

ANNUAL REPORT

2018



Metro Systems Corporation Public Company Limited



Table of Contents

Messages from the Chairman	1
Corporate Policy and Background	8
Nature of Business	12
Risk Factors	22
Corporate Overview	25
Shareholders	33
Dividend Policy	35
Management Structure	36
Corporate Governance	75
Corporate Social Responsibility	97
Internal Control and Risk Management	115
Inter-Company Transactions	116
Financial Summary	123
Analysis and Explanation from the Management	124
Report on Operating Results from Committees	130
Financial Statement	146

Messages from the Chairman

In 2018, the technology industry still plays a major role in the government's policy of Thailand 4.0. As a result, the investment in technology in both public and private sectors is expanding which creates a great challenge to the Company's business. From the situation in which there is a rapid transformation of technology (Digital Transformation) and various interruptions (Disruption) that customers cannot cope with, the Company has established a strategy to support such changes continuously by preparing personnel with knowledge, ability and expertise to help, give advice to customers and to support the customers' business operations without interruption in the era of continuous technology, driving forward and striving to be consistent with the organization's commitment to "Customer success is our business" which is evident from the trust in doing business that shows the Company can maintain the old customer base and can still increase the number of new customers going forward.

Based on the financial data, the Company has increased revenue from selling products and services every year. In addition to the financial performance, the Company pays attention to business operations that contribute to social responsibility by encouraging directors, executives, employees and employees to realize the importance of the corporate social responsibility policy that the Company has in place, especially with regard to the creation of innovations. The Company has also organized a project for employees to jointly allow creative ideas that extend the business of the Company to be more innovative within the next 3 years to add value to the organization both from a business and social standpoint.

Finally, on behalf of the Board of Directors I would like to thank all stakeholders for supporting the business and trusting and always believing in doing business with the Company, including all executives and staff members who have joined forces with the utmost unity to perform duties for the Company, sacrificing their time and performing with honesty and success until now. I can confirm that the Company will remain committed, and dedicated to fully perform its duties and conduct business with transparency, adhering to the Code of Conduct recognized by all stakeholders, as well as conducting business together with social responsibility to create the sustainability of the Company in the future.

Sunpitt Sethpornpong
Chairman



Board of Directors and Executives



Mr. Kitt Techataveekijkul

Vice Chairman



Mr. Sunpitt Sethpornpong

Chairman



Mr. Tavit Charuvajana

Director / CFO



Mr. Suvij suvaruchiphorn

Director



Mr. Narong Charuvajana

Director



Mr. Wanarak Eakachai

Director



Mr. Pravit Chattalada

Independent Director



Dr. Virach Aphimeteetamrong

Independent Director



Mr. Chacree-Amorn Tirachlisoonthorn

Independent Director



Mr. Veeraphan Durongsang

Executive Committee



Mr. Thongchai Lumveerakul

Executive Committee



Mr. Aroon Tor-ekbundit

Executive Committee



Mrs. Nittaya Thanaviriyakul

Executive Committee



Mr. Suradet Lertthammajak

Executive Committee

Metro Systems Corporation and Intel launched “Intel - National SI Program” (Intel-NSIP)



Intel Technology Asia Pte. Ltd. has signed a technology cooperation agreement with Metro Systems Corporation Public Company Limited in the "Intel - National SI Program" (Intel-NSIP) on 7 June 2018. The company Intel will provide Intel's new technology support to help and support the structure of the most effective framework solution to suit the customer's business in the digital age. Users need to respond quickly and get

ready for the change, including the Internet of Things (IOT), Workplace Transformation (WPT), Hybrid Cloud, SDI and Analytics.

Metro Systems Corporation joined Amazon Web Services Partner Network (APN) as consultant to provide Cloud Service to Thai customers



Metro Systems Corporation Public Co., Ltd. is a technology partner with Dr. Chavapol Jariyawit (right), Country Manager, Amazon Web Services (Thailand) Ltd. Amazon Web Services Partner Network (APN) helps partners around the world to build businesses and solutions on AWS systems by providing support for business, techniques and marketing. Currently, APN has over 10,000 partners worldwide and more than 10,000 partners in 2017.

HIS MSC Co., Ltd. has signed Mr. Chris Gribble, Director of Major Accounts and Channel Partners APAC Hospitality from Infor



HIS MSC Co., Ltd., the only qualified Thai Gold Partner of Infor Co., Ltd., has signed an agreement by providing the Infor SunSystems Financial Management Software, Infor Starlight, Infor RMS and Infor HMS SaaS (PMS System on Cloud).

Events

- ✚ Metro Systems organized **"The Next BIG Platform"**, an innovative platform seminar for business organizations on Thursday, 25 January 2018.
- ✚ Metro Systems joined business alliances and partners to organize the **"3D Digital Manufacturing"** event to handle with the "3D Manufacturing" technology to drive the manufacturing industry on 3 April 2018
- ✚ Metro Systems and IBM Thailand organized the **"IBM Power 9 Announcement"** event on 20 April 2018.
- ✚ Metro Systems and HP jointly set up **"The Power of Smart Services"**, an update on innovation and solutions for integrated IT equipment management on 25 April 2018.
- ✚ Metro Systems held the event of **"Value Creation through Digital Transformation"** to drive business success in the digital age on 22 May 2018.
- ✚ Metro Systems arranged the **"Qlik Sense Tour 2018"** to help organizations step forward with the fastest and most efficient in-depth data analysis platform.
- ✚ Metro Systems and three partners (NetApp, Veeam Software and Trend Micro Hosts) organized the event of **"Accelerate your business success with Secure Cloud Infrastructure"**.
- ✚ Metro Systems held the activities of **"Nutanix Enterprise Cloud Platform One OS, One Click, Any Cloud"** on 18 July 2018.
- ✚ Metro Systems together with "Lenovo" and "Nutanix" has upgraded their business from the digital age to **Cloud Solutions**.
- ✚ Metro Systems, in collaboration with Dell EMC, launched the latest **"Data Protection"** solution in the form of "All In One" by helping organizations protect sensitive data and to be ready to step into the digital era with confidence on 19 September 2018.
- ✚ Metro Systems organized the **"SOLIDWORKS Innovation Day 2019"** by Metro SOLIDWORKS on Friday, 5 October 2018.
- ✚ Metro Systems held a seminar on **"SmartBot and Secure Modern Workplace"** on 5-6 October 2018.
- ✚ Metro Systems arranged the **"Data Analytics Tour 2018"** on Wednesday, 10 October 2018.
- ✚ Metro Systems held a seminar of **"Data Security Day 2018"**.
- ✚ Metro Systems and Siam Cement Public Co., Ltd. and Microsoft (Thailand) held a seminar on **"Innovative Solutions for Smart Workplace with Intelligent Insight"** on 22 November 2018.



Activities



MIT and BlackLine held an event of **" Finance Transformation Imperatives for Today's CFO"**, offering solutions from BlackLine for financial and accounting organizations on 20 July 2018.



MIT together with "Resulticks" organized a **"Monetizing the Omnichannel Customer Experience"** seminar to offer solutions on "Marketing Technology" as marketing propose.



MCC joined ISS Consulting (Thailand) and Terabyte Net Solution to organize **" Business Transformation with SAP S/ 4HANA"** event to upgrade IT infrastructure with leading solutions to support business in the 4.0 industry.



MCC in cooperation with IBM Thailand Co., Ltd. organized a seminar of **"2019 IBM Software Trend"** for business partners on 16 November 2018



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 Digital Solutions Group (DSG), Solutions Integration Group (SIG) and Digital Printing Group (DPG).

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

Operational Policy

Vision

We will be a leader in integrated IT services that facilitate our customers' organizations to manage their business with continuity in the digital economy

Mission

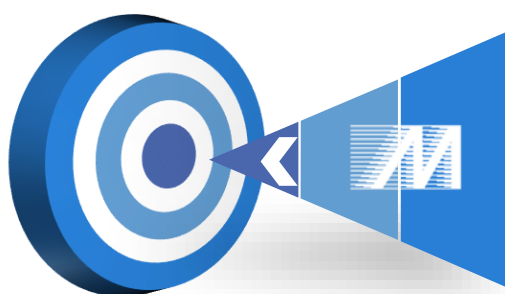
- We are committed to be an excellent organization in innovation and digital technology to achieve the digital economy.
- We are committed to provide Integrated service and system consulting that satisfies customers' digital behavior in order to build an impression beyond customers' expectation and strong relationship becoming customer loyalty.
- We are committed to develop our personnel to be professional in both innovation and integrated IT service.
- We are committed to place "Innovative Organization" which gives the opportunity for everyone to think and share to develop the innovative thinking culture.
- We aim to manage the organization in good governance principles included encouraging and participating in social responsibility and environmental protection.

Quality Policy

Accuracy, Timeliness and Commitment to continuous improvement



The Company has set clear business goals for both short-term and long-term periods by defining the operational frameworks and concrete plans based on the domestic economic conditions, the competition circumstances in the market and the performance in the past years, along with the implementation of the goals planned by the Board of Directors at least twice a year. In 2018, the Company aimed to continuously generate revenue growth and gross margin. Additionally, the Company built a new business foundation to support and respond to the digital economy and organized a technology innovation project contest to keep up with the changes in the digital age, as well as set up a team with specific knowledge and expertise to help customers step into the changing digital world. In this regard, the Company has accomplished and exceeded the target set and is ready for future continuous development.



Objectives

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

Corporate Goals

Pushing the vision and mission to achieve the goal The company has established 5 strategies along with creating corporate culture on Metro Way values under the framework of good corporate governance. By defining the strategic direction as follows;

1.Digital Transformation Excellences

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

2.Product & Service Excellence

Strategy to be a leader in the distribution of IT products and services, as well as being an organization that provides advice on technology that we aim to select new technology products from international leading brands, whether hardware, software, solution to expand the product group to support every customer's needs in the digital era and the Total Solution Service Provider with a team that has been certified by the product owner Including experience and expertise to provide the best service to customers

3. People Excellence

Strategies for building human resource potential development and upgrade skills, knowledge, and abilities of personnel to be a professional. The Company supports the creation of technological innovations within the organization. In order to inspire new innovations, encourage personnel to dare to think Presenting new ideas and dare to act to increase business competitiveness and aim to create value added potential.



4.Customer Retention Excellence

Customer retention strategy most of the customers of the company are private customers. The Company takes care and evaluates customer satisfaction to analyze and improve the product finding and providing modern services respond to customer needs continuously.

5.Collaboration Excellence

Network expansion strategy and good cooperation with business partners, customers, investors and employees by adhering to business principles while engaging in social responsibility, both ethical in business, community, social and environmental development Under the corporate culture framework (METRO Way) for sustainable growth

Significant Improvement and Development

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

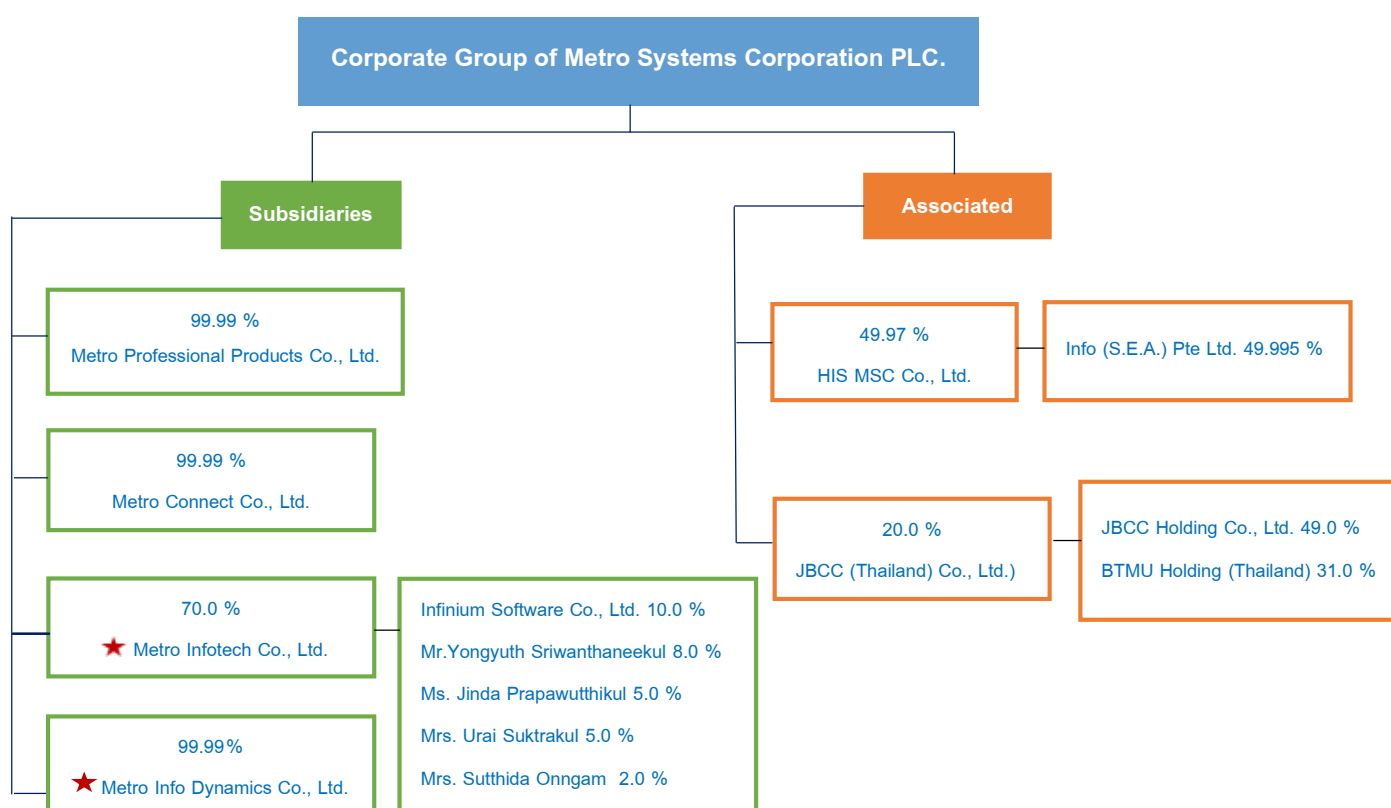
Year	Significant Improvements and Development
2018	The Company has adjusted the shareholding structure by discontinuing the operation of their subsidiaries; Metro Infotech Co., Ltd. and Metro Info Dynamics Co., Ltd., due to the Company has a policy to restructure its business to be more concise. The Company has changed the name of the Software Solution Product Group to a Software Integration Group, including expanding the business by adding a sub-business group in digital transformation in order to meet the customers' need in dealing with the changes in the modern era.
2017	The Company has improved its quality management system in accordance with ISO 9001: 2008 to ISO 9001: 2015. It was certified on 14 March 2017, with the additional requirements for understanding the organization and the corporate contexts of understanding the needs and expectations of stakeholders to be used in risk management 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.

