



Metro Systems Corporation Public Company Limited

ANNUAL REPORT 2016

“His Majesty will live in our hearts eternally”



**We, Metro Systems Corporation Public Company Limited,
are deeply saddened by the passing of majesty king
Bhumibol Adulyadej**



Metro Systems Corporation Public Company Limited, provided Ceremony in Remembrance of His Majesty king Bhumibol Adulyadej by announced to Board of director and Executive Committee including employees to wear properly dress for 1 month from October 14, 2016 to November 13, 2016 and sign the Remembrance book of His majesty at 1st floor A building.





Long Live the King

His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun

Vision

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

Quality Policy

"Accuracy, Timeliness and Commitment to Continuous Improvement"

Mission

The main mission of the Company is "To be a world-class of information technology and manage the business efficiently for customer success together with participated in develop the society".

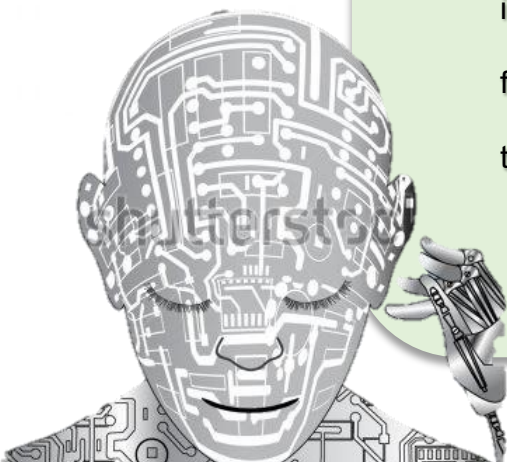


Table of Contents

1	Messages from Chairman
6	Corporate Policy and Background
11	Nature of Business
19	Risk Factors
21	Corporate Overview
27	Shareholders
29	Dividend Policy
30	Management Structure
48	Corporate Governance
72	Corporate Social Responsibility
87	Internal Control and Risk Management
88	Inter-Company Transactions
93	Financial Summary
94	Analysis and Explanation from the Management
99	Report on operating results from committees
110	Financial Statement



Messages from the Chairman

The year of 2016 was another year which income remained strong. The Company has grown steadily over the previous year. Although Thailand's economic growth rate is up from last year, it has not grown to a great extent due to the impact of various scenarios including the global economy. Technologies such as Cloud, Big Data, Mobility and Social trends are still expected to have a role in the wider business world, including Thailand. A technology transition was started from traditional work to managing large data, reducing the cost of storage, and non-specific work location. The Company follows to the global trends and applying its technology to its business to meet the needs of customers who are looking to take advantage of the constantly changing world modern technology; whether it is Cloud Computing, new applications or the development of computer software, and impressive services providing to clients. The rapid changes in technology offer a great challenge to our business.

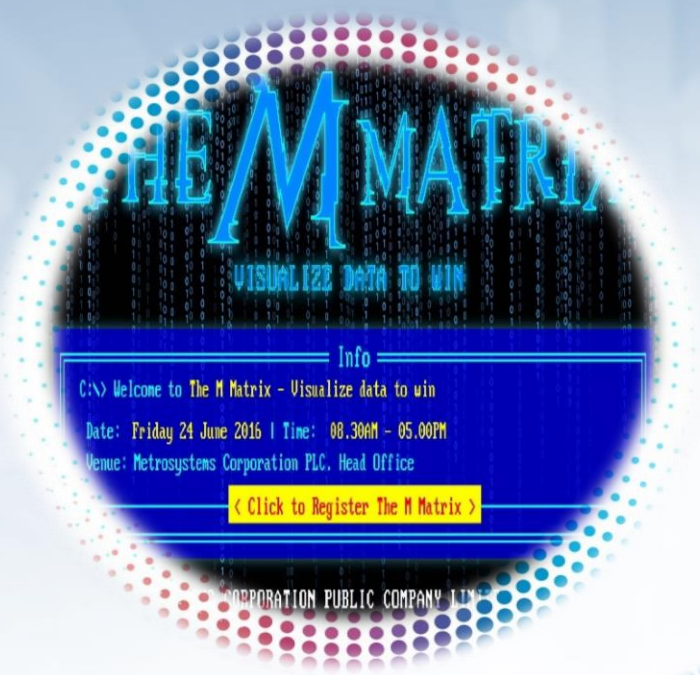
The financial results of the Company for the past year remain at a satisfactory level. The Company also continues to recognize the importance of the personnel supporting both the management and employees and helping them to attend various training courses to enable them to strengthen their capacity and skills to perform their duties and to succeed in their development in accordance with success factor of the Company's framework for the employees success, as well as encouraging employees to recognize the importance of anti-corruption measures and awareness of the penalties when an offense has occurred and publicize the whistle blowing channel to management, employees, partners, customers, or other stakeholders to recognize the validity of complaints in accordance with being the member of the Private Sector Collective Action Coalition Against Corruption (CAC).



Additionally, the Company has provided a system of risk management within the organization. We have also taken steps related to our social responsibility so that our shareholders, stakeholders, partners and customers can be ensured that our business practices are in accordance with the principles of good corporate governance and will benefit the employees, local community, society and the environment.

Lastly, on behalf of the Board of Directors we would like to say thank you to all the stakeholders, customers, partners and shareholders for supporting our business and trust us over 30 years and say thank to the management and all employees who have joined forces to perform their duties to the best of their abilities and offer their time and efforts to the Company. The Company has confirmed that we will operate transparently and showing an awareness of the principles of business ethics amongst all the stakeholders, including those of environmental responsibility. The progress of the organization will continue to be coupled with the participation of social sustainability in the future.

Sunpitt Sethpornpong
Chairman



**Metro Systems Corporation
Public Company Limited (MSC)
held “The Matrix Visualize
Data To Win” fair
on June 24, 2016.**

**Metro Systems Corporation
Public Company Limited
(MSC) with IBM held “Omni-
Channel Financial Service”
fair on June 29, 2016.**



**Metro Systems Corporation
Public Company Limited
(MSC) and HP opened the
“Page Wide Technology
Center” on August, 2016.**



Metro Connect Co., Ltd. (MCC) cooperated with HPE to hold the event of "Accelerating the Digital Transformation with HPE" on August 26, 2016.



HIS MSC held a "Road Show 2016" to update solutions for inclusive hotel business.



An auspicious day of the 30th anniversary celebration was organized by Metro Systems Corporation Public Company Limited (MSC) for all employees and affiliates on September 9, 2016.





**MSC Group against
Anti-Corruption day
on September 11, 2016.**

**Metro Systems Corporation
Public Company Limited (MSC) with
SIS Distribution (Thailand) held
a "BUSINESS Transformation" forum
offering solutions for supporting the
corporation and making opportunities
on September 21, 2016.**



**Metro Systems Corporation
Public Company Limited (MSC)
has organized "The Journey -
Moving Forward to Thailand
4.0" on September 23, 2016.**



**Metro Systems Corporation
Public Company Limited (MSC)
successfully released
“SOLIDWORKS 2017” at
the great exhibition on
SOLIDWORKS INNOVATION DAY
2017 on October 7, 2016.**

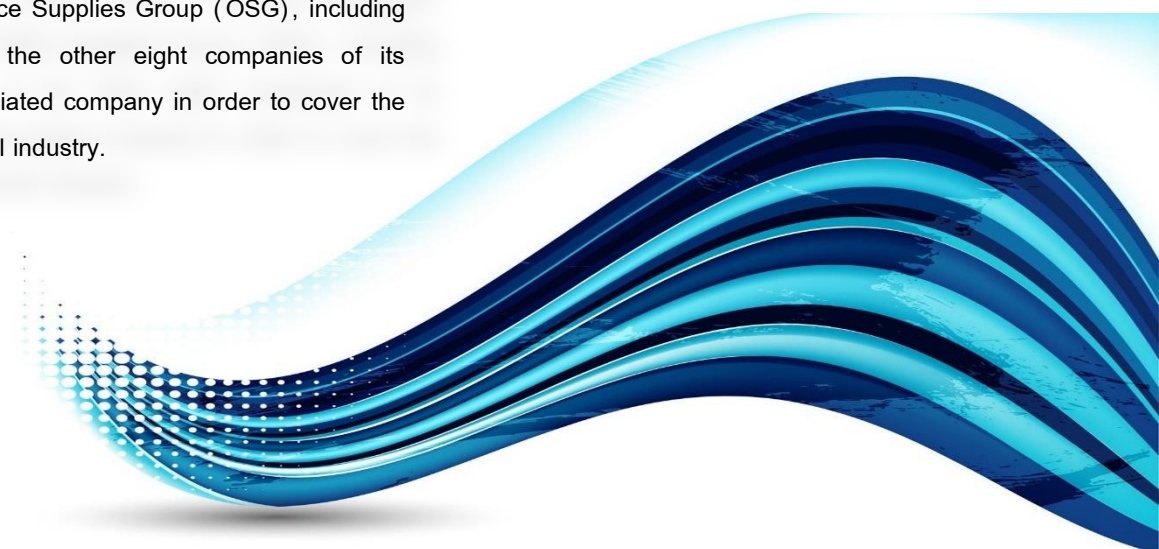


**Metro Systems Corporation Public
Company Limited (MSC) in
Partnership with Hewlett Packard
Enterprise opened
"HPE Innovation Center"
on December 26, 2016.**

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 associated company in order to cover the whole trade and overall industry.



Significant Improvement and Development

Metro Systems Corporation Public Co., Ltd. has continuously developed its organization by aiming to achieve operating efficiency based on the business environment. The following significant improvements and development were conducted during the past five years.

Year	Significant Improvements and Development
2016	At the Board of Directors Meeting No.2/2016, a resolution was passed to approve the application for approval of the Private Sector Collective Action Coalition Against Corruption (CAC). The Company has been certified as CAC on April 22, 2016. The Company had declared the protection in intellectual property policy, Procurement policy, regulation on bidding procurement, Risk Management Policy and subsidiaries management policy to control the management and employees to conduct themselves in strict compliance. There was also a restructuring of the business to comply with the Company's strategy and strengthen the business, by sold its investment in PSP (Thailand) Co., Ltd. on 10 August 2016 at the proportion of 49.8 percent of registered capital.
2015	The Board of Directors had its resolution at the meeting No. 2/2015, on February, 24 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 November 6,2015.
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 Competency Principles for career advancement and professional pride which leads to sustainable organization growth.
2013	The Company's part of Business continuity solutions was certified the quality system, ISO/IEC 27001:2005, which involved to the protection of information technology
2012	The Company established Metro Info Dynamics Co., Ltd. with the investment ratio of 99.99 percent 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 percent ratio in order to expand the business to Japanese customers in Thailand.

Corporate Goals

The Company has set the following business goals of the year 2017 to support the growth of the Company stably and sustainably as follows.

1. **Services Revenue Expansion:** The Company has a significant target to increase the revenues from diversifying services to add value to the organization which resulted to generate extra revenues from continuing services (Recurring Revenue) and maximize its customer's benefits.

2. **Key Accounts Management:** The Company always pays attention to all the customers who have contributed to the revenues from sales of goods and services. The Company had existing customers who were continually purchase products from the Company more than 90 percent and had more than 80 percent of primary customers who generate revenue to the Company.

3. **Creating New Platforms of products and services:** Due to industry trends technology of Cloud Computing, Big Data and mobility have development all the time, so that the Company always seek new products and create the services related to the industry to accommodate the needs of customers and to replace any potential loss of income in the future.

4. **Business Partners Relationship:** The Company always focus on building the continuing relationships with business partners including supporting all aspects of the relationship with suppliers, dealers, solution partners, etc.

5. **Being Leaders of Advanced Technology Center:** The Company has a strategy to make the difference and add value to the organization by created the modern technology center as leading company in the field of technology. Customers will be able to advance technology education. Performance testing of the product (Prove of Concept) which will help to build confidence in presales and after sales.

6. **Human Resource Development (HRD):** The Company has placed focus on human resource development with the Company's Core Competency program which designed to provide employees with career advancement including plan a succession planning which will contribute to further sustainable growth.

7. **Corporate Social Responsibility (CSR):** The Company adheres to the policy of corporate social responsibility as announced by the Company on February 24, 2015, driven by policy in various fields to accordance with the Company's business beneath the principles of corporate governance and also emphasis the awareness of anti-corruption to the management and employees as the Company certified the Private Sector Collective Action Coalition Against Corruption (CAC) on 22 April 2016. Besides, the Company has also focused on the environment coupled with sustainability for the future.

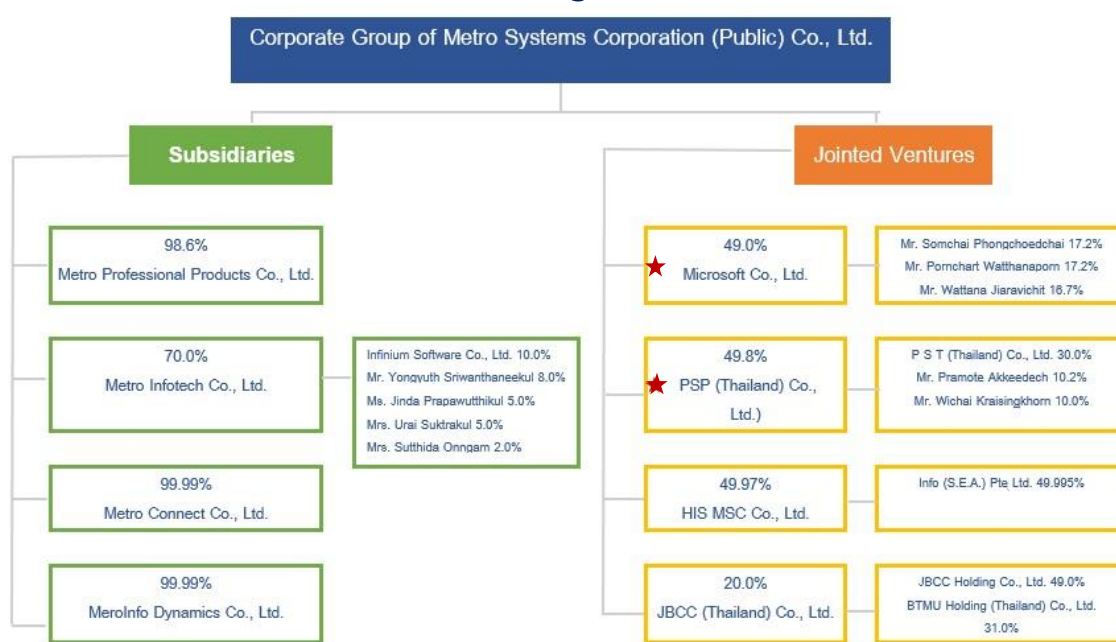
8. **ISO:** The Company has placed a focus on workflow efficiency and quality system standards to ensure that we can deliver the products and services to meet the needs of their clients properly. The Company aims to improve the service standards of ISO 9001: 2008 and ISO 9001: 2015 within the year 2017.

9. Enterprise Risk Management (ERM) : The Company recognizes the importance of risk management so we aim to prepare a risk management system established in 2016 as a tool to prevent risks that could cause any impact to the business. It also helps to assess the adequacy of the internal controls and put measures in place to manage the risks that may occur which made the process is efficient and has good internal control.

Corporate Shareholding Structure

The Company has invested in 8 related IT companies, consisting of 4 subsidiaries (Metro Professional Products Co., Ltd., Metro Infotech Co., Ltd., Metro Connect Co., Ltd., Metro Info Dynamics Co., Ltd.) and 4 associated companies (Metrosoft Co., Ltd., PSP (Thailand) Co., Ltd., HIS MSC Co., Ltd., JBCC (Thailand) Co., Ltd.) by promoting and supporting its main business operation in order to meet the customers' demands and effectively provide a full-range of services. The shareholding structure and management policy are determined by the Company as follows.

Shareholding Structure



Note : ★ MSC has sold PSP's shares in the proportion of 49.8 percent to Mr. Pramote Akkhitdet, who is PSP's shareholder since August 10, 2016.

★ MSC has sold Metrosoft's shares in the proportion of 49 percent to Mr. Pornchart Wattananom, who is Metrosoft's shareholder since January 24, 2017.

Relationship of Corporate Shareholders

Main groups of corporate shareholders are the companies with the same group of shareholders and the Charuvajana Family which is the founder of the company.

Nature of Business

The Company operates its business as the distributor for computers, peripheral devices, software solutions, IT system, and office supplies, including providing system installations, software development as required by the customers and the Company's software development as the owner of intellectual properties and entire training.

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

- **Enterprise Systems Group (ESG)**

To distribute high value product and IT services comprising of middle- sized computers, enterprise servers, storage, VDI solution, CCTV, retail back- up systems, PC, notebooks and software for back-up systems, security and mobility with 29.4% of total revenue in 2016.

- **Solutions Integration Group (SIG)**

To distribute software solutions and provide system installation service, including IT consulting, software development, data centre, business continuity service, managed services and training service provider for enhancing effective business management with 40.6% of total revenue in 2016.

- **Office Supplies Group (OSG)**

To distribute office supply products, such as ink cartridges, data cartridges for computers, small-sized printers, cameras and projectors, smart phones, and tablets with 29.3% of total revenue in 2016.

The Company developed a demonstration centre for new integrated technology that could be utilized for maximum operation, such as information management solutions for executive business decisions, and data centre development in line with business direction and risk prevention. The Company also built technology demonstration center "PageWide Technology Center" and opened it in August 2016 for visiting customers who want to experience the high quality of printing " HP PageWide" by introducing desktop printer that print faster with new technology features for printing. It can print up to 75 pages per minute which help to print documents quickly. This new printer can be compared with all laser printers in terms of printing speed with lower costs, energy saving flexibility, and greater security system of the printer.

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

Revenue Structure

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

(Unit : Million Baht)

Products and Services	Operated By	2016		2015		2014	
		Revenue	%	Revenue	%	Revenue	%
Part 1 : Sale and Service Incomes							
Enterprise Systems Group (ESG)	MSC/MPP/MCC/MID	2,472	32.1	2,553	36.4	2,666	37.7
Solution Integration Group (SIG)	MSC/MIT	3,046	39.5	2,303	32.8	2,298	32.5
Office Supplies Group (OSG)	MSC	2,133	27.7	2,121	30.2	2,076	29.3
Total Sale and Service Incomes		7,651	99.3	6,977	99.4	7,041	99.5
Part 2 : Other Incomes		50	0.7	39	0.6	35	0.5
Total Company's and Subsidiaries' Incomes		7,701	100	7,016	100	7,076	100
Part 3 : Profit (Loss) of Associated Companies	MS/HIS/JBTH	8		8		5	
Total Income		7,693		7,024		7,081	

Source : Combined Financial Statement

Products and Services

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

Enterprise Systems Group (ESG)

Enterprise Systems Group (ESG) operates as a distributor of hardware products include Servers, Storage, PC's, Notebook, Workstation and Printer services including design and installation of the computer system, Software and solutions, such as retailing systems (Point-Of-Sale systems and

software), Video Surveillance Systems (IP Camera and software for security systems) as well as solutions for Backup, Security and Mobility. ESG also offers programming to meet the needs of customers and manages training of RPG program includes serving various functions such as rental and the selling of products of services in the form of Managed-Service.

Our main strategy is to provide sales service, installation and after-sales service with a team of experts. The Company focuses on developing individual expertise which can completely respond to customer demands, and create value-added products and services, instead of only a price mechanism strategy. Moreover, we co-operate 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.

Solution Integration Group (SIG)

We sell software solutions with system installation, implementation and IT consulting to promote more efficient business management. We offer solutions for data centers, network systems, IT technology, and for executive decision making, emergency backup systems for business, software design, own company software which developed to intellectual properties, managed services, IT knowledge training and testing etc. And being main distributor of IBM, Cisco, Microsoft, SolidWorks, Qlikview, K2 software.

In the year 2016, the Solution Integration Group (SIG) and Dassault Systemes Singapore increased the portfolio of software solutions by launching "SOLIDWORKS 2017", which was released with a new feature of "SOLIDWORKS 2017" complete with the ability to enhance the work "Assembly" suitable for large factories ensuring faster production lines with Magnetic Mates and SolidWorks 3 D Interconnect enables operations with other designs and easily supports multiple file format.

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 these products. We ensure that our staffs are trained, tested and certified in all our products. The Company also provides software to customers according to their requirements and price range. Some of this software can be downsized, and is therefore more appropriate for the Company to expand into the market for middle-class and small customers.

Office Supplies Group (OSG)

We provide office consumable supplies such as printing ink cartridges, recording tape for computers, small printers, cameras, projectors smart phones and tablets via direct sales channels such as telemarketing and retail dealer

Our main strategy is our Tele Sales staffs can present genuine quality products to targeted 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 Competition

Marketing Policy

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

1. For product management, the Company focuses on the increase in a wide range of products and services from multiple manufacturers. The Company also finds a way to add value to the products as proven by the manufacturing Company and customer by the leverage of officers' expertise. All strategies have the aim of making a distinguishing quality over and above the 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 to those in various industries, such as, electronic parts, automobile and financial institutions with the aim of diversifying the risk in case of an industrial investment recession. The Company also seeks the cooperation with manufacturing Companies and software developers to expand the business into new groups of customers such as education institutions etc. The Company attempts to avoid engaging in highly competitive business such as mega project bidding, government agency projects and the 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 a lost customer. This includes the development of sales and marketing activities to maintain good relationships with customers.

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

4. The Management of Customer Shares and Distribution Channels was conducted through both direct sales and dealers. However, the Company has long experience and expertise in this kind of direct sales since it can greatly expand great the market share with high profit and also manage the risks about debtors more effectively. On the contrary, dealer's methods encourage the product distribution to retail customers, customer groups in provincial areas or in industries in which the Company does not have expertise.

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

therefore have more confidence in making decisions on IT investment.

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

Natures and Groups of Targeted

Customers

The majority of the Company's targeted customers are from small-sized to large-sized businesses, such as financial institutes, governmental divisions, state enterprises and educational institutions. The Company has also mainly focused on the customers from private sectors with the ratio at 90 percent of total revenue in 2016.

In 2016, 75 percent of the total of the Company's existing customers repurchased products and services with the ratio at 98 percent of total revenue.

The Company has currently no main customer who has equal to or more than 10 percent of the total purchased orders of products and services, this therefore, it can reduce the risk in

case that the Company loss of one principle customer.

Sales and Distribution Channels

The Company tends to concentrate on overall distribution for all customers. The Company has also organized the distribution system through both direct sales and dealers. However, the Company tends to concentrate on direct sales more than dealers at a ratio of 88:12

The purchasing ratio in domestic & international

Most distributed products are purchased from the production companies in the Thailand operation branch; this reduces the risk of exchange rate fluctuation. Exchange rate volatility could affect cost and selling price mechanisms for products ordered from overseas. For example, we buy software from dealers in Singapore and USA. For each purchase we will accept a forward currency exchange rate. In 2016, the Company has a proportion of 79:21 for domestic and overseas purchases respectively.

Industrial and Competitive Trends

IDC Thailand stated that 2016 was the year of industrial changes and transformation. Many companies have increasingly focused on the investment in platform technology generation 3 to maintain the competitive capacity in the fast changing IT market.

Although, the IT market this year has remained stable when compared to the volatile first half of the year. There are still more negatives than positives with the major negative factors coming from consumers slow spending and the public investment being largely invested in infrastructure and a very small proportion of investment in IT and services and the private organizations also have slowed their investment.

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

- Digital Transformation (DX): By the end of 2017 more than half of the organizations in Thailand will begin the process of changing to DX. DX will be a key factor in driving the organization's IT investments. IDC believes that this transformation

strategy will focus on the digital expertise both in terms of the working relationship and the goods or services which are based on the data using Cloud technology, Analytical technology, social innovation and other technologies in order to gain a competitive advantage through products and services to produce new forms of doing business and new ways to strengthen relationships. Although this initiative is considered in its infancy it is estimated that by the year 2020, the DX technology will shift to a different level to the macro-economic level and as a result every company will grow into a digital society allowing a standard product creation service experience and provide new work patterns. Through the use of Cloud technology, Mobility, Cognitive/ Artificial Intelligence (AI), Internet of Things (IOT), Augmented Reality/Virtual Reality (AR/VR) will all be driven by the use of DX technologies.

- Digital IT Revenue: By the year 2019, 25% of IT projects and services will be targeted to create new revenue streams from digital and to turn information into money. Such information will be one of the factors that lead to success. Information becomes truly digital capital and earnings data has driven the demand for enterprise-wide information architecture and development in the field of analyzing information.

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

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

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

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

The Company, as a leading company in the business of industrial technology is prepared for

future situations, trends and business opportunities and any risks that may happen. The Company is ready to make progress with the digital world which is changing and constantly evolving including: Cloud Computing and new applications related to Big Data, which allows the processing and management of data at a glance as well as efficient and cost-effective IT management. SaSS service will offer products and networks with IP technology to provide access to information anytime and enhance performance across the network as well as supplying software for data analysis, Application Development, Mobile security software and Business Continuity Services to support the ongoing work in times of crisis, and providing additional software services in the form of a software service developed and owned intellectual property by the Company. This will offer services to the best of its ability to meet customer needs as effectively as possible. The Company always seeks to develop human resources to learn new technologies regularly to maintain competitiveness in an environment that is changing rapidly as well.

Products and Services Procurement

Procurement Methods

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

1. The Company purchases directly from the production companies, mostly major companies such as IBM, Microsoft, Hewlett-Packard, Epson, SolidWorks, Cisco, QlikView and etc. The Company also has the commerce

agreements which appoint us as distribution representatives with effective periods between 1 to 2 years. In 2016, the Company made 62% of direct purchases from production companies.

2. Orders from the main product representative companies which accounted for the remaining 38%.

Main Agreements Related to Business Operation

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

Parties	Details of Agreement
1. IBM (Thailand) Co.,Ltd	Distributorship Agreement for medium-size and large-size computers, IBM Power Systems, and data backup devices <u>Term</u> : Renewed automatically for subsequent 2 years
2. Hewlett-Packard (Thailand) Ltd.	Distributorship Agreement for the products in the group of personal computers, printers, storages, and office supplies. <u>Term</u> : Throughout the validity of Agreement
3. Dell Corporation (Thailand) Co., Ltd.	Distributorship Agreement for DELL products in the group of desktop computer, notebooks, servers, screens, data backup devices, and office supplies. <u>Term</u> : Renewed automatically for subsequent 1 year
4. Microsoft Regional Sales Corporation, Singapore	Distributorship Agreement for Microsoft Software <u>Term</u> : September 2016 – August 2017
5. IBM Singapore Pte., Ltd.	Distributorship Agreement for Solutions of Cloud, Mobiles, and data management analysis <u>Term</u> : January 2015 - January 2017
6. Solid Works Corporation, USA	Distributorship Agreement for the products of SolidWorks <u>Term</u> : Throughout the validity of Agreement
7. QlikTech Singapore PTE Ltd.	Distributorship Agreement for QlikView software for administration, data analysis, data display and distribution <u>Term</u> : October 2016 - September 2017
8. Cisco International Limited	Distributorship Agreement for peripheral devices for computers, telephone system, remote meeting system, anti-virus system, data processing, and wireless internet broadcasting system <u>Term</u> : May 2016 - May 2017
9. Epson (Thailand) Ltd.	Distributorship Agreement for EPSON products in both authentic products and accessories <u>Term</u> : April 2016 – March 2017
10. Lexmark International (Singapore) Pte., Ltd.	Distributorship Agreement for toner cartridges used with printers <u>Term</u> : Throughout the validity of Agreement

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 from changing technology: supplier may cancel some of sale products which cause the company has to search the product from other supplier instead as well as adding new supplier that has up to date technology to meet the market needs.

