

ANNUAL REPORT 2017



THAILAND 4.0



Metro Systems Corporation Public Company Limited

Vision

We aim to be a trust worthy organization in the eyes of customers and partners into national and regional levels for support the customers' organization to success in transition of the Digital Era by innovative and worthy services of investment.

Quality Policy

Accuracy, Timeliness and Commitment to continuous improvement.

Mission

We commit to be an excellent company and doing with the continuous business management in the era of fully integrated digital economy. All are operated by our professional staffs for customer success together with participated in developing a learning society.



METRO Way is both our core values and basic philosophy that dictate the way we work at MSC. These core values also shaped our corporate culture that we adhered to and take it as guiding principles to achieve sustainable winning.



Moral

We are honest and straightforward with each other. We operate within the spirit of the law and ethics and adhere to do the right thing.

Excellence

We commit to Customer Service Excellence. We make a difference and deliver what we promised and add value that goes beyond what is expected. We will make customers think of us first. We have a compelling desire to improve ourselves to win in the marketplace.

Teamwork

We believe in the power of teamwork and synergy. We work collaboratively, develop and maintain productive working relationship.

Respect and Trust

We care our people, customers and business partners with respect and trust. We believe that all individuals can and want to contribute to their fullest potential. We also believe that people work best when there is foundation of trust.

Ownership

We believe that we are part of the organization. We take ownership in everything we do and commit ourselves to the best results. We improve our work systems and always improve our effectiveness.



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Messages from the Chairman



The year 2017 has provided an important period of transition for technological advancement. According to Thailand's policy framework 4.0, the government has put in place an economic development model affecting the technology industry. In connection with Cloud Computing, Big Data, Mobility, Digital Transformation, Internet of Things and Social Media, The Company still expected that these developments are playing a large role in future of the business. Our Company has overcome the challenges that arise in this new environment of technological change and tracked the investment trends in the country and internationally. As a result, the management of the Company has applied itself to meet the needs of customers who want to take advantage of new cutting edge technology and to seek to increase the revenue of the Company to continue growth. This can be seen from the results of the Company's revenue and profitability in the past year.

In addition to the operational performance, the Company pays attention to social responsibility in various areas and acts according to the policies announced by the Company. The Company has operated in accordance with good corporate governance principles following the guidelines on Anti-Corruption, including policies and regulations. The Board of Directors has set approved guidelines for standardization and has set a good example in communicating the policy to employees. It also provides support in various areas to ensure that the management and employees of the Company are best placed to perform their duties in accordance with the Code of Conduct in order to achieve the highest satisfaction with customers, business partners and stakeholders. In addition, the Company has continuously focused on the development of the Company's human resources. At the level of supervisors and level of operational management, The Company has provided and supported employees to attend training courses to develop the potential of each employee and increase their expertise. The Company has also sought to improve the scenery and environment and in line with the Company's investment in the environment due to the Company was selected as one of 13 listed companies in technology industrial sector to get an award-winning ESG100 for the year 2017, as a listed company with outstanding environmental, social, and corporate governance as judged by the Thaipat Institute. The Company was also awarded an ISO 9001: 2015 certification as a standard for businesses worldwide in terms of quality excellence and efficiency for the operations within the organization.

On behalf of the Board of Directors, I would like to thank all stakeholders, customers, business partners and shareholders for their business support and trust over the past 30 years we have been in business, including the executives and all the staff who have joined forces to form a team that is committed to serving the Company faithfully and successfully to the present day. The Company has confirmed that the Company will operate transparently, including an adherence to the Code of Conduct recognized by all stakeholders. The Company also remains committed to be responsible for the environment in the inclusion of prosperity of the Company as well contributing to sustainable society.

Sunpitt Sethpornpong

Chairman

Board of Directors and Executives



1. Mr. Sunpitt Sethpornpong

Chairman



2. Mr. Tavit Charuvajana

- Director
- Chairman of Executive Committee
- Managing Director

3. Mr. Kittit Techataveekijkul

- Vice Chairman
- Corporate Social Responsibility Committee
- Corporate Governance Sub-Committee
- Risk Management Sub-Committee

4. Mr. Narong Charuvajana

- Director
- Vice Nominating and Remuneration Sub-Committee

5. Mr. Suvij suvaruchiphorn

- Director
- Chairman of Nominating and Remuneration Sub-committee

6. Mr. Wanarak Eakachai

- Director
- Deputy Managing Director
- Corporate Social Responsibility Committee
- Corporate Governance Sub-Committee
- Risk Management Sub-Committee
- President of People Group

7. Mr. Pravitt Chattalada

- Independent Director
- Chairman of Audit Committee
- Nominating and Remuneration Sub-Committee
- Chairman of Corporate Social Responsibility Committee



8. Mr. Chacree-Amorn Tirachlisoonthorn

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

9. Dr. Virach Aphimeteetamrong

- Independent Director
- Audit Committee
- Chairman of Corporate Governance Sub-Committee

10. Mr. Thongchai Lumveerakul

- Executive Director
- Corporate Governance Sub-Committee
- Risk Management Sub-Committee
- President of Digital Printing Group (DPG)

11. Mr. Aroon Tor-ekbundit

- Executive Director
- Corporate Governance Sub-Committee
- Risk Management Sub-Committee
- President of Solutions Integration Group (SIG)

12. Mr. Veeraphan Durongsang

- Executive Director
- Corporate Governance Sub-Committee
- Risk Management Sub-Committee
- President of Enterprise System Group (ESG)

13. Mrs. Nittaya Thanaviriyakul

- Executive Director
- Corporate Governance Sub - Committee
- Risk Management Sub-Committee
- President of Accounting, Finance and Administrative
- President of Corporate Secretary

Distributor

MCC was appointed as Value Added Distributor from Micro Focus on September 26, 2017.



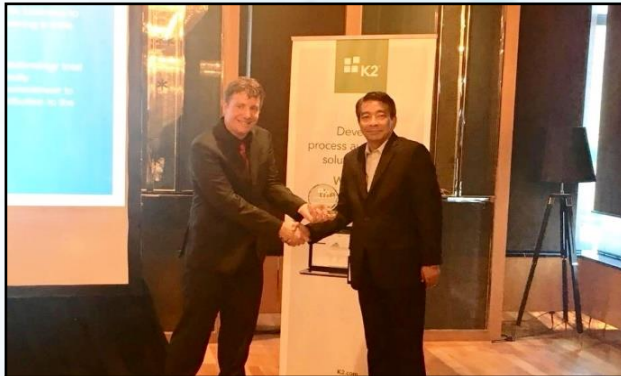
MSC was appointed as the first "HP Jet Fusion 3D Printing" dealer in Thailand on September 19, 2017.



MSC was appointed as distributor for HP PageWide A3 on June 27, 2017.

MSC was announced as Gold Partner with Talend a global leader in cloud and big data integration solutions on June 7, 2017.

Awards



MSC got award "K2-Top Performer of 2016" from SourceCode Technology Holdings, Inc.(SCTH) on November, 2017.

100 อันดับหลักทรัพย์ที่มีความโดดเด่นในการดำเนินธุรกิจอย่างยั่งยืน (ESG100)

AAV	ADVANC	AHC	ALUCON	ARROW	BAFS	BAY	BCP	BDM	BEAUTY
BEM	BKD	BWG	CENTEL	CHG	CK	CM	CPN	D	DCC
DELTA	DTAC	DTC	EGCO	ERW	FPI	FORTH	GC	GLOW	GPSC
GYT	HANA	HMPRO	ILINK	INTUCH	IRC	IRPC	ITEL	IVL	KBANK
KCE	KKP	KSL	KTB	KTC	KYE	LHBANK	LPH	LPN	M
MBK	MINT	MSC	NSI	NTV	OGC	PB	PM	PR	PREFB
PPS	PSH	PT	S&J	SAT	SCB	SCC	SIS	SMIT	SMPC
SNC	SPA	SPALI	SPI	SPRC	SSSC	STANLY	SYNEX	SYNTEC	TACC
TASCO	TCAP	TF	THANI	THIP	TISCO	TKS	TMB	TMD	TMT
TOG	TOP	TPCH	TPCORP	TTW	TU	TVO	UPF	VNT	WINNER

MSC was selected as 1 of the first 100 listed companies where is outstanding in Environmental, Social and Governance (ESG) by Thai Pat Institute on May 30, 2017.



MSC got awards a "Qlik ASEAN Elite Solution Provider of The Year 2016" and "Qlik ASEAN Elite Solution Provider Achievement Award 2017" As a featured contributor to the "Qlik" solution for 2 years consecutively on March 2017.



MSC got 2 awards from VMware (Thailand) Limited as a leader in delivering VMware solutions, including "VMware - Strategic Win of the Year 2016" and "VMware Partner of the Year 2016" on February 21, 2017.

MSC Activities



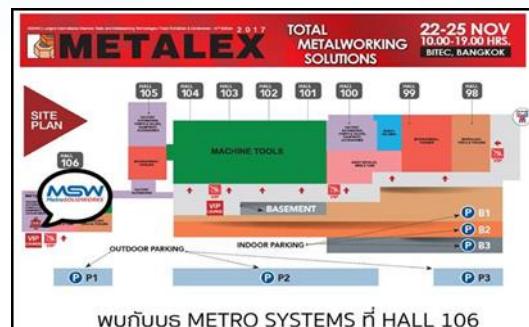
MSC with Elephas Solution Co.,Ltd. held a "Driving Towards Business Success with AI" fair.



MSC with IBM, T-maxsoft, INOX, TechBerry & Mendrix held a "Open Platform for development in to Application 4.0" fair.



MSC with HP Inc held a "The next generation of A3" fair to introduce HP PageWide A3 MFP printer.



Grand Opening of SOLIDWORKS version 2018 in "METALEX 2017" fair at BITEC Bangna



MSC with ThingWorx, Cloudera, Talend, Qlik and K2 held a "The M Matrix II - The Real Thing from IoT to Analytics" fair.



MSC provided a seminar "Collaboration Solutions with IBM and Cisco"

Subsidiaries Activities



HIS MSC provided a seminar to advise Metro.Brita.Hotel system for accounting management in hotel business.



MPP signed a Integrity Pact with the Thai Meteorological Department in “Development of Weather Forecasting System High Performance Computing project”



MCC with HPE held a “MCC-HPE Solution Center Open House” fair.

Partnership



MSC signed the Memorandum of Understanding with DATAVARD Pte. Ltd. for driving business in accordance with Lean SAP Data Management on December 21, 2017.



MSC signed the Memorandum of Understanding with PTC for driving business 4.0 by integrate ThingWorx® with technology linked to the Internet of Things (IoT) on June 1, 2017.



MSC signed the Memorandum of Understanding with Talend.Inc, leader in solutions of big data and cloud integration, for driving business in accordance with Business Analytics on April 27, 2017.



MSC with Hewlett Packard Enterprise opened "HPE Innovation Center".

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 from IBM (Thailand) Co., Ltd. After that, the Company expanded its business by distributing IT solutions and providing services from other leading IT companies, such as IBM, Hewlett-Packard, Lenovo, Dell, Acer, Microsoft, and SolidWorks etc., so that the services provided would be comprehensive and meet the needs of customers.

In 1995, the Company resolved to increase its registered capital to 180 million baht and restructured its business by registering to be a public company limited with the Stock Exchange of Thailand (SET). The first common stock was traded on 9 May 1996. Throughout the Company's operation period, the Company has changed its registered capital to recognize the size of its business. Today the Company's registered capital is 360 million baht (paid-up capital). There are currently three product categories in the Company, namely Enterprise Systems Group (ESG), Solutions Integration Group (SIG) and Digital Printing Group (DPG).

The Company's Management is conducted via its subsidiaries and jointed companies, totaling 7 companies to cover the whole of the technology trade and industries.



Significant Improvement and Development

Metro Systems Corporation Public Co., Ltd. has continuously developed its organization to make the business more efficient and consistent with the business environment. In August 2017, the Company has adjusted its business model and changed one of its business unit name from Office Supplies Group (OSG) to "Digital Printing Group (DPG)". The organizational structure has been changed by the setting up of a human resource group as a new resource to oversee personnel management and staff development. Moreover, the Company Secretary Office was set up to supervise the Company's operation under the requirements and regulations of the Securities and Exchange Commission. In January 2018, the Enterprise Systems Group (ESG) has changed its administrative strategy from an analog model to a digital model. As a result, the agenda was proposed for the consideration of a name change from "Enterprise Systems Group (ESG)" to "Digital Solutions Group (DSG)" effective on 23 January 2018, to be in line with updated technology.

The following significant improvements and development were conducted during the past five years.

Year	Significant Improvements and Development
2017	The Company has improved its quality management system in accordance with ISO 9001: 2008 to ISO 9001: 2015. It was certified on 14 March 2017, with the additional requirements for understanding the organization and the corporate contexts of understanding the needs and expectations of stakeholders to be used in risk management including to other requirements. This is the basis for helping organizations move towards sustainable development. On May 30, 2017, Thaipat Institute has announced that the Company is 1 of 13 listed companies in technology industrial sector to be one of 100 listed companies with outstanding environmental, social and governance (ESG100). Moreover, the Company sold its capital investment in Metrosoft Co., Ltd. in proportion to the Company's shareholding totaling to 49 percent of the share capital on January 24, 2017 to comply with the Company's strategy to restructure and strengthen the business.
2016	At the Board of Directors Meeting No. 2/2015, a resolution was passed to approve the application for approval of Unified Good Practice in the private sector from the Thailand Anti-Corruption Court. The Company has been certified as Unified on April 22, 2559, The Company had prepared a policy on the protection of intellectual property, Procurement policies and the monitoring of suppliers, Regulations on bidding procurement, Risk Management Policy, Director policies and the overseeing of the operations of its subsidiaries. The management and staff were seen to conduct themselves in strict compliance. There was also a restructuring of the business, on 10 August 2015 the Company sold its investment in the PSP (Thailand) Co., Ltd. The Company shareholding was in proportion to the total of 49.8 percent of the share capital to comply with the Company's strategy to restructure and strengthen the business.
2015	The Board of Directors had its resolution at the meeting No. 2/2015, on: 24 February 2015 to separately determine the individual anti-corruption policy. The Company had therefore applied this policy with its directors, executives, and employees so that the Company's operation was in line with the policy on good corporate governance. In addition, the Company had prepared the



	policy on information disclosure and transparency. The Board of Directors also passed a resolution to nominate the Social Responsibility Committees, Good Governance Sub-Committees and Risk Management Sub-Committees at the meeting No. 5/2015, on: 6 November 2015.
2014	The Company invested in human resources development and on recruiting, developing and retaining personnel so that we have officers who are qualified to meet the organization's job requirements. We also train our staff in accordance with Core Company Principles for career advancement and professional pride which leads to sustainable organization growth.
2013	The Division of Business Continuity Solutions relating to the corporate information protection has been certified by ISO/IEC 27001:2005.

Corporate Goals

Objectives

1. To select and offer a high standard of products and services in order to support the complete digital economy.
2. To add to the value of the organization, customers, business partners and stakeholders in order to meet the changes in technology.
3. To continually develop personnel in all aspects and skills in order to increase the organization's potential in business operations to allow for the swift revolution of digital world development.

The Company has set business goals for the year 2018 to continually achieve the growth in revenue and gross profit as well as to build a new business base to support and meet the digital economy by determining the following business strategies.

1.Services Revenue Expansion The Company is targeting a significant increase in revenues from diversifying services to create a long-term revenue base in terms of device rental services and service providing. This will help the customers in investment management and generate extra continued revenues from services.

2. Strategic Customer Focus The Company has been trusted by its clients in many industries. This group of customers are the major customer with over 90% of continued purchase transactions. In addition to managing in all major customers, the Company is also aiming to focus on niche segments of the industry with a growing number of potential digital trends.

3. Creating New Platforms Developing new business platforms to further enhance and create value for the customers to offer business sustainability by using the Design Thinking system as a design element.

4. New Strategic Partners In addition to focusing on building relationships with business partners, the Company also sets strategies for recruiting and coordinating with partners to develop new strategies. The Company has a strong presence in digital and social media.

5. Open Source Solution The Company has a strategy to develop systems with open source software, which is effective and low cost to help your customer be successful with the costs decreasing in the long run.

6. CSR Strategy The Company is committed to the development of the organization to create sustainability and value for the executives and employees by adhering to the principles of business and corporate social responsibility, the ethics of business, community and social development and to participate in

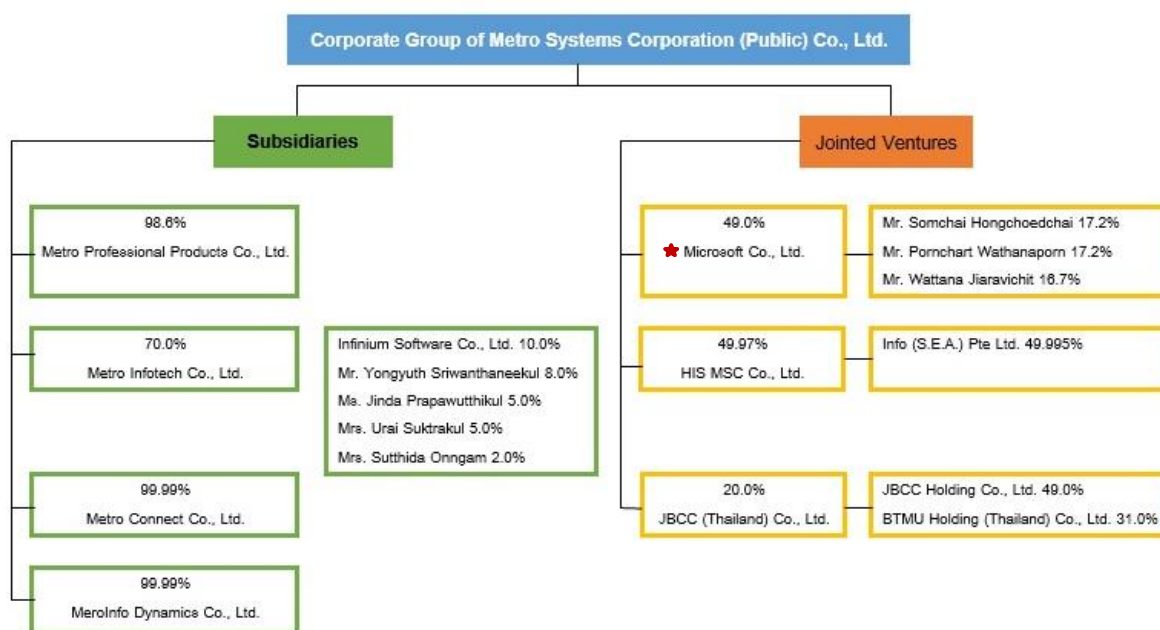


the organization of activities to comply with the corporate social responsibility policy announced by the company, as well as taking all stakeholders in all sectors.

7. Enterprise Risk Management For corporate sustainability principle, the Company has continually developed its risk management systems to be used as a hedge against the risks that may affect the business. The adequacy of internal controls is also assessed and measures taken to prevent potential risks. As a result, the work process is efficient and good internal control measures are in place.

Corporate Shareholding Structure

The Company has invested in 7 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 3 associated companies (Metrosoft 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.



Note : ★ On 24 January 2017, the Company sold its investment in Metrosoft Co., Ltd, an associate company, in proportion to the Company's shareholding, a total of 49% of the share capital to Mr. Pornchart Wathanaporn to comply with the Company's strategy to restructure and strengthen the business.

Relationship of Corporate Shareholders

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



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 34.4% of total revenue in 2017.

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 38.2% of total revenue in 2017.

Digital Printing Group (DPG)

To distribute office supply products, such as ink cartridges, data cartridges for computers, small-sized printers, cameras and projectors, smart phones, and tablets with 26.8% of total revenue in 2017.

In 2017, the Company also had a policy of reforming its business model to become a fulfilled printing business by changing its previous "Office Supplies Group (OSG)" to be "Digital Printing Group (DPG)" to be in line with the strategy of the Company and the introduction of its HP PageWide printers for distribution. The Company changed its focus from a distribution model to service providing, either through printer hire-purchase services, or printer rental, including distributing related office supply products for all brands of printers and IT products for office usage.



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	2017		2016		2015	
		Revenue	%	Revenue	%	Revenue	%
Part 1 : Sales and Service Income							
Enterprise Systems Group (ESG)	MSC/MPP/MCC/MID	2,560	34.4	2,472	32.1	2,553	36.4
Solution Integration Group (SIG)	MSC/MIT	2,841	38.2	3,046	39.5	2,303	32.8
Digital Printing Group (DPG)	MSC	1,994	26.8	2,133	27.7	2,121	30.2
Total Sales and Service Income		7,395	99.3	7,651	99.3	6,977	99.4
Part 2 : Other Incomes		49	0.7	50	0.7	39	0.6
Total Company's and Subsidiaries' Income		7,444	100.0	7,701	100.0	7,016	100.0
Part 3 : Profit (Loss) of Associated Companies	HIS/JBTH	0.66		(8)		8	
Total Income		7,445		7,693		7,024	

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 which include Server, Storage, PC's, Notebook, Workstation and Printer services, as well as the design and installation of computer systems, Software and solutions, such as retailing systems (Point-Of-Sale systems and software), Video Surveillance Systems (IP Camera and firewall software) as well as solutions for

Backup, Security and Mobility. ESG also offers programming to meet the needs of customers and RPG Programming Training, including serving various functions, such as rental and sales of products and services in the form of Managed-Service (MSP).

Our events organized in 2017 aimed to offer expertize solutions as well as other various solutions to the customers. We have also cooperated with Hewlett Packard Enterprise (HPE) to open the "HPE Innovation Center" for the purpose of showing the Hybrid IT technology which merges abilities of several functions together and can help organizations to apply the technology to the existing infrastructure internally (on-premise) and connect with cloud systems effectively. Three main technologies, namely Compute, Storage and Cloud, were invested in at a cost of over 20 million baht to produce an IT demonstration center in order to meet the demands of this business category. In addition, the Company's engineering



team and its customers can visit this IT demonstration center and benefit from “Proof of Concept” service to test the system capability prior to making a decision on investment. The Company also provides Hybrid IT workshops so that the customers can apply this technology to their organizations and show the Hybrid IT program is worth the investment.

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

Solution Integration Group (SIG)

The Company distributes software solutions with system installation, implementation and IT consulting to promote more efficient business management. We offer solutions for data centers, network systems, IT technology, and for executive

decision making, emergency backup systems for business, software for design, intellectual properties software, managed services, IT training and testing, etc. The Company is also the main distributor of IBM, Cisco, Microsoft, SolidWorks, Qlikview, K2, and so on.

In addition, the Software Solutions Group has held various events throughout the year 2017 to launch several intellectual products developed by the Company. Cooperation with business partners was also conducted, as well as seminars providing knowledge and technology updates to customers, business partners and interested parties.

Our main strategy is to offer a 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 staff are trained, tested and certified in all our products. SIG 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 sized and small customers as well as to help customers of all levels to advance their technology in the digital age.

Digital Printing Group (DPG)

Digital Printing Group (DPG) distributes printers, office supplies, such as cartridges, toners, recording tape for computers, compact printers, cameras, projectors, smart phones and tablets through direct sales channels from telemarketing and retailers.

The Company has been appointed as a distributor of Hewlett-Packard products. As a result, the Company has offered a variety of HP PageWide



printer models of A3 A4 A0, which are multifunction printers to support all customer needs from small to large organizations, including "HP Jet Fusion 3D Printing" a 3D printer that users can print in virtual reality. This printer is also displayed at the Company's latest technology demonstration center called "PageWide Technology Center" aiming to demonstrate leadership in technology and to benefit customers who want to experience high-quality printing from "HP PageWide" at a cost effective price. Customers can touch and try to use the product before making a decision to invest in real business.

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

Marketing and Competition

Marketing Policy

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

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

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

3 .The Company has a policy of the organizational and personnel management divided by product lines so that the personnel have



specialized knowledge and pride in the distribution of the Company branded products and so that employees can thoroughly take care of those products. Such actions will help to reassure its partners that it will meet the needs of customers appropriately and consistently with the policy of the customer.

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

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

6. The Company has invested in the technology sector by building a demonstration center for customers to visit the newest and best technology within the company offering the ability to illustrate the potential use of or connections to the hardware and/or software technology. With such investments, the Company recognizes the importance of technology at the heart of the business and this represents the efforts to show and ensure the

effective realization of products before customers make a purchase. Customers therefore gain a true reflection of the technology which in turn guarantees the value of the investment and business success.

Natures and Groups of Targeted Customers

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 91% of total revenue in 2017.

In 2017, 88% of the total of the Company's existing customers repurchased products and services with the ratio at 97% of total revenue.

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

Sales and Distribution Channels

The Company tends to concentrate on overall distribution for all customers. The Company has also organized the distribution system through both direct sales and dealers. However, the Company focuses on the product design, quality selection, delivery of service and installation provided by expertized teams and after sales service providers to meet the customers' expectation. The sales ratio of direct sales and the dealers' sales is at a ratio of 88:12.



Domestic and International Sales and Distribution

Most distributed products are purchased from production companies in Thailand within operational area. This reduces the risk of exchange rate fluctuation. Exchange rate volatility could affect cost and selling price mechanisms for products ordered from overseas. For example, we buy software from dealers in Singapore and USA. For each purchase we will accept a forward currency exchange rate. In 2017, the Company has a proportion of 71:29 for domestic and overseas purchases respectively.

Current Competitive Situations

The overall picture of the industry is very competitive. As a result of technology changes, new business competitors from both the domestic market and internationally who will be providing services in the Cloud Service market and Data Center areas, as well as As-a-Service model which includes the whole of Application Software, Hardware, Consultancy, Installation and Maintenance services. This As-a-Service model has had a direct affect to the distributors; therefore the change of business expense is required from CAPEX to OPEX formula in the form of Rental, Leasing and Managed-Service as an alternative to customers.

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

The company has been cooperating with all Suppliers to support the delivery of all types of solutions to meet the needs of the market, such as providing information on changing technology trends,

introducing Solution Partners to market and provide solutions as well as financially supporting product investment and Solution demonstrations.

Industrial and Competitive Trends

In 2017, IDC Thailand predicted the technology that will result from the Digital Transformation (DX) of organizations. We will enter a macroeconomic environment in the next 3-4 years, which will change the company's operations and eventually transform the global economy. The IDC calls this event the dawn of the DX economy and will include Cognitive / Artificial Intelligence (AI), Internet of Things (IOT), Augmented Reality / Virtual Reality (AR / VR) and Digital Transformations later in 2018, IDC Thailand has predicted that there are 10 digital trends that will affect Thailand from 2017 and are expected to influence the industry until 2021 under the title report. "FutureScapes 2018"

IDC's focus is on the use of third-generation technology, including Cloud, Mobility, Big Data and Social Media, as well as innovative technologies such as Reality / Virtual Reality (AR / VR), Cognitive Artificial Intelligence (AI), Advance Security Systems, Internet of Things (IOT), 3D Printing and Robot Systems. The following trends were shown by IDC Thailand and the IDC Thailand analyst team as follows:

1. Digital Transformation Platform

By 2020, 20% of large organizations in Thailand will have a clear "Digital Transformation Platform" strategy, and will begin to deploy the platform as a key tool in the digital economy using it to analyze data as much as possible, and having an external link to another business, the ecosystem will see more of this, and more than half of the organizations in Thailand will begin the



DX process. The DX will be the key to driving corporate IT investment. Although domestic personnel are not yet ready to enter the DX era, IDC believes the DX strategy will focus on digital expertise in terms of relationships. Data-driven operations and products or services will utilize cloud technology, social technologies, and other technologies to gain a competitive advantage over other products / services. IDC expects that by 2020, the DX will shift to a different level of a macroeconomic growth, which will lead all companies to social growth. Digital can raise the bar for new products, services, experiences and new ways of working through the use of Cloud, Mobility, Cognitive / Artificial Intelligence (AI), Internet of Things (IOT), Augmented Reality/Virtual Reality (AR/VR) and Digital Transformations. 25% of new technical positions will require skilled analytical candidates and AI to assist the organization in implementing the data transformation project. This trend helps to reduce the need to hire specialized data personnel. However, the skilled IT personnel are still needed in other positions.