Corporate Shareholding Structure

The Company has invested in 6 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 2 associated companies (HIS MSC Co., Ltd., JBCC (Thailand) Co., Ltd.) by promoting and supporting its main business operation in order to meet the customers' demands and effectively provide a full-range of services. The shareholding structure and management policy are determined by the Company as follows.



Note : ★ Metro Infotech Co., Ltd. And Metro Info Dynamics Co., Ltd., subsidiaries company has cease operation because the company has a policy to adjust the business structure to be more concise.

Relationship of Corporate Shareholders

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



Nature of Business

The Company operates its business as 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:

Digital Solutions Group (DSG)

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 35.6% of total revenue in 2018.

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 39.9% of total revenue in 2018.

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 23.5% of total revenue in 2018.

In 2018, the Company also had a policy of reforming its business model to become a fulfilled printing business. 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	2018		2017		2016	
		Revenue	%	Revenue	%	Revenue	%
Part 1 : Sales and Service Income							
Digital Solutions Group (DSG)	MSC/MPP/MCC/MID	2,869	35.6	2,560	34.4	2,472	32.1
Solution Integration Group (SIG)	MSC/MIT	3,211	39.9	2,841	38.2	3,046	39.6
Digital Printing Group (DPG)	MSC	1,893	23.5	1,994	26.8	2,133	27.7
Total Sales and Service Income		7,974	99.0	7,395	99.3	7,651	99.4
Part 2 : Other Incomes		78	1.0	49	0.7	50	0.6
Total Company's and Subsidiaries' Income		8,051	100.0	7,444	100.0	7,701	100.0
Part 3 : Profit (Loss) of Associated Companies	HIS/JBTH	2		1		(8)	
Total Income		8,053		7,445		7,693	

Source: Consolidate Financial Statement

Products and Services

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

Digital Solutions Group

Digital Solutions Group (DSG) operates as a distributor of hardware products which include Server, Storage, PC's, Notebook, Workstation and Printer services and network systems, 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).

In 2018, Digital Solutions Group expanded the scope of sales by offering a Cloud Solution to support the use of Cloud Service by partnering with AWS (Amazon Web Services) and Salesforce (CRM on Cloud) as well as providing services for transferring existing systems from customers' servers to the Cloud servers, including tracking usage. The Company also provided related





consultation and solution services for usage. The main targeted customers included financial banking group, industry group and other medium-size to large-size organizations.

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.

Solutions Integration Group

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 2018 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.

The main strategy of Solutions Integration Group is to upgrade the customers' existing software system that has been used for a long time to support the rapidly changing business challenges, including solving the dramatic problems on the use of the original software affected by the out-of-date operating systems and database systems from the manufacturers. The Company has set up a Digital Transformation Services (DTS) TEAM which has the potential to provide the services on consultancy, design and development of modern computer program systems that can properly support changes in technology in order to help customers at all levels to step forward to the technological modernization in the digital age.

Digital Printing Group

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. The Company also invested in publishing and located a printing department within the Company and accepted every type of printing works, such as business cards, posters, calendars, and books in various formats.

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 92% of total revenue in 2018.

In 2018, 89% of the total of the Company's existing customers repurchased products and services with the ratio at 98% of total revenue.

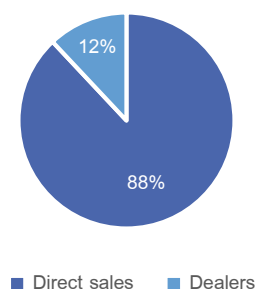
The Company has currently no main customer who has equal to or more than 10% of the total purchased orders of products and services, this therefore, reduces the risk in the case of the loss of one principle customer.



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.

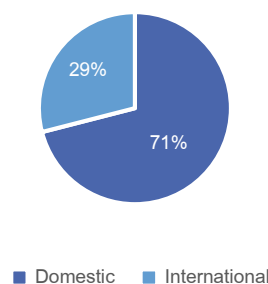
Proportion of sale channels



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 2018, the Company has a proportion of 71: 29 for domestic and overseas purchases respectively.

Proportion of purchases



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

IDC Thailand has predicted 10 trends relating to digital technology that will affect Thailand since 2018 and is expected to influence the country until 2021 as referred to the report of "FutureScapes 2018". This IDC forecasts had focused on the use of Third Platform Technology, including Cloud, Mobility, Big Data and Social Network and the use of innovative accelerator technology, such as AR/VR, Virtual Reality Software, new security system, Internet of Things (IOT), 3D printing and robotics systems. These industry and competition trends analyzed by IDC executives and the analyst team of IDC Thailand were detailed as follows.

1: Digital Transformation Platform

By 2020, 20 % of large enterprises in Thailand will set up a strategy to create a clear "Digital Transformation Platform" and install this platform as a key tool in the digital economy by using a separate server system and modern innovation to analyze as much data as possible. The external linkage system to other businesses as the Ecosystem also will be popular as a future concept.

2: Open API Ecosystem

By 2021, more than one-third of the 500 largest Thai companies will on average, use an open API system through one-third of their digital services. This trend will be increased from almost 0 % in 2017 and makes it possible to extend digital services to be far more than just their own customers. For example, Agoda has used the API to get more customers information from Skyscanner. Various players will use more APIs to become a partner with brands outside the industry

3: Digital Business

By 2018, at least 30 % of IT executives must focus on creating a positive experience for customers, revenue through data usage and a digital business, which were considered an important agenda for the organization. For example, UEM, the expressway administrator in Malaysia has sold its daily customers' information to the real estate developers and find partners in food and beverage industry to launch the service station.

4: Cloud 2.0

Cloud technology will be developed into the 2.0 era to meet the specific demand of customers. By the year 2021, enterprise investment in cloud services, hardware, software and services running through Cloud will be increased to over 4.8 billion baht by using a variety of Cloud systems. 15% of total users will use "Edge", while 10% of total users will prefer a specialized computer tools, and more than 30% of total users will select 30% Multi-cloud computing system.

5: Risk and Trust

By 2018, 30% of IT executives will turn their attention to monitor the users with the reason that it is the era for data protection and building confidence in the IT system in order to manage various risks. The out-of-date security system for data protection will be discharged. The challenges are to create a balance between security and customer experience and not to be an obstacle to enter digital transformation.



6: Digital Transformation Talent

In fact, the personnel in Thailand are not ready to enter the digital age of transformation. However, by the year 2020, 25 % of newly opened technical positions will require candidates with analytical skills and AI to help the organization to carry out data-related transformation projects. This will allow the industry to hire non-specialized personnel for data management, however, the other positions will require the personnel qualified in technological skills.

7: Digital Assistants

From the past several years, a lot of impact from Chatbot was found generally. Therefore, only 3% of the Digital Assistants and Bots will be applied to all related transactions in total by the year 2019. However, this will help generate more sales to 10 % of all transactions which will drive the organizations where used this technology. For example, the purchase of Starbucks' products in foreign countries was stimulated in cooperation with Amazon by using the data collected on the last 10 coffee purchases (Starbucks Reorder) which can offer sales to consumers according to the information available.

8: 5G/ Mobile IoT

By 2021, the 5G service will drive IoT usage and will encourage 50% of the 500 largest Thai companies to invest in connectivity management solutions for over 200 million baht. The devices will support IoT solutions. The special feature of 5G is Network Slicing, which acts an adjustable Operator according to the needs of each solution.

9: Home IoT Security

By 2020, more than 22% of IoT solutions installed by the users will be hacked, however, only 12% of the home IoT solutions installed by the service provider will be hacked. Therefore, more security is required by using the service through the service provider.

10: Mobile Payment

By 2020, mobile devices will become a payment point in Thailand and in the SME shop. This application will drive the revenue of small entrepreneurs to grow by 10 %, including less cash consumption behavior. More payment options are available through NFC, QR Code and driven by the government. Banks and non-bankers are also heavily marketing to stimulate the payments.

As a leading company in the technology industry, the Company is well prepared for situations, trends, business opportunities and risk factors. Additionally, the Company is ready to continuously progress along with the changing and developing digital world. Cloud Computing and updated applications related to Big Data will help in the processing and management of information offering efficient and cost-effective IT management. SaSS IT Service offers products and networks 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. The Company has established a special team to provide information and handle with the customers during this continuing change in technology. 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

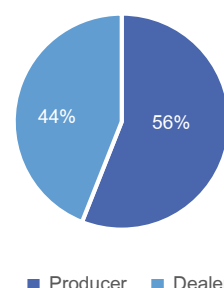
Procurement Methods

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 2018, the Company made 56% of direct purchases from production companies.

2. Orders from the main product representative companies accounted for the remaining 44%.

Proportion of purchases



Environmental impact

As the company is a distributor, not a manufacturer and the Company has no production line. Therefore, there are no actions that cause environmental impacts. However, the left-over raw materials, such as ink cartridges, were returned to the product manufacturers for the disposal purposes according to the policy of the product owner.

Undelivered Work

-None-





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 2018 – August 2019
5. Dassault Systems SolidWorks Corporation	Distributorship Agreement for the products of SolidWorks <u>Term</u> : Throughout the validity of Agreement
6. QlikTech Singapore PTE Ltd.	Distributorship Agreement for QlikView software for administration, data analysis, data display and distribution. <u>Term</u> : January 2018 - December 2019
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 2018 - May 2019
8. Epson (Thailand) Ltd.	Distributorship Agreement for EPSON products in both authentic products and accessories. <u>Term</u> : April 2018 - March 2019
9. PTC Inc.	Distributorship Agreement for ThingWorx software. <u>Term</u> : 17 April 2018 - 16 April 2019
10. Lenovo (Thailand) Limited	Distributorship Agreement for Lenovo products and services. <u>Term</u> : 1 October 2018 - 30 September 2020



Risk Factors and Protection Measures

Risk management is significant to achieve the company's goals and satisfy the stakeholders' need. Moreover, reaching all risks is good practice in governance delivered business benefit and value. The Company thus considers the external factors which are affected by the changing business environment including globalization, current competition, and main suppliers and the internal factors which are company's value chain. All factors are analyzed to reach the efficiency of the process and the strategies to fulfill today's business needs. The main risks affecting the sustainability of business operation as an IT products distributor and service provider can be summarized as follows:

Major Risks Caused by External Factors



Risks from technology changes:

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



Risks from consumer behavior change:

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



Risks from environmental change:

The current environment is constantly changing. Such changes will have the potential to cause disasters, such as flood, earthquake, and others which may cause failure and stop the services of various public utilities of 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 Persons 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 from financial market and foreign exchange rate fluctuations:**

The Company has a measure to select 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.

**Risk from legal changes and compliance:**

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

**Risks from new competitor and merging competitor:**

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

**Risk caused by manufacturers' policy:**

The Company's manufacturers can appoint additional dealers or make direct sales to consumers. In addition, the Company may fail to comply with contracts or Codes of Conduct of the manufacturers, which may result in the termination of the contract or a reduction of its role as a distributor. 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.

Major Risks Caused by Internal Factors

**Risks from operational process:**

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



Risks from confidential IT data management:

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



Risks from human resource:

Presently, the turnover rate among the young employees is a relatively high due to the continuous growth of technology and information labor market. This results in a high demand on IT personnel in every organization. Another major risk is that the existing personnel may have inadequate skills, knowledge or abilities for globalization and the rapid changes in technology. The issue leads to difficulty in recruitment and the development of knowledgeable personnel to meet the needs of the organization. Therefore, the Company has continuously prepared a recruitment plan by adding more recruitment channels, including creating a personnel development plan to cover the current operational duties and keep up with future changes, as well as building engagement in the organization through various activities to create a teamwork culture and commitment for personnel in 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, Pravee, Bangkok 10250
Telephone	: 02-089-4000
Fax	: 02-726-2630
Web Site	: http://www.metrosystems.co.th
Facebook	: https://www.facebook.com/metrosystemscorp/

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

Web Site

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

Branches



Envisioning Center	: 888/15 -17 Mahatun Plaza Building, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Purpose of Business	: IBM Training and Demonstration Centre
Telephone	: 02-089-4135
Fax	: 02-253-0563
Web Site	: -

Subsidiaries Companies

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
Web Site	: http://www.mpp.co.th

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 Chalermprakiat Rama 9 Rd., Nongbon, Pravat, Bangkok 10250
Telephone	: 02-089-4000
Fax	: 02-726-2539
Web Site	: http://www.metroconnect.co.th

Subsidiaries Companies

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, Pratu, Bangkok 10250
Telephone	: 02-089-4551,02-089-4552
Fax	: 02-726-2530
Web Site	: http://www.metroinfotech.co.th

Metro Info Dynamics Co., Ltd.

Group of Industry / Business	: Technology / Information Technology and Communications
Nature of Business	: Distributor of Computer Product, Peripheral devices, and Software
Registered and Paid Capital	: THB 10,000,000.00
Number of Shares	: 100,000 shares
Par Value	: THB 100.00
Head Office Location	: 400 Chalermprakit Rama 9 Rd., Nongbon, Pratu, Bangkok 10250
Telephone	: 02-089-4000
Fax	: 02-726-2630
Web Site	: -

Associated Companies

HIS MSC Co., Ltd.