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: it 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.

Risk of price: it 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 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.

Risk of Debt management : it 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.

Risk of currency exchange rate : based on the oversea purchase order, the Company has the preventive policy on Currency Fluctuation by making an forwarding currency contract with the manufacturers in order to reduce the risk on costs.

Risk of Human resource: 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

Company Name:	: Metro Systems Corporation Public Co., Ltd.
Group of Industry/ Business	: Technology/ Information Technology and Communications
Nature of Business:	: Distribution Agency for Computer Hardware and Software Solutions, including full IT services
Registration No.	: 0107538000347
Registered and Paid Capital	: THB 360,000,000.00
Number of Shares	: 360,000,000 shares
Par Value	: THB 1.00
Head Office Location	: 400 Chalermprakiat Rama 9 Rd., Nhongbon, Prayet, Bangkok 10250
Telephone	: 02-727-4000
Fax	: 02-726-2630, 02-727-4384
Website	: http://www.metrosystems.co.th

Branches :

Bangkok Advanced Learning	: 979/27-31 16th Floor, SM Tower, Phaholyothin Road, Samsen-nai, Phayathai, Bangkok 10400
Purpose of Business	: Microsoft Training and Demonstration Centre
Telephone	: 02-727-4015, 02-727-4724
Fax	: 02-298-0260
Website	: http://www.bal2001.com

Envisioning Center	: 888/15 -17 Mahatun Plaza Building, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Purpose of Business	: IBM Training and Demonstration Centre
Telephone	: 02-727-4135
Fax	: 02-253-0563
Website	: - - -

Subsidiaries Companies

Company Name:	: Metro Professional Products Co., Ltd.
Group of Industry/ Business	: Technology/ Information Technology and Communications
Nature of Business:	: Service Provider of Complete Computer System
Registered and Paid Capital	: THB 20,000,000.00
Number of Shares	: 200,000 shares
Par Value	: THB 100.00
Head Office Location	: 98/44 Factory Land 2 Alley 3, Moo 11, Bhudhamolthon 5, Rai Khing, Sam Pran, Nakorn Pathom 73210
Telephone	: 02-019-9399
Fax	: 02-019-9398
Website	: http://www.mpp.co.th

Company Name:	: Metro Infotech Co., Ltd.
Group of Industry/ Business	: Technology/ Information Technology and Communications
Nature of Business:	: Installation and Service Provider and Distributor of Software of Customer Relationship Management, Business Process Management and Business Intelligence
Registered and Paid Capital	: THB 5,000,000.00
Number of Shares	: 50,000 shares
Par Value	: THB 100.00
Head Office Location	: 400 Chalermprakit Rama 9 Rd., Nongbon, Pravat, Bangkok 10250
Telephone	: 02-727-4551, 02-727-4552
Fax	: 02-726-2530
Website	: http://www.metroinfotech.co.th

Company Name:	: Metro Connect Co., Ltd.
Group of Industry/ Business	: Technology/ Information Technology and Communications
Nature of Business:	: Distributor of Computer Product, Peripheral devices, and Software through IT Service Providers
Registered and Paid Capital	: THB 10,000,000.00
Number of Shares	: 1,000,000 shares
Par Value	: THB 10.00
Head Office Location	: 400 Chalemprakiat Rama 9 Rd., Nhongbon, Pravet, Bangkok 10250
Telephone	: 02-726-2555
Fax	: 02-726-2539
Website	: http://www.metroconnect.co.th

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

Associated Companies

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

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

Note : MSC has sold Metro.'s share in the proportion of 49% to Mr.Pornchart Wattanaporn, who is Ms shareholder since January 24,2017.

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

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

Note : MSC has sold PSPS share in the proportion of 49.8% to Mr.Pramote Akkhidet, who is PSP's shareholder since August 10,2016.

Other Reference

Share Registrar:	Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok Tel. 02-009-9000		
Certified Public Accountant:	Mr. Veerachai	Ratanajaratkul	C.P.A. License No. 4323, and/or
	Ms. Marisa	Tharathornbunpakul	C.P.A. License No. 5752, and/or
	Ms. Patamavan	Vadhanakul	C.P.A. License No. 9832, and/or
	Mr. Chokchai	Ngamwuttikul	C.P.A. License No. 9728
	KPMG Phoomchai Audit Limited No.1, 50- 51th Floor, Empire Tower, South Sathorn Road, Yannawa, Sathorn, Bangkok. Tel : 02-677-2000 Fax : 02-677-2222 E-mail : somboon@kpmg.co.th charoen@kpmg.co.th		
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-		

Shareholders

As of 31 December 2016, the Company has the registered capital as paid-up amount with 360 million baht which has been divided into 360 million shares with a par value of 1 baht. Registered in Stock Exchange of Thailand, namely “MSC”.

Shareholders

The first 10 shareholders list and the shareholding ratio evaluated on 20 January 2017 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 ***		72,042,267	20.01
3. Metrophose Co., Ltd.	Holding	69,165,402	19.21
4. Chuerattanapong Family		29,470,010	8.19
5. Miss Phanit Ngamkerkchote		15,430,000	4.29
6. Tangtrongsak Family		14,560,000	4.04
7. Mrs. Khema Wisuttiwattanakorn		7,592,490	2.11
8. Suvarupjorn Family		3,249,000	0.90
9. Mrs. Chaweewan Achavaniyut		2,631,333	0.73
10. Mr. Somchai Pongsuriyanan		2,489,600	0.69
Total		304,961,465	84.71

Source: Report of Shareholders List as of January 20, 2017, Thailand Securities Depository Co., Ltd.

Shareholding Details

Metro Value Creation Co.,Ltd. As of April 27,2016

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
Total	400,000	100.00

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	1,229,811
12	Mr. Naris Charuvajana	577,944
13	Miss Kanokporn Charuvajana	352,673
14	Mrs. Budsadee Charuvajana	315,220
15	Mrs. Wanthanee Charuvajana	65,156
16	Mr.Nattapol Charuvajana	7,000
Total		72,042,267

Metrophose Co.,Ltd. (As of July 5,2016)

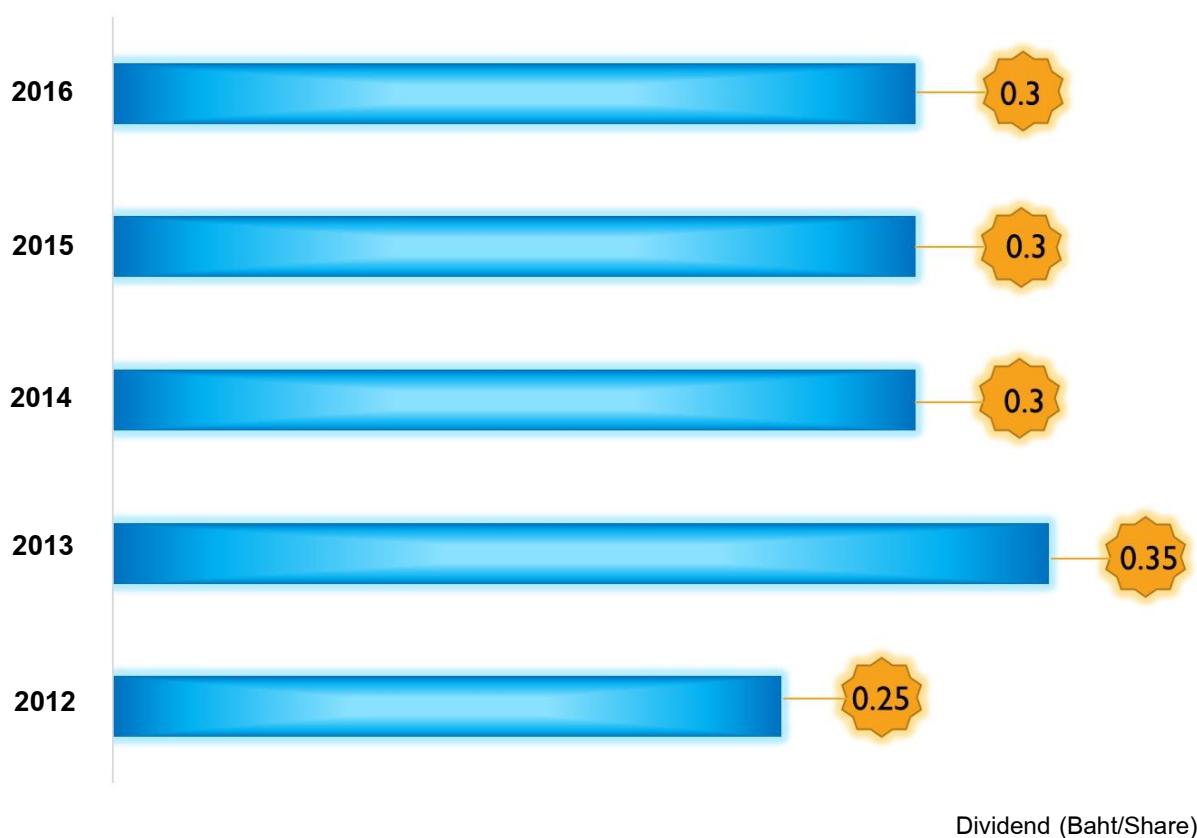
Group of Shareholders		Amount of Shares	Ratio (%)
1	Metro Co.,Ltd.	4,945,000	98.90
2	Trans Asia Pacific Co., Ltd.	45,000	0.90
3	Mr. Sawangtham Laohathai	2,999	0.06
4	Mr. Aeron Tangtronsakdi	2,499	0.05
5	Metro Group Co., Ltd.	1,503	0.03
6	Mr. Sunpitt Sethpornpong	1,500	0.03
7	Mr. Pheerapon Sethpakdee	1,499	0.03
Total		5,000,000	100.00

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.

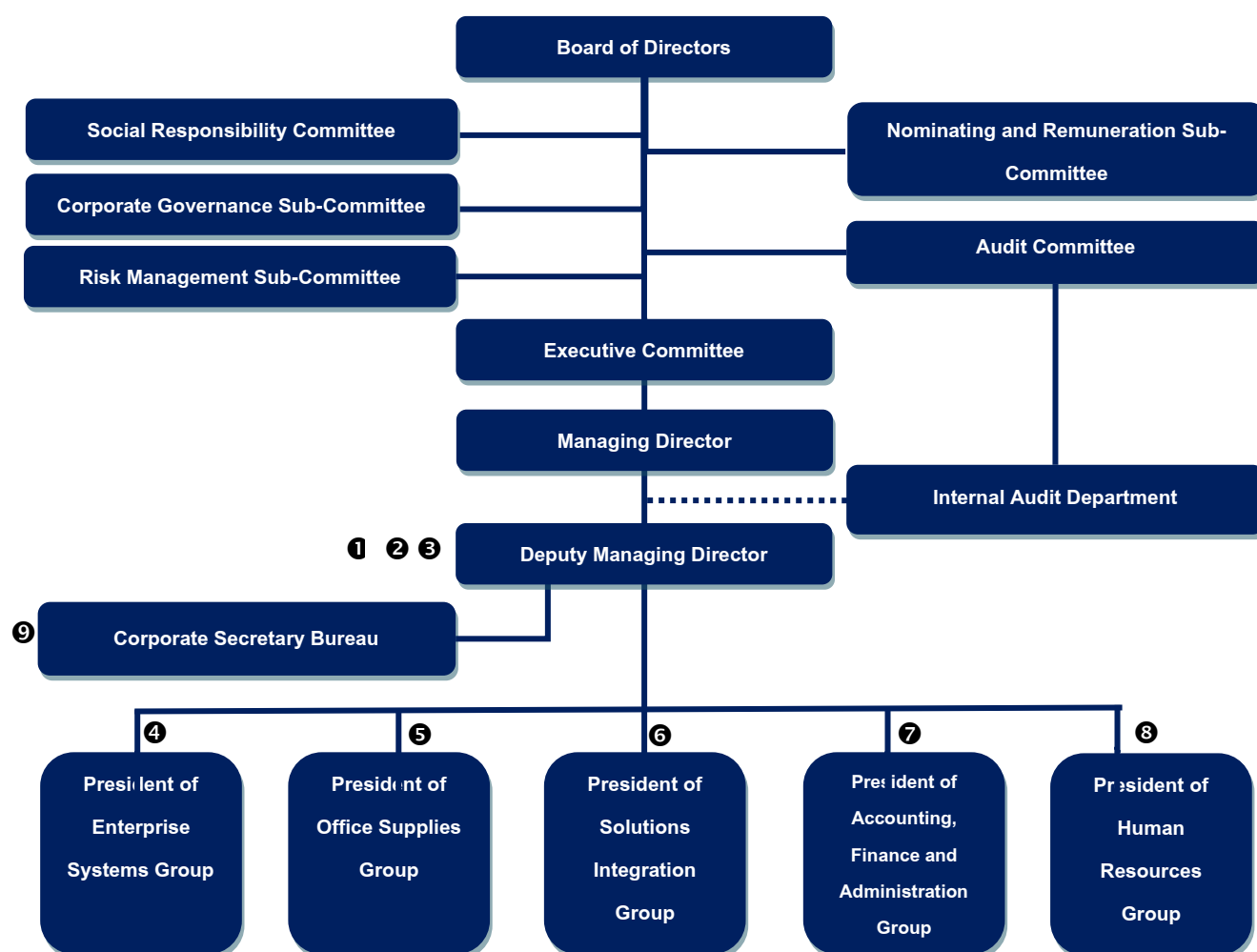
The dividend payment of the subsidiaries shall be made by considering to the subsidiaries' accumulated profits and financial liquidity.

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, Corporate Governance Sub-committee and Risk Management Sub-committee as follows.

Board of Directors

The Board of Directors consists of four executive committees and five non-executive committees which included three Independent Directors. The detail is appeared 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 Techathaveekijkul
5	Director	Mr. Wanarak Eakachai
6	Director	Mr. Suvij Suvaruchiphom
7	Independent Director	Mr. Pravitt Chattalada
8	Independent Director	Dr. Virach Aphimeteetamrong
9	Independent Director	Mr. Charcree-Amorn Tirachulisoonthorn

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

2) Mr. Narong Charuvajana resigned from the position of Vice chairman but still been a director, effective on January 24, 2017.

3) Board of Director meeting no. 1/2017 had its resolution to appoint Mr. Kitti Tachathaveekijkul to be Vice chairman, effective on January 24, 2017.

Qualifications of Independent Committee

1. The independent director 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 director shall be counted.

2. The independent director 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 director 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 director 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 director 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 director 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 director, executives 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 director shall not be the director members who is appointed to act for being the Company's representative, major shareholders or any shareholders related to the Company's major shareholders.

8. The independent director 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. Kitti Techathaveekijkul
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

Note: Mr. Narong Charuvajana and Mr. Kitti Techathaveekijkul resigned from the position of Vice Chairman of Executive Committee, effective on January 1, 2017.

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 to the company, its subsidiaries, associated companies or any juristic persons who may have any conflicts. The lists of Audit Committee are shown as follows:

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

Note: Dr. Virach Aphimeteetamrong has adequate knowledge and experience to review the reliability of the financial statement.

Nominating and Remuneration Sub-Committee

Nominating and Remuneration Sub-Committee consists of two non-executive committees 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

Note: 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

Social Responsibility Committee consists of an independent committee and two executive committees. The independent director shall be the chairman of Social Responsibility Committee. The lists of Social Responsibility Committee are shown as follows:

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

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

Corporate Governance Sub-Committee

Corporate Governance Sub-Committees consists of an independent committee, 6 executive committees. The independent committee shall be the chairman of Corporate Governance Sub-Committees. The lists of Corporate Governance Sub-Committee are shown as follows:

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

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

Risk Management Sub-Committee

Risk Management Sub-Committee consists of an independent committees and six executive committees. 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	Risk Management Sub-Committee	Mr. Kitti Techathaveekijkul
3	Risk Management Sub-Committee	Mr. Wanarak Eakachai
4	Risk Management Sub-Committee	Mr. Thongchai Lumveerakul
5	Risk Management Sub-Committee	Mr. Aroon Tor-ekbundit
6	Risk Management Sub-Committee	Mr. Veeraphan Durongsang
7	Risk Management Sub-Committee	Mrs. Nittaya Thanaviriyakul

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

Management Committee

There are 17 executives in the Company as follows:

No.	Title	Name
1	Mr. Tavit Charuvajana	Managing Director
2	Mr. Kittu Techathaveekijkul	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
6	Mr. Aroon Tor-ekbundit	President of Solutions Integration Group
7	Mr. Thongchai Lumveerakul	President of Office Supplies Group
8	Mrs. Nittaya Thanaviriyakul	President of Accounting Finance and Administration Group/ President of Corporate Secretary Bureau/ Corporate Secretary
9	Mr. Chirasak Trangkineenart	Vice President of Enterprise Systems Group
10	Miss Areerat Vitooraporn	Vice President of Enterprise Systems Group
11	Mr. Thitipong Charanachitta	Vice President of Solutions Integration Group
12	Mr. Yongyut Srivanthaneeyakul	Vice President of Solutions Integration Group
13	Mr. Suradet Lertthammajak	Vice President of Solutions Integration Group
14	Mr. Somsak Manayingcharoen	Vice President of Solutions Integration Group
15	Miss Orawan Vichiangawee	Vice President of Solutions Integration Group
16	Mr. Kritsada Panlamyai	Vice President of Office Supplies Group
17	Mrs. Naowanit Limprasertsiri	Vice President of Office Supplies Group

Note : 1) The management committee no.2-8 are defined by the Stock Exchange of Thailand (SET).

2) Mr. Narong Charuvajana and Mr. Kittu Techathaveekijkul resigned from the position of Deputy Managing Director , effective on December 31, 2016.

Board of directors meeting.

The Company set the date for Boards of Director meeting all along the year, except the extraordinary meeting. The schedule will be notified to each director at the beginning of the year. The Board of Directors meetings are held at least five times a year. Other committees must have meeting not less than 2 meetings per year, unless it is the Audit Committee and Risk Management Sub-Committee which hold the meeting every quarter. The Company has a policy that the directors and executives must attend to the meeting regularly, on average; at least 80 percent of overall annual meeting of each committee. The number of meetings and the number of attending meeting of Directors and Committee members are revealed in 56- 1 document and the annual report of the Company.

Chairman and/or the Vice chairman and managing director will jointly consider the agenda for each board meeting. Each Director is free to suggest topics for the agenda. The Corporate Secretary will issue notice of any meetings and send the meeting documents to each director at least 7 days in advance of the meeting. The sending notice must comprise with advance agenda specifying, the agenda are set as categorized as clearly as possible such as acknowledgement agenda or approval agenda, the attached document must be completed and has sufficient information to support the meeting within the laws and the regulation which every department in the company could use the meeting's resolution as reference.

For studying each proposed agenda, the corporate secretary department will prepare all of document before sending it to Board of directors except the confidential or urgent information. For

any matter that does not wish to disclose, then there will be discuss the issue at the meeting. The Chairman will allocate sufficient time to manage the meeting and allow enough time for the directors to carefully discuss the item which is depending on importance. The Chairman of the meeting will allow each Director to comment freely and provide the allocation of meeting time appropriately and effectively. In the event of any directors having an interest in any way which regard to the agenda, the Director should inform to the meeting and must not participate in any comment and have no right to vote on such agenda. The minimum amount of a quorum of the Committee to vote at the meeting means that there must be at least three Directors present with the minimum of two votes to carry the motion. The Corporate Secretary is responsible for recording the minutes of the meeting.

The Company requires the executive committee hold the meetings every month to summarize and analyze the results of its operations and present its findings and results to the Board of directors at every Board meeting. At each Board meeting, the Company may ask its executives or management to attend Board meetings to get more detailed information of the Company operations and any directly related issues. The Board of directors shall access to the all information necessary from the managing director or corporate secretary or other executives within the scope of specifying policies.

The Board has a policy of non-executive Committee hold meetings among themselves as necessary in order to discuss various issues within the Company and about the operations without the management being involved and report the resolution to the Board of Directors.

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

List of Directors and Executives	Number of meeting attendance/ Humber of Meeting held in 2016							
	Number of meeting	Executive Committee	Audit Committee	Nominating and remuneration sub-committee	Non-Executive director	CSR Committee	CG Sub-Committee	Risk management sub-committee
1. Mr. Sunpitt Sethpornpong	5/5	11/12	-	-	-	-	-	-
2. Mr. Tavit Charuvajana	5/5	12/12	-	-	-	-	-	-
3. Mr. Kittit Techataveekijkul	5/5	12/12	-	-	-	2/2	2/2	3/4
4. Mr. Narong Charuvajana	5/5	12/12	-	3/3	-	-	-	4/4
5. Mr. Wanarak Eakachai	5/5	12/12	-	-	-	1/2	1/2	-
6. Mr. Suvij Suvaruchiphom	5/5	-	-	-	1/1	-	-	-
7. Mr. Pravitt Chattalada	5/5	-	6/6	3/3	1/1	2/2	-	-
8. Dr. Virach Aphimeteetamrong	5/5	-	5/6	3/3	1/1	-	2/2	-
9. Mr. Charcree-Amorn Tirachulisoonthorn	4/5	-	4/6	-	1/1	-	-	-
10.Mr. Aroon Tor-ekbundi	5/5	10/12	-	-	-	-	2/2	4/4
11.Mr. Thongchai Lumveerakul	5/5	11/12	-	-	-	-	2/2	4/4
12.Mr. Veeraphan Durongsang	5/5	12/12	-	-	-	-	2/2	4/4
13.Mrs.Nittaya Thanaviriyakul	5/5	12/12	-	-	-	-	2/2	4/4

Board of Directors Development

The Company promotes and facilitates ongoing training and continuing education to the Board of Directors, Committees, Executives and Corporate Secretary to increase knowledge and create new ideas to implement, deploy and operate in accordance with the Company's ongoing business operations. The training and education are provided both within the Company and with the services of external institutions.

Directors must pass a training course on the basics of Thai Institute of Directors (IOD) and must attend other courses from the Securities and Exchange Commission, The Stock Exchange of Thailand, the Investors Association of Thailand and the Thailand Institute of Directors or other independent organizations. The Corporate Secretary shall coordinate with the Directors to inform various training courses to increase the knowledge and get the most valuable benefit to perform their duties.

Managing director and executives must have prepare the succession plans and report to the Board of Directors. Every time there is a change of Director, the Company shall provide an orientation to anyone who take a new position to enhance the knowledge and understanding the duty of directors and to learn the business and operational aspects of the company. The Corporate secretary will offer helpful information and documentation to assist the performance of the new Director, such as the Director's Manual, a Guide to Corporate Governance, the Code of Conduct Articles of Association, Shareholder Structure, Performance Results of the Company, related guidelines or laws and etc.

The Company additionally has Directors and Officers Liability Insurance which offers the protection to Directors and officers of the Company against the loss or financial damage resulting from "violation or offence" that Directors or Officers are liable.

Company Secretary

Board of Directors had the resolution to appoint Mrs. Nittaya Thanaviriyakul as the Corporate Secretary from August 7, 2008.

Remuneration for Board of Directors and Executives

The Nominating and Remuneration Sub-Committee has the task to determine the remuneration by carefully scrutinizing the suitability of various factors. Directors will receive compensation based on experience, duties and the scope of responsibility and in comparison with the same industry, including consideration of the expansion of business and the growth of the profitability of the Company. The remuneration is comprised with remuneration and attendance fee which the directors will get every time when attend to the meeting. Therefore, the Directors' remuneration will be based on the principles and policies of the Board of Directors within the framework approved by shareholders (For the types of remuneration that must be approved by the Shareholders' Meeting).

The remuneration of the executives will be in the nature of salary, bonus and long-term incentive compensation in line with the Company's portfolio and the performance of each executive.

The Annual General Meeting 2016 on 31 March 2016 resolved to approve remuneration of Directors and Audit Committee for the year 2016, the pension of the Board of Directors and the Audit Committee has remained the same as in 2015, the attendance fee of the Board of Directors has increased from 2015, In addition, the Company proposed the remuneration of Executives and other Sub-committees as follows;

Remuneration of Directors

The Annual Bonus of Board of Directors	not over than	2,400,000	THB/year
Attendance fee	amounting to	20,000	THB/person/meeting

Therefore, The Board will allocate the Annual Bonus in appropriate within the said amount.