2. Open API Ecosystem

By 2021, more than a third of the 500 largest companies in the country will find that on average one-third of their digital service uses open APIs, increasing from nearly 0% in 2017, which enables digital services to go beyond just their customers, such as Agoda, which launched APIs to get information from Skyscanner, resulting in more customers. Players will launch more APIs to become partners with other brands beyond industrial business.

3. Digital Business

By 2018, 30% of IT executives will need to focus on creating a positive experience for their customers, exploiting from Databases and the

creation of business. These factors are considered as an important agenda of organizations. For example, the UEM Expressway Management in Malaysia has sold their own data of daily customers to real estate developers and searched its partners in the food and beverage businesses to find locations at available service stations along the express ways.

4. Cloud 2.0

Cloud into the 2.0 era is designed to meet specific needs. By the year 2021, the investment in Cloud and Hardware Software and Services will increase to over 4.8 billion baht by deploying a variety of cloud-based services. The need of "Edge" service will be increased to 15%. More than 10% of users will use specific compute devices. Multi Cloud will increase usage by more than 30% among users.

5. Risk and Trust

By the year 2018, IT executives will turn their attention to monitor their users and build confidence in their IT system services in order to manage all potential risks. This trend will help to dispose of the out-of-date Cyber Security Systems. The challenge is to create a balance between security and customer experience, so as not to interfere with digital transposition.

6. Interface 360

The use of AR/VR technology and the advancement of technology of voice commands will enable Thailand to see the digital world connect with the real world and see people entering the digital world successfully in the next 3-4 years. This will increase and sell interactions between individuals as well as customers in the DX economy.



7. Digital Assistants

There were quite a few businesses affected by Chatbot over the last few years. By 2019, Digital Assistants and Bots will be involved in only 3% of all transactions. That will help generate 10% of sales, which can drive the growth of the organization. Customer service will be provided in digital form and will take place in the online community, which will help solve customer problems and will further enhance the brands image. Organizations will increasingly have to use IT to enhance customer interaction, such as Starbucks Reorder, where Starbucks coffee shops in foreign countries collaborate with Amazon by collecting the last 10 coffee purchases and suggest sales transactions to the consumer according to the available information. This will help to stimulate more purchases.

8. 5G/Mobile IoT

By the year 2021, 5G services will drive Internet of Things (IoT) and will encourage 50% of 500 largest companies in Thailand to invest in connection management solutions worth more than 200 million baht. All devices will support IoT solutions. By then the special capacity of 5G service "Network Slicing" will offer the flexibility on design according to the requirements of each solution.

9. Home IoT Security

By the year 2020, more than 22% of IoT Solutions in self-service installations will be hacked, but only 12% of IoT Solutions in homes installed by the service provider will be hacked. This will help in making the system installed by service providers more secure.

10. Mobile Payment

Mobile devices will become a payment gateway in Thailand and among SME merchants by 2020. This will drive a 10% growth in small

business revenue, as well as less cash spending behaviors. There are more payment methods available in both NFC and QR Code upon the support of the government, banks and non-bank players. These have heavily marketed and driven this payment channel.

As a leading company in the technology industry, the Company is well prepared for situations, trends, business opportunities and risk factors. Additionally, the Company is ready to continuously progress along with the changing and developing digital world. Cloud Computing and updated applications related to Big Data will help in the processing and management of information offering efficient and cost-effective IT management.

SaaS IT Service offers products and networks related to IP technology to support access to information at all times and maximize network performance through network systems. This includes software management for data analysis, application development and mobile security software, and business continuity services to support continued operations in times of crisis, as well as software services in the form of services from software developed and owned by the Company (Intellectual Properties). We can offer excellent service to meet the needs of customers effectively and in full. The Company also develops the personnel to learn new technologies on a regular basis to maintain the competitive potential in rapidly changing conditions. Customers will be interested in applying IoT and Big Data in their organizations. In addition, digital marketing has been significantly prioritized by organizations and will be the driving force toward investment in IT platforms to support new marketing strategies of the customers' organizations.



Products and Services Procurement

Procurement Methods

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

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

also has commerce agreements which appoint us as distribution representatives with effective periods of between 1 to 2 years. In 2017, the Company made 59% of direct purchases from production companies.

2. Orders from the main product representative companies accounted for the remaining 41%.

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, database, and office supplies. <u>Term</u> : Throughout the validity of Agreement
3. Dell Corporation (Thailand) Co., Ltd.	Distributorship Agreement for DELL products in the group of desktop computer, notebooks, servers, screens, data backup devices, and office supplies. <u>Term</u> : Renewed automatically for subsequent 1 year
4. Microsoft Regional Sales Corporation, Singapore	Distributorship Agreement for Microsoft Software. <u>Term</u> : September 2017 – August 2018
5. Solid Works Corporation, USA	Distributorship Agreement for the products of SolidWorks <u>Term</u> : Throughout the validity of Agreement
6. QlikTech Singapore PTE Ltd.	Distributorship Agreement for QlikView software for administration, data analysis, data display and distribution. <u>Term</u> : January 2017 - December 2017
7. Cisco International Limited	Distributorship Agreement for peripheral devices for computers, telephone systems, remote meeting systems, anti-virus systems, data processing, and wireless internet broadcasting systems. <u>Term</u> : May 2017 - May 2018



8. Epson (Thailand) Ltd.	Distributorship Agreement for EPSON products in both authentic products and accessories. <u>Term</u> : April 2017 - March 2018
9. PTC Inc.	Distributorship Agreement for ThingWorx software. <u>Term</u> : 17 April 2017 - 16 April 2018
10. Lenovo (Thailand) Limited	Distributorship Agreement for Lenovo products and services. <u>Term</u> : 1 May 2014 - 30 September 2018

Environmental Impact :

-None-

Undelivered Work :

-None-



Risk Factors and Protection Measures

Risk management is important to company's achievement of its goals and respond to the needs of stakeholders to reflect good management. The Company thus considered the external factors which are affected by the changing business environment including globalization, current competition and other internal factors. This is due to the efficiency of the process and the strategies that can be used to meet today's business needs. The main risks affecting the stability of business operation as an IT products distributor and service provider can be summarized as follows:

Major Risks Caused by External Factors

Risk from the entry of a new competitor as well as the merger of existing may affect the Company's business and sales as a result of new products and emerging markets. This creates a change in customer purchase decisions. However, the Company has increased its revenue from being a consultant for system usage, one-stop service providing, data connectivity service providing etc.

Risks from technology changes impact on hardware sales especially. As a result, the Company's sales in hardware sales decrease and the supplier may cancel the sale of certain products. The Company must find products from other suppliers that have new technologies for replacement and must consider adding more integrated services to meet the needs of the market.

Risk caused by manufacturers' policy

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

Risks of environmental change are constantly and currently occurring as a result of natural and man-made changes. Such changes will have the potential to cause harm, such as catastrophic flooding, earthquakes and others which may also cause failure and stop utility services, such as electricity, water supply or even the Internet, etc. These impacts will affect business operations without prior risk management. Therefore, the Company has prepared emergency plans based on potential risk factors and business continuity plans. Key personnel are assigned by the Company to the Disaster Recovery Site (DR Site) to test the operation of the systems and ensure procedures can be continuously carried out.



Risks of financial market and foreign exchange rate fluctuations are also a concern of the Company. The Company has selected at least three banks to make transactions based on low interest rates, fixed interest rates, convenient and quick services or consultations to reduce the risk of financial market volatility. In addition, the Company prepares advance foreign currency exchange contracts to mitigate the risk of fluctuations in exchange rates that may affect the cost of goods.

Major Risks Caused by Internal Factors

Risks of confidential information technology management are important because current technology is constantly evolving and is used as a part of everyday life and in the business process. Thus, the confidential information is stored and forwarded through various information channels, such as the internet, Cloud and social media channels that are widely used today. This may pose a risk to the data or affect the stability of the business and to enhance internal control and risk management processes. The Company has set a goal to prepare for ISO 27001 certification throughout the organization.

Risks of coordination within the organization are additionally recognized by the Company. At present, the Company has changed

its business model, work processes and operational procedures to accommodate changes caused by external factors in all forms and to meet the needs of customers. Therefore, coordination and cooperation within the organization are important to drive business achievement and reach the goals set. The Company has set controls on this issue by holding meetings in order to discuss and suggest important matters between key businesses and support organizations, such as analytical division, law division, internal control division, business process and risk management division, etc.

Risks of human resource are the focus of the Company due to the fact that the existing employees are young with a high turnover rate. This may be due to the rapidly growing and changes in the labor market in technology and information, which results in the need for more staff in the technology sector. This leads to difficulty in recruiting more knowledgeable and skillful personnel as required by the needs of the organization. The Company has continually prepared a recruitment plan by adding more recruiting channels, as well as preparing personnel development plans and building an engagement within the organization through various activities to create a culture of teamwork for the staff, as well as to helping to unite the personnel and commit to the organization.



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 Chalermprakit Rama 9 Rd., Nongbon, Praveh, Bangkok 10250
Telephone	02-089-4000
Fax	02-726-2630
Website	http://www.metro-systems.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	02-089-4724, 02-089-4015
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	02-089-4135
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	Distributor of Computer/ Service Provider of Complete Computer System including rent out the computer
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	02-089-4551, 02-089-4552
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 Chalermprakit Rama 9 Rd., Nongbon, Pravat, Bangkok 10250
Telephone	02-089-4000
Fax	02-726-2539
Website	http://www.metroconnect.co.th



Company Name:	Metro Info Dynamics Co., Ltd.
Group of Industry/ Business	Technology/ Information Technology and Communications
Nature of Business	Distributor of Computer Product, Peripheral devices, and Software
Registered and Paid Capital	THB 10,000,000.00
Number of Shares	100,000 shares
Par Value	THB 100.00
Head Office Location	400 Chalermprakiat Rama 9 Rd., Nhongbon, Prayet, Bangkok 10250
Telephone	02-089-4000
Fax	02-726-2630
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, Prayet, Bangkok 10250
Telephone	02-089-4101, 02-089-4107-8
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 Metrosoft.'s share in the proportion of 49% to Mr.Pornchart Wattanaporn, who is Metrosoft 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	-



Other Reference

Share Registrar:	Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 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. 02-089-4349		
Financial Consultant:	- None-		
Consultant or Manager under Management Contract	- None-		



Shareholders

As of 31 December 2017, 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 19 January 2018 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		72,250,067	20.07
3. Metrophose Co., Ltd.	Holding	69,165,402	19.21
4. Chuerattanapong Family		29,541,800	8.21
5. MC Bakery Co., Ltd.		15,000,000	4.17
6. Makaranant Co., Ltd.		14,560,000	4.04
7. Suvarupiporn Family		7,592,490	2.10
8. Mr. Harakishin Thunwani		4,000,000	1.11
9. Mrs. Chaweewan Achavaniyut		3,249,000	0.90
10. Miss Swangchit Laohathai		2,631,333	0.73
Total		306,321,455	85.08

Source: Report of Shareholders List as of January 19, 2018, Thailand Securities Depository Co., Ltd.

Shareholding Details

Metro Value Creation Co.,Ltd. As of April 28, 2017

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. Pheerapon 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	7,263,010
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	1,275,811
12. Mr. Naris Charuvajana	642,344
13. Miss Kanokporn Charuvajana	352,673
14. Mrs. Budsadee Charuvajana	317,020
15. Mrs. Wanthanee Charuvajana	156
16. Mr. Nattapol Charuvajana	7,000
Total	72,250,067

Metrophose Co.,Ltd. (As of April 28,2017)

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

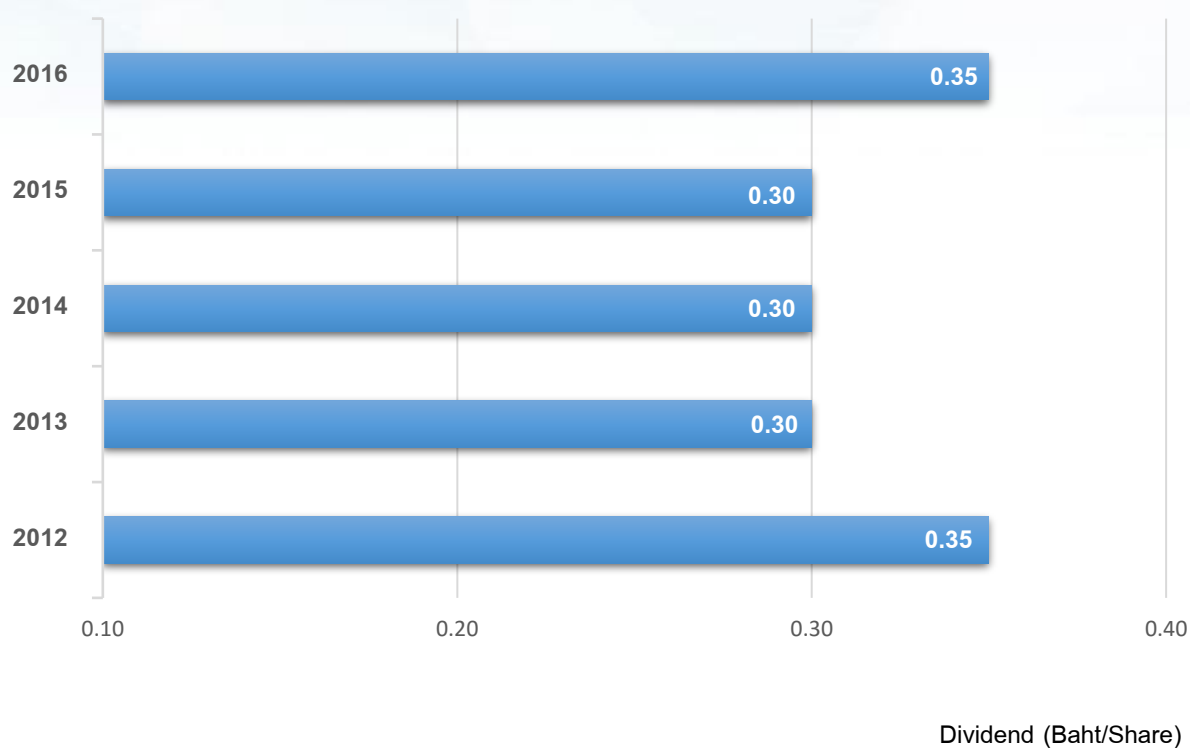


Dividend Policy

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

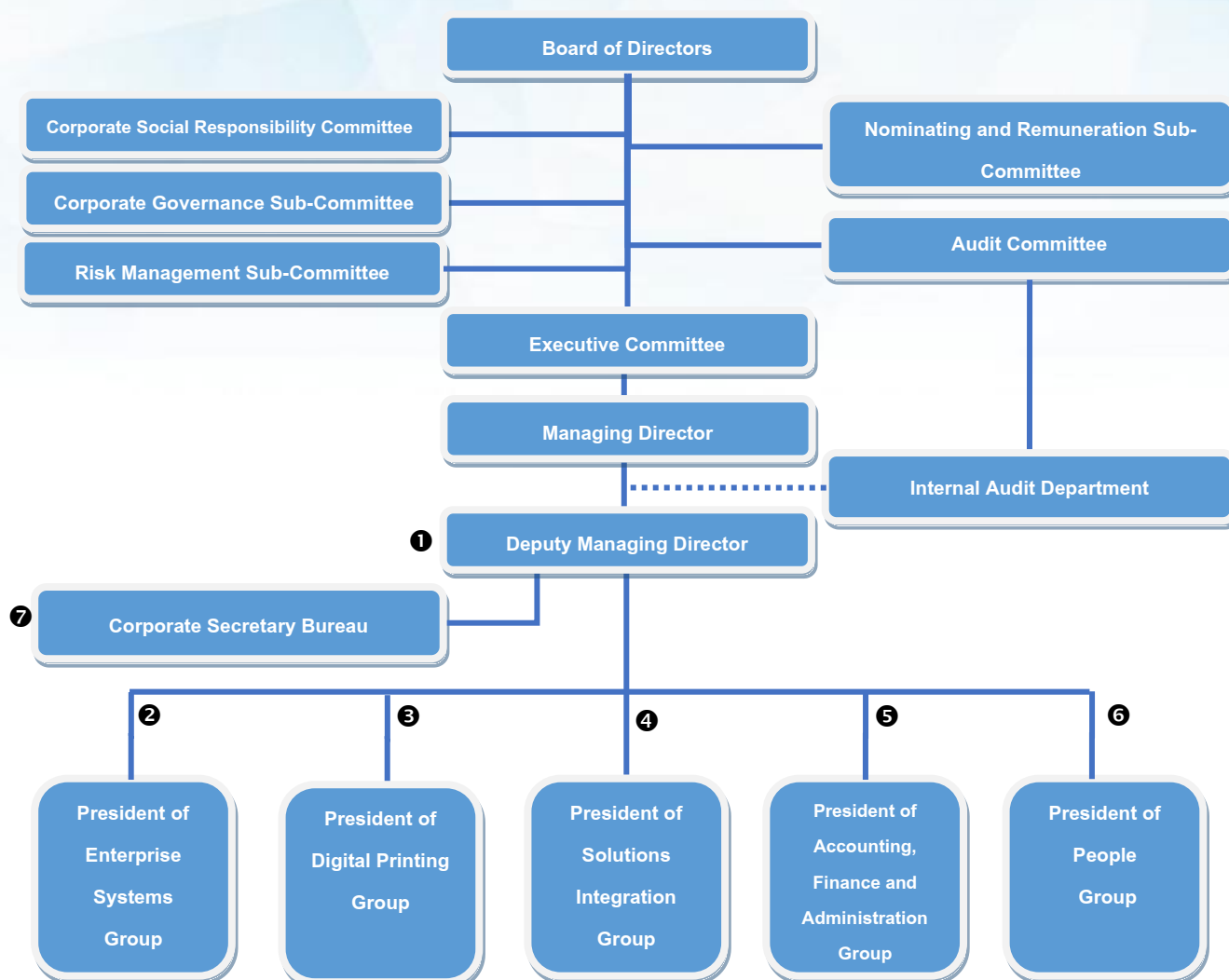
The dividend payment of the subsidiaries shall be made by considering to the subsidiaries' accumulated profits and financial liquidity.

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:



①-⑦ are the Executive Directors as notified by The Securities and Exchange

Management Structure

The Board of Director 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 employees at all levels could operate their duties efficiency and transparency.

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 Executive Committee. Any Directors taking on the role of a committee member in another company shall

disclose this matter to their superiors. The company shall prepare a manual for the committees. The corporate secretary is responsible for giving any legal advice and with the information of any provision of which the board of committees should acknowledge. Furthermore, the corporate 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, Corporate Social Responsibility Committee, Corporate Governance Sub-committee and Risk Management Sub-committee as follows.

Board of Directors

The Board of Directors consists of 9 persons by having 2 executives and 7 non-executive directors. This number is included 3 Independent Directors. This information were disclosed in the Annual Report and the Company's website: (www.metrosystems.co.th).

No.	Title	Name
1	Chairman	Mr. Sunpitt Sethpornpong
2	Vice Chairman	Mr. Kitti Techataveekijkul
3	Director	Mr. Tavit Charuvajana
4	Director	Mr. Narong Charuvajana
5	Director	Mr. Wanarak Eakachai
6	Director	Mr. Suvij Suvaruchiphom
7	Independent Director	Mr. Pravit Chattalada
8	Independent Director	Dr. Virach Aphimeteetamrong
9	Independent Director	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 being a director, effective on January 24, 2017.



3) Board of Director meeting no. 1/2017 had its resolution to appoint Mr. Kittti Tachataveekijkul 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 that the Board of Directors having a vote and the item voted on is shared by both sides equally.

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

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

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

6) The Chairman will monitor the administration of the Board of Directors, the Executives and other committees and act according to achieve the objectives set.

Scope of Board of Directors' Authorities

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

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

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

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

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

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



Policy on Diversity in the Board of Directors' Structure

The Board of Directors has determined the qualifications of recruited directors in full diversity for

those who will be acting as the directors by considering from the necessary skills required for the fulfillment of the existing directors' skills, including professional, specialization, including but not limited to nationality, religion and gender, etc.

Executive Committee

There are 5 members of Executive Director as follows.

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

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 and Vice President.

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

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

4) To approve the financial matters as follows

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 for each number at 200,000,000 baht or equivalent or assigned by 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 as approved annually 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 the 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 of Office

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

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

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

Executive Committee retired on

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

Audit Committee

The Audit Committee consists of three members of the independent committee who are fully qualified under the announcement of the Stock Exchange of Thailand (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.

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 systems.

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 an 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 duties mentioned above, the audit committee shall be held directly accountable to the Board of Directors, and the Board of Directors will also have responsibility for the Company's operating result towards the third parties.

Term of Office

The Audit Committee was nominated by the Board of Directors every two years after the first nomination made on 29 August 1998. Due to this Audit Committee completing their term of office on: 28 August 2016, and the Board of Directors passed the resolution in the Meeting No. 4/2016 on: 10 August 2016 to extend the term of office of the Audit Committee from 28 August 2016 to 27 August 2018.



Nominating and Remuneration Sub-Committee

Nominating and Remuneration Sub-Committee consists of 3 non-executive directors. The non-executive director 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

Scope of Nomination and Remuneration Sub-Committee's Authorities

1) To set the criteria and policy regarding the nomination 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 chief executive officers.

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 nomination and remuneration of any committee members and disclose such policy in the Annual Report.

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

Term of Office

This Nomination and Remuneration Sub-Committee was set up by the Board of Directors from two separate committees namely the Nomination Committee and the Remuneration Committee to form the Nomination and Remuneration Sub-Committee who were appointed for the first time on 8 May 2006 and each member will have a term of two years with the previous members completing their term of office on 31 May 2016. The Board of Directors has approved the merger of the two sets of committees to form the "Nomination and Remuneration Sub-Committee" with the same members serving another two consecutive years from 31 May 2016 to 30 May 2018.



Corporate Social Responsibility Committee (CSR)

Corporate Social Responsibility Committee consists of an independent committee, a executive director and non-executive director. The independent director shall be the chairman of Corporate Social Responsibility Committee. The lists of Corporate Social Responsibility Committee are shown as follows:

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

Scope of Corporate Social Responsibility (CSR) 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 corporate social responsibility, as well as the impact that may have on the Company.

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

5) To promote the involvement of the Board of Directors, executives and employees in activities related to Corporate Social Responsibility (CSR) policy of the Company.

6) To report on Corporate Social Responsibility (CSR) performance to the Board of Directors and disclose in the Annual Report.

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

Term of Office

The Corporate Social Responsibility (CSR) Committee was nominated by the Board of Directors every two years after the first nomination made on 6 November 2015 and hold the term of office from 1 December 2015. Due to the Corporate Social Responsibility (CSR) Committee completing their term on 1 December 2017, the Board of Directors passed the resolution in the Meeting No. 5/2017 on: 10 November 2017 to extend their term of office of the Corporate Social Responsibility (CSR) Committee from 1 December 2017 to 30 November 2019.

Corporate Governance Sub-Committee

Corporate Governance Sub-Committees consists of 2 non-executive directors, 5 executives. 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 Techataveekijkul
3	Corporate Governance Sub-Committee	Mr. Wanarak Eakachai
4	Corporate Governance Sub-Committee	Mr. Thongchai Lumveerakul
5	Corporate Governance Sub-Committee	Mr. Aroon Tor-Ekbundit
6	Corporate Governance Sub-Committee	Mr. Veeraphan Durongsang
7	Corporate Governance Sub-Committee	Mrs. Nittaya Thanaviriyakul

Scope of Corporate Governance Sub-Committee's Authorities

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

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

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

4) To monitor and evaluate the performance of directors and management according to the good

practices and prepare and submit the annual report of corporate governance to the Board of Directors, including their opinion and recommendation as necessary.

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

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

Term of Office

The Corporate Governance Sub-Committee was nominated by the Board of Directors every two years after the first nomination made on 6 November 2015 and hold the term of office from 1 December 2015. Due to the Corporate Governance Sub-Committee completing their term on 1 December 2017, the Board of Directors passed the resolution in the Meeting No.5/2017 on: 10 November 2017 to extend their term of office of the Corporate Governance Sub-Committee from 1 December 2017 to 30 November 2019.



Risk Management Sub-Committee

Risk Management Sub-Committee consists of 2 non-executive directors and 5 executives. 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 Techataveekijkul
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

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 a 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 any significant risk and risk management on a regular

basis and disclose the related performance in the Annual Report;

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

Term of Office

The Risk Management Sub-Committee was nominated by the Board of Directors every two years after the first nomination made on 6 November 2015 and hold the term of office from 1 December 2015. Due to the Risk Management Sub-Committee completing their term on 1 December 2017, the Board of Directors passed the resolution in the Meeting No. 5/ 2017 on 10 November 2017 to extend their term of office of the Corporate Governance Sub-Committee from 1 December 2017 to 30 November 2019.



Management Committee

There are 23 executives in the Company as follows:

No.	Name	Position
1	Mr. Tavit Charuvajana	Managing Director
2	Mr. Wanarak Eakachai	Deputy Managing Director / President of People Group
3	Mr. Veeraphan Durongsang	President of Enterprise Systems Group
4	Mr. Chirasak Trangkineenart	Vice President of Enterprise Systems Group
5	Ms. Areerat Vitooraporn	Vice President of Enterprise Systems Group
6	Mr. Aroon Tor-ekbundit	President of Solutions Integration Group
7	Mr. Yongyut Srivantaneeyakul	Vice President of Solutions Integration Group
8	Mr. Thitiphong Charanachitta	Vice President of Solutions Integration Group
9	Ms. Orawan Vichiangavee	Vice President of Solutions Integration Group
10	Mr. Suradet Lertthammajak	Vice President of Solutions Integration Group
11	Mr. Somsak Manayingcharoen	Vice President of Solutions Integration Group
12	Ms. Teeraporn Lertthammajak	Vice President of Solutions Integration Group
13	Mr. Chaiwat Likhitchayakul	Vice President of Solutions Integration Group
14	Mr. Thongchai Lumveerakul	President of Digital Printing Group
15	Mrs. Naowanit Limprasertsiri	Vice President of Digital Printing Group
16	Mr. Kritsada Panlomyai	Vice President of Digital Printing Group
17	Mrs. Vilai Kaewpongmongkol	Vice President of Digital Printing Group
18	Mrs. Prapavadee Orasanond	Vice President of Digital Printing Group
19	Mrs. Nittaya Thanaviriyakul	President of Accounting, Finance and Administration Group President of Corporate Secretary Bureau
20	Ms. Natpachamon Tungjitlerdkij	Vice President of Accounting, Finance and Administration Group
21	Ms. Saowalak Phaksuphan	Vice President of Accounting, Finance and Administration Group
22	Ms. Samlee Noomsri	Vice President of People Group
23	Ms. Sumateta Jitsiripol	Vice President of Corporate Secretary Bureau / Corporate Secretary

Remark: 1. Mrs. Nittaya Thanawiriyakul, Corporate Secretary, resigned from the position on 28 February 2017. The Board of Directors had a resolution to nominate Ms. Sumateta Jitsiripol to take a position in the Meeting No.2/2017 from 28 February 2017.

2. The Board of Directors had a resolution to change the name of "Office Supply Group" to be "Digital Printing Group" in the Meeting No. 4/2017 from 1 August 2017.



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 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 2/3 of all Directors present in the meeting. 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 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/ Number 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 Sethpompong	5/5	11/13	-	-	1/1	-	-	-
2. Mr. Tavit Charuvajana	5/5	13/13	-	-	-	-	-	-
3. Mr. Narong Charuvajana	5/5	11/13	-	2/2	1/1	-	-	-
4. Mr. Kitti Techataveekijkul	5/5	12/13	-	-	1/1	3/3	3/3	4/4
5. Mr. Wanarak Eakachai	5/5	13/13	-	-	-	2/3	2/3	4/4
6. Mr. Suvij Suvaruchiphom	4/5	-	-	2/2	1/1	-	-	-
7. Mr. Pravitt Chattalada	5/5	-	5/5	2/2	1/1	3/3	-	-
8. Dr. Virach Aphimeteetamrong	5/5	-	5/5	-	1/1	-	3/3	-
9. Mr. Charoee-Amom Tirachulisoonthorn	5/5	-	5/5	-	1/1	-	-	4/4
10.Mr. Aroon Tor-ekbundit	5/5	13/13	-	-	-	-	3/3	4/4
11.Mr. Thongchai Lumveerakul	5/5	11/13	-	-	-	-	3/3	3/4
12.Mr. Veeraphan Durongang	5/5	13/13	-	-	-	-	2/3	4/4
13.Mrs. Nittaya Thanaviriyakul	5/5	13/13	-	-	-	-	3/3	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 prepared 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 so on.