Group of Industry / Business	: Technology / Information Technology and Communications
Nature of Business	: Service Provider and Distributor for Hotel Management Software, for example, Epitome Software
Registered and Paid Capital	: THB 4,000,000.00
Number of Shares	: 40,000 shares
Par Value	: THB 100.00
Head Office Location	: 400 Chalermprakiat Rama 9 Rd., Nhongbon, Pravet, Bangkok 10250
Telephone	: 02-089-4101, 02-089-4107-8
Fax	: 02-726-2910
Web Site	: http://www.hismsc.com

JBCC (Thailand) Co., Ltd.

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

Other Reference

Share Registrar

Thailand Securities Depository Company Limited
93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400
Tel. 02-009-9000

Certified Public Accountant

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 and/or
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

Number of registered capital and paid-up capital

As of 31 December 2018, 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 18 January 2019 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		72,298,867	20.08
3. Metrophose Co., Ltd.	Holding	69,165,402	19.21
4. MC Bakery Co., Ltd.		15,000,000	4.17
5. Makaranant Co., Ltd.		14,560,000	4.04
6. Chuerattanapong Family		13,290,310	3.69
7. Mr. Harakishin Thunwani		8,000,000	2.22
8. Suvarupjorn Family		7,592,490	2.10
9. Mrs. Chaweewan Achavaniyut		3,249,000	0.90
10. Miss Swangchit Laohathai		2,631,333	0.73
Total		294,118,765	81.69

Source: Report of Shareholders List as of January 18, 2019, Thailand Securities Depository Co., Ltd.

Shareholding Details

Metro Value Creation Co.,Ltd. As of April 25, 2018

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



Shareholding Details of Charuvajana Family

Group of Shareholders	Amount of Shares
1. Mr. Narong Charuvajana	16,711,487
2. Mr. Tavit Charuvajana	15,287,348
3. Mrs. Pornthip Charuvajana	10,000,000
4. Miss Somchit Charuvajana	7,216,710
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	1,295,811
12. Mr. Naris Charuvajana	686,844
13. Miss Kanokporn Charuvajana	352,673
14. Mrs. Budsadee Charuvajana	347,620
15. Mr. Nattapol Charuvajana	7,000
Total	72,298,867

Metrophose Co.,Ltd. (As of April 25,2018)

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

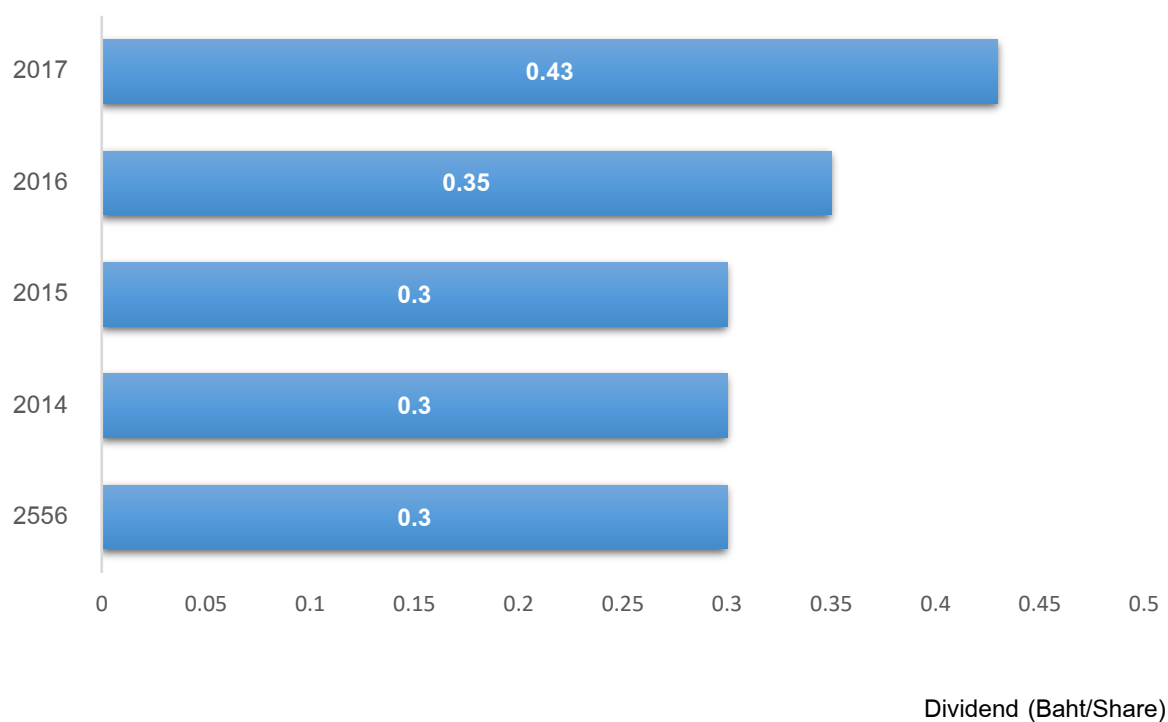


Dividend Policy

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.

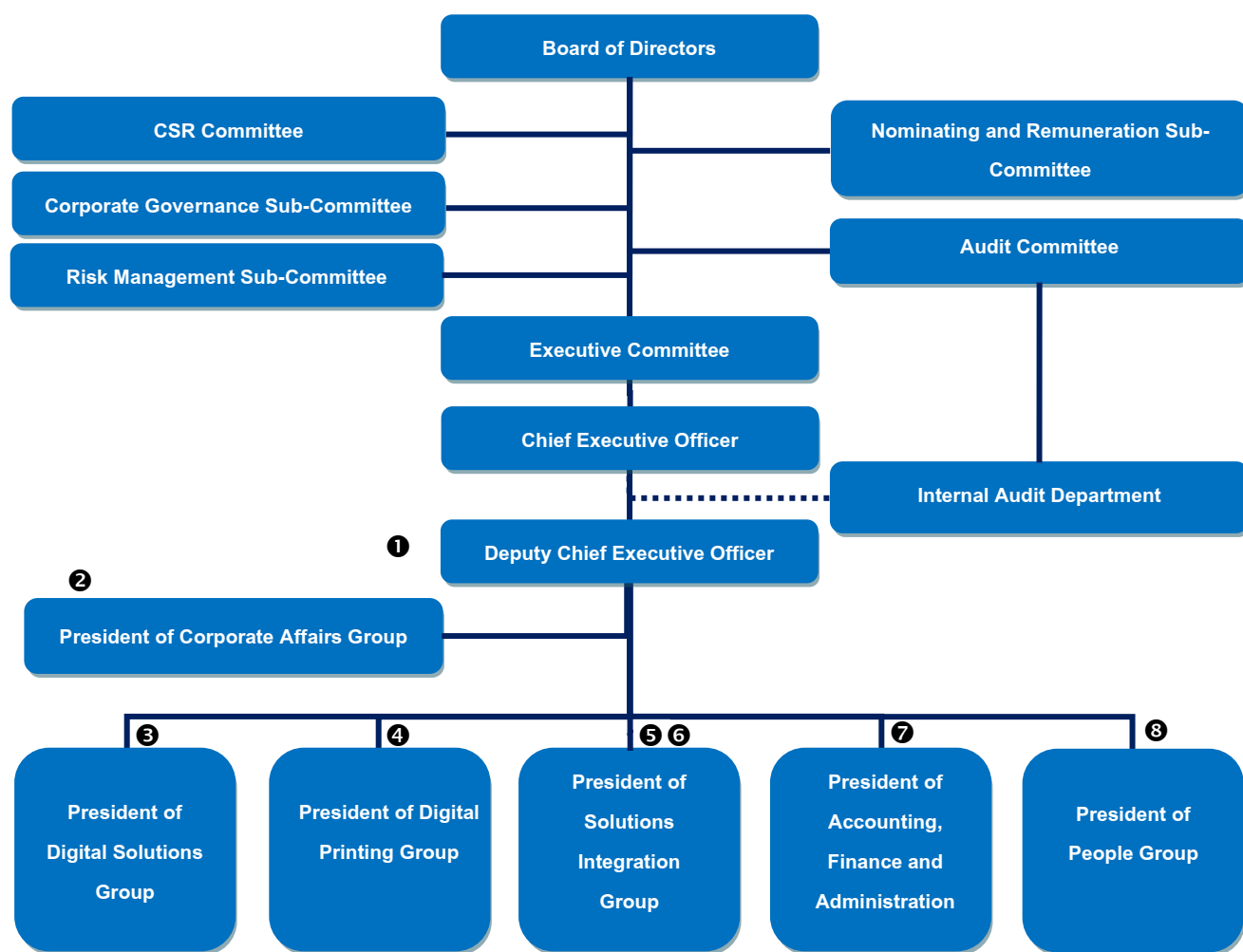
Dividend Payment (Last 5 years)





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:



Note: 1. The person who marked the number 1 to 8 are Executives as notified by the Securities and Exchange Commission, Thailand.

2. The Board of Director Meeting No. 1/2561 resolved to change the name of Enterprise Systems Group to Digital Solutions Group. It was effective from January 23, 2018 onwards.

3. The Board of Director Meeting No. 5/2561 resolved to change the name of Corporate Secretary Bureau to Corporate Affairs Group. It was effective from January 1, 2019 onwards.



Management Structure

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

The board of committees has the period of service as specified in the articles of association. In addition, the Company requires that the chairman of committees shall neither be the same person as a Chief Executive Officer nor a Non-Executive Committees. Any executives taking on the role of a committee member in another company shall thus disclose this matter to their superiors. The company shall prepare a director's manual and the Corporate Secretary is responsible for giving any legal advice and with the information of any provision of which the board of committees should acknowledge including responsible for taking care of any activities of the board of committees, providing the operating co-ordination under the resolution of the board of committees.

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

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

Board of Directors

The Board of Directors consists of 9 persons; 2 executive committees and 7 non-executive directors. This number is included 3 Independent Directors.

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



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

Scope of Chairman's Authorities

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

Scope of Board of Directors' Authorities

- 1) To perform duties in accordance with applicable laws, corporate objectives, articles of association, and resolutions from the Shareholder's meeting, with the exception of matters which require resolution by Shareholders prior to proceedings. These are matters regulated by law which require resolution by the Shareholders' Meeting, connected transactions, and significant asset purchases or sales according to SET rules and regulations
- 2) To have the authority to both appoint and remove the Executive Committees. The details of authorization will follow the boundary of the Executive Committee's authority and duty. Such authorization shall ensure that the Executive Committees can only approve matters in which they or any third party have no gain, loss, or conflict of interest. This shall include the performance assessment and remuneration consideration for the management.
- 3) To have the authority to nominate a Sub-Committee to perform special actions under the scope of authorities assigned, including removal from office.
- 4) To set up the policy, mission, vision, strategy and direction of Company's operation and to supervise the operation of the management in accordance with the best policies for effectiveness and efficiency by reviewing annually and monitoring the implementation in practice.
- 5) To consider the operating results in quarterly, and to implement a reliable accounting system, financial statements, and account audits. This will include the assessment of appropriate internal audit, risk management and an efficient internal audit system.
- 6) To prepare a succession plan for senior executives' position of the organization in order to be prepared in case of their ending of their office term.



Nomination of Independent Directors

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

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

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

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

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

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

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

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

Policy on Diversity in 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 6 members of Executive Committee as follows.

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

Note: Board of Director meeting no. 2/2019 had its resolution to appointed Mr. Suradet Lertthammajak to be Executive Committee, effective on January 1, 2019.

Scope of the Chief Executive Officer

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

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

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

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

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

6) Having authority to consider and approve in the matters relating to the operation or to enter into any contracts or agreements regarding to the purchase or sale of products or services that Company usually trades, or the procurement contract or the other contracts that generates beneficial results for the Company. However, the scope must be included in the Company's annual approval plan or as delegated by the Board of Directors.

7) Having authority to consider and approve financial matters as follows;

7.1 The borrowing limit for the normal business transactions or other Company's operation which is not related to the financial institutions, is not exceed 200,000,000 Baht or its equivalent or as delegated by the Board of Directors.

7.2 The lending of money, debt issuance, guarantee, deposits, renewal of deposits, withdrawal of deposits before maturity, establishing tools for risk management and interest rate, or any as entrusted by the



Board of Directors. The approval of the financial matters must be operated under the regulation of the Securities and Exchange Commission and other relevant government agencies.

7.3 Managing the spending on capital assets, fixed assets and projects. Each spending is not exceed 25,000,000 Baht or its equivalent or as delegated by the Board of Directors.

7.4 The costs for management of each programs is not exceed 3,000,000 Baht or its equivalent or as delegated by the Board of Directors.

7.5 Providing credit to customers for usual commercial transactions. The amount for each is not exceed 200,000,000 Baht or its equivalent as delegated by the Board of Directors.

7.6 The requisition of the Letter of guarantee from financial institutions for the Company's clients or business entrepreneurs that relates to the Company's usual trades. The amount for each is not exceed 20,000,000 Baht or its equivalent as delegated by the Board of Directors.

7.7 The costs of acquiring products or services for Company's commercial purpose. The amount for each acquiring is not exceed 200,000,000 Baht or its equivalent as delegated by the Board of Directors.

7.8 Having authority to consider and approve the assets write-off, is limited at 3,000,000 Baht or as delegated by the Board of Directors.

In addition, the Chief Executive Officer has the authority to consider and approve financial matters or other operations, as defined in the Company's annual approval plan or as delegated by the Board of Directors.

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

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

Scope of the Executive Committee's Authorities

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

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



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

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

4.3 Other costs as usual for a transaction of the Company

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

Term of Office

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

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

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

Executive Committee retired on

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

Audit Committee

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



No.	Title	Name
1	Chairman of Audit Committee	Mr. Pravit Chattalada
2	Audit Committee	Dr. Virach Aphimeteetamrong
3	Audit Committee	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, internal audit systems and risk management systems appropriately and efficiently.
- 3) 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.
- 4) Have the authority to hire advisors or third parties in accordance with the Company's regulations Come to give an opinion or consultation in case of necessity
- 5) To review the Company's work process, risk management, control, Information technology governance and information security and effective communication network systems.
- 6) To review the results of monitoring and measures to prevent corruption within the organization. Including reviewing the company's internal Whistleblowing and complaints.
- 7) To consider and review the audit results recommendations of both auditors and Internal Audit Department Including follow up to ensure that the management has sufficiently forwarded such recommendations.
- 8) To 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.
- 9) 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.
- 10) 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.
- 11) To prepare the audit committee's report at least four times a year, presented in the Company's Annual Report which the audit committee chairman must sign. The report shall consist of the information as follows.
 - 11.1 To give opinion on the accuracy, adequacy and reliability of the Company's financial statement.
 - 11.2 To give opinion on the adequacy of the Company's internal control systems.
 - 11.3 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.