Remuneration of the Audit Committee

For the Chairman	amounting to	130,000	THB/quarter
For each member	amounting to	90,000	THB/quarter

Remuneration of the Executive Committee

For the Chairman	amounting to	12,000	THB/meeting
For each member	amounting to	12,000	THB/meeting

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

Remuneration of the other Committees

Committee/Sub-Committee	Chairman (meeting)	Each member (person/meeting)
Corporate Social Responsibility Committee	15,000 THB	10,000 THB
Corporate Governance Sub-Committee	15,000 THB	10,000 THB
Risk Management Sub-Committee	15,000 THB	10,000 THB
Nominating and Remuneration Sub-committee	15,000 THB	10,000 THB

Remuneration Comparison between Directors, Executives and Audit Committees

(Unit: Baht)

Type of Remuneration	Remuneration for Directors and Audit Committees		Remuneration for Executives	
	2015	2016	2015	2016
Salary/Bonus/Provident Fund	--		54,169,126	54,772,692
Meeting Allowance	1,631,000	1,693,000	1,057,000	1,466,000
Pension	945,000	1,100,000	1,440,000	800,000
Total	2,576,000	2,793,000	56,666,126	57,038,692
Number of Persons	5	5	8	8

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

Summary of Meeting Allowance and Pension for Each Member of Directors and Executives

(Unit: Baht)

Type of Remuneration		2015		2016	
		Meeting Allowance	Pension	Meeting Allowance	Pension
1	Mr. Sunpitt Sethpompong	68,000	180,000	94,000	300,000
2	Mr. Narong Charuvajana	144,000	180,000	144,000	200,000
3	Mr. Tavit Charuvajana	144,000	180,000	144,000	200,000
4	Mr. Kitti Techathaveekijkul	144,000	180,000	144,000	200,000
5	Mr. Suvij Suvaruchiphorn	68,000	180,000	94,000	200,000
6	Mr. Wanarak Eakachai	85,000	180,000	94,000	200,000
7	Mr. Pravit Chattalada	605,000	180,000	614,000	200,000
8	Dr. Virach Aphimeteetamrong	445,000	180,000	454,000	200,000
9	Mr. Charcree-Amorn Tirachulisoonthorn	445,000	45,000	437,000	200,000
10	Mr. Thongchai Lumveerakul	132,000	180,000	132,000	
11	Mr. Aroon Tor-ekbundit	132,000	180,000	120,000	
12	Mr. Veeraphan Durongsaeng	132,000	180,000	144,000	
13	Mrs. Nittaya Thanawiriyakul	144,000	180,000	144,000	
Total		2,688,000	2,205,000	2,759,000	1,900,000

Board of Directors and Executives

Mr. Sunpitt Sethpornpong



Age 51 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 Cumiaude), 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. Tavit Charuvajana



Age 67 years

Number of Shares 7.02%

Director/ Chairman of Executive Committee/

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/Chairman of Executives Committee/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. Narong Charuvajana

Age 62 years

Number of Shares 5.67%

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

- ▶ MBA Executive, Chulalongkorn University
- ▶ Master of Accounting, Thammasat 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
- ▶ Certificate of Board Matter and Trends (BMT) 2016, Thai Institute of Director

Professional Experience:*Listed Companies*

- 1986 – Present: Director, Metro Systems Corporation PLC.
- 2007 – December, 2016 Vice Chairman/ Vice Chairman of Executive Committee/ Deputy Managing 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 - August 22, 2016: Director, PSP (Thailand) Co., Ltd
- 1995 – Present: Director, Center Container Co.Ltd.
- 2009 – Present: Director, Metro Connect Co., Ltd.

Mr. Kitti Techathaveekijkul

Age 64 years

Number of Shares -

Director/Vice Chairman of Executive Committee/**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 , Metro Systems Corporation PLC.
- 2007 – December, 2016 Vice Chairman of Executive Committee/ Deputy Managing Director, Metro Systems Corporation PLC.

Other Companies

- 1991 - Present: Director, HIS MSC Co., Ltd.
- 1992 - Present: Director, Metro Professional Products Co., Ltd.
- 1994 - August 22, 2016: Director, PSP (Thailand) Co., Ltd.
- 1995 - Present: Director, Center Container Co.Ltd.
- 2009 - Present: Director, Metro Connect Co., Ltd.

Mr. Suvij Suvaruchiphorn

Age 74 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.
- ♦ 2015 – Present: Chairman of Nominating and Remuneration Sub-committee, Metro Systems Corporation PLC.

Other Companies

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

Mr. Wanarak Eakachai

Age 64 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.
- ♦ January 2016 - Present: President of Human Resources Group, Metro Systems Corporation PLC.

Other Companies

-None-

Mr. Pravitt Chattalada

Age 84 years

Number of Shares 0.06%

Independent Director /

Chairman of Audit Committee /

Chairman of Social Responsibility Committee

Educational Background / Certificates:

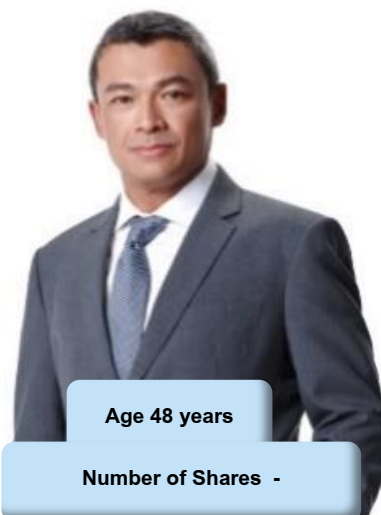
- ▶ BS.(Mathematics, Physics), Oregon State University, USA
- ▶ Certificate of Director Accreditation Program (DAP) 2004, Thai Institute of Directors.

Professional Experience:*Listed Companies*

- 1995 - Present: Independent Director/Chairman of Audit Committee, Metro Systems Corporation PLC.
- December 2015 – Present: Chairman of Social Responsibility Committee, Metro Systems Corporation PLC.

Other Companies

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

Mr. Chacree-Amorn Tirachulisoonthorn

Age 48 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) 2012, Thai Institute of Directors.

Professional Experience:*Listed Companies*

- November 2014 - Present: Independent Director /Audit Committee, Metro Systems Corporation PLC.
- December 2015 - Present: Chairman of Risk Management Sub-Committee
- 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.
- 2016 – Present: Executive Director, Energy Progress Co.,Ltd.
- 2016 – Present: Director, Dolphins-Corp Co.,Ltd.

Dr. Virach Aphimeteetamrong



Age 73 years

Number of Shares -

**Independent Director / Audit Committee /
Chairman of Corporate 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 PLC.
- ♦ December 2015 – Present: Chairman of CG Sub-Committee, Metro Systems Corporation PLC.
- ♦ 1990 – Present: Director, Supalai 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.
- ♦ 2015 – Present: Independent Director / Chairman of Audit Committee, Asia Group Holding PLC.

Other Companies

- ♦ 1988 – Present: Chairman, Office of Dr. Wirat & Associates
- ♦ 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 56 years

Number of Shares 0.28%

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

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 Committee / 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

President of Solutions Integration Group (SIG) /
Executive Committee

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

Other Companies

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

Mr. Veeraphan Durongsang

President of Enterprise System Group (ESG) /
Executive Committee

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 Committee / President of Enterprise System Group (ESG), Metro Systems Corporation PLC.
- ♦ 2002 – 2007: Director/ Executive Committee, 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 55 years

Number of Shares 0.003%

President of Accounting, Finance and Administrative /

President of Corporate Secretary Bureau /

Corporate Secretary / Executive Committee

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
- ▶ Certificate of Board Reporting Program (BRP) 2016, Thai Institute of Directors

Professional Experience:

Listed Companies

- 2011 – Present: Executive Committee/ President of Accounting, Finance and Administrative Affairs, Metro Systems Corporation PLC.
- 1998 – Present: Corporate Secretary, Metro Systems Corporation PLC.
- January 2015 - Present: President of Corporate Secretary Bureau, Metro Systems Corporation PLC.

Other Companies

- 2009 – Present: Director, Metro Connect Co., Ltd.
- 2012 – Present: Director, Metro Info Dynamics Co., Ltd.
- June 2013 – March 2016: 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 2016, the Company and subsidiaries had a total of 798 employees. The number of employees in each major department was as follows:

Employee Category	The Company	Subsidiaries
Executive (person)	17	5
Sales and Marketing Staff (person)	215	45
System Engineer (person)	183	61
Technician, Administrator and other (person)	190	46
Total	605	157
Employee Remuneration (million baht)	439	123

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 2015 year-end was 560 million baht and for 2016 it was 562 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 about Code of Conduct and Anti-Corruption 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 2016, 621 employees (71.46%) participated in training for at least six hours. Of these 136 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

The Company strives to maintain good corporate governance by adhering to the laws and following regulations, best practices and related requirements, including "Best Practices for Directors of Listed Companies (Code of Best Practices for Directors of Listed Companies)" and the criteria for a company that has good corporate governance (Good Corporate Governance) of the Exchange Act. However, the company has also established its own guidelines for corporate governance and abides by all of these as the company is developing forward to build confidence in all sectors. During this year, the Stock Exchange of Thailand has assessed the result of corporate governance of listed companies in Thailand (CGR) for the year 2016 and the company was evaluated by the Institute of Directors of Thailand. The result was that the average rate of the company's overall score was 78, SET100 percentage points to 86, SET50 scored 88 percentage and the Company got 80 percentage points which higher than the average rating of overall Companies. All the categories which have the Rights of Shareholders, the Equitable treatment of Shareholders, the roles of stakeholders, disclosure and transparency and the responsibilities of the board, the Company got the points of 83: 88: 85: 85: 74, respectively. This year, the average score was higher than the result for the year 2015 by the score in The Rights of Shareholders and the Equitable treatment of Shareholders, the Company has a lower rating than the rating of overall Companies score. For the roles of stakeholders, disclosure and transparency and Board of Directors Responsibilities, the Company obtained higher scores than overall Companies.

Corporate Governance Policy

The Company determines a corporate governance policy for the Board of Directors, executives and employees at all levels as a guide to best practice with the intent to promote the company as an effective business organization with good management, transparency and accountability to add value to the shareholders, whilst regarding to all stakeholders with the aim of leading to a sustainable growth. The major components are as follows:

The Rights of Shareholders

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 via the Chairman of the Audit committee or the Audit Committee), invitations to meetings, information access prior to and after such meetings (including meeting results and voting resolutions through various communication channels, such as Thailand Security Depository Company limited or company's homepage, and etc).

In the year of 2016, the Company held the Annual General Meeting on March 31, 2016 at the Company's headquarters. The shareholders' meeting was conducted in accordance with the laws, regulations and guidelines for good corporate governance.

Prior to General Annual Meeting

1) The Company published the Notice of the Annual General Meeting of shareholders, both in Thai language and in English together with the specific agenda for the AGM, the Meeting Information, the Agenda with the attached Proxy Form Type A, Type B and Type C consistent with the Regulations of the Ministry of Commerce. The information on the meeting venue both in Thailand and in English could be accessed through the Company's website. This information was published on February 29, 2016 prior to a delivery of the Meeting Invitation to the shareholders.

2) Delivery of the Notice of Annual General Meeting and meeting documents together with the annual report in the form of CD-ROM was provided to all shareholders prior to the Annual General Meeting and not later than 30 days prior for the shareholders to get the information for their decision to vote correctly and in complete transparency. The notice of the meeting was announced in the newspapers, with Thai language and English version for three consecutive days prior to the meeting and at least seven days in advance as a notice for any shareholders to attend the meeting.

On the Date of General Annual Meeting

1) The company provided a convenient venue to come for attendance at the Annual General Meeting. And have sufficient size to support all of shareholders and proxies who were attended.

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

3) By the time the meeting had begun, the Directors, Sub-Committee, Executive, Auditors and

Legal Counsel were in attendance. Before the meeting starts the Chairman of the Meeting had authorized the legal adviser of the Company to clarify the rules relating to the meeting as the meeting opened and to offer advice on voting rights, including how the votes would be counted and the rights of the shareholders to vote on each item.

4) The Company used ballots for each agenda item. The Election Commission had overseen the process and ballots counted by the election committee individually.

After the Date of General Annual Meeting

1) The Company disclosed the resolutions of the Annual General Meeting, and informed the Stock Exchange of Thailand (SET). After the end of the meeting, the company had issued the resolutions on company's website upon the next business day.

2) The Company prepared the Annual Report to the Stock Exchange of Thailand (SET) within 14 days after the meeting as required by the SET including the minutes and record details of the meeting in its entirety. The Minutes of Meeting to shareholders was also released on the Company's website: (www.metrosystems.co.th).

The Equitable Treatment of 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 to represent them.

The meeting is subject to the Articles of Association the agenda shall offer the option for shareholders to request more details on each item in the meeting or in its entirety with consideration for clear transparency. The agenda must not be added to unnecessarily and without notifying shareholders in advance. It is vital that shareholders are aware of additions to allow the time to study the information before make decision.

The Board of Directors should be aware of inside information or illegal trading (Insider Trading) and individuals associated with information or who may be presumed that the person knows or possess information that is material to the price or value of securities or information which has not been disclosed to the general public. According to the Securities and Exchange Act (Vol. 5) B.E. 2559, Section 242 (2) which states that "It is prohibited to disclose inside information to others, whether directly or indirectly and whether by any means. The recipient knows or should know that the information may be useful to use that information to buy or sell securities or bound by derivatives related to securities whether for themselves or others. Unless it is done in a manner that is not exploiting others or in the SEC'' Therefore the company has decided to not trade the Company's securities for a period of one month before each meeting of the Board of Directors.

The Roles of Stakeholders

The Company is regarding to the importance of the responsibility to stakeholder which is parallel to our business for mutual sustainability so that the Company is committed to conduct its business in accordance with the Code of Conduct, corporate governance policy, corporate social responsibility policy, anti- corruption policy, Intellectual property policy. All stakeholders, including customers, competitors, business partners or creditors, employees, government, and government authorities, and community 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 Board of 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 Partners or Creditors: 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 authority 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.

In 2016, the accident rate was zero. Also the leaving rate which occurred from working was zero.

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 an ordinary customer. 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: The Company provides 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, labor and money as deemed appropriate.

Disclosure and Transparency

The Company discloses its financial data and information requirements to the Stock Exchange of Thailand the disclosure policy of the Company to the public and stakeholders is set to provide information in an accurate, complete, timely, transparent manner to allow equality and trust through the communication channels of 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 accurate, full and updated information and answers any enquiries from the shareholders, investors, analysts, and media or press through the website : www.metro-systems.co.th/en/ir_index.asp or telephone number 02-727-4115.

The Company has declared 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 November 6, 2015 which assigned the board of director to disclose information relating to corporate operation in Annual Report and the website of the Company.

The Responsibilities of the Board

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

Management Structure

The management structure of the Company consists of the Board of Directors, Executives and Sub-committee as follows.

Board of Directors

The Board of Directors has 9 person which comprise with four executive committees, five non-executive committees and there are three independent director in it. It was disclosed in the annual report and the company's website: (www.metroshsystems.co.th).

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

Note: 1. The Directors listed in No.1-4 are the Authorized Directors as stipulated in the Company's Certificate.

2) Mr. Narong Charuvajana resigned from the position of vice chairman but still being the director, effective on January 24, 2017.

3) Board of Director meeting no. 1/2017 had its resolution to appoint Mr. Kitt Thachathaveekijkul to be vice chairman, effective on January 24, 2017.

Scope of Chairman's Authorities

1) The Board of Directors shall set the date, time and agenda of any meeting.

2) The Chairman of the Board of Directors will supervise the meeting and shall have a casting vote in the event the Board of Directors having a vote and the item voted on is shared by both sides equally.

3) The Chairman shall conduct any meeting efficiently according to the company regulations and support the opportunity for those present to express their opinions freely.

4) The Chairman shall act as the Chairman of the AGM of the company and control the shareholders meeting.

5) The Chairman will encourage and support the Board to allowing them to work at full capacity to conduct their duties and responsibilities according to the principles of corporate governance.

6) monitor the administration of the Board of Directors, the Executive and other committees and act according to achieve the objectives set.

Scope of Board of Directors' Authorities

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

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

3) To have authority to nominate the Sub-Committee to perform special actions under the scope of authorities assigned, including removal from office.

4) To set up the policy, mission, vision, strategy and direction of Company's operation and

to supervise the operation of the management in accordance with the effective policies for effectiveness and efficiency by reviewing annually and monitoring the implementation in practice.

5) 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 audit, risk management and an efficient internal audit system.

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

Policy on Diversity in Board of Directors' Structure

The Board of Directors has determined the qualifications of the recruited directors in diversity for those who will be acting as the directors by considering from the necessary skills required for fulfillment of the existing directors' skills, including professional, specialization, including but not limited to nationality, religion and gender, etc.

Audit Committee

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

Note: Dr. Virach Aphimeteetamrong has adequate knowledge and experience to review the reliability of the financial statement.

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 appoint an independent internal audit department to approve the appointment, removal or termination of the internal audit head or other departments related to internal audit affairs.

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

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

5) To consider the connected transactions or any 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, adequacy and reliability of the Company's financial statement.

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

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

6.4) To give opinion on the suitability of the auditor.

6.5) To give an opinion on any transactions that 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.

Term

The Audit Committee was nominated by The Board of Directors. The term is two years and the first nomination made on August 29, 1998.

Nominating and Remuneration Sub-Committee

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

Note: The Board of Directors has passed a 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”.

Scope of Nominating and Remuneration Sub-Committee’s Authorities

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

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

3) To consider and nominate any appropriate persons to be the managing directors when there is any vacancy, including considering the criteria on the succession of the managing director

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

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

Term

This Sub-Committee was set up by the Board of Directors from two separate committees namely the Nominating Committee and the Remuneration Committee. Both of committees were formed for the first time on 8 May 2006 and each committee have had a term of two years and will be completing their term on May 31, 2016. However, the Board of Directors has approved to merge both committees to Nominating and Remuneration Sub-Committee. When the term meet the said term on May 31, 2016, the committee has the same condition to add another term for 2 years.

Corporate Social Responsibility Committee

No.	Position	Name
1	Chairman of Corporate Social Responsibility Committee	Mr. Pravit Chattalada
2	Corporate Social Responsibility Committee	Mr. Kitt Techathaveekijkul
3	Corporate Social Responsibility Committee	Mr. Wanarak Eakachai

Note: The Board of Directors had the resolution to appoint Corporate Social Responsibility committee at Meeting No. 5/2015 on November 6, 2015.

Scope of Corporate Social Responsibility Committee's Authorities

1) To consider the activities and policies of social responsibility and submit to the Board of Directors.

2) To screen the operational plan, annual budget, and review the operational performance on social responsibility and report to the Board of Directors.

3) To monitor and notify to the Board of Directors on the current and future issues or trends of social responsibility, as well as the impact that may have on the Company.

4) To appoint a working group of Corporate Social Responsibility (CSR) as necessary.

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

Term

The committee was nominated by Board of Director which has term of 2 years. The first nomination was on November 6, 2015 and served in the position on December 1, 2015 onwards

Corporate Governance Sub-Committee

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

Note: The Board of Directors has appointed Corporate Governance Sub-Committee at the Meeting No. 5/2015, held on 6 November 2015.

Scope of Corporate Governance Sub-Committee's Authorities

1) To propose the good governance procedure to the Board of Directors and suggest the directors, executives, employees and staffs of the Company on the good governance procedure relating ethics 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.

Term

The committee was nominated by Board of Director which has term of 2 years . The first

nomination was on November 6, 2015 and served in the position on December 1, 2015 onwards

Risk Management Sub-Committee

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

Note: The Board of Directors has appointed the Risk Management Committee at the Meeting No. 5/2015 on November 6, 2015.

Scope of Risk Management Sub-Committee's Authorities

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

2) To control and supervise the development and compliance of policy and scope of risk management in order to create the continued effective system of risk management and compliance.

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;

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

Term of Office

The Risk Management Sub-Committee was appointed by the Board of Directors for a term of office of two years, first appointed on 6 November 2015, to begin in the position on December 1, 2015 onwards.

Executive Committee

No.	Position	Name
1	Chairman of Executive Committee	Mr. Tavit Charuvajana
2	Vice Chairman of Executive Committee	Mr. Narong Charuvajana
3	Vice Chairman of Executive Committee	Mr. Kittu Techathaveekijkul
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

Note: Mr. Narong Charuvajana and Mr. Kittu Techathaveekijkul, Vice Chairman of Executive Committee, resigned from the position, effective on January 1, 2017.

Scope of the Executive Committee's Authorities

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

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

business plan and strategy, in line with predetermined policy and business guidelines.

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

4) To approve the financial matters as follows;

4.1) Any loan or loans for normal business transactions or for the operation of the company unless the loan or loans are from a financial institution with an amount not exceeding 200,000,000 baht for each number or equivalent or according to the Board of Directors.

4.2) The cost of investment in projects or investment in capital assets or fixed assets, the amount for each project of more than 50,000,000 baht or equivalent or according to the Board of Directors.

4.3) Other costs as usual for a transaction of the Company

To have the authority to approve financing or operations as defined in the approved annual or by approval of 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 Committee 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 Committee deem appropriate. However, those approved transactions shall not cause a conflict of interest between the Executive Committee, or the proxy from the Executive Committee and the Company or subsidiaries, and the approval will be done according to usual business conduct and/ or according to the principles approved by the Board of Directors.

Term

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

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

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

Executive Committee retired on

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

Management Committee

No.	Name	Position
1	Mr. Tavit Charuvajana	Managing Director
2	Mr. Narong Charuvajana	Deputy Managing Director
3	Mr. Kitti Techathaveekijkul	Deputy Managing Director
4	Mr. Wanarak Eakachai	Deputy Managing Director / President of People Group
5	Mr. Veeraphan Durongsang	President of Enterprise Systems Group
6	Mr. Chirasak Trangkineenart	Vice President of Enterprise Systems Group
7	Ms. Areerat Vitooraporn	Vice President of Enterprise Systems Group
8	Mr. Aroon Tor-ekbundit	President of Solutions Integration Group
9	Mr. Yongyut Srivantaneeyakul	Vice President of Solutions Integration Group
10	Mr. Thitiphong Charanachitta	Vice President of Solutions Integration Group
11	Ms. Orawan Vichiangavee	Vice President of Solutions Integration Group
12	Mr. Suradet Lertthammajak	Vice President of Solutions Integration Group
13	Mr. Somsak Manayingcharoen	Vice President of Solutions Integration Group
14	Mr. Thongchai Lumveerakul	President of Office Supplies Group
15	Mrs. Naowanit Limprasertsiri	Vice President of Office Supplies Group
16	Mr. Kritsada Panlamyai	Vice President of Office Supplies Group
17	Mrs. Nittaya Thanaviriyakul	President of Accounting, Finance and Administration Group/ President of Corporate Secretary Bureau/ Corporate Secretary

Note : Mr. Narong Charuvajana and Mr. Kitti Techathaveekijkul, ended their term of office as the Deputy Managing Directors on 31 December 2016.

Director Selection and Nomination

Nomination of Directors

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

The selection of persons to be appointed as directors shall be nominated by the Nominating and Remuneration Committee. The criteria for selection by the Nominating and Remuneration Committee are determined by a professional qualifications and experience. The selection will

operate without limits of race, religion, sex and will consider the following qualifications:

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

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

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

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

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

1) Each shareholder shall have one vote per one share subscribed.

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

3) Persons receiving the highest votes in descending order shall be elected as a Director of the Board. Directors shall have a casting vote at that meeting if the person elected in descending

order has equal votes exceeding the number of directors to be elected. The chairman shall retain a casting vote.

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

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

At the Shareholders' Meeting, any director may be voted out of office before the expiration of their term with the votes of not less than three-fourths of the shareholders present at the meeting and has the right to vote together with holding shares amounting to not less than one-half of the shares held by the shareholders present at the meeting and entitled to vote.

Nomination of Independent Directors

The Company has defined the definition of independent director as the rules strictly defined by the Securities and Exchange Commission or the Stock Exchange of Thailand.

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

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

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

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

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

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

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

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

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

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

The Independent Director should be able to comment freely and not fall under the influence of any individual or group. Under no circumstances should they be under any influence to pass any comment which is not of their own thinking.

Subsidiaries management

The Company retains a focus on business investment in its subsidiary companies. The management of the subsidiary companies should always act in accordance with the principles of Corporate Governance and transparency. The Company has set the rules for the supervision of subsidiaries including measures for monitoring the management of its subsidiaries in order to safeguard the interests of the investment firm. At the Board of Directors meeting No. 5/2016 held on November 10, 2016, the Directors have approved Subsidiaries Management policy, this policy has been thoroughly considered by Corporate Governance Sub-Committee and approved by the Executive Director. The management of the

subsidiaries are treated as a company within the same organization.

The policy guidelines for overseeing the management of the subsidiaries contain the following four aspects:

1. Management of Subsidiaries

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

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

- Disclosure of Directors and Management of Subsidiaries: The Directors and management of the subsidiaries should disclose information on their interests and any related parties or a person related to the subsidiary in any transactions that may pose a conflict of interest to the Company's Board of Directors of subsidiaries or the Board of Directors of the Company can

authorize a subsidiary within the time limit if the Board of Directors of the Company has been notified a transaction could pose a conflict of interest to the Company. The directors and management of the subsidiaries shall have no part in the matter which they have an interest or a conflict of interest or receive financial benefits other than normal.

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

- Intercompany transactions : Directors, management or a related party of the subsidiaries may have any transactions with the Company only when the transaction has been approved by the Board of Directors or the Shareholders Meeting of the Company as the transaction was calculated based on the guidelines set out in the transaction announcement, unless the transaction is a commercial agreement in the same way that a reasonable person would conduct business with the two parties in the same situation or a commercial agreement that has been approved by the Board of Directors or in accordance with the principles approved by the Board of Directors.

2. Financial Control of Subsidiaries

The subsidiary is obliged to submit monthly operating results as well as quarterly and annually, these financial statements should include

the approval of the management or directors as well as information for the preparation of these financial statements and provide an estimate of future operating results, summary of operating results for the quarter and any financial reporting issues that have been detected or when requested by the company.

3 . Treatment and Use of Information within Subsidiaries

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

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

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

its subsidiaries during the period of one month prior to the meeting of the Board of Directors each time.

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

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

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

Insider Information

Company's Directors and management are prohibited from using material internal information and any information that has not been made public for the benefit of themselves or others. This includes the trading of the Company's Directors, management and employees in the agency access to internal information are prohibit to trade in securities of the Company during the period of one month prior to the disclosure of financial statements to the public. The Company will announce the time that the Company's Directors and management of the Company.

During this time only information that is necessary for the performance only should be released. The Directors should consider the use and storage of important information carefully and cautiously and any information disclosed must have

prior permission obtained from the management of the agency.

The Company has determined that the Managing Director, Manager and the incumbent administration should prepare and report changes to their shareholdings, including couples or those living together, husband and wife and children who are minors to the Office of the Securities and Exchange Commission. This practice covered under the Securities Exchange Act B.E.2559 must be complied strictly.

Auditor appointment and remuneration

According to the Public Companies Act B.E. 2535, Section 120 requires the Meeting of Shareholders to be the appointer and determine remuneration of the auditors of the Company every year. The appointment of the auditors shall be the same as the previously appointed auditors. The Articles of Association, Article 46 requires that the auditor must not be a Director, an employee or holding any position in the Company. As per the notification of the Securities and Exchange Commission No. Gor.Jor. 40/1997, Criteria, Conditions and procedures for the disclosure of information about the financial position and operating results of the issuing company. It is prohibited for any company to use the same auditor for five consecutive years, and the Board of Directors has the opinion that in order to comply with the Companies Act B.E. 2535, and with the recommendation of the Audit Committee, the Board of Directors has considered and decided to propose to the Annual General Meeting in 2016 to approve the appointment of auditors from KPMG Phoomchai Audit Company Limited as auditors of

the Company for the year 2016 and determine the remuneration of the annual audit for the year of 2016 are detailed below.

The auditors proposed for appointment are as follows.

- (1) Mr. Verachai Rattanacharakul,
Auditor License No. 4323 and/or,
- (2) Ms. Marisa Tharatornbanpakul,
Auditor License No. 5752 and/or,
- (3) Ms. Pattamawan Wattanakul,
Auditor License No. 9832.

