors, or the proxy from the Executive Directors and the Company or subsidiaries, and the approval will be done according to usual business conduct and/or according to the principles approved by the Board of Directors

### **Audit Committee**

#### **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 and audit systems appropriately and efficiently. To consider the independence of internal audit department including approve the appointment, removal or termination of the internal audit head or other departments related to internal audit affairs.

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

4) To consider, select and appoint an independent person to act as the Company's auditor, and propose the remuneration for the selected person by considering reliability, adequacy of resources, amount of audited jobs, experience and performance over the past year, as well as considering removal of the auditor and attending meetings with the auditor but without management at least once a year.

5) 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.

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

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

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

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

6.4 To give opinion on the suitability of the auditor

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

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

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

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

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

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

## **Nominating and Remuneration Sub-Committees**

### **Scope of Nominating and Remuneration Sub-Committee's Authorities**

- 1) To set the criteria and policy regarding the nomination of the board of committees and sub-committee;
- 2) To consider and nominate any appropriate persons to be the committees and offer the list of nominated persons to the board of committees and/or the shareholder meeting for approval, as the case may be;
- 3) To consider and nominate any appropriate persons to be the managing director when there is any vacancy, including considering the criteria on the succeeding of the top management.
- 4) To determine the proper remuneration on a yearly basis for the purpose of inducing and retaining the committee, sub-committee and managing directors.
- 5) To establish the principles and policies requiring the remuneration of the committee and managing directors and offer to the committee and/or the Meeting of Shareholders for approval, as the case may be.
- 6) The Nominating and remuneration sub-committee shall be responsible for the Company's committee and shall give answers to any questions regarding to the nomination and remuneration of the directors and committee, to the Meeting of Shareholders.
- 7) To report the policy regarding the remuneration of any committee members and reveal such policy in the annual report.

## **Corporate Social Responsibility Committees**

### **Scope of Corporate Social Responsibility Committee's Authorities**

- 1) To consider the activities and corporate of social responsibility policy 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 the a working group of Corporate Social Responsibility (CSR) as necessary;

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

## **Corporate Governance Sub-Committees**

### **Scope of Corporate Social Good Governance Sub-Committee's Authorities**

1) To propose the good corporate governance procedure to the Board of Directors and suggest the directors, executives, employees and staffs of the Company on the good corporate governance procedure relating 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 perform their duties as assigned by the Board of Directors in each period.

## **Risk Management Sub-Committees**

### **Scope of Risk Management Sub-Committee's Authorities**

1) To determine the policies, strategies and scope of risk management to the Board of Directors for approval;

2) To control and supervise the development and comply to the policy and scope of risk management continuously in order to create the effective system of risk management and perform continually;

3) To review the risk management report in order to monitor the significant risks and find the ways to manage risk adequately and appropriately;

4) 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;

5) To notify the Board of Directors on the significant risk and risk management on regular basis;

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

### **Managing Director**

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

1) To manage and control the Company's normal business operations such as consideration of the product sell and service agreement.

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

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

4) To appoint the Deputy managing director and other advisors as deemed necessary for business operations.

5) To hire, appoint, remove, dismiss, determine the wages, rewards, salary rises, remuneration, and bonus for employees at all levels, except for the position of president which shall be approved by the Executive Directors.

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

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

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

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

### **Corporate Secretary**

#### **Scope of Corporate Secretary's Authorities**

The Corporate Secretary shall perform duties as stipulated in section 89/15 and 89/16 of the Security and Stock Exchange Act (issue no. 4) B.E.2551 effective since 31 August 2008 with responsibility, caution, and honesty. The corporate secretary shall also comply with the applicable laws, objectives, articles of association, and the resolutions from the Board of Directors as well as the resolutions from the Shareholder's meeting. The duties of the Corporate Secretary are as follows:

1) To prepare and retain the following documents:

1.1 The Register of Directors



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

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

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

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

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

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

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

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

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

9) To perform other tasks as assigned by the Company

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

Any persons to be appointed as the Company's committee members shall be nominated by the Nominating and remuneration sub-committee which consider from the occupational diversity, professional specialist, and specification without limitation on race religion gender and not conflict to article of association including to not consist of prohibited qualification set by the Securities and Exchange

Commission. The nominating and remuneration sub-committee subcommittee shall offer the list of selected persons to the Board of Directors for consideration before offering to the Meeting of Shareholders for the passing of resolution under the Company's following terms:

- Each share shall be counted as one vote.
- The shareholder is able to cast the total amount of his/her votes for electing one person or several persons to be the director, but unable to divide his/her shareholding to any person with neither more nor less amount of his/her total votes entitled.
- The member of the committee shall be elected by relying on the higher number of votes of which their received and running respectively until it reaches the number of committee members that is required or should be elected at that time. In case the elected persons have an equal number of votes or higher than the number of required directors, the chairperson of the meeting shall be entitled to a vote for judgment.

For all of the annual general meeting, one-third of all director members or a similar number shall be retired. The retirement of the committee members in the first and second years after the Company's incorporation, shall be determined by the means of drawing lots. For the following years, the committee members who hold the position for the longest period shall be retired. Any director members, who have been already retired, can be re-elected.

The Meeting of Shareholders may pass the resolution to dismiss any director members prior to their due date of retirement. In such case, it is required the votes be not less than three-fourth of the shareholders and their combined shares shall be not less than the half of total shares held by the shareholders presenting in the meeting and having the rights to cast their votes.

For the nomination of Executive Committees, the Board of Director shall appoint the executive committee



members under the articles of association specifying that the committee has the power to elect any committee members or any persons to be the members of the executive committee for doing thing or things under any conditions or assign a member or members of the committee or other persons to do any acts for the committee, provided any persons taking the role of the executive committee shall be qualified and competent for their performance.

#### **Diversity Policy of Board of Directors' Structure**

The Board of Directors determine the a diversity of qualities of directors whom will be nominated by considering on the lack of needed skills among the Board of Directors, including their professional, specifications, without limitation on race, religion, gender, and others.

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

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

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

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

The director members and executives are prohibited from exploiting any internal information of which its contents

regarding to the Company that is yet to be disclosed to the public, for their own benefits or for other persons' benefits. This includes the securities exchange of the Company. The director members, executives and employees receiving any internal information due to their works, are prohibited from purchasing and selling any of the Company's securities for one month before the financial statement will be disclosed to the public. The Company shall inform its director members and executives of the period in which the exchange of the securities should be suspended.

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

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

#### **Remuneration of Auditor**

##### **Auditor Fee:**

The Company and its subsidiaries paid for the remuneration of an accounting audit to Bunchikij Accounting Co., Ltd. for the financial year 2015 with the amount of 2,410,000 baht.

##### **Other Service Fees:**

- None –

## Corporate Social Responsibility

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

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

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

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

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

In addition, the Company will place an emphasis on the standard of the products and services. The Company has

a policy on the marketing of products and will present products & services with social responsibility.

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

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

- The Company will keep customer trading information confidential.

3. The Company will oppose any corruption and operate the business in accordance with good corporate governance principles and business ethics. The Company has concern about corruption from both within and outside. The Company has determined an anti-corruption policy in a separate chapter, which was approved at the Board of Directors' Meeting no.2/2015 on: 24 February 2015. In this matter, employees at all levels shall play a role in overseeing any acts of corruption and denying any such acts. In 2015, the Company notified all directors, executives and employees of the said policy and held the activity of anti-corruption within the internal organization. Additionally, the Company, including its executives and employees had participated in a campaign of anti-corruption held by both public and private sectors on the National Anti-corruption Day.

The Board of Directors had its resolution to involve with the Thai private sectors in anti-corruption (CAC) activity at the meeting No. 1/2015 on: 21 January 2016.

4. The Company shall treat the employees in a fair and respectful manner. The Company will support all employees to have a good life quality, and an opportunity to

show their ability and a chance to develop working skills as deemed appropriate. The Company realizes the importance of the employee at all levels. The Company will give justice to all employees and support them in any future career path advancement by constantly providing training and encouragement.

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

In 2015, the Company launched the energy saving project by changing all of its electrical bulbs installed within the head office of all companies to be LED bulbs. In addition, the Company contributed the energy bulbs to the educational institutions in order to promote the mutual usage of energy saving resources.

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

In 2015, the Company launched these following projects to help improvement on community and social development.

(1) The installation of automatic traffic light in front of the Company was done for a safety purpose when crossing the road. The Company also cooperated with the Traffic and Transportation Department, Bangkok Metropolitan Administration to organize this project at its own expenses. However, the traffic light contributed by the Company shall become the property of Bangkok Metropolitan Administration.

(2) The technological knowledge promoting project was provided by the Company to allow the students from different educational institutions to visit the Company's technology demonstration center. The Company also provided the IT professional speakers to the visitors. The participating educational institutions are namely, Southeast Bangkok College, Sasin Graduate Institute of Chulalongkorn University, International College of Panyapiwat Institute of Management, Surat Thani Rajabhat University, and etc.

(3) The Company supported in the development and improvement of the computer networking laboratory in different educational institutions by donating its networking equipment for the purpose of IT engineering curriculum.

**Metro Systems Corporation PLC., donated the network equipment to the King Mongkut's Institute of Technology Ladkrabang.**

Mr. Kitti Techathaveekijkul, Vice Chairman of Executive Director of Metro Systems Corporation PLC., and Mrs. Nittaya Thanaviriyakul, Executive Director, donated the networking equipment to the King Mongkut's Institute of Technology Ladkrabang for educational purpose of IT engineering curriculum at the Department of Computer Engineering, Faculty of Engineering, where needed an improvement of networking system laboratory for its adequate capacity in practical training, studying, development, and researching of both students and lecturers, as well as the academic training for public by Assoc. Prof. Dr. Komsan Maleesee, Dean of Engineering Faculty, King Mongkut's Institute of Technology Ladkrabang.



**Recruitment Project at the Thai-Nichi Institute of Technology**

The Human Resources Department of Metro Systems Corporation PLC., in corporation with SIG Managed Service launched the Recruitment Project at the Thai-Nichi Institute of Technology to introduce the Company to the students and professionals in the institute and recruiting the qualified employees to be a part of the Company.

**Surat Thani Rajabhat University visited Metro Systems Corporation PLC.**

The third-year students and lecturers, totalling 87 people, of Faculty of business-computer of Surat Thani Rajabhat University visited and attended the lecture of Mr. Yongyuth Srivanthaneeyakul, Vice President of Solutions Integration Group (SIG) and Mr. Meelap Sokhuma, Product Manager, at the IT Demonstration Center within the Head Office of Metro Systems Corporation PLC. on: 23 December 2015.





### Metro Systems Corporation PLC., participated the National Anti-Corruption Activity 2015.

Metro Systems Corporation PLC., and its subsidiaries held an activity of MSC Anti-Corruption on: 10 June 2015 at its Head Office by aiming to drive the anti-corruption policy and promote MSC to be the organization free of corruption and to create consciousness to all of its directors, executives and all levels of its employees in participation with anti-corruption as a part of operational principle of Corporate Social Responsibility in order to raise the operational standard of the Company for being a reliable and sustainable organization.



## Internal Control and Risk Management

The Company has well prepared appropriate internal control systems, including monitoring and assessment. These systems consist of certified ISO 9001:2008 standard for Business Process, certified ISO/IEC 20000-1:2011 for continuous business development and certified ISO/IEC 27001:2013 for contingency plan in case of crisis. Moreover, the Company annually reviews the Management's authorized approval and designated authorization for balance of power, hires external consultants to offer professional financial advice, monthly follow up performance reviews by the Management committee and quarterly representations of the results to the Board of Directors for consideration.

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

In the committee meeting No. 5/2015, on 6 November 2015, there were the Audit Committees and the Board of Directors presented in the meeting and the Risk Management Sub-committee was nominated in order to be responsible for control, supervision, acknowledgement of risk revision result, comments or suggestion and support in any ways that would benefit the overall risk management of the Company. Mr. Chacree-amorn Tirachulisoonthorn has been appointed as the Chairman of Risk Management Sub-Committee and the other members of Risk Management Committee consist of Mr. Kittit Techataveekijkul, Mr. Wanark Eakachai, Mr. Veeraphan Durongsang, Mr. Thongchai Lumveerakul, Mr. Aroon Tor-ekbundit, and Mrs. Nittaya Thanaviriyakul from 1 December 2015.