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.



Corporate Secretary

The Corporate secretary is appointed by the Board of Director. The responsibilities are managing of shareholder and board of director or another tasks which related to the boards activities to comply with the law and regulations including to support the corporate governance in accordance to the standard. Currently, Miss Sumateta Jitsiripol was appointed by the Boards as corporate secretary on February 28, 2017.

Scope of Corporate Secretary's Authorities

1. To prepare and keep the document as follows;

- (1) The Board of director' registration
- (2) Invitation letter to attend the meeting of the board of director, minutes of the board of directors and annual report
- (3) Notice and minutes of Annual General Meeting

2. To keep the conflict of interest report which reported by the board of director and executive committee.

3. To advise the basis suggestion to the board of director in the issues related the law, regulation, articles of association and corporate governance principle together with follow up that the board of director comply with it accurately and consistently and report the significant change to the board of director.

4. To advise the legal issues, related rule and compliance in the board of directors operating tasks in accordance with law.

5. To manage the board of director and shareholder meeting.

6. To coordinate with internal corporate unit for perform any tasks according to the board of director or shareholder's resolution.

7. To coordinate with compliance unit such as Securities and Exchange Commission, Thailand (SEC) and administer the disclosure including to report the accuracy and complete information to the public according to the law regulation and disclosure policy.

8. To arrange the orientation to the new director.

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

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 2017 on April 5, 2017 resolved to approve remuneration of Directors and Audit Committee for the year 2017, the pension, attendance fee of the Board of Directors and the Audit Committee has remained the same as in 2016. 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	
	2016	2017	2016	2017
Salary/Bonus/Provident Fund	--		54,772,692	56,850,000
Attendance fee	1,693,000	1,814,000	1,066,000	1,056,000
Pension	1,100,000	1,100,000	800,000	800,000
Total	2,793,000	2,914,000	56,638,692	58,706,000
Number of Persons	5	5	8	8

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



Summary of Meeting Attendance and Remuneration for Each Member of Directors and Executives

(Unit: Baht)

Type of Remuneration		2015		2016	
		Meeting Attendance	Pension	Meeting Attendance	Pension
1	Mr. Sunpitt Sethpompong	94,000	300,000	100,000	300,000
2	Mr. Narong Charuvajana	144,000	200,000	100,000	200,000
3	Mr. Tavit Charuvajana	144,000	200,000	156,000	200,000
4	Mr. Kitti Techataveekijkul	144,000	200,000	100,000	200,000
5	Mr. Suvij Suvaruchiphorn	94,000	200,000	80,000	200,000
6	Mr. Wanarak Eakachai	94,000	200,000	100,000	200,000
7	Mr. Pravitt Chattalada	614,000	200,000	714,000	200,000
8	Dr. Virach Aphimeteetamrong	454,000	200,000	460,000	200,000
9	Mr. Charcree-Amorn Tirachulisoonthorn	437,000	200,000	460,000	200,000
10	Mr. Thongchai Lumveerakul	132,000		132,000	
11	Mr. Aroon Tor-ekbundit	120,000		156,000	
12	Mr. Veeraphan Durongsaeng	144,000		156,000	
13	Mrs. Nittaya Thanawiriyakul	144,000		156,000	
Total		2,759,000	1,900,000	2,870,000	1,900,000

Human Resources

Number of Employees and Remunerations

As of 31st December 2017, the Company and subsidiaries had a total of 1,128 employees. The number of employees in each major department was as follows:

Employee Category	The Company	Subsidiaries
Executive (person)	25	5
Sales and Marketing Staff (person)	211	34
System Engineer (person)	549	85
Technician, Administrator and other (person)	198	21
Total	983	145
Employee Remuneration (million baht)	637	103

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 2016 year-end was 662 million baht and for 2017, it was 726 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 2017, 808 employees (82.62%) 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 arrange the annual activities for employees to join in surrounded area.

To encourage the employees to participate in the annual children's day at the community school.



Profile of Board of Directors and Executives

Mr.Sunpitt Sethpornpong																											
Present	Chairman																										
Age	52 years																										
Number of Shares	0.28 %																										
Educational Background	<ul style="list-style-type: none">- M.M.Kellogg School of Management, Northwestern University, Evanston, Illinois, USA- B.S. Mechanical Engineering (Graduate Cumiaude), Massachusetts Institute of Technology, USA																										
Certificates	<ul style="list-style-type: none">- Certificates of Director Certification Program (DCP) ปี 2013, Thai Institute of Directors																										
Professional Experience	<div><u>Listed Companies</u><table><tr><td>2013 – Present</td><td>Chairman</td><td>Metro Systems Corporation PLC.</td></tr><tr><td>2000 – Present</td><td>Director</td><td>Metro Systems Corporation PLC.</td></tr></table></div> <div><u>Other Companies</u><table><tr><td>2001 – Present</td><td>Director</td><td>Woodwalk (Thailand) Co., Ltd.</td></tr><tr><td>2008 – Present</td><td>Executive Director</td><td>Metro Co., Ltd.</td></tr><tr><td>2008 – Present</td><td>Director</td><td>Metro Group Energy Co., Ltd.</td></tr><tr><td>2010 – Present</td><td>Director</td><td>MDEC International (1991) Co., Ltd.</td></tr><tr><td>2012 – Present</td><td>Director</td><td>Metrophos Co., Ltd.</td></tr><tr><td>2015 – Present</td><td>Director</td><td>N.I.M Co., Ltd.</td></tr></table></div>			2013 – Present	Chairman	Metro Systems Corporation PLC.	2000 – Present	Director	Metro Systems Corporation PLC.	2001 – Present	Director	Woodwalk (Thailand) Co., Ltd.	2008 – Present	Executive Director	Metro Co., Ltd.	2008 – Present	Director	Metro Group Energy Co., Ltd.	2010 – Present	Director	MDEC International (1991) Co., Ltd.	2012 – Present	Director	Metrophos Co., Ltd.	2015 – Present	Director	N.I.M Co., Ltd.
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2010 – Present	Director	MDEC International (1991) Co., Ltd.																									
2012 – Present	Director	Metrophos Co., Ltd.																									
2015 – Present	Director	N.I.M Co., Ltd.																									



Mr. Tavit Charuvajana	
Present	Director Chairman of Executive Committee Managing Director
Age	68 years
Number of Shares	4.25 %
Educational Background	- Honorary Master of Science, Information Technology Field, Chandrakasem Rajabhat University
Certificates	- Executive Development Program, Commerce and Accounting Faculty, Thammasat University - Anusorn Business College
Professional Experience	<u>Listed Companies</u> 1986 – Present Director / Chairman of Executive Directors/ Managing Director Metro Systems Corporation PLC. <u>Other Companies</u> 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. Kitti Techataveekijkul	
Present	Vice Chairman Corporate Social Responsibility Committee Corporate Governance Sub-Committee Risk Management Sub-Committee
Age	65 years
Number of Shares	-None-
Educational Background	- Higher Vocational Certificate, Telecommunication Department, King Mongkut's Institute of Technology Ladkrabang
Certificates	- Certificate of Director Certification Program (DCP) 2003, Thai Institute of Directors
Professional Experience	<u>Listed Companies</u> 2017 – Present Vice Chairman, Metro Systems Corporation PLC. 2015 – Present Corporate Social Responsibility Committee/ Corporate Governance Sub-Committee/ Risk Management Sub-Committee, Metro Systems Corporation PLC. <u>Other Companies</u> 1991 – Present Director HIS MSC Co., Ltd. 1992 – Present Director Metro Professional Products Co., Ltd. 1995 – Present Director Center Containers Co., Ltd. 2009 – Present Director Metro Connect Co., Ltd.



Mr. Narong Charuvajana																					
Present	Director																				
	Vice Nominating and Remuneration Sub-Committee																				
Age	63 years																				
Number of Shares	4.64 %																				
Educational Background	<ul style="list-style-type: none">- MBA Executive, Chulalongkorn University- Master of Accounting, Thammasart University- Bachelor of Accounting, Ramkamhaeng University																				
Certificates	<ul style="list-style-type: none">- Certificate of Director Accreditation Program (DAP) 2003, Thai Institute of Directors- Certificate of Certification Program (DCP) 2003, Thai Institute of Directors- Certificate of Role of The Compensation Committee (RCC) 2007, Thai Institute of Directors- Certificate of Current Issue Seminar (R-CIS) 2009, Thai Institute of Directors- Certificate of Compensation Survey Seminar 2014, Thai Institute of Director- Certificate of Board Matter and Trends (BMT) 2016, Thai Institute of Director																				
Professional Experience	<u>Listed Companies</u> <table><tr><td>1986 – Present</td><td>Director</td><td>Metro Systems Corporation PLC.</td></tr><tr><td>2006 – Present</td><td>Vice Nominating and Remuneration Sub-Committee</td><td>Metro Systems Corporation PLC.</td></tr></table> <u>Other Companies</u> <table><tr><td>1991 – Present</td><td>Director</td><td>HIS MHC Co., Ltd.</td></tr><tr><td>1992 – Present</td><td>Director</td><td>Metro Professional Product</td></tr><tr><td>1995 – Present</td><td>Director</td><td>Center Containers Co., Ltd.</td></tr><tr><td>2009 – Present</td><td>Director</td><td>Metro Connect Co., Ltd.</td></tr></table>			1986 – Present	Director	Metro Systems Corporation PLC.	2006 – Present	Vice Nominating and Remuneration Sub-Committee	Metro Systems Corporation PLC.	1991 – Present	Director	HIS MHC Co., Ltd.	1992 – Present	Director	Metro Professional Product	1995 – Present	Director	Center Containers Co., Ltd.	2009 – Present	Director	Metro Connect Co., Ltd.
1986 – Present	Director	Metro Systems Corporation PLC.																			
2006 – Present	Vice Nominating and Remuneration Sub-Committee	Metro Systems Corporation PLC.																			
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1992 – Present	Director	Metro Professional Product																			
1995 – Present	Director	Center Containers Co., Ltd.																			
2009 – Present	Director	Metro Connect Co., Ltd.																			


Mr. Suvij suvaruchiphorn

Present	Director Chairman of Nominating and Remuneration Sub-committee		
Age	75 years		
Number of Shares	0.13 %		
Educational Background	Bachelor of Law, Thammasat University		
Certificates	-None-		
Professional Experience	<u>Listed Companies</u> 1986 – Present Director Metro Systems Corporation PLC. 2006 – Present Chairman of Nominating and Remuneration Sub-committee Metro Systems Corporation PLC. 1988 – Present Director United Flour Mill PLC.		
	<u>Other Companies</u> 1979 – Present Director United Grains Co., Ltd. 1983 – Present Vice Chairman HMC Polymers Co., Ltd. 1984 – Present Managing Director Metro Co., Ltd. 1987 – Present Director MC Foods Co., Ltd. 1987 – Present Director Bangkok Industrial Gas Co., Ltd. 1988 – Present Chairman Polymers Marketing Co., Ltd. 1990 - Present Director T.S.T Development Co., Ltd 1990 - Present Director Siam Aroon Group Co., Ltd 1991 – Present Director MDEC International (1991) Co., Ltd. 1991 – Present Director N.I.M Co., Ltd 1992 – Present Director MCF Marketing Co., Ltd 1992 – Present Director MCF Products Co., Ltd		



Mr. Wanarak Eakachai											
Present	Director Deputy Managing Director Corporate Social Responsibility Committee Corporate Governance Sub-Committee Risk Management Sub-Committee President of People Group										
Age	65 years										
Number of Shares	-None-										
Educational Background	<ul style="list-style-type: none"> - BA (Political Science), University of Wisconsin, USA - Master of Philosophy, University of Wisconsin, USA 										
Certificates	<ul style="list-style-type: none"> - Certificate of Director Accreditation Program (DAP) 2016, Thai Institute of Directors 										
Professional Experience	<p><u>Listed Companies</u></p> <table> <tr> <td>2013 – Present</td><td> Director Metro Systems Corporation PLC. </td></tr> <tr> <td>2014 – Present</td><td> Deputy Managing Director Metro Systems Corporation PLC. </td></tr> <tr> <td>2015 – Present</td><td> Corporate Social Responsibility Committee/ Corporate Governance Sub-Committee/ Risk Management Sub-Committee Metro Systems Corporation PLC. </td></tr> <tr> <td>2016 – Present</td><td> President of Human Resources Group Metro Systems Corporation PLC. </td></tr> </table> <p><u>Other Companies</u></p> <table> <tr> <td>2017 – Present</td><td> Director Phonenix World Energy Co., Ltd </td></tr> </table>	2013 – Present	Director Metro Systems Corporation PLC.	2014 – Present	Deputy Managing Director Metro Systems Corporation PLC.	2015 – Present	Corporate Social Responsibility Committee/ Corporate Governance Sub-Committee/ Risk Management Sub-Committee Metro Systems Corporation PLC.	2016 – Present	President of Human Resources Group Metro Systems Corporation PLC.	2017 – Present	Director Phonenix World Energy Co., Ltd
2013 – Present	Director Metro Systems Corporation PLC.										
2014 – Present	Deputy Managing Director Metro Systems Corporation PLC.										
2015 – Present	Corporate Social Responsibility Committee/ Corporate Governance Sub-Committee/ Risk Management Sub-Committee Metro Systems Corporation PLC.										
2016 – Present	President of Human Resources Group Metro Systems Corporation PLC.										
2017 – Present	Director Phonenix World Energy Co., Ltd										



Mr. Pravit Chattalada	
Present	<p>Independent Director</p> <p>Chairman of Audit Committee</p> <p>Nominating and Remuneration Sub-Committee</p> <p>Chairman of Corporate Social Responsibility Committee</p>
Age	85 years
Number of Shares	- None -
Educational Background	- BS.(Mathematics, Physics), Oregon State University, USA
Certificates	- Certificate of Director Accreditation Program (DAP) 2004, Thai Institute of Directors
Professional Experience	<p><u>Listed Companies</u></p> <p>1995 – Present Independent Director/ Chairman of Audit Committee Metro Systems Corporation PLC.</p> <p>2006 – Present Nominating and Remuneration Sub-Committee Metro Systems Corporation PLC.</p> <p>2015 – Present Chairman of Corporate Social Responsibility Committee Metro Systems Corporation PLC.</p> <p><u>Other Companies</u></p> <p>2004 – Present Director The Association of Thai ICT Industry (ATCI)</p>


Mr. Chacree-Amorn Tirachulisoonthorn

Present	Independent Director Audit Committee Chairman of Risk Management Sub-Committee	
Age	49 years	
Number of Shares	-None-	
Educational Background	<ul style="list-style-type: none"> - MBA (Investment), Drexel University, Philadelphia, Pennsylvania, USA - Bachelor of Law (LL.B.), Thammasat University, Bangkok, Thailand 	
Certificates	<ul style="list-style-type: none"> - Certificate of Director Accreditation Program (DAP) 2012, Thai Institute of Directors 	
Professional Experience	<u>Listed Companies</u> <div> <div>2014 – Present</div> <div>Independent Director / Audit Committee Metro Systems Corporation PLC.</div> </div> <div> <div>2015 – Present</div> <div>Chairman of Risk Management Sub-Committee Metro Systems Corporation PLC.</div> </div> <u>Other Companies</u> <div> <div>2013 – Present</div> <div>Executive Director Tan Power Co., Ltd.</div> </div> <div> <div>2007 – Present</div> <div>Managing Partner Aquarius Capital Co., Ltd.</div> </div> <div> <div>2016 – Present</div> <div>Director / Chief Executive Officer Dolphins Group Co., Ltd.</div> </div> <div> <div>2017 – Present</div> <div>Director Phonenix World Energy Co., Ltd</div> </div>	



Dr. Virach Aphimeteetamrong																					
Present	Independent Director Audit Committee Chairman of Corporate Governance Sub-Committee																				
Age	74 years																				
Number of Shares	-None-																				
Educational Background	<ul style="list-style-type: none"> - Ph.D Finance, University of Illinois, USA - M.B.A.Göteborg, Sweden - M.A.S. University of Illinois at Urbana-Champaign (UIUC), USA - Bachelor of Accounting (honor), Chulalongkorn University 																				
Certificates	<ul style="list-style-type: none"> - Certificate of Director Accreditation Program (DAP) 2003, Thai Institute of Directors - Certificate of Anti-Corruption for Executive Program (ACEP) 2012, Thai Institute of Directors - Certificate of Corporate Governance for Capital Market Intermediaries (CGI) 2015, Thai Institute of Directors 																				
Professional Experience	<p><u>Listed Companies</u></p> <table> <tr> <td>1995 – Present</td><td>Independent Director/ Audit Committee Metro Systems Corporation PLC.</td></tr> <tr> <td>2015 – Present</td><td>Chairman of Corporate Governance Sub-Committee Metro Systems Corporation PLC.</td></tr> <tr> <td>1990 – Present</td><td>Director Supalai PLC.</td></tr> <tr> <td>2004 – Present</td><td>Independent Director/ Chairman of Audit Committee, Bangkok Chain Hospital PLC.</td></tr> <tr> <td>2004 – Present</td><td>Independent Director/ Chairman of Audit Committee, Asia Plus Security PLC.</td></tr> <tr> <td>2007 – Present</td><td>Chairman, Intouch Holding PLC.</td></tr> <tr> <td>2013 – Present</td><td>Independent Director, Thai Agro Energy PLC.</td></tr> <tr> <td>2015 – Present</td><td>Independent Director /Chairman of Audit Committee Asia Plus Holdings PLC.</td></tr> </table> <p><u>Other Companies</u></p> <table> <tr> <td>1988 – Present</td><td>Chairman, Office of Dr. Wirat & Associates</td></tr> <tr> <td>2002 – Present</td><td>Independent Director/ Chairman of Audit Committee, Tris Corporation Co., Ltd.</td></tr> </table>	1995 – Present	Independent Director/ Audit Committee Metro Systems Corporation PLC.	2015 – Present	Chairman of Corporate Governance Sub-Committee Metro Systems Corporation PLC.	1990 – Present	Director Supalai PLC.	2004 – Present	Independent Director/ Chairman of Audit Committee, Bangkok Chain Hospital PLC.	2004 – Present	Independent Director/ Chairman of Audit Committee, Asia Plus Security PLC.	2007 – Present	Chairman, Intouch Holding PLC.	2013 – Present	Independent Director, Thai Agro Energy PLC.	2015 – Present	Independent Director /Chairman of Audit Committee Asia Plus Holdings PLC.	1988 – Present	Chairman, Office of Dr. Wirat & Associates	2002 – Present	Independent Director/ Chairman of Audit Committee, Tris Corporation Co., Ltd.
1995 – Present	Independent Director/ Audit Committee Metro Systems Corporation PLC.																				
2015 – Present	Chairman of Corporate Governance Sub-Committee Metro Systems Corporation PLC.																				
1990 – Present	Director Supalai PLC.																				
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2015 – Present	Independent Director /Chairman of Audit Committee Asia Plus Holdings PLC.																				
1988 – Present	Chairman, Office of Dr. Wirat & Associates																				
2002 – Present	Independent Director/ Chairman of Audit Committee, Tris Corporation Co., Ltd.																				



Mr. Thongchai Lumveerakul					
Present	Executive Director Corporate Governance Sub-Committee Risk Management Sub-Committee President of Digital Printing Group (DPG)				
Age	57 years				
Number of Shares	0.28 %				
Educational Background	<ul style="list-style-type: none"> - Bachelor of Commerce, Bangkok University 				
Certificates	<ul style="list-style-type: none"> - Executive Development Program, Commerce and Accounting Faculty, Thammasat University - Certificate of Director Certification Program (DCP) 2003, Thai Institute of Directors 				
Professional Experience	<p><u>Listed Companies</u></p> <table> <tr> <td>2007 – Present</td><td>Executive Director / President of Digital Printing Group Metro Systems Corporation PLC.</td></tr> <tr> <td>2015 – Present</td><td>Corporate Governance Sub-Committee/ Risk Management Sub-Committee Metro Systems Corporation PLC.</td></tr> </table> <p><u>Other Companies</u></p> <p>-None-</p>	2007 – Present	Executive Director / President of Digital Printing Group Metro Systems Corporation PLC.	2015 – Present	Corporate Governance Sub-Committee/ Risk Management Sub-Committee Metro Systems Corporation PLC.
2007 – Present	Executive Director / President of Digital Printing Group Metro Systems Corporation PLC.				
2015 – Present	Corporate Governance Sub-Committee/ Risk Management Sub-Committee Metro Systems Corporation PLC.				



Mr. Aroon Tor-ekbundit	
Present	<p>Executive Director</p> <p>Corporate Governance Sub-Committee</p> <p>Risk Management Sub-Committee</p> <p>President of Solutions Integration Group (SIG)</p>
Age	57 years
Number of Shares	-None-
Educational Background	- Vocational Certificate, Rajamangala Technology Institute, Borphitphimuk Jakkrawat Campus
Certificates	<ul style="list-style-type: none"> - Executive Development Program, Commerce and Accounting Faculty, Thammasat University - Certificate of Director Certification Program (DCP) 2003, Thai Institute of Directors
Professional Experience	<p><u>Listed Companies</u></p> <p>2007 – Present Executive Director/ President of Solutions Integration Group (SIG) Metro Systems Corporation PLC.</p> <p>2015 – Present Corporate Governance Sub-Committee/ Risk Management Sub-Committee Metro Systems Corporation PLC.</p> <p><u>Other Companies</u></p> <p>1991 – Present Director, HIS MSC Co., Ltd.</p> <p>2000 – Present Director, Metro Infotech Co., Ltd</p>


Mr. Veeraphan Durongsang

Present	Executive Director Corporate Governance Sub-Committee Risk Management Sub-Committee President of Enterprise System Group (ESG)		
Age	57 years		
Number of Shares	0.17 %		
Educational Background	- Business Advertising and Marketing (BS), Emporia State University, USA		
Certificates	- Certificate of Director Accreditation Program (DAP) 2006, Thai Institute of Directors		
Professional Experience	<u>Listed Companies</u> 2007 – Present Executive Director/ President of Digital Solutions Group (DSG) Metro Systems Corporation PLC. 2015 – Present Corporate Governance Sub-Committee/ Risk Management Sub-Committee Metro Systems Corporation PLC. <u>Other Companies</u> 2009 – Present Managing Director Metro Connect Co., Ltd. 2012 – Present Managing Director Metro Info Dynamics Co., Ltd.		


Mrs. Nittaya Thanaviriyakul

Present	<p>Executive Director</p> <p>Corporate Governance Sub-Committee</p> <p>Risk Management Sub-Committee</p> <p>President of Accounting, Finance and Administration</p> <p>President of Corporate Secretary Bureau</p>
Age	56 years
Number of Shares	0.003 %
Educational Background	<ul style="list-style-type: none"> - Master of Accounting, Thammasat University - BA (Accounting), Thammasat University
Certificates	<ul style="list-style-type: none"> - Certificate of Director Accreditation Program (DAP) 2013, Thai Institute of Directors - Certificate of Anti-Corruption 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	<p><u>Listed Companies</u></p> <p>2011 – Present Executive Director/ President of Accounting, Finance and Administrative Metro Systems Corporation PLC.</p> <p>2015 – Present Corporate Governance Sub-Committee/ Risk Management Sub-Committee Metro Systems Corporation PLC.</p> <p>2016 – Present President of Corporate Secretary Bureau Metro Systems Corporation PLC.</p> <p><u>Other Companies</u></p> <p>2009 – Present: Director, Metro Connect Co., Ltd.</p> <p>2012 – Present: Director, Metro Info Dynamics Co., Ltd.</p> <p>2013 – Present, Director, Metro Professional Products Co., Ltd.</p>



Corporate Governance

The Company strives to maintain corporate governance by adhering to the law 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 corporate governance. However, the Company has also established its own guidelines for corporate governance, and abides by all of these as the Company is developing to build confidence in all sectors.

During this year, The Company has been assessed for corporate governance and was commented on as follows:

- The Stock Exchange of Thailand has reported the results of the Corporate Governance Report of Listed Companies in Thailand (CGR) for the year 2017 and the Company was surveyed and assessed by the Thai Institute of Directors Association (IOD) showing that the average rate of the Company's overall score was 80%, SET100 scored by 87%, SET50 scored by 90%, which is 87% higher than the average rating of the Company as a whole. The SET100 score included the following categories Rights of Shareholders, Equitable Treatment of Shareholders, Role of Stakeholders, Disclosure and Transparency, and Responsibilities of the Board, The Company got points of 96%, 88%, 88%, 90%, 81% respectively. This year the average score was higher than the result for the year 2016 by the score of 80%. According Equitable Treatment of Shareholders, the Company has a lower rating than the rating of the overall companies. However, the Company

obtained higher scores of the overall companies for Rights of Shareholders, Equitable Treatment of Shareholders, Role of Stakeholders, Disclosure and Transparency, and Responsibilities of the Board.

- Thai Investors Association has reported the results of the AGM Checklist 2017 that the average score of all listed companies was 91.97%, which was 96% higher than the average score of the listed companies.

- The Company was ranked in the first year by Thaipat Institute for outstanding publicly traded companies in terms of Environmental, Social and Governance (ESG) in 2017. As a result, the Company was ranked in the top 13 of the IT group list and was evaluated as one of the top 100 in a list out of the 656 listed companies selected, based on information that the Company has disclosed to the public.

Corporate Governance Policy

The Company has determined a corporate governance policy and improves it continuously in order to be in line with the current situation for the Board of Directors, Executive Committee and employees at all levels as a guide to best practice of the Company. The Board of Directors is the role model in complying with the Code of Conduct and the Principles of Corporate Governance with the intent to promote the Company as an effective business organization with good management, transparency, accountability and equity for all stakeholders to add value to the shareholders, that creates trust and confidence among all stakeholders



has excellent opportunities for sustainable growth sustainable growth. The major contexts are as follows:

Rights of Shareholders

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

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

Prior to Annual General Meeting

1) The Company holds the Annual General Meeting once a year. The meeting shall be held within 4 months from the end of the fiscal year. If there are urgent cases that require the resolution of the shareholders, the Company will convene an Extraordinary General Meeting. In 2017, the Annual General Meeting was held on 5 April 2017 at the Head Office of Metro Systems Corporation Public Co., Ltd., located at No. 400 Chalermprakiat 9 Road, Nongbon Sub- district, Prawet District,

Bangkok, however, there was no Extraordinary General Meeting throughout the year.

2) The Company disclosed the information in the Notice of Shareholders Meeting, both in the Thai language and in English with the date, time, venue, agenda, and information for consideration of various agenda items, together with the attached Proxy Form Type A, Type B and Type C as prescribed by the Ministry of Commerce so that the shareholders can appoint the Audit Committee or any person to attend the meeting on their behalf, including a map of the meeting venue. The information on the meeting could also be accessed through the Company's website on 28 February 2017 prior to a delivery of the Meeting Invitation to the shareholders.

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

4) The shareholders can propose agenda and/or elect members of the board of director in the Annual General Meeting from 1 September 2017 to 30 November 2017, including to send their questions to the company prior to the meeting date. The shareholders can take action through various channels, such as by e-mail or by mail to Corporate Secretary.



On the Date of General Annual Meeting

1) The Company provided a venue convenient to travel to for attendance at the Annual General Meeting. And a sufficient number of shareholders and proxies were in attendance.

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

4) The Company use of voting cards for each agenda item for transparency and accountability. The Company allowed shareholders to individual vote.

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

6) At the Annual General Meeting, if there is a director who has conflict of interest in any agenda, that director must notify to the meeting to

be refrained from voting from such particular agenda.

After the Date of General Annual Meeting

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

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

Equitable Treatment of Shareholders

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



invitations both in English and Thai languages to its shareholders.