11.4 To give opinion on the suitability of the auditor.

11.5 To give an opinion on any transactions that may cause a conflict of interest.

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

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

11.8 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.

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

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

In relation to acting under the authorized duties mentioned above, the audit committee shall be held directly accountable to the Board of Directors, and the Board of Directors will also have responsibility for the Company's operating result towards the third parties. In order that, the audit committee must report the results of the preliminary examination to the Securities and Exchange Commission and the authorized auditor within 30 days from the date of receiving the notification from the certified public accountant regarding behavior that has reasonable grounds to suspect that the director, manager or person responsible for the company's operations has committed an offense relating to management corrupt and fraudulent work.

Term of Office

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

Nominating and Remuneration Sub-Committee

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

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



Scope of Nominating and Remuneration Sub-Committee's Authorities

- 1) To set the criteria and policy regarding the nominating and remuneration of The Board of Committees and Sub-Committee.
- 2) To consider and nominate any appropriate persons to be a part of the committee and offer the list of nominated persons to the Board of Committees and/or the shareholder meeting for approval, as the case may be;
- 3) To consider and nominate any appropriate persons to be the Chief Executive Officer 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 Chief Executive Officer.
- 5) To establish the principles and policies requiring the remuneration of the Committee and Chief Executive Officer and offer to the Committee and/or the Meeting of Shareholders for approval, as the case may be.
- 6) To be responsible for the Committee and shall give answers to any questions regarding to the remuneration of the Committee and Chief Executives to the Meeting of Shareholders.
- 7) To report the policy regarding the nominating and remuneration of any committee members and 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 nominated by the Board of Directors every two years after the first nomination made on on 8 May 2006, completing their term of office on 31 May 2018. The Board of Directors passed the resolution in the Meeting No. 3/2018 on 10 May 2018 to extend the term of office of the Nomination and Remuneration Sub-Committee from 31 May 2018 to 30 May 2020.

Corporate Social Responsibility Committee

Social Responsibility Committee consists of an independent director and 2 directors, nominated by the Board of Directors every two years. The independent director shall be the chairman of Social Responsibility Committee. The lists of Social Responsibility Committee are shown as follows:

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



Scope of Corporate Social Responsibility Committee's Authorities

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

Term of Office

The Corporate Social Responsibility (CSR) Committee was nominated by the Board of Directors every two years after the first nomination made on 6 November 2015 and hold the term of office from 1 December 2016. 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 from 1 December 2017 to 30 November 2019.

Corporate Governance Sub-Committee

Corporate Governance Sub-Committees consists of an independent director, 2 directors and 4 executive committees. The independent committee shall be the chairman of Corporate Governance Sub-Committees, nominated by the Board of Directors every two years. The lists of Corporate Governance Sub-Committee are shown as follows:

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



Scope of Corporate Governance Sub-Committee's Authorities

- 1) To propose the 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 2016. 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 an independent director, 2 directors and 4 executive committees. The independent committee shall be the chairman of Risk Management Sub-Committee, nominated by the Board of Directors every two years. The lists of Risk Management Sub-Committees are shown as follows:

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



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

Term of Office

The Risk Management Sub-Committee was nominated by the Board of Directors every two years after the first nomination made on 6 November 2015 and hold the term of office from 1 December 2016. 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 25 executives in the Company as follows:

No.	Name	Position
1	Mr. Tavit Charuvajana	Chief Executive Officer (CEO)
2	Mr. Wanarak Eakachai	Deputy Chief Executive Officer (Deputy CEO) / President of People Group
3	Mr. Veeraphan Durongsang	President of Digital Solutions Group
4	Mr. Aroon Tor-ekbundit	President of Solutions Integration Group
5	Mr. Suradet Lertthammajak	President of Solutions Integration Group
6	Mr. Thongchai Lumveerakul	President of Digital Printing Group
7	Mrs. Nittaya Thanaviriyakul	President of Accounting Finance and Administration / President of Corporate Affairs Group / Chief Financial Officer



8	Mr. Chirasak Trangkineenart	Vice President of Digital Solutions Group
9	Ms. Areerat Vitooraporn	Vice President of Digital Solutions Group
10	Mr. Aekachai Limprasert	Vice President of Digital Solutions Group
11	Mr. Thitiphong Charanachitta	Vice President of Solutions Integration Group
12	Mr. Somsak Manayingcharoen	Vice President of Solutions Integration Group
13	Ms. Teeraporn Lertthammajak	Vice President of Solutions Integration Group
14	Mr. Chaiwat Likhitchayakul	Vice President of Solutions Integration Group
15	Mr. Pongpeera Chawalathawat	Vice President of Solutions Integration Group
16	Mrs. Urai Suktrakul	Vice President of Solutions Integration Group
17	Mr. Kritsada Panlamyai	Vice President of Digital Printing Group
18	Mrs. Naowanit Limprasertsiri	Vice President of Digital Printing Group
19	Mrs. Vilai Kaewpongmongkol	Vice President of Digital Printing Group
20	Ms. Prapavadee Orasanond	Vice President of Digital Printing Group
21	Ms. Saowalak Phaksuphan	Vice President of Accounting, Finance and Administration Group
22	Ms. Natpachamon Tungjitlerdkij	Vice President of Accounting, Finance and Administration Group
23	Ms. Samlee Noomsri	Vice President of People Group
24	Ms. Sumateta Jitsiripol	Vice President of Corporate Affairs Group / Corporate Secretary
25	Mr. Warayuth Phormsara	Senior Assistant Vice President of Accounting, Finance and Administration Group / Accounting Supervisor

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

2. The Board of Directors Meeting No. 2/2562 resolved to appoint executive No.5 as the President of Solutions Integration Group, effective from 1 January 2019.

3. The Executive Committee Meeting No. 2/2562 resolved to change the name of the management position to be more international.

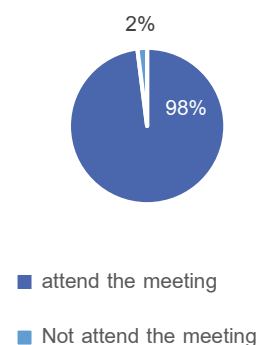
4. The Executive Committee Meeting No. 11/2562 resolved to appoint the No.7 and No. 25 executives to be CFO and Accounting Supervisor (respectively) have an opinion that both are fully qualified in accordance with the regulations set by the Securities and Exchange Commission. Having knowledge and ability experience related to this field directly and completed on training for continuous knowledge development in accounting issue more than 6 hours a year in accordance with the regulations. This appointment was effective from 16 November 2019 onwards.



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 two 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. In 2018 the Board of director attended to the meeting on average of 98 percent.

The proportion of attendance



Chairman and/or the Vice chairman and Chief Executive Officer (CEO) 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 5 working days in advance of the meeting. The sending notice must comprise with advance agenda specifying, the agenda are set as categorized as clearly as possible such as acknowledgement agenda or approval agenda, the attached document must be completed and has sufficient information to support the meeting within the laws and the regulation which every department in the company could use the meeting's resolution as reference. For studying each proposed agenda, the corporate secretary department will prepare all of document before sending it to Board of directors except the confidential or urgent information. For any matter that does not wish to disclose, then there will be discuss the issue at the meeting. The Chairman will allocate sufficient time to manage the meeting and allow enough time for the directors to carefully discuss the item which is depending on importance. The Chairman of the meeting will allow each Director to comment freely and provide the allocation of meeting time appropriately and effectively. In the event of any directors having an interest in any way which regard to the agenda, the Director should inform to the meeting and must not participate in any comment and have no right to vote on such agenda. The minimum amount of a quorum of the Committee to vote at the meeting means that there must be at least three Directors present with the minimum of two votes to carry the motion. In addition, the Company has set a policy for determining the agenda of the Board of Directors meeting that there must be a report on the holding of directors' securities whether there is a change or not in each quarter.

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 information of the Company operations and any directly related issues. The Board of directors shall access to the all information necessary from the CEO 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.

Number of Meeting Attendance for the year 2018								
Name of BOD and Executive Committee	BOD	Executive Committee	Audit Committee	Nominating and Remuneration Sub-Committee	Non-Executive Director	CSR Committee	CG Sub-Committee	Risk Management Sub-Committee
Mr. Sunpitt Sethpornpong	5/5	10/12			1/1			
Mr. Tavit Charuvajana	5/5	12/12						
Mr. Narong Charuvajana	5/5	12/12		3/3	1/1			
Mr. Kittit Techathaveekijkul	5/5	12/12			1/1	3/3	3/3	4/4
Mr. Wanarak Eakachai	5/5	12/12				3/3	3/3	4/4
Mr. Suvij Suvaruchiphom	5/5			3/3	1/1			
Mr. Pravitt Chattalada	4/5	1/12	5/6	3/3	1/1	2/3		
Dr. Virach Aphimeteetamrong	5/5		5/6				3/3	
Mr. Charcree-Amorn Tirachulisoonthorn	5/5		6/6		1/1			4/4
Mr. Aroon Tor-ekbundit	5/5	11/12					3/3	4/4
Mr. Thongchai Lumveerakul	4/5	11/12					2/3	4/4
Mr. Veeraphan Durongsang	4/5	10/12					3/3	3/4
Mrs. Nittaya Thanaviriyakul	5/5	12/12					3/3	4/4

Number of meeting attendance/ Number of Meeting held in 2018

Director knowledge enhancement and new director orientation

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.

Chief Executive Officer 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 and control the compliance unit by suggesting to the board of director and employees 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 if director 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 advice 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 advice the legal issues, related rule and compliance in the board of director's operating tasks in accordance with law.
5. To manage the board of director and shareholder meeting.
6. To coordinate with internal corporate unit for complying to the board of director and 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

Remuneration for Board of Directors

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. 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 Annual General Meeting 2018 on April 4, 2018 resolved to approve remuneration of Directors and Audit Committee for the year 2018, the pension of the Board of Directors and the Audit Committee has remained the same as in 2017, 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



Summary of remuneration for directors

(Unit: Baht)

Type of Remuneration	2017		2018	
	Number of persons	Amount	Number of people	Amount
Attendance fee	13	2,870,000	13	3,262,000
Pension	9	1,900,000	9	1,900,000
Total		4,770,000		5,162,000

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		2017		2018	
		Meeting Attendance	Pension	Meeting Attendance	Pension
1	Mr. Sunpitt Sethpompong	100,000	300,000	100,000	300,000
2	Mr. Narong Charuvajana	120,000	200,000	130,000	200,000
3	Mr. Tavit Charuvajana	156,000	200,000	144,000	200,000
4	Mr. Kitti Techathaveekijkul	190,000	200,000	200,000	200,000
5	Mr. Suvij Suvaruchiphorn	110,000	200,000	145,000	200,000
6	Mr. Wanarak Eakachai	180,000	200,000	200,000	200,000
7	Mr. Pravitt Chattalada	685,000	200,000	530,000	200,000
8	Dr. Virach Aphimeteetamrong	505,000	200,000	505,000	200,000
9	Mr. Charcree-Amorn Tirachulisoonthorn	520,000	200,000	520,000	200,000
10	Mr. Thongchai Lumveerakul	192,000		180,000	
11	Mr. Aroon Tor-ekbundit	226,000		202,000	
12	Mr. Veeraphan Durongsaeng	216,000		192,000	
13	Mrs. Nittaya Thanawiriyakul	226,000		214,000	
	Total	3,426,000	1,900,000	3,262,000	1,900,000



Remuneration of Executives

The remuneration of executive includes the compensation of the Chief Executive Officer based on the Company's performance both in the short and long term and individual performance by comparing the performance indicators of a finance, work process development and personnel development, including revenue that does not include interests, operating expenses per operating income, customer satisfaction, etc. for the sustainable success of the Company under transparent guidelines and according to the scope of job responsibilities.

In 2018, the Chief Executive Officer, Deputy Chief Executive Officer, President of Business Group or Working Group earned the remuneration consisting of salary, bonus, provident fund and other welfare as follows.

Monetary Remuneration

Type of Remuneration	Year 2017		Year 2018	
	No. of Persons	Amount	No. of Persons	Amount
Salary, Bonus and Other Income	6	49,629,000	6	52,169,000

Other Remuneration

The executives of the Company are entitled for other benefits and welfares according to the Company's regulations as same as the employees, such as medical treatment, health check-up and various types of loan benefits.

Human Resources

Number of employees and remunerations

As of 31 December 201, the Company and subsidiaries had a total of 1,142 employees. The number of employees in each major department was as follows;

Employee Category	The Company	Subsidiaries
Executive (person)	26	7
Sales and Marketing staff (person)	215	33
System engineer (person)	568	59
Technician, Administrator and other (person)	196	38
Total	1,005	137
Employee remuneration (Million baht)	696	98



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

The total remuneration to human resources in the Company for 2017 year-end was 637 million baht and for 2018, it was 696 million baht. This consists of salary, bonus, commission, provident fund contribution.

Human Resource Management Policy

The Company focuses on the importance of human resource management because the Company believes that every employee is a driving force for the business to step forward and grow sustainably. Therefore, the Company set up the policies in the following categories:

Employee Recruitment

The Company has a policy to recruit the highly qualified employees according to the standards and factors of the organizational success; which are leadership, creativity and problem-solving skills, good communication, team work and specialize skills and knowledge in their own career for high performance. The employee recruitment will be conducted in accordance with the necessity and appropriateness of the work according to the manpower plan as specified by the Company. The successful candidate must have qualifications, experience and ability suitable for the job position. For remuneration, the Company has determined wages rate according to the salary standard and structure based on the position, level and/or nature of work and competitive with the other businesses in the same industry. The recruitment can be conducted in many ways, such as advertisement through social media (Company's website, various advertising media, Facebook and Line), MSC Campus Networking, Jobs Fair, universities' posts, including the advice from executives or employees in the organization which can help recruitment more efficiently.