According to the Board of Director meeting No. 2/2559, held on 24 February 2016, the Audit Committees and the Board of Directors attended the meeting in order to evaluate the sufficiency of internal control system in 5 components; namely, control environment, risk assessment, control measures, information and data communication systems, and monitoring system.

The Audit Committee gave their opinion about the operation internal control has stated that the Company has clearly determined the authority of the executives in each level and has set strict measures for monitoring any transaction between the Company and major shareholders, board of director, executives or any persons related to those and it shall be required to be approved according to the procedures determined by any persons related to such transaction emphasizing on the best benefits of the Company. The Company sets its measures to keep transactions to conform to the relevant laws for the purpose of reducing any risks in business operation and in keeping with the Company's reputation.

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

## Inter-Company Transactions

### Detail of Inter-Company Transactions

In 2015, 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. Metro Group Energy Co., Ltd. 2. United Flour Mill (Public) Co., Ltd. 3. United Silo and Service Co., Ltd. 4. Samut Transport Co., Ltd. 5. HMC Polymer Co., Ltd. 6. MCF Products Co., Ltd. 7. MCF Marketing Co., Ltd. 8. MC Foods Co., Ltd. 9. N.I.M Co., Ltd. 10. MDEC International (1991) Co., Ltd.	Normal Business	MSC Revenue: - Product Sales - Service Sales - Other Sales  MSC Expenditure: - Product Purchase - Service Purchase	706,094 2,188,546 58,840  7,046,388 598,160	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.
* Juristic Person No.1 has the same Director: Mr. Sunpitt Sethpornpong * Juristic Person No.2-8 have the same Director: Mr. Suvij Suvaruchiphorn * Juristic Person No.9-10 has two same Directors: Mr. Sunpitt Sethpornpong and Mr. Suvij Suvaruchiphorn	Assets/Services	MSC Expenditure: - Assets Purchase - Other Expenses	1,139,598 1,218,144	In accordance with the normal business based on the same price of product and service compared with external parties.

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

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. Metro Co., Ltd. 2. MC Bakery Co., Ltd.	Normal Business	MSC Revenue: - Product Sales - Service Sales	10,800 395,000	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.
* The MSC Director, Mr. Sunpitt Sethpornpong is the main shareholder, with shareholding ratio at 15.4% in Juristic Person No. 1 and 16.7% in Juristic Person No. 2.	Short-term Rental/Leasing For Assets	MSC Expenditure: - Office Rental Fee	340,800	In accordance with the normal business based on the same rate of rental fee compared with external parties regarding to the terms and conditions of general trade.
	Assets/Services	MSC Expenditure: - Public Utilities Fee	178,800	In accordance with the normal business based on the same price of product and service compared with external parties.



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

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. Mrs. Thippawan Charuvajana  * She is the daughter of MSC Director, Mr. Tavit Charuvajana.	Short-term Rental For Assets	MSC Expenditure: - 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	Transaction Value (Baht)	Necessity and Reasonability
1. Asian Wire Products Co., Ltd. 2. Intellion Co., Ltd. * A brother of Mr. Sunpitt Sethpornpong, MSC Director, is the Director of Juristic Person No. 1. * A son of Mr. Suvij Suvaruchiphorn, MSC Director, is the Director of Juristic Person No. 2.	Normal Business	MSC Revenue: - Product Sales - Service Sales  MSC Expenditure: Service Purchase	71,240 132,998  12,076,840	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-Anant Consultant Co., Ltd. 3. UFM Fuji Super Co., Ltd. 4. UFM Food Center Co., Ltd. 5. MC Plastic Co., Ltd. 6. MC Industrial Chemical Co., Ltd. 7. Siam Flour Trading Co., Ltd. * Metrophose Co., Ltd., MSC main shareholder is the main shareholder of Juristic Person No. 1-7.	Normal Business	MSC Revenue: - Product Sales - Service Sales - Others	1,172,880 1,198,800 1,080	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	MSC Expenditure: - Insurance Premium - Other Expense	499,908 5,489,309	In accordance with the normal business based on the same price of service compared with external parties regarding to the terms and conditions of general trade.

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

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

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. UFM Food Center Co., Ltd. 2. Center Container Co., Ltd.  * Metrophose Co., Ltd., MSC main shareholder is the main shareholder of both juristic persons.	Normal Business	MPP Revenue: - Product Sales - Service Sales	18,400	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	78,254	In accordance with the normal business based on the same price of service compared with external parties regarding to the terms and conditions of general trade.

### 6.2 Metro Infotech Co., Ltd.

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. Siam Aroon Group Co., Ltd. 2. UFM Food Center Co., Ltd.  * Mr. Suvij Suvaruchiphorn, MSC Director, is also the Director of Juristic Person No.1. * Metrophose Co., Ltd., MSC main shareholder is the main shareholder of Juristic Person No. 2.	Business Support	MIT Revenue: - Product Sales - Service Sales	382,500	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.
		MIT Expenditure: - Other Expense	39,420	

### 6.3 Metro Connect Co., Ltd.

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. UFM Food Center Co., Ltd.  * Metrophose Co., Ltd., MSC main shareholder is the main shareholder of the above juristic persons.	Business Support	MCC Expenditure: - Other Expense	148,135	In accordance with the normal business based on the same price of service compared with external parties regarding to the terms and conditions of general trade.

#### 6.4 HIS MSC Co., Ltd.

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. UFM Food Center Co., Ltd.  * Metrophose Co., Ltd., MSC main shareholder is the main shareholder of the above juristic persons.	Business Support	HIS Expenditure:  - Other Expense	430,627	In accordance with the normal business based on the same price of service compared with external parties regarding to the terms and conditions of general trade.

#### 6.5 Metro Info Dynamics Co., Ltd.

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. UFM Food Center Co., Ltd.  * Metrophose Co., Ltd., MSC main shareholder is the main shareholder of the above juristic persons.	Business Support	MID Expenditure:  - Other Expense	57,990	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. 2/2016 on 24 February 2016 on which there was an attendance of the Audit Committee and the Board of Directors, the inter-company transactions of year 2015 were deemed to be necessary, reasonable and for the **Future Inter-Company Transaction**

According to the resolution of the board of the directors at the meeting No. 9/2002 on: 24 July 2002 and the resolution of the Board of the Directors in the meeting No. 3/2008 on: 7 August 2008 on which there was an attendance of the Audit Committee, the possibility of future related transactions were prescribed to 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

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.

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 Summary

	Consolidated Financial Statements			Separate Financial Statements		
	2015	2014	2013	2015	2014	2013
<b>Statements of Comprehensive Income</b>						
<b>Total Revenues (Million Baht)</b>	7,016	7,076	6,784	5,575	5,630	5,668
<b>Revenues from Sales and Services (Million Baht)</b>	6,977	7,041	6,743	5,539	5,598	5,625
<b>Net Profit (Loss) (Million Baht)</b>	206	176	204	148	136	145
<b>Statements of financial Position</b>						
<b>Total Assets (Million Baht)</b>	3,366	3,124	2,819	2,771	2,260	2,234
<b>Total Liabilities (Million Baht)</b>	1,797	1,657	1,414	1,482	1,012	1,012
<b>Total Equity (Million Baht)</b>	1,569	1,467	1,405	1,289	1,248	1,222
<b>Net Profit (Loss) (per share)</b>	0.57	0.49	0.57	0.41	0.38	0.40
<b>Dividend (per share)</b>				0.30	0.30	0.30
<b>Financial Ratio :</b>						
<b>Gross Profit Margin (%)</b>	15.3	13.8	14.1	15.7	14.8	14.0
<b>Net Profit (Loss) Margin (%)</b>	2.9	2.5	3.0	2.7	2.4	2.6
<b>Dividend (%)</b>	--	--	--	79.2	74.5	66.2
<b>ROA (%)</b>	6.4	5.9	7.7	5.9	6.1	6.6
<b>ROE (%)</b>	13.6	12.3	15.0	11.7	11.0	12.0
<b>Current Ratio (Times)</b>	1.5	1.6	1.6	1.5	1.8	1.7
<b>Debt to Equity Ratio (Times)</b>	1.1	1.1	1.0	1.2	0.8	0.8
<b>Shares Information</b>						
<b>No. of Registered Shares (Million Shares)</b>	360	360	360	360	360	360
<b>Paid up Capital (Million Baht)</b>	360	360	360	360	360	360
<b>Par Value (Baht / Share)</b>	1	1	1	1	1	1
<b>Book Value (Baht / Share)</b>	4.36	4.08	3.90	3.58	3.47	3.39

# Analysis and Explanation from the Management

## Operating Performance

The overall Thai economy in 2015 was expanded due to the main support from public expenditure and stimulus package in the fourth quarter. However, according to the National Science and Technology Development Agency's prediction on the value of computer hardware and service in the market, it stated that the growth of PC's market was shrunk at 5.2% and the system and storage market was expanded at 8.4%, and computer service was increased at 12.4 %. The overall growth of Data Center and Managed Service were also increased at 23.1%.

Although the PC market continued to decline, the decrease was found in the personal computer market. The medium-sized computer market and computing service tended to grow up in accordance with the operational strategies of the Company and its subsidiaries. Although total revenues are decreased. But the strategy of the company focused on selling products with a high standard and increased revenue from computer services, made the gross margin increased. In 2015, Company revenues from the sales and services 6,977 million baht, decreased by 0.9% in the Enterprise Systems Group (ESG) and in the Software Integration Group (SIG) decrease by 5%. The gross profit increased by 15.3 % from the previous year at 13.8%. The Company net profit 206 million baht, an increase of 17% compared to the previous year.

## Revenue

Revenue from sales and services, classified by business units was as follow:

- Enterprise Systems Group (ESG): Revenue was 2,585 million baht which was equal to 37% of total

revenue, decrease by 5% from the previous year in a sale of PC's and notebooks. However, there was an increase of sales from middle-sized computer and large-sized storage units, due to the Company focused on the sales of high standard products and the initial profit is relatively high.

- Solution Integration Group (SIG): Revenue was 2,147 million baht which was equal to 31% of total revenue, decrease by 0.34% from the previous year. The reduction was from the software sales but there was an increase of host systems and other services.

- Office Supplies Group (OSG): Revenue was 2,237 million baht or which was equal to 32% of total revenue, slightly increased by 3 % from the previous year as a result of the Company's adjustment on its sales strategy to boost the revenue for office supplies and printers.

In 2013, the Company has income from the reversal provision for litigation and claims. In 2010, the Company was sued by two companies for purchase contract violation. They claimed compensation of 31.5 and 51.85 million Baht respectively. In 2012, the Company compromised with one of the companies, resulting in a reversal provision for litigation and claims of 31 million Baht. In 2013, the Company compromised with the second company. This gave another revised estimate of liability for 12 million Baht. In 2014 and 2015, the Company had no remaining liability from the two lawsuit cases mentioned above.

The gross profit margin has increased from 13.8% in 2014 to 15.3% in 2015 as a result of sales strategic adjustment and a focus on selling products with a high standard.

## Expenses

The Company's expenses consist of:

- Selling and administration expenses increased from last year by 64 million baht or 8%. It was 11.8% compare to revenue from sales and services in 2015 which increased when compare to year 2014 with the ratio of 10.8%. The main increased expenditure was the expense relating to employees, including their commission of sales.
- The financial cost decreased from the previous year by 1 million baht or 4.3%. When compared to the revenue from the sale of products and services in 2015, this is a 0.40% which was close to 0.41% in 2014.
- Corporate income tax increased by 7 million baht or 15%. When compared to the revenue from the sales of products and services in 2015, this is a 0.8% increase compared to 0.7% in 2014.

As the result, the Company generated a net profit of 206 million baht. This compared to 176 million baht in 2014, an increase of 30 million baht or 17 % due to an increase of gross profit margin.

The Company had a net profit ratio 2.9% increasing by 2.9 % from the previous year at 2.5 %. Return on equity ratio is increased from the previous year at 13.6% compared to 12.3% in previous year.

## Financial Status

### Assets

As at the end of year 2015, the Company had total assets of 3,366 million baht, an increase of 242 million baht or 8% from year 2014. The total assets consisted of the current assets of 2,361 million baht or 70% of the total assets, and non-current assets of 1,005 million baht or 30 % of the total assets. The main reasons for the asset increase were as follows:

- The current assets of 2,361 million baht increased by 7%, derived from cash or cash equivalent increased to 67 million baht, and trade and other receivables after deduct allowance for doubtful increased by 40 million baht. More than 99% were trade receivables from other companies. The inventory after deduct the allowance for obsolete increased by 58 million baht. On the other hand, the current portion of finance lease receivables decreased by 3 million baht. Other current assets decreased by 9 million baht.