The shareholders can express their opinions or raise any questions concerning the Company's activities, to propose to add any advance questions item prior to the shareholders meeting date. The shareholders are entitled to appoint an individual director to represent them. The meeting is subject to the Articles of Association the agenda shall offer the option for shareholders to request more details on each item in the meeting or in its entirety with consideration for clear transparency. If a shareholder in a management position wishes to add any agenda item, he/she should notify other shareholders in advance, especially if it is an issue that will require shareholders to spend a good deal of time to study before deciding.

The Board of Directors should be aware to use of inside information for abusive self-dealing, such as insider trading or related party transactions or who may be presumed that the person knows or possess information that is material to the price or value of securities or information which has not been disclosed to the general public. According to the Securities and Exchange Act (Vol. 5) B.E. 2016, Section 242 (2) which states that "It is prohibited to disclose inside information to others, whether directly or indirectly and whether by any means. The recipient knows or should know that the information may be useful to use that information to buy or sell securities or bound by derivatives related to securities whether for themselves or others unless it is done in a manner that is not exploiting others or in the manner as announced by the SEC. Therefore, the Company has set a time limit for trading the Company's securities of the Company during one month prior to each meeting of the Board of Directors.

The Company has given shareholders an opportunity to propose agenda and elect members of the board of director before the Annual General Meeting. The Company has published such rules through the SET Portal system of the Stock Exchange of Thailand (SET) as well as the Company's website.

Role of Stakeholders

The Company is regarding to the importance of responsibility to stakeholders, which is synonymous with the business, the Company is committed to conducting its business in accordance with the Code of Conduct, Corporate Governance Policy, Corporate Social Responsibility Policy, Anti-Corruption Policy, Procurement Policy, Intellectual property Policy which stakeholders, including shareholders, customers, competitors, Joint venture or creditor, employees and government as well as society 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 with the 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 to achieve an ultimate benefit and add the value of shares in the long term.

2) Customers: The Company sells products and services at a fair price and treats all customers equally to achieve their satisfaction.

3) Competitors: The Executive Committee 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: 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 in accordance with the Procurement and Supplier Audit Policy as announced by the Company.

5) Creditors: The Company operates under reasonable business conditions and according to industry practice, complies with trading and contract conditions of contracts fairly and equitably, and will be honest in business to create credibility and fairness for creditors.

6) Employees: The Company considers employees as valuable resource in the business. Good, talented, diligent, honest employees will help the business operate more sustainably. Therefore, the Company treats all employees in a fair and just manner, and determines fair remuneration, including appropriate welfare. The Company also supports the employees in their efforts to enhance their knowledge and skills as well as cultivating their employees in accordance with the Code of Conduct and create a comfortable working environment with sufficient workplace and operational facilities and meeting rooms for their

conveniences. The Company also planted trees and maintained the green area around the buildings and encourages employees to use bicycles instead of cars to travel throughout the surrounding area of the Company's buildings to reduce pollution. The protective equipment are additionally provided by the Company to prevent any potential work-related hazards. There is a nursing room available for minor injury or illness and first aid during the business hours.

In the year 2017, the accident rate was nil (0%) and the unemployment rate from work-related illness was also nil (0%).

7) Government and Public Authorities:

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.

8) 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, labour and money as deemed appropriate, as well as to promote awareness and encourage all employees and



stakeholders to act as good citizens, taking responsibility and seeking to benefit society and the community.

Disclosure and Transparency

The Company discloses its financial data and information as required by the Stock Exchange of Thailand (SET) and the disclosure policy of the Company to the public and stakeholders, it is set to provide information in an accurate, complete, timely, transparent manner to allow equality and trust through diversity of communication channels provided by the Company, such as e-mail, Company's homepage, Annual Information Disclosure Form (56-1) and the Annual Report (56-2). The "Corporate Secretary" is mainly responsible for coordinating and communicating with investors or shareholders. The Corporate Secretary, who has been approved by the Board of Directors, will disclose the information via the Company's website in both Thai and English and report to the Office of the Securities and Exchange Commission (SEC) or the Stock Exchange of Thailand (SET) so that the shareholders, investors, analysts and mass media can receive accurate, complete, transparent and up-to-date information. The Company has established the information disclosure and transparency policy and the said policy has been approved accordingly by the Board of Directors in the Meeting No. 5/2015 on 6 November 2015. The Board of Directors shall therefore be assigned for the control of information disclosure relating to corporate operation according to the Annual Report and the website of the Company. The disclosure and transparency policy have been regularly reviewed to ensure that the policy complies with current legal requirements and regulations.

Responsibilities of the Board

The responsibilities of the Board of Directors appear in "Structure and Role & Duty of Board of Directors" and they consider it as their duty to reconsider management structure, corporate governance, code of conduct and performance assessment of both individual directors and the group so as to fit in with current working conditions and business circumstances. In addition, the Company has prepared the Directors' Manual as a guideline for the directors to properly and appropriately perform their duties in accordance with the rules, regulations and the laws.

Nomination and Selection

Nomination of Directors

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

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

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



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

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

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

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

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

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

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

In every Annual General Meeting, Directors must retire at the rate of one in three if the number of directors to can be divided into three

parts, if not possible then the number nearest to 1 in 3.

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

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

Nomination and Appointment of Independent Directors

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

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

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



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

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

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

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

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

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

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

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

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

Subsidiaries Management

The Company retains a focus on business investment in its subsidiary companies. The management of the subsidiary companies should always act in accordance with the principles of governance and transparency. The Company has set the rules for the supervision of subsidiaries including measures for monitoring the management of its subsidiaries in order to safeguard the interests of the investment firm. At the Board of Directors meeting No.5/2016 held on 10 November 2016, the Directors have approved the implementation of a regulatory policy regarding subsidiaries, this policy has been thoroughly assessed by the Sub-Committee on Corporate Governance and approved by the Executive Committee. The management of the subsidiary is treated as a company within the same organization.



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

1. Management of Subsidiaries

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

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

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

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

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

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

2. Financial Control of Subsidiaries

The subsidiary is obliged to submit monthly operating results as well as quarterly and annually, these financial statements should include the approval of the management or directors as



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

3. Treatment and Use of Information within Subsidiaries

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

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

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

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

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

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

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

Insider Information

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

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



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 minor children to the Office of the Securities and Exchange Commission. This practice covered under the Securities Exchange Act of 2016 must be complied strictly.

Auditors

According to the Public Companies Act B.E. 2535, Section 120 requires that the Meeting of Shareholders shall include for the appointment and remuneration of the Company's auditors every year. The appointment of the same auditors may be approved as being the previously appointed auditors. The Articles of Association, Article 46 requires that the auditor must not be a director, an employee or holding any position in the Company. As per the recommendation of the Audit Committee in compliance with the aforementioned Public Companies Act B.E. 2535, the Board of Directors has therefore considered and decided to propose to the Annual General Meeting in 2017 to approve the appointment of auditors from KPMG Phoomchai Audit Company Limited as auditors of the Company for the year 2017 and remunerations of the annual audit for the year of 2017 are detailed below.

The auditors proposed for appointment are as follows.

(1) Mr. Verachai Rattanacharaskul, CPA License No. 4323 and/or,

(2) Ms. Marisa Tharatornbanpakul, CPA License No. 5752 and/or,

(3) Ms. Pattamawan Wattanakul, CPA License No. 9832.

Remuneration of Auditors

Remuneration for the annual audit was set up at the amount of 1,350,000 baht (one million three hundred and fifty thousand baht only), for quarterly financial statements of the three quarters at the amount of 390,000 baht (three hundred and ninety thousand baht only) and for a total audit remuneration for the year 2017 at 1,740,000 baht (one million seven hundred and forty thousand baht only). However, KPMG Phoomchai Audit Co., Ltd. also acts as the auditor of the Company's subsidiaries and joint ventures: Metro Professional Products Co., Ltd., Metro Infotech Co., Ltd., Metro Connect Co., Ltd., Metro Info Dynamics Co., Ltd. and HIS MSC Co., Ltd., by receiving the remuneration for annual audit of year 2017 from the aforementioned companies with the amount of 1,220,000 baht (one million two hundred and twenty 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 its 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 Assessment

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 Assessment

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 Assessment

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

- 1) Structure and Qualifications of the Board of Sub-Committees.
- 2) The Meeting of Sub-Committees.

3) Roles, Duties and Responsibilities of Sub-Committees.

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

The secretary of each Board will collect and process the performance results prior to submitting to the Board of Directors annually.

Director's Knowledge Development

The Company realize how importance of knowledge enhancement by stimulate training continuous to the Board of Directors, Sub-Committees, Executive Committee and Corporate Secretary to increase their knowledge and apply the ideas of their operation in accordance with the Company's ongoing business operations. The training and education are conducted internally and externally through the services of external institutions or activities organized by the Thai Institute of Directors (IOD), Securities and Exchange Commission (SEC.), as well as other leading training institutes during the year 2017. There are the participants of the courses involved as follows:

Name / Position	Training / Seminars
Mr. Kitti Techataveekijkul Position: - Vice Chairman	- Information Security Awareness for Management, by ACIS Professional Center Co., Ltd. - Legal Update: Criminal Liabilities of Directors, by Thai Institute of Directors (IOD) - The Board's Role in CEO Succession Planning, by SET
Mr. Narong Charuvajana Position: - Director	- Cybersecurity: Risks, Liabilities, and Best Practices, by Thai Institute of Directors (IOD) - Legal Update: Criminal Liabilities of Directors, by Thai Institute of Directors (IOD) - The Board's Role in CEO Succession Planning, by SET
Mr. Wanarak Eakachai Position: - Director - Deputy Managing Director - President of People Group	- Information Security Awareness for Management, by ACIS Professional Center Co., Ltd.



<p>Dr. Virach Aphimeteetamrong</p> <p>Position:</p> <ul style="list-style-type: none"> - Director 	<ul style="list-style-type: none"> - “Dinner Talk” under the topic “Board of Directors and their notes in driving Thailand”, by Thai Institute of Directors (IOD) - “Stewardship: Enduring Principles in Changing Times”, by Stewardship Asia Centre - Attended the following seminars: <ol style="list-style-type: none"> 1) “Digital Disruption and Innovation: The Game Changer” 2) “Digital Disruption-Learning from the Global Best Practice”, by Professor Carlos Cordon 3) “Business Model Transformation” 4) “Service Model Transformation: The New Frontier of MICE” 5) “Challenge Based Innovation” by Professor Carlos Cordon, by Thailand Management Association, at Thailand Competitiveness Conference 2017 - Attended the following seminars: <ol style="list-style-type: none"> 1) Succession Planning 2) Financial Innovation-Technology and Trend by Intouch’s Group Board Seminar - “Business in Chaos” by EY Corporate Services Co., Ltd.
<p>Mr. Aroon Tor-ekbundit</p> <p>Position:</p> <ul style="list-style-type: none"> - Executive Director - President of Solutions Integration Group 	<ul style="list-style-type: none"> - Quarterly Economic Wrap-up: Y2017 Review, by SET - The Flagship Summit: Future Fast-Forward, by Chulalongkorn University - Thai Business Trend through Big Data, by SET
<p>Mr. Veeraphan Durongsang</p> <p>Position:</p> <ul style="list-style-type: none"> - Executive Director - President of Enterprise Systems Group 	<ul style="list-style-type: none"> - Information Security Awareness for Management, by ACIS Professional Center Co., Ltd.
<p>Mr. Thongchai Lumveerakul</p> <p>Position:</p> <ul style="list-style-type: none"> - Executive Director - President of Digital Printing Group 	<ul style="list-style-type: none"> - HP Reinvent World Partner Forum 2017, by Hewlett Packard Ink



<p>Mrs. Nittaya Thanaviriyakul</p> <p>Position:</p> <ul style="list-style-type: none"> - Executive Director - President of Accounting, Finance and Administration Group - President of Corporate Secretary 	<ul style="list-style-type: none"> - Beyond Treasury Management, by Federation of Accounting Professions Under The Royal Patronage of His Majesty The King - Information Security Awareness for Management, by ACIS Professional Center Co., Ltd. - Sustainability Strategy: Key Blueprint for Business, by SET - The Digital Accountant, by Federation of Accounting Professions Under The Royal Patronage of His Majesty The King - Information Disclosure System Usage for Listed Companies, by SET - Accounting on Financial Tools, by Federation of Accounting Professions Under The Royal Patronage of His Majesty The King - Criminal Responsibility of Directors and Juristic Person's Representative, New Laws, by SET - Thai Financial Reporting Standards Vol.16 "Lease Contract" (TFRS16), by Federation of Accounting Professions Under The Royal Patronage of His Majesty The King - Draft of Thai Financial Reporting Standards Vol.9 "Financial Tools", by Federation of Accounting Professions Under The Royal Patronage of His Majesty The King
<p>Mr. Chirasak Trangkineenart</p> <p>Position:</p> <ul style="list-style-type: none"> - Vice President of Enterprise Systems Group 	<ul style="list-style-type: none"> - 5E's Leadership, by Metro Systems Corporation Public Co., Ltd. - DAP: Director Accreditation Program, by Thai Institute of Directors (IOD) - The Flagship Summit : Future Fast-Forward, by Chulalongkorn University - Legal Knowledge on Contract, by Metro Systems Corporation Public Co., Ltd. - Thai Accounting Standards Vol.18 "Revenue and Tax Knowledge, by Metro Systems Corporation Public Co., Ltd.
<p>Ms. Areerat Vitooraporn</p> <p>Position:</p> <ul style="list-style-type: none"> - Vice President of Enterprise Systems Group 	<ul style="list-style-type: none"> - 5E's Leadership, by Metro Systems Corporation Public Co., Ltd. - DAP: Director Accreditation Program, by Thai Institute of Directors (IOD)



	<ul style="list-style-type: none"> - Information Security Awareness for Management, by ACIS Professional Center Co., Ltd. - The Flagship Summit : Future Fast-Forward, by Chulalongkorn University - Legal Knowledge on Contract, by Metro Systems Corporation Public Co., Ltd. - Thai Accounting Standards Vol.18 "Revenue and Tax Knowledge, by Metro Systems Corporation Public Co., Ltd.
<p>Mr. Yongyut Srivantaneeyakul</p> <p>Position:</p> <ul style="list-style-type: none"> - Vice President of Solutions Integration Group 	<ul style="list-style-type: none"> - 5E's Leadership, by Metro Systems Corporation Public Co., Ltd. - DAP: Director Accreditation Program, by Thai Institute of Directors (IOD) - Information Security Awareness for Management, by ACIS Professional Center Co., Ltd. - The Flagship Summit : Future Fast-Forward, by Chulalongkorn University
<p>Mr. Thitiphong Charanachitta</p> <p>Position:</p> <ul style="list-style-type: none"> - Vice President of Solutions Integration Group 	<ul style="list-style-type: none"> - DAP: Director Accreditation Program, by Thai Institute of Directors (IOD)
<p>Ms. Orawan Vichiangavee</p> <p>Position:</p> <ul style="list-style-type: none"> - Vice President of Solutions Integration Group 	<ul style="list-style-type: none"> - 5E's Leadership, by Metro Systems Corporation Public Co., Ltd. - Moving Toward The New IT Paradigm Shift, by Metro Systems Corporation
<p>Mr. Suradet Lertthammajak</p> <p>Position:</p> <ul style="list-style-type: none"> - Vice President of Solutions Integration Group 	<ul style="list-style-type: none"> - 5E's Leadership, by Metro Systems Corporation Public Co., Ltd. - DAP: Director Accreditation Program, by Thai Institute of Directors (IOD) - The Flagship Summit : Future Fast-Forward, by Chulalongkorn University - Thai Accounting Standards Vol.18 "Revenue and Tax Knowledge, by Metro Systems Corporation Public Co., Ltd.



<p>Mr. Somsak Manayingcharoen</p> <p>Position:</p> <p>- Vice President of Solutions Integration Group</p>	<ul style="list-style-type: none"> - 5E's Leadership, by Metro Systems Corporation Public Co., Ltd. - DAP: Director Accreditation Program, by Thai Institute of Directors (IOD) - Information Security Awareness for Management, by ACIS Professional Center Co., Ltd.
<p>Ms. Teeraporn Lertthammajak</p> <p>Position:</p> <p>- Vice President of Solutions Integration Group</p>	<ul style="list-style-type: none"> - 5E's Leadership, by Metro Systems Corporation Public Co., Ltd. - DAP: Director Accreditation Program, by Thai Institute of Directors (IOD) - IT Trends: Seminar 2018, by IMC Institute - Thai Accounting Standards Vol.18 "Revenue and Tax Knowledge, by Metro Systems Corporation Public Co., Ltd.
<p>Mr. Chaiwat Likhitchayakul</p> <p>Position:</p> <p>- Vice President of Solutions Integration Group</p>	<ul style="list-style-type: none"> - 5E's Leadership, by Metro Systems Corporation Public Co., Ltd. - DAP: Director Accreditation Program, by Thai Institute of Directors (IOD) - Information Security Awareness for Management, by ACIS Professional Center Co., Ltd. - Thai Accounting Standards Vol.18 "Revenue and Tax Knowledge, by Metro Systems Corporation Public Co., Ltd.
<p>Mrs. Naowanit Limprasertsiri</p> <p>Position:</p> <p>- Vice President of Digital Printing Group</p>	<ul style="list-style-type: none"> - Information Security Awareness for Management, by ACIS Professional Center Co., Ltd.
<p>Mr. Kritsada Panlamyai</p> <p>Position:</p> <p>- Vice President of Digital Printing Group</p>	<ul style="list-style-type: none"> - Information Security Awareness for Management, by ACIS Professional Center Co., Ltd.
<p>Mrs. Vilai Kaewpongmongkol</p> <p>Position:</p> <p>- Vice President of Digital Printing Group</p>	<ul style="list-style-type: none"> - 5E's Leadership, by Metro Systems Corporation Public Co., Ltd. - DAP: Director Accreditation Program, by Thai Institute of Directors (IOD) - Mini MBA : Executive Development, by NIDA - Thai Accounting Standards Vol.18 "Revenue and Tax Knowledge, by Metro Systems Corporation Public Co., Ltd.



<p>Mrs. Prapavadee Orasanond</p> <p>Position:</p> <p>- Vice President of Digital Printing Group</p>	<ul style="list-style-type: none"> - 5E's Leadership, by Metro Systems Corporation Public Co., Ltd. - DAP: Director Accreditation Program, by Thai Institute of Directors (IOD) - Information Security Awareness for Management, by ACIS Professional Center Co., Ltd. - Mini MBA : Executive Development, by NIDA - Problem Solving & Decision Making, by Strategic Business Development Center - Thai Accounting Standards Vol.18 "Revenue and Tax Knowledge, by Metro Systems Corporation Public Co., Ltd.
<p>Ms. Natpachamon Tungjitlerdkij</p> <p>Position:</p> <p>- Vice President of Accounting, Finance and Administration Group</p>	<ul style="list-style-type: none"> - 5E's Leadership, by Metro Systems Corporation Public Co., Ltd. - DAP: Director Accreditation Program, by Thai Institute of Directors (IOD) - Information Security Awareness for Management, by ACIS Professional Center Co., Ltd. - Say It With Report, by Reporting Engineer Co., Ltd. - Thai Accounting Standards Vol.15 "Revenue from Contract Made with Customers", by NYC Management Co., Ltd. - New Thai Accounting Standards: Ready for It, by NYC Management Co., Ltd. - Information Disclosure System Usage for Listed Companies, by SET - Information Disclosure System Usage for Listed Companies, by SET - Ready for Thai Accounting Standard Change, by SET - Analytical & Investment Project Risk Management Techniques, by SET - Thai Financial Reporting Standards Vol.16 "Lease Contract" (TFRS16), by Federation of Accounting Professions Under The Royal Patronage of His Majesty The King - Thai Accounting Standards Vol.18 "Revenue and Tax Knowledge, by Metro Systems Corporation Public Co., Ltd. - Draft of Accounting Standards Vol.12 (Revision 2017) "Income Tax", by Federation of Accounting Professions Under The Royal Patronage of His Majesty The King



	<ul style="list-style-type: none"> - Draft of Accounting Standards Vol.9 "Financial Tools", by Federation of Accounting Professions - Personnel Management Principles for Great Outcomes, by Strategic Business Development Center
<p>Ms. Saowaluck Paksuphan</p> <p>Position:</p> <ul style="list-style-type: none"> - Vice President of Accounting, Finance and Administration Group 	<ul style="list-style-type: none"> - 5E's Leadership, by Metro Systems Corporation Public Co., Ltd. - DAP: Director Accreditation Program, by Thai Institute of Directors (IOD) - Financial Management and Tax Planning, by Chulalongkorn University - Information Security Awareness for Management, by ACIS Professional Center Co., Ltd. - Say It With Report, by Reporting Engineer Co., Ltd. - Strategic Program, by Strategic Business Development Center - Be Ready for New Financial Reporting Standards, by Securities Analysis Association (SAA) - Legal Knowledge on Contracts, by Metro Systems Corporation Public Co., Ltd. - Thai Financial Reporting Standards Vol.16 "Lease Contract" (TFRS16), by Federation of Accounting Professions Under The Royal Patronage of His Majesty The King - Thai Accounting Standards Vol.18 "Revenue and Tax Knowledge, by Metro Systems Corporation Public Co., Ltd. - Draft of Accounting Standards Vol.9 "Financial Tools", by Federation of Accounting Professions - Summary of Significant Changes in TFRS Revision Version 2016 and 2017, by Federation of Accounting Professions
<p>Ms. Samlee Noomsri</p> <p>Position:</p> <ul style="list-style-type: none"> - Vice President of People Group 	<ul style="list-style-type: none"> - 5E's Leadership, by Metro Systems Corporation Public Co., Ltd. - DAP: Director Accreditation Program, by Thai Institute of Directors (IOD) - Information Security Awareness for Management, by ACIS Professional Center Co., Ltd. - Microsoft Excel for Business Data Analysis, by Chansam Co., Ltd., at Head Office



	<ul style="list-style-type: none"> - People and Organizational Transformation, by Personnel Management Association of Thailand (PMAT) - Sustainability Strategy: Key Blueprint for Business, by SET - Strategic Performance Management, by Nation University - Effective Return Design and Management, by Strategic Business Development Center - Get to Know New Labour Protection Act, by Perfect Training & Service Co., Ltd. - Employers/Business Operators Prepare for Legal Liabilities, by Employers' Confederation of Thailand
<p>Ms. Sumateta Jitsiripol</p> <p>Position:</p> <ul style="list-style-type: none"> - Vice President of Corporate Secretary Bureau / Corporate Secretary 	<ul style="list-style-type: none"> - 5E's Leadership, by Metro Systems Corporation Public Co., Ltd. - Business Analysis Program, by Chulalongkorn University - Company Secretary Program CSP, by Thai Institute of Directors (IOD) - DAP: Director Accreditation Program, by Thai Institute of Directors (IOD) - Information Security Awareness for Management, by ACIS Professional Center Co., Ltd. - Say It With Report, by Reporting Engineer Co., Ltd. - Strategic Program, by Strategic Business Development Center - Sustainability Strategy: Key Blueprint for Business, by SET - Thai Financial Reporting Standards Vol.16 "Lease Contract" (TFRS16), by Federation of Accounting Professions Under The Royal Patronage of His Majesty The King - Thai Accounting Standards Vol.18 "Revenue and Tax Knowledge, by Metro Systems Corporation Public Co., Ltd. - Draft of Accounting Standards Vol.12 (Revision 2017) "Income Tax", by Federation of Accounting Professions Under The Royal Patronage of His Majesty The King

Conflicts of Interest

The Company has placed a focus on its personnel not to seek personal gain. In order to avoid situations that could cause a conflict of

interest with the interests of their own company, these are set out in the Corporate Governance Handbook on the roles, duties and responsibilities of the Boards. It has set clear guidelines and is beneficial for the Company and its shareholders as



a whole. The stakeholders are not involved in the decision of conflict of interest and the Board of Directors also oversees compliance with the procedures performed and ensures the disclosure of transactions with potential conflicts of interest in the transaction is complete and accurate. If this may be the case and the transaction requires approval from the shareholders meeting, an approval should be sought under the laws and regulations of the Company.

Whistle Blowing

The Company 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

If the complainant finds any suspected violation of good corporate governance or non-compliance with the Code of Conduct or financial report or defective internal control system, the complainant can ask questions or report to the responsible person. The processes of receiving a complaint are as follows.

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

Chairman of the Company or the Executive Committee 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 the 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 of the Company 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 disclosed by the Company that could identify the informant and the Company will not disclose 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 exposed to 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 and will not be demoted, dismissed, punished, or any other action to cause a negative effect on the complainant.

Complaint 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 the following directly:

A) By Post: HR Manager

Metro Systems Corporation Public
Company Limited no.400 Chalermprakit Rama 9
Rd. 9, Nongbon, Praveet, Bangkok 10250

B) By Telephone: 02-0894297

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



Corporate Social Responsibility

The Company maintains strong faith in business operations on the basis of good corporate governance, business ethics, and participation in social development. Additionally, the Company adheres to Corporate Governance, Management and Code of Conduct for the business operation, as well as participating in social development and environmental concerns so that the Company will grow 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 Working Team are nominated to be 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;

Corporate Governance

The Company operates the business under the principles of corporate governance and implements transparency, 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 with the shareholders and investors in a fair, transparency and timely. The information disclosed to the shareholders and investors was correct and adequate through channels which are equally easy to access.

Fair Business Operation

The Company will treat business partners and creditors with fairness by giving them equal opportunity for business contact, and honesty in business partnerships. For the Company's products and services imported from overseas, the Company focuses on a procurement process for only quality products and authentic brands which must be from the owner of the product or authorized distributors to obtain legitimate and non-infringement products to achieve fairness in conducting business with the customers and business partners.

The Company has set a policy to supply and monitor its business partners as a framework for their work. The operators and related persons must strictly follow the policy so that all stakeholders can be assured that the Company treats its customers and business partners equally on the basis of fair and transparent sharing of business ethics.

In addition, the Company is committed to the standards of its products and services with a policy of marketing products and services providing that are socially responsible, such as:

- offering quality products and service standards with a guarantee by the product owner.



- providing standardized services with a guarantee and warranty
- protecting customers' confidential information

Anti-corruption

The Company opposes any forms of fraud and corruption to ensure that the Company's operations are in line with the principles of Corporate Governance and the Code of Conduct. The Company has set a policy on anti-corruption and is committed to creating a corporate culture that refuses corruption in any transactions with both the public and private sectors in all cases. The directors, executives and employees of all levels will participate in monitoring all fraud and corruptions and refuse the corruption in all forms, both directly and indirectly.

The Company has been accredited as a member of Collective Action Coalition Against Corruption (CAC) from 2016. This project was initiated by the private sector in order to take part in corruption solving. The aim is to create and expand the private sector in order to foster anti-corruption in practice by establishing the policies and guidelines for refusing to accept and pay bribes, including setting the standard of clean business to raise the level of national development by reducing corruption.

Respect for Human Rights and Fair Treatment for Labour

The Company treats employees fairly and respects human rights to provide employees with a good quality of life and the opportunity to show their potential and improve their working skills. The Company recognizes the importance of employees at all levels. The Company provides fairness to employees. In addition, the Company

encourages employees to make progress in their work and in the future by providing regular training to its employees, both at the managerial level and at the operational level so that the employees have confidence in their profession. The Company also sets a salary rate and adjusts its salary rate to employees on a yearly basis based on their performance and success in accordance with the Company's fairness without any bias, prejudice nor other favoritism, as well as providing welfare to employees equally.

Environment

The Company maintains its environmental awareness by empowering employees to use their resources efficiently and additionally supports activities related to the development and conservation of the environment and energy, such as energy saving activities, effective paper usage and reduction in energy usage to meet the environmental and energy conservation standards formed by the Environmental Policy framework set by the Company. In addition, the Company has launched a solar power system project to help protect the environment, reduce carbon dioxide and promote the use of white energy within the organization to reduce electricity consumption.