Human Resource Development

The Company has a policy to develop personnel to be knowledgeable, competent and effective by focusing on continuous development in order to become a Learning Organization and provide various demonstration centers for employees to enhance abilities, skills and readiness in self-development and to increase their work potential in order to cope with the rapid changes in internal and external technology, competition, business environment and economy, including the change in disruptive Innovation. The personnel development must be in accordance with the business direction, strategy, vision and mission of the Company and together with participation in social responsibility.

The Company continuously provides training for employees at all levels by learning through the development of mixed skills by providing an orientation for new employees so that the employees can learn and adapt to the corporate culture and basic knowledge related to social responsibility, code of conduct, anti-corruption, in-house training, public training, self-study (E-learning), on-the-job training, coaching-feedback, project assignment, online learning, and encouraging employees to learn overseas work. The Company has



reviewed the operational plan every year to be in line with the strategies and business operations of the Company, including the training roadmap as established by the Company by aiming to develop the skills, knowledge, and capabilities of the employees. The learning levels are divided into the following:

1. Individual Level - The Company encourages the employees to attend the basic courses on orientation practices, code of conduct, ISO9001 quality management system, information technology awareness, safety, occupational health and working environment, self-leadership, performance management (Metro PRO), Metro Success Factors and the value principles of the organization (METRO Way), etc.

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

3. Middle Management Level - The Company encourages the employees to develop their skills at executive level, such as Advanced Management Development Program for Executive, Mini MBA, Finance for Non-Finance, 7 Habits of Highly Effective People and other courses, Strategic Management, etc.

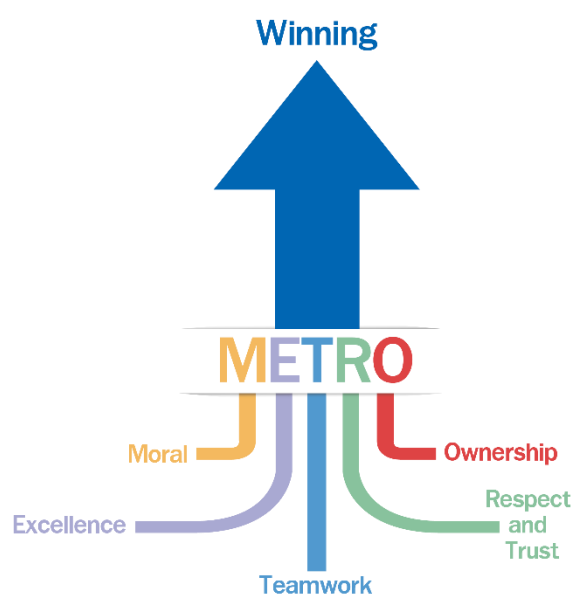
4. Top Management Level - The Company supports the employees to enhance their skills in the form of senior management, such as Corporate Culture, Advanced Management Development Program for Executive and Director Accreditation Program (DAP), Director Certification Program (DCP) and others training courses organized by the Thai Institute of Directors Association.

The Company has additionally provided human resource development through learning processes and various activities held by the Company, such as the Company's participation in the corporate social responsibility project to promote the work ethics and psychological development, emotion and generosity for society and the environment, financial planning, investment, fund management for savings with experts from financial institutions to provide knowledge on saving money to employees on a regular basis in order to create financial stability in the long term, Wellness Program supervised by nutritionists to provide advice on how to select food and proper exercise, and organizing various innovative activities to be an incentive for the employees' creativity.

In this regard, the Company expected the employees to behave in accordance with the organization's core values (METRO Way), which includes:

1. **Moral** - We should be honest and straightforward with each other. We also operate within the spirit of the law and ethics and adhere to do the right thing.

2. **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.





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

4. Respect & 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.

5. 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.

In 2018, the Company provided training course and testing of knowledge supervised by the product owners to increase skills, knowledge and expertise for both domestic and foreign employees with 818 employees who passed the training for at least 6 hours or 83.7% of the total employees and 77 employees who passed the proficiency test from the product owner.

Human Resource Management System Development

The Company places great importance on the development of the human resource management system through recruitment, training, development and maintenance to create employee engagement because the Company believes that the employees who love and commit to work for the organization will have higher performance as a result.

The Company provides an annual performance evaluation through the Performance Management System (Metro PRO) to improve the employee performance, rewards and opportunities for career success of employees by emphasizing on 2-way communication between supervisors and employees in terms of individual KPIs, Work Plan and Update, Coaching – Feedback, Career Path Promotion, Individual Development Plan and Training Need, etc.

In addition, the Company also focused on the development of Human Resource Management Information System (HRIS) which covers the operation, such as a request of recruitment, probationary performance evaluation, leave requests, attendance record, transfer, position adjustment, overtime request, request of overtime pay and overtime allowance, annual performance evaluation, a request of training and testing approval, record of personal information, including processing and analyzing various data which can support various operational system in any devices, including smart phones for more conveniences and flexibilities and supporting the change of digital technology.

Compensation and Welfare Guidelines

The Company has clearly defined strategies and practices regarding reward and welfare in return of and as an incentive for the employee performance. In this regard, the Company will consider the reward and welfare from the operating results of the Company, the annual Key Performance Indicators (KPIs) and economic trends together. However, in consideration of compensation (salary, bonus and non-monetary compensation) and other welfares, the Company has considered the payment based on the market payment of the same industry group in order to be competitive in the market to motivate the talented and highly experienced



personnel to work in the Company and to retain the talented employees to work with the Company in the long term.

For other benefits and welfares organized or provided by the Company to the employees, the Company will take the benefits and welfares into account to cover and be benefit throughout the whole organization. The adjustment was applied to be in line with the changing economy and to ensure the stability of the employees that will lead to sustainable success, such as holidays, uniforms, health centers (swimming pools, futsal courts, basketball courts, sauna rooms, exercise facilities, etc.), yoga activities, aerobic, life insurance, group health insurance, nursing rooms and household medicines are available for initial relief, housing loan or emergency loan, by considering the duties, responsibilities and competencies of the job position

Respect for Human Rights

The Company recognizes the importance of human rights principles by treating those involved of employees, communities and society with respect for the value of humanity in consideration of equality and fairness. The Company encourages directors, executives and employees to realize and respect for human rights, duties and responsibilities towards themselves and others with the following guidelines:

1. To respect and realize in compliance with human rights principles based on human dignity towards all stakeholders with equality and fairness, excluding any discrimination and violation of others' rights, both physically and verbally.
2. To keep the personal information of stakeholders confidential without any violation of other personal information or seeking unlawful benefits from information. Any data collection, information disclosure or using others' information must obtain a consent from the data owner, unless it is required by law, enforcement or regulations of the Company
3. The Company has set up a process to monitor and supervise the business operations of the Company, including the performance of employees to prevent involvement in human rights violations, such as child labor, sexual harassment, etc., including reporting on monitoring results to the Board of Directors.

Equitable treatment of labor

The Company recognizes the importance of human resource management and fair treatment of workers due to the personnel are important factors in driving and supporting the organization to be able to compete and operate the business with growth and sustainability. Therefore, the Company has formulated a policy and guideline on equitable treatment of labor as follows.

1. To respect the rights of employees according to human rights principles and comply with labor laws.
2. To determine the employment policy and fair employment conditions, including the determination of compensation and fair consideration of employee performance.
3. To provide various welfare benefits for employees as required by law, such as social security funds, compensation fund and sick leave for employees and others in addition to the legal requirements, such



as health insurance, accident insurance, life insurance and provident funds, etc. , including providing various types of grants, such as wedding gifts, funeral expenses, etc.

4. To provide annual health checks to employees at all levels by considering the risk factors according to the age and working environment of each employee.

5. To provide knowledge and create consciousness on safety, occupational health and working environment to allow employees to work safely with good hygiene in the workplace and is always conducive to the work, for example; helping to maintain cleanliness, prevention of accidents and other incidents, concerning on the temperature in the workplace, etc., including the preparation of fire drills every year.

6. To encourage employees at all levels to develop their work potential by providing various academic seminars related to the development of knowledge, ability and potential of employees, including cultivating the core values of work practices based on accuracy, integrity, morality, ethics and team work.

7. To encourage employees at all levels to participate in community development, such as participation in children's day activities with the nearby schools every year, including other projects that helps the communities' development and the organizational sustainability.

8. The Company allows employees to express their opinions, report any incidents or complaints relating to unfair treatment, malpractices witnessed within the company, corruption, human rights violations, illegal acts or any actions against good corporate governance principles or not complying with the code of conduct of the Company, including providing protection to employees who directly reported such incidents or complaints to executives through the complaint channel on the Company's website.

Upon the Company's implementation of the above human resource management policies, the employee turnover rate of the Company was therefore reduced and the employees' pleasure with the organization was however increased. In the past year, the turnover rate was approximately 10% and the result of Employee Effectiveness Survey was positively increased at 10%.



Profile of Board of Directors and Executives

Mr.Sunpitt Sethpornpong																											
Present Positon	Chairman																										
Age	53 years																										
Number of Shares As of 1 January 2018	0.28 %																										
Number of Shares As of 31 December 2018	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	<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> <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 Committee</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>			2013 – Present	Chairman	Metro Systems Corporation PLC.	2000 – Present	Director	Metro Systems Corporation PLC.	2001 – Present	Director	Woodwalk (Thailand) Co., Ltd.	2008 – Present	Executive Committee	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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2012 – Present	Director	Metrophos Co., Ltd.																									
2015 – Present	Director	N.I.M Co., Ltd.																									



Mr. Tavit Charuvajana

Present Position	<p>Director</p> <p>Chairman of Executive Committee</p> <p>Chief Executive Officer</p>
Age	69 years
Number of Shares As of 1 January 2018	4.25 %
Number of Shares As of 31 December 2018	4.25 %
Educational Background	<ul style="list-style-type: none"> - Honorary Master of Science, Information Technology Field, Chandrakasem Rajabhat University
Certificates	<ul style="list-style-type: none"> - Executive Development Program, Commerce and Accounting Faculty, Thammasat University - Anusorn Business College
Professional Experience	<p><u>Listed Companies</u></p> <p>1986 - Present Director / Chairman of Executive Committee / Chief Executive Officer Metro Systems Corporation PLC.</p> <p><u>Other Companies</u></p> <p>1991 - Present Director HIS MSC Co., Ltd</p> <p>2009 - Present Director Metro Connect Co., Ltd.</p> <p>2010 - Present Director Metro InfoTech Co., Ltd.</p> <p>2012 - Present Director Metro Info Dynamics Co., Ltd</p>



Mr. Kitti Techataveekijkul

Present Position	<p>Vice Chairman</p> <p>Corporate Social Responsibility Committee</p> <p>Corporate Governance Sub-Committee</p> <p>Risk Management Sub-Committee</p>
Age	66 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	<p><u>Listed Companies</u></p> <p>2017 – Present Vice Chairman, Metro Systems Corporation PLC.</p> <p>2015 – Present Corporate Social Responsibility Committee/ Corporate Governance Sub-Committee/ Risk Management Sub-Committee, Metro Systems Corporation PLC.</p> <p><u>Other Companies</u></p> <p>1991 – Present Director HIS MSC Co., Ltd.</p> <p>1992 – Present Director Metro Professional Products Co., Ltd.</p> <p>1995 – Present Director Center Containers Co., Ltd.</p> <p>2009 – Present Director Metro Connect Co., Ltd.</p>



Mr. Narong Charuvajana

Present Position	Director / Vice Chairman of Nominating and Remuneration Sub-Committee
Age	64 years
Number of Shares As of 1 January 2018	4.64 %
Number of Shares As of 31 December 2018	4.64 %
Educational Background	<ul style="list-style-type: none"> - MBA Executive, Chulalongkorn University - Master of Accounting, Thammasart University - Bachelor of Accounting, Ramkhamhaeng University
Certificates	<ul style="list-style-type: none"> - Certificate of Director Accreditation Program (DAP) 2003, Thai Institute of Directors - Certificate of Certification Program (DCP) 2003, Thai Institute of Directors - Certificate of Role of The Compensation Committee (RCC) 2007, Thai Institute of Directors - Certificate of Current Issue Seminar (R-CIS) 2009, Thai Institute of Directors - Certificate of Compensation Survey Seminar 2014, Thai Institute of Director - Certificate of Board Matter and Trends (BMT) 2016, Thai Institute of Director
Professional Experience	<p><u>Listed Companies</u></p> <p>1986 – Present Director, Metro Systems Corporation PLC.</p> <p>2006 – Present Vice Chairman of Nominating and Remuneration Sub-Committee Metro Systems Corporation PLC.</p> <p><u>Other Companies</u></p> <p>1991 – Present Director HIS MHC Co., Ltd.</p> <p>1992 – Present Director Metro Professional Product</p> <p>1995 – Present Director Center Containers Co., Ltd.</p> <p>2009 – Present Director Metro Connect Co., Ltd.</p>