### Trade and other Receivables

The Company's trade and other receivables after deduct allowance for doubtful as at 31<sup>st</sup> December 2015 were 1,076 million baht, an increase of 0.74 million baht from last year. Most of the trade receivable accounts (68%) the receivables that is not yet due for payment and 32% are in the process of debt collection. There was receivable account older than 1 year, amounting to 1.1 million baht that is in installment. The Company estimated allowance for doubtful by considering each receivable under the Company's receivable account criteria. In 2015 the Company estimated allowance for doubtful of 7.1 million baht or 0.6% of total receivable accounts. In 2015 the Company has collection period of 56 days.

Other receivable accounts as at 31<sup>st</sup> December 2015 were 110 million baht, an increase of 50 million baht, mainly from the accrued income, prepaid expense, and etc.

### Inventory

The Company's inventory after deduction of allowance obsolete goods as at 31<sup>st</sup> December 2015 was 787 million baht, an increase of 58 million baht. The average day sale operation was 34 days. The Company's inventories were divided into finished goods, work in process, goods in transit and other. The stock inventory increased after deducting of allowance obsolete goods, but

not significantly. Most products were new items and items that the customer made a purchase contract already and will be delivered in 2016, therefore, the Company has no of allowance obsolete goods in 2015

The non-current assets were 1,004 million baht, an increase of 9%. This is derived from the deposit at bank used as collateral increased by 52 million baht, an increase of 37 million was from creditability guarantee and 14 million baht for contract guarantee. Land, building, and equipment (net) increased by 57 million baht. Most investment were related to office equipment and decoration. The return on fixed assets was 57.1%. The investment capital in associated company increased by 7 million baht. There was a reduction in finance lease receivables by 36 million baht. Other non-current assets were decreased by 2 million baht from withholding income tax.

## Liquidity

### Cash Flow

As at 31<sup>st</sup> December 2015, the Company had net cash and cash equivalent increased by 67 million baht which gives total of 215 million baht. The main reasons were from:

The net cash from operating activities result was 207 million baht, mainly result from operating profit before tax was 373 million baht, the trade and other receivables increased 45 million baht, an inventory increase of 74 million baht, other current assets decreasing by 4 million baht, the finance lease receivables decreasing by 39 million baht, trade and other payables increasing by 3 million baht, current liabilities decreasing by 8 million baht, the employees benefits obligation decreasing by 7 million baht, the non-current liability increasing by 5 million baht. As a result the Company received cash of 289 million baht and paid 28 million baht in interest. The Company paid net tax of 54 million baht thus giving net cash from operating activities of 207 million baht.

Net cash used in investing activities was 168 million baht due to the Company had increased its saving for a guarantee

by 52 million baht and improved the air-conditioning system within the office, bought new furniture and office supplies costing 117 million baht.

Net cash used in financing activities was 27 million baht. The Company increased the short-term loan from financial institution by 147 million baht. Cash received from sales and leaseback increased by 71 million baht. The Company paid finance lease contract by 97 million baht and paid long-term loans with financial institutes of 10 million baht. The overdraft decreased by 1 million baht and the Company also paid out dividends of 108 million baht.

## Significant Liquidation Ratio

As at 31<sup>st</sup> December 2015, the Company had a D/E ratio of 1.1 closely to the figure in 2014. This resulted from the increased liabilities from trade and other payable and other long-term liabilities, and liabilities under financial lease contract. The Shareholder's portion increased from the annual net profit. However, the Company's total debt occurs from the normal business operation.

The debt service coverage ratio in 2015 was 0.6 decreasing by 0.3 in 2014. In 2015, the Company had cash flow from operations activities 207 million baht, trade and other receivables increased 45 million baht, inventory increased by 74 million baht, other non-current assets decreased by 4 million baht, the finance lease receivables decreasing by 39 million baht. However, trade and other payable increased by 3 million baht, other current assets decreased by 8 million baht, the employees benefits obligation decreasing by 7 million baht, deposit and guarantee increasing by 5 million baht. The Company paid back debts of 107 million baht, bought assets of 122 million baht and paid 108 million baht in dividends.

The Liquidity Ratio as of the end of year 2015 was equal to 1.5, which has decreased from the previous year, due to the Company having a shorter average duration of debt collection from 60 days to 56 days. On the contrary, the



debt payment period was added from 52 days to 62 days, the average sales period was longer from 19 days to 34 days. The quick ratio in 2015 was at 0.9 time which is equal to the figure of the year 2014, mainly from trade and other receivable increased 45 million baht. Conversely, the amount of trade and other payable has increased by 3 million baht.

## Source of Funds

### Liability

The total liability as at 31<sup>st</sup> December 2015 was 1,797 million baht, an increase of 141 million baht or 8 % from the previous year. The total liabilities consisted of the current liability at 1,535 million baht or 85% of the total liabilities and the non-current liabilities at 262 million baht or 15% of the total liabilities. The main reasons for the increase in debt were as follows:

- The current liability was 1,535 million baht, an increase of 11%, due to the overdraft and short-term loans from the financial institutes increased by 145 million baht. The trade and other payable increased by 7 million baht, an equal of the sum of 989 million baht decreased 45 million baht. More than 95% of the trade and other payable from other companies. The Company has payment period of 62 days. The other payable increased by 52 million baht, an equal of 172 million baht; consisting of the accrued expenses, deferred revenue, other account payable and accrued interest. The current portion of long term liabilities increased by 5 million baht. Other current liability decreased by 8 million baht.

- The non-current liability was 262 million baht decreased by 3% due to the long-term loans from financial institution was reduced by 4 million baht, liabilities under finance lease contracts decreasing by 11 million baht and

the employees benefits obligation increasing by 2 million baht. The employment contract guarantee increased by 5 million baht.

### Shareholder's Equity

The Shareholder's equity as at 31<sup>st</sup> December 2015 was 1,569 million baht, an increase of 7 % since the net profit in 2015 was 206 million baht. The Company paid dividends in 2014 at the rate of 0.3 baht per share, totaling 108 million baht.

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

The Company engaged in lease contracts as follows:

- Vehicle lease contracts for 5 years which can be terminated. As at 31<sup>st</sup> December 2015, the minimum future payment within 1 year was 6.3 million baht, to be paid within 1 to 3 years was 13 million baht, and 6 million baht paid within 3 to 5 years.

The Company has disclosed this information in the Note of Financial Statement, Clause 25.3 of financial statement year 2015.

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

- None –

## Report of the Auditing Committees

To All Shareholders,

The Audit Committees of Metro System Corporation Public Co., Ltd. have their knowledge and experience in law, accounting, finance, technology, IT and organization management and are fully qualified according to the qualifications requirements. The Audit Committee performs duties as assigned by the Board of Directors under the guidelines of the Audit Committee's charter which is consistent with SET regulations. Upon the good governance policy, there are 3 following members of Audit Committee:

No.	Audit Committee	Title	Qualification
1.	Mr. Pravit Chattalada	Chairman of Audit Committee	Independent Director
2.	Dr. Virach Aphimeteetamrong	Audit Committee	Independent Director having knowledge in accounting and finance
3.	Mr.Charcree-amorn Tirachulisoonthorn	Audit Committee	Independent Director

In the fiscal year 2015, there were five meetings of the internal Audit Committee and the internal auditors. The certified auditor also attended one meeting. The Audit Committee has a joint meeting with the Board of Directors five times and one meeting with the non-executive directors. The mission over the past year can be summarized as follows.

### Financial Statement Review

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

### The Review on Connected transactions which may cause a conflict of interest

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

## Internal Audit Oversight

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

## Corporate Good Governance Review

The Audit Committee believes in the importance of the good governance and the Company also recognizes this importance and strengthen the trust of all stakeholders, including all shareholders, clients, partners, creditors, and employees, and create the anti-corruption policy in writing. This anti-corruption policy was enforced from 24 February 2015 and acknowledged and adhered by its executives and employees as the operational criteria. Additionally, the system of whistleblower was provided by the Company as a channel for all employees, clients and stakeholders to report the information or notify on the corruption issue. The division responsible for complaints was therefore appropriately determined.

## Internal Control and Risk Management Reviews

The Audit Committee reviewed the adequacy and of the internal control system of the Company and its subsidiaries based on the report of internal audit division in order to assess the sufficiency of the corporate's internal control system, risk management, and operational management in line with policy. The adequate control and supervision and internal control systems were provided.

## Law Compliance Review

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

## Selection and Nomination of Auditor and Determination of Auditing Remuneration

The Audit Committee considered, selected, and appointed the Company's auditor from Bunchikij Company Limited, and determines the audit fee for the year 2015 by proposing to the Board of Directors and requesting for the approval of the annual shareholders meeting of year 2015. The Company's auditor was therefore nominated and the audit fee was approved by the annual shareholders meeting.

The Audit Committee believed that all duties were completely performed according to assignment of the Board of Directors by using their knowledge, ability, due care, and independency, as well as giving their opinion and other creative recommendation for the fair benefits of every stakeholder.

Mr.Pravit Chattalada

Chairman of Audit 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 Committees 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 2015

Mr. Sunpitt Sethpornpong

Chairman

Mr. Tavit Charuvajana

Managing Director

**METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED**  
**AND ITS SUBSIDIARIES**  
**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**  
**JANUARY 1, 2015 TO DECEMBER 31, 2015**

## Independent Auditor's Report

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

I have audited the accompanying consolidated and separate financial statements of Metro Systems Corporation Public Company Limited and its subsidiaries, and of Metro Systems Corporation Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2015, the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

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

#### Auditor's Responsibility

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

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

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

### Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at December 31, 2015 and the financial performance and cash flows for the year then ended of Metro Systems Corporation Public Company Limited and its subsidiaries, and of Metro Systems Corporation Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

(Mr. Pornchai Kittipanya-ngam)

Certified Public Accountant

Registration No. 2778

Bunchikij Co., Ltd.

Bangkok

February 24, 2016



## Metro Systems Corporation Public Company Limited and its subsidiaries

## Statements of financial position

As at December 31, 2015

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Assets					
Current assets					
Cash and cash equivalents	5	214,575,564	147,876,309	159,354,660	48,204,044
Trade and other receivables	6	1,185,500,279	1,136,203,220	916,201,217	954,032,266
Current portion of finance lease receivables	10	145,922,990	149,012,406	52,961,889	60,862,928
Inventories	7	786,798,480	729,061,523	751,739,609	368,536,758
Other current assets		28,595,897	37,641,175	15,934,257	3,822,256
Total current assets		2,361,393,210	2,199,794,633	1,896,191,632	1,435,458,252
Non-current assets					
Investments in associated companies	8	31,707,168	24,468,605	9,918,800	9,918,800
Investments in subsidiary companies	8	0	0	43,219,370	43,219,370
Deposits at banks used as collateral		162,316,076	110,701,907	101,510,016	87,220,016
Property, plant and equipment	9 and 23	525,899,042	468,537,617	510,454,501	452,867,788
Finance lease receivables	10	197,250,131	232,752,099	131,390,430	152,335,378
Intangible assets	11	12,753,361	11,752,700	12,625,597	11,254,798
Deferred tax assets	22	11,390,642	10,893,448	8,064,312	7,505,847
Other non-current assets	12	63,235,219	65,066,781	57,689,629	60,697,262
Total non-current assets		1,004,551,639	924,173,157	874,872,655	825,019,259
Total assets		3,365,944,849	3,123,967,790	2,771,064,287	2,260,477,511