Community and Social Development

The Company promotes and supports community and social development activities. The Company recognizes the importance of education as the cornerstone of living and for the social and community needs to be in line with the business. Therefore, the Company has a policy to support activities and projects related to education. The Company has provided opportunities for students of various educational institutions to learn about



and work on the Company's information technology systems, provide college/ university admissions programs for computer literacy programs with specialized experts. If students are trained and have passed the knowledge test on the basis of the assessment criteria, they will receive a certificate that will be able to further their career. For any students who have passed the training and / or the knowledge test on the basis of assessment, there is a chance that the company will accept them as an employee or recommended them to the Company clients. This will benefit both the students, the company and/or the customer. In addition, the Company also supports teaching materials and equipment, including necessary facilities to the schools located adjacent to the Company in order to educate and promote the good development of schoolchildren in early childhood. The Company also organizes programs for teaching Microsoft Office software to the teachers in the schools nearby companies who are interested in or need to use and gain knowledge to transmit their knowledge to the students and further develop teaching and learning.

Operation and Reporting Processes

Operations

To perform the Corporate Social Responsibility (CSR in process), the Company operates its policies in various areas with fairness, environmental- friendly, and promoting anti-corruption manners. In 2017, the Company always realized its social responsibility in the environment and health and safety. Therefore, the Company has set up an Environmental Policy which was approved by the Corporate Social Responsibility (CSR) Committee on: 10 November 2017. The Company is committed to driving and supporting its

operations under the policy frameworks in a consistent manner, from the fact that the Company has installed solar cell on the roofs and parking lots to create a brand image of being eco- friendly, saving electricity and representing a vision of bringing new technologies into use within the Company. As a result, the administrative costs in 2017 decreased from those from 2016, as well as benefitting society. This made the Company become a prototype company for energy saving. The Company also provides information and gives visitors the opportunity to visit the solar power system, including guidance as well as recommendations on the potential benefits so that the companies interested in implementing such systems can see how they could be deployed within their companies.

For education, the Company has provided customers, partners and the third parties with "PageWide Technology Center," the newest HP printing technology demonstration center. This PageWide Technology Center has opened for customers who want to experience high quality printing from "HP PageWide" at a cost effective price and supports all customer needs from the smallest organizations to large corporations. The Company has also been selected as a distributor of HP PageWide A3, a multifunctional printer that is ideal for enterprise use. Any interested parties can contact the Company to visit the Company's technology demonstration center at Digital Printing Group.

In addition to entering the 4.0 technology era, the Company has provided knowledge related to technology to various institutions by the Company's specialist lecturers for directly increase understanding, knowledge, skills and experience to the students.



In 2017, the Company implemented various social activities. The Company also recognized the importance of community and social development due to its importance to operate the business. Therefore, the Company has a policy to support activities and projects, such as:

- The "Children's Day 2017 Activity" was organized to provide snacks and gifts as well as to participate in children's day activities at Kotchapuekanusorn School and Khlongmakhamthet School on: 13 January 2017.

- The "Smart Classroom Project" was held to support teaching and learning in different schools. The Company has delivered teaching equipment, including office equipment to representatives from Kotchapuakanusorn School and Klong Makhamthet School. The Company also sent technicians to install equipment at both schools as a support of study.

In addition, the Company has launched the project "Old Desk Calendar Donation for the Blind". The employees have worked together to gather the old desk calendars and delivered to the Blind Educational Technology Center to produce the Braille media for visually impaired people on 7 February 2017.

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 and by exploring the potential impact on the environment due to the operation. Together with its continued community care, employees are involved in saving electricity, paper, oil, protecting the environment, saving water, saving energy, reducing carbon footprints, etc. The company is based on the principles of fair wage management and welfare with fairness. In addition, employees are encouraged to seek a healthy work life balance.

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 focusing on developing the potential of children and to help youth to be more effective.

(1) Development and Promotion of Employee Potential

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 the 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. This year the Company has presented the METRO Way Award to employees for their good corporate culture.



(2) Corporate Governance

There was the official launch of METRO Way from 11 September 2017 to 12 September 2017 in the Convention Hall (G2), the Company organized activities for employees to play games on the facade of the letters of M-E-T-R-O before attending the opening ceremony. The meaning of each letters are:

M = Moral

E = Excellence

T = Teamwork

R = Respect & Trust

O = Ownership

One of the social responsibility topics is Corporate Governance which is based on the moral principle of the Metro Way. The Company together with its qualified and expert representatives has introduced the Code of Conduct and Moral of Living, including anti-corruption details on the day of the event. The Company also publishes anti-corruption policies by providing bar code scanners to the executives and employees to easily access anti-corruption policies. The employees can additionally forward this policy to their customers, business partners and any stakeholders of the Company for acknowledgement of the Company's policy.

The Company has organized training courses in safety, occupational health and the working environment for existing and new employees every year to raise awareness of safety issues, occupational health and the working environment among the existing and new employees who have not been trained in this course before to gain the knowledge from training in aspects of safety, occupational health and working environment as well as to apply this knowledge effectively in the workplace.

In addition, the Company continues its activities for employees by employing qualified trainers to lead fitness, aerobics and yoga classes every Tuesday and Thursday in order to encourage employees to have good health as well as to raise awareness and create good behavior in health care. The Company has also improved facilities for employees. The building J was renovated to be a modern fitness center suitable for employees. A fitness room, weights room, table tennis pool, salt water pool system and a sauna are also available for the employees to use. There are also facilities for outdoor activities, such as playing basketball, futsal, tennis courts, etc.

The Company has furthermore provided a "Fit at Work Program" for its employees. The project is a health care program supervised by professionals. There is an education program about correct nutrition. Employees participating in this program will take 3 months to complete the course. If anyone has reduced the lowest fat mass or muscle mass, or the body weight is reduced, an award will be given to winner. This encourages the employees to see the importance of healthcare.

(3) Environment

The Company has installed solar cell systems on the roof and car parking building to create eco-friendly image and reduce the energy costs. As a result, the cost of year 2017 was decreased by 19% from the previous year.

The Company has set up the front yard of Buildings B, C, D and E for its employees and/or visitors to relax, make a phone call or meet each other, as well as organizing specific areas for smoking. The benefits of this garden can not only improve the view but also help improve the quality



of air, reduce pollution in the air and eradicate harm to any non-smokers.

Disclosure of Prevention of Corruption Involvement

Prevention Policy Related to Corruption

The Company places a great importance to and is aware of its commitment to combating corruption in all its forms. To ensure that the operations of the Company comply with the Corporate Governance Policy and good Business practices, the Company has set up a special anti-corruption policy on 24 February 2015 and communicated to all directors, employees, business partners, customers and all stakeholders this Anti-Corruption Policy. Annually the Company also reviewed the anti-corruption policy to ensure that its details are completed and covered any potential risks that may be a cause of corruption within the Company's operation.

The Board of Directors has resolved to announce its intention to join the Thai private sector in the fight against corruption. The Collective Action Coalition Against Corruption (CAC) was introduced on 21 January 2016, as well as the application for membership of the Thai private sector anti-corruption initiative on 24 February 2016. Currently, the Company has been certified as a member of the Collective Action Coalition Against Corruption (CAC) since 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, which has granted an open channel for those who see illegal actions or practices that are

not in accordance with the Code of Conduct. An 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 allow the whistleblowers to 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 as well as taking into account of the safety and potential damage to the complainant.

The company has set policies and practices regarding anti-corruption and anti-corruption protection 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 Committee, Managing Director and Executive 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 welcome entertainments, donations to charity or funding, business relationship and procurement transactions with government.

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 asking its related persons, namely directors, executives and employees of all levels all seek to jointly to fight against corruption and 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, monitoring and controlling 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 the fight against corruption and supports and encourages personnel at all levels to be aware of anti-corruption in all forms. The Company has announced the provision of gifts, grants, or charitable donations as a guideline for executives and employees. These following guidelines should be properly applied to prevent corruption.

- Funding or gifts to any activity or project, the provider must provide the company name. The name of the recipient must be clearly stated

together with identifying the objectives of the course of action. Such disclosure shall not be intended to imply commitment or bribery or to influence any decision in business. This action must be normal and/or the tradition of engagement and not against the law.

- Gift receipts must not have a purpose to represent a liability or a business bribe. If the value of the gift exceeds 5,000 Baht, the recipient must follow the steps set by the Company and must provide evidence of that gift from the other company. Any gifts of cash or cash equivalents must not be accepted in any cases.

In 2017, the Company has prepared a test for the management and employees to answer questions about corrupt practices and corruption so that the management and employees will have knowledge and understand the policies, measures, and critical steps in anti-corruption. In addition, the Company has organized an anti-corruption campaign within the organization by publicizing the channel for reporting concerns and complaints. The Company also participates in anti-corruption campaigns organized by the government and the private sector on the anti-corruption day including participation by both the directors and employees of the Company.



CSR Activities

ESG 100

MSC is one of 13 listed companies in Technology–TECH that has been selected as one of the ESG100 companies of the year for 2017 as a listed company with outstanding environmental, social and governance status, which was announced by Thaipat Institute on 30 May 2018.

Anti-Corruption Day 2017

Mr. Kitti Techaweekitkul, Vice Chairman of Metro Systems Corporation Public Company Limited (or



MSC) led the staff to participate in Anti-corruption Day 2560 activities under the concept of "New government! Old Corruptions?", which was an academic forum. Anti-Corruption Organizations (Thailand), held on Wednesday, 6 September 2017 from 9.00 to 12.00 at the Centara Grand Hotel and Bangkok Convention Center at Central World, Bangkok.

Listed Companies' Corporation Activity for Sustainable Thai Society



Mr. Kittichart Taveewitchakul (2nd from left), Vice Chairman of Metro Systems Corporation Public Company Limited (or MSC), recently joined with executives and employees of the Company to participate in the “Listed Companies’ Corporation Activity for Sustainable Thai Society”, to share the role of a leading listed company in the country that is focused on social responsibility, community support and return in various issues to promote Thai society for sustainability and to link information and networking between the governmental, private and public sectors on Friday, 29 September 2017 at the Stock Exchange of Thailand.

Officially Launched Metro Way



MSC officially launched METRO Way project with the purpose to determine core values of the organization and make it clear that METRO Way is a fundamental value and philosophy required for the executives and employees of Metro Systems Corporation Public Company Limited and its subsidiaries, in order to cultivate the concept of METRO Way as an organizational culture that we adhere to and use as a compass to guide towards a sustainable victory. There are activities for the participants to win special prizes and enjoy lunch and music from the Metro Band on 11 and 12 September 2017 at the Convention Hall (G2), Headquarters.

File Cabinets Donation to School



Mr. Kittitapol Taveewitchakul (5th from right), Vice Chairman of Metro Systems Corporation Public Company Limited (or MSC), together with Mr. Krisda Panlamiyai (5th from left), Vice President of Digital Printing Group (DPG), and employees donated the 16 secondhand file cabinets sized 40x90x85 to the representatives of Kotchapuekanusorn School, located in the community area, for school usage.

Smart Classroom Project



MSC donated equipment and devices under the “Smart Classroom Project” to Khlong Makhamthet School and Kotchapuekanusorn School to support the learning process of students in neighborhood schools. The project also provides students with the opportunity to improve their

education through appropriate teaching and innovative technology supported by the Company.

Old Desk Calendar Donation for the Blind



MSC delivers the old desk calendar for the project "Old Desk Calendar Donation for the Blind" to the Blind Educational Technology Center to produce Bell media for visually impaired people on 7 February 2017.

National Children's Day



MSC supports the events of "National Children's Day of Year 2017" by organizing the frontage to give candy and gifts away to children and also participated in the activities on the occasion of the Children's Day at Kotchapuekanusorn School and Khlong Makhamthet School on 13 January 2017.

Healthcare Activity for Organizational Strength



MSC promotes aerobic and yoga exercises to empower employees to recognize and create good healthcare behaviors. The healthcare activities are held every Tuesday and Thursday at G Tower, 2nd Floor, Headquarters.

Relaxing Place



The Company has set up a garden in front of buildings B, C, D and E for use as a seating area for staff and/or visitors, as well as specific areas for smoking

CSR and Knowledge Sharing with Society

The company recognizes the importance of education as the cornerstone of living and that society and community needs to be in line with business. Therefore, the Company has a policy to promote and support activities and / or projects related to education in order to drive wisdom and improve the quality of education continuously by providing knowledge, expertise and experience to the students from different educational institutes by offering field visits to see the company's information technology systems.



Burapa University, Computer Science
Program, Faculty of Information Science



Srinakharinwirot University,
Computer Science Program, Faculty of Humanities



Rajamangala University of Technology
Phra Nakhon, Information Systems
Program, Faculty of Business Administration



Sasin Graduate Institute of Business
Administration, Chulalongkorn



Kasetsart University, Sriracha Campus



Rajamangala University of Technology Lanna,
Chiang Mai



Maehongson College, Chiang Mai Rajabhat



Bromsgrove International School Thailand



Yala Rajabhat University, Computer science
Program and Computer Program



Kirk University, Business Computer Program



Panyapiwat Institute of Management,
International Program

CSR with environmental protection

The Company is aware of its environmental responsibility. In the year 2017, the Company became a distributor of PageWide technology-based printers. This technology does not use heat, dust, smell and smoke out of the machine. It also reduces the cost of machine, ink cartridges and electricity. Thus, it saves the energy compared to conventional laser printers. The Company has opened up opportunities for customers, partners and outsiders to visit HP's newest printer technology demonstration center to reinforce confidence in the mutual business.



Executives from HP Inc.



ISUZU ENGINE MANUFACTURING CO., (THAILAND) LTD.



McTRIC Public Co., Ltd.



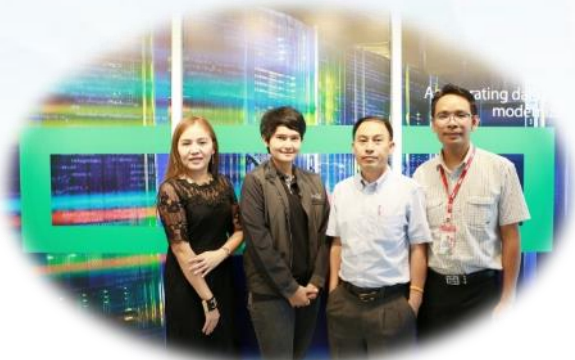
AEON Thana Sinsap (Thailand) Public Co., Ltd.



EASY BUY Public Co., Ltd.



Phoenix Solar Energy Co., Ltd.



Thainamthip Co., Ltd.



Bangkok Bank Public Co., Ltd.



Nakhonluang Capital Public Co., Ltd.



Dassault Systems, a leading company
of “SOLIDWORKS” software”



Internal Control and Risk Management

The Company has set up risk management since 2016, with Mr. Charcree-Amorn Tirachulisoonthorn, as Chairman of the Risk Management Sub-Committee, to supervise governance, acknowledge the results of risk, comment or suggest and offer support in risk management. In the year 2017, Expanding the scope of risk management to cover all businesses, both at the management and operational levels. The executives have also proposed to implement the system to the subsidiary, Metro Connect Co., Ltd. The Company has been cooperated with management and staff for success. The operation is based on risk management under the Internal Control Policy and the business process of the Company, including proper monitoring and evaluation according to ISO9001:2015 international standard certification. The Company has set up a business emergency plan for business continuity in the event of a crisis and annually reviews the approval authorities and duties of the executives to ensure the audit and balance, including monitoring monthly operational performance and submitting proposal to the Board of Directors on a quarterly basis.

In the year 2018, to increase the capacity of internal control, risk management and the process of information technology, which is considered as a main business of the company, the Company aims to prepare for ISO 27001 certification throughout the organization. Currently,

SIG-Managed Services and SIG-Business Continuity Services are certified. ISO 27001 is the international standard for Information Security Management Standard. This reduces the likelihood of the Company's sensitive data leakage. It also controls the management of information within the organization. At present, the focus is on the information technology. Due to each stage of the operation, every organization has an information system to help with the operation. There are opportunities for various risks on data which may affect the stability of each organization.

The Company recognizes the importance of this data management as a further operational target. The Audit Committee is responsible for overseeing the management to ensure that the internal control system is in place. Mrs. Thasa Varochathanin, Manager of Internal Audit Department, to review the performance of all departments and quarterly report to the Audit Committee and the Board of Directors. At the Board of Directors' Meeting No. 2/2018, on 23 February 2018, the Audit Committee attended the meeting with the Board of Directors to assess the adequacy of the Company's internal control system, such as control environment, risk assessment, operational control, information and communication system and tracking systems. The overall assessment of the adequacy of the internal control system is increased from the previous years.



Inter-Company Transactions

Currently, the Company has announced the policy on inter-company transactions according to the resolution of the Board of Director at the Meeting No.5/2017, dated on November 10, 2017 and the regulations as set forth by The Securities and Exchange Act B.E. 2535 with the revised version effective from August 31, 2008 (Section 89/12). The Securities and Exchange Commission (SEC) has set the details and supervises any inter- company transactions of the listed companies based on the purposes of good governance principle and related laws. Therefore, the decision making on any inter-company transactions will be transparent without any conflict of interests and result in an ultimate benefit to the Company and its shareholders. All inter-company transactions require the following details:

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

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

lending, use of property as collateral, guarantee, debt settlement) and so on.

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

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

- Any opinions relating to inter-company transactions provided by the Board of Directors



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

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

2. Criteria used to set prices and conditions and whether it is fair to the company or not if

compared with the same criteria dealt with any third parties.

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

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



Transactions between Company and its subsidiaries with related people

In 2017, the Company had the Inter-Company Transactions between Company and its subsidiaries with related people for approximately 4 main categories of transactions, consisting of normal business transactions, normal business supporting transactions, short-term assets rental or letting transactions, and properties or services transactions. For other Inter-Company Transactions between the Company and its subsidiaries or Associated Companies, these can be reviewed from the Company's Note to Financial Statement found in the attachment. The details of individual Inter-Company Transactions are listed as follows;

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

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. MDEC Internanational (1991) Co.,Ltd. 2. United Flour Mill PLC. 3. MC Foods Co.,Ltd. 4. MCF Marketing Co.,Ltd. 5. MCF Producrs Co.,Ltd. 6. N.I.M Co.,Ltd. 7. Siam Arun Group Co.,Ltd. 8. TST Development Co.,Ltd 9. HMC Polymer Co.,Ltd. 10.Metro Group Energy Co.,Ltd. 11.United Grains Co.,Ltd. 12.Bangkok Industrial Gas Co.,Ltd.	Normal business	MSC revenue Product Sales - Service Sales - Other Sales MSC Expenditure: - Product Purchase - Service Purchase	5,848,405 7,625 2,221,850 9,287,792 829,411	In accordance with the normal business based on the same price of product and service compared with external parties regarding to the terms and conditions of general trade.
Juristic Person no. 1,6 have two same directors; Mr. Sunpitt Sethpompong, Mr Suvij Suvaruchiphorn. Juristic Person no. 10 have the same directors; Mr.Sunpitt Sethpompong. Juristic Person no.2-5,7-9,11-12 have the same directors; Mr Suvij Suvaruchiphorn.	Assets/Services	MSC Expenditure: : - Assets Purchase - Other Expenses	274,593 111,426	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 Sethpompong 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	83,700 1,200 469,000	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.

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	87,630 118,418	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	1,404,239 241,300 1,016,000	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	727,140 4,361,300	In accordance with the normal business based on the same price of service compared with external parties regarding to the terms and conditions of general trade.

6) Relationship: Subsidiaries and Jointed Venture Companies and other related MSC Juristic Persons.
6.1 Metro Professional Products Co., Ltd.

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
MDEC Internantional (1991) Co.,Ltd. Mr.Sunpitt Sethpornpong and Mr Suvij Suvaruchiphorn are the director of Juristic Person above.	Normal Business	MPP Revenue: - Product Sales - Service Sales	-	In accordance with the normal business based on the same price of product and service compared with external parties regarding to the terms and conditions of general trade.
	Business Support	MPP Expenditure: - Other Expense	73,800	In accordance with the normal business based on the same price of service compared with external parties regarding to the terms and conditions of general trade.



6.2 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	297,289	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 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. 3. Siam Arun Group Co.,Ltd. 4. UFM Food Center 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 * Mr Suvij Suvaruchiphorn MSC Director is also the Director of Juristic Person No.3 Metrophose Co., Ltd., MSC main shareholder is the main shareholder of the juristic person. No.4	Business Support	MIT Revenue: - Product Sales - Service Sales MIT Expenditure: - Other Expense	- 392,186 57,667	In accordance with the normal business based on the same price of service compared with external parties regarding to the terms and conditions of general trade.

6.4 HIS MSC Co., Ltd.

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. UFM Food Center Co., Ltd. * Metrophose Co., Ltd., MSC main shareholder is the main shareholder of this juristic person.	Business Support	HIS Expenditure: - Other Expense	349,511	In accordance with the normal business based on the same price of service compared with external parties regarding to the terms and conditions of general trade.



6.5 Metro Info Dynamics Co., Ltd.

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. UFM Food Center Co., Ltd. * Metrophose Co., Ltd., MSC main shareholder is the main shareholder of this juristic person.	Business Support	MID Expenditure: - Other Expense	34	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 23 February 2018 on which there was an attendance of the Audit Committee and the Board of Directors, the inter-company transactions of year 2017 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. 5/2017 on November 10, 2017 which there was an attendance of the Audit Committee, the possibility of future related transactions were prescribed as follows.

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

The Board of Directors of the Company is responsible for ensuring that the possible future related transactions are in accordance with the Law

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

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

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



Financial Summary

	Total Financial Statement			Specific Financial Statement		
	2017	2016	2015	2017	2016	2015
Income Statement						
Gross Income (Million Baht)	7,444	7,701	7,016	6,176	6,614	5,575
Sale and Service Income (Million Baht)	7,395	7,651	6,977	6,089	6,534	5,539
Net Profit (Loss) (Million Baht)	235	188	206	219	178	148
Financial Statement						
Total Assets (Million Baht)	3,156	3,136	3,323	2,553	2,590	2,733
Total Liabilities (Million Baht)	1,417	1,508	1,771	1,115	1,246	1,458
Equity Ratio (Million Baht)	1,739	1,628	1,552	1,438	1,345	1,275
Net Profit (Loss) (per share)	0.65	0.52	0.57	0.61	0.49	0.41
Dividend (per share)				0.35	0.30	0.30
Financial Ratio :						
Gross Profit Margin (%)	15.9	14.2	15.3	15.9	13.7	15.7
Net Profit (Loss) Margin (%)	3.2	2.4	2.9	3.5	2.7	2.7
Dividend (%)	-	--	--	71	72.8	79.2
ROA (%)	7.5	5.8	6.4	8.5	6.7	5.9
ROE (%)	14.0	11.8	13.7	15.7	13.6	11.8
Current Ratio (Times)	1.9	1.7	1.6	1.8	1.6	1.5
Debt to Equity Ratio (Times)	0.8	0.9	1.1	0.8	0.9	1.1
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)	4.83	4.52	4.31	3.99	3.74	3.54



Analysis and Explanation from the Management

Operating Performance

The overall Thai economy is estimated to have grown at 3.8% in 2017. The main contributors came from the export of goods and services which continued to improve in the second half of the year, while private investment was likely to recover significantly in the latter part of the year, especially the investment in automotive machinery and equipment. The investments in the public sector are likely to slow down as investment disbursement under the additional 2017 budget are relatively slow.

The PC market continues to decline but computer and software services are growing, which is in line with the Company's strategy and the Company's focus on high-quality products. However, the Company has lost revenue from major projects in the financial and medical services sector since 2016. As a result, in 2017, the Company had revenue from sales of goods and services of 7,395 million baht, a decrease of 3% and down by 7% from the Solution Integration Group (SIG). And company's strategy is to sell the item, thus the company's gross profit margin increased. The gross profit margin was 15.9%, an increase from the previous year's gross profit margin of 14.2% and the net profit was 235 million baht, an increase of 25%.

Revenue

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

- Enterprise Systems Group (ESG) : Revenue was 2,560 million baht or 34%, an increase of 4% from the previous year in a sale of middle-sized PC's and large-sized servers due to the Company focusing on the sales of higher standard products.

- Solution Integration Group (SIG): Revenue was 2,841 million baht or 38%, a decrease of 7% from the previous year due to the fact the Company had previously had large projects with financial institutes and medical service groups. Therefore, the income derived from network system sales, distribution of application, software and infrastructure software has relatively decreased. The sale of license software has, however, increased.

- Digital Printing Group (DPG): Revenue was 1,994 million baht or 27%, a decrease of 7% from the previous year as the customers turn to rent a printer at a cost per sheet. The sales of printer supplies have thus reduced.

The gross profit margin has increased from 14.2% in 2016 to 15.9% in 2017 as a result of a sales strategy adjustment to focus on selling products with a higher standard and to sell office supplies under a long-term sales contract.



Expenses

The Company's expenses consist of:

- Sales and administrative expenses increased from last year by 39 million baht or 12.3% compared to the previous year with ratio of 11.3% in 2016. The main increase in expenditure was the expense relating to employees, including depreciation and amortization due to the Company purchasing additional computers and devices to enhance the efficiency in customer service.

- The Cost of Finance was decreased from the previous year by 4 million baht. When compared to the revenue from the sale of products and services in 2017 at 0.2% which was close to the 0.3% in 2016.

- The corporate tax increased by 17 million baht due to an increase in the profit before tax in 2017. When compared to the revenue from the sales of products and services in 2017, this is a 0.8% increase compared to 0.6% in 2016.

As a result, the Company generated a net profit of 235 million baht. This compares to 188 million baht in 2016, an increase of 47 million baht or 25% due to an increase of gross profit margin at 94 million baht which was more than the increased expenditures.

The Company had a profitability ratio of 3.2% (increasing from the previous year at 2.4%). The equity ratio has increased from the previous year at 14% compared to 11.8% in previous year.

Financial Status

Assets

As at the end of year 2017, the Company had total assets of 3,156 million baht, an increase of 19 million baht from year 2016. The total assets consisted of the current assets of 2,178 million baht or 69% of the total assets, and non-current assets of 978 million baht or 31% of the total assets. The main reasons for the asset decrease were as follows:

- The current assets of 2,178 million baht increased by 120 million baht derived from a current investment of 274 million baht, an increase in fixed deposited in the fixed account of 18 million baht, an increase in capital invested by the Company within market fund of 257 million baht, an increase in current portion of financial leases receivable of 59 million baht, a decrease in cash and equivalent to 111 million baht, a decrease in accounts receivable and other receivables after allowance for doubtful accounts of 46 million baht, a decrease in inventory of 44 million baht and a decrease in other current assets of 11 million baht.

Trade and Other Accounts Receivables

The Company's trade and other receivables after deduction of estimated bad debt at the end of year 2017 were 834 million baht, a decrease of 90 million baht from last year. Most of the account receivable (67%) have not been paid under the credit terms and 33% are in the process of debt collection. There was accounts receivable with unpaid debts in excess of 1 year, amounting to 0.2 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 the allowance for doubtful account by considering each debtor under the Company's receivable account criteria. In 2017, the Company estimated the allowance for doubtful accounts of 41 million baht or 5% of total receivable accounts. The Company has an average debt collection period of 46 days from sales in 2017.

Other account receivables at the end of year 2017 were 175 million baht, an increase of 44 million baht, mainly from the accrued income, prepaid expenses and so on.

Inventory

The Company's inventory after deduction of allowance obsolete goods at the end of year 2017 was 376 million baht, a decrease of 44 million baht. The Company's inventories were divided into finished goods, work in progress supplies and office supplies. The average day sale operation was 21 days in accordance with the management policy to control and prevent the Company's risks.

- The non-current assets were 978 million baht, a decrease of 101 million baht. This is derived from a decrease in deposit for a guarantee of 102 million baht, a decrease in (net) land, buildings and equipment by 70 million baht from the depreciation caused by solar cells installed in the previous year and investments in computer and equipment for

customer service. The Company has a Return On Fixed Assets by 53.5%. An intangible asset of the Company was decreased by 3 million baht, an increase in deferred tax by 0.5 million baht, a reduction in investments in associated company by 2 million baht from selling Metrosoft Co., Ltd., and withholding tax increased by 28 million baht.