Mr. Suvij suvaruchiphorn

Present Position	Director Chairman of Nominating and Remuneration Sub-committee		
Age	76 years		
Number of Shares As of 1 January 2018	0.13 %		
Number of Shares As of 31 December 2018	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 Chairman 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 Director 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 Position	<p>Director</p> <p>Deputy Chief Executive Officer</p> <p>Corporate Social Responsibility Committee</p> <p>Corporate Governance Sub-Committee</p> <p>Risk Management Sub-Committee</p> <p>President of People Group</p>										
Age	66 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> <p>Director</p> <p>Metro Systems Corporation PLC.</p> </td></tr> <tr> <td>2014 – Present</td><td> <p>Deputy Chief Executive Officer</p> <p>Metro Systems Corporation PLC.</p> </td></tr> <tr> <td>2015 – Present</td><td> <p>Corporate Social Responsibility Committee/ Corporate Governance Sub-Committee/ Risk Management Sub-Committee</p> <p>Metro Systems Corporation PLC.</p> </td></tr> <tr> <td>2016 – Present</td><td> <p>President of People Group</p> <p>Metro Systems Corporation PLC.</p> </td></tr> </table> <p><u>Other Companies</u></p> <table> <tr> <td>2017 – Present</td><td> <p>Director</p> <p>Phoenix World Energy Co., Ltd</p> </td></tr> </table>	2013 – Present	<p>Director</p> <p>Metro Systems Corporation PLC.</p>	2014 – Present	<p>Deputy Chief Executive Officer</p> <p>Metro Systems Corporation PLC.</p>	2015 – Present	<p>Corporate Social Responsibility Committee/ Corporate Governance Sub-Committee/ Risk Management Sub-Committee</p> <p>Metro Systems Corporation PLC.</p>	2016 – Present	<p>President of People Group</p> <p>Metro Systems Corporation PLC.</p>	2017 – Present	<p>Director</p> <p>Phoenix World Energy Co., Ltd</p>
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2014 – Present	<p>Deputy Chief Executive Officer</p> <p>Metro Systems Corporation PLC.</p>										
2015 – Present	<p>Corporate Social Responsibility Committee/ Corporate Governance Sub-Committee/ Risk Management Sub-Committee</p> <p>Metro Systems Corporation PLC.</p>										
2016 – Present	<p>President of People Group</p> <p>Metro Systems Corporation PLC.</p>										
2017 – Present	<p>Director</p> <p>Phoenix World Energy Co., Ltd</p>										



Mr. Pravit Chattalada

Present Position	Independent Director Chairman of Audit Committee Chairman of Corporate Social Responsibility Committee Nominating and Remuneration Sub-Committee
Age	86 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 Position	Independent Director Audit Committee Chairman of Risk Management Sub-Committee
Age	51 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	<p><u>Listed Companies</u></p> <p>2014 – Present Independent Director / Audit Committee Metro Systems Corporation PLC.</p> <p>2015 – Present Chairman of Risk Management Sub-Committee Metro Systems Corporation PLC.</p> <p><u>Other Companies</u></p> <p>2007 – Present Managing Partner Aquarius Capital Company Limited</p> <p>2013 – Present Chief Executive Director Tan Power Company Limited</p> <p>2016 – Present Executive Committee Energy Progress Company Limited</p> <p>2017 – Present Chief Executive Officer / Director Dolphin Group Company Limited</p> <p>2017 – Present Executive Committee Whale Synergy Company Limited</p> <p>2017 – Present Executive Committee Phoenix World Energy Company Limited</p> <p>2017 – Present Executive Committee Dolphin Capital Resources Company Limited</p>



Dr. Virach Aphimeteetamrong

Present Position	Independent Director / Audit Committee / Chairman of Corporate Governance Sub-Committee																				
Age	75 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 Group Holdings PLC.</td></tr> </table> <p><u>Other Companies</u></p> <table> <tr> <td>1988 – Present</td><td>Chairman, Dr.Virach & Associates Office Co.,Ltd</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 Group Holdings PLC.	1988 – Present	Chairman, Dr.Virach & Associates Office Co.,Ltd	2002 – Present	Independent Director/ Chairman of Audit Committee, Tris Corporation Co., Ltd.
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Mr. Thongchai Lumveerakul

Present	Executive Committee Corporate Governance Sub-Committee Risk Management Sub-Committee President of Digital Printing Group (DPG)
Age	58 years
Number of Shares As of 1 January 2018	0.28 %
Number of Shares As of 31 December 2018	0.28 %
Educational Background	- Bachelor of Commerce, Bangkok University
Certificates	- Executive Development Program, Commerce and Accounting Faculty, Thammasat University - Certificate of Director Certification Program (DCP) 2003, Thai Institute of Directors
Professional Experience	<p><u>Listed Companies</u></p> <p>2007 – Present Executive Committee / President of Digital Printing Group 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>-None-</p>



Mr. Aroon Tor-ekbundit

Present Position	Executive Committee Corporate Governance Sub-Committee Risk Management Sub-Committee President of Solutions Integration Group (SIG)
Age	58 years
Number of Shares	-None-
Educational Background	- Vocational Certificate, Rajamangala Technology Institute, Borphitphimuk Jakkrawat Campus
Certificates	- Executive Development Program, Commerce and Accounting Faculty, Thammasat University - Certificate of Director Certification Program (DCP) 2003, Thai Institute of Directors
Professional Experience	<p><u>Listed Companies</u></p> <p>2007 – Present Executive Committee / 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 Position	Executive Committee Corporate Governance Sub-Committee Risk Management Sub-Committee President of Digital Solutions Group (DSG)		
Age	58 years		
Number of Shares As of 1 January 2018	0.17 %		
Number of Shares As of 31 December 2018	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 Committee / 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 Director Metro Connect Co., Ltd. 2009 – 2017 Managing Director Metro Connect Co., Ltd. 2012 – Present Managing Director Metro Info Dynamics Co., Ltd.		



Mrs. Nittaya Thanaviriyakul

Present Position	Executive Committee / Chief Financial Officer / Corporate Governance Sub-Committee / Risk Management Sub-Committee / President of Accounting, Finance and Administration / President of Corporate Affair Group
Age	57 years
Number of Shares As of 1 January 2018	0.003 %
Number of Shares As of 31 December 2018	0.003 %
Educational Background	- Master of Accounting, Thammasat University - BA (Accounting), Thammasat University
Certificates	- Certificate of Director Accreditation Program (DAP) 2013, Thai Institute of Directors - Certificate of Anti-Corruption the Practical Guide (ACPG) 2015, Thai Institute of Directors - Certificate of Board Reporting Program (BRP) 2016, Thai Institute of Directors - Certificate of Strategic Financial Leadership Program (SFLP) 2018, Thai Institute of Directors
Professional Experience	<p><u>Listed Companies</u></p> <p>2011 – Present Executive Committee/ 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 Affairs Group, Metro Systems Corporation PLC.</p> <p>2018 – Present Chief Financial Officer, 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>

**Mr. Suradet Lertthammajak**

Present Position	Executive Committee / President of Solutions Integration Group (SIG)	
Age	54 years	
Number of Shares	-None-	
Educational Background	<ul style="list-style-type: none">- Computer Science - Stamford College, Singapore- Master of Business Administration (M.B.A.), Chulalongkorn university	
Certificates	<ul style="list-style-type: none">- Certificate of Director Accreditation Program (DAP) 2017, Thai Institute of Directors	
Professional Experience	<u>Listed Companies</u>	
	- December 2018 – Present	President of Solutions Integration Group Metro Systems Corporation PLC.
	- January 2019 – Present	Executive Committee Metro Systems Corporation PLC.
	<u>Other Companies</u>	
	-None-	



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)”, the criteria for a company that has corporate governance, the survey and research related to relevance corporate directorship in listed companies (Corporate Governance Report of Thai Listed Companies) under Thai Institute of Directors Association (IOD), and the assessment criteria for the annual general meeting of shareholders of Thai Investors Association. 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, including, promoted good corporate governance to ensure the applicable of responsibility, transparency, and fairness among key stakeholders which are shareholders, management, employees and other relevant persons.

During 2018, The Company has been assessed for corporate governance and was commented by awards 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 2018 and the Company was surveyed and assessed by the Thai Institute of Directors Association (IOD) showing that the average rate of the Listed Company's overall score was 81%, SET100 scored by 88%, SET50 scored by 91% whereas our Company's scored by 88% which was higher than the average rating of the Listed 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%, 96%, 89%, 91% and 82% respectively. This year the average score was higher than the result for the year 2017 which scored at 87%. From the result analysis in each category under Corporate Governance Principles, including, Rights of Shareholders, Equitable Treatment of Shareholders, Role of Stakeholders, Disclosure and Transparency and Board Responsibilities, the Company obtained higher scores than the rating of the overall companies.
- Thai Investors Association has reported the results of the AGM Checklist 2018 that the average score of all listed companies was 92.42%, whereas the Company's rating was 97% which was higher than the average score of the listed companies.

Corporate Governance Policy

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

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

Prior to Annual General Meeting

1) The Company holds the Annual General Meeting once a year. The meeting shall be held within 4 months from the end of the fiscal year. If there are urgent cases that require the resolution of the shareholders, the Company will convene an Extraordinary General Meeting. In 2018, the Annual General Meeting was held on 4 April 2018 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 2018 meeting could also be accessed through the Company's website on 28 February 2018 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 2018 to 30 November 2018, 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) For 2018 Annual General Meeting, the Company arranged a venue that was convenient for traveling with a sufficient size to accommodate the number of shareholders and proxies which was at the Head Office of Metro Systems Corporation Public Co., Ltd., located at No. 400 Chalermprakiat 9 Road, Nongbon Sub-district, Prawet District, Bangkok.

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

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

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

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

6) The details of the voting results of each agenda will be collected, counted and announced immediately only after the completion of the voting.

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

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

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

10) For 2018 Annual General Meeting, the schedule of the meeting will be arranged according to announced agenda, without changing the order of the agenda nor adding further issues for consideration. After



completion of all announced agenda, the Chairman of the meeting will provide an opportunity for Shareholders to ask questions for any interesting matters before closing the meeting.

After the Date of General Annual Meeting

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

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

Equitable Treatment of Shareholders

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

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

The Board of Directors should be aware to use of inside information for abusive self-dealing, such as insider trading or related party transactions or who may be presumed that the person knows or possess information that is material to the price or value of securities or information which has not been disclosed to the general public. According to the Securities and Exchange Act (Vol. 5) B.E. 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 aware of the importance of responsibility to stakeholders, which is synonymous growing with the business. The Company is committed to conducting the business in accordance with the Code of Conduct, Corporate Governance Policy, Corporate Social Responsibility Policy, Anti-Corruption Policy, Procurement Policy, Intellectual property Policy, and the principles of the Company policies and procedures with stakeholders, including shareholders, customers, competitors, joint venture or creditor, employees and government as well as society and community that are treated by the Company with fair and reasonable benefits, protection and listen to the stakeholders' response in various dimensions 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. The Company also operates the business with all Business Partners according to standards required by law.

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 and honest employees will help the business to operate more sustainably. Therefore, the Company treats all employees in a fair fringe benefits and remuneration comparing with other companies from the same industry. The Company has policy to review and regulate employee's fringe benefits and remuneration



structure annually in order to align with Company's performance both short term and long term. There is a program for annual merit and provident funds enhancement, welfare, medical care for employees and their families and other allowances. The Company also encourages employees to develop their potential by increasing their knowledge and conduct themselves within the framework of the Code of Conduct. In terms of working conditions, the Company creates a comfortable working environment with sufficient workplace, operational facilities and meeting rooms for their conveniences and the buildings are surrounded by green space from trees and plants for lively condition. In environmental concern, we encourage 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 2018, 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.

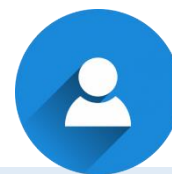
8) Society and Community: The Company provides assistance to benefit society and the community. The Company refrains from operating any business which adversely affects society and any acts which destroy natural resources and the environment. We closely monitor our business operations so that they do 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.



Besides, the company has provided opportunities for shareholders and investors to visit the Company and receive important information, such as, ongoing activities, performance information through Executive's announcement. The company is ready to provide stakeholders with information and answer for any questions via our Company website (<https://ir.metrosystems.co.th>) or send the questions via e-mail (ir@metrosystems.co.th) or contact Investor relations Tel: 02-089-4124.



Mrs. Sumateta Jitsiripol
02-0894124

The Company has established the information disclosure and transparency policy and the said policy has been approved accordingly by the Board of Directors. The Board of Directors shall therefore be assigned for the control of information disclosure relating to corporate operation in 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 and has channels for complaints, comments, suggestions or questions from people inside and outside the organization through the company website.

Responsibilities of the Board

The Board consists of people who have the knowledge, ability and experience in the business operation. 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 and Appointment of Independent Directors

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

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

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



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

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

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

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

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

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

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

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

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

Nomination of Directors

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

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



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

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

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

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

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

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

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

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

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

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

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

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



Nomination and Appointment of Chief Executive Officer

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

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

The Company constantly gives priority in maintaining the confidentiality of customer information by not taking information technology for the benefit of the Director. Executives, employees and related persons, unless the information is required to disclose by law. The Company also has well acknowledgement about the security of the data in the information system. The Company, therefore, have restriction and/or prevention for the third parties' access in the Company's information, as well as defines access rights of customers' information to eligible employees according to the duties and responsibilities. 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.

In case, there are outsiders who participate in specialized work that relates to inside information. The inside information can be information that has not been disclosed to the public and is in the process of negotiation. To prioritize the confidentiality of data and avoid information leakage that might affect the price movement of Company's securities, the outsiders must sign the Confidentiality Agreement contract and keep data confidentiality until the information is revealed to the Stock Market and Securities and Exchange Commission.

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



to report to the Securities and Exchange Commission within 3 business days. This practice covered under the Securities Exchange Act of 2016 must be complied strictly.

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

Auditors

According to the Public Companies Act B.E. 2535, Section 120 requires that the Meeting of Shareholders shall include for the appointment and remuneration of the Company's auditors every year. The appointment of the same auditors may be approved as being the previously appointed auditors. The Articles of Association, Article 46 requires that the auditor must not be a director, an employee or holding any position in the Company. As per the recommendation of the Audit Committee in compliance with the aforementioned Public Companies Act B.E. 2535, the Board of Directors has therefore considered and decided to propose to the Annual General Meeting in 2019 to approve the appointment of auditors from KPMG Phoomchai Audit Company Limited as auditors of the Company for the year 2018 and remunerations of the annual audit for the year of 2018 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 1,550,000 baht (one million five hundred and fifty thousand baht only), for quarterly financial statements of the three quarters at the amount of 450,000 baht (four hundred and fifty thousand baht only) and for a total audit remuneration for the year 2018 at 2,000,000 baht (two million baht only). However, KPMG Phoomchai Audit Co., Ltd. also acts as the auditor of the Company's subsidiaries and jointed 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 2018 from the aforementioned companies with the amount of 1,280,000 baht (one million two hundred and eighty 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

Other charges include travel expenses, financial reporting fees, document delivery fees and office equipment expenses.