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

## Metro Systems Corporation Public Company Limited and its subsidiaries

## Statements of financial position (Continued)

As at December 31, 2015

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	13 and 23	225,087,334	79,803,046	124,527,231	0
Trade and other payables	14	1,160,759,503	1,153,809,930	1,061,975,075	714,732,610
Current portion of long-term liabilities	15	103,192,482	97,828,234	49,060,051	52,679,936
Accrued company income tax		1,974,767	2,491,274	0	0
Other current liabilities		43,932,755	51,818,891	37,854,555	44,162,716
Total current liabilities		1,534,946,841	1,385,751,375	1,273,416,912	811,575,262
Non-current liabilities					
Long-term loans from financial institutions	16	0	4,349,720	0	4,349,720
Liabilities under finance lease contracts	17	151,554,873	162,492,706	104,887,353	102,781,798
Employee benefit obligations	18	105,910,076	104,091,207	94,173,275	93,485,734
Deposit and guarantee		5,000,000	0	10,000,000	0
Total non-current liabilities		262,464,949	270,933,633	209,060,628	200,617,252
Total liabilities		1,797,411,790	1,656,685,008	1,482,477,540	1,012,192,514
Shareholders' equity					
Share capital					
Authorized share capital					
360,000,000 Ordinary shares of Baht 1 each,		360,000,000	360,000,000	360,000,000	360,000,000
Issued and fully paid-up share capital					
360,000,000 Ordinary shares of Baht 1 each,		360,000,000	360,000,000	360,000,000	360,000,000
Premium on ordinary shares		234,221,748	234,221,748	234,221,748	234,221,748
Retained earnings					
Appropriated for legal reserve	19.2	47,900,000	47,900,000	47,900,000	47,900,000
Unappropriated		917,127,236	818,988,251	646,464,999	606,163,249
Total equity holders of the parent		1,559,248,984	1,461,109,999	1,288,586,747	1,248,284,997
Non-controlling interests		9,284,075	6,172,783	0	0
Total shareholders' equity		1,568,533,059	1,467,282,782	1,288,586,747	1,248,284,997
Total liabilities and shareholders' equity		3,365,944,849	3,123,967,790	2,771,064,287	2,260,477,511

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

## Metro Systems Corporation Public Company Limited and its subsidiaries

## Statements of comprehensive income

For the year ended December 31, 2015

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Revenues from sales and services					
Revenues from sales of goods		6,298,881,446	6,426,593,344	5,003,072,732	5,111,733,292
Revenues from rendering of services		663,812,821	586,501,592	520,826,101	456,429,508
Rental income		14,444,333	27,437,958	15,417,579	29,959,772
Total revenues from sales and services		6,977,138,600	7,040,532,894	5,539,316,412	5,598,122,572
Costs of sales and services					
Costs of sales of goods		(5,480,716,327)	(5,665,676,255)	(4,329,609,734)	(4,472,425,258)
Costs of the rendering of services		(418,151,642)	(381,621,730)	(330,910,599)	(273,247,152)
Cost of rent		(8,631,881)	(21,560,768)	(8,631,881)	(21,560,768)
Total costs of sales and services		(5,907,499,850)	(6,068,858,753)	(4,669,152,214)	(4,767,233,178)
Gross profit		1,069,638,750	971,674,141	870,164,198	830,889,394
Other incomes		38,681,644	35,288,895	35,518,982	32,247,930
Profit before expenses		1,108,320,394	1,006,963,036	905,683,180	863,137,324
Selling expenses		(139,940,840)	(125,690,280)	(114,935,856)	(107,280,698)
Administrative expenses		(683,282,191)	(633,929,601)	(589,266,786)	(566,696,740)
Profit before share of profit from investments in associated companies		285,097,363	247,343,155	201,480,538	189,159,886
Share of profit from investments in associated companies		8,237,965	5,146,977	0	0
Profit before finance costs and income tax		293,335,328	252,490,132	201,480,538	189,159,886
Finance costs		(27,730,094)	(28,966,176)	(13,653,528)	(15,040,883)
Profit before income tax		265,605,234	223,523,956	187,827,010	174,119,003
Income tax expenses	3.15 and 22	(56,271,317)	(48,772,100)	(39,525,620)	(37,755,927)
Profit for the years		209,333,917	174,751,856	148,301,390	136,363,076
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial gains (losses)		0	(4,059,528)	0	(2,086,065)
Share of other comprehensive income from investments in associated companies		0	(726,384)	0	0
Income tax of other comprehensive income		0	957,183	0	417,213
Other comprehensive income for the years, net of income tax		0	(3,828,729)	0	(1,668,852)
Total comprehensive income for the years		209,333,917	170,923,127	148,301,390	134,694,224
Profit attributable to					
Equity holders of the parent		206,138,625	176,020,876	148,301,390	136,363,076
Non-controlling interests		3,195,292	(1,269,020)	0	0
		209,333,917	174,751,856	148,301,390	136,363,076
Total comprehensive income attributabtle to					
Equity holders of the parent		206,138,625	172,401,880	148,301,390	134,694,224
Non-controlling interests		3,195,292	(1,478,753)	0	0
		209,333,917	170,923,127	148,301,390	134,694,224
Basic earnings per share					
Profit of equity holders of the parent	3.16	0.57	0.49	0.41	0.38

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

Metro Systems Corporation Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity (Consolidated Financial Statements)  
For the year ended December 31, 2015

Unit : Baht

	Note	Equity holders of the parent				Non-controlling	Total	
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total	Interests	Shareholders' Equity
				Appropriated for legal reserve	Unappropriated			
Balance as at January 1, 2014		360,000,000	234,221,748	47,900,000	754,586,071	1,396,707,819	8,485,536	1,405,193,355
Dividend paid	19.1				(107,999,700)	(107,999,700)	(834,000)	(108,833,700)
Total comprehensive income for the year 2014					172,401,880	172,401,880	(1,478,753)	170,923,127
Balance as at December 31, 2014		360,000,000	234,221,748	47,900,000	818,988,251	1,461,109,999	6,172,783	1,467,282,782
Dividend paid	19.1				(107,999,640)	(107,999,640)	(84,000)	(108,083,640)
Total comprehensive income for the year 2015					206,138,625	206,138,625	3,195,292	209,333,917
Balance as at December 31, 2015		360,000,000	234,221,748	47,900,000	917,127,236	1,559,248,984	9,284,075	1,568,533,059

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

Metro Systems Corporation Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (Separate financial statements)

For the year ended December 31, 2015

Unit : Baht

				Retained earnings		Total
		paid-up	Premium on	Appropriated	Unappropriated	shareholders'
	Note	share capital	ordinary shares	for legal reserve		equity
Balance as at January 1, 2014		360,000,000	234,221,748	47,900,000	579,468,725	1,221,590,473
Dividend paid	19.1				(107,999,700)	(107,999,700)
Total comprehensive income for the year 2014					134,694,224	134,694,224
Balance as at December 31, 2014		360,000,000	234,221,748	47,900,000	606,163,249	1,248,284,997
Dividend paid	19.1				(107,999,640)	(107,999,640)
Total comprehensive income for the year 2015					148,301,390	148,301,390
Balance as at December 31, 2015		360,000,000	234,221,748	47,900,000	646,464,999	1,288,586,747

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

## Metro Systems Corporation Public Company Limited and its subsidiaries

## Statements of cash flows

For the year ended December 31, 2015

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Cash flows from operating activities					
Profit before income tax		265,605,234	223,523,956	187,827,010	174,119,003
Adjustments to reconcile profit before income tax					
to net cash provided by operating activities					
Depreciation		77,906,982	72,976,381	73,547,955	68,872,349
Amortization of leasehold		81,056	924,178	81,056	924,178
Amortization of intangible assets		3,827,807	3,413,639	3,382,170	2,952,169
Bad debt and doubtful accounts		(467,423)	4,462,198	(467,423)	4,462,198
Withholding income tax - written off		(196,593)	312,046	(196,593)	312,046
Allowance for obsolete goods (reversal)		(104,880)	37,580	(81,678)	14,378
Provision for decline in value of investments		0	0	0	2,000,000
Gain on sales, donation and writing-off of fixed assets		830,930	(1,193,639)	831,443	(620,233)
Gain on exchange rate		(192,197)	(1,335,504)	(191,916)	(1,366,273)
Share of profit from investments in associated companies		(8,237,965)	(5,146,977)	0	0
Employee benefit expenses		9,318,079	10,674,850	8,186,751	9,554,155
Dividend income		0	0	(6,915,400)	(7,666,000)
Interest income		(3,067,470)	(2,684,517)	(1,863,032)	(1,823,347)
Interest expense		27,730,094	28,966,176	13,653,528	15,040,883
		373,033,654	334,930,367	277,793,871	266,775,506
Change in operating activities					
(Increase) decrease in assets					
Trade and other receivables		(44,937,480)	208,179,542	38,174,125	148,326,211
Inventories		(74,183,294)	(299,373,460)	(399,672,391)	(43,374,564)
Other current assets		4,460,179	(11,690,163)	(11,462,873)	12,112,554
Other non-current assets		(20,000)	(567,450)	(20,000)	(567,450)
Finance lease receivables		38,591,384	(219,389,817)	28,845,988	(173,910,859)

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

## Metro Systems Corporation Public Company Limited and its subsidiaries

## Statements of cash flows (Continued)

For the year ended December 31, 2015

Unit : Baht

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Change in operating activities (Continued)					
Increase (decrease) in liabilities					
Trade and other payables		2,894,482	271,363,328	343,096,101	17,759,613
Other current liabilities		(8,052,952)	16,156,714	(6,474,981)	12,262,948
Employee benefit obligations		(7,499,210)	(2,456,000)	(7,499,210)	(2,456,000)
Deposit and guarantee		5,000,000	0	10,000,000	0
Cash generated from operations		289,286,763	297,153,061	272,780,630	236,927,959
Interest paid		(28,077,717)	(29,143,143)	(14,016,639)	(15,019,897)
Income taxes refund		29,715,173	12,213,431	29,715,173	12,213,431
Income taxes paid		(83,932,024)	(77,828,662)	(66,656,089)	(61,785,556)
<b>Net cash provided by operating activities</b>		<b>206,992,195</b>	<b>202,394,687</b>	<b>221,823,075</b>	<b>172,335,937</b>
<b>Cash flows from investing activities</b>					
(Increase) decrease in fixed deposits used as collateral		(51,614,169)	(7,046,565)	(14,290,000)	0
Increase in fixed assets		(90,535,108)	(42,466,927)	(86,372,371)	(40,143,303)
Purchase for intangible assets		(4,828,468)	(3,384,504)	(4,752,968)	(2,425,132)
Interest received		3,215,189	2,985,271	2,000,577	1,928,712
Dividend received		999,400	0	6,915,400	7,666,000
Payment for accounts payable for fixed assets		(315,934)	(8,337,875)	(315,934)	(8,337,875)
Proceeds from sales of fixed assets		2,021,936	1,408,873	1,992,426	795,826
<b>Net cash used in investing activities</b>		<b>(141,057,154)</b>	<b>(56,841,727)</b>	<b>(94,822,870)</b>	<b>(40,515,772)</b>

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



## Metro Systems Corporation Public Company Limited and its subsidiaries

## Statements of cash flows (Continued)

For the year ended December 31, 2015

Unit : Baht

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Cash flows from financing activities					
Increase (decrease) in bank overdrafts		(1,242,943)	(1,417,942)	0	0
Increase (decrease) in short-term loans from financial institutions		146,527,230	(191,863,830)	124,527,231	(128,863,829)
Repayment of long-term loans from financial institutions		(10,410,036)	(9,858,515)	(10,410,036)	(9,858,515)
Repayment of liabilities under finance lease contracts		(96,901,753)	(66,896,562)	(44,441,284)	(31,047,077)
Proceeds from sale and leaseback transactions		70,708,536	223,228,543	22,307,320	138,809,164
Dividend payment		(107,916,820)	(108,472,323)	(107,832,820)	(107,863,323)
Net cash provided by (used) in financing activities		764,214	(155,280,629)	(15,849,589)	(138,823,580)
Increase (decrease) in cash and cash equivalents, net		66,699,255	(9,727,669)	111,150,616	(7,003,415)
Cash and cash equivalents as at January 1,		147,876,309	157,603,978	48,204,044	55,207,459
Cash and cash equivalents as at December 31,		214,575,564	147,876,309	159,354,660	48,204,044

## Supplemental cash flows information :

## Non-cash items :

Increase in fixed assets from purchase	31,034,948	295,265	31,034,948	295,265
Increase in assets from inventory transfer	17,122,066	4,819,342	17,122,066	4,819,342
Dividend payment	2,482,895	361,377	727,040	136,377

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

## Note to Financial Statements

### 1. General information

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

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

Branch 1	888/15-17 Ploenjit Road, Lumpinee Phatumwan Bangkok 10330.
Branch 2	141/15-18 Skulthai Tower Surawong Road, Suriyawong Bangrak Bangkok 10500.
Branch 3	979/27-31 SM Tower Pahonyothin Road, Samsennai Phayathai Bangkok 10400.