Remuneration of Auditor

Remuneration for the annual audit was set up at the amount of 750,000 baht (seven hundred fifty thousand baht only), for quarterly financial statements of the three quarters at the amount of 990,000 baht (nine hundred ninety thousand baht only) and for a total audit remuneration for the year 2016 at 1,740,000 baht (one million seven hundred and forty thousand baht). However, KPMG Phoomchai Audit Co., Ltd. also acts as the auditor of the Company's subsidiaries and associated company: Metro Professional Products Co., Ltd., Metro InfoTech Co., Ltd., Metro Connect Co., Ltd., Metro Info Dynamics Co., Ltd., HIS MSC Co., Ltd., Metrosoft Co., Ltd., and PSP (Thailand) Co., Ltd. by receiving the remuneration for annual audit of year 2016 from the afore mentioned companies with the amount of 1,510,000 baht (one million five hundred and ten thousand baht only). The auditor has no relationship or interest with the Company, its subsidiaries, management, major shareholders or any person who is associated with such individuals.

Other Fees

- None -

Evaluation of The Board of Directors and Sub-Committees Performance

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

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

Board of Directors

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

1) Structure and Qualifications of the Board of Directors

2) Roles, Duties and Responsibilities of the Board of Directors

3) Meeting of the Board of Directors

4) Responsibilities of Director

5) Relationship with the Management

6) Development of the Directors and Executives.

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

0 = Strongly disagreed or no action on the topic

1 = Disagreed or have taken less actions about the topic

2 = Agreed or have taken some actions about the topic

3 = Positively agreed or have taken the actions about the topic

4 = Strongly agreed or have taken the actions very well about the topic

Individual Director Evaluation

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

1) Structure and Qualifications of the Board of Directors

2) Meeting of the Board of Directors

3) Roles, Duties and Responsibilities of the Board of Directors.

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

0 = Strongly disagreed or no action on the topic

1 = Disagreed or have taken less actions about the topic

2 = Agreed or have taken some actions about the topic

3 = Positively agreed or have taken the actions about the topic

4 = Strongly agreed or have taken the actions very well about the topic

Sub-Committees Evaluation

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

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

The criteria to evaluate each topic sets out a five-level rating as same as those for individual Director. The secretary of each Board will collect and process the performance results prior to submitting to the Board of Directors annually.

Director Knowledge Development

The Company promotes and facilitates the training and continuing education to the Board of Directors, Board of Sub-Committees, Executives and Company Secretary to increase their knowledge and apply the ideas with their operation in accordance with the Company's ongoing business operations. The training and education are conducted internally and externally through the services of external institutions or activities organized by the Thai Institute of Directors (IOD), Securities and Exchange Commission (SEC.), as well as other leading training institutes by the year 2016. There are the participants of the courses involved as follows

Name	Position	Training / Seminars
Mr. Tavit Charuvajana	<ul style="list-style-type: none"> - Director - Chairman of Executive Committee - Managing Director 	<ul style="list-style-type: none"> - Sustainable Business and Image Reinforcement with CSR 3.0 by Farh Ratthana Mongkol Co., Ltd. - Enterprise risk management project : ERM by EY Corporate Services Co., Ltd. - ISO 9001:2015 Awareness For Top Management by SGS (Thailand) Co., Ltd. - Money Value and Interest Trend in 2016 by Kasikorn Bank
Mr. Narong Charuvajana	<ul style="list-style-type: none"> - Vice Chairman - Vice Chairman of Executive Committee - Deputy Managing Director 	<ul style="list-style-type: none"> - Board Matter and Trends (BMT) by IOD - Sustainable Business and Image Reinforcement with CSR 3.0 by Farh Ratthana Mongkol Co., Ltd. - Enterprise risk management project : ERM by EY Corporate Services Co., Ltd. - ISO 9001:2015 Awareness For Top Management by SGS (Thailand) Co., Ltd.
Mr. Kitti Techathaveekijkul	<ul style="list-style-type: none"> - Director - Vice Chairman of Executive Committee - Deputy Managing Director 	<ul style="list-style-type: none"> - Sustainable Business and Image Reinforcement with CSR 3.0 by Fah Ratthana Mongkol Co., Ltd. - Enterprise risk management project : ERM by EY Corporate Services Co., Ltd. - ISO 9001:2015 Awareness For Top Management by SGS (Thailand) Co., Ltd.

Mr. Wanarak Eakachai	<ul style="list-style-type: none"> - Director - Deputy Managing Director - President of People Group 	<ul style="list-style-type: none"> - Director Accreditation Program (DAP) by IOD - Sustainable Business and Image Reinforcement with CSR 3.0 by Fah Ratthana Mongkol Co., Ltd. - Enterprise risk management project : ERM by EY Corporate Services Co., Ltd. - ISO 9001:2015 Awareness For Top Management by SGS (Thailand) Co., Ltd.
Mr. Aroon Tor-ekbundit	<ul style="list-style-type: none"> - Executive Committee - President of Solutions Integration Group 	<ul style="list-style-type: none"> - Sustainable Business and Image Reinforcement with CSR 3.0 by Fah Ratthana Mongkol Co., Ltd. - Enterprise risk management project : ERM by EY Corporate Services Co., Ltd. - ISO 9001:2015 Awareness For Top Management by SGS (Thailand) Co., Ltd. - Money Value and Interest Trend in 2016 by Kasikorn Bank
Mr. Thongchai Lumveerakul	<ul style="list-style-type: none"> - Executive Committee - - President of Office Supplies Group 	<ul style="list-style-type: none"> - Enterprise risk management project : ERM by EY Corporate Services Co., Ltd.
Mr. Veeraphan Durongsang	<ul style="list-style-type: none"> - Executive Committee - President of Enterprise Systems Group 	<ul style="list-style-type: none"> - Sustainable Business and Image Reinforcement with CSR 3.0 by Fah Ratthana Mongkol Co., Ltd. - Enterprise risk management project : ERM by EY Corporate Services Co., Ltd. - ISO 9001:2015 Awareness For Top Management by SGS (Thailand) Co., Ltd.
Mrs. Nittaya Thanaviriyakul	<ul style="list-style-type: none"> - Executive Committee - President of Accounting, Finance and Administration Group - President of Corporate Secretary Bureau - Corporate Secretary 	<ul style="list-style-type: none"> - Board Reporting Program (BRP) by IOD - Sustainable Business and Image Reinforcement with CSR 3.0 by Fah Ratthana Mongkol Co., Ltd. - Enterprise risk management project : ERM by EY Corporate Services Co., Ltd. - ISO 9001:2015 Awareness For Top Management by SGS (Thailand) Co., Ltd. - Maximise Shareholder Value 2017 by PricewaterhouseCoopers Co., Ltd.(PWC Thailand) - M-Score for Financial Statement and Forensic Accounting by Federation of Accounting Professions - Doing Business Law by SET - Similarity and Differentiation between Accounting and Tax Principles by NYC Management Co., Ltd. - Money Value and Interest Trend in 2016 by Kasikorn

		<p>Bank</p> <ul style="list-style-type: none"> - Inside Management Techniques for Executives by SET - Updated Accounting Standard Draft Year 2016 by Federation of Accounting Professions - Financial Reporting Standard Draft by Federation of Accounting Professions - Future Forecasting through Financial Statement by NYC Management Co., Ltd.
Mr. Chirasak Trangkineenart	Vice President of Enterprise Systems Group	<ul style="list-style-type: none"> - Coaching for Performance by MSC - Sustainable Business and Image Reinforcement with CSR 3.0 by Fah Ratthana Mongkol Co., Ltd. - Enterprise risk management project : ERM by EY Corporate Services Co., Ltd. - ISO 9001:2015 Awareness For Top Management by SGS (Thailand) Co., Ltd. - Performance Appraisal by MSC - Preparation for Full-Scale Metro PRO Execution by MSC
Ms. Areerat Vitooraporn	Vice President of Enterprise Systems Group	<ul style="list-style-type: none"> - Coaching for Performance by MSC - Enterprise risk management project : ERM by EY Corporate Services Co., Ltd. - ISO 9001:2015 Awareness For Top Management by SGS (Thailand) Co., Ltd. - Performance Appraisal by MSC - Preparation for Full-Scale Metro PRO Execution by MSC
Mr. Yongyut Srivantaneeyakul	Vice President of Solutions Integration Group	<ul style="list-style-type: none"> - Coaching for Performance by MSC - Enterprise risk management project : ERM by EY Corporate Services Co., Ltd. - ISO 9001:2015 Awareness For Top Management by SGS (Thailand) Co., Ltd. - Performance Appraisal by MSC - Preparation for Full-Scale Metro PRO Execution by MSC

Conflicts of Interest

The company has placed a focus on its personnel not to seek personal gain. In order to avoid situations that could cause a conflict of interest with the interests of their own company, these are set out in the Corporate Governance Handbook on the roles, duties and responsibilities of the Boards. It has set clear guidelines and is beneficial for the Company and its all shareholders. The stakeholders are not involved in the decision of conflict of interest and the Boards also oversees compliance with the procedures performed and ensures the disclosure of transactions with potential conflicts of interest in the transaction is complete and accurate.

If this may be the case and the transaction requires approval from the shareholders meeting, an approval should be sought under the laws and regulations of the Company.

Whistle Blowing

The Company has provided a channel for complaints and violations related to illegal breaches or non-compliance with the Code of Conduct or to report behavior that may indicate the corruption of individuals in the organization as follows:

Complaint Process

1) Fact Gathering

The recipients of the complaint will collect facts related to violation or non-compliance with the Code of Conduct on their own.

2) Information Processing and Screening

The complaint will be evaluated and screened in order to consider how to properly manage each subject of complaint. It can be operated manually or entrusted to a commission of

inquiry into the implementation process. The commission of inquiry will be appointed by the managing director or the Executive Director or the Board of Directors.

3) Implementing Measures

The recipient's complaint will be addressed with measures taken to suspend the violators or those in non-compliance with the Code or measures to offer relief to those affected with regard to the damage suffered by all.

4) Reporting

The recipient is responsible for reporting complaints to employee, if the employee has disclosed his/herself in raising the complaint. If it is an important case, the result must be reported to senior management or the Audit Committee or the Board of Directors.

Complainant Protection Measures

Any complainant or person who has chosen to cooperate in an investigation will be protected as follows.

1) The complainant or person who has cooperated in the investigation can choose not to expose themselves if that disclosure would offer them cause of insecurity or may cause damage to themselves. However, the disclosure will enable the Company to report their progress, know the facts or mitigate damages more easily and more quickly.

2) The complainant or person who has cooperated in the investigation will not have their name, last name; address or any other information revealed by the Company that could identify the informant and the Company will not reveal details that are unfounded.

3) The recipient must keep the complaints and information confidential, they will be disclosed

as required with regard to the safety and any damage to the complainant, the recipient should cooperate in the investigation and be prepared to offer sources of the information or the persons involved.

4) If the complaint or person who has cooperated in the investigation feels that they may not be safe or that they may be suffering damage or intimidation, that complainant may request the Company to determine appropriate protective measures or the Company may define the measures necessary to protect the complainant even if it was not requested but that it is likely to cause suffering damage or insecurity.

5) Those who have suffered damage will be mitigated with a proper and fair process.

6) The complainant or person who has cooperated in an investigation or rejected to be corrupt will be protected by the Company not to demote, dismiss, punish, dismiss, cause a negative effect or actions on the complainant.

Whistle Blowing Channels

if any employee has witnessed a suspected violation of the principles of corporate governance or feels there is a failure to comply with the Code of Conduct for financial reporting or suspects incorrect or internal control deficiencies, the employee may freely raise questions or to report misgivings to the following.

- 1) Line Manager or Direct Supervisor
- 2) Manager of Internal Audit Department
- 3) Independent Director
- 4) Audit Committee

If there are any sightings or complaints concerning any incident or behavior which may violate the principles of corporate governance or a failure to comply with the Code of Conduct or with regard to financial reporting or with regard to incorrect or internal control deficiencies, the witness or complainant may contact directly the following:

A) By Post: HR Manager of Metro Systems Corporation Public Company Limited
No.400 Chalermprakiat Rama 9 Rd. 9, Nongbon,
Pravet, Bangkok 10250

B) By Telephone: 02-7274297

C) E-mail:samlenoo@metroscsystems.co.th.

Corporate Social Responsibility

The Company maintains strong faith in business operations based on good corporate governance, business ethics, and participation in social development. Additionally, the Company adheres with the Good Corporate Governance and Management and Code of Conduct for the business operation, as well as participating in the social development and environment concerns so that the Company is growing continuously. The Company realizes the importance of the shareholders, employees, customers, business partners, society and the community.

Overall Policy

CSR in Process and CSR after Process are implemented by the Company to achieve this objective and drive the policy effectively and efficiently. The Corporate Social Responsibility Committee and the Corporate Social Responsibility Committee are responsible for managing corporate social responsibility projects in various fields and achieving actual results in practice. The company has set a policy of 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 has contacted and communicated to shareholders and investors in a fairness, transparency 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.

Because the company's products and services are imported goods. So, the company is committed to promoting the products and services of socially responsible product owners in ordering and importing products for sale to customers. The products that the company sells or provides to the customer must be taken from the correct source. The company will trade with suppliers and service providers. The Company attaches great importance to the procurement and monitoring of partners, which is an important process that supports the business of the Company and its suppliers. And treat customer Equal partners based on fair and transparent competition. According to the code of conduct.

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 and services with social responsibility such as

- 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 2016, the Company has been accredited as a member of Private Sector Collective Action Coalition Against Corruption (CAC).

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 2016, the company also set up a solar power system to reduce the use of its electric power supply even more.

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.

Operation and Reporting Process

Operation

The policy implementation on CSR in process in 2016 is as follows.

(1) Employee Potential Development

The Company is focused on giving every employee a sense of its corporate culture. This

requires that new entrants must have an orientation in order to understand their approach when coming to work. Based on the ethical and moral principles that are fundamental to the company's business and including ongoing training courses to improve and enhance the performance of our employees, and to provide them with the opportunity to grow in a position of competence.

The Company offers training courses for Safety, Occupational Health and Working Environment Training for regular employees and new employees every year to raise awareness about health and safety, occupational health and the working environment for employees and new employees who have not attended this training before. In order to allow the trainees to effectively apply their knowledge in occupational safety, occupational health and the working environment to their workplaces and help protect them and reduce the risk of illness or injury in the workplace and in the daily lives of employees.

In order to promote good health within the organization the Company also organizes staff activities with qualified trainers and actively encourages exercise, aerobics and yoga every Tuesday and Thursday evening in order to raise awareness and create good behavior for health care. The project was held from October 2016 onwards. In addition, the company has provided facilities for employees to exercise for health, such as a gymnasium, table tennis, tennis courts, and the company has improved the swimming pool with the previous the chlorine system converted into a salt pool system for the good of the skin and eye health of employees.

(2) Energy and environment

conservation program

In 2016, the Company launched a new solar-powered system. By installing solar panels on the roofs of buildings and the parking buildings. We were able to create an eco-friendly image, reduce the cost of electricity and represent a vision of bringing new technologies into the company. The installation period was over 3 months from June until August 2016.

In addition to promoting quality of life and not causing air pollution. Have flexibility There is a campaign for cycling, instead of using motorcycles or cars, to travel to various points within the company, raising awareness among employees of reducing air pollution and supporting healthy exercise.

The Company recognizes the importance of energy use and the use of valuable resources by bringing energy-saving technology to reduce costs for the company. By replacing air conditioners within the companies premises over several years. From a 360,000 Btu AHU air conditioner, the VRV IV air conditioner now reduces energy consumption by 244,207.10 units a year and significantly reduces the company's costs.

Reporting Process

Corporate Social Responsibility (CSR) has been prepared and reported in the annual disclosures (56-1), annual reports (56-2) and the Company's website on an annual basis. It is important to give details of every aspect of CSR for the benefit of investors, customers, partners,

shareholders, other stakeholders to disseminate information and so that everybody can see all aspects of the running of the business of the company and its efforts with social responsibility and the law.

Business Operation Affecting CSR

-None-

Social and Environmental Activities (CSR after Process)

It is an activity that goes beyond the normal business operations of the Company. The Company supports and encourages all employees to participate in good deeds and to continue to help the community and return something back to the community including the focus on developing the potential of children and youth to be more effective.

In 2016, the Company implemented social and environmental activities with the company recognizing the importance of community and social development. It is considered a must within our business. So, the company has a policy to support activities and projects such as "MSC Dreaming of Smile" activity, and giving gifts to 2 schools in community area, Kotchapuek Anusorn School and Khlong Makhamted School on the occasion of Children's Day for the year 2016 on 8 January 2016.

In addition, the Company has prepared the project "Value Old Calendar" for the employees to work together to compile an old calendar, to donate to the school for the blind and to produce the Braille letters for the visually impaired.

Disclosure of Prevention of Corruption Involvement

Prevention Policy Related to Corruption

The Company attaches great importance and aware of its commitment to combat with corruption in all its forms. To ensure that the Company's operations comply with the Corporate Governance policy and Code of Conduct. The Company has set up a policy against corruption. Approved by the Board of Directors at its meeting No. 2/2015, held on 24 February 2015. After that, Board of Directors has resolved to announce its intention to join Thailand Private Sector Collective Action Coalition Against Corruption (CAC) at the Board of Directors Meeting No. 1/2016 which held on 21 January 2016, as well as applied the application for membership of CAC at the Board of Directors' meeting No. 2/2016, on 24 February 2016. Now, the Company was already certified as a membership of CAC on 22 April 2016. All employees of the Company participated in overseeing the action of anti-corruption and the denial of corruption in all forms, both direct and indirect. Including the production of guidelines for advice or complaints of corrupt practices in the policy of rules and complaints approved by the Board of Directors Meeting No. 5/2015 on 6

November 2015, which has granted an open channel for those who see illegal actions or practices that are not in accordance with the Company's Code of Conduct. The employee can report suspicions or complaints to supervisors according to the management infrastructure including the Internal Audit Manager, Independent Director, and the Audit Committee should the whistleblowers choose not to disclose their name, address, telephone number, contact information and the recipient of the complaint must keep the relevant information confidential and will only disclose the information as necessary. Taking into account the safety and potential damage to the complainant.

The Company has set policies and practices regarding anti-corruption and anti-corruption measures. "The Anti-Corruption Policy" is a guideline for directors, executives and employees to adhere to six corporate culture categories:

Section 1: Definitions of Companies, Subsidiaries and Anti-corruption

Section 2: Related Person (s) Executives and employees of companies of all levels jointly fight against corruption of all kinds.

Section 3: Duties and Responsibilities of the Board of Directors, Audit Committee, Executive Director, Managing Director and Internal Audit Manager

Section 4: Guidelines for Directors, Executives, and Employees of all Levels

Section 5: Requirements and Prohibitions on recruitment or selection of personnel. Promotion and the giving or receiving of gifts or

any other benefits including parties or receptions, donation's to charity or funding.

Section 6: Reporting Suspicions or Complaints and the channels to report suspicions and process of consideration's after receiving suspicion or complaint about corruption.

The Company has clearly defined the definition of corruption in the policy as well as its related persons, namely directors, executives and employees of all levels all seek to jointly fight against corruption to prevent the company's business from being involved in any corruption. The Company has an internal audit system that is in line with internal control principles consistent with corruption risk. Along with penalties including and following the anti-corruption policy.

Operations

On the assessment of corruption and anti-corruption risk the Company has designated a Risk Management Sub-Committee to be responsible for assessing the potential fraudulent risks within the organization. The risk assessment of corruption is separate from other risks. The practice is clear with the adequacy of the whole process being monitored regularly and regularly reviewing the risk, both at the organizational and departmental level, and monitoring developments and risk management measures. The Risk Management Sub-Committee on Corruption will present to the Board of Directors for acknowledgment and further corrections.

The Company attaches great importance to combating corruption and supports and encourages personnel at all levels to be aware of

corruption in all forms. The Company has announced the regulation of gifts, grants, or charitable donations, which have been approved by the Board of Directors' Meeting No. 5/2015 on 6 November 2015, as a guideline for executives and employees. These guidelines should be properly applied to prevent corruption.

In 2016, the Company conducted a test to the executives and employees and asked them to answer questions about anti-corruption

measures to ensure the executives and employees understand the policies, measures, and critical steps in anti-corruption process and organized an anti-corruption campaign activity within the organization by publicizing the channels, suspicion reporting and complaints. In addition, the company has also participated in an Anti-Corruption campaign, organized by the public and private sectors on the day of national corruption, the Company's executives and employees also joined the event.

CSR

Corporate Social Responsibility

Metro Systems (MSC) receives certification of Membership in Private Sector Collective Action Coalition against Corruption

Mr. Sunpitt Sethpornpong, Chairman, together with Mr. Kittu Techataveekijkul, Vice Chairman of Executive Committee, received a certificate of membership in Private Sector Collective Action Coalition Against Corruption (CAC) from the Thai Institute of Directors (IOD) at the Grand Hyatt Erawan Hotel, Bangkok, on May 30, 2016.



Metro Systems participated in “Anti-Corruption Day 2016”



Mr. Kitti Techataveekijkul, Deputy Managing Director led the executives of the company to participate in a seminar on Anti-Corruption Day 2016 on Tuesday, 6 September 2016 at Plenary Hall, Queen Sirikit National Convention Center.



Metro Systems promote anti-corruption on the “Anti-Corruption Day 2016”



Mr. Kitti Techataveekijkul, Deputy Managing Director led the executives and employees to participated in Anti-Corruption Day 2016 on September 11, 2016 at Sanam Luang area.

Metro Systems (MSC) organized a campaign to support its anti-corruption policies on the National Anti-Corruption Day

Metro Systems Corporation Public Company Limited (MSC) held an event to campaign against corruption and to promote its anti-corruption policies on the "National Anti-Corruption Day", held on 6 September 2016 at the Headquarters of the Company.

As MSC has certified to Private Sector Collective Action Coalition against Corruption (CAC), the Company has organized activities to promote the anti-corruption policy and to make employees aware of the importance of the anti-corruption policy of the Company which has announced since 24 February 2015.



MSC invested 25 Million to install Solar Roof



Metro Systems Corporation Public Company Limited (MSC) has invested 25 million baht to install solar power systems for saving cost and preserving the environment - it reduces carbon dioxide and promotes white energy consumption in the organization.



Metro Systems (MSC) held “MSC Weaving Dream, Sharing Smiles” on National Children’s Day 2016



Metro Systems Corporation Public Company Limited (MSC) had the pleasure of sponsoring the event "MSC Weaving Dreams, Sharing Smiles" with two schools in the local community, Kotchapuek Anusorn School and Khlong Makhamted School on the occasion of Children's Day for the year 2016 on 8 January 2016.



Aerobic Activity for Better Health



MSC promotes aerobic and yoga exercises. To empower employees to recognize and create good behavior in health care. It is held every Tuesday and Thursday at Building G, 2nd Floor, Headquarters.

Field Visiting by Educational Institutions



**Students from Information Technology Program,
Phitsanulok University
visited MSC.**



**Students from Prince of Songkla
University of Pattani Campus
visited MSC.**

**Students from Computer Information Systems
Program, University of Asia Pacific
visited MSC.**





**Students from of Information
Technology Program, Chombeung
Rajabhat University visited MSC.**

**Representatives from Mae Hong Sorn Campus
of Chiang Mai Rajabhat University visited
MSC.**



**Students from Computer
Information Technology,
Rajamangala University of
Technology Lanna in Chiangmai
Province visited MSC.**

Students from Computer Science Program and Information Technology, Yala Rajabhat University visited MSC.



Sasin Graduate Institute of Business Administration, Chulalongkorn University visited MSC and "PageWide Technology Center".

Representatives of Thailand Bridgestone visited the "PageWide Technology Center", the latest HP Printer Technology Demonstration Center.



Representatives from the University of the Thai Chamber of Commerce visited MSC and PageWide Technology Center

Internal Controls and Risk Management

The Company has appointed the Risk Management Sub-Committee on 6 November 2015 to oversee and monitor the corporate governance, review and assess the key risks, provide comments or suggestions from view of the management, and assist the valuable activates to risk management, and Mr. Charcree- Amorn Tirachlisoonthorn has authorized to act as the Chairman of the Risk Management Sub-Committee.

During the year 2016, the Risk Management has implemented throughout the organization and has been successful in getting the cooperation of management and employees in various operations to align with the basis of risk management that has been evaluated and developed appropriate as well as internal controls and business process of organization. The internal controls of organization has been certified from international standards ISO 9001: 2008 and has been developed to upgrade the new version of ISO9001: 2015 in 2017. Additional, the organization has managed the business continuity plan for a crisis. The plan and the authority of management have been reviewed every year to check and balance. The organization also establishes the advisory recommendations to correct the financial and legal issues. Monitoring and evaluation by the Executive Board are conducted every month and must be submitted to the Board of Directors on a quarterly basis.

In 2017, the Company expects to expand the implementation of risk management policies to its subsidiaries to achieve optimal control and uniformity across all operations. In September 2016, the Risk Management Sub-Committee has clarified and provided the preparation of the risk management system to the staff so that they have a better understanding of the benefits, strengths and key elements of management systems, and preparing for the new risk management system of the Company in the year 2017.

The Audit Committee is responsible for overseeing the management of the internal control system to be effective and adequate controls in place. The Internal Audit Committee is responsible for reviewing the performance of all departments and reporting the results to the Audit Committee and to the executive management for acknowledgement every quarter. At the Board of Directors Meeting No. 1/2017 held on 24 January 2017, the Board of Directors attended the to evaluate the adequacy of internal control systems with regard to the five vital elements of Control Environment, Risk Assessment, Operational Controls, Information and Data Communication Systems, and Monitoring System.