Code of Best Practices for Directors of Listed Companies

The company is committed to maintain a good corporate governance by complying with the laws, regulations and related requirements, including the Code of Best Practices for Directors of Listed Companies and Good Corporate Governance which are the guidelines provided by the Stock Exchange of Thailand's (SET) for Listed Companies. The Company's Board of Directors therefore, applies the Corporate Governance Code: "CG Code" and Corporate Governance Principle: "CG Principle" as the additional framework for Company's practices as well as to be the ethics and integrity guidelines in business operations for Directors, Executive Managements and employees. Additionally, the Company's guidelines are monitored and reviewed at least annually by the Corporate Governance Committee and are approved by Board of Directors before the official announcement in the Company. Accordingly, from the assessment result of Good Governance (CGR Checklist) by Thai Institute of Directors Association (IOD) for the year 2018, the results shown that under the Good Governance Principle, Article Board Responsibilities, the Company has scored 82% which was higher than the overall average score of the listed companies or 72%.



For the unpracticed framework that the Company plan to deploy in the Company's guidelines include:

Unpracticed Frameworks	Explanations
Chairman of the Board of Directors is Independent Director	The Chairman should not be the same person with Chief Executive Officer in which the Company's policy stated clearly for the duties and responsibilities segregation between Chairman and Chief Executive Officer to create counterbalance between management and good governance.
The Board of Directors should clearly identify the overall term of the Independent Directors in Corporate Governance policy that not exceed to 9 years	The Board of Directors did not identify the tenure of the Independent Directors as the Company believes that the aforementioned Boards are knowledgeable, capable and experienced enough for the position.

Evaluation of the Board of Directors and Sub-Committees Performance

The Company has a policy that the Board of Directors evaluates its own performance annually. The evaluation of the performance was performed in accordance with practices of the Stock Exchange of Thailand as appropriate. The Board of Directors has reviewed its work and the obstacles to work during the past year. In the process of evaluating, the Company Secretary has also submitted an assessment of the performance of the Board of Directors and submit it to the Board of Directors and individuals to review the annual performance evaluation of the Board of Directors. Additionally, the Company Secretary has gathered the results of



assessment from the Board of Directors and summarized the scores and analyzed the performance results of the Board of Directors to inform the Board of Directors of any problems and acknowledging the contributions. The conclusions will be used to improve the performance of the Board of Directors in the future.

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

Board of Directors 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. In 2018, the average rating results are as followed.

- The average assessment result for Board of Directors as a group was scored 88.94%.
- The average assessment result for Board of Directors as individual was scored 89.69%.
- The average assessment result for Sub-Committees as a group was scored 88.37%, including:
 - Audit Committees; with the average assessment results 84.52%
 - CSR Committees; with the average assessment results 92.50%
 - Nominating and Remuneration Sub-Committees; with the average assessment results 91.66%
 - Corporate Governance Sub-Committees; with the average assessment results 83.57%
 - Risk Management Sub- Committees; with the average assessment results 82.14

Director's Knowledge Enhancement

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

There are the participants of the courses involved as follows:

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



Training Course/Seminars of directors and Executive Committee

Name / Position	Training / Seminars
Mr. Sunpitt Sethpornpong	How to Transform Your Business to Become an Exponential Company in a Digital Era by Stock Exchange of Thailand
Mr. Tavit Charuvajana - Chief Executive Officer	Trendy Innovation (S.1) by CT Asia Robotics Co., Ltd. Process Innovation coaching Program, by Metro Systems Corporation PLC.
Mr. Kitti Techataveekijkul - Vice Chairman	e-Tax Invoice & e-Receipt (Systems) by Revenue Department Trendy Innovation (S.1) by CT Asia Robotics Co., Ltd. CSR Club Forum: Why Supply Chain Sustainability Means New Opportunities, by Thai Listed Companies Association Innovation coaching Program by Metro Systems Corporation PLC.
Mr. Narong Charuvajana - Director	Trendy Innovation (S.1), by CT Asia Robotics Co., Ltd. Project Process Innovation coaching Program by Metro Systems Corporation PLC.
Mr. Wanarak Eakachai - Director - Deputy Chief Executive Officer (Deputy CEO) - President of People Group	Trendy Innovation (S.1) by CT Asia Robotics Co., Ltd. Process Innovation coaching Program by Metro Systems Corporation PLC.
Mr. Aroon Tor-ekbundit - Executive Committee - President of Solutions Integration Group - SIG	Trendy Innovation (S.1) by CT Asia Robotics Co., Ltd. Process Innovation coaching Program by Metro Systems Corporation PLC.
Mr. Veeraphan Durongsang - Executive Committee - President of Digital Solutions Group - DSG	Trendy Innovation (S.1) by CT Asia Robotics Co., Ltd. Process Innovation coaching Program by Metro Systems Corporation PLC. AWS re:Invent 2018 by Amazon.Com, INC.
Mr. Thongchai Lumveerakul - Executive Committee - President of Digital Printing Group - DPG	Trendy Innovation (S.1) by CT Asia Robotics Co., Ltd. Process Innovation coaching Program by Metro Systems Corporation PLC.
Mrs. Nittaya Thanaviriyakul - Executive Committee - President of Accounting Finance and Administration	Well Fixed Asset by MB Tech Co., Ltd. TFRS Talk 2018 Thai Financial Reporting Standards Vol. new by KPMG Phoomchai Audit Co., Ltd. e-Tax Invoice & e-Receipt (Systems), by Revenue Department Trendy Innovation (S.1) by CT Asia Robotics Co., Ltd.



-President of Corporate Affairs Group	CSR Club Forum: Why Supply Chain Sustainability Means New Opportunities by Thai Listed Companies Association
	Cybercrime - The Looming Threat to Global Economy by Thai Listed Companies Association
	TFRS by NYC Management Co., Ltd.
	TFRS 2019 by NYC Management Co., Ltd.
	TFRS by Nukbuncheedotcom Co., Ltd.
	TFRS15 by KPMG Phoomchai Audit Co., Ltd.
	Strategic Financial Leadership Program (SFLP) 2018 by Thai Listed Companies Association
	Process Innovation coaching Program by Metro Systems Corporation PLC.
Mr. Suradet Lerthammajak - Executive Committee - President of Solutions Integration Group - SIG	IBM Kick-Off & Training by IBM Thailand Co., Ltd.
	Feasibility Study by Innovation Training Center Co.,Ltd.
	Process Innovation coaching Program by Metro Systems Corporation PLC.
Mr. Chaiwat Likhitchanyakul - Vice President of Solutions Integration Group - SIG	Tax issue by Proactive Learning Center
	Process Innovation coaching Program by Metro Systems Corporation PLC.
Mr. Yongyut Srivantaneeyakul - Vice President of Solutions Integration Group - SIG	Process Innovation coaching Program by Metro Systems Corporation PLC.
Mr. Somsak Manayingcharoen - Vice President of Solutions Integration Group - SIG	Trendy Innovation (S.1) by CT Asia Robotics Co., Ltd.
	TFRS15 by KPMG Phoomchai Audit Co., Ltd.
	Design Thinking by Metro Systems Corporation PLC.
Mr.Thitiphong Charanachitta - Vice President of Solutions Integration Group - SIG	Trendy Innovation (S.1) by CT Asia Robotics Co., Ltd.
Mr. Chirasak Trangkineenart - Vice President of Digital Solutions Group - DSG	Trendy Innovation (S.1) by CT Asia Robotics Co., Ltd.
	Process Innovation coaching Program by Metro Systems Corporation PLC.
	Issue Social Security by Social Security Office Bangkok area 8
Ms. Areerat Vitooraporn - Vice President of Digital Solutions Group - DSG	e-Tax Invoice & e-Receipt(Systems) by Revenue Department
	Trendy Innovation (S.1) by CT Asia Robotics Co., Ltd.
	Process Innovation coaching Program by Metro Systems Corporation Plc.



Mr. Aekachai Limprasert - Vice President of Digital Solutions Group - DSG	Citrix Synergy 2018 by Citrix Systems Asia Pacific Pty Co.,Ltd.
	Trendy Innovation (S.1) by CT Asia Robotics Co., Ltd.
	TFRS15 by KPMG Phoomchai Audit Co., Ltd.
	Project Process Innovation coaching Program by Metro Systems Corporation PLC.
Mr. Kritsada Panlamyai - Vice President of Digital Printing Group - DPG	AWS re:Invent 2018 by Amazon.Com, Inc.
	TFRS15 by KPMG Phoomchai Audit Co., Ltd.
	Process Innovation coaching Program by Metro Systems Corporation Plc.
Mrs. Naowanij Limprasertsiri - Vice President of Digital Printing Group - DPG	Trendy Innovation (S.1) by CT Asia Robotics Co., Ltd.
	TFRS15 by KPMG Phoomchai Audit Co., Ltd.
	Process Innovation coaching Program by Metro Systems Corporation Plc.
Ms. Prapavadee Orasanond - Vice President of Digital Printing Group - DPG	Trendy Innovation (S.1) by CT Asia Robotics Co., Ltd.
	The 7 Habits of Highly Effective People (S.1) PacRim Leadership Center Co.,Lth.
	Process Innovation coaching Program by Metro Systems Corporation Plc.
	Marketing Day 2018 by Marketing Association of Thailand
	Metro PRO New Version (S.1) Metro Systems Corporation Plc.
Ms. Saowalak Phaksuphan - Vice President of Accounting, Finance and Administration Group	e-Tax Invoice & e-Receipt (Systems) by Revenue Department
	Trendy Innovation (S.1) ,by CT Asia Robotics Co., Ltd.
	TFRS by NYC Management Co.,Ltd.
	Accounting Issue by NYC Management Co.,Ltd.
	Accounting Issue by NYC Management Co.,Ltd.
	TFRS15 by KPMG Phoomchai Audit Co., Ltd.
	CVC : Strategy of new investment by Stock Exchange of Thailand
	Process Innovation coaching Program, by Metro Systems Corporation Plc.
Ms. Samlee Noomsri - Vice President of People Group	Create High-Performing Team with the Enneagram by Siam Enneagram Consulting Co.,Ltd.
	Mastering Internal Communications & Employee Engagement Strategy,Plan & Actions by Omega Talent Co.,Ltd.
	Human Resource Development Intensive Certificate Program by Chula Unisearch, Chulalongkorn University
Ms. Sumateta Jitsiripol	Trendy Innovation (S.1) by CT Asia Robotics Co., Ltd.
	e-Tax Invoice & e-Receipt(Systems) by Revenue Department
	Trendy Innovation (S.1) by CT Asia Robotics Co., Ltd.



<ul style="list-style-type: none"> - Vice President of Corporate Affairs Group - Corporate Secretary 	CG Code : disclosure guideline (apply or explain) by Thai Listed Companies Association
	Anti-Corruption : The Practical Guide (ACPG45/2018) by Thai Institute of Directors.
	Enhance Efficiency and Growth through Process Innovation by Stock Exchange of Thailand
	Data Protection for Business : Road to GDPR Standard by Stock Exchange of Thailand

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 compliant 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.

False Reporting

If the reported information is proved to be false due to deliberate distortion or false accusation and have undesirable consequence in the Company's business by the Company's employees, then the employees will be subjected to the Company's disciplinary action. Though, if the false reporting is executed by outsiders, the outsiders will be legally prosecuted.



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

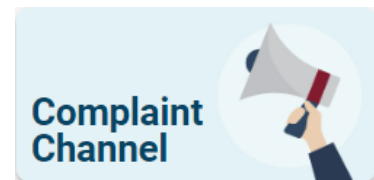
If there are any sightings or complaints concerning any incident or behavior which may violate the principles of corporate governance or a failure to comply with the Code of Conduct or with regard to financial reporting or with regard to incorrect or internal control deficiencies, the witness or complainant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

- A) By Post: Corporate Secretary Department

Metro Systems Corporation Public Company Limited
no.400 Chalermprakiat Rama 9 Rd. 9, Nhongbon,
Pravet, Bangkok 10250

- B) By Telephone: 02-089-4124

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





Sustainability Report

Vision

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

Mission

We are committed to being a sustainable company in the economy as well as developing a learning society.

Strategy

We will implement the policy framework on social responsibility in five areas, focusing on the participation of employees as well as stakeholders in all sectors.

Corporate Culture

Moral Excellent Teamwork Respect and Trust Ownership

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





Corporate Social Responsibility

Metro Systems Corporation Public Company Limited is a business organization that adheres to and commit to conducting business in accordance with the policy framework to be responsible for society and participation in continuous social development. The Company also adheres to the business practices on the good governance principles, code of conducts and participation in social development and environmental care under the principles as set forth by the Stock Exchange of Thailand (SET) in 3 areas which are: economy, society and environment that will help the Company to grow sustainably in consideration of shareholders, employees, customers, partners, society and communities.

Economy

- The Company has emphasized on and adhered to conducting business with good corporate governance and governance principles, as well as being involved in economic development by taking all stakeholders into account through the use of innovation for strategy and operation of the Company in driving the organization to strive for the goal of developing the organization for sustainable growth.

Society

- The Company operates the business in parallel with promoting and improving the quality of life of communities and society by supporting activities within various communities as appropriate, including encouraging employees to participate in community and social development on a regular basis.

Environment

- The Company aims to drive and support various operations to minimize environmental impacts by managing the use of utilities, energy and waste, such as electricity, solid waste, etc. to maximize the benefits as well as supporting products that are friendly to environment as well as enhancing occupational health and safety for everyone in the organization.



Scope of Corporate Social Responsibility

Corporate Governance

"The Company has held an annual general meeting every year and adhered to good corporate governance policy, as well as complying with relevant laws and related regulations, including good practices for the listed companies' directors and criteria for being a company with good corporate governance system as guided by the Stock Exchange of Thailand (SET)."



Marketplace

"The Company conducts business in accordance with the Company's Code of Conducts and organizes the activity to meet the investors every year to clarify information about the business and operations of the Company to securities analysts, investors and the media that attend the event as well as giving the opportunities for any interested parties to visit various technology demonstration centers within the Company."

Environment

"The Company concerns in conducting the business that is environmentally friendly."

Community and Society

"The Company is constantly involved in community and social development, such as participation in Children's Day activities, educational materials donation for computers, air conditioners, bookcases, stationery, sports equipment, etc., old calendar donation to produce Braille books and providing IT knowledge to teachers and students in nearby schools."

Workplace

"The Company has improved the workplace to be up-to-date and provided a complete exercise facility for employees to create a happy working environment and good health."



Overall Policy

The Company has defined CSR in process and CSR after process by driving various policies in accordance with the regulations of the Stock Exchange of Thailand (SET). The Company has appointed the Corporate Social Responsibility Committee and working group to implement various policies in practice and effectively and efficiently according to the policy as defined by the Company. The Company is committed to operate business in conjunction with social responsibility and a short-term goal to provide a sustainability report for all stakeholders to present the Company's systematic management of corporate social responsibility, including long-term goals to be one of the sustainable listed companies. Therefore, the Company has established the corporate social responsibility policy framework to be used as an operational guideline as follows.

Good 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. In addition, the Company gives the opportunity to the shareholders, investors or those interested in visiting the Company to exchange knowledge and ask questions, including visiting various technology demonstration centers within the Company.

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 in accordance with the Code of Conduct.



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 and 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 frauds and corruptions and refuse the corruption in all forms, both directly and indirectly. The Company also prepared a channel to report any incidents or complaints if there is any incident witnessed and involved in corruption within the organization to prevent and control such fraud to occur. The Company additionally participated in the activities held on the Anti-Corruption Day every year to show its intention of anti-corruption and encouraged the employees to participate in the activities organized on this National Anti-Corruption Day.

The Company has been accredited as a member of Collective Action Coalition Against Corruption (CAC) from 2016 and has implemented a policy of anti-corruption within the organization in all forms. The Company had run internal campaigns with public relations for the directors, employees and employees to understand the severity of the consequences of non-compliance with the policy framework or providing an e-learning test about the code of conducts, rules, regulations and policies regarding Company's anti-corruption that all employees were required for taking such tests. Additionally, the Company sent the letters to the customers, partners and entrepreneurs to show its intention in declaration of anti-corruption and requesting cooperation from all stakeholders to realize the importance of these matters.

In November 2018, the Company renewed the membership of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) after completion of the 3-year term of membership. In February 2019, the Committee of The Private Sector Collective Action Coalition Against Corruption had approved the renewal of membership of the Company. In this regard, the Company plans to share the anti-corruption guideline to the Company's suppliers as well as to exchange knowledge about the Company's operation with the partner companies to upgrade the level of potential development from the corporate level to the national level through collaboration to reduce any potential corruption.



Human Rights

The Company recognizes the importance of human rights principles which are fundamental rights by adhering to equality and fairness and supporting and respecting the protection of human rights and adhering to human rights principles based on human dignity to all stakeholders, including society, communities as well as customers, partners and every employee.

Equitable Treatment of Labor

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. Due to the poor weather conditions and the crisis in the air quality index of PM 2.5 dust in the Thai capital exceeded the standard level continuously in this year, it was found that PM 2.5 dust in the Thai capital exceeded the standard level continuously, the Company is aware of such dangers and therefore has distributed a standardized sanitary mask to all employees to prevent PM 2.5 dust and encouraged employees to pay attention to hygiene both at workplace and outside working hours.

Responsibility to Consumers

The Company is committed to creating satisfaction and confidence for customers who receive good products and services both before and after sales, including maintaining good relationships and trading with integrity and fairness.

Environmental Protection

The Company realizes that the business operation will directly and indirectly affect the stakeholders in the environment. Therefore, the Company is determined to drive and support various operations that may cause the least impact on the environment along with enhancing occupational health and safety in workplace for everyone in the organization. The Board of Directors has also set up an environmental policy to be used as a guideline for implementation and promotion by creating awareness for employees to use resources most



efficiently and save energy appropriately. In terms of business, as the Company is a printer distributor, the Company has selected the main product to be distributed as a printer with environmental protection features by using technology that requires no heat, dust, odor and smoke to operate the devices. As a result, this helps the customers to reduce the cost of the printer, tonner and electricity, as well as protecting the environment. In addition, the Company has undertaken various activities related to environment and energy development and conservation, such as campaigning for saving the water supply, use of electricity through solar power generation systems, reducing the amount of paper usage, recycling used items and supporting products and services that are environmentally friendly, waste management by separating waste before disposal, cycling in the Company instead of using cars, as well as improving the scenery and maintaining the environment within the Company regularly as to comply with the environmental and energy conservation standards in accordance with the environmental policy framework as specified by the Company.

Regarding occupational health and safety, the company has created a consciousness to educate and communicate environmental policy to employees and any personnel who performed any duties under the control of the Company to realize the importance of environmental protection, including providing regular environmental training courses on occupational health and safety for the personnel in the organization in order to raise the level of knowledge and strengthen the compliance guidelines in accordance with the environmental policy.

In 2019, due to the poor weather conditions and the crisis in the air quality index of PM 2.5 dust in the Thai capital exceeded the standard level continuously, the Company is aware of such dangers and therefore has distributed a standardized sanitary mask (N-95) to all employees to prevent PM 2.5 dust and encouraged employees to pay attention to hygiene both at workplace and outside working hours.

Community and Social Development

The Company promoted and supported various community and social development activities as appropriate, as well as encouraging employees to participate in community and social development on a regular basis. Additionally, the Company provided new technology knowledge by experts to students, teachers from nearby schools, companies and interested persons through visiting the modern technology demonstration center within the Company.

Creation and Diffusion of Innovation

The Company always encourages employees to innovate and develop new innovations that are relevant to the business operations of the Company in order to continuously develop the potential and technological innovations as well as being a part of driving the organization towards sustainability.



Operation and Reporting Processes

Reporting Processes

The Company has prepared and reported on the implementation of corporate social responsibility by having a Corporate Social Responsibility Working Group responsible for driving various policies and organizing the activities related to corporate social responsibility. The corporate social responsibility will be reported to the Corporate Social Responsibility (CSR) Committee in order to scrutinize the policy, activity, operational plan, annual budget and present to the Board of Directors. The CSR report has been presented in the annual information disclosure form (56-1), annual report (56-2) and the Company's website on an annual basis as specified by the Stock Exchange of Thailand (SET). The report has provided details of all aspects of the content for the benefit of investors, customers, partners, shareholders, other stakeholders to disseminate various information and to allow everybody to see all aspects of the business operation of the company and its efforts with social responsibility and according to the set forth criteria.

Operations

To perform the Corporate Social Responsibility (CSR in process), the Company operates its policies in various areas with fairness, anti-corruption manners, respect for the rights of stakeholders and environmental-friendly manners. The risk assessment and performance evaluation were conducted regularly. In 2018, the Company realized the social responsibility in the environment, occupational health and safety. Therefore, the environmental policy has been reviewed to update the contents in accordance with the current situation. The Company is committed to regularly drive and support various operations in accordance with the policy framework. For example, the Company had installed a solar cell on the roof and the parking building to save electricity and create a brand image of being eco-friendly. As a result, the electricity expenses in 2018 decreased from the previous year for 10,000 units or 4%. In this regard, the Company has set a goal to reduce electricity bills by not less than 1% every year, including supporting the community by providing information and opportunities for those interested in visiting the solar power generation system in the Company. The Company also provided a guidance on how to install the solar system, including the benefits of solar cell system to the other companies so that they can use the solar cell system within their companies.

In addition, the Company was aware of the importance of responsibility to all stakeholders and has implemented various social activities to create sustainable mutual benefits. By recognizing the importance of partners, customers, employees and the development of communities and society, the Company has merged these matters with its business operations. Therefore, the Company had set up a policy to support various



activities and projects before communicating to employees to create awareness and participation with such activities and/or projects.

The Company also recognized the importance of the customers and partners because these groups are classified as the important stakeholders of the Company and a part of the Company's supply chain. As a result, the Company has provided opportunities for customers, partners and outsiders to visit the solar cell system installation to observe the environmental management guidelines, as well as visiting the printing technology demonstration center and "PRINTSERV - Digital Printing Service Center", which is the latest comprehensive printing service center of the Company as one of the largest eco-friendly information technology companies in Thailand. These activities helped the customers' companies and the organizations to save energy and reduced the cost of printing. The Company has a process of used cartridges disposal by returning them to the product owner for recycling purpose. In 2018, the Company was awarded a certificate from the Hewlett-Packard (Thailand) in expressing appreciation for handling the used cartridges and the commitment to environmental sustainability by recycling and reusing items in increasing quantities each year.



In addition, the Company has provided the technological lectures by the Company's specialists for students of various institutions by aiming to increase knowledge, understanding and enhance skills and direct experiences for students.



The Company has organized activities **"Listed Companies Meet Investors"** at the Stock Exchange of Thailand (SET) on 21 March 2018 to present information about the Company's performance for the year 2017 and business strategies in 2018 to investors, the media or interested parties.

The **"Smart Classroom Project"** was organized by the Company through computer training workshop for learning materials creation for teachers from Kochapueakanusorn School on 8- 11 May 2018 at Kochapueakanusorn School.





Representatives from Company Secretary Group participated in the “**Sustainability Assessment Project**”, organized by Somboon Advance Technology (Public) Co., Ltd. in conjunction with the Stock Exchange of Thailand (SET). The representatives of the Corporate Social Responsibility Committee were also invited to participate in this project by aiming to educate the listed companies in preparation for business sustainability at Somboon Advance Technology (Public) Co., Ltd. on 8 August 2018.

The Company has organized a knowledge sharing program in “**The 7 Habits of Highly Effective People**”, for 4 sessions, on 10,12,17,20 September 2018 by aiming to pass the knowledge from the existing employees who previously passed this training course to the other employees from generation to generation. This program was to promote knowledge and stimulate employee learning at the same time.



“**METRO Brain Based Start Up**” project was organized to search for the best Start Up as well as seeking out the New Market/New Business Model to lead the Company to be a model in technology and be a valuable organization in innovation by encouraging employees to show their potentials, creativity, development and extension of existing technological innovations to become a business innovation.





Business Operation Affecting CSR

The Company operates the business with corporate social responsibility. There was no legal violation in matters related to corporate social responsibility principles, including good corporate governance, fair business operation, anti-corruption, respect for human rights, equitable treatment of labor, responsibility to consumers, environmental care, community and social development and innovation and dissemination of innovations. Such operations of the Company did not have a negative impact on society, the environment or any stakeholders at all.

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) Corporate Governance

The Company adhered to the good corporate governance policy as well as complying with the relevant laws, regulations and requirements as well as good practices for directors of listed companies and criteria for being a company with good corporate governance system that the Stock Exchange of Thailand (SET) has provided guidelines. Additionally, the Company participated in activities organized by the Stock Exchange of Thailand (SET) and the Company also organized various activities for the employees' involvement in helping the community, supporting social activities of the Company, as well as participating in activities for other public benefits as appropriate in compliance with the employees' code of conducts.

(2) Operation

The Company has always been committed to conducting business with code of conducts. This year, the Company participated in the **Sustainability Report Awards of Year 2018**, organized by the Thai Listed Companies Association and the Securities and Exchange Commission, in corporation with Thaipat Institute, and had been awarded a certificate on 7 December 2018 for being the Company that has fully disclosed the operational information on the social, economic, governance and environmental aspects.





(3) Environment

Under the **"METRO Green Clean Office"** project organized by the Company, separate trash bins were provided for every building within the Company. The recyclable waste will be sold as the Company's income and food waste types will be put into food waste shredders to become fertilizer for trees grown within the Company. In addition, the Company has collected the used staples and donated to the desired organization. The Company has publicized these activities to the employees for acknowledgement and strict compliance. The goal is to allow employees to separate waste to be 100% accurate so that everyone in the Company is aware of the importance of environmental preservation and the use of resources at maximum efficiency level.

(4) Community and Social Development

✚ The **"Children's Day 2017 Activity"** was organized by the Company to provide snacks and gifts as well as to participate in children's day activities at Kotchapuekanusorn School on 12 January 2018.



✚ The **"Old Calendar We Request"** activity held by the Company was to donate the old calendars obtained from the employees at the beginning of every year. By collecting and delivering the old calendars to the Educational Technology Center for the Blind Foundation for the Blind in Thailand under the Royal Patronage, the income from sales of calendars would be spent for a purchase of paper produced as Braille media for the visually impaired and delivered to the Social Security Office in order to forward to the Center for the Promotion and Development of the Quality of Life of the Disabled in the Northeast, Khon Kaen Province on 6 February 2018.

✚ Metro Systems Corporation (Public) Co., Ltd. (MSC) is committed to conduct business by recognizing its responsibility to the economy, society, community and environment. The Company, therefore, organized a charity run event under the **"METRO Run: Keep Running for Sharing"** project on Saturday, 24 November 2018 at the head office of Metro Systems Corporation (Public) Co., Ltd. More than 500 participants throughout the 90-minute run were from employees, subsidiaries and joint ventures and employees'



family members, as well as teachers from nearby schools. The Company donated 200 baht / person / round, there were approximately 600,000 baht for 2,993 rounds of running activity.

The income obtained from activities without deducting expenses will contribute to the purchase of teaching and learning media to students in all 7 nearby schools of (1) Kochapueakanusorn School (2) Klong Makhamtet School (3) Wat Taklam School (4) Wat Krathum Suea Pla School (5) Chorakhe Khob Mosque School (6) Thap Chang Mosque School (7) Sala Loi Mosque School, for the amount of 30,000 baht per school in order to increase knowledge and various learning skills to students to keep up with the more advanced technology world. The remaining funds will be donated to the other educational organizations.



The METRO Run project also provided benefits to everyone to be healthy and