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

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

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

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

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

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

The consolidated financial statements included the accounts of the Company and its subsidiary companies as follow:

Company	Numbers of Authorized shares capital (shares)		Percentage of holdings (%)		Held shares (shares)	
	2015	2014	2015	2014	2015	2014
Metro Professional Products Co., Ltd.	200,000	200,000	98.6000	98.6000	197,200	197,200
Metro Info Tech Co., Ltd.	50,000	50,000	70.0000	70.0000	35,000	35,000
Metro Connect Co., Ltd.	1,000,000	1,000,000	99.9997	99.9997	999,997	999,997
Metro Info Dynamics Co., Ltd.	100,000	100,000	99.9940	99.9940	99,994	99,994

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

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

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

### 2.4 New Financial Reporting Standards

The Federation of Accounting Professions has notifications of applying the revised and new financial reporting standards as follows:

#### 2.4.1 The Financial Reporting Standards that became effective in the current accounting period

The Company and its subsidiaries has adopted the Thai Financial Reporting Standards that are effective for annual periods beginning on or after January 1, 2015. The adoption of these Thai Financial Reporting Standards does not have any significant impact on the Company's and subsidiaries financial statements.

#### 2.4.2 The Financial Reporting Standards that will become effective in the future (Continued)

The Financial Reporting Standards which are effective for accounting periods beginning on or after January 1, 2016, as follow:

### Conceptual Framework for Financial Reporting (revised 2015)

#### Financial Reporting Standards

TFRS 2 (revised 2015)	Share – based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contract
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements

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

#### 2.4 New Financial Reporting Standards (Continued)

##### 2.4.2 The Financial Reporting Standards that will become effective in the future (Continued)

The Financial Reporting Standards which are effective for accounting periods beginning on or after January 1, 2016, as follow: (Continued)

#### Accounting Standards

TFRS 12 (revised 2015) Disclosure of Interests in Other Entities

TFRS 13 (revised 2015) Fair Value Measurement

#### Accounting Standards

TAS 1 (revised 2015) Presentation of Financial Statements

TAS 2 (revised 2015) Inventories

TAS 7 (revised 2015) Statement of Cash Flow

TAS 8 (revised 2015) Accounting Policies, Changes in Accounting Estimates and Errors

TAS 10 (revised 2015) Events After the Reporting Period

TAS 11 (revised 2015) Construction Contracts

TAS 12 (revised 2015) Income Taxes

TAS 16 (revised 2015) Property, Plant and Equipment

TAS 17 (revised 2015) Leases

TAS 18 (revised 2015) Revenue

TAS 19 (revised 2015) Employee Benefits

TAS 20 (revised 2015) Accounting for Government Grants and Disclosure of Government Assistance

TAS 21 (revised 2015) The Effects of Changes in Foreign Exchange Rates

TAS 23 (revised 2015) Borrowing Cost

TAS 24 (revised 2015) Related Party Disclosure

TAS 26 (revised 2015) Accounting and Reporting by Retirement Benefit Plans

TAS 27 (revised 2015) Separate Financial Statements

TAS 28 (revised 2015) Investments in Associates and Joint Ventures

TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies

TAS 33 (revised 2015) Earnings per Share

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

### 2.4 New Financial Reporting Standards (Continued)

#### 2.4.2 The Financial Reporting Standards that will become effective in the future (Continued)

The Financial Reporting Standards which are effective for accounting periods beginning on or after January 1, 2016, as follow: (Continued)

##### Accounting Standards (Continued)

TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture

##### Financial Reporting Standards Interpretations

TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) Employee Benefits – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customer
TFRIC 20 (revised 2015)	Stripping Cost in the Production Phase of a Surface Mine
TFRIC 21	Levies

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

### 2.4 New Financial Reporting Standards (Continued)

#### 2.4.2 The Financial Reporting Standards that will become effective in the future (Continued)

The Financial Reporting Standards which are effective for accounting periods beginning on or after January 1, 2016, as follow: (Continued)

##### Accounting Standard Interpretations

TSIC 10 (revised 2015)	Government Assistance – No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases – Incentives
TSIC 25 (revised 2015)	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2015)	Disclosure – Service Concession Arrangements
TSIC 31 (revised 2015)	Revenue – Barter Transaction Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets – Web Site Costs

<b>Accounting Treatment Guidance</b>	Accounting Treatment Guidance for Measurement and Recognition for Bearer Plant
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The Company and its subsidiaries would not yet adopt the above standards before the effective date. The management of the Company and its subsidiaries assess that there will have no material impacts on the financial statements in the year when they are initially applied.

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

2.6 The financial statements for the year 2014, have been reclassified to conform to the classifications used in the financial statements for the year 2015. The overall status of the financial statements, however, has not been changed.

Unit : Baht

	Consolidated financial statements	
	Reclassified items	Previously reported
Accrued income tax	2,491,274	11,559,750
Other current liabilities	51,818,891	42,750,415



### 3. Summary of Significant Accounting Policies

#### 3.1 Basis of measurement used in the preparation of the financial statements

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

#### 3.2 Cash and cash equivalents

Cash represents cash on hand and demand deposits with bank.

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

#### 3.3 Trade and other receivables

Trade and other receivables are stated at net realizable value which are the amount of invoices net of allowance for doubtful accounts. Allowance for doubtful accounts is considering from the present financial status of each account receivable, and the management's estimates.

#### 3.4 Inventories

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

The costs of purchased inventories comprise the purchase price and other costs directly attributed to the acquisition of goods. The costs of inventories are calculated by the average methods.

The company and its subsidiaries set up an allowance for obsolete goods by considering from each item of merchandises that has no movement.

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

#### 3.5 Investments

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

Investments in associated companies in the consolidated financial statements are accounted for by using the equity method.

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

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

##### 3.5.2 Investments in Debt Securities

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

Investment in Government bonds are stated at fair value.

#### 3.6 Lease agreements

##### Finance Leases

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

##### Operating Leases

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

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

#### 3.7 Property, Plant and Equipment

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

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

An initial estimation of costs for dismantling and removing the items and restoring the site on which the self-constructed asset are located, if the Company and its subsidiaries have their obligations to do so, have been included in cost of Property, plant and equipment.

Costs of addition, improvement, repair or extensions of lease agreement that will enable the Company and its subsidiaries to increase the future economic benefit are recognized as assets.

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

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

Depreciation is recognized as expense for each accounting year.

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

#### 3.8 Intangible assets

Computer softwares are stated at cost less accumulated amortization and allowance for loss on impairment of assets (if any). Amortization is charged to the statements of income by the straight-line method from the date that intangible assets are available for use over the estimated useful lives of the economic benefit of the assets. Unless such lives are indefinite, intangible assets with an indefinite useful life are not amortized but are systematically tested for impairment at each statement of financial position date. The estimated useful lives are as 1 - 15 years.

The Company and its subsidiaries recorded the amortization as expenses for each accounting year.

#### 3.9 Prepaid lease expenses

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

#### 3.10 Impairment of assets

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

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

#### 3.11 Liabilities, provisions and expenses

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

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

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

#### 3.12 Revenue recognition

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

Finance lease receivables have been recorded 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.

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

Lease income is recognized over the lease term.

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

Interest income is recognized on the period of time.

#### 3.13 Employee benefits

##### Short-term employee benefits

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

##### Post-employment benefits

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

The severance payment to be paid under the labor law was projected as a defined benefit plan and was calculated on the basis of the Actuarial Valuation Methods by using the projected unit credit method.

The Company and its subsidiaries recognize the actuarial gains and losses arising from the defined benefit plans in other comprehensive income while all expenses related to post-employment benefit plans are recognized in profit or loss.

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

#### 3.14 Translation of foreign currency transactions

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

#### 3.15 Income tax

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

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

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

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

The measurement of deferred tax reflects the consequences that the Company expects, at the end of the reporting period, to recover or settle the carrying amount.

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

Deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the amount that the related tax benefit will be realised.

#### 3.16 Basic earnings per share

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

### 3. Related party transactions

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

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

The financial statements included related party transactions with intercompany shareholding or the same group of shareholders, directors or management team. Besides, the related parties are taken into account when one party has the ability to control another party or can exercise significant influence over another party in making financial and operating decisions. Parts of the Company and its subsidiaries' assets, liabilities, revenues and expenses arose from transactions with the related parties. The effects of these transactions are reflected in the accompanying financial statements on the basis determined in the business practice normally dealt with other parties.

4.2 The relationship of person or related parties

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



## 4. Related party transactions (Continued)

## 4.3 Related party transactions

Unit : Baht

Transaction in statement of financial position	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables				
Subsidiary companies				
Metro Professional Products Co., Ltd.	0	0	33,170	33,170
Metro Info Tech Co., Ltd.	0	0	2,227,725	222,545
Metro Connect Co., Ltd.	0	0	621,235	8,560,972
Metro Info Dynamics Co., Ltd.	0	0	7,499,027	7,353,248
Associated companies				
Metrosoft Co., Ltd.	125,352	1,089,360	101,157	207,001
HIS MSC Co., Ltd.	290,120	291,897	281,774	291,897
Related parties				
MDEC International (1991) Co., Ltd.	50,301	47,198	50,301	47,198
Metro Co., Ltd.	21,668	73,969	21,668	73,969
Accrued income				
Subsidiary companies				
Metro Info Tech Co., Ltd.	0	0	0	1,072
Metro Connect Co., Ltd.	0	0	71,680	6,744
Metro Info Dynamics Co., Ltd.	0	0	134,847	140,372
Associated companies				
HIS MSC Co., Ltd.	2,647	2,411	2,647	2,411
Trade payables				
Subsidiary companies				
Metro Info Tech Co., Ltd.	0	0	17,549,562	823,934
Metro Connect Co., Ltd.	0	0	10,648,853	0
Metro Info Dynamics Co., Ltd.	0	0	3,811,469	100,473
Associated companies				
PSP (Thailand) Co., Ltd.	15,723,697	0	15,723,697	0

## 4. Related party transactions (Continued)

## 4.3 Related party transactions (Continued)

Unit : Baht

Transaction in statement of financial position	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade payables (Continued)				
Related party				
MDEC International (1991) Co., Ltd.	729,706	521,467	703,223	514,791
Other payables				
Related parties				
MDEC International (1991) Co., Ltd.	440,624	0	440,624	0
Metro Co., Ltd.	44,343	44,343	44,343	44,343
Deferred incomes				
Subsidiary companies				
Metro Info Tech Co., Ltd.	0	0	74,645	0
Associated companies				
Metrosoft Co., Ltd.	580,267	581,377	0	1,109
HIS MSC Co., Ltd.	907	2,406	907	2,406
Related parties				
MDEC International (1991) Co., Ltd.	0	104	0	104
Metro Co., Ltd.	39	939	39	939
Accrued interest expenses				
Subsidiary companies				
Metro Info Tech Co., Ltd.	0	0	107,397	0
Associated companies				
PSP (Thailand) Co., Ltd.	107,397	0	107,397	0
Guarantee				
Subsidiary companies				
Metro Info Tech Co., Ltd.	0	0	5,000,000	0
Associated companies				
PSP (Thailand) Co., Ltd.	5,000,000	0	5,000,000	0

## 4. Related party transactions (Continued)

## 4.3 Related party transactions (Continued)

Unit : Baht

Transaction in statement of income	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Sale income				
Subsidiary companies	0	0	93,442,610	93,186,715
Associated companies	4,348,594	4,354,404	4,045,840	2,275,145
Related parties	402,815	405,285	261,715	396,785
Service income				
Subsidiary companies	0	0	12,376,661	16,030,389
Associated companies	2,999,163	2,303,624	2,079,434	1,349,624
Related parties	761,950	743,900	761,950	743,900
Rental income				
Subsidiary companies	0	0	3,874,560	3,203,111
Associated companies	1,940,772	2,012,432	1,940,772	2,012,432
Other income				
Subsidiary companies	0	0	9,535,157	8,649,370
Associated companies	2,599,423	2,073,273	2,599,423	2,073,273
Related parties	55,000	60,000	55,000	60,000
Dividend income				
Subsidiary companies	0	0	5,916,000	7,666,000
Associated companies	999,400	0	999,400	0