Inter-Company Transactions

In 2016, 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	Characteristic of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. MDEC International (1991) Co., Ltd. 2. United Flour Mill (Public) Co., Ltd. 3. MC Foods Co., Ltd. 4. MCF Marketing Co., Ltd. 5. MCF Products Co., Ltd. 6. N.I.M Co., Ltd. 7. Siam Arun Group Co., Ltd. 8. HMC Polymer Co., Ltd. 9. Metro Group Co., Ltd. 10. Metro Group Energy Co., Ltd. 11. United Silo and Service Co., Ltd.	Normal Business	MSC Revenue: - Product Sales - Service Sales - Other Sales MSC Expenditure: - Product Purchase - Service Purchase	1,103,656 39,100 2,251,500 7,982,382 451,230	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.
12. United Grains Co., Ltd. 13. TST Development Co., Ltd. 14. Sri Krung Wattana Group Co., Ltd. * Juristic Person No.1, 14 have two same Directors: Mr. Sunpitt Sethpompong and Mr. Suvij Suvaruchiphorn. * Juristic Person No.9-10 have the same Directors: Mr. Sunpitt Sethpompong * Juristic Person No.2-8, 11-13 have the same Director: Mr. Suvij Suvaruchiphorn	Assets/Services	MSC Expenditure: - Assets Purchase - Other Expenses	1,189,717 3,217,910	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. * The MSC Director, Mr. Sunpitt Sethpornpong is the main shareholder, with shareholding ratio at 15.45% in Juristic Person No. 1 and 16.67% in Juristic Person No. 2.	Normal Business	MSC Revenue: - Product Sales - Service Sales - Other Expenses	26,600 103,600 403,500	In accordance with the normal business based on the same price of product and service compared with external parties regarding to the terms and conditions of general trade.
	Short-term Rental/Leasing For Assets	MSC Expenditure: - Office Rental Fee	170,400	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	89,400	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. Intellion Co., Ltd. * A son of Mr. Suvij Suvaruchiphorn, MSC Director, is the Director of Juristic Person No. 1.	Normal Business	MSC Revenue: - Product Sales - Service Sales MSC Expenditure: - Service Purchase	73,800 132,998	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. Roj Anan Consultancy Co., Ltd. 2. Siam Flour Trading Co., Ltd. 3. UFM Food Center Co., Ltd. 4. MC Industrial Chemical Co., Ltd. 5. MC Plastic Co., Ltd. 6. UFM Fuji Super Co., Ltd. 7. Treemit Marketing Co., Ltd.	Normal Business	MSC Revenue: - Product Sales - Service Sales - Others	1,361,251 209,600 987,000	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.
* Metrophose Co., Ltd., MSC main shareholder is the main shareholder of Juristic Person No. 1-7.	Business Support	MSC Expenditure: - Insurance Premium - Other Expense	551,241 2,488,485	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. Center Container Co., Ltd. 2. UFM Food Center Co., Ltd.	Normal Business	MPP Revenue: - Product Sales - Service Sales	117,920	In accordance with the normal business based on the same price of product and service compared with external parties regarding to the terms and conditions of general trade.
* Metrophose Co., Ltd., MSC main shareholder is the main shareholder of both juristic persons.	Business Support	MPP Expenditure: - Other Expense	124,441	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. Promsri Property Co., Ltd. 2. MC Industrial Chemical Co., Ltd. *A sister and brother of Mr.Sunpitt Sethpornpong MSC Director are the Director of Juristic Person No.1. * Mr.Sunpitt Sethpornpong MSC Director is also the Director of Juristic Person No.2	Business Support	MIT Revenue: - Product Sales - Service Sales - Other Expense	1,690,320 5,826,371	In accordance with the normal business based on the same price of service compared with external parties regarding to the terms and conditions of general trade.

6.3 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 this juristic person.	Business Support	MCC Expenditure: - Other Expense	165,691	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 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 this juristic person.	Business Support	MID Expenditure: - Other Expense	50,458	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 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 this juristic person.	Business Support	HIS Expenditure: - Other Expense	313,819	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.2/2017 on 28 February 2017 on which there was an attendance of the Audit Committee and the Board of Directors, the inter- company transactions of year 2016 were deemed to be necessary, reasonable and for the maximum benefit of the Company. Currently, all of the four related transactions are transactions with trade agreements that are arranged in the same way that any ordinary prudence ought to do with his contractual party in the same situation.

Policy or trend of Inter-Company Transaction

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 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

	Total Financial Statement			Specified Financial Statement		
	2016	2015	2014	2016	2015	2014
Income Statement						
Gross Income (Million Baht)	7,701	7,016	7,076	6,614	5,575	5,630
Sale and Service Income (Million Baht)	7,651	6,977	7,041	6,534	5,539	5,598
Net Profit (Loss) (Million Baht)	188	206	176	178	148	136
Financial Statement						
Total Assets (Million Baht)	3,136	3,323	3,124	2,590	2,733	2,260
Total Liabilities (Million Baht)	1,508	1,771	1,657	1,246	1,458	1,012
Equity Ratio (Million Baht)	1,628	1,552	1,467	1,345	1,275	1,248
Net Profit (Loss) (per share)	0.52	0.57	0.49	0.49	0.41	0.38
Dividend (per share)				0.30	0.30	0.30
Financial Ratio:						
Gross Profit Margin (%)	14.2	15.3	13.8	13.7	15.7	14.8
Net Profit (Loss) Margin (%)	2.4	2.9	2.5	2.7	2.7	2.4
Dividend (%)	--	--	--	72.8	79.2	74.5
ROA (%)	5.8	6.4	5.9	6.7	5.9	6.1
ROE (%)	11.8	13.7	12.3	13.6	11.8	11.0
Current Ratio (Times)	1.7	1.6	1.6	1.6	1.5	1.8
Debt to Equity Ratio (Times)	0.9	1.1	1.1	0.9	1.1	0.8
Shares Information						
No. of Registered Shares (Million Shares)	360	360	360	360	360	360
Paid up Capital (Million Baht)	360	360	360	360	360	360
Par Value (Baht / Share)	1	1	1	1	1	1
Book Value (Baht / Share)	4.52	4.31	4.08	3.74	3.54	3.47

Analysis and Explanation from the Management

Operating Performance

Overall, the Thai economy is expected to grow at 3-3.3% in 2016. The main contributor being government spending and the economic stimulus measures in the fourth quarter and the issuance of a Royal Decree issued under the Revenue Code: Exemption, Vol. 604 to exempt income tax for income equal to expenditure paid for investment or the addition, alteration, extension or improvement of property related to a business, as a result, companies have continuously invested in more assets.

Although the personal computer market continued to decline, but the computer services and software solutions is grown up in accordance with the Company's and its subsidiaries' operation to focus on increasing revenue from computer services and the company awareness of the use of legitimate software solutions, as a result the Company's revenue from sales of goods and services was 7,651 million baht in 2016, an increase of 10% from the Solution Integration Group (SIG), which increased by 32%. As a result of the competitive price, the gross profit margin has decreased. The company's gross margin decrease by 14.2% from the previous year at 15.3%. The Company's net profit was decreased by 188 million baht or 9%.

Revenue

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

-Enterprise Systems Group (ESG):

Revenue was 2,472 million baht or 32%, a decrease of 3% 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.

-Solution Integration Group (SIG):

Revenue was 3,046 million baht or 40%, an increase of 32% from the previous year which derives from the network system sales, distribution of Application Software, License Software and Infrastructure Software, including an increase in services.

- Office Supplies Group (OSG):

Revenue was 2,133 million baht or 28%, slightly increased by 1% from the previous year as a result of the Company's adjustment on its sales strategy to boost the revenue for office supplies of printers.

The gross profit margin has decreased from 15.3% in 2015 to 14.2% in 2016 as a result of market conditions in years, there is price competition is quite high.

Expenses

The Company's expenses consist of:

- Selling and administration expenses increased from last year by 50 million baht. It was 11.4% compare to revenue from sales of goods and services in 2016 which decreased when compare to year 2015 with the ratio of 11.8%. The main increased expenditure was the expense relating to employees, including their commission of sales and the doubtful debt due to the failure of the customers to comply with the terms of the employment contract as disclosed in Part 5: Legal Dispute in Clause 1.

- The finance costs decreased from the previous year by 5 million baht. When compared to the revenue from the sale of goods and services in 2016, this is a 0.3 % decrease compared to 0.4% in 2015.

- Corporate income tax decreased by 13 million baht due to the decrease in the profit before tax. When compared to the revenue from the sales of goods and services in 2016, this is a 0.6% decrease compared to 0.8% in 2015.

As the result, the Company generated a net profit of 188 million baht. This compared to 206 million baht in 2015, a decrease of 18 million baht or 9% due to a decrease of gross profit margin and administrative expenditures increased.

The Company had a net profit ratio of 2.4% (decreasing from the previous year at 2.9%). Return on equity ratio is decreased from the previous year at 11.8% compared to 13.7% in previous year.

Financial Status

Assets

As at the end of year 2016, the Company had total assets of 3,136 million baht, a decrease of 187 million baht from year 2015. The total assets consisted of the current assets of 2,057 million baht or 66 % of the total assets, and non-current assets of 1,079 million baht or 34% of the total assets. The main reasons for the asset decrease were as follows:

- The current assets of 2,057 million baht decreased by 267 million baht derived from inventory decreased to 367 million baht. The trade and other receivables after deduct allowance for doubtful was decreased to 97 million baht. Additionally, cash and cash equivalent was decreased to 34 million baht. Current portion of finance lease receivables was also decreased to 17 million baht. For other current assets, it was decreased to 8 million baht. However, the short-term investment was increased to 256 million baht from fixed deposit account for the amount of 11 million baht and the Company invested in Money Market Fund 245 million baht.

Trade and other Receivables

The Company's trade and other receivables after deduct allowance for doubtful on December 31, 2016 were 924 million baht, a decrease of 119 million baht from last year. Most of the receivable accounts (78%) the receivables that is not yet due for payment and 22% are in the process of debt collection. There was receivable account older than 1 year, amounting to 0.3 million baht and this

category of debtors is under the legal proceeding for the amount of 41 million baht which are the debtors who are paying the debt installation and under the process of debt collection. The Company estimated allowance for doubtful by considering each debtor under the Company's receivable account criteria. In 2016 the Company estimated bad debts of 41 million baht or 4% of the receivable accounts. In 2016 the Company has collection period of 47 days.

Other receivable accounts as at December 31, 2016 were 131 million baht, an increase of 21 million baht, mainly from the accrued income, prepaid expense, and etc.

Inventory

The Company's inventory after deduction of allowance obsolete goods on December 31, 2016 was 420 million baht, a decrease of 367 million baht. The Company's inventories were divided into finished goods, project in process and goods in transit. The average day sale operation was 33 days which are in accordance with the management to control and prevent the risk of the company.

- The non-current assets were 1,079 million baht, an increase of 80 million baht. This is derived from the increase in land, buildings and equipment (net) increased by 138 million baht from the installation of solar cells and investment in office equipment, furniture and fixtures with the return from the fixed asset by 46.8%, an intangible asset increased by 4 million baht, a deferred tax increased by 6 million baht, financial lease liabilities decreased by 53 million baht, deposit for guarantee decreased by 19 million baht, reduction in investments in associated company by 19 million baht from the sale of PSP

(Thailand) Co., Ltd., and withholding tax increased by 23 million baht.

Liquidity

Cash Flow

On December 31, 2016, the Company had net cash and the equivalent decreased by 34 million baht which gives total of 179 million baht. The main reasons were from:

- The net cash received from the Company's operating result was 647 million baht mainly result from profit before income tax and after the deduction of costs not related to cash was 396 million baht, the trade and others receivable decreased 65 million baht, an inventory decrease of 360 million baht, other current assets decreasing by 8 million baht, the finance lease receivables decreasing by 70 million baht, trade and other account payables decreasing by 183 million baht, other current liabilities increasing by 5 million baht. As a result, the Company have net cash generated from operating activities 723 million baht. The company have paid employee benefit obligations 3 million baht. Income tax paid net 73 million baht. Thus, giving net cash from operating activities was 647 million baht.

- Net cash spent on the Company's investment activity was 455 million baht due to the Company had decreased its saving for a guarantee by 19 million baht. Cash received from sale investment in associate was 9 million baht. The short-term investment was increased by 256 million baht from fixed deposits of 11.25 million baht and Money Market Funds of 245 million baht. Increase

in fixed assets by 235 million baht from the new Solar Cells System installation and investment in office equipment, furniture and fixtures and interest received 10 million baht.

- Net cash used in financing activities was 225 million baht. The Company decreased the bank overdrafts and short-term loans from financial institutions by 129 million baht. Cash received from sales and leaseback at 41 million baht. The Company received the advance cash under the rental agreement for the amount of 17 million baht. The amount of short-term loan from other businesses was increased by 18 million baht. While cash received from long-term loan was 78 million baht, the Company has paid debts under the rental agreement of 111 million baht. The Company also paid financial cost of 25 million baht and paid out dividends of 109 million baht.

Significant Liquidation Ratio

On December 31, 2016, the Company had a D/E ratio of 0.9 decreased from the figure in 2015. This resulted from the decreased liability from bank overdrafts and short-term loan, the trade and other accounts payable, and debts under financial agreement. 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 2016 was 1.4 increasing by 0.7 in 2015. In 2016, the Company had more cash flow from business operations. The cash flow of the Company's operation was 647 million baht. One of the main

reasons that make the cash flow from operations increased. Arising from trade and other receivables decreased by 65 million baht. Inventories decreased by 360 million baht. Other current assets decreased by 8 million baht. Finance lease receivables decreased by 70 million baht. However, trade and other payables decreased by 183 million baht, other current liabilities increased by 5 million and employee benefit obligation decreased from 3 million baht. The company has paid back debts of 116 million baht, bought assets 235 million and paid 109 million baht in dividend.

The Liquidity Ratio as of the end of year 2016 was equal to 1.7, which has increased from the previous year, due to the Company having collection period from 55 days to 47 days. The payment period was reduced from 61 days to 46 days, the average sales period was reduced from 34 days to 33 days. The quick liability ratio in 2016 was at 1.0 time which is increased for 0.1 from the figure of the year 2015, mainly from the decrease of trade and other accounts receivables for the amount of 97 million baht. Additionally, the amount of trade and other accounts payables has decreased by 186 million baht.

Source of Funds

Liability

The total liabilities on December 31, 2016 was 1,508 million baht, a decrease of 263 million baht from the previous year. The total liabilities consisted of the current liabilities at 1,213 million baht or 80% of the total liabilities and the non-current liabilities at 294 million baht or 20% of the

total liabilities. The main reasons for the decrease in liabilities were as follows:

Current liabilities were 1,213 million baht, a decrease of 280 million baht, resulted from a decrease in trade and other accounts payable of 186 million baht. The Company had a trade account payable of 736 million Baht, a decrease of 224 million baht. The Company had a payment period of 46 days. The other account payable amount stood at 209 million baht, an increase of 37 million baht, consisting of accrued expenses, deposits and advances cash received, overdraft and short-term loans from other financial institutes decreased by 129 million baht, the short-term loan from other companies increased by 18 million baht, the long-term liabilities due within one year increased by 12 million baht, and other current liabilities increased by 8 million baht.

Non-current liabilities of 294 million baht, an increase of 16 million Baht, resulting from an increase in long-term loans from financial institutes of 55 million baht, an increase in employee benefit obligations by 8 million baht, and a decrease in liabilities under finance lease agreements by 47 million baht.

Shareholder's Equity

The Shareholder's equity as on December 31, 2016 was 1,628 million baht, an increase of 5% since the net profit in 2016 was 188 million baht. The Company paid dividends in 2016 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. On December 31, 2016, the minimum future payment within 1 year was 4 million baht and 9 million baht to be paid within 1 to 5 years.

The Company has disclosed this information in the Note of Financial Statement, Clause 31 of financial statement year 2016.

Factors which may affect the financial status or future operation

- None -

Report of Nominating and Remuneration Sub-Committee Report for Year 2016

Dear Shareholders,

The Board of Directors had 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”. It is consisting of the following members:

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

The Nominating and Remuneration Sub-Committee contains at least three members, who are an independent director, a non-executive committee and an executive committee for a period of two years in the office. The Nominating and Remuneration Sub-Committee has the authority and duty to determine the scope of the authority concerning the regulations and policies on nominating and remuneration relating to the Committees and Sub-Committees of the Company, consider and recruit the suitable candidates to be the position of Director and propose to Board of Directors meeting or shareholder meeting, nominate the suitable person to be managing director in the event of vacancy, establish the criteria for senior executive succession, set up the necessary and appropriate remuneration criteria and policy for the directors and managing director for an approval at the shareholders' meeting, determine the remuneration for motivating and keeping the members of Board of directors, committees, sub-Committees and Managing Director in each year, have the responsibility to the Board of Directors and clarify questions about the nominating and remuneration of directors and senior management in the shareholders' meeting, and report the Nominating and Remuneration Policy and disclose in the Annual Report.

In 2016, Nominating and Remuneration Committee held 3 meetings to consider the matters which could be summarized as follows.

1. To consider the nominating of directors who will replace those retired by rotation for the year 2016 and proposed for approval at the shareholders' meeting.
2. To consider the remuneration of Directors and Committees for year 2016 and proposed for approval at the shareholders' meeting.
3. To nominate the Audit Committee in replacement for the member of the Audit Committee, who completed his term of office on 28 August 2016 and present to the Board of Directors for approval.

4. To consider the appropriate person in replacement of Managing Director, who completed his term of office on 31 December 2016 and present to the Board of Directors for approval.

5. To prepare the Report of Nominating and Remuneration Sub-Committee for the operational performance for year 2016, according planned requirements.

The Nominating and Remuneration Sub-Committee has the opinion that the operation of the Nominating and Remuneration Sub-Committee's Plan during year 2016 has been achieved as assigned by the Board of Directors. The nomination for directors managing directors and remuneration for Directors and Executives has been considered appropriately which helps the Company could be developing and maintain all of Directors, Sub-Committees and Executives of the Company.

Date January 24, 2017

On behalf of Nominating and Remuneration Sub-Committee

Suvij Suvaruchiphorn

(Mr. Suvij Suvaruchiphorn)

Chairman of Nominating and Remuneration Sub-Committee

Report of Corporate Social Responsibility Committee for the year 2016

Dear Shareholders,

The Corporate Social Responsibility Committee was appointed at the meeting No 5/2015 on November 6, 2015, the term of office was effective on December 1, 2015. It comprise with the following members:

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

The Corporate Social Responsibility Committee has three members, consist of an independent director who take a position of chairman of this committee. The term is two years from the date of the 1st December 2015. The committee have various duties relating to the business operations of the Company which is in accordance with its aim of social responsibility by screen the policies, activity, operation plans and the annual budget then present to the Board of Directors. The duties also include reviewing the performance of corporate social responsibility, monitoring, reporting on corporate social responsibility trends and impact in which the present and the future and reporting of these items to the Board of Directors. The committee has also appointed a working team by select 5 representatives from each business group to drive policies and activities related to corporate social responsibility.

The Corporate Social Responsibility Committee has committed to conduct business in an ethical manner and performing their duties as assigned by the Board of Directors. The Corporate Social Responsibility Committee had twice meetings with the Board for consideration throughout the year 2016 which could be concluded as follows.

1. To screen and review the annual budget and the operational plan with regarding to social responsibility, including screen activities of both an internal and an external following by corporate social responsibility policy, and present to the Board of Directors.

2. Review the policy of social responsibility, focusing on six policy areas, including anti-corruption and community and social development policies. This also has implemented CSR communication activities on the Company's website; both internal and external interested parties can access the information quickly and accurately, as well as offering advice to directors, executives, employees and stakeholders, and all other parties shall acknowledge and comply with the policies in various fields.

3. The operation activities related to corporate social responsibility are as follows;

- Anti-Corruption: The Company was recognized and certified as Private Sector Collective Action Coalition Against Corruption (CAC) on 22 April 2016 showing that employees at all levels are involved in monitoring the actions of corruption and reject corruption. The Company will fight corruption in all its forms, both directly and indirectly and encourages employees to recognize the importance of anti-corruption measures. The employees involved in the campaign activities in the private sector have held in national anti-corruption day. A campaign within the organization has been held by promoted the whistle blowing policy to executives and for employees to understand and comply with anti-corruption policy including the preparation of test systems (E-Learning) which it provided to executives and employees to test yourself about the questions relate to the anti-corruption policy as well.

- Social and Environment: The Company provides the projects with solar power systems, by installing a solar power system (Solar Cell) on the roof of the Buildings and car parking. The Company also changes its air-conditioning units and all AHU size from 360,000 BTU system to VRV IV system, which has reduced energy use and reduced costs, including improving the quality of life, and a reduction in air pollution by set a campaign to use the cycling within the Company area for raised awareness and supported the staff to reduce energy consumption while showing the benefits of exercise to health.

- Education: The Company provides opportunities for students of various educational institutions to learning about the Company's information technology system.

- Employees Potential Development and Promotion: The Company organizes training courses according to their abilities and encourage all employees to have good health.

4. Preparing a report of on corporate social responsibility to report the operating results for the year 2016, according to the specified plans.

The Corporate Social Responsibility Committee has mutually agreed that the operation of Corporate Social Responsibility for the year 2016 was according to the specified roadmap has been achieved as assigned by the Board of Directors. The cooperation of the staff has shown their recognition on the importance of social responsibility to the community and the environment and this will allow the Company to grow sustainably.

Date: January 24, 2017

On behalf of Corporate Social Responsibility (CSR) Committee

Mr. Pravit Chattalada

Chairman of CSR Committee

Report of Risk Management Sub-Committee for the year 2016

Dear Shareholders,

The Risk Management Sub-Committee was appointed by the Board of Directors at meeting No. 5/2015 which held on 6 November 2015, to ensure that the Company's risk management policy offered effectiveness and efficiency, to cover all possible risks to the Company. The principles of Corporate Governance shall guide the Risk Management Sub-Committee who will have the authorities and duties as assigned by the Board of Directors. The Risk Management Sub-Committee consists of seven members by commencing on 1 December 2015 onwards and has period of term for two years. The details is as follows;

No.	Name	Position
1	Mr. Chacree-amorn Tirachuleesoonthorn	Chairman of Risk Management Sub-Committee
2	Mr. Kitti Techathaveekijkul	Risk Management Sub-Committee
3	Mr. Wanarak Ekkachai	Risk Management Sub-Committee
4	Mr. Thongchai Lumveerakul	Risk Management Sub-Committee
5	Mr. Aroon Tor-ekbundit	Risk Management Sub-Committee
6	Mr. Veeraphan Durongsang	Risk Management Sub-Committee
7	Mrs. Nittaya Thanaviriyakul	Risk Management Sub-Committee

The members of the Risk Management Sub-Committee have the following duties.

- 1) To establish the policy, management strategies, risk management framework for an approval from the Board of Directors.
- 2) To continuously supervise, control the development and compliance policies and risk management framework in order to have an ongoing effective system of risk management and compliance.
- 3) To review and report on risk management in order to monitor those significant risks and find ways to manage risk adequately and appropriately.
- 4) To coordinate with the Audit Committee on major risks. The internal audit function is additionally a reviewer to ensure the Company has internal controls to manage the risks, as well as risk management systems to be adapted in practice.
- 5) To report to the Board of Directors on risk management and major risks regularly.
- 6) To perform other duties as delegated by the Board of Directors in each period.

In 2015, the Company hired an external professional services company, EY Corporate Services Co., Ltd. ("EY"), to be an adviser in the preparation of the risk management system of the Company. The Risk Management Sub-Committee held meetings every quarter, totaling 4 meeting, attended by the members of the Risk Management working team for two meetings and attended by EY for the another two meetings, to review

the data and consider the various issues needed for the preparation of the risk management system. The main points of the meetings were detailed as follows;

(1) Establishment of a Risk Management Policy through the approval of the Board of Directors No. 4/2016, Held on August, 10 2016.

(2) Supervise and support the operation of enterprise risk management to correspond with the strategy and business goals of the company include changing of circumstances by considering and classifying risk assessment in four key areas: strategy, finance, regulatory and operational.

(3) Recommendations, method, follow risk management practices including analysis, management evaluation, tracking and reporting system.

(4) Provide a report of risk management sub-committee to report operating performance for the year 2016 according to the plan requirements.

The Risk Management Sub-Committee has the opinion that the operation of the Risk Management Sub-Committee plan for the year 2016 was conducted in accordance with the Company's goal to provide an exceptional enterprise risk management system and get a supported by the management and employees as well.

Date: January 24, 2017

On behalf of Risk Management Sub-Committee

Mr.Chacreeamorn Tirachuleesoonthorn
Chairman of Risk Management Sub-Committee

Report of the Corporate Governance Sub-Committee for the year 2016

Dear Shareholders,

The Corporate Governance Sub-Committee was appointed by the Board of Directors at meeting No. 5/2015, held on November, 6 2015. the term of office was effective on December 1, 2015. It comprise with the following members:

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

The Corporate Governance Sub-Committee consists of seven committees, three directors and four executives. There is independent directors serving as chairman. The term takes a position for two years from the date of December 1, 2015 onwards, with the scope to offer practical guidelines for corporate governance and guidance on good practice on ethics and integrity in the conduct of business supervision, with the remit to advise the committees and management who perform one's duty and responsibility in according with guidelines of corporate governance policies consistently and appropriately.

In 2016, the Corporate Governance Sub-Committee operated the duties to the role and held two meetings to consider various tasks as follows;

1. Propose guidelines for corporate governance to the Board of Directors and guidance on good practice on Ethics and Code of Business Conduct for directors, executives and employees of the Company.
2. Supervise and provide guidance to the committees and management who perform one's duty and responsibility in according with guidelines of corporate governance policies consistently and appropriately.
3. Consider, review and update policies of corporate governance in five categories and update part of the responsibility of directors that directors and executive have to report the operation with the Anti-Corruption Policy include report of anti-corruption measures results to the Audit Committee, Corporate Governance Sub-Committee and the Board of Directors constantly in order to comply with the principles of corporate governance,

make certify and credibility with shareholders, investors, creditors and other stakeholders. Also use as the performance measure for the Board of Directors, executives and all employees in the organization.

4. To consider and provide a subsidiaries management policy so that the management of subsidiaries are like the same company. The guidelines for overseeing the management and accountability of any subsidiary cover four areas; the management of the subsidiaries, financial control of the subsidiary, the treatment and use of internal information within the subsidiary, voter rights at a meeting of shareholders of the subsidiaries, including measures establishment for management of the subsidiaries.

5. To provide a report of Corporate Governance Sub-Committee for report operating results for the year 2016 to the Board of Directors

The Corporate Governance Sub-Committee has mutually agreed that the Company has got the confidence from stakeholders in according with international standards. We are committed to strictly overseeing the company's compliance policies, corporate governance and business ethics as well as vigorously improving corporate governance and business ethics continually which it is core part to strengthen the good base to the company.

Date: February 28, 2017

On behalf of Corporate Governance Sub-Committee

Dr. Virach Aphimeteetamrong

Chairman of Corporate Governance Sub-Committee

Report of Audit Committee for the year 2016

Dear Shareholders,

The Audit Committee of Metro System Corporation Public Co., Ltd. have their knowledge and experience in law, accounting, finance, technology, IT and organization management, there are 3 following members of Audit Committee;

No.	Audit Committee	Title
1.	Mr. Pravitt Chattalada	Chairman of Audit Committee
2.	Dr. Virach Aphimeteetamrong	Audit Committee
3.	Mr. Charcree-amorn Tirachulisoonthorn	Audit Committee

In 2016, there were six meetings, attended by the management, the internal audit and certified public accountant without executives. Moreover, The Audit Committee has a joint meeting with the non-executive committee. The mission over the past year can be summarized as follows;

1. Financial Statement Review

The Audit Committee reviewed the financial statement on a quarterly basis and a yearly basis for the Company, consolidated financial statement including inter-company transactions with the auditor, the management and 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.

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

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.

3. Internal Audit Oversight

The Audit Committee reviewed the internal audit plan, annual auditing plan, long term auditing plan, the specified operation plan by gave advises and follow up the operation according to the report of internal audit in the important tasks for controlling the adequacy of internal control. The audit committee has also review the charter of the internal audit department as well as assess the adequacy and appropriateness of resources.