Liquidity

Cash Flow

As at 31 December 2017, the Company had net cash and the equivalent decreased by 111 million baht which gives total of 68 million baht. The main reasons were as follows:

- The net cash received from the Company's operating result was 225 million baht. This was mainly result from profit before income tax and after deduction of costs not related to cash was 428 million baht, the change in account receivables and other receivables at 42 million baht, an inventory decrease of 35 million baht, other current assets decreasing by 11 million baht, finance lease receivables increasing by 106 million baht, account payables and others payables decreasing by 83 million baht, other current liability decreasing by 16 million baht and deposit and guarantee decreasing by 5 million baht. As a result, the Company received cash of 305 million baht. The employees benefits paid 2 million baht. The Company paid net tax of 78 million baht, thus, giving net cash from operations of 225 million baht.

- Net cash spent on the Company's investment activity was 190 million baht due to the fact the Company had decreased in deposits used as



collateral by 62 million baht. Cash received from distribution of investments in associates was 1 million baht. The Company has cash paid for current investment of 234 million baht, had additional fixed assets of 30 million baht from investment in equipment, office supplies and furniture and received the interests of 10 million baht.

- Net cash spent on financing activity was 146 million baht due to the Company had cash available for payment on bank overdrafts and short-term loans from financial institutions of 41 million, cash obtained from short-term loans from other companies of 65 million baht, cash received from sale and lease back contracts stood at 89 million baht. While long-term loans was decreased by 22 million baht, the Company has paid debts under the financial lease contract of 92 million baht. The Company also paid financial costs of 18 million baht and paid out dividends of 126 million baht.

Significant Liquidation Ratio

As at 31 December 2017, the Company had a D/E ratio of 0.8 decreased from the figure in 2016. This resulted from the decreased liability from the bank overdraft and short-term loans from the other companies, other accounts payable and other payables. 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 2017 was 0.8, decreasing from the figure in 2016. In 2017, the cash flow of the Company's operation was 225 million

baht due to a decrease in the operations and a decrease in accounts receivable and other receivables of 42 million baht. The inventory has decreased by 35 million baht. Other non-current assets were decreased by 11 million baht. The financial lease contract debts were decreased by 106 million baht. However, Accounts payable and others payables were decreased by 83 million baht and the other current liabilities were decreased by 16 million baht. The deposit and guarantee was decreased by 5 million baht and the employees benefits were decreased by 2 million baht. The Company paid back debts of 136 million baht, bought assets of 30 million baht and paid 126 million baht in dividends.

The Liquidity Ratio as of the end of year 2017 was equal to 1.9 times, which has increased from the previous year, due to the Company having collection period from 47 days to 46 days. On the contrary, the payment period was reduced from 46 days to 40 days, the average sales period was also reduced from 33 days to 21 days. The quick liability ratio as of the year end of 2017 was at 0.9 time which was decreased for 0.1 time from the figure of the year 2016, mainly from the decrease of accounts receivable and other receivables after allowance for doubtful accounts of 42 million baht. Additionally, the amount of accounts payable and other payables was decreased by 83 million baht.



Source of Funds

Liability

The total liability at the year end of 2017 was 1,417 million baht, a decrease of 91 million baht from the previous year. The total debt consisted of the current liability of 1,150 million baht or 81% of the total debt and the non-current liability at 267 million baht or 19% of the total debt. The main reasons for the decrease in debt were as follows:

- Current liabilities of 1,150 million baht, a decrease of 64 million baht, resulting from a decrease in accounts payable and other payables of 83 million baht. The Company had an account payable of 636 million baht, a decrease of 99 million baht. The Company had a repayment period of 40 days. The other account payable amount stood at 226 million baht, an increase of 16 million baht, consisting of accrued expenses, deposits and advances of cash received. the bank overdraft and short-term loans from other financial institutes decreased by 41 million baht, the short-term loans from other companies increased by 65 million baht, the long-term liabilities due within one year increased by 1 million baht, the long-term liabilities under financial lease contracts due within one year increased by 9 million baht, accrued corporate tax increased by 2 million baht, and other current liabilities decreased by 16 million baht.

- Non-current liabilities of 267 million baht, a decrease of 27 million baht, resulting from a decrease in long-term loans of 26 million baht, a decrease of liabilities under financial lease contract by 13 million baht, the deposit and guarantee was decreased by 5 million baht. An increase in employee

benefits obligations by 8 million baht, and an increase in liabilities on deferred tax by 8 million baht.

Shareholders' Equity

The Shareholder's equity at the end of year 2017 was 1,739 million baht, an increase of 7% due to the net profit in 2017 was 235 million baht. The Company paid dividends in 2017 at the rate of 0.35 baht per share, totaling 126 million baht.

Committed Liability and Out-of-Balance Sheet Management

The Company engaged in lease contracts as follows:

Car lease contracts for 5 years which can be terminated at any time. As at 31 December 2017, the minimum future payment within one year was 6 million and 15 million baht to be paid after first year and within 5 years.

The Company has disclosed this information in the Note of Financial Statement, Clause 30 of financial statement year 2017.

Factors which may affect the financial status or future operation

- None –



Report of Audit Committee for the year 2017

Dear Shareholders,

The Audit Committee of Metro System Corporation (Public) Co., Ltd. consists of independent directors who are qualified in accordance with the Stock Exchange of Thailand's regulations. The Audit Committee performs the duties independently, complies with any assignments as required by the Board of Directors, and has the scope of duties as specified in the Charters of Audit Committee which has been annually reviewed according to the current situation and is annually approved by the Board of Directors.

In 2017, there were 5 meetings held by the Audit Committee to discuss with the Management, Internal Auditors and Certified Personal Accountant (CPA) without any executive members. The purposes of meetings were to review the substantial issues, special transactions and acknowledge the explanations from CPA, Management and Internal Auditors. However, the Audit Committee also held a joint meeting with the non-executive directors. In addition, the Audit Committee has every year assessed their performance according to the following issues.

Financial Statement

The Audit Committee audits the quarterly and yearly financial statements of Metro Systems Corporation Public Co., Ltd. And Consolidated financial statements of the Company and its subsidiaries, significant transaction adjustments affecting to the financial statement, the adequacy and appropriation of accounting recording methods to ensure that the financial statement is accurate and reliable and the disclosure of information is adequate and timely for those who require it to be in compliance with applicable laws and certified accounting standards as normal practice for the benefits of investors and users.

The Audit Committee also holds a meeting together with the CPA quarterly to discuss the accounting audit, independency of duty and welcomes comments from the CPA with the aim of gaining additional information in the Report of Key Audit Matters (KAMs).

Related Transactions and Transactions which may cause conflict of interest)

The Audit Committee audits any related transactions or transactions which may cause conflict of interest and reports of related directors. The Audit Committee considers the transactions by adhering to general trading conditions to ensure that such transactions are rational and lead to an ultimate benefit for the Company and the Company's stakeholders. This includes adequate information disclosure in compliance with the principle of corporate governance and the criteria imposed by the Stock Exchange of Thailand (SET).

Internal Audit

The Audit Committee annually reviews the Charters of the Audit Committee and the Charters of the Internal Audit Department to be in line with the Company's current situations. In addition, the Audit Committee reviews the internal audit plan, annual audit plan and long-term audit plan, plan compliance; internal control monitoring and IT audit results, including providing suggestions and performing corrective actions for any significant matters as specified in the Report of Internal Control Audit to ensure that the Company has the adequacy of the internal control.



Corporate Governance Audit

The intention of Metro Systems Corporation (Public) Co., Ltd. is to provide effective operational performance with corporate governance, transparency and traceable administrative systems. The Company continues to pursue sustainable business development under the corporate governance principles as referred to The Stock Exchange of Thailand and the Thai Institute of Directors Association (IOD). The Company has anti-corruption policy that can be implemented and applied with its subsidiaries as appropriate according to the nature of the business. The Company also provides diversity of communication channels throughout the organization. 680 employees (100%) of the Company passed the tests about code of conduct, policies and regulations of the Company via the Office 365 system. The Internal Audit Department also regularly assesses and monitors the compliance as required by the code of conduct and anti-corruption policy, and reports to the Audit Committee, Corporate Governance Sub-committee and the Board of Directors in accordance with the good governance principles in order to create confidence and reliability among shareholders, investors, creditors and all stakeholders of the Company. The compliant procedures and communication relating to fraud incidents are also reviewed to be in line with the good corporate governance principles and code of conduct.

Internal Control and Risk Management

The Audit Committee audits the effectiveness and efficiency of risk management procedures within the Company by providing a Risk Management Team to be responsible for both internal and external factors that may cause issues or impact Company operations and prepare risk management plans to prevent or reduce any potential operational impacts. The Audit Committee also reviews the adequacy and suitability of the internal control of the Company and its subsidiaries. The Committee's consideration is based on the reports from the internal audit department to evaluate the adequacy of internal control systems. Additionally, the Company holds risk management meetings within the business group and with the Risk Management Sub-Committee and offers reports to the Board of Committee. The Company also ensure that the risk management plans and management direction are consistent with the Company's policies and are also governed by the adequate internal control systems of the Company.

Nomination and remuneration of Auditor

The Audit Committee considered, selected and appointed the Company's auditor from KPMG Phumchai Auditing Co., Ltd., for the year 2016-2017, based on the operational performance, independency, qualifications, skills, knowledge, potentials and experiences in auditing. According to the aforementioned criteria, the Audit Committee therefore at the Shareholders Meeting of Year 2018 proposed to the Board of Directors to consider and appoint KPMG Phumchai Audit Co., Ltd., represented by Miss Marisa Tharthornbanpakul with CPA License No. 5752, Mr. Veerachai Ratanacharaskul with CPA License No. 4323, Miss Patamawan Watanakul with CPA License No. 9832, to be reassigned as the Company's auditors for the year 2018.

Pravit Chattalada

(Mr. Pravit Chattalada)

Chairman of Audit Committee



Report of Corporate Social Responsibility Committee for the year 2017

Dear Shareholders,

The Corporate Social Responsibility (CSR) Committee was initially appointed at the meeting No 5/2015, held on November 6, 2015 to serve for the term of office for 2 years. In 2017, the Board of Directors' meeting No. 5/2017, held on November 10, 2017 passed a resolution to extend another term of office of the CSR Committee from 1 December 2017 to 30 November 2019.

The CSR Committee consists of the following members:

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

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

The CSR Committee is committed to ensure that the Company conducts its business in an ethical manner with the principles of corporate governance. The CSR Committee has conducted its duties as assigned by the Board of Directors thoroughly. In 2017, the CSR Committee has participated in three meetings to consider the various issues of the following.

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

2. Review the policy of corporate social responsibility, focusing on six policy areas, by driving to the policies of anti-corruption, community and social development, environment policy including operational policies to comply with the corporate governance principles. The review has also implemented CSR communication activities on the Company's website so that any third parties can access the information quickly and accurately and the Directors, executives, employees and stakeholders, and all other parties may acknowledge and appropriately comply with the policies in various aspects.



3. CSR policies and activities related to corporate social responsibility are detailed as follows.

3.1 Anti-Corruption

As a member of the Thailand Private Sector Collective Action Coalition Against Corruption (CAC), the Company has campaigned and acted on anti-corruption as follows.

- The Company has attended the Listed Companies Program for Sustainable Thai Society to show its intention with regard to the roles of listed companies.
- The Company has participated in the event of Anti-Corruption Day 2017 under the concept “New Government! Old Corruption?” and publicized the National Anti-Corruption Day to employees in the organization to acknowledge the importance of that day.
- The Company has communicated the Anti-Corruption Policy to all employees, including its partners, customers, stakeholders through the QR Code as provided by the Company.
- The Company has provided an E-Learning system to the executives and employees for testing the knowledge and understanding of the Code of Conduct, policies and regulations as determined by the Company.
- The Company has reviewed the policies on anti-corruption by performing appropriate adjustments and proposals to the Board of Directors for consideration.

3.2 Environment

- The Company has installed solar cell systems on the roof and car parking building to create eco-friendly image and reduce the energy costs. As a result, the cost of year 2017 was decreased by 19% from the previous year. Additionally, the Company has become a prototype for energy saving by providing information and allowing visitors to visit the solar cell system installed in the organization.
- The Company has campaigned for cycling within the organization in order to reduce energy consumption and encourage exercise among its employees to promote good health.
- The Company has provided the front yard of Buildings B, C, D and E for its employees and/or visitors to relax, as well as to organize the specific areas for smoking.
- Building J of the Company has been renovated as a modern Fitness Center for the use of its employees. The facilities, such as, fitness room, gym room, table tennis room, salt water pool and sauna room, etc. are all available for employees’ usage.

3.3 Social Development

- The Company gave an opportunity to the students of various educational institutions for a field trip visit with regard to the IT system of the Company, such as visiting the Company’s Technology Demonstration Centers by aiming to implement the knowledge beyond the classroom and prepare in readiness for a future profession. Moreover, the Company has provided lectures useful to future work and responsibility given by specialized and qualified lecturers.
- The Company opened for students to enroll in the program of VMWare Software Define Data Center (SDDC). The course was given by specialists of Software Solutions Group and provided the knowledge to the students of King Mongkut’s Institute of Technology Ladkrabang. The students who participated will receive a certificate from the Company for further professional benefit.



- The Company has donated various items for classroom improvement to Kotchapuakanusorn School and Klong Makhamthed School under Smart Classroom Project in order to support the students' learning process in neighborhood schools and develop students' integrated learning potential appropriately and effectively through the educational media and IT innovative provided by the Company.

3.4 Employee Potential Development and Promotion

- The Company organized training courses according to the employees' knowledge and abilities in order to fully strengthen the progress of their related profession.

- The Company encouraged all employees to have good health by organizing weekly exercise activities for employees, such as aerobics, yoga, etc.

4. Preparation of a report by the Corporate Social Responsibility (CSR) Committee in order to report the operational performance for the year 2017 according to the specified plan.

The CSR Committee agreed that their operation for the year 2017 has complied with the determined plan and has been in accordance with the assignment given by The Board of Directors. The cooperation of the employees has shown their recognition of the importance of social responsibility to the community and the environment and these efforts will allow the Company to grow sustainably.

Date: 19 January 2018

On behalf of Corporate Social Responsibility Committee

Pravit Chattalada

(Mr. Pravit Chattalada)

Chairman of Corporate Social Responsibility Committee



Report of Nominating and Remuneration Sub-Committee for the year 2017

Dear Shareholders,

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

No.	Name	Position
1	Mr. Suvij Suvaruchiphorn	Chairman of Nomination Committee and the Remuneration Committee
2	Mr. Narong Charuvajana	Nomination Committee and the Remuneration Committee
3	Mr. Pravit Chattalada	Nomination Committee and the Remuneration Committee

The Nominating and Remuneration Sub-Committee consists of at least three members comprising of an independent director, non-executive director and executive director for a period of two years in the office. The Nominating and Remuneration Sub-Committee has the authority concerning the regulations and policies on nomination and remuneration relating to the Committees and Sub-Committees of the Company, recruiting suitable candidates to the position of Director and with purpose to the Board of Directors for further consideration and/or propose to approval by the Meeting of Shareholders, to consider the suitable candidates for the position of Managing Director in the event of a vacancy, to establish the criteria for senior executive succession, set up the necessary and appropriate remuneration criteria and policies for the Committee and Managing Director for approval and/or consideration at the shareholders' meeting to motivate and keep the members of Committees, Sub-Committees and Managing Director 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 Policies and disclose them in the Annual Report.

In 2017, the Nominating and Remuneration Committee held 2 meeting to consider the matters summarized as follows.

1. To consider the nomination of Directors who will replace those retired by rotation for the year 2017 and present to the Board of Directors for approval at the shareholders' meeting.
2. To consider the remuneration of Directors and Sub-Committees for the year 2017 and present to the Board of Directors for approval at the shareholders' meeting.
3. To nominate the Corporate Social Responsibility (CSR) Committee who would complete the term of office on November 30, 2017 and present to the Board of Directors for approval.
4. To nominate the Risk Management Sub-Committee who would complete the term of office on November 30, 2017 and present to the Board of Directors for approval.
5. To nominate the Corporate Governance Sub-Committee who would complete the term of office on November 30, 2017 and present to the Board of Directors for approval.



6. To prepare the Report of Nominating and Remuneration Sub-Committee for the operational performance of the year 2017 according to specified plans.

The Nominating and Remuneration Sub-Committee has the opinion that their operation plan during the year 2017 has been achieved as assigned by the Board of Directors. The nomination for Managing Directors and remuneration for Directors and Executives has been considered appropriately and at a level that helps in developing and maintaining the Board of Directors, Sub-Committees and Executives of the Company.

Date: 23 January 2018

On behalf of Nominating and Remuneration Sub-Committee

Suvij Suvaruchiphorn

(Mr. Suvij Suvaruchiphorn)

Chairman of Nominating and Remuneration Sub-Committee



Report of the Corporate Governance Sub-Committee for the year 2017

Dear Shareholders,

The Corporate Governance Sub-Committee was initially appointed by the Board of Directors at meeting No. 5/2015, held on November 6, 2015 to serve for the term of office for 2 years. In 2017, the Board of Directors' Meeting No. 5/2017, held on November 10, 2017 passed a resolution to extend for another term of office of the Corporate Governance Sub-Committee from December 1, 2017 to November 30, 2019.

The Corporate Governance Committee consists of the following members:

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

The Corporate Governance Sub-Committee consists of seven directors, three directors and four other executives who are independent directors or directors who are not executives serving as president. The term of office will be for two years from the date of 1 December 2015 onwards, with the scope to offer practical guidelines to provide good corporate governance and guidance on good practice regarding ethics and integrity in the conduct of business supervision, with the remit to advise the Board of Directors and management who are in place offering responsibility according to the framework and guidelines of corporate governance policy which are consistently and appropriately reviewed, with the aim of improving corporate governance policy consistently, so that the Company's corporate governance policy will be up-to-date and in line with international standards and practices, rules, laws and regulations. The Sub-Committee will offer and accept feedback from within the organization and act in the governance, monitoring and assessment of duties of directors and management practices as well. The Sub-Committee will also prepare a report assessing the corporate governance for annual presentation to the Board of Directors and offer comments and suggestions as required and perform any further duties as assigned by the Board of Directors in each period.

In 2017, the Corporate Governance Sub-Committee operated according to the assigned roles and duties and held two meetings to consider the following.



1. Provide guidelines for good corporate governance as required by the regulations and laws to the Board of Directors and guidance for good practice on Ethics and Code of Business Conduct for directors, executives and employees of the Company in order to be in line with the Company's strategy for 2017.

2. Consider, review and update policies on good governance with regard to all five categories. In the Equitable Treatment of Shareholders section, there are additional rules for the meeting to give an opportunity for shareholders to propose items for the agenda of the Annual General Meeting of Shareholders in advance. Regarding The Board of Directors' responsibility, the shareholders are given an opportunity to nominate persons to be elected as directors. Additionally, the content of disclosure and transparency section, including the details of complaint and feedback channels has been improved. In addition, the director's position has been adjusted to be in line with the change in information filed with the Securities and Exchange Commission. The Sub-Committee also regularly reports to the Board of Directors to ensure compliance with the principles of good corporate governance and that the Company can provide credibility to shareholders, investors, creditors and stakeholders equally

3. To continuously supervise and provide the training courses for directors and to encourage the directors to attend training courses provided by Thai Institute of Directors (IOD), The Stock Exchange of Thailand, The Securities and Exchange Commission. The external qualified speakers are also invited to provide useful knowledge to allow the directors to perform their duties in line with good corporate governance under the section of "Director Development".

4. To advise on the preparation plan for the Annual General Meeting to ensure that the meeting is conducted in an effective and transparent manner in accordance with good governance principles and the AGM Checklist criteria. As a result, the Company has been awarded for the qualified annual general meeting from the Thai Investors Association a score of 96% which was higher than the average overall score for listed companies by 91.97%.

5. To provide guidance on the implementation of the CGR Checklist that the Company has participated in the Survey Project of Corporate Governance of Thai Listed Companies (CGR), which is under the supervision of the Thai Institute of Directors (IOD), resulted in the Company's 87% which is equal to SET100 score. This is higher than the average overall scores of the listed companies.

6. To supervise the setting of criteria for the opportunity given to minority shareholders to propose the agenda items of the Annual General Meeting of Shareholders and to nominate persons to be elected as directors prior to the Annual General Meeting of Shareholders Year 2018 from 1 September to 30 November 2017.

Regarding the opportunity given to shareholders to propose items for the agenda of meeting and nominating persons to be elected as directors in advance, none of the minority shareholders proposed any matters at the Annual General Meeting of Shareholders Year 2018 before the expiry of the given duration.

7. To prepare a report of the Corporate Governance Sub-Committee, in order to report upon operational performance for the year 2017 to the Board of Directors.

The Corporate Governance Sub-Committee is fully committed to overseeing the Company's compliance policies, corporate governance and business ethics as well as vigorously improving corporate governance and



business ethics continually so that the Company will gain the confidence of stakeholders and comply with all international standards.

Date: 23 January 2018

On behalf of Corporate Governance Sub-Committee

Virach Aphimeteetamrong

(Dr. Virach Aphimeteetamrong)

Chairman of Corporate Governance Sub-Committee

Report of Risk Management Sub-Committee for the year 2017

Dear Shareholders,

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

No.	Name	Position
1	Mr. Chacree-Amorn Tirachulisoonthorn	Chairman of Risk Management Sub-Committee
2	Mr. Kitti Techataveekijkul	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 Risk Management Sub-Committee shall have the following duties:

- 1) To establish the policy, management strategies, and 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 any major risks. The internal audit function is additionally reviewed to ensure that the Company has internal controls to manage the risks, as well as risk management systems to be appropriately deployed in practice.
- 5) To report to the Board of Directors on risk management and major risks management regularly.
- 6) To perform other duties as delegated by the Board of Directors in each period.

In 2017, the Company has established the internal risk management systems for 5 business groups, namely those of Enterprise Systems Group (ESG), Solutions Integration Group (SIG), Digital Printing Group (DPG), Supporting Group and Metro Connect Co., Ltd. The Risk Management Sub-Committee has attended the



4 committee meetings throughout the year in order to offer the information and to consider various issues for the preparation of the risk management system. The main points of the meetings were detailed as follows:

(1) To review the criteria of risk estimation, operational scope, charters, risk management instruction in the meeting of The Risk Management Sub-Committee No.1, held on January 16, 2017.

(2) To give recommendation, guidelines, follow up the administration of risk management, including analyzing, evaluating, managing, monitoring and reporting systematically.

(3) To consider the corporate risks of year 2017 by dividing into 3 groups, which are: business interruption, Information Security Management and Image and Reputation and monitor further corrective measures.

(4) To prepare a report on risk management to report on the operating performance for the year 2017 according to the plan requirements and nominate the members of Risk Management Team.

The Risk Management Sub-Committee has the opinion that the implementation of the Risk Management Sub-Committee plan for the year 2017 was conducted in accordance with the Company's goal to provide an exceptional enterprise risk management system and was very well supported by the management and employees.

Date: 24 January 2018

On behalf of Risk Management Sub-Committee

Chacree-Amorn Tirachuleesoonthorn

(Mr. Chacree-Amorn Tirachuleesoonthorn)

Chairman of Risk Management Sub-Committee

Report of Board of Directors Responsibilities

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

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

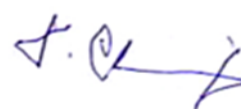
Furthermore, the Board of Directors has appointed Audit Committee which consist of independent directors who have duties and responsibilities to oversee the quality of financial statements and internal audit control systems. Audit Committees' opinions regarding the mentioned issues have been shown in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

Thus, the Board of Directors has agreed that the Company's internal audit control system is at a satisfactory level and is able to create reasonable confidence for the Company and subsidiaries' creditability of financial statement as of 31 December 2017



(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 2017
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 2017, 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 2017 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 Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is 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), 3 (e) and 7	
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 appropriateness 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 mathematical accuracy; • Sampling the receivable aging report and testing with related document and testing the mathematical 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.

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
 23 February 2018

Metro Systems Corporation Public Company Limited and its Subsidiaries
Statements of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2017	2016	2017	2016
		(in Baht)			
<i>Current assets</i>					
Cash and cash equivalents	5	68,073,921	179,352,447	33,845,044	121,606,842
Current investments	6	530,776,806	256,328,179	368,873,473	245,000,830
Trade and other accounts receivable	4,7	1,009,063,730	1,055,307,002	875,375,962	900,817,673
Current portion of finance lease receivables	13	188,476,488	129,731,983	91,146,281	41,188,973
Inventories	8	375,857,630	420,158,797	292,310,827	306,920,201
Other current assets		5,641,818	16,589,228	3,657,605	11,495,975
Total current assets		2,177,890,393	2,057,467,636	1,665,209,192	1,627,030,494
<i>Non-current assets</i>					
Investments in associates	9	10,638,225	12,558,391	1,998,800	2,733,800
Investments in subsidiaries	10	-	-	43,219,370	43,219,370
Deposits used as collateral	11	41,658,980	143,178,980	14,290,000	86,510,000
Property, plant and equipment	12	594,470,607	664,238,529	580,439,230	645,777,091
Finance lease receivables	13	182,686,554	134,998,877	111,988,167	73,027,520
Intangible assets	14	13,236,570	16,730,397	13,151,051	16,635,791
Deferred tax assets	15	20,965,997	21,491,679	15,262,869	13,468,348
Withholding tax deducted at source		111,014,327	82,527,830	104,215,469	79,121,991
Other non-current assets		2,945,655	2,977,961	2,915,652	2,950,002
Total non-current assets		977,616,915	1,078,702,644	887,480,608	963,443,913
Total assets		3,155,507,308	3,136,170,280	2,552,689,800	2,590,474,407

Metro Systems Corporation Public Company Limited and its Subsidiaries
Statements of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	<i>Note</i>	2017	2016	2017	2016
		<i>(in Baht)</i>			
<i>Current liabilities</i>					
Bank overdrafts and short-term loans					
from financial institutions	16	54,540,976	95,736,604	-	25,520,857
Trade and other accounts payable	4, 17	861,903,802	945,093,136	734,517,660	839,762,676
Short-term loans from other party	16	82,431,195	17,909,125	82,431,195	17,909,125
Current portion of long-term loans	16	25,447,992	24,278,842	25,447,992	24,278,842
Current portion of finance lease liabilities	16	99,588,451	90,556,811	52,978,050	46,363,736
Dividend payable		3,251,926	3,240,784	1,046,071	1,034,929
Income tax payable		2,632,539	378,420	-	-
Other current liabilities		19,745,056	36,149,920	17,682,351	33,220,277
Total current liabilities		1,149,541,937	1,213,343,642	914,103,319	988,090,442
<i>Non-current liabilities</i>					
Long-term loans	16	31,343,740	57,175,672	31,343,740	57,175,672
Finance lease liabilities	16	85,780,923	98,324,195	37,939,854	72,326,782
Non-current provisions for employee benefits	18	141,950,303	133,984,781	126,361,318	118,014,698
Deferred tax liabilities	15	8,179,067	-	-	-
Deposit and guarantee	4	-	5,000,000	5,000,000	10,000,000
Total non-current liabilities		267,254,033	294,484,648	200,644,912	257,517,152
Total liabilities		1,416,795,970	1,507,828,290	1,114,748,231	1,245,607,594

Shareholders' equity

Share capital	19				
Authorised share capital		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
Additional paid in capital					
Premium on ordinary shares		234,221,748	234,221,748	234,221,748	234,221,748
Retained earnings					
Appropriated					
Legal reserve		47,900,000	47,900,000	47,900,000	47,900,000
Unappropriated		1,090,195,512	981,041,906	795,810,878	702,745,065
Other components of shareholders' equity		67,021	-	8,943	-
Equity attributable to equity holders					
of the Company		1,732,384,281	1,623,163,654	1,437,941,569	1,344,866,813
Non-controlling interests		6,327,057	5,178,336	-	-
Total shareholders' equity		1,738,711,338	1,628,341,990	1,437,941,569	1,344,866,813
Total liabilities and shareholders' equity		3,155,507,308	3,136,170,280	2,552,689,800	2,590,474,407