## 4. Related party transactions (Continued)

## 4.3 Related party transactions (Continued)

Unit : Baht

Transaction in statement of income	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Purchase				
Subsidiary companies	0	0	17,670,626	5,531,622
Related parties	6,934,019	7,686,436	6,934,019	4,675,436
Cost of service				
Subsidiary companies	0	0	46,418,248	8,520,384
Associated companies	22,292,192	0	19,496,342	0
Related parties	627,009	455,700	627,009	400,700
Expenses				
Related parties	1,725,108	579,243	1,725,108	579,243
Purchase of fixed assets				
Subsidiary companies	0	0	0	7,219,000
Related parties	1,139,598	171,864	1,139,598	171,864
Interest expenses				
Subsidiary companies	0	0	107,397	0
Associated companies	107,397	0	107,397	0
<b>Management benefit expenses</b>	<b>64,965,465</b>	<b>58,339,127</b>	<b>59,242,126</b>	<b>52,934,516</b>

## 5. Cash and cash equivalents

Unit : Baht

Consisted of :	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash on hand and demand deposits with banks	210,166,293	137,425,125	159,354,660	48,204,044
Fixed deposit (deposit period within 3 months)	4,409,271	10,451,184	0	0
Total	214,575,564	147,876,309	159,354,660	48,204,044

## 6. Trade and other receivables

Unit : Baht

Consisted of :	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables				
- Other companies	1,019,394,799	1,041,480,009	766,307,658	856,278,098
- Related parties	487,441	1,502,424	10,836,057	16,790,000
Total	1,019,882,240	1,042,982,433	777,143,715	873,068,098
<b>Less</b> Allowance for doubtful accounts	7,092,046	8,426,062	6,503,956	7,409,971
Net	1,012,790,194	1,034,556,371	770,639,759	865,658,127
Note receivables	27,840,496	16,409,560	15,786,466	13,973,703
Postdated cheques	35,279,196	25,684,990	35,279,196	25,684,990
Total trade receivables	1,075,909,886	1,076,650,921	821,705,421	905,316,820
Other receivables				
- Accrued income	35,504,313	20,682,128	33,642,901	18,678,436
- Prepaid expenses	53,598,338	34,608,080	40,785,059	28,334,281
- Others	20,487,742	4,262,091	20,067,836	1,702,729
Total other receivables	109,590,393	59,552,299	94,495,796	48,715,446
Total trade and other receivables	1,185,500,279	1,136,203,220	916,201,217	954,032,266

## 6. Trade and other receivables (Continued)

The aging of trade receivables is as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Not yet due	722,454,983	771,044,901	609,926,389	681,494,577
Overdue				
- Overdue 3 months	295,518,641	240,373,560	170,226,989	171,714,158
- Overdue 3 months to 6 months	1,546,007	37,883,566	814,930	27,195,048
- Overdue 6 months to 12 months	27,393,284	9,147,388	24,932,284	9,147,388
- Overdue 12 months	1,138,112	0	0	0
Subject to legal actions	7,110,409	10,218,008	6,522,319	9,201,917
	1,055,161,436	1,068,667,423	812,422,911	898,753,088
<b>Less</b> Postdated cheques	35,279,196	25,684,990	35,279,196	25,684,990
<b>Total</b>	<b>1,019,882,240</b>	<b>1,042,982,433</b>	<b>777,143,715</b>	<b>873,068,098</b>

## Inventories

Unit : Baht

Consisted of :	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Finished goods	559,925,656	299,073,136	524,866,785	281,309,126
Work in process	226,805,670	24,705,981	226,805,670	24,705,981
Goods in transit	0	405,294,294	0	62,509,142
Others	67,154	94,187	67,154	94,187
Total	786,798,480	729,167,598	751,739,609	368,618,436
<b>Less</b> Allowance for obsolete goods	0	106,075	0	81,678
Net	786,798,480	729,061,523	751,739,609	368,536,758

The merchandise that has not been moving is as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Finished goods	0	106,075	0	81,678
<b>Less</b> Allowance for obsolete goods	0	106,075	0	81,678
Net	0	0	0	0



## 8. Investments in subsidiary and associated companies

Consisted of :

Unit : Baht

	Business	Relationship	Consolidated financial statements					
			Paid-up share capital		% of investment		Investment (Equity method)	
			2015	2014	2015	2014	2015	2014
INVESTMENTS IN SUBSIDIARY COMPANIES								
Metro Professional Products Co., Ltd.	Computer distributor	Shareholder	20,000,000	20,000,000	98.6000	98.6000	103,410,775	96,728,920
Metro Info Tech Co., Ltd.	Distribute and services computer programs	Shareholder	5,000,000	5,000,000	70.0000	70.0000	18,232,725	11,195,532
Metro Connect Co., Ltd.	Distribute and services computer programs	Shareholder	10,000,000	10,000,000	99.9997	99.9997	148,828,551	118,394,298
Metro Info Dynamics Co., Ltd.	Distribute and services computer programs	Shareholder	10,000,000	10,000,000	99.9940	99.9940	21,621,186	15,175,818
Total							292,093,237	241,494,568
Less Eliminated intragroup transactions							(292,093,237)	(241,494,568)
							0	0
INVESTMENTS IN ASSOCIATED COMPANIES								
Metrosoft Co., Ltd.	Services and develop computer systems	Shareholder	1,500,000	1,500,000	49.0000	49.0000	4,019,388	3,798,566
HIS MSC Co., Ltd.	Computer programs distributor	Shareholder	4,000,000	4,000,000	49.9700	49.9700	17,191,940	16,079,905
PSP (Thailand) Co., Ltd.	Distribute and services computer programs	Shareholder	10,000,000	10,000,000	49.8000	49.8000	10,495,840	4,590,134
JBCC (Thailand) Co., Ltd.	Distribute and services computer programs	Shareholder	10,000,000	10,000,000	20.0000	20.0000	0	0
							31,707,168	24,468,605
Total							31,707,168	24,468,605

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

Consisted of :

Unit : Baht

	Business	Relationship	Separate financial statements							
			Paid-up share capital		% of investment		Investment ( Cost method )		Dividend	
			2015	2014	2015	2014	2015	2014	2015	2014
INVESTMENTS IN SUBSIDIARY COMPANIES										
Metro Professional Products Co., Ltd.	Computer distributor	Shareholder	20,000,000	20,000,000	98.6000	98.6000	19,720,000	19,720,000	5,916,000	5,916,000
Metro Info Tech Co., Ltd.	Distribute and services computer programs	Shareholder	5,000,000	5,000,000	70.0000	70.0000	3,500,000	3,500,000	0	1,750,000
Metro Connect Co., Ltd.	Distribute and services computer programs	Shareholder	10,000,000	10,000,000	99.9997	99.9997	9,999,970	9,999,970	0	0
Metro Info Dynamics Co., Ltd.	Distribute and services computer programs	Shareholder	10,000,000	10,000,000	99.9940	99.9940	9,999,400	9,999,400	0	0
Total							43,219,370	43,219,370	5,916,000	7,666,000
INVESTMENTS IN ASSOCIATED COMPANIES										
Metrosoft Co., Ltd.	Services and develop computer systems	Shareholder	1,500,000	1,500,000	49.0000	49.0000	2,940,000	2,940,000	0	0
HIS MSC Co., Ltd.	Computer programs distributor	Shareholder	4,000,000	4,000,000	49.9700	49.9700	1,998,800	1,998,800	999,400	0
PSP (Thailand) Co., Ltd.	Distribute and services computer programs	Shareholder	10,000,000	10,000,000	49.8000	49.8000	4,980,000	4,980,000	0	0
JBCC (Thailand) Co., Ltd.	Distribute and services computer programs	Shareholder	10,000,000	10,000,000	20.0000	20.0000	2,000,000	2,000,000	0	0
							11,918,800	11,918,800	999,400	0
Less Allowance for decrease in value cost							(2,000,000)	(2,000,000)	0	0
Total							9,918,800	9,918,800	999,400	0

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

## Investments in associated companies

The financial statements of associated companies are as follows:

Unit : Baht

	Consolidated financial statements	
	2015	2014
<b>HIS MSC Co., Ltd.</b>		
Total assets	55,324,116	56,084,859
Total liabilities	20,919,593	23,905,742
Total revenues	45,474,516	42,509,133
Total comprehensive income for the years	4,225,406	4,324,376
<b>Metrosoft Co., Ltd.</b>		
Total assets	17,010,342	18,287,994
Total liabilities	11,746,284	13,474,595
Total revenues	36,144,333	45,686,246
Total comprehensive income for the years	450,659	2,248,837
<b>PSP (Thailand) Co., Ltd.</b>		
Total assets	41,071,963	28,001,546
Total liabilities	20,863,003	18,784,408
Total revenues	67,694,674	44,599,425
Total comprehensive income for the years	11,858,848	3,783,838
<b>JBCC (Thailand) Co., Ltd.</b>		
Total assets	24,721,921	16,407,157
Total liabilities	65,444,995	45,252,177
Total revenues	44,224,682	38,800,887
Total comprehensive income for the years	(8,185,870)	(25,883,843)

The financial statements of one associated company, named JBCC (Thailand) Co., Ltd., for the year ended December 31, 2015, was prepared by the management of the Company, the share of losses of this associate exceeds its interest in the associate, so the Company discontinues to recognize its share of further losses.

## 9. Property, plant and equipment

Unit : Baht

Consisted of :	Consolidated financial statements					
	Dec. 31, 2014	Increase	Sale/Transfer	Transfer in	Transfer out	Dec. 31, 2015
<b>Cost price</b>						
Land	226,387,673	0	0	0	0	226,387,673
Land improvement	17,480,598	0	3,426,500	4,718,524	0	18,772,622
Buildings	540,781,426	133,400	21,141,882	9,293,909	0	529,066,853
Furniture and fixtures	67,980,542	5,100,416	2,511,132	11,315,450	0	81,885,276
Vehicles	14,906,047	634,500	3,000,000	0	0	12,540,547
Office equipment	668,737,059	61,718,859	35,921,392	8,734,673	599,963	702,669,236
Assets for rent	8,542,098	0	0	599,963	711,169	8,430,892
Other fixed assets	52,325,876	4,488,125	2,639,543	335,774	0	54,510,232
Total cost price	1,597,141,319	72,075,300	68,640,449	34,998,293	1,311,132	1,634,263,331
<b>Accumulated depreciation</b>						
Land improvement	15,630,454	897,338	3,099,262	0	0	13,428,530
Buildings	423,224,776	17,791,295	18,768,035	0	0	422,248,036
Furniture and fixtures	54,777,072	5,071,143	2,510,970	0	0	57,337,245
Vehicles	13,662,353	635,768	2,999,998	0	0	11,298,123
Office equipment	571,585,638	48,083,069	35,198,979	699,072	599,958	584,568,842
Assets for rent	5,829,169	2,230,247	0	599,958	699,072	7,960,302
Other fixed assets	43,966,678	3,198,122	2,639,490	0	0	44,525,310
Total accumulated depreciation	1,128,676,140	77,906,982	65,216,734	1,299,030	1,299,030	1,141,366,388
Property, plant and equipment	468,465,179					492,896,943
Assets in progress	72,438	66,616,822	0	0	33,687,161	33,002,099
<b>Property, plant and equipment, net</b>	468,537,617					525,899,042
Depreciation for the year	72,976,381					77,906,982

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

Unit : Baht

Consisted of :	Separate financial statements					
	Dec. 31, 2014	Increase	Sale/Transfer	Transfer in	Transfer out	Dec. 31, 2015
<b>Cost price</b>						
Land	220,674,673	0	0	0	0	220,674,673
Land improvement	17,480,598	0	3,426,500	4,718,524	0	18,772,622
Buildings	535,614,710	133,400	21,141,882	9,293,909	0	523,900,137
Furniture and fixtures	66,996,750	4,960,423	2,511,132	11,315,450	0	80,761,491
Vehicles	13,272,923	0	3,000,000	0	0	10,272,923
Office equipment	646,690,769	58,616,715	35,891,739	8,734,673	599,963	677,550,455
Assets for rent	8,542,097	0	0	599,963	711,169	8,430,891
Other fixed assets	51,843,251	4,202,025	2,636,893	335,774	0	53,744,157
<b>Total cost price</b>	<b>1,561,115,771</b>	<b>67,912,563</b>	<b>68,608,146</b>	<b>34,998,293</b>	<b>1,311,132</b>	<b>1,594,107,349</b>
<b>Accumulated depreciation</b>						
Land improvement	15,630,454	897,338	3,099,262	0	0	13,428,530
Buildings	419,156,354	17,597,024	18,768,035	0	0	417,985,343
Furniture and fixtures	54,026,615	5,000,957	2,510,970	0	0	56,516,602
Vehicles	12,899,950	372,969	2,999,998	0	0	10,272,921
Office equipment	557,206,205	44,289,075	35,198,323	699,072	599,958	566,396,071
Assets for rent	5,829,167	2,230,247	0	599,958	699,072	7,960,300
Other fixed assets	43,571,676	3,160,345	2,636,841	0	0	44,095,180
<b>Total accumulated depreciation</b>	<b>1,108,320,421</b>	<b>73,547,955</b>	<b>65,213,429</b>	<b>1,299,030</b>	<b>1,299,030</b>	<b>1,116,654,947</b>
<b>Property, plant and equipment</b>	<b>452,795,350</b>					<b>477,452,402</b>
<b>Assets in progress</b>	<b>72,438</b>	<b>66,616,822</b>	<b>0</b>	<b>0</b>	<b>33,687,161</b>	<b>33,002,099</b>
<b>Property, plant and equipment, net</b>	<b>452,867,788</b>					<b>510,454,501</b>
<b>Depreciation for the year</b>	<b>68,872,349</b>					<b>73,547,955</b>

Property and plant are used as collateral as per described in notes No. 23 to the financial statements.