4. Corporate Governance Review

The Audit Committee believes in the importance of the corporate governance in the part of the equitable treatment of shareholders, the roles of stakeholders, disclosure and transparency, the responsibilities of the board. The executives have to report the operation in accordance with the Anti-Corruption policy and report the auditing results to the Audit Committee, Corporate Governance Sub-Committee, and Board of Directors constantly. To follow the principles of corporate governance, can ensure in confidence and reliability to shareholders, investors, creditors, and stakeholders.

The company has reviewed the complaint process and reported fraudulent clues comply with corporate governance and business ethics. Also, The Audit Committee reviewed the self-assessment about anti-corruption measures of the Private Sector Collective Action Coalition Against Corruption. And, the company has passed the certification on April, 22 2016.

5. Internal Control and Risk Management Reviews

The Audit Committee considered risk management policy, business plan and risk management guidelines that affect to business and the operation of the company. 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 emphasized.

6. Selection and Nomination of Auditor and Determination of Auditing Remuneration

The Audit Committee considered, selected, and appointed KPMG Phoomchai Audit Limited, and determines the audit fee for the year 2016 by proposing to the Board of Directors and requesting for the approval of the annual shareholders meeting of year 2016.

The Audit Committee is mutually agreed 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. There is compliance in accordance with good governance, legal, regulation of the Stock Exchange, or the related law business of the company.

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.

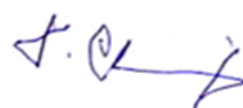
Moreover, the Board of Directors has the duty to maintain an efficient internal audit control system in order to assure that the accounting record is correct, complete and adequate to protect assets. At the same time, they alarm the Company to be aware of any weak points so as to prevent any potential 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 2016



Mr. Sunpitt Sethpornpong
Chairman



Mr. Tavit Charuvajana
Managing Director

**Metro Systems Corporation Public Company Limited and
its Subsidiaries**

Financial statements for the year ended
31 December 2016
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Metro Systems Corporation Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Metro Systems Corporation Public Company Limited and its subsidiaries (the "Group") and of Metro Systems Corporation Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2016, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2016 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the requirements of the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Valuation of trade accounts receivable	
Refer to Notes 2 (d), 4 (e) and 8	
The key audit matter	How the matter was addressed in the audit
<p>The Group's customers include a variety of small-sized to large-sized companies, financial institutes, governmental divisions, state enterprises and educational institutions. The Group has trade accounts receivable overdue longer than 6 months and certain balances that are the subject of legal actions.</p> <p>The Group estimates the allowance for doubtful accounts considering on a receivable by receivable basis with reference to receivables aging report, the receivable's ability to pay and timing of payment in the future and the Group's receivable monitoring process. Therefore the estimation of recoverable amount involves a high degree of management judgment in determining the allowance for doubtful accounts. Therefore, this matter is key area of focus in my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Understanding and testing the design and implementation and the effectiveness of internal controls over the credit approval process, receivables monitoring process, collection process and allowance for doubtful accounts estimation process; • Assessing the appropriate of allowance for doubtful accounts estimation by considering the historical cash collection trends, each receivables' ability to pay, as well as information relating to the receivables in the lawyer's confirmation, and testing the reversal of allowance for doubtful account provisioned for in the previous year and also testing the mathematic accuracy; • Sampling the receivable aging report and testing with related document and testing the mathematic accuracy; • Testing the receipt of cash after the reporting period on a sample basis; • Analysing receivables that were overdue longer than normal credit term which no allowances were provided for; and • Considering the adequacy of the disclosures in accordance with the Thai Financial Reporting Standards.

Emphasis of Matter

I draw attention to note 3 to the financial statements describing the effect of the Company and its subsidiaries' restatement related to estimates of the employee benefit obligations. The corresponding figures presented are based on the audited consolidated and separate financial statements as at and for the year ended 31 December 2015, which were audited by another auditor who expressed an unmodified opinion on these statements on 24 February 2016, after making the adjustment described in note 3. As part of my audit, I have audited the adjustment, such adjustment is appropriate and has been properly applied. My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

(Marisa Tharathornbunpakul)

Certified Public Accountant

Registration No. 5752

KPMG Phoomchai Audit Ltd.

Bangkok

28 February 2017

Metro Systems Corporation Public Company Limited and its Subsidiaries

Statements of financial position

Assets	Note	Consolidated financial statements			Separate financial statements		
		31 December	31 December	1 January	31 December	31 December	1 January
		2016	2015	2015	2016	2015	2015
			(Restated)	(Restated)		(Restated)	(Restated)
(in Baht)							
Current assets							
Cash and cash equivalents	6	179,352,447	213,238,371	154,643,406	121,606,842	146,805,328	52,535,284
Current investments	7	256,328,179	-	-	245,000,830	-	-
Trade and other accounts receivable	5, 8	1,055,307,002	1,152,720,850	1,129,436,123	900,817,673	895,475,817	949,701,026
Current portion of finance lease receivables	14	129,731,983	146,996,515	144,563,920	41,188,973	54,035,417	56,414,442
Inventories	9	420,158,797	786,798,480	729,061,523	306,920,201	751,739,608	368,536,758
Other current assets		16,589,228	24,220,722	30,212,701	11,495,975	15,934,257	3,822,256
Total current assets		2,057,467,636	2,323,974,938	2,187,917,673	1,627,030,494	1,863,990,427	1,431,009,766
Non-current assets							
Investments in associates	10	12,558,391	31,193,387	24,468,605	2,733,800	9,918,800	9,918,800
Investments in subsidiaries	11	-	-	-	43,219,370	43,219,370	43,219,370
Deposits at banks used as collateral	12	143,178,980	162,316,076	110,701,907	86,510,000	101,510,016	87,220,016
Property, plant and equipment	13	664,238,529	525,899,042	468,537,617	645,777,091	510,454,501	452,867,788
Finance lease receivables	14	134,998,877	188,196,036	222,111,136	73,027,520	122,336,335	141,694,415
Intangible assets	15	16,730,397	12,753,362	11,752,700	16,635,791	12,625,597	11,254,798
Deferred tax assets	3, 16	21,491,679	15,365,334	10,893,448	13,468,348	11,386,968	7,505,847
Withholding tax deducted at source		82,527,830	59,873,458	61,650,048	79,121,991	54,354,427	57,301,004
Other non-current assets		2,977,961	3,361,763	3,416,732	2,950,002	3,335,202	3,396,258
Total non-current assets		1,078,702,644	998,958,458	913,532,193	963,443,913	869,141,216	814,378,296
Total assets		3,136,170,280	3,322,933,396	3,101,449,866	2,590,474,407	2,733,131,643	2,245,388,062

Metro Systems Corporation Public Company Limited and its Subsidiaries

Statements of financial position

Liabilities and equity	Note	Consolidated financial statements			Separate financial statements		
		31 December	31 December	1 January	31 December	31 December	1 January
		2016	2015	2015	2016	2015	2015
		(Restated)	(Restated)		(Restated)	(Restated)	
(in Baht)							
Current liabilities							
Bank overdrafts and short-term loans							
from financial institutions	17	95,736,604	225,087,333	79,803,046	25,520,857	124,527,230	-
Trade and other accounts payable	5, 18	945,093,136	1,131,581,814	1,153,809,931	839,762,676	1,033,639,278	714,732,611
Short-term loans from other party	17	17,909,125	-	-	17,909,125	-	-
Current portion of long-term loans from financial institutions	17	5,040,000	4,334,597	10,394,914	5,040,000	4,334,597	10,394,914
Current portion of long-term loans from other party	17	17,837,408	-	-	17,837,408	-	-
Current portion of finance lease liabilities	17	91,958,245	98,857,885	87,433,320	47,765,170	44,725,454	42,285,023
Dividend payable	29	3,240,784	2,482,895	2,316,075	1,034,929	727,040	560,220
Income tax payable		378,420	1,974,767	2,491,274	-	-	-
Other current liabilities		36,149,920	28,530,362	34,413,365	33,220,277	24,208,015	28,513,046
Total current liabilities		1,213,343,642	1,492,849,653	1,370,661,925	988,090,442	1,232,161,614	796,485,814
Non-current liabilities							
Long-term loans	17	55,110,545	-	4,349,720	55,110,545	-	4,349,720
Finance lease liabilities	17	100,389,322	147,179,697	155,064,231	74,391,909	104,887,353	102,781,798
Employee benefit obligations	3, 19	133,984,781	125,783,535	104,091,207	118,014,698	110,786,551	93,485,734
Deposit and guarantee	5	5,000,000	5,000,000	-	10,000,000	10,000,000	-
Total non-current liabilities		294,484,648	277,963,232	263,505,158	257,517,152	225,673,904	200,617,252
Total liabilities		1,507,828,290	1,770,812,885	1,634,167,083	1,245,607,594	1,457,835,518	997,103,066
Equity							
Share capital	20						
Authorised share capital		360,000,000	360,000,000	360,000,000	360,000,000	360,000,000	360,000,000
Issued and paid-up share capital		360,000,000	360,000,000	360,000,000	360,000,000	360,000,000	360,000,000
Additional paid in capital							
Premium on ordinary shares	20	234,221,748	234,221,748	234,221,748	234,221,748	234,221,748	234,221,748
Retained earnings							
Appropriated							
Legal reserve	21	47,900,000	47,900,000	47,900,000	47,900,000	47,900,000	47,900,000
Unappropriated		981,041,906	901,047,927	818,988,251	702,745,065	633,174,377	606,163,248
Equity attributable to equity holders of the Company		1,623,163,654	1,543,169,675	1,461,109,999	1,344,866,813	1,275,296,125	1,248,284,996
Non-controlling interests		5,178,336	8,950,836	6,172,784	-	-	-
Total equity		1,628,341,990	1,552,120,511	1,467,282,783	1,344,866,813	1,275,296,125	1,248,284,996
Total liabilities and equity		3,136,170,280	3,322,933,396	3,101,449,866	2,590,474,407	2,733,131,643	2,245,388,062

Metro Systems Corporation Public Company Limited and its Subsidiaries

Statements of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
Note		2016	2015	2016	2015
			(Restated)		(Restated)
		(in Baht)			
Income					
Revenue from sale of goods	5	6,797,275,977	6,298,881,446	5,833,782,651	5,003,072,731
Revenue from rendering of services	5	823,838,413	663,812,821	674,017,627	520,826,101
Rental revenue		29,763,601	14,444,333	26,193,043	15,417,579
Total income	22	7,650,877,991	6,977,138,600	6,533,993,321	5,539,316,411
Cost of sales of goods	5	(5,974,271,522)	(5,480,716,327)	(5,158,422,479)	(4,329,609,734)
Cost of rendering of services	5	(581,175,700)	(418,151,642)	(465,587,997)	(330,910,599)
Rental costs		(12,535,010)	(8,631,881)	(12,535,010)	(8,631,881)
Gross profit		1,082,895,759	1,069,638,750	897,447,835	870,164,197
Other income	5	50,063,847	38,681,646	80,345,361	35,518,982
Selling expenses	23	(146,910,386)	(139,940,840)	(126,491,114)	(114,935,855)
Administrative expenses	5, 24	(726,735,761)	(683,282,192)	(625,505,258)	(589,266,785)
Finance costs	5	(22,299,047)	(27,730,094)	(14,980,240)	(13,653,528)
Share of profit (loss) of investments in associates	10	(8,141,208)	8,237,964	-	-
Profit before income tax expense		228,873,204	265,605,234	210,816,584	187,827,011
Income tax expense	27	(42,999,064)	(56,271,318)	(33,246,860)	(39,525,620)
Profit for the year		185,874,140	209,333,916	177,569,724	148,301,391
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Defined benefit plan actuarial losses	3, 19	-	(19,873,459)	-	(16,613,277)
Share of other comprehensive loss of investments in associates	10	(69,639)	(513,781)	-	-
Income tax on other comprehensive income	27	-	3,974,692	-	3,322,655
		(69,639)	(16,412,548)	-	(13,290,622)
Items that are or may be reclassified subsequently to profit or loss					
Net change in fair value of available-for-sale investments	7	903	-	830	-
Income tax on other comprehensive income	27	(181)	-	(166)	-
		722	-	664	-
Other comprehensive income for the year, net of income tax		(68,917)	(16,412,548)	664	(13,290,622)
Total comprehensive income for the year		185,805,223	192,921,368	177,570,388	135,010,769
Profit (loss) attributable to:					
Owners of the Company		188,062,596	206,138,625	177,569,724	148,301,391
Non-controlling interests		(2,188,456)	3,195,291	-	-
Profit for the year		185,874,140	209,333,916	177,569,724	148,301,391
Total comprehensive income attributable to:					
Owners of the Company		187,993,679	190,059,316	177,570,388	135,010,769
Non-controlling interests		(2,188,456)	2,862,052	-	-
Total comprehensive income for the year		185,805,223	192,921,368	177,570,388	135,010,769
Basic earnings per share (in Baht)	28	0.52	0.57	0.49	0.41

Metro Systems Corporation Public Company Limited and its Subsidiaries

Statements of changes in equity

		Consolidated financial statements					
		Issued		Retained earnings		Equity	
	Note	and paid-up	Premium on	Legal	Unappropriated	attributable to	Non-controlling
		share capital	ordinary shares	reserve	(in Baht)	of the Company	interests
							Total
							equity
Year ended 31 December 2015							
Balance at 1 January 2015		360,000,000	234,221,748	47,900,000	818,988,251	1,461,109,999	6,172,784
1,467,282,783							
Transactions with owners, recorded directly in equity							
Distributions to owners of the Company							
Dividends to owners of the Company	29	-	-	-	(107,999,640)	(107,999,640)	-
Dividends to non-controlling interests		-	-	-	-	-	(84,000)
Total transactions with owners, recorded directly in equity		-	-	-	(107,999,640)	(107,999,640)	(84,000)
108,083,640							
Comprehensive income for the year							
Profit for the year		-	-	-	206,138,625	206,138,625	3,195,291
Other comprehensive income - restated	3	-	-	-	(16,079,309)	(16,079,309)	(333,239)
Total comprehensive income for the year - restated		-	-	-	190,059,316	190,059,316	2,862,052
192,921,368							
Balance at 31 December 2015		360,000,000	234,221,748	47,900,000	901,047,927	1,543,169,675	8,950,836
1,552,120,511							

Metro Systems Corporation Public Company Limited and its Subsidiaries

Statements of changes in equity

Consolidated financial statements							
			Retained earnings		Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
	Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated (in Baht)		
Year ended 31 December 2016							
Balance at 31 December 2015 - as reported		360,000,000	234,221,748	47,900,000	917,127,236	1,559,248,984	1,568,533,059
Impact of adjustment for the prior year	3	-	-	-	(16,079,309)	(16,079,309)	(16,412,548)
Balance at 31 December 2015 and 1 January 2016 - restated		360,000,000	234,221,748	47,900,000	901,047,927	1,543,169,675	1,552,120,511
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the Company</i>							
Dividends to owners of the Company	29	-	-	-	(107,999,700)	(107,999,700)	(107,999,700)
Dividends to non-controlling interests		-	-	-	-	(1,584,044)	(1,584,044)
Total transactions with owners, recorded directly in equity		-	-	-	(107,999,700)	(107,999,700)	(109,583,744)
Comprehensive income for the year							
Profit for the year		-	-	-	188,062,596	188,062,596	185,874,140
Other comprehensive income		-	-	-	(68,917)	(68,917)	(68,917)
Total comprehensive income for the year		-	-	-	187,993,679	(2,188,456)	185,805,223
Balance at 31 December 2016		360,000,000	234,221,748	47,900,000	981,041,906	5,178,336	1,628,341,990

Metro Systems Corporation Public Company Limited and its Subsidiaries

Statements of changes in equity

		Separate financial statements				
		Issued		Retained earnings		
	Note	and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated	Total equity
Year ended 31 December 2015						
(in Baht)						
Balance at 1 January 2015		360,000,000	234,221,748	47,900,000	606,163,248	1,248,284,996
Transactions with owners, recorded directly in equity						
Distributions to owners of the Company						
Dividends to owners of the Company	29	-	-	-	(107,999,640)	(107,999,640)
Total transactions with owners, recorded directly in equity		-	-	-	(107,999,640)	(107,999,640)
Comprehensive income for the year						
Profit for the year		-	-	-	148,301,391	148,301,391
Other comprehensive income - restated	3	-	-	-	(13,290,622)	(13,290,622)
Total comprehensive income for the year- restated		-	-	-	135,010,769	135,010,769
Balance at 31 December 2015		360,000,000	234,221,748	47,900,000	633,174,377	1,275,296,125

Metro Systems Corporation Public Company Limited and its Subsidiaries

Statements of changes in equity

		Separate financial statements			
		Issued		Retained earnings	
		and paid-up	Premium on	Legal	Total
	Note	share capital	ordinary shares	reserve	Unappropriated equity
Year ended 31 December 2016					
(in Baht)					
Balance at 31 December 2015 - as reported		360,000,000	234,221,748	47,900,000	646,464,999
Impact of adjustment for prior year	3	-	-	-	(13,290,622)
Balance at 31 December 2015 and 1 January 2016 - restated		360,000,000	234,221,748	47,900,000	633,174,377
Transactions with owners, recorded directly in equity					
Distributions to owners of the Company					
Dividends to owners of the Company	29	-	-	-	(107,999,700)
Total transactions with owners, recorded directly in equity		-	-	-	(107,999,700)
Comprehensive income for the year					
Profit for the year		-	-	-	177,569,724
Other comprehensive income		-	-	-	664
Total comprehensive income for the year		-	-	-	177,570,388
Balance at 31 December 2016		360,000,000	234,221,748	47,900,000	702,745,065
					1,344,866,813

Metro Systems Corporation Public Company Limited and its Subsidiaries

Statements of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2016	2015	2016	2015
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit for the year	185,874,140	209,333,916	177,569,724	148,301,391
<i>Adjustments for</i>				
Depreciation and amortisation	96,025,935	81,734,789	91,456,762	76,930,125
Amortisation of leasehold	-	81,056	-	81,056
Interest income	(9,387,031)	(3,067,470)	(8,603,770)	(1,863,032)
Finance costs	22,299,047	27,730,094	14,980,240	13,653,528
Unrealised (gain) loss on exchange	2,848,564	(192,197)	2,848,666	(191,918)
Dividends received	-	-	(25,562,355)	(6,915,400)
Written off withholding tax deducted at source	100,974	(196,593)	100,974	(196,593)
Set up (reversal) provision for:				
- Bad debts and doubtful accounts	33,740,061	(467,423)	16,131,576	(467,423)
- Decline in value of inventories	434,297	(104,880)	434,297	(81,678)
- Decline in value of investments in associates	-	-	2,205,000	-
Gain from disposal of investment in associates	(198,195)	-	(4,495,944)	-
Loss on disposals of property, plant and equipment and intangible assets	2,728,986	830,931	2,731,401	831,443
Employee benefit expenses	10,731,271	9,318,079	9,279,055	8,186,751
Share of loss (profit) of investments in associates	8,141,208	(8,237,964)	-	-
Income tax expense	42,999,064	56,271,318	33,246,860	39,525,620
	396,338,321	373,033,656	312,322,486	277,793,870
<i>Changes in operating assets and liabilities</i>				
Trade and other accounts receivable	65,425,067	(18,925,148)	(18,762,169)	54,568,284
Finance lease receivables	70,461,691	46,571,951	62,155,257	36,826,556
Inventories	360,107,437	(74,183,295)	438,287,163	(399,672,390)
Other current assets	7,631,494	4,460,178	4,438,281	(11,462,873)
Other non-current assets	397,183	(20,000)	385,200	(20,000)
Trade and other accounts payable	(182,687,237)	(26,283,206)	(190,396,177)	314,760,304
Other current liabilities	5,044,379	(20,972,453)	6,437,082	(19,394,481)
Deposit and guarantee	-	5,000,000	-	10,000,000
Cash generated from operating activities	722,718,335	288,681,683	614,867,123	263,399,270
Employee benefit obligations	(2,530,026)	(7,499,210)	(2,050,908)	(7,499,210)
Refunded withholding tax	29,683,962	29,715,173	27,584,150	29,715,173
Income tax and withholding tax deducted at source paid	(103,174,445)	(83,932,024)	(87,781,094)	(66,656,089)
Net cash generated from operating activities	646,697,826	226,965,622	552,619,271	218,959,144

Metro Systems Corporation Public Company Limited and its Subsidiaries

Statements of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2016	2015	2016	2015
	(in Baht)			
Cash flows from investing activities				
Interest received	10,459,669	3,215,189	8,716,427	2,000,576
Dividends received	1,146,400	999,400	25,562,355	6,915,400
Increase in current investments	(256,328,179)	-	(245,000,830)	-
Decrease (increase) in deposits at banks used as collateral	19,137,095	(51,614,169)	15,000,016	(14,290,000)
Proceeds from sale of investment in associate	9,475,955	-	9,475,955	-
Payment for accounts payable for fixed assets	(4,654,657)	(315,934)	(4,350,146)	(315,934)
Increase in property, plant and equipment	(228,089,137)	(117,215,058)	(220,533,135)	(113,052,321)
Increase in intangible assets	(7,334,430)	(4,828,468)	(7,334,429)	(4,752,968)
Proceeds from sales of property, plant and equipment and intangible assets	775,282	2,021,936	769,778	1,992,426
Net cash used in investing activities	(455,412,002)	(167,737,104)	(417,694,009)	(121,502,821)
Cash flows from financing activities				
Finance costs paid	(24,867,629)	(28,077,717)	(17,532,316)	(14,016,639)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(129,350,729)	145,284,287	(99,006,374)	124,527,230
Increase in short-term loans from other party	17,909,125	-	17,909,125	-
Proceeds from long-term loans	78,407,953	-	78,407,953	-
Dividend paid	(108,825,856)	(107,916,820)	(107,691,811)	(107,832,820)
Proceeds from sale and leaseback transactions	40,642,143	65,508,536	3,961,987	17,107,320
Advance received from finance leases	16,829,146	31,879,950	16,829,146	31,879,950
Repayment of long-term loans	(4,754,597)	(10,410,036)	(4,754,597)	(10,410,036)
Repayment of finance lease liabilities	(111,161,304)	(96,901,753)	(48,246,861)	(44,441,284)
Net cash used in financing activities	(225,171,748)	(633,553)	(160,123,748)	(3,186,279)
Net increase (decrease) in cash and cash equivalents	(33,885,924)	58,594,965	(25,198,486)	94,270,044
Cash and cash equivalents at 1 January	213,238,371	154,643,406	146,805,328	52,535,284
Cash and cash equivalents at 31 December	179,352,447	213,238,371	121,606,842	146,805,328
Non-cash transactions :				
Account payables for fixed assets	324,486	4,354,998	324,486	4,354,998
Increase in assets from inventory transfer	6,097,947	17,122,066	6,097,947	17,122,066
Dividend payable	3,240,784	2,482,895	1,034,929	727,040

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Adjustment of prior period
4	Significant accounting policies
5	Related parties
6	Cash and cash equivalents
7	Current investments
8	Trade and other accounts receivable
9	Inventories
10	Investments in associates
11	Investments in subsidiaries
12	Assets pledged as collateral
13	Property, plant and equipment
14	Finance leases receivables
15	Intangible assets
16	Deferred tax
17	Interest-bearing liabilities
18	Trade and other accounts payable
19	Employee benefit obligations
20	Share capital
21	Reserves
22	Segment information
23	Selling expenses
24	Administrative expenses
25	Employee benefit expenses
26	Expenses by nature
27	Income tax expense
28	Basic earnings per share
29	Dividends
30	Financial instruments
31	Commitments with non-related parties
32	Events after the reporting period
33	Thai Financial Reporting Standards (TFRS) not yet adopted
34	Reclassification of accounts

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 28 February 2017.

1 General information

Metro Systems Corporation Public Company Limited, the “Company”, is incorporated in Thailand, and has its registered office at 400 Chulalongkornrajavidyalaya Road, Nong Bon, 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 Condominium Pahonyothin Road, Samsennai Phayathai, Bangkok 10400.

The Company was listed on the Stock Exchange of Thailand in 1996.

The Company's major shareholder during the financial period were Metro Value Creation Company Limited (25% shareholding) and Metrophose Company Limited (19% shareholding) which both were incorporated in Thailand and Jaruwatjana Family (18% shareholding).

The principal businesses of the Company and its subsidiaries are trading computer and equipment, software, supplies, office equipment, and related services. Details of the Company's subsidiaries as at 31 December 2016 and 2015 were as follows:

Name of the entity	Type of Business	Incorporate country	Ownership interest (%)	
			2016	2015
<i>Subsidiaries</i>				
Metro Professional Products Company Limited	Sale and service of computer and computer programs	Thailand	98.6000	98.6000
Metro Info Tech Company Limited	Sale and maintenance service and computer programs	Thailand	70.0000	70.0000
Metro Connect Company Limited	Sale and service of computer and computer programs	Thailand	99.9997	99.9997
Metro Info Dynamics Company Limited	Sale and computer peripheral service	Thailand	99.9940	99.9940

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. The application of these new and revised TFRS has resulted in changes in certain of the Group’s/Company’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2017 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s/Company’s operations are disclosed in note 33.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

<i>Items</i>	<i>Measurement bases</i>
Derivative financial instruments	Fair value
Available-for-sale securities	Fair value
Defined benefit liability	Present value of the defined benefit obligation as explained in Note 4 (m)

(c) Functional and presentation currency

The financial statements are presented in Thai Baht which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand, unless otherwise stated.

(d) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 8	Valuation of trade accounts receivable: key assumptions underlying allowance for doubtful accounts;
Note 19	Measurement of defined benefit obligations: key actuarial assumptions.

Measurement of fair values

A number of the Group's/Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group/Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group/Company Audit Committee.