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	2017	2016	2017	2016
		(in Baht)			
Income	21				
Revenue from sale of goods	4	6,606,868,553	6,797,275,977	5,496,510,713	5,833,782,651
Revenue from rendering of services	4	763,694,662	823,838,413	573,420,298	674,017,627
Rental revenue	4	24,475,944	29,763,601	19,020,085	26,193,043
Total income		7,395,039,159	7,650,877,991	6,088,951,096	6,533,993,321
Cost of sales of goods	4	(5,691,720,487)	(5,974,271,522)	(4,755,453,631)	(5,158,422,479)
Cost of rendering of services	4	(514,202,085)	(581,175,700)	(354,919,741)	(465,587,997)
Rental costs		(11,962,099)	(12,535,010)	(11,950,767)	(12,535,010)
Gross profit		1,177,154,488	1,082,895,759	966,626,957	897,447,835
Other income	4	49,288,879	50,063,847	86,861,195	80,345,361
Distribution costs	21, 22	(135,510,560)	(146,910,386)	(113,070,450)	(126,491,114)
Administrative expenses	21, 23	(776,946,593)	(726,735,761)	(679,746,787)	(625,505,258)
Finance costs	4	(17,827,361)	(22,299,047)	(10,899,585)	(14,980,240)
Share of profit (loss) of investments in associates	9	203,575	(8,141,208)	-	-
Profit before income tax expense		296,362,428	228,873,204	249,771,330	210,816,584
Income tax expense	26	(60,072,654)	(42,999,064)	(30,705,867)	(33,246,860)
Profit for the year		236,289,774	185,874,140	219,065,463	177,569,724
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Net change in fair value of available-for-sale investments	6	83,776	903	11,179	830
Income tax relating to items that will be reclassified	26	(16,755)	(181)	(2,236)	(166)
Total items that will be reclassified subsequently to profit or loss		67,021	722	8,943	664
Item that will not be reclassified subsequently to profit or loss					
Share of other comprehensive profit (loss) of investments in associates		97,331	(69,639)	-	-
Total item that will not be reclassified subsequently to profit or loss		97,331	(69,639)	-	-
Other comprehensive income for the year, net of tax		164,352	(68,917)	8,943	664
Total comprehensive income for the year		236,454,126	185,805,223	219,074,406	177,570,388

Metro Systems Corporation Public Company Limited and its Subsidiaries

Statements of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2017	2016	2017	2016
Profit (loss) attributable to:					
					(in Baht)
Owners of parent					
Non-controlling interests		235,055,925	188,062,596	219,065,463	177,569,724
Profit for the year		<u>1,233,849</u>	<u>(2,188,456)</u>	<u>-</u>	<u>-</u>
		<u>236,289,774</u>	<u>185,874,140</u>	<u>219,065,463</u>	<u>177,569,724</u>
Total comprehensive income (expense) attributable to:					
Owners of parent					
Non-controlling interests		235,220,277	187,993,679	219,074,406	177,570,388
Total comprehensive income for the year		<u>1,233,849</u>	<u>(2,188,456)</u>	<u>-</u>	<u>-</u>
		<u>236,454,126</u>	<u>185,805,223</u>	<u>219,074,406</u>	<u>177,570,388</u>
Basic earnings per share (in Baht)	27	<u>0.65</u>	<u>0.52</u>	<u>0.61</u>	<u>0.49</u>

Metro Systems Corporation Public Company Limited and its Subsidiaries

Statements of changes in equity

Consolidated financial statements									
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of shareholders' equity	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
	Note			Legal reserve	Unappropriated	Available-for-sale investments			
(in Baht)									
Year ended 31 December 2016									
Balance at 1 January 2016		360,000,000	234,221,748	47,900,000	901,047,927	-	1,543,169,675	8,950,836	1,552,120,511
Transactions with owners, recorded directly in equity									
Distributions to owners of the parent									
Dividends to owners of the Company	28	-	-	-	(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)	(1,584,044)	(109,583,744)
Comprehensive income for the year									
Profit for the year		-	-	-	188,062,596	-	188,062,596	(2,188,456)	185,874,140
Other comprehensive income		-	-	-	(68,917)	-	(68,917)	-	(68,917)
Total comprehensive income for the year		-	-	-	187,993,679	-	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	-	1,623,163,654	5,178,336	1,628,341,990

Metro Systems Corporation Public Company Limited and its Subsidiaries

Statements of changes in equity

Consolidated financial statements								
			Retained earnings		Other components of shareholders' equity	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
Note	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	Available-for-sale investments			

Metro Systems Corporation Public Company Limited and its Subsidiaries

Statements of changes in equity

		Separate financial statements				Other components of shareholders'	
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		equity	Total equity
	Note			Legal reserve	Unappropriated	Available-for-sale investments	
(in Baht)							
Year ended 31 December 2016							
Balance at 1 January 2016		360,000,000	234,221,748	47,900,000	633,174,377	-	1,275,296,125
Transactions with owners, recorded directly in equity							
Distributions to owners of the parent							
Dividends to owners of the Company	28	-	-	-	(107,999,700)	-	(107,999,700)
Total transactions with owners, recorded directly in equity		-	-	-	(107,999,700)	-	(107,999,700)
Comprehensive income for the year							
Profit for the year		-	-	-	177,569,724	-	177,569,724
Other comprehensive income		-	-	-	664	-	664
Total comprehensive income for the year		-	-	-	177,570,388	-	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 changes in equity

		Separate financial statements				Other components	
		Issued	Share premium	Retained earnings		of shareholders'	
	Note	and paid-up	on	Legal	Unappropriated	Available-for-sale	Total
		share capital	ordinary shares	reserve		investments	equity
(in Baht)							
Year ended 31 December 2017							
Balance at 1 January 2017		360,000,000	234,221,748	47,900,000	702,745,065	-	1,344,866,813
Transactions with owners, recorded directly in equity							
Distributions to owners of the parent							
Dividends to owners of the Company	28	-	-	-	(125,999,650)	-	(125,999,650)
Total transactions with owners, recorded directly in equity		-	-	-	(125,999,650)	-	(125,999,650)
Comprehensive income for the year							
Profit for the year		-	-	-	219,065,463	-	219,065,463
Other comprehensive income		-	-	-	-	8,943	8,943
Total comprehensive income for the year		-	-	-	219,065,463	8,943	219,074,406
Balance at 31 December 2017		360,000,000	234,221,748	47,900,000	795,810,878	8,943	1,437,941,569

Metro Systems Corporation Public Company Limited and its Subsidiaries

Statements of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2017	2016	2017	2016
(in Baht)					
Cash flows from operating activities					
Profit for the year		236,289,774	185,874,140	219,065,463	177,569,724
Adjustments to reconcile profit (loss)					
to cash receipts (payments)					
Income tax expense		60,072,654	42,999,064	30,705,867	33,246,860
Finance costs		17,827,361	22,299,047	10,899,585	14,980,240
Depreciation and amortisation		106,367,592	96,025,935	100,853,231	91,456,762
Employee benefit expenses	18	10,314,252	10,731,271	9,034,457	9,279,055
Unrealised loss (gain) on exchange		(657,654)	2,848,564	(388,450)	2,848,666
Written off withholding tax deducted at source		41,040	100,974	-	100,974
Gain on sales of available for sale investments		(574,811)	-	(481,464)	-
Loss (gain) on sales of investment in associates		966,868	(198,195)	(519,204)	(4,495,944)
Share of loss (profit) of investments in associates	9	(203,575)	8,141,208	-	-
Set up provision for:					
- Bad debts and doubtful accounts	7	1,001,586	33,740,061	764,228	16,131,576
- Decline in value of inventories	8	4,437,182	434,297	4,437,182	434,297
- Decline in value of investments in associates	9	-	-	-	2,205,000
Loss on contract termination		14,584	-	14,584	-
Loss on disposals of property, plant and equipment and intangible assets		1,790,145	2,728,986	1,756,895	2,731,401
Loss on write-off of assets		249,159	-	246,995	-
Dividends received	10	-	-	(39,914,872)	(25,562,355)
Interest income		(10,095,827)	(9,387,031)	(9,266,571)	(8,603,770)
		427,840,330	396,338,321	327,207,926	312,322,486
Changes in operating assets and liabilities					
Trade and other accounts receivable		42,489,640	65,425,067	21,914,218	(18,762,169)
Finance lease receivables		(106,446,766)	70,461,691	(88,932,539)	62,155,257
Inventories		34,798,097	360,107,437	5,106,304	438,287,163
Other current assets		10,947,410	7,631,494	7,838,370	4,438,281
Other non-current assets		32,306	397,183	34,350	385,200
Trade and other accounts payable		(83,001,099)	(182,687,237)	(105,366,231)	(190,396,177)
Other current liabilities		(16,404,864)	5,044,379	(15,537,926)	6,437,082
Deposit and guarantee		(5,000,000)	-	(5,000,000)	-
Net cash generated from operating		305,255,054	722,718,335	147,264,472	614,867,123
Employee benefit paid		(2,348,730)	(2,530,026)	(2,348,730)	(2,050,908)
Proceeds from non-current provisions for employee benefit transfer from subsidiary					
	18	-	-	1,660,893	-
Tax received		28,647,363	29,683,962	27,593,352	27,584,150
Income tax and withholding tax deducted at source paid		(106,305,441)	(103,174,445)	(85,189,454)	(87,781,094)
Net cash generated from operating activities		225,248,246	646,697,826	88,980,533	552,619,271

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	
Note	2017	2016	2017	2016
	(in Baht)			
Cash flows from investing activities				
Proceeds from sale of investment in associates	1,254,204	9,475,955	1,254,204	9,475,955
Proceeds from sale of current investment	1,211,169,960	-	901,130,000	-
Acquisition of current investment	6 (1,445,660,000)	(256,328,179)	(1,014,510,000)	(245,000,830)
Decrease in deposits used as collateral	62,220,000	19,137,095	62,220,000	15,000,016
Proceeds from sales of property, plant and equipment and intangible assets	717,634	775,282	465,654	769,778
Acquisition of property, plant and equipment	(29,540,551)	(228,089,137)	(28,204,946)	(220,533,135)
Acquisition of intangible assets	(408,247)	(7,334,430)	(381,245)	(7,334,429)
Payment for accounts payable for fixed assets	(287,833)	(4,654,657)	(287,833)	(4,350,146)
Dividends received	-	1,146,400	39,914,872	25,562,355
Interest received	10,203,276	10,459,669	9,422,332	8,716,427
Net cash used in investing activities	(190,331,557)	(455,412,002)	(28,976,962)	(417,694,009)

Cash flows from financing activities

Proceeds from bank overdrafts and short-term loans				
from financial institutions	2,542,755,334	2,273,321,185	1,778,755,334	1,806,434,453
Repayment of bank overdrafts and short-term loans				
from financial institutions	(2,583,950,962)	(2,402,671,914)	(1,804,276,191)	(1,905,440,827)
Proceeds from short-term loans from other parties	187,519,640	17,909,125	187,519,640	17,909,125
Repayment of short-term loans from other parties	(122,997,570)	-	(122,997,570)	-
Proceeds from sale and leaseback transactions	89,906,610	41,692,760	-	3,961,987
Repayment of sale and leaseback transactions	(1,098,678)	(1,050,617)	(1,098,678)	(1,050,617)
Advance received from finance leases	-	16,829,146	-	16,829,146
Proceeds from long-term loans	2,353,160	78,407,953	2,353,160	78,407,953
Repayment of long-term loans	(24,352,101)	(4,754,597)	(24,352,101)	(4,754,597)
Proceeds from finance lease liabilities	19,227,610	-	19,227,610	-
Repayment of finance lease liabilities	(111,547,174)	(111,161,304)	(45,901,546)	(47,196,244)
Dividend paid	(126,073,636)	(108,825,856)	(125,988,508)	(107,691,811)
Finance costs paid	(17,937,448)	(24,867,629)	(11,006,519)	(17,532,316)
Net cash used in financing activities	(146,195,215)	(225,171,748)	(147,765,369)	(160,123,748)
 Net decrease in cash and cash equivalents	 (111,278,526)	 (33,885,924)	 (87,761,798)	 (25,198,486)
Cash and cash equivalents at 1 January	179,352,447	213,238,371	121,606,842	146,805,328
Cash and cash equivalents at 31 December	68,073,921	179,352,447	33,845,044	121,606,842

Non-cash transactions :

Deposits used as collateral transfer to				
current investments	39,300,000	-	10,000,000	-
Inventory transfer to assets	14,350,132	6,097,947	14,350,132	6,097,947
Assets transfer to inventory	9,284,244	-	9,284,244	-
Assets transfer to intangible assets	833,175	-	833,175	-
Account payables for fixed assets	848,095	324,486	848,095	324,486
Dividend payable	3,251,926	3,240,784	10,460,071	1,034,929
Decrease in long-term loans from net off				
undue interest expense that included in				
other receivable	2,663,841	-	2,663,841	-

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
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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 23 February 2018.

1 General information

Metro Systems Corporation Public Company Limited, the “Company”, is incorporated in Thailand, and has its registered office at 400 Chalermprakiat Rama IX, Nong Bon, Prawet, Bangkok, 10250. There are 3 branches and rental as follows:

Branch 1	888/15-17 Ploenchit Road, Lumpini 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 shareholders 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 2017 and 2016 were as follows:

Name of the entity	Type of Business	Incorporate country	Ownership interest (%)	
			2017	2016
<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

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 2017. 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.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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 2018 and have not been adopted in the preparation of these financial statements. The Group/Company has made a preliminary assessment of the potential initial impact on the consolidated and separate 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.

(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 investments	Fair value
Defined benefit liability	Present value of the defined benefit obligation as explained in Note 3 (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.

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 7	Valuation of trade accounts receivable: key assumptions underlying allowance for doubtful accounts;
Note 18	Measurement of defined benefit obligations: key actuarial assumptions.
Note 31	Contingent Liabilities

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.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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.

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 29 Financial instruments

3 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.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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 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 initially recognised 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.

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(c) *Derivative financial instruments*

Derivative financial instruments are used to manage exposure to foreign exchange 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.

(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 less provision for decline in value of investment. Investments in associates in the consolidated financial statements are accounted for using the equity method.

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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.

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 measured 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.

Any 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

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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.

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

No depreciation is provided on 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.

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Amortisation

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

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 investments 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 investments 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 investments that are equity securities, the reversal is recognised in other comprehensive income.

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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

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.

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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.

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.

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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.

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.

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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.

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.

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4 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.

Significant relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
<i>Major shareholders</i>		
Metro Value Creation Company Limited	Thailand	A major shareholder
Metrophose Company Limited	Thailand	A major shareholder, common director
<i>Subsidiaries</i>		
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
<i>Associates</i>		
Metrosoft Company Limited (Disposed on January 2017)	Thailand	Shareholding, common director
HIS MSC Company Limited	Thailand	Shareholding, common director
JBCC (Thailand) Company Limited	Thailand	Shareholding
PSP (Thailand) Company Limited (Disposed on August 2016)	Thailand	Shareholding, common director
<i>Key management personnel</i>	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group/Company
<i>Other related parties</i>		
MDEC International (1991) Company Limited	Thailand	Common shareholder and director
Metro Company Limited	Thailand	Common shareholder and director
N.I.M. Company Limited	Thailand	Common shareholder and director
United Flour Mill Public Company Limited	Thailand	Common shareholder and director
MC Foods Company Limited	Thailand	Common shareholder and director
United Grains Company Limited	Thailand	Common director
Metro Group Energy Company Limited	Thailand	Common shareholder and director
Metro Group Company Limited	Thailand	Common shareholder and director
United Silo & Services Company Limited	Thailand	Common shareholder and director
B I G Marketing Company Limited	Thailand	Common shareholder and director
Metro Group Property Company Limited	Thailand	Common shareholder and director
Prachin Lap Company Limited	Thailand	Common shareholder and director
Metromax Company Limited	Thailand	Common shareholder and director

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Name of entities	Country of incorporation/ nationality	Nature of relationships
<i>Other related parties</i>		
Bangkok Development (Thailand) Company Limited	Thailand	Common shareholder and director
Land Development Company Limited	Thailand	Common shareholder and director
International Warehousing Company Limited	Thailand	Common shareholder and director
Bangkok Industrial Gas Company Limited	Thailand	Common shareholder and director
Srikrung Wattana Group Company Limited	Thailand	Common shareholder and director
Woodwalk (Thailand) Company Limited	Thailand	Common shareholder and director
Treemit Marketing Company Limited	Thailand	Common shareholder and director
UFM Food Center Company	Thailand	Common shareholder and director
HMC Polymers Company Limited	Thailand	Common shareholder and director
MCF Marketing Company Limited	Thailand	Common shareholder and director
MCF Product Company Limited	Thailand	Common shareholder and director
MC Bakery Company Limited	Thailand	Common shareholder and director
MC Industrial Chemical Company Limited	Thailand	Common shareholder and director
MC Plastics Company Limited	Thailand	Common shareholder and director
Tekheng Company Limited	Thailand	Common shareholder and director
N.K.L. Company Limited	Thailand	Common director
Trans Asia Pacific Company Limited	Thailand	Common shareholder and director
MAC Marina Company Limited	Thailand	Common shareholder and director
MC Solvents Company Limited	Thailand	Common shareholder and director
Samut Transport Company Limited	Thailand	Common shareholder and director
Thai UFM Marketing Company Limited	Thailand	Common shareholder and director
Miss Thipawan Jaruwatjana	Thailand	Close member of key management

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 approval/or employment contract

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

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sale of goods and rendering of services	-	-	17,148	129,654
Rental revenue	-	-	2,925	-
Other income	-	-	19,164	19,438
Dividend income	-	-	39,915	24,416
Purchase of goods and receiving of services	-	-	477,056	197,316
Purchase of assets	-	-	744	71,931
Administrative expenses	-	-	-	90
Interest expenses	-	-	200	201
Associates				
Sale of goods and rendering of services	3,658	5,423	2,634	1,995
Other income	4,763	6,185	4,763	5,505
Dividend income	-	1,146	-	1,146
Purchase of goods and rendering of services	100	-	100	-
Purchase of assets	-	5	-	5
Other related parties				
Sale of goods and rendering of services	6,530	445	6,530	281
Other income	3,441	853	3,441	853
Purchase of goods and rendering of services	10,191	9,229	10,117	8,432
Purchase of assets	275	1,190	275	1,190
Administrative expenses	5,308	3,434	4,953	3,434
Key management personnel compensation	69,406	66,251	57,567	53,623

Key management personnel compensation

Key management personnel compensation comprised:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Short-term management benefits	68,303	64,830	56,674	52,202
Long-term management benefits	1,103	1,421	893	1,421
Total	69,406	66,251	57,567	53,623

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Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable - related parties</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries				
Metro Professional Products Company Limited	-	-	179	48
Metro Info Tech Company Limited	-	-	2,773	3,533
Metro Connect Company Limited	-	-	16,266	1,129
Metro Info Dynamics Company Limited	-	-	1,420	5,713
Associates				
Metrosoft Company Limited	-	48	-	48
HIS MSC Company Limited	1,524	322	1,524	322
JBCC (Thailand) Company Limited	41	-	-	-
Other related parties				
MDEC International (1991) Company Limited	43	54	43	54
Metro Company Limited	34	35	34	35
N.I.M. Company Limited	18	-	18	-
Treemit Marketing Company Limited	23	-	23	-
United Flour Mill Public Company Limited	32	-	32	-
UFM Food Center Company Limited	22	-	22	-
MC Bakery Company Limited	6	-	6	-
MC Plastic Company Limited	16	-	16	-
MC Industrial Chemical Company Limited	72	-	72	-
Bangkok Industrial Gas Company Limited	808	-	808	-
Total	2,639	459	23,236	10,882
Less allowance for doubtful accounts	-	-	-	-
Net	2,639	459	23,236	10,882
Bad and doubtful debts expense for the year	-	-	-	-

<i>Other receivables - related parties</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries				
Metro Professional Products Company Limited	-	-	-	3
Metro Info Tech Company Limited	-	-	1	-
Metro Connect Company Limited	-	-	9,022	2,647
Metro Info Dynamics Company Limited	-	-	-	35
Associate				
HIS MSC Company Limited	2	5	2	5
Total	2	5	9,025	2,690

<i>Finance lease receivables - related parties</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Associate				
HIS MSC Company Limited	17	26	17	26
Total	17	26	17	26

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Trade accounts payable - related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries				
Metro Professional Products Company Limited	-	-	189	-
Metro Info Tech Company Limited	-	-	11,965	9,112
Metro Connect Company Limited	-	-	11,306	77,042
Metro Info Dynamics Company Limited	-	-	-	63
Other related party				
MDEC International (1991) Company Limited	1,437	1,356	1,437	1,152
Total	1,437	1,356	24,897	87,369

Other payables - related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries				
Metro Info Tech Company Limited	-	-	557	-
Metro Connect Company Limited	-	-	90	-
Other related parties				
MDEC International (1991) Company Limited	50	47	50	47
UFM Food Center Company Limited	2,442	-	2,389	-
Miss Thipawan Jaruwatjana	40	-	40	-
Total	2,532	47	3,126	47

Deposit and guarantee - related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiary				
Metro Info Tech Company Limited	-	-	5,000	5,000
Total	-	-	5,000	5,000

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Cash on hand and call deposit at banks	68,074	174,922	33,845	121,607
Highly liquid short - term investments	-	4,430	-	-
Total	68,074	179,352	33,845	121,607

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.

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6 Current investments

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Fixed deposit at bank (12 months)	28,760	11,250	10,000	-
Available-for-sale investments	502,017	245,078	358,873	245,001
Total	530,777	256,328	368,873	245,001

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Current investments				
Available-for-sale investments				
At 1 January	245,078	-	245,001	-
Purchases during the year	1,445,660	336,000	1,014,510	245,000
Sales during the year	(1,188,805)	(90,923)	(900,649)	-
Valuation adjustment	84	1	11	1
At 31 December	502,017	245,078	358,873	245,001

7 Trade and other accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Trade accounts receivable					
Related parties	4	2,639	459	23,236	10,882
Other parties		839,031	939,410	699,913	772,849
Post-dated cheque		28,780	23,405	18,864	21,644
		870,450	963,274	742,013	805,375
<i>Less</i> allowance for doubtful accounts		(40,888)	(40,544)	(23,042)	(22,348)
		829,562	922,730	718,971	783,027
<i>Add</i> unbilled trade accounts receivable		4,593	1,607	4,593	1,607
Total trade accounts receivable		834,155	924,337	723,564	784,634
Other receivables					
Related parties	4	2	5	9,025	2,690
Other parties					
Prepaid expenses		56,010	55,405	35,193	50,485
Accrued income		113,584	65,408	102,500	53,846
Others		5,313	10,152	5,094	9,163
Total other receivables		174,909	130,970	151,812	116,184
Total trade and other accounts receivable		1,009,064	1,055,307	875,376	900,818
Bad and doubtful debts expense for the year		1,002	33,740	764	16,132

Metro Systems Corporation Public Company Limited and its Subsidiaries
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Aging analyses for trade accounts receivable were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	1,361	-	19,673	8,618
Overdue:				
Less than 3 months	1,278	459	3,563	2,264
Total	2,639	459	23,236	10,882
Less allowance for doubtful accounts	-	-	-	-
Net	2,639	459	23,236	10,882
Other parties				
Within credit terms	586,007	754,309	515,225	631,666
Overdue:				
Less than 3 months	234,865	165,227	157,121	120,790
3-6 months	5,730	395	5,730	395
6-12 months	63	1,605	63	1,508
Over 12 months	235	285	-	-
Account receivables under legal case	40,911	40,994	40,638	40,134
Total	867,811	962,815	718,777	794,493
Less allowance for doubtful accounts	(40,888)	(40,544)	(23,042)	(22,348)
Net	826,923	922,271	695,735	772,145
Add unbilled trade accounts receivable	4,593	1,607	4,593	1,607
Total	834,155	924,337	723,564	784,634

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.

Metro Systems Corporation Public Company Limited and its Subsidiaries
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8 Inventories

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Merchandise inventories	307,713	408,211	265,579	294,972
Project in process	72,403	11,241	30,990	11,241
Goods in transit	23	769	23	769
Others	590	372	590	372
Total	380,729	420,593	297,182	307,354
Less allowance for decline in value	(4,871)	(434)	(4,871)	(434)
Net	375,858	420,159	292,311	306,920

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Inventories recognised as an expense in ‘cost of sales of goods’ :				
- Cost	5,691,720	5,974,272	4,755,454	5,158,422
- Write-down to net realisable value	4,437	434	4,437	434

9 Investments in associates

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	12,558	31,193	2,734	9,919
Share of profit (loss) of investments in associates	204	(8,141)	-	-
Share of other comprehensive income (loss) of investments in associates	97	(70)	-	-
Dividend income	-	(1,146)	-	-
Reversal of allowance for impairment	-	-	2,205	(2,205)
Disposal of investments	(2,221)	(9,278)	(2,940)	(4,980)
At 31 December	10,638	12,558	1,999	2,734

Disposals

On 24 January 2017, the Company sold all of its 49% interest in the issued and paid up capital of Metrosoft Company Ltd., an associated company of the Group, for a consideration of Baht 1.25 million. The Group recognised a loss of Baht 0.97 million and the Company recognised gain of Baht 0.5 million, respectively, on the sale in the consolidated and separate statements of comprehensive income for the year ended 31 December 2017.

Metro Systems Corporation Public Company Limited and its Subsidiaries
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For the year ended 31 December 2017

Investments in associates as at 31 December 2017 and 2016 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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(%)		(in thousand Baht)											
Associates														
Metrosoft Company Limited	-	49.00	-	1.5 million Baht	-	2,940	-	1,099	-	-	-	1,099	-	147
HIS MSC Company Limited	49.97	49.97	4.0 million Baht	4.0 million Baht	1,999	1,999	10,638	11,459	-	-	10,638	11,459	-	999
JBCC (Thailand) Company Limited	20.00	20.00	10.0 million Baht	10.0 million Baht	2,000	2,000	-	-	-	-	-	-	-	-
					3,999	6,939	10,638	12,558	-	-	10,638	12,558	-	1,146

Separate financial statements

	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income for the year ended 31 December	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(%)		(in thousand Baht)									
Associates												
Metrosoft Company Limited	-	49.00	-	1.5 million Baht	-	2,940	-	(2,205)	-	735	-	147
HIS MSC Company Limited	49.97	49.97	4.0 million Baht	4.0 million Baht	1,999	1,999	-	-	1,999	1,999	-	999
JBCC (Thailand) Company Limited	20.00	20.00	10.0 million Baht	10.0 million Baht	2,000	2,000	(2,000)	(2,000)	-	-	-	-
					3,999	6,939	(2,000)	(4,205)	1,999	2,734	-	1,146

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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.

	2017 (in thousand Baht)	2016
Carrying amount of interests in immaterial associates	10,638	12,558
Group's share of:		
- Profit (loss) for the year	204	(8,141)
- Other comprehensive income (loss)	97	(70)
- Total comprehensive income (loss)	301	(8,211)

Metro Systems Corporation Public Company Limited and its Subsidiaries
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10 Investments in subsidiaries

**Separate
financial statements**

2017 2016
(in thousand Baht)
43,219 **43,219**

At 1 January and 31 December

During the year ended 31 December 2017 and 2016 there were no acquisitions and disposals of investments in subsidiaries.

Investment in subsidiaries as at 31 December 2017 and 2016 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				
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
	(%)		(in thousand Baht)										
Subsidiaries													
Metro Professional Products Company Limited													
	98.6000	98.6000	20 million Baht	20million Baht	19,720	19,720	-	-	19,720	19,720	5,916	5,916	
Metro Info Tech Company Limited													
	70.000	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	10million Baht	10,000	10,000	-	-	10,000	10,000	16,000	15,000	
Metro Info Dynamics Company Limited													
	99.9940	99.9940	10 million Baht	10million Baht	9,999	9,999	-	-	9,999	9,999	17,999	-	
					43,219	43,219	-	-	43,219	43,219	39,915	24,416	

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

11 Assets pledged as collateral

As at 31 December 2017, the deposits at banks amounting to Baht 41.66 million (*2016: Baht 143 million*) in the consolidated financial statement and amounting to Baht 14.29 million (*2016: Baht 87 million*) in the separated financial statement have been pledged as collateral for projects performance and credit facilities of the Group/Company.