As at December 31, 2015 and 2014, the costs of plant and equipment with consolidated financial statement, which were fully depreciated amounted to Baht 657 million and Baht 599 million, respectively, and in the separate financial statements of 2015 and 2014 amounted to Baht 647 million and Baht 591 million, respectively.

## 10. Finance lease receivables

Unit : Baht

	Consolidated Financial Statements					
	Portion due in one year		Portion due in more than one year - but no more than five years		Total	
	2015	2014	2015	2014	2015	2014
Finance lease receivables	160,002,813	164,886,575	207,797,851	247,826,909	367,800,664	412,713,484
<b>Less</b> Unearned finance lease income	14,079,823	15,874,169	10,547,720	15,074,810	24,627,543	30,948,979
Finance lease receivables, net	145,922,990	149,012,406	197,250,131	232,752,099	343,173,121	381,764,505

Unit : Baht

	Separate Financial Statements					
	Portion due in one year		Portion due in more than one year - but no more than five years		Total	
	2015	2014	2015	2014	2015	2014
Finance lease receivables	59,085,466	67,998,281	138,398,316	162,654,726	197,483,782	230,653,007
<b>Less</b> Unearned finance lease income	6,123,577	7,135,353	7,007,886	10,319,348	13,131,463	17,454,701
Finance lease receivables, net	52,961,889	60,862,928	131,390,430	152,335,378	184,352,319	213,198,306

**10. Finance lease receivables (Continued)**

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

Unit : Baht

	Consolidated financial statements			
	2015		2014	
	Gross investment -under the -finance lease -contracts	Present value -of minimum -lease payment receivables	Gross investment -under the -finance lease -contracts	Present value -of minimum -lease payment receivables
Portion due within one year	160,002,813	145,922,990	164,886,575	149,012,406
Portion due in more than one year but no more than five years	207,797,851	197,250,131	247,826,909	232,752,099
Total	367,800,664	343,173,121	412,713,484	381,764,505
<b>Less</b> Unearned finance lease income	24,627,543		30,948,979	
Net investment under the finance lease contracts	343,173,121		381,764,505	

Unit : Baht

	Separate financial statements			
	2015		2014	
	Gross investment -under the -finance lease -contracts	Present value -of minimum -lease payment receivables	Gross investment -under the -finance lease -contracts	Present value -of minimum -lease payment receivables
Portion due within one year	59,085,466	52,961,889	67,998,281	60,862,928
Portion due in more than one year but no more than five years	138,398,316	131,390,430	162,654,726	152,335,378
Total	197,483,782	184,352,319	230,653,007	213,198,306
<b>Less</b> Unearned finance lease income	13,131,463		17,454,701	
Net investment under the finance lease contracts	184,352,319		213,198,306	



**10. Finance lease receivables (Continued)**

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

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Gross investment under the finance lease contracts	121,076,691	348,370,357	39,831,010	235,966,956
<b>Less</b> Unearned finance lease income	12,503,451	33,011,523	3,632,582	20,984,412
Net increase	108,573,240	315,358,834	36,198,428	214,982,544

**11. Intangible assets**

Unit : Baht

Consisted of :	Consolidated financial statements			
	Dec. 31, 2014	Increase	Transfer	Dec. 31, 2015
<b>Cost price</b>				
Computer softwares	37,601,284	4,828,468	0	42,429,752
<b>Accumulated amortization</b>				
Computer softwares	25,848,584	3,827,807	0	29,676,391
<b>Intangible assets, net</b>	11,752,700			12,753,361
Amortization for the year	3,413,639			3,827,807

Unit : Baht

Consisted of :	Separate financial statements			
	Dec. 31, 2014	Increase	Transfer	Dec. 31, 2015
<b>Cost price</b>				
Computer softwares	36,641,912	4,752,969	0	41,394,881
<b>Accumulated amortization</b>				
Computer softwares	25,387,114	3,382,170	0	28,769,284
<b>Intangible assets, net</b>	11,254,798			12,625,597
Amortization for the year	2,952,169			3,382,170

**12. Others non-current assets**

Unit : Baht

Consisted of :	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deposits and guarantees	3,361,763	3,335,676	3,335,202	3,315,202
Withholding income taxes	59,873,456	61,650,049	54,354,427	57,301,004
Leasehold	0	81,056	0	81,056
Total	63,235,219	65,066,781	57,689,629	60,697,262

**13. Bank overdrafts and short-term loans from financial institutions**

Unit : Baht

Consisted of :	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Bank overdrafts	1,560,103	2,803,046	0	0
Short-term loans from financial institutions				
- Trust receipts	44,527,231	0	44,527,231	0
(As at December 31, 2015 and December 31, 2014, the interest rate are 2.97% – 3.00% p.a., and 3.65% – 5.50% p.a. respectively)				
- Promissory notes	179,000,000	77,000,000	80,000,000	0
(As at December 31, 2015 and December 31, 2014, the interest rate are 2.60% – 5.00% p.a., and 3.53% – 5.50% p.a. respectively)				
Total	225,087,334	79,803,046	124,527,231	0

Bank overdrafts and short-term loans from financial institutions are guaranteed by assets as described in notes No.23 to the financial statements.

**14. Trade and other payables**

Unit : Baht

Consisted of :	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade payables				
- Other companies	935,460,844	1,027,152,522	857,080,974	620,061,387
- Related parties	20,728,683	521,467	48,436,804	1,439,198
Total	956,189,527	1,027,673,989	905,517,778	621,500,585
Note payables	32,583,862	6,613,469	31,554,506	6,283,160
Total trade payables	988,773,389	1,034,287,458	937,072,284	627,783,745
Other payables				
- Accrued expenses	122,777,913	92,801,593	88,809,379	68,267,705
- Deferred income	27,041,532	11,434,916	15,573,943	4,990,227
- Other payables	21,921,245	14,570,260	20,171,048	12,979,402
- Accrued Interest	245,424	715,703	348,421	711,531
Total other payables	171,986,114	119,522,472	124,902,791	86,948,865
Total trade and other payables	1,160,759,503	1,153,809,930	1,061,975,075	714,732,610

**15. Current portion of long-term liabilities**

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current portion of long-term loans (Note 16)	4,334,597	10,394,913	4,334,597	10,394,913
Current portion of long-term leases (Note 17)	98,857,885	87,433,321	44,725,454	42,285,023
Total	103,192,482	97,828,234	49,060,051	52,679,936

**16. Long-term loans from financial institutions**

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Long-term loans from financial institutions	4,334,597	14,744,633	4,334,597	14,744,633
<b>Less</b> Current portion of long-term loans (Note 15)	4,334,597	10,394,913	4,334,597	10,394,913
Long-term loans from financial institutions	0	4,349,720	0	4,349,720

On April 17, 2013, the Company entered into loan agreement with a local bank covering a loan facility of Bath 30 million with interest at the rate of MLR - 1.5% p.a, the repayments would be in 36 monthly installments. Principal and interest per installment amount to Bath 910,000.

**17. Liabilities under finance lease contracts**

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Liabilities under finance lease contracts	271,781,026	275,218,574	165,187,265	163,302,754
<b>Less</b> Deferred interest	21,368,268	25,292,547	15,574,458	18,235,933
	250,412,758	249,926,027	149,612,807	145,066,821
<b>Less</b> Portion due in one year (Note 15)	98,857,885	87,433,321	44,725,454	42,285,023
Liabilities under finance lease contracts, net	151,554,873	162,492,706	104,887,353	102,781,798

The Company and its subsidiaries have entered into finance lease contracts for office equipment. The Company and its subsidiaries have their option to acquire those assets at the end of lease period and have to be in compliance with terms and conditions as stipulated in the contracts.

**17. Liabilities under finance lease contracts (Continued)**

As at December 31, 2015 and December 31, 2014, the balance of minimum lease payments in the liabilities under finance lease contracts are as follow :

Unit : Baht

	Consolidated financial statements					
	Portion due in one year		Portion due in more than one year - but no more than five years		Total	
	2015	2014	2015	2014	2015	2014
Minimum lease payments of lease contracts	110,567,301	99,575,990	161,213,725	175,642,584	271,781,026	275,218,574
<b>Less</b> Deferred interest	11,709,416	12,142,669	9,658,852	13,149,878	21,368,268	25,292,547
Present value of future minimum lease payments	98,857,885	87,433,321	151,554,873	162,492,706	250,412,758	249,926,027

Unit : Baht

	Separate financial statements					
	Portion due in one year		Portion due in more than one year - but no more than five years		Total	
	2015	2014	2015	2014	2015	2014
Minimum lease payments of lease contracts	52,389,376	50,194,644	112,797,889	113,108,110	165,187,265	163,302,754
<b>Less</b> Deferred interest	7,663,922	7,909,621	7,910,536	10,326,312	15,574,458	18,235,933
Present value of future minimum lease payments	44,725,454	42,285,023	104,887,353	102,781,798	149,612,807	145,066,821

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

Unit : Baht

Consist of :	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Equipments	8,655,712	24,477,952	8,655,712	23,600,070
Assets in progress	26,679,950	0	26,679,950	0

## 18. Employee benefit obligations

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

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Employee benefit obligations B/F	104,091,207	91,812,829	93,485,734	84,301,514
Service costs	4,934,649	5,960,106	4,291,734	5,308,620
Interest costs	4,383,430	4,714,744	3,895,017	4,245,535
Benefits paid	(7,499,210)	(2,456,000)	(7,499,210)	(2,456,000)
Actuarial losses	0	4,059,528	0	2,086,065
Employee benefit obligations C/F	105,910,076	104,091,207	94,173,275	93,485,734

Expenses recognized in profit or loss are as follows :

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Recognized in Profit and loss				
Current service cost	4,934,649	5,960,106	4,291,734	5,308,620
Interest cost	4,383,430	4,714,744	3,895,017	4,245,535
Total	9,318,079	10,674,850	8,186,751	9,554,155
Recognized in Other comprehensive income				
Actuarial losses	0	4,059,528	0	2,086,065
Total	9,318,079	14,734,378	8,186,751	11,640,220

**18. Employee benefit obligations (Continued)**

Principal actuarial assumptions at the reporting date

Consisted of :	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Discount rate (% per annual)	4.58 - 4.64	4.58 - 4.68	4.63	4.63
Future salary increase (% per annual)	5.00	5.00	5.00	5.00
Turnover Rate	Scale related to Age ranging from 0 - 25%			
Mortality rate	According to Thailand TMO 2008			

As at December 31, 2015, the Company expects to pay the long-term employee benefits during the next year in amount of Baht 7.09 million (Separate financial statements: Baht 4.07 million).

## 19. Equity

### 19.1 Dividend payment

By the resolution of shareholders in their ordinary meeting No. 20/2015 held on March 31, 2015, the Company announced the dividend payment of the year 2014 at Baht 0.30 per share, totally Baht 108,000,000.