When measuring the fair value of an asset or a liability, the Group/Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

The Group/Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 30 Financial instruments

3 Adjustment of prior period

The Group and the Company adjusted the principle actuarial assumptions, especially the effect of the decrease in discount rate from 4.63% p.a. to 2.6% p.a. due to change in the market interest rate of government bonds, in the calculation of employee benefit obligations. Therefore, the Group and the Company has to record additional employee benefit obligations with retrospective adjustments of comparative information in consolidated and separate financial statements for the year ended 31 December 2015 in accordance with TAS 8 (revised 2015) Accounting Policies, Changes in Accounting Estimates and Errors. The effects of such adjustments to the statements of financial position and comprehensive income are as follows:

	Effects of adjustments of prior year		
	As previously reported	Adjustment increase (decrease) <i>(in thousand Baht)</i>	As restated
Consolidated statement of financial position			
As at 31 December 2015			
Deferred tax assets	11,391	3,975	15,366
Employee benefit obligations	105,910	19,873	125,783
Retained earnings	917,127	(16,079)	901,048
Non-controlling interests	9,284	(333)	8,951
Equity attributable to equity holders of the Company	1,559,249	(16,079)	1,543,170
Non-controlling interests	9,284	(333)	8,951
Total equity	1,568,533	(16,412)	1,552,121
Consolidated statement of comprehensive income			
For the year ended 31 December 2015			
Defined benefit plan actuarial losses	-	(19,873)	(19,873)
Share of other comprehensive loss of investments in associates	-	(514)	(514)
Income tax on other comprehensive income	-	3,975	3,975
Total other comprehensive income for the year	-	(16,412)	(16,412)

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Separate statement of financial position

As at 31 December 2015

Deferred tax assets	8,064	3,323	11,387
Employee benefit obligations	94,174	16,613	110,787
Retained earnings	646,465	(13,290)	633,175
Total equity	1,288,587	(13,290)	1,275,297

Separate statement of comprehensive income

For the year ended 31 December 2015

Defined benefit plan actuarial losses	-	(16,613)	(16,613)
Income tax on other comprehensive income	-	3,323	3,323
Total other comprehensive income for the year	-	(13,290)	(13,290)

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign exchange rates at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

(c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes.

Gains or losses from forward exchange contracts used to hedge anticipated currency transactions are recognised when transaction above occurs.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(e) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Inventories

Merchandise inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) Investments

Investments in subsidiaries and associates

Investments in subsidiaries and associates in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in other equity securities

Marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group/Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(h) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Leased assets

Leases in terms of which the Group/Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group/Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	20	years
Buildings	30	years
Furniture and fixtures	5	years
Office equipment	3 - 5	years
Vehicles	5	years
Other fixed assets	5	years
Assets held for lease	3 - 5	years

No depreciation is provided on freehold land or assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) Intangible assets

Intangible assets that are acquired by the Group/Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software license and others	1 - 15 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Impairment

The carrying amounts of the Group's/Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(l) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(m) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's/Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary with sufficient regularity using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in OCI. The Group/Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group/Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Termination benefits are expensed at the earlier of when the Group/Company can no longer withdraw the offer of those benefits and when the Group/Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group/Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group/Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(o) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Service contracts revenue

Services contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to actual cost incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Rental income from operating lease contracts

Rental income from operating lease contracts is recognised in profit or loss on a straight-line basis over the term of the lease.

Income from finance lease contracts

The Group/ Company recorded the finance lease receivables in the amount of contract value net of unearned interest which represents the difference between the contract value and the cash selling-price of the goods. Interest income on finance lease is recognized over the term of the lease by using the annuity method.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's/Company's right to receive payments is established (as declared for dividend date).

Interest income

Interest income is recognised in profit or loss as it accrues.

(p) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial year of time to be prepared for its intended use or sale.

(q) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group/Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group/Company the right to control the use of the underlying asset.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

At inception or upon reassessment of the arrangement, the Group/Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group/Company concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's/Company's incremental borrowing rate.

(r) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in associates, subsidiaries and joint venture to the extent that it is probable that they will not reverse in the foreseeable future.

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

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group/Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group/Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group/Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

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

(s) Earnings per share

The Group/Company presents basic earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(t) Segment reporting

Segment results that are reported to the Executive Board (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly gain on sales of investments, share of profits from investments in associates accounted for using the equity method, dividend income and central expenses.

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group/Company if the Group/Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group/Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Significant relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Major shareholders		
Metro Value Creation Company Limited	Thailand	A major shareholder
Metrophose Company Limited	Thailand	A major shareholder, common director
Subsidiaries		
Metro Professional Products Company Limited	Thailand	Shareholding, common director
Metro Info Tech Company Limited	Thailand	Shareholding, common director
Metro Connect Company Limited	Thailand	Shareholding, common director
Metro Info Dynamics Company Limited	Thailand	Shareholding, common director
Associates		
Metrosoft Company Limited	Thailand	Shareholding, common director
HIS MSC Company Limited	Thailand	Shareholding, common director
JBCC (Thailand) Company Limited	Thailand	Shareholding
PSP (Thailand) Company Limited	Thailand	Shareholding, common director
(Disposed during 2016)		
Other related parties		
MDEC International (1991) Company Limited	Thailand	Common director
Sri Krung Wattana Company Limited	Thailand	Common director

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sale of goods and rendering of services	Market prices
Other income	Market prices
Dividend income	As declared for dividend
Purchase of goods and rendering of services	Market prices
Purchase of assets	Market prices
Administrative expenses	Market prices
Interest expense	Contractually agreed rates
Key management personnel compensation	Shareholders and/or Board of Directors approve/ employment contract

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Significant transactions for the years ended 31 December 2016 and 2015 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sale of goods and rendering of services	-	-	129,654	105,819
Other income	-	-	19,438	13,410
Dividend income	-	-	24,416	5,916
Purchase of goods and receiving of services	-	-	197,316	64,089
Purchase of assets	-	-	71,931	-
Administrative expenses	-	-	90	-
Interest expenses	-	-	201	107
Associates				
Sale of goods and rendering of services	5,423	7,348	1,995	6,125
Other income	6,185	4,539	5,505	4,539
Dividend income	1,146	999	1,146	999
Purchase of goods and rendering of services	-	22,292	-	19,496
Purchase of assets	5	-	5	-
Interest expense	-	107	-	107
Other related parties				
Sale of goods and rendering of services	445	1,165	281	1,024
Other income	853	55	853	55
Purchase of goods and rendering of services	9,229	7,561	8,432	7,561
Purchase of assets	1,190	1,140	1,190	1,140
Administrative expenses	3,434	1,725	3,434	1,725
Key management personnel compensation	66,251	64,965	53,623	59,242

Key management personnel compensation

Key management personnel compensation comprised:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Short-term management benefits	64,830	64,965	52,202	59,242
Long-term management benefits	1,421	-	1,421	-
Total	66,251	64,965	53,623	59,242

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Balances as at 31 December 2016 and 2015 with related parties were as follows:

<i>Trade accounts receivable-related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Metro Professional Products Company Limited	-	-	48	33
Metro Info Tech Company Limited	-	-	3,533	2,228
Metro Connect Company Limited	-	-	1,129	621
Metro Info Dynamics Company Limited	-	-	5,713	7,499
Associates				
Metrosoft Company Limited	48	125	48	101
HIS MSC Company Limited	322	282	322	282
Other related parties				
MDEC International (1991) Company Limited	54	50	54	50
Sri Krung Wattana Company Limited	35	22	35	22
Total	459	479	10,882	10,836
Less allowance for doubtful accounts	-	-	-	-
Net	459	479	10,882	10,836

Bad and doubtful debts expense for the year	-	-	-	-
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<i>Other receivables-related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Metro Professional Products Company Limited	-	-	3	-
Metro Connect Company Limited	-	-	2,647	72
Metro Info Dynamics Company Limited	-	-	35	135
Associate				
HIS MSC Company Limited	5	3	5	3
Total	5	3	2,690	210

<i>Finance lease receivables-related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Associate				
HIS MSC Company Limited	28	-	28	-
Total	28	-	28	-

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

<i>Trade accounts payable-related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Metro Info Tech Company Limited	-	-	9,112	17,550
Metro Connect Company Limited	-	-	77,042	10,649
Metro Info Dynamics Company Limited	-	-	63	3,811
Associate				
PSP (Thailand) Company Limited	-	15,724	-	15,724
Other related party				
MDEC International (1991) Company Limited	1,356	703	1,152	703
Total	1,356	16,427	87,369	48,437

<i>Other payables-related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiary				
Metro Info Tech Company Limited	-	-	-	182
Associates				
Metrosoft Company Limited	-	580	-	-
HIS MSC Company Limited	-	1	-	1
PSP (Thailand) Company Limited	-	107	-	107
Other related parties				
MDEC International (1991) Company Limited	47	441	47	441
Sri Krung Wattana Company Limited	-	44	-	44
Total	47	1,173	47	775

<i>Deposit and guarantee - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiary				
Metro Info Tech Company Limited	-	-	5,000	5,000
Associate				
PSP (Thailand) Company Limited	-	5,000	-	5,000
Total	-	5,000	5,000	10,000

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cash on hand and call deposit at banks	174,922	208,829	121,607	146,805
Highly liquid short - term investments	4,430	4,409	-	-
Total	179,352	213,238	121,607	146,805

Highly liquid short-term investments consisted of promissory notes, fixed deposits at banks, and others. Maturity period less than 3 months from the acquisition date.

Cash and cash equivalents of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

7 Current investments

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Fixed deposit at bank (12 months)	11,250	-	-	-
Available-for-sale securities	245,078	-	245,001	-
Total	256,328	-	245,001	-

Current investments of the Group and the Company as at 31 December 2016 were denominated entirely in Thai Baht.

Movements during the years ended 31 December of marketable equity security were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Current investments				
Available-for-sale securities				
At 1 January	-	-	-	-
Purchases during the year	336,000	-	245,000	-
Sales during the year	(90,923)	-	-	-
Valuation adjustment	1	-	1	-
At 31 December	245,078	-	245,001	-

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

8 Trade and other accounts receivable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Trade accounts receivable					
Related parties	5	459	479	10,882	10,836
Other parties		939,410	1,014,464	772,849	761,369
Post-dated cheque		23,405	35,279	21,644	35,279
		963,274	1,050,222	805,375	807,484
<i>Less</i> allowance for doubtful accounts		(40,544)	(7,092)	(22,348)	(6,504)
		922,730	1,043,130	783,027	800,980
<i>Add</i> unbilled trade accounts receivable		1,607	-	1,607	-
Total trade accounts receivable		924,337	1,043,130	784,634	800,980
Other receivables					
Related parties	5	5	3	2,690	210
Other parties					
Prepaid expenses		55,405	53,560	50,485	40,785
Accrued income		65,408	35,591	53,846	33,434
Others		10,152	20,437	9,163	20,067
Total other receivables		130,970	109,591	116,184	94,496
Total trade and other accounts receivable		1,055,307	1,152,721	900,818	895,476
Bad and doubtful debts expenses (reversal) for the year		33,740	(467)	16,132	(467)

Aging analyses for trade accounts receivable were as follow:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	-	474	8,618	9,377
Overdue:				
Less than 3 months	459	5	2,264	1,459
Total	459	479	10,882	10,836
<i>Less</i> allowance for doubtful accounts	-	-	-	-
Net	459	479	10,882	10,836

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	754,309	717,042	631,666	595,610
Overdue:				
Less than 3 months	165,227	295,514	120,790	168,768
3-6 months	395	1,546	395	815
6-12 months	1,605	27,393	1,508	24,933
Over 12 months	285	1,138	-	-
Account receivables under legal case	40,994	7,110	40,134	6,522
Total	962,815	1,049,743	794,493	796,648
Less allowance for doubtful accounts	(40,544)	(7,092)	(22,348)	(6,504)
Net	922,271	1,042,651	772,145	790,144
Total	922,730	1,043,130	783,027	800,980

The normal credit term granted by the Group/Company ranges from 30 days to 60 days.

The Group provided allowance for doubtful accounts to reflect the recoverable amount of trade accounts receivable related to provision for loss from uncollectible customers. The management used judgements in estimation of allowance for doubtful accounts by analysing on a receivable by receivable basis with reference to receivables aging report, the trade accounts receivable presented in the above table and also reference to analysis of payment histories and future expectations of customer payments.

The currency denomination of trade and other accounts receivable as at 31 December 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	1,054,924	1,150,558	900,435	893,313
United States Dollars (USD)	383	2,163	383	2,163
Total	1,055,307	1,152,721	900,818	895,476

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Merchandise inventories	408,211	559,925	294,972	524,867
Project in process	11,241	226,806	11,241	226,806
Goods in transit	769	-	769	-
Others	372	67	372	67
Total	420,593	786,798	307,354	751,740
Less allowance for decline in value	(434)	-	(434)	-
Net	420,159	786,798	306,920	751,740

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Inventories recognised as an expense in ‘cost of sales of goods’:				
- Cost	<u>5,974,272</u>	<u>5,480,716</u>	<u>5,158,422</u>	<u>4,329,610</u>
Inventories recognised as an expense in ‘administrative expenses’:				
- Write-down to net realisable value (reversal)	<u>434</u>	<u>(105)</u>	<u>434</u>	<u>(82)</u>

10 Investments in associates

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	31,193	24,469	9,919	9,919
Share of profit (loss) of investments in associates	(8,141)	8,238	-	-
Share of other comprehensive loss of investments in associates	(70)	(515)	-	-
Dividend income	(1,146)	(999)	-	-
Allowance for diminution in value of investments	-	-	(2,205)	-
Disposal of investments	(9,278)	-	(4,980)	-
At 31 December	12,558	31,193	2,734	9,919

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Disposals

On 10 August 2016, the Company sold all of its 49.80% interest in the issued and paid up capital of PSP (Thailand) Company Ltd., an associated company of the Group, for a consideration of Baht 9.48 million. The Group and the Company recognised a gain of Baht 0.2 million and Baht 4.5 million, respectively, on the sale in the consolidated and separate statements of comprehensive income for the year ended 31 December 2016, respectively.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Investments in associates as at 31 December 2016 and 2015 and dividend income from those investments for the years ended were as follows:

Consolidated financial statements

	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		Dividend income for the year ended 31 December			
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015		
	(%)								(in thousand Baht)							
Associates																
Metrosoft Company Limited	49.00	49.00	1.5	million Baht	1.5	million Baht	2,940	2,940	1,099	3,869	-	-	1,099	3,869	147	-
HIS MSC Company Limited	49.97	49.97	4.0	million Baht	4.0	million Baht	1,999	1,999	11,459	17,229	-	-	11,459	17,229	999	999
PSP (Thailand) Company Limited	-	49.80	-	10.0	million Baht	-	4,980	-	10,095	-	-	-	10,095	-	-	-
JBCC (Thailand) Company Limited	20.00	20.00	10.0	million Baht	10.0	million Baht	2,000	2,000	-	-	-	-	-	-	-	-
							6,939	11,919	12,558	31,193	-	-	12,558	31,193	1,146	999

Separate financial statements

	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income for the year ended 31 December	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	(%)		(in thousand Baht)									
Associates												
Metrosoft Company Limited	49.00	49.00	1.5 million Baht	1.5 million Baht	2,940	2,940	(2,205)	-	75	240	147	-
HIS MSC Company Limited	49.97	49.97	4.0 million Baht	4.0 million Baht	1,999	1,999	-	-	199	199	99	9
PSP (Thailand) Company Limited	-	49.80	-	10.0 million Baht	-	4,980	-	-	-	480	-	-
JBCC (Thailand) Company Limited	20.00	20.00	10.0 million Baht	10.0 million Baht	2,000	2,000	(2,000)	(2,000)	-	-	-	-
					6,939	11,919	(4,205)	(2,000)	274	99	1,146	9

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Immaterial associates

The following is summarized financial information for the Group's interest in immaterial associates based on the amounts reported in the Group's consolidated financial statements

	2016 <i>(in thousand Baht)</i>	2015
Carrying amount of interests in immaterial associates	<u>12,558</u>	<u>31,193</u>
Group's share of:		
- Profit (loss) for the year	(8,141)	8,238
- Other comprehensive income	(70)	(514)
- Total comprehensive income	<u>(8,211)</u>	<u>7,724</u>

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

11 Investments in subsidiaries

Separate financial statements

2016 2015

(in thousand Baht)

At 1 January and 31 December

43,219 43,219

During the year ended 31 December 2016 and 2015 there were no acquisitions and disposals of investments in subsidiaries.

Investment in subsidiaries as at 31 December 2016 and 2015 and dividend income for the years ended were as follows:

Separate financial statements												Dividend income for the year ended 31 December	
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net				
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
	(%)		(in thousand Baht)										
Subsidiaries													
Metro Professional													
Products Company Limited	98.6000	98.6000	20 million Baht	20 million Baht	19,720	19,720	-	-	19,720	19,720	5,916	5,916	
Metro Info Tech													
Company Limited	70.0000	70.0000	5 million Baht	5 million Baht	3,500	3,500	-	-	3,500	3,500	3,500	-	
Metro Connect													
Company Limited	99.9997	99.9997	10 million Baht	10 million Baht	10,000	10,000	-	-	10,000	10,000	15,000	-	
Metro Info Dynamics													
Company Limited	99.9940	99.9940	10 million Baht	10 million Baht	9,999	9,999	-	-	9,999	9,999	-	-	
					43,219	43,219	-	-	43,219	43,219	24,416	5,916	

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

12 Assets pledged as collateral

As at 31 December 2016, the deposits at banks amounting to Baht 143 million (2015: Baht 162 million) in the consolidated financial statement and amounting to Baht 87 million (2015: Baht 102 million) in the separated financial statement have been pledged as collateral for projects performance and credit facilities of the Group and the Company.

As at 31 December 2016, the Group/the Company mortgaged the land and building, and the right in office condominiums at the total value of Baht 6.56 million (2015: Baht 7.15 million) in the consolidated financial statement and amounting to Baht 0.14 million (2015: Baht 0.88 million) in the separated financial statement to secure the credit facilities from financial institutions.

As at 31 December 2016, the credit facilities from the financial institutions amounting to Baht 400 million of two subsidiaries are guaranteed the Company (2015: Baht 479 million).

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

13 Property, plant and equipment

Consolidated financial statements

	Land	Land improvements	Buildings	Furniture and fixtures	Office equipment (in thousand Baht)	Vehicles	Other fixed assets	Assets under construction in progress and installation	Assets held for lease	Total
Cost										
At 1 January 2015	226,388	17,481	540,782	67,981	668,737	14,906	52,324	72	8,542	1,597,213
Additions	-	-	133	5,100	44,599	635	4,488	66,617	-	121,572
Transfers	-	4,719	9,294	11,315	25,254	-	336	(33,687)	(111)	17,120
Disposals	-	(3,427)	(21,142)	(2,511)	(35,922)	(3,000)	(2,640)	-	-	(68,642)
At 31 December 2015 and 1 January 2016	226,388	18,773	529,067	81,885	702,668	12,541	54,508	33,002	8,431	1,667,263
Additions	-	-	4,113	3,268	100,440	-	5,933	114,255	404	228,413
Transfers	-	-	34,808	45,821	2,071	-	585	(135,938)	56,546	3,893
Disposals	-	-	(28,785)	(2,651)	(36,920)	-	(1,842)	-	(7,237)	(77,435)
At 31 December 2016	226,388	18,773	539,203	128,323	768,259	12,541	59,184	11,319	58,144	1,822,134
Accumulated depreciation										
At 1 January 2015	-	15,630	423,224	54,778	571,585	13,662	43,967	-	5,829	1,128,675
Additions	-	897	17,792	5,071	48,083	636	3,196	-	2,230	77,905
Transfers	-	-	-	-	99	-	-	-	(99)	-
Disposals	-	(3,099)	(18,768)	(2,511)	(35,199)	(3,000)	(2,640)	-	-	(65,217)
At 31 December 2015 and 1 January 2016	-	13,428	422,248	57,338	584,568	11,298	44,523	-	7,960	1,141,363
Additions	-	929	16,347	10,009	47,103	361	4,209	-	11,511	90,469
Transfers	-	-	-	-	(3,140)	-	-	-	3,140	-
Disposals	-	-	(25,506)	(2,594)	(36,808)	-	(1,793)	-	(7,236)	(73,937)
At 31 December 2016	-	14,357	413,089	64,753	591,723	11,659	46,939	-	15,375	1,157,895

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Consolidated financial statements

	Land	Land improvements	Buildings	Furniture and fixtures	Office equipment (in thousand Baht)	Vehicles	Other fixed assets	Assets under construction in progress and installation	Assets held for lease	Total
Net book value										
At 1 January 2015										
Owned assets	226,388	1,851	117,558	13,203	73,552	1,244	8,357	72	2,713	444,938
Assets under finance leases	-	-	-	-	23,600	-	-	-	-	23,600
	226,388	1,851	117,558	13,203	97,152	1,244	8,357	72	2,713	468,538
At 31 December 2015 and 1 January 2016										
Owned assets	226,388	5,345	106,819	24,547	107,558	1,243	9,985	6,322	471	488,678
Assets under finance leases	-	-	-	-	10,542	-	-	26,680	-	37,222
	226,388	5,345	106,819	24,547	118,100	1,243	9,985	33,002	471	525,900
At 31 December 2016										
Owned assets	226,388	4,416	126,114	63,570	134,933	882	12,245	7,725	42,769	619,042
Assets under finance leases	-	-	-	-	41,603	-	-	3,594	-	45,197
	226,388	4,416	126,114	63,570	176,536	882	12,245	11,319	42,769	664,239

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2016 amounted to Baht 855 million (2015: Baht 647 million).

Security

As at 31 December 2016, the Group mortgaged the land and building, and the right in office condominiums at the total value of Baht 6.56 million (2015: Baht 7.15 million) in the consolidated financial statement to secure the credit facilities from financial institutions. (see note 12 and 17).

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

	Separate financial statements							Assets under construction in progress and installation	Assets held for lease	Total
	Land	Land improvements	Buildings	Furniture and fixtures	Office equipment (in thousand Baht)	Vehicles	Other fixed assets			
Cost										
At 1 January 2015	220,675	17,481	535,615	66,997	646,691	13,273	51,843	72	8,542	1,561,189
Additions	-	-	133	4,960	41,497	-	4,202	66,617	-	117,409
Transfers	-	4,719	9,294	11,315	25,254	-	336	(33,687)	(111)	17,120
Disposals	-	(3,427)	(21,142)	(2,511)	(35,891)	(3,000)	(2,637)	-	-	(68,608)
At 31 December 2015 and 1 January 2016	220,675	18,773	523,900	80,761	677,551	10,273	53,744	33,002	8,431	1,627,110
Additions	-	-	4,113	3,229	92,943	-	5,913	114,255	404	220,857
Transfers	-	-	34,808	45,821	2,071	-	585	(135,938)	56,546	3,893
Disposals	-	-	(28,785)	(2,451)	(34,076)	-	(1,802)	-	(7,237)	(74,351)
At 31 December 2016	220,675	18,773	534,036	127,360	738,489	10,273	58,440	11,319	58,144	1,777,509
Accumulated depreciation										
At 1 January 2015	-	15,630	419,156	54,027	557,206	12,900	43,572	-	5,829	1,108,320
Additions	-	897	17,597	5,001	44,289	373	3,160	-	2,230	73,547
Transfers	-	-	-	-	99	-	-	-	(99)	-
Disposals	-	(3,099)	(18,768)	(2,511)	(35,198)	(3,000)	(2,637)	-	-	(65,213)
At 31 December 2015 and 1 January 2016	-	13,428	417,985	56,517	566,396	10,273	44,095	-	7,960	1,116,654
Additions	-	929	16,152	9,916	43,300	-	4,125	-	11,511	85,933
Transfers	-	-	-	-	(3,140)	-	-	-	3,140	-
Disposals	-	-	(25,506)	(2,395)	(33,967)	-	(1,751)	-	(7,236)	(70,855)
At 31 December 2016	-	14,357	408,631	64,038	572,589	10,273	46,469	-	15,375	1,131,732

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Separate financial statements										
	Land	Land improvements	Buildings	Furniture and fixtures	Office equipment <i>(in thousand Baht)</i>	Vehicles	Other fixed assets	Assets under construction in progress and installation	Assets held for lease	Total
Net book value										
At 1 January 2015										
Owned assets	220,675	1,851	116,459	12,970	65,885	373	8,271	72	2,713	429,269
Assets under finance leases	-	-	-	-	23,600	-	-	-	-	23,600
	220,675	1,851	116,459	12,970	89,485	373	8,271	72	2,713	452,869
At 31 December 2015 and 1 January 2016										
Owned assets	220,675	5,345	105,915	24,244	100,613	-	9,649	6,322	471	473,234
Assets under finance leases	-	-	-	-	10,542	-	-	26,680	-	37,222
	220,675	5,345	105,915	24,244	111,155	-	9,649	33,002	471	510,456
At 31 December 2016										
Owned assets	220,675	4,416	125,405	63,322	124,297	-	11,971	7,725	42,769	600,580
Assets under finance leases	-	-	-	-	41,603	-	-	3,594	-	45,197
	220,675	4,416	125,405	63,322	165,900	-	11,971	11,319	42,769	645,777

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2016 amounted to Baht 842 million (2015: Baht 647 million).