As at 31 December 2017, the Group/Company mortgaged the land and building, and the right in office condominiums at the total value of Baht 6.23 million (*2016: Baht 6.56 million*) in the consolidated financial statement and amounting to Baht 9 (*2016: Baht 0.14 million*) in the separate financial statement to secure the credit facilities from financial institutions.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

12 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 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 and 1 January 2017	226,388	18,773	539,203	128,323	768,259	12,541	59,184	11,319	58,144	1,822,134
Additions	-	-	2,390	1,141	9,797	-	4,409	12,651	-	30,388
Transfers	-	-	2,111	35	5,461	-	139	(5,682)	942	3,006
Disposals	-	-	(8,161)	(2,979)	(3,695)	-	(88)	-	-	(14,923)
At 31 December 2017	226,388	18,773	535,543	126,520	779,822	12,541	63,644	18,288	59,086	1,840,605
Accumulated depreciation										
At 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 and 1 January 2017	-	14,357	413,089	64,753	591,723	11,659	46,939	-	15,375	1,157,895
Additions	-	236	11,513	16,734	54,449	360	4,776	-	13,565	101,633
Transfers	-	-	-	-	(1,031)	-	-	-	(196)	(1,227)
Disposals	-	-	(5,946)	(2,927)	(3,206)	-	(88)	-	-	(12,167)
At 31 December 2017	-	14,593	418,656	78,560	641,935	12,019	51,627	-	28,744	1,246,134

Metro Systems Corporation Public Company Limited and its Subsidiaries
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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 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 and 1 January 2017										
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
At 31 December 2017										
Owned assets	226,388	4,180	116,887	47,960	108,330	522	12,017	18,288	30,342	564,914
Assets under finance leases	-	-	-	-	29,557	-	-	-	-	29,557
	226,388	4,180	116,887	47,960	137,887	522	12,017	18,288	30,342	594,471

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2017 amounted to Baht 891 million (2016: Baht 855 million).

Security

As at 31 December 2017, the Group mortgaged the land and building, and the right in office condominiums at the total value of Baht 6.23 million (2016: Baht 6.56 million) in the consolidated financial statement to secure the credit facilities from financial institutions. (see note 11 and 16).

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

	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 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 and 1 January 2017	220,675	18,773	534,036	127,360	738,489	10,273	58,440	11,319	58,144	1,777,509
Additions	-	-	2,390	1,010	9,024	-	3,980	12,648	-	29,052
Transfers	-	-	2,111	35	5,461	-	136	(5,679)	942	3,006
Disposals	-	-	(8,161)	(2,979)	(1,106)	-	(35)	-	-	(12,281)
At 31 December 2017	220,675	18,773	530,376	125,426	751,868	10,273	62,521	18,288	59,086	1,797,286
Accumulated depreciation										
At 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 and 1 January 2017	-	14,357	408,631	64,038	572,589	10,273	46,469	-	15,375	1,131,732
Additions	-	236	11,319	16,627	49,758	-	4,649	-	13,565	96,154
Transfers	-	-	-	-	(1,031)	-	-	-	(196)	(1,227)
Disposals	-	-	(5,946)	(2,927)	(904)	-	(35)	-	-	(9,812)
At 31 December 2017	-	14,593	414,004	77,738	620,412	10,273	51,083	-	28,744	1,216,847

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Separate 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
<i>Net book value</i>										
At 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 and 1 January 2017										
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
At 31 December 2017										
Owned assets	220,675	4,180	116,372	47,688	101,899	-	11,438	18,288	30,342	550,882
Assets under finance leases	-	-	-	-	29,557	-	-	-	-	29,557
	220,675	4,180	116,372	47,688	131,456	-	11,438	18,288	30,342	580,439

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2017 amounted to Baht 891 million (2016: Baht 842 million).

Security

As at 31 December 2017, the Company mortgaged the land and building, and the right in office condominiums at the total value of Baht 9 (2016: Baht 0.14 million) in the separated financial statement to secure the credit facilities from financial institutions (see note 11 and 16).

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13 Finance lease receivables

	Consolidated financial statements					
	Portion due within one year		Portion due after one year		Total	
	2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>					
Related party	11	12	8	18	19	30
Other parties	209,272	142,974	198,654	144,502	407,926	287,476
	209,283	142,986	198,662	144,520	407,945	287,506
Less unearned interest income	(20,807)	(13,254)	(15,975)	(9,521)	(36,782)	(22,775)
	188,476	129,732	182,687	134,999	371,163	264,731
Less allowance for doubtful accounts	-	-	-	-	-	-
Net	188,476	129,732	182,687	134,999	371,163	264,731

	Separate financial statements					
	Portion due within one year		Portion due after one year		Total	
	2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>					
Related party	11	12	8	18	19	30
Other parties	103,244	47,169	122,056	78,130	225,300	125,299
	103,255	47,181	122,064	78,148	225,319	125,329
Less unearned interest income	(12,109)	(5,992)	(10,076)	(5,121)	(22,185)	(11,113)
	91,146	41,189	111,988	73,027	203,134	114,216
Less allowance for doubtful accounts	-	-	-	-	-	-
Net	91,146	41,189	111,988	73,027	203,134	114,216

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Bad and doubtful debts expense for the year	-	-	-	-

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As at 31 December 2017 and 2016, the gross investment under finance lease contracts and present value of minimum lease payments receivable were as follows:

Consolidated financial statements				
	2017		2016	
	Gross investment under finance lease contracts	Present value of minimum lease payments under finance lease contracts <i>(in thousand Baht)</i>	Gross investment under finance lease contracts	Present value of minimum lease payments under finance lease contracts
Portion due within one year	209,283	188,476	142,986	129,732
Portion due after one year but within five years	198,662	182,687	144,520	134,999
Total	407,945	371,163	287,506	264,731
<i>Less</i> unearned interest	(36,782)		(22,775)	
Net investment under finance lease contracts	371,163		264,731	

Separated financial statements				
	2017		2016	
	Gross investment under finance lease Contracts	Present value of minimum lease payments under finance lease contracts <i>(in thousand Baht)</i>	Gross investment under finance lease contracts	Present value of minimum lease payments under finance lease contracts
Portion due within one year	103,255	91,146	47,181	41,189
Portion due after one year but within five years	122,064	111,988	78,148	73,027
Total	225,319	203,134	125,329	114,216
<i>Less</i> unearned interest	(22,185)		(11,113)	
Net investment under finance lease contracts	203,134		114,216	

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14 Intangible assets

	Consolidated financial statements	Separate financial statements
	Software license and others (in thousand Baht)	Software license and others
<i>Cost</i>		
At 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 and 1 January 2017	51,959	50,924
Additions	408	381
Transfers	833	833
At 31 December 2017	53,200	52,138
<i>Accumulated amortisation</i>		
At 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 and 1 January 2017	35,229	34,288
Amortisation charge for the year	4,735	4,699
At 31 December 2017	39,964	38,987
<i>Net book value</i>		
At 1 January 2016	12,753	12,626
At 31 December 2016 and 1 January 2017	16,730	16,636
At 31 December 2017	13,236	13,151

15 Deferred tax

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

	Consolidated financial statements			
	Assets		Liabilities	
	2017	2016	2017	2016
	(in thousand Baht)			
Total	65,212	42,999	52,425	21,508
Set off of tax	(44,246)	(21,508)	(44,246)	(21,508)
Net deferred tax assets	20,966	21,491	8,179	-

	Separate financial statements			
	Assets		Liabilities	
	2017	2016	2017	2016
	(in thousand Baht)			
Total	39,635	34,976	24,372	21,508
Set off of tax	(24,372)	(21,508)	(24,372)	(21,508)
Net deferred tax assets	15,263	13,468	-	-

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

	At 1 January 2017	Consolidated financial statements (Charged)/credited to:			At 31 December 2017
		Profit or loss	Other comprehensive income (in thousand Baht)	Equity	
Deferred tax assets					
Allowance for doubtful account	8,108	70	-	-	8,178
Finance lease receivables	7,208	(7,208)	-	-	-
Allowance for decline in value of inventory	87	887	-	-	974
Allowance for decline in values of investment	841	(441)	-	-	400
Employee benefit obligations	26,755	1,303	-	-	28,058
Finance lease liabilities	-	27,602	-	-	27,602
Total	42,999	22,213	-	-	65,212
Deferred tax liabilities					
Depreciation of buildings	(7,143)	715	-	-	(6,428)
Finance lease liabilities	(14,365)	14,365	-	-	-
Finance lease receivables	-	(44,430)	-	-	(44,430)
Accrued Income	-	(1,550)	-	-	(1,550)
Current investments	-	-	(17)	-	(17)
Total	(21,508)	(30,900)	(17)	-	(52,425)
Net	21,491	(8,687)	(17)	-	12,787

	At 1 January 2016	Consolidated financial statements (Charged)/credited to:			At 31 December 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

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		(Charged)/credited to:			
	At 1 January 2017	Profit or loss	Other comprehensive income (in thousand Baht)	Equity	At 31 December 2017
Deferred tax assets					
Allowance for doubtful account	4,470	139	-	-	4,609
Finance lease receivables	5,975	(5,975)	-	-	-
Allowance for decline in value of inventory	87	887	-	-	974
Allowance for decline in values of investment	841	(441)	-	-	400
Employee benefit obligations	23,603	1,337	-	-	24,940
Finance lease liabilities	-	8,712	-	-	8,712
Total	34,976	4,659	-	-	39,635
Deferred tax liabilities					
Depreciation of buildings	(7,143)	715	-	-	(6,428)
Finance lease liabilities	(14,365)	14,365	-	-	-
Finance lease receivables	-	(16,392)	-	-	(16,392)
Accrued income	-	(1,550)	-	-	(1,550)
Current investments	-	-	(2)	-	(2)
Total	(21,508)	(2,862)	(2)	-	(24,372)
Net	13,468	1,797	(2)	-	15,263

		<div> <div>Separate financial statements</div> <div>(Charged)/credited to:</div> </div>			
	At 1 January 2016	Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	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

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16 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Current</i>				
Bank overdrafts unsecured	4,541	40,737	-	25,521
Short-term loans from financial institutions secured	50,000	55,000	-	-
Bank overdrafts and short-term loans from financial institutions	54,541	95,737	-	25,521
Short-term loans from other party no interest unsecured	82,431	17,909	82,431	17,909
Current portion of long-term loans from financial institutions secured	5,040	5,040	5,040	5,040
Current portion of long-term loans from other party unsecured	20,408	19,238	20,408	19,238
Current portion of finance lease liabilities	99,588	90,557	52,978	46,364
Current portion of long-term liabilities	207,467	132,744	160,857	88,551
	262,008	228,481	160,857	114,072
<i>Non-current</i>				
Long-term loans from financial institutions unsecured	14,500	19,540	14,500	19,540
Long-term loans from other party unsecured	16,844	37,636	16,844	37,636
Finance lease liabilities	85,781	98,324	37,940	72,327
	117,125	155,500	69,284	129,503
Total	379,133	383,981	230,141	243,575

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

As at 31 December 2017, the above loans bear interest at floating rates ranging from 0% to 7.12% per annum (2016: 0% to 7.70% per annum).

Long-term liabilities

- The Group/Company's long term loans as at 31 December 2017 bear interest rate at 3.26% per annum and 3.90% per annum and repayable installments up to December 2021.
- The Group/Company entered into financial lease agreements for equipment which are repayable installments in amounts as specified in the agreements up to December 2022.

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Within one year	162,420	137,924	107,879	67,708
After one year but within five years	31,344	57,176	31,344	57,176
Total	193,764	195,100	139,223	124,884

Secured interest-bearing liabilities as at 31 December 2017 and 2016 were secured on the assets as disclosed in note 11 and 12.

As at 31 December 2017, the Group/Company has unutilized credit facilities in amount of Baht 2,628 million and Baht 2,007 million, respectively (2016: Baht 2,485 million and Baht 1,939 million, respectively).

Finance lease liabilities

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

Consolidated financial statements						
	2017			2016		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	106,487	6,899	99,588	98,876	8,319	90,557
After one year but within five years	89,674	3,893	85,781	102,693	4,369	98,324
Total	196,161	10,792	185,369	201,569	12,688	188,881

Separate financial statements						
	2017			2016		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	56,568	3,590	52,978	52,020	5,656	46,364
After one year but within five years	39,972	2,032	37,940	75,844	3,517	72,327
Total	96,540	5,622	90,918	127,864	9,173	118,691

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17 Trade and other accounts payable

		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Trade accounts payable					
Related parties	4	1,437	1,356	24,897	87,369
Other parties		634,926	734,421	548,088	580,719
Total trade accounts payable		636,363	735,777	572,985	668,088
Other payables					
Related parties	4	2,532	47	3,126	47
Other parties					
Accrued operating expenses		160,011	134,518	117,026	101,522
Deposits and advances received		46,365	64,318	26,814	57,507
Others		16,633	10,433	14,567	12,599
Total other payables		225,541	209,316	161,533	171,675
Total trade and other accounts payable		861,904	945,093	734,518	839,763

18 Non-current provisions for employee benefits

The Group/Company operate a defined benefit 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.

Movement in the present value of the defined benefit obligations.

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	133,985	125,783	118,015	110,787
Include in profit or loss:				
Current service cost	7,082	7,529	6,174	6,467
Past service cost	-	-	-	-
Interest on obligation	3,232	3,202	2,860	2,812
	10,314	10,731	9,034	9,279
Included in other comprehensive income				
Actuarial (gain) loss	-	-	-	-
	-	-	-	-
Other				
Provisions transferred from Subsidiary	-	-	1,661	-
Benefit paid	(2,349)	(2,529)	(2,349)	(2,051)
	(2,349)	(2,529)	(688)	(2,051)

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	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
At 31 December	<u>141,950</u>	<u>133,985</u>	<u>126,361</u>	<u>118,015</u>

During 2017, the Labor Protection Act was amended as follows:

- (a) Retirement is an employment termination which an employer is required to pay severance compensation to the retiring employee in accordance with the Act.
- (b) The retirement age can be determined:
 - i. Solely by the employer, or;
 - ii. By agreement between employer and employee.
- (c) If the retirement age is not determined or exceeds sixty years, the employee who is sixty years of age or older, can elect to retire and become entitled to severance pay by declaring his intention to the employer.

Actuarial assumptions

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
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 2017, the Group's and the Company's weighted-average duration of the defined benefit obligation is in range of 11 years (2016: 11 years) and 11 years (2016: 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 shown below.

	Consolidated financial statements		Separate financial statements	
	Increased	Decreased	Increased	Decreased
	<i>(in thousand Baht)</i>			
At 31 December 2017				
Discount rate (1% movement)	(9,544)	10,768	(8,313)	9,376
Future salary growth (1% movement)	9,633	(8,677)	8,289	(7,461)
Future Mortality (1% movement)	(1,420)	1,420	(1,264)	1,264

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	Consolidated financial statements		Separate financial statements	
	Increased	Decreased	Increased	Decreased
	<i>(in thousand Baht)</i>			
At 31 December 2016				
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)
Future Mortality (1% movement)	(1,340)	1,340	(1,180)	1,180

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.

19 Share capital

	Par value per share <i>(in Baht)</i>	2017		2016	
		Number	Amount	Number	Amount
		<i>(thousand shares / thousand Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	1	360,000	360,000	360,000	360,000
At 31 December					
- ordinary shares	1	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
Issued and paid-up					
At 1 January					
- ordinary shares	1	360,000	360,000	360,000	360,000
At 31 December					
- ordinary shares	1	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>

Share premium

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

20 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.

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Other components of equity

Fair value changes in available-for-sale investments

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

Movements in reserves

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

21 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 Rental 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.

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Information about reportable segments

	Segment 1		Segment 2		Segment 3		Segment 4		Total reportable segments	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>									
External revenue	<u>2,560,290</u>	<u>2,472,382</u>	<u>2,057,454</u>	<u>2,192,000</u>	<u>1,993,687</u>	<u>2,132,894</u>	<u>783,608</u>	<u>853,602</u>	<u>7,395,039</u>	<u>7,650,878</u>
Inter-segment revenue	<u>524,441</u>	<u>424,734</u>	<u>27,166</u>	<u>11,418</u>	<u>1,114</u>	<u>265</u>	<u>31,191</u>	<u>45,053</u>	<u>583,912</u>	<u>481,470</u>
Total segment revenue	<u>3,084,731</u>	<u>2,897,116</u>	<u>2,084,620</u>	<u>2,203,418</u>	<u>1,994,801</u>	<u>2,133,159</u>	<u>814,799</u>	<u>898,655</u>	<u>7,978,951</u>	<u>8,132,348</u>
Gross profit	<u>379,294</u>	<u>300,644</u>	<u>279,183</u>	<u>278,569</u>	<u>260,659</u>	<u>243,792</u>	<u>258,018</u>	<u>259,891</u>	<u>1,177,154</u>	<u>1,082,896</u>
Total assets as at 31 December									<u>3,155,507</u>	<u>3,136,170</u>
Total liabilities as at 31 December									<u>1,416,796</u>	<u>1,507,828</u>

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Reconciliation of reportable segment profit or loss

	2017	2016
	<i>(in thousand Baht)</i>	
Profit or loss		
Gross profit from reportable segments	1,177,154	1,082,896
Unallocated amounts:		
- Other income	49,289	50,063
- Distribution costs	(135,511)	(146,910)
- Administrative expenses	(776,947)	(726,736)
- Finance costs	(17,827)	(22,299)
Share of profit (loss) from investments	204	(8,141)
Consolidated profit before income tax expense	296,362	228,873

Geographical segments

The Group is managed and operates principally in Thailand. There are no material 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.

22 Distribution costs

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Employee expenditure	68,642	83,849	61,506	74,119
Promotion expenses	27,106	21,679	14,393	14,137
Transportation expenses	19,646	19,128	18,780	17,895
Entertainment expenses	10,324	11,025	9,089	10,422
Others	9,793	11,229	9,302	9,918
Total	135,511	146,910	113,070	126,491

23 Administrative expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Employee expenditure	588,645	523,609	507,650	451,191
Depreciation and amortisation expenses	77,698	58,976	72,201	54,744
Travelling expense	26,766	23,944	23,041	20,146
Utilities	18,491	16,210	17,849	16,019
Maintenance expenses	11,353	12,902	11,303	12,827
Professional and consultant fees	11,309	8,080	9,957	8,078
Office, equipment and vehicle rental	10,061	7,659	9,584	9,383

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	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Provisions for debts and doubtful debts expenses, declining value in inventories and investments; and written off withholding tax deducted at source	4,781	33,988	5,132	18,584
Others	27,843	41,368	23,030	34,533
Total	776,947	726,736	679,747	625,505

24 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Salaries, wages, overtimes and bonus	576,744	509,706	508,271	437,678
Commission	68,642	83,849	61,506	74,118
Welfare	28,488	27,105	21,819	22,233
Contribution to defined benefit plans	15,370	14,159	13,518	12,150
Employees' long-term benefits	10,314	10,731	9,034	9,279
Others	25,951	16,265	23,159	14,332
Total	725,509	661,815	637,307	569,790

In 1998, the Group/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.

25 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Purchase goods and services	5,652,290	5,608,067	4,745,716	4,714,036
Employee benefits expense	725,509	661,815	637,307	569,790
Depreciation and amortisation expenses	106,368	96,026	100,853	91,457
Changes in inventory	39,864	366,205	10,172	444,386
Promotion expenses	27,106	21,679	14,393	14,137
Travelling expense	26,793	23,980	23,068	20,182
Transportation expense	19,646	19,128	18,780	17,895
Utilities	18,491	16,210	17,849	16,019
Finance costs	17,827	22,299	10,900	14,980
Maintenance expenses	11,353	12,902	11,303	12,827
Professional and consultant fee	11,309	8,080	9,957	8,078

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	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Entertainment	10,324	11,025	9,089	10,422
Office, equipment and vehicle rental	10,061	7,659	9,584	9,383
Provisions for debts and doubtful debts expenses, declining value in inventories and investments; and written off withholding tax deducted at source	5,480	34,275	5,201	18,872
Others	465,748	554,577	301,869	441,058
Total expenses	<u>7,148,169</u>	<u>7,463,927</u>	<u>5,926,041</u>	<u>6,403,522</u>

26 Income tax expense

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Current tax expense	51,386	49,125	32,503	35,328
Deferred tax expense	8,687	(6,126)	(1,797)	(2,081)
Total	<u>60,073</u>	<u>42,999</u>	<u>30,706</u>	<u>33,247</u>

*Income tax recognised in other comprehensive
income*

Tax (expense) benefit

Available-for-sale investments	<u>(17)</u>	<u>-</u>	<u>(2)</u>	<u>-</u>
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Reconciliation of effective tax rate

	Consolidated financial statements			
	2017		2016	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		<u>296,362</u>		<u>228,873</u>
Income tax using the Thai corporation tax rate	20	59,272	20	45,775
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net and others		801		(2,776)
Total	20	<u>60,073</u>	19	<u>42,999</u>

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	Separate financial statements			
	2017		2016	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		249,771		210,817
Income tax using the Thai corporation tax rate	20	49,954	20	42,163
Tax effect of partial income and expenses that are not taxable income or not deductible in determining taxable profit, net		(19,248)		(8,916)
Total	12	30,706	16	33,247

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.

27 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2017 and 2016 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	
	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the year attributable to ordinary shareholders of the Company (basic)	235,056	188,063	219,065	177,570
Number of ordinary shares outstanding (basic)	360,000	360,000	360,000	360,000
Earnings per share (basic) (in Baht)	0.65	0.52	0.61	0.49

28 Dividends

At the annual general meeting of the shareholders of the Company held on 5 April 2017, the shareholders approved the appropriation of dividend of Baht 0.35 per share, amounting to Baht 126 million. The dividend was paid to shareholders during 2017.

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.

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29 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 16). 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	
2017					
Current					
Loans payable - financial institutions	2.25 - 7.12	54,541	-	-	54,541
Loans payable - other party	nil	82,431	-	-	82,431
Non-current					
Loans payable - financial institutions	3.90	5,040	14,500	-	19,540
Loans payable - other party	3.26 - 4.31	20,408	16,844	-	37,252
Total		162,420	31,344	-	193,764

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Consolidated financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
Consolidated financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2016					
Current					
Loans payable - financial institutions	2.30 - 7.70	95,737	-	-	95,737
Loans payable - other party	nil	17,909	-	-	17,909
Non-current					
Loans payable - financial institutions	3.90	5,040	19,540	-	24,580
Loans payable - other party	3.26 - 3.66	19,238	37,636	-	56,874
Total		137,924	57,176	-	195,100
Separate financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2017					
Current					
Loans payable - other party	nil	82,431	-	-	82,431
Non-current					
Loans payable - financial institutions	3.90	5,040	14,500	-	19,540
Loans payable - other party	3.26 - 4.31	20,408	16,844	-	37,252
Total		107,879	31,344	-	139,223
2016					
Current					
Loans payable - financial institutions	2.30 - 7.70	25,521	-	-	25,521
Loans payable - other party	nil	17,909	-	-	17,909
Non-current					
Loans payable - financial institutions	3.90	5,040	19,540	-	24,580
Loans payable - other party	3.26 - 3.66	19,238	37,636	-	56,874
Total		67,708	57,176	-	124,884

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

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foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group/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	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>United States Dollars</i>				
Trade and other accounts receivable	4,176	383	2,628	383
Trade and other accounts payable	(208,133)	(255,712)	(183,208)	(237,710)
Gross balance sheet exposure	(203,957)	(255,329)	(180,580)	(237,327)
Currency forwards, net	538,106	500,827	516,804	494,386
Net exposure	334,149	245,498	336,224	257,059
<i>Singapore Dollars</i>				
Trade and other accounts payable	(352)	(3,510)	(352)	(3,510)
Gross balance sheet exposure	(352)	(3,510)	(352)	(3,510)
Currency forwards, net	8,401	8,674	8,401	8,674
Net exposure	8,049	5,164	8,049	5,164

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.

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. 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.

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		Consolidated financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2017					
Financial assets/Financial liabilities measured at fair value					
Available-for-sale investments	530,777	-	530,777	-	530,777
Forward contracts (USD)	538,106	-	538,106	-	538,106
Forward contracts (SGD)	8,401	-	8,401	-	8,401
31 December 2016					
Financial assets/Financial liabilities measured at fair value					
Available-for-sale investments	256,328	-	256,328	-	256,328
Forward contracts (USD)	500,827	-	500,827	-	500,827
Forward contracts (SGD)	8,674	-	8,674	-	8,674
		Separate financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2017					
Financial assets/Financial liabilities measured at fair value					
Available-for-sale investments	368,873	-	368,873	-	368,873
Forward contracts (USD)	516,804	-	516,804	-	516,804
Forward contracts (SGD)	8,401	-	8,401	-	8,401
31 December 2016					
Financial assets/Financial liabilities measured at fair value					
Available-for-sale investments	245,001	-	245,001	-	245,001
Forward contracts (USD)	494,386	-	494,386	-	494,386
Forward contracts (SGD)	8,674	-	8,674	-	8,674

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.

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.

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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.

30 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	6,419	4,056	5,817	3,666
After one year but within five years	14,545	8,989	13,497	8,538
Total	20,964	13,045	19,314	12,204

Letter of guarantee from financial institutions

As at 31 December 2017, the Group has commitments from the financial institutions that issued letter of guarantees to various partners amounting to Baht 320.79 million and USD 0.1 million (2016: Baht 309.53 million and USD 0.1 million).

As at 31 December 2017, the Company has commitments from the financial institutions that issued letter of guarantees to various partners amounting to Baht 257.41 million and USD 0.1 million (2016: Baht 247.24 million and USD 0.1 million).

Related party guarantees

As at 31 December 2017, the Company has provided guarantees to suppliers in the total amount of Baht 210 million for credits obtained by a subsidiary (2016: Baht 210 million for credits obtained by a subsidiary).

As at 31 December 2017, the credit facilities from the financial institutions amounting to Baht 190 million of a subsidiary are guaranteed the Company (2016: Baht 190 million for credit obtained by a subsidiary).

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31 Litigations

On 14 February 2017, the Company filed a lawsuit against the Federation of Savings and Credit Cooperatives of Thailand Limited (“FSCT”) to the Nonthaburi Provincial Court under the Civil Black case no. P. 277/2560 demanding FSCT to pay the compensation regarding the cancellation of an agreement for design, develop and install the cooperative savings system for cooperative members and information technology services in the amount of Baht 204 million plus interest at the rate of 7.5% per annum from the next day of the submit date until the full payment is made.

On 9 November 2017, FSCT filed a complaint to the Nonthaburi Provincial Court as the Civil Black Case No. P. 2295/2560 demanding MSC to pay the compensation regarding the cancellation of such agreement in the amount of Baht 312 million plus interest at the rate of 7.5% per annum from the next day of the submit date until the full payment is made.

Currently, the dispute has been considered by the Nonthaburi Provincial Court process.

As at 31 December 2017, the Company has not set aside any provisions for the damage recovery claim because the management believes that the Company has correctly complied with the related conditions of the agreement in all respects as lawyer’s opinion.

32 Events after the reporting period

At the Board of Directors’ meeting of the Company held on 23 February 2018, the Board of Directors approved the appropriation of dividend of Baht 0.43 per share, amounting to Baht 154.8 million.

33 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2016, which are included in the 2017 financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2017 financial statements. Significant reclassifications were as follows:

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	2016					
	Consolidated financial statements			Separate financial statements		
	Before reclass	Reclass	After reclass (in thousand Baht)	Before reclass	Reclass	After reclass
<i>Statement of financial position as at 31 December 2016</i>						
Current portion of long-term loans	-	24,278	24,278	-	24,278	24,278
Current portion of long-term loan from financial institution	5,040	(5,040)	-	5,040	(5,040)	-
Current portion of long-term loans from other parties	17,837	(17,837)	-	17,837	(17,837)	-
Current portion of finance lease liabilities	91,958	(1,401)	90,557	47,765	(1,401)	46,364
Long-term loans	55,111	2,065	57,176	55,111	2,065	57,176
Finance lease liabilities	100,389	<u>(2,065)</u>	98,324	74,392	<u>(2,065)</u>	72,327
		<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/Company's business.



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