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

### 19.2 Legal reserve

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

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

### 19.3 Managing capital

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

## 20. Staff provident fund

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



**21. Classification of expenses by nature**

Unit : Baht

Consisted of :	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Change in inventories	(57,736,957)	(294,850,578)	(383,202,852)	(38,874,884)
Purchases of goods	5,538,453,282	5,957,987,506	4,712,812,585	4,511,300,142
Outsourcing expenses	293,484,064	262,585,253	206,353,168	154,210,675
Employee expenses	526,422,449	482,940,907	440,705,134	411,354,628
Depreciations and amortization	81,734,789	76,390,020	76,930,125	71,824,518
Management benefit expenses	64,965,465	58,339,127	59,242,126	52,934,516
Finance costs	27,730,094	28,966,176	13,653,528	15,040,883
Others	283,399,789	285,086,399	260,514,570	278,461,021
Total	6,758,452,975	6,857,444,810	5,387,008,384	5,456,251,499

**22. Income tax**

Income tax expenses are computed from the profit before income tax in accordance with the Revenue Code.

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

Income tax expenses for the years ended December 31, 2015 and 2014 are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current income tax :				
Income tax expenses	56,768,512	46,808,453	40,084,086	33,976,101
Deferred tax :				
Temporary differences and reversal of temporary differences	(497,195)	1,963,647	(558,466)	3,779,826
Income tax expenses	56,271,317	48,772,100	39,525,620	37,755,927

**22. Income tax (Continued)**

Reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2015 and 2014, are as follows:

Unit : Baht

	Consolidated financial statements			
	2015		2014	
	Rate (%)	Amount	Rate (%)	Amount
Profit before income tax		265,605,234		223,523,956
Income tax at applicable tax rate	20	53,121,048	20	44,704,791
Current year's tax losses of subsidiaries, not recognized as deferred income tax		0		993,051
Tax effect :				
Disallowed expenses for net profit calculation		69,755,582		105,243,565
Exemption of income/Additional expenses deduction allowed		(66,108,118)		(104,132,954)
Current income tax		56,768,512		46,808,453
Deferred tax:				
Temporary differences and reversal of temporary differences		(497,195)		1,963,647
Income tax expenses	21	56,271,317	22	48,772,100

**22. Income tax (Continued)**

Reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2015 and 2014, are as follows: (Continued)

Unit : Baht

	Separate financial statements			
	2015		2014	
	Rate (%)	Amount	Rate (%)	Amount
Profit before income tax		187,827,010		174,119,003
Income tax at applicable tax rate	20	37,565,402	20	34,823,801
Tax effect :				
Disallowed expenses for net profit calculation		28,132,497		53,256,086
Exemption of income/Additional deductible expenses		(25,613,813)		(54,103,786)
Current income tax		40,084,086		33,976,101
Deferred tax:				
Temporary differences and reversal of temporary differences		(558,466)		3,779,826
Income tax expenses	21	39,525,620	22	37,755,927

**22. Income tax (Continued)**

The amount of income tax relating to each component of other comprehensive income for the years ended December 31, 2015 and 2014, are as follows:

Unit : Baht

	Consolidated financial statements					
	2015			2014		
	Amount before tax	Tax expense (income)	Net Of tax	Amount before tax	Tax expense (income)	Net Of tax
Actuarial losses	0	0	0	4,059,528	(811,906)	3,247,622
Share of other comprehensive income from in associated companies	0	0	0	726,384	(145,277)	581,107
Total	0	0	0	4,785,912	(957,183)	3,828,729

Unit : Baht

	Separate financial statements					
	2015			2014		
	Amount before tax	Tax expense (income)	Net of tax	Amount before tax	Tax expense (income)	Net of tax
Actuarial losses	0	0	0	2,086,065	(417,213)	1,668,852
Total	0	0	0	2,086,065	(417,213)	1,668,852

**22. Income tax (Continued)**

The components of deferred tax assets and deferred tax liabilities as at December 31, 2015 and 2014 are as follows: (Continued)

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	1,418,409	1,685,212	1,300,791	1,481,994
Allowance for obsolete goods	0	21,215	0	16,336
Allowance for decrease in value cost	400,000	400,000	400,000	400,000
Employee benefit obligations	21,182,016	20,818,242	18,834,655	18,697,147
Total	23,000,425	22,924,669	20,535,446	20,595,477
<b>Deferred tax liabilities</b>				
Depreciation of building	6,573,375	5,371,273	6,573,375	5,371,273
Liabilities under finance lease contracts	5,036,408	6,659,948	5,897,759	7,718,357
Total	11,609,783	12,031,221	12,471,134	13,089,630
<b>Deferred tax assets, net</b>	11,390,642	10,893,448	8,064,312	7,505,847

### 23. Collateral

Deposits at banks, and right in office condominiums as at December 31, 2015 at the total value of Baht 0.88 million, are mortgaged to secure the bank overdrafts and loans from financial institutions.

Deposits at bank, and the land and building of Metro Professional Products Co., Ltd., as at December 31, 2015 at the total value of Baht 21.16 million, are used as collateral for credit facilities obtained from financial institutions. Credit facilities are also guaranteed by certain directors. Under the credit facilities agreements, Metro Systems Corporation Public Company Limited., commits to maintain into shareholding in Metro Professional Products Co., Ltd. not less than 90%.

As at December 31, 2015, the credit facilities of Metro Connect Co., Ltd. amounted to Baht 289,000,000 obtained from the financial institutions, were collateralized by its deposits at bank. Credit facilities obtained by Metro Info Dynamics Co., Ltd as at December 31, 2015 amounted to Baht 190,000,000, were guaranteed by the Metro Systems Corporation Public Company Limited.

## 24. Information on operating segments

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

Information on operating segments consisted of:

Segment 1 : Computers and equipment

Segment 2 : Computer Software

Segment 3 : Supplies and office equipment

Segment 4 : Rental and others service

Unit : Million Baht

### Consolidated financial statements

	2015						2014					
	Segment 1	Segment 2	Segment 3	Segment 4	Eliminate	Total	Segment 1	Segment 2	Segment 3	Segment 4	Eliminate	Total
Sales	2,670	1,641	2,121	732	(186)	6,798	2,758	1,703	2,078	637	(135)	7,041
Profit from operation	324	253	246	246		1,069	278	189	170	335		972
Other incomes						39						35
Selling and administration expenses						(823)						(759)
Share of profit from investments in associated companies						8						5
Finance costs						(28)						(29)
Income tax expenses						(56)						(49)
Profit for the periods						209						175
Property, plant and equipment						526						468
Total assets						3,366						3,124

## 25. Commitments and contingent liabilities

25.1 The Company and its subsidiaries have the commitments with banks as follows :

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
- Letter of guarantee (Baht)	262,936,273	269,095,795	205,097,249	205,188,140
- Letter of guarantee (USD)	100,000	396,000	100,000	396,000
- Letter of credit (USD)	0	17,466	0	17,466
The arrangement of bank overdrafts, short-term loans and long-term loans from financial institutions, and letters of guarantee (Baht)	3,610,000,000	3,639,100,000	2,713,500,000	2,712,600,000

### 25.2 Related party guarantees

As at December 31, 2015, the company has provided guarantees to suppliers in the total amount of Baht 70,000,000 for credits obtained by Metro Connect Co., Ltd. and Metro Info Dynamics Co., Ltd.

### 25.3 Operating lease obligations

The Company and its subsidiaries have operating lease obligations, covering vehicle and related services obtained. The periods of operating lease obligations are ranging from 4 to 5 years.

As at December 31, 2015, the minimum lease payments in the operating lease contracts with the present value of future minimum lease payments are as follows:

Unit : Baht

Items of lease	Terms	Consolidated financial statement	Separate financial statement
Vehicles	Within one year	6,279,060	5,688,660
	Within one-three years	12,993,580	12,260,780
	Within three-five years	5,911,515	5,750,715



## 26. Financial instruments

The Company and its subsidiaries' information related to the financial instruments are as follows:

### 26.1 Risk management policies

#### 26.1.1 Credit risk

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

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

For the financial assets, the carrying amount of assets recorded in the statements of financial position, net of allowance for the doubtful account, represents the Company and its subsidiaries maximum exposure to credit risk.

## 26. Financial instruments (Continued)

The Company and its subsidiaries' information related to the financial instruments are as follows: (Continued)

### 26.1 Risk management policies (Continued)

#### 26.1.2 Interest rate risk

Interest rate risk arises from the potential of changes in market interest rates that may affect the value of the financial assets and liabilities of the Company and its subsidiaries.

As at December 31, 2015, the Company and its subsidiaries have the significant financial assets and liabilities which are classified by the type of interest rates, and the fixed interest rates and classified based on the maturity date or the date of new interest rate, if it is changed before the maturity date, are as follows:

Unit : Million Baht

	Consolidated financial statements				Total
	2015				
	The fixed interest rate		Floating	Non- interest bearing	
	Within	Over			
	1 year	1-5 year	Interest rate		
<b>Financial assets</b>					
Cash and cash equivalents	215	0	0	0	215
Trade and other receivables	0	0	0	1,186	1,186
Finance lease receivables	146	197	0	0	343
Deposits at bank used as collateral	162	0	0	0	162
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans					
from financial institution	178	0	47	0	225
Trade and other payables	0	0	0	1,161	1,161
Long-term loans from financial institutions	4	0	0	0	4
Liabilities under finance lease contracts	99	151	0	0	250

**26. Financial instruments (Continued)**

The Company and its subsidiaries' information related to the financial instruments are as follows:

(Continued)

**26.1 Risk management policies (Continued)****26.1.2 Interest rate risk (Continued)**

Unit : Million Baht

	Consolidated financial statements				Total
	2015				
	The fixed interest rate		Floating	Non- interest bearing	
	Within	Over			
	1 year	1-5 year	Interest rate		
<b>Financial assets</b>					
Cash and cash equivalents	159	0	0	0	159
Trade and other receivables	0	0	0	916	916
Finance lease receivables	53	131	0	0	184
Deposits at bank used as collateral	102	0	0	0	102
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans					
from financial institution	125	0	0	0	125
Trade and other payables	0	0	0	1,062	1,062
Long-term loans from financial institutions	4	0	0	0	4
Liabilities under finance lease contracts	45	105	0	0	150

## 26. Financial instruments (Continued)

The Company and its subsidiaries' information related to the financial instruments are as follows:  
(Continued)

### 26.1 Risk management policies (Continued)

#### 26.1.3 Forward foreign exchange

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

As at December 31, 2015, the Company and its subsidiaries had the balance of the forward exchange contracts as follow:

	Contracts value		Fair value (Baht)
	Foreign currency	Baht	
Forward exchange contracts (USD)	8,661,635	312,428,992	313,120,299
Forward exchange contracts (SGD)	327,815	8,400,836	8,359,575

As at December 31, 2015, the Company and its subsidiaries have the balance of the liabilities in foreign currency, which have not been hedged against currency risk as follow:

	In the amount of foreign currency	In the amount of Baht
United State of America Dollar (USD)	1,332,881	48,322,000
Singapore Dollar (SGD)	0	0

### 26.2 Fair value of financial instruments

Fair Value has been defined in different levels of inputs as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (market rates) or indirectly (derived from market rates).
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable data).

## 26. Financial instruments (Continued)

The Company and its subsidiaries' information related to the financial instruments are as follows:  
(Continued)

### 26.2 Fair value of financial instruments (Continued)

The financial assets that are measured at fair value as at December 31, 2015 as follow:

Unit : Baht

	Consolidated and separate financial statements			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Derivatives				
Forward foreign exchange contracts	0	649,766	0	649,766

#### Valuation method of fair values for Level 2 inputs

Level 2 trading and hedging derivatives comprise forward foreign exchange contracts and interest rate swaps. That has been fair valued using the discount cash flow technics base on the calculation of the commercial bank. The input data of their fair valuation are mostly extracted from observable data such as spot exchange rate future exchange rate and yield curves etc.

## 27. Events after the Reporting Period

By the resolution of Board of Directors' meeting No. 2/2016 held on February 24, 2016, agreed to propose the shareholder in their ordinary meeting for the dividend payment of the year 2015 at Baht 0.30 per share, totally Baht 108,000,000.

## 28. Approval of the financial statements

These financial statements were approved for issue by the Board of Directors of the Company on February 24, 2016.



**“Customer Success Is Our Business”**



**Metro Systems Corporation Public Company Limited**

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