Security

As at 31 December 2016, the Company mortgaged the land and building, and the right in office condominiums at the total value of Baht 0.14 million (2015: Baht 0.88 million) in the separated financial statement to secure the credit facilities from financial institutions (see note 12 and 17)

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

14 Finance lease receivables

		Consolidated financial statements				Total	
	<i>Note</i>	Portion due within one year		Portion due after one year		2016	2015
		2016	2015	2016	2015		
<i>(in thousand Baht)</i>							
Related parties	5	10	-	18	-	28	-
Other parties		142,976	161,076	144,502	198,744	287,478	359,820
		142,986	161,076	144,520	198,744	287,506	359,820
Less unearned interest income		(13,254)	(14,080)	(9,521)	(10,548)	(22,775)	(24,628)
		129,732	146,996	134,999	188,196	264,731	335,192
Less allowance for doubtful accounts		-	-	-	-	-	-
Net		129,732	146,996	134,999	188,196	264,731	335,192

		Separate financial statements				Total	
	<i>Note</i>	Portion due within one year		Portion due after one year		2016	2015
		2016	2015	2016	2015		
<i>(in thousand Baht)</i>							
Related parties	5	10	-	18	-	28	-
Other parties		47,171	60,159	78,130	129,344	125,301	189,503
		47,181	60,159	78,148	129,344	125,329	189,503
Less unearned interest income		(5,992)	(6,124)	(5,121)	(7,008)	(11,113)	(13,132)
		41,189	54,035	73,027	122,336	114,216	176,371
Less allowance for doubtful accounts		-	-	-	-	-	-
Net		41,189	54,035	73,027	122,336	114,216	176,371

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>(in thousand Baht)</i>				

Bad and doubtful debts expenses
(reversal) for the year

-	-	-	-
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Finance lease receivables of the Group/Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

As at 31 December 2016 and 2015, the gross investment under finance lease contracts and present value of minimum lease payments receivable were as follows:

	Consolidated financial statements			
	2016	Present value of minimum lease payments under finance lease contracts	2015	Present value of minimum lease payments under finance lease contracts
	Gross investment under finance lease contracts	(in thousand Baht)	Gross investment under finance lease contracts	
Portion due within one year	142,986	129,732	161,076	146,996
Portion due after one year but within five years	144,520	134,999	198,744	188,196
Total	287,506	264,731	359,820	335,192
Less unearned interest	(22,775)		(24,628)	
Net investment under finance lease contracts	264,731		335,192	

	Separated financial statements			
	2016	Present value of minimum lease payments under finance lease contracts	2015	Present value of minimum lease payments under finance lease contracts
	Gross investment under finance lease Contracts	(in thousand Baht)	Gross investment under finance lease contracts	
Portion due within one year	47,181	41,189	60,159	54,035
Portion due after one year but within five years	78,148	73,027	129,344	122,336
Total	125,329	114,216	189,503	176,371
Less unearned interest	(11,113)		(13,132)	
Net investment under finance lease contracts	114,216		176,371	

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

15 Intangible assets

	Consolidated financial statements Software license and others <i>(in thousand Baht)</i>	Separate financial statements Software license and others
Cost		
At 1 January 2015	37,601	36,642
Additions	4,829	4,753
At 31 December 2015 and 1 January 2016	42,430	41,395
Additions	7,333	7,333
Transfers	2,205	2,205
Written-off	(9)	(9)
At 31 December 2016	51,959	50,924
Accumulated amortisation		
At 1 January 2015	25,849	25,387
Amortisation charge for the year	3,828	3,382
At 31 December 2015 and 1 January 2016	29,677	28,769
Amortisation charge for the year	5,557	5,524
Disposals/written-off	(5)	(5)
At 31 December 2016	35,229	34,288
Net book value		
At 1 January 2015	11,752	11,255
At 31 December 2015 and 1 January 2016	12,753	12,626
At 31 December 2016	16,730	16,636

16 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Total	42,999	31,295	21,508	15,930
Set off of tax	(21,508)	(15,930)	(21,508)	(15,930)
Net deferred tax assets	21,491	15,365	-	-
	Separate financial statements			
	Assets		Liabilities	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Total	34,976	27,316	21,508	15,929
Set off of tax	(21,508)	(15,929)	(21,508)	(15,929)
Net deferred tax assets	13,468	11,387	-	-

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Movements in total deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements (Charged)/credited to:				At 31 December 2016
	At 1 January 2016	Profit or loss	Other comprehensive income (in thousand Baht)	Equity	
Deferred tax assets					
Allowance for doubtful account	1,418	6,690	-	-	8,108
Finance lease receivables	4,320	2,888	-	-	7,208
Allowance for decline in value of inventory	-	87	-	-	87
Allowance for decline in values of investment	400	441	-	-	841
Employee benefit obligations	25,157	1,598	-	-	26,755
Total	31,295	11,704	-	-	42,999
Deferred tax liabilities					
Depreciation of buildings	(6,573)	(570)	-	-	(7,143)
Finance lease liabilities	(9,357)	(5,008)	-	-	(14,365)
Total	(15,930)	(5,578)	-	-	(21,508)
Net	15,365	6,126	-	-	21,491

	Consolidated financial statements (Charged)/credited to:				At 31 December 2015
	At 1 January 2015	Profit or loss	Other comprehensive income (in thousand Baht)	Equity	
Deferred tax assets					
Allowance for doubtful account	1,685	(267)	-	-	1,418
Finance lease receivables	(2,364)	6,684	-	-	4,320
Allowance for decline in value of inventory	21	(21)	-	-	-
Allowance for decline in values of investment	400	-	-	-	400
Employee benefit obligations	20,818	364	3,975	-	25,157
Total	20,560	6,760	3,975	-	31,295

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Consolidated financial statements

(Charged)/credited to:

	At 1 January 2015	Profit or loss	Other comprehensive income (in thousand Baht)	Equity	At 31 December 2015
Deferred tax liabilities					
Depreciation of buildings	(5,371)	(1,202)	-	-	(6,573)
Finance lease liabilities	(4,296)	(5,061)	-	-	(9,357)
Total	(9,667)	(6,263)	-	-	(15,930)
Net	10,893	497	3,975	-	15,365

Separate financial statements

(Charged)/credited to:

	At 1 January 2016	Profit or loss	Other comprehensive income (in thousand Baht)	Equity	At 31 December 2016
Deferred tax assets					
Allowance for doubtful account	1,301	3,169	-	-	4,470
Finance lease receivables	3,458	2,517	-	-	5,975
Allowance for decline in value of inventory	-	87	-	-	87
Allowance for decline in values of investment	400	441	-	-	841
Employee benefit obligations	22,157	1,446	-	-	23,603
Total	27,316	7,660	-	-	34,976
Deferred tax liabilities					
Depreciation of buildings	(6,573)	(570)	-	-	(7,143)
Finance lease liabilities	(9,356)	(5,009)	-	-	(14,365)
Total	(15,929)	(5,579)	-	-	(21,508)
Net	11,387	2,081	-	-	13,468

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

	At 1 January 2015	Separate financial statements (Charged)/credited to:			At 31 December 2015
		Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Equity	
Deferred tax assets					
Allowance for doubtful account	1,482	(181)	-	-	1,301
Finance lease receivables	(3,423)	6,881	-	-	3,458
Allowance for decline in value of inventory	16	(16)	-	-	-
Allowance for decline in values of investment	400	-	-	-	400
Employee benefit obligations	18,697	137	3,323	-	22,157
Total	17,172	6,821	3,323	-	27,316
Deferred tax liabilities					
Depreciation of buildings	(5,371)	(1,202)	-	-	(6,573)
Finance lease liabilities	(4,296)	(5,060)	-	-	(9,356)
Total	(9,667)	(6,262)	-	-	(15,929)
Net	7,505	559	3,323	-	11,387

17 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Current				
Bank overdrafts unsecured	40,737	1,560	25,521	-
Short-term loans from financial institutions secured	55,000	223,527	-	124,527
Bank overdrafts and short-term loans from financial institutions	95,737	225,087	25,521	124,527
Short-term loans from other party no interest unsecured	17,909	-	17,909	-
Current portion of long-term loans from financial institutions secured	5,040	4,335	5,040	4,335
Current portion of long-term loans from other party unsecured	17,837	-	17,837	-
Current portion of finance lease liabilities	91,958	98,858	47,765	44,725
Current portion of long-term liabilities	132,744	103,193	88,551	49,060
	228,481	328,280	114,072	173,587

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Non-current</i>				
Long-term loans from financial institutions				
secured	19,540	-	19,540	-
Long-term loans from other party				
unsecured	35,571	-	35,571	-
Finance lease liabilities	100,389	147,180	74,392	104,887
	155,550	147,180	129,503	104,887
Total	383,981	475,460	243,575	278,474

Bank overdrafts and short-term loans from financial institutions and other party

As at 31 December 2016, the above loans bear interest at floating rates ranging from 2.3% to 7.7% per annum (2015: 2.3% to 7.8% per annum).

Long-term liabilities

- (a) The Group/Company's long term loans as at 31 December 2016 bear interest rate at 3.6% per annum and 3.9% per annum and repayable installments up to December 2021.
- (b) The Group/Company entered into financial lease agreements for equipment which are repayable installments in amounts as specified in the agreements up to September 2021 and December 2021, respectively.

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Within one year	136,523	229,422	66,307	128,862
After one year but within five years	55,111	-	55,111	-
Total	191,634	229,422	121,418	128,862

Secured interest-bearing liabilities as at 31 December 2016 and 2015 were secured on the assets as disclosed in note 12 and 13.

As at 31 December 2016, the Group/Company has unutilized credit facilities in amount of Baht 2,485 million and Baht 1,939 million, respectively (2015: Baht 2,478 million and Baht 2,061 million, respectively).

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

	Consolidated financial statements					
	2016			2015		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	96,175	4,217	91,958	110,567	11,709	98,858
After one year but within five years	102,351	1,962	100,389	156,839	9,659	147,180
Total	198,526	6,179	192,347	267,406	21,368	246,038

	Separate financial statements					
	2016			2015		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	49,319	1,554	47,765	52,389	7,664	44,725
After one year but within five years	75,502	1,110	74,392	112,798	7,911	104,887
Total	124,821	2,664	122,157	165,187	15,575	149,612

Interest-bearing liabilities of the Group/Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

18 Trade and other accounts payable

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2016	2015	2016	2015
		(in thousand Baht)			
Trade accounts payable					
Related parties	5	1,356	16,427	87,369	48,437
Other parties		734,421	943,169	580,719	860,300
Total trade accounts payable		735,777	959,596	668,088	908,737
Other payables					
Related parties	5	47	1,173	47	775
Other parties					
Accrued operating expenses		134,518	115,228	101,522	88,944
Deposits and advances received		64,318	21,232	57,507	15,498
Others		10,433	34,353	12,599	19,685
Total other payables		209,316	171,986	171,675	124,902
Total trade and other accounts payable		945,093	1,131,582	839,763	1,033,639

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

The currency denomination of trade and other accounts payable as at 31 December 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
19 Thai Baht (THB)	685,871	881,742	598,543	786,023
United States Dollars (USD)	255,712	249,685	237,710	247,461
Singapore Dollars (SGD)	3,510	155	3,510	155
Total	945,093	1,131,582	839,763	1,033,639
Employee benefit obligations				

The Group and the Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group/Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Statements of financial position				
obligations for				
Present value of unfunded obligations	133,985	125,783	118,015	110,787
Movement in employee benefit obligations				
Employee benefit obligations at 1 January	125,783	104,091	110,787	93,486
Expense recognised in profit or loss during year	10,731	9,318	9,279	8,187
Actuarial losses recognised in the year	-	19,873	-	16,613
Benefits paid during year	(2,529)	(7,499)	(2,051)	(7,499)
Employee benefit obligations at 31 December	133,985	125,783	118,015	110,787
Expense recognised in profit or loss				
Current service cost	7,529	4,935	6,467	4,292
Interest on obligation	3,202	4,383	2,812	3,895
Total	10,731	9,318	9,279	8,187
Recognised in other comprehensive income:				
Cumulative actuarial losses recognised	-	19,873	-	16,613

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

Actuarial losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Demographic assumptions	-	485	-	425
Financial assumptions	-	17,186	-	14,865
Experience adjustment	-	2,202	-	1,323
Total	-	19,873	-	16,613

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		<i>(Restate)</i>		<i>(Restate)</i>
Discount rate (%)	2.6	2.6	2.6	2.6
Future salary growth (%)	5	5	5	5
Retirement age (Year)	55	55	55	55

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2016, the Group's and the Company's weighted-average duration of the defined benefit obligation is in range of 11 years (2015: 11 years) and 11 years (2015: 11 years), respectively.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts show below.

	Consolidated financial statements		Separate financial statements	
	<i>(in thousand Baht)</i>			
Defined benefit obligation at 31 December 2016	Increased	Decreased	Increased	Decreased
Discount rate (1% movement)	(9,197)	10,375	(7,895)	8,903
Future salary growth (1% movement)	9,276	(8,356)	7,854	(7,071)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

20 Share capital

	Par value per share <i>(in Baht)</i>	2016		2015	
		Number	Amount	Number	Amount
		<i>(thousand shares)</i>		<i>(thousand Baht)</i>	
<i>Authorised</i>					
At 1 January					
- ordinary shares	1	360,000	360,000	360,000	360,000
At 31 December					
- ordinary shares	1	360,000	360,000	360,000	360,000
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	1	360,000	360,000	360,000	360,000
At 31 December					
- ordinary shares	1	360,000	360,000	360,000	360,000

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

21 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, if any, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Fair value changes in available-for-sale investments

The fair value changes account within equity comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

22 Segment information

The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Computer and equipment
- Segment 2 Software
- Segment 3 Supplies and office equipment
- Segment 4 Leasing and other services

Information regarding the results of each reportable segment is included below. Performance is measured based on segment gross profit, as included in the internal management reports that are reviewed by the Group's CODM. Segment gross profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

Information about reportable segments

	Segment 1		Segment 2		Segment 3		Segment 4		Total reportable segments	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	<i>(in thousand Baht)</i>									
External revenue	<u>2,472,382</u>	<u>2,552,837</u>	<u>2,192,000</u>	<u>1,625,194</u>	<u>2,132,894</u>	<u>2,120,851</u>	<u>853,602</u>	<u>678,257</u>	<u>7,650,878</u>	<u>6,977,139</u>
Inter-segment revenue	<u>424,734</u>	<u>117,309</u>	<u>11,418</u>	<u>15,631</u>	<u>265</u>	<u>199</u>	<u>45,053</u>	<u>52,845</u>	<u>481,470</u>	<u>185,984</u>
Total segment revenue	<u>2,897,116</u>	<u>2,670,146</u>	<u>2,203,418</u>	<u>1,640,825</u>	<u>2,133,159</u>	<u>2,121,050</u>	<u>898,655</u>	<u>731,102</u>	<u>8,132,348</u>	<u>7,163,123</u>
Gross profit	<u>300,644</u>	<u>333,515</u>	<u>278,569</u>	<u>238,678</u>	<u>243,792</u>	<u>245,972</u>	<u>259,891</u>	<u>251,474</u>	<u>1,082,896</u>	<u>1,069,639</u>
Total assets as at 31 December									<u>3,136,170</u>	<u>3,322,933</u>
Total liabilities as at 31 December									<u>1,507,828</u>	<u>1,770,813</u>

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

Reconciliation of reportable segment profit or loss

	2016	2015
	<i>(in thousand Baht)</i>	
Profit or loss		
Gross profit from reportable segments	1,082,896	1,069,639
Unallocated amounts:		
- Other income	50,063	38,681
- Selling and administrative expenses	(873,646)	(823,223)
- Finance cost	(22,299)	(27,730)
Share of profit (loss) from investments	(8,141)	8,238
Consolidated profit before income tax expense	228,873	265,605

Geographical segments

The Group is managed and operates principally in Thailand. There are no significant revenues derived from, or assets located in foreign countries.

Major customer

The Group had a large customer base. Accordingly, the Group had no significant revenue from any individual external customer.

23 Selling expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Employee expenditure	83,849	73,005	74,119	63,239
Promotion expenses	21,679	25,192	14,137	15,414
Transportation expenses	19,128	20,845	17,895	18,640
Entertainment expenses	11,025	11,226	10,422	10,173
Others	11,229	9,673	9,918	7,470
Total	146,910	139,941	126,491	114,936

24 Administrative expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Employee expenditure	523,609	517,486	451,191	436,709
Depreciation and amortisation expenses	58,976	55,074	54,744	50,380
Provisions for debts and doubtful debts expenses, declining value in inventories and investments; and written off				
withholding tax deducted at source	33,988	(957)	18,584	(934)
Travelling expense	23,944	26,446	20,146	21,853
Utilities	16,210	19,662	16,019	18,834

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Maintenance expenses	12,902	11,261	12,827	11,135
Professional and consultant fees	8,080	9,755	8,078	8,478
Office, equipment and vehicle rental	7,659	8,909	9,383	8,963
Others	41,368	35,646	34,533	33,849
Total	726,736	683,282	625,505	589,267

25 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Salaries, wages, overtimes and bonus	509,706	442,794	437,678	367,264
Commission	83,849	73,005	74,118	63,238
Employees' long-term benefits	10,731	9,318	9,279	8,187
Welfare	27,105	79,651	22,233	71,771
Contribution to defined benefit plans	14,159	14,079	12,150	12,161
Others	16,265	17,186	14,332	15,671
Total	661,815	636,033	569,790	538,292

In 1998, the Company established a new contributory funded provident fund covering substantially all employees. This fund was registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership is voluntary upon attaining permanent status. Under the regulations of the fund, members are required to make monthly contributions to the fund at 5% of the members' basic salaries and the Company is required to make monthly contributions to the fund at 5-7% of the members' basic salaries.

26 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Purchase goods and services	5,608,067	5,538,453	4,714,036	4,712,813
Employee benefits expense	661,815	636,033	569,790	538,292
Changes in inventory	366,205	(57,737)	444,386	(383,201)
Depreciation and amortisation expenses	96,026	81,733	91,457	76,929
Provisions for debts and doubtful debts expenses, declining value in inventories and investments; and written off withholding tax deducted at source	34,275	(957)	18,872	(934)
Travelling expense	23,980	26,457	20,182	21,864
Finances cost	22,299	27,730	14,980	13,654

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Promotion expenses	21,679	25,192	14,137	15,414
Transportation expense	19,128	20,845	17,895	18,640
Utilities	16,210	19,662	16,019	18,834
Maintenance expenses	12,902	11,261	12,827	11,135
Entertainment	11,025	11,226	10,422	10,173
Professional and consultant fee	8,080	9,755	8,078	8,478
Office, equipment and vehicle rental	7,659	8,909	9,383	8,963
Others	554,577	399,891	441,058	315,954
Total expenses	7,463,927	6,758,453	6,403,522	5,387,008

27 Income tax expense

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Current tax expense	49,125	56,768	35,328	40,085
Deferred tax expense	(6,126)	(497)	(2,081)	(559)
Total	42,999	56,271	33,247	39,526

Income tax recognised in other comprehensive income

Tax (expense) benefit

Defined benefit plan actuarial losses	-	(3,975)	-	(3,323)
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Reconciliation of effective tax rate

	Consolidated financial statements			
	2016		2015	
	Rate (%)	<i>in thousand Baht</i>	Rate (%)	<i>in thousand Baht</i>
Profit before income tax expense		228,873		265,605
Income tax using the Thai corporation tax rate	20	45,775	20	53,121
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net and others		(2,776)		3,150
Total	19	42,999	21	56,271

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

	Separate financial statements			
	2016		2015	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		<u>210,817</u>		<u>187,827</u>
Income tax using the Thai corporation tax rate	20	<u>42,163</u>	20	<u>37,565</u>
Tax effect of partial income and expenses that are not taxable income or not deductible in determining taxable profit, net		<u>(8,916)</u>		<u>1,961</u>
Total	<u>16</u>	<u>33,247</u>	<u>21</u>	<u>39,526</u>

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

28 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2016 and 2015 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the year attributable to ordinary shareholders of the Company (basic)	<u>188,063</u>	<u>206,139</u>	<u>177,570</u>	<u>148,301</u>
Number of ordinary shares outstanding (basic)	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
Earnings per share (basic) (in Baht)	<u>0.52</u>	<u>0.57</u>	<u>0.49</u>	<u>0.41</u>

29 Dividends

At the annual general meeting of the shareholders of the Company held on 31 March 2016, the shareholders approved the appropriation of dividend of Baht 0.30 per share, amounting to Baht 108 million. The dividend was paid to shareholders during 2016.

At the annual general meeting of the shareholders of the Company held on 31 March 2015, the shareholders approved the appropriation of dividend of Baht 0.30 per share, amounting to Baht 108 million. The dividend was paid to shareholders during 2015.

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

30 Financial instruments

Financial risk management policies

The Group/Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group/Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group/Company. The Group/Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group/Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's/Company's operations and its cash flows because debt securities interest rates are mainly fixed and float. The Group/Company is primarily exposed to interest rate risk from its borrowings (see note 17). The Group/Company mitigates this risk by ensuring that the majority of its borrowings are close to the current market rate.

The effective interest rates of interest-bearing financial liabilities excluded finance lease liabilities as at 31 December and the periods in which those liabilities mature were as follows:

	Effective interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
2016					
Current					
Loans payable – financial institutions	2.3 - 7.7	95,737	-	-	95,737
Loans payable – other party	nil	17,909	-	-	17,909
Non-current					
Loans payable – financial institutions	3.9	5,040	19,540	-	24,580
Loans payable – other party	3.6	17,837	35,571	-	53,408
Total		136,523	55,111	-	191,634

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

	Effective interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
2015					
Current					
Loans payable – financial institutions	2.3 - 7.8	225,087	-	-	225,087
Non-current					
Loans payable – financial institutions	MLR - 1.5%	4,335	-	-	4,335
Total		229,422	-	-	229,422

	Effective interest rate (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
2016					
Current					
Loans payable – financial institutions	2.3 - 7.7	25,521	-	-	25,521
Loans payable – other party	nil	17,909	-	-	17,909
Non-current					
Loans payable – financial institutions	3.9	5,040	19,540	-	24,580
Loans payable – other party	3.6	17,837	35,571	-	53,408
Total		66,307	55,111	-	121,418

2015					
Current					
Loans payable – financial institutions	2.3 - 7.8	124,527	-	-	124,527
Non-current					
Loans payable – financial institutions	MLR - 1.5%	4,335	-	-	4,335
Total		128,862	-	-	128,862

Foreign currency risk

The Group/Company is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group/Company primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December 2016 and 2015, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		(in thousand Baht)			
United States Dollars (USD)					
Trade and other accounts receivable	8	383	2,163	383	2,163
Trade and other accounts payable	18	(255,712)	(249,685)	(237,710)	(247,461)
Gross statements of financial position exposure		(255,329)	(247,522)	(237,327)	(245,298)
Currency forwards, net		500,827	313,120	494,386	311,127
Net assets (liabilities) exposure		245,498	65,598	257,059	65,829
Singapore Dollars (SGD)					
Trade and other accounts payable	18	(3,510)	(155)	(3,510)	(155)
Gross statements of financial position exposure		(3,510)	(155)	(3,510)	(155)
Currency forwards, net		8,674	8,360	8,674	8,360
Net assets (liabilities) exposure		5,164	8,205	5,164	8,205

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle its financial and contractual obligations to the Group/Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position. However, due to the large number of parties comprising the Group's/Company's customer base, management does not anticipate material losses from its debt collection.

Liquidity risk

The Group/Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's/Company's operations and to mitigate the effects of fluctuations in cash flows.

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Consolidated financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2016					
Financial assets/Financial liabilities					
measured at fair value					
Equity securities available for sale	245,078	-	245,078	-	245,078
Forward contracts (USD)	498,170	-	500,827	-	500,827
Forward contracts (SGD)	8,578	-	8,674	-	8,674
31 December 2015					
Financial assets/Financial liabilities					
measured at fair value					
Forward contracts (USD)	313,429	-	313,120	-	313,120
Forward contracts (SGD)	8,401	-	8,360	-	8,360
Separate financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2016					
Financial assets/Financial liabilities					
measured at fair value					
Equity securities available for sale	245,001	-	245,001	-	245,001
Forward contracts (USD)	491,728	-	494,386	-	494,386
Forward contracts (SGD)	8,758	-	8,674	-	8,674
31 December 2015					
Financial assets/Financial liabilities					
measured at fair value					
Forward contracts (USD)	310,437	-	311,127	-	311,127
Forward contracts (SGD)	8,401	-	8,360	-	8,360

Carrying amounts and fair values of financial instruments not measured at fair value

Most of financial assets and liabilities of the Group were short-term. The fair value of financial assets and liabilities are taken to approximate the carrying value as determined in the statement of financial position.

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

The fair value of long-term borrowings is taken to approximate the carrying value because most of these financial instruments bear interest close to market rate.

Financial instruments carried at fair value

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group/Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

31 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	4,056	6,279	3,666	5,689
After one year but within five years	8,989	18,905	8,538	18,011
Total	13,045	25,184	12,204	23,700

Letter of guarantee from financial institutions

As at 31 December 2016, the Group has commitments from the financial institutions that issued letter of guarantees to various partners amounting to Baht 309.53 million and USD 0.1 million (2015: Baht 262.94 million and USD 0.1 million).

As at 31 December 2016, the Company has commitments from the financial institutions that issued letter of guarantees to various partners amounting to Baht 247.24 million and USD 0.1 million (2015: Baht 205.10 million and USD 0.1 million).

Related party guarantees

As at 31 December 2016, the Company has provided guarantees to suppliers in the total amount of Baht 210 million for credits obtained by a subsidiary (2015: Baht 70 million for credits obtained by two subsidiaries).

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

32 Events after the reporting period

- (a) In January 2017, the Company sold all of its 49% interest in the issued and paid up capital of Metrosoft Company Limited, an associated company of the Group, to other party for a consideration of Baht 1.25 million. The Group and the Company has a gain of Baht 0.1 million and Baht 0.5 million, respectively.
- (b) At the Board of Directors' meeting of the Company held on 28 February 2017, the Board of Directors approved the appropriation of dividend of Baht 0.35 per share, amounting to Baht 126 million.

33 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's/Company's operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Group/Company does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 8 (revised 2016)	Operating Segments

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

TFRS	Topic
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 15 (revised 2016)	Operating Leases – Incentives
TSIC 25 (revised 2016)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 32 (revised 2016)	Intangible Assets – Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
FAP Announcement no. 5/2559	Accounting guidance for derecognition of financial assets and financial liabilities

The Group/Company has made a preliminary assessment of the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

34 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2015 and 1 January 2015, which are included in the 2016 financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2016 financial statements. Significant reclassifications were as follows:

	31 December 2015					
	Consolidated			Separate		
	financial statements			financial statements		
	Before reclass	Reclass	After reclass	Before reclass	Reclass	After reclass
	<i>(in thousand Baht)</i>					
<i>Statement of financial position</i>						
Cash and cash equivalents	214,575	(1,337)	213,238	159,355	(12,550)	146,805
Trade and other accounts receivable	1,185,500	(32,779)	1,152,721	916,201	(20,725)	895,476
Current portion of finance lease receivables	145,923	1,073	146,996	52,962	1,073	54,035
Finance lease receivables	197,250	(9,054)	188,196	131,390	(9,054)	122,336
Other current assets	28,596	(4,375)	24,221	15,934	-	15,934
Income tax deducted at source	-	59,873	59,873	-	54,355	54,355
Other non-current assets	63,235	(59,873)	3,362	57,690	(54,355)	3,335
Trade and other accounts payable	(1,160,759)	29,177	(1,131,582)	(1,061,975)	28,336	(1,033,639)
Other current liabilities	(43,933)	15,403	(28,530)	(37,855)	13,647	(24,208)
Finance lease liabilities	(151,555)	4,375	(147,180)	(104,887)	-	(104,887)
Dividend payable	-	(2,483)	(2,483)	-	(727)	(727)
		<u>-</u>			<u>-</u>	

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

	1 January 2015					
	Consolidated financial statements			Separate financial statements		
	Before reclass	Reclass	After reclass <i>(in thousand Baht)</i>	Before reclass	Reclass	After reclass
Statement of financial position						
Cash and cash equivalents	147,876	6,767	154,643	48,204	4,331	52,535
Trade and other accounts receivable	1,136,203	(6,767)	1,129,436	954,032	(4,331)	949,701
Current portion of finance lease receivables	149,013	(4,449)	144,564	60,863	(4,449)	56,414
Other current assets	37,641	(7,429)	30,212	3,822	-	3,822
Finance lease receivables	232,752	(10,641)	222,111	152,335	(10,641)	141,694
Income tax deducted at source	-	61,650	61,650	-	57,301	57,301
Other non-current assets	65,067	(61,650)	3,417	60,697	(57,301)	3,396
Dividend payable	-	(2,316)	(2,316)	-	(560)	(560)
Current portion of long-term loans	(97,828)	97,828	-	(52,680)	52,680	-
Current portion of long-term loans from financial institutions	-	(10,395)	(10,395)	-	(10,395)	(10,395)
Current portion of finance lease liabilities	-	(87,433)	(87,433)	-	(42,285)	(42,285)
Other current liabilities	(51,819)	17,406	(34,413)	(44,163)	15,650	(28,513)
Finance lease liabilities	(162,493)	7,429	(155,064)	(102,782)	-	(102,782)
		<u>-</u>			<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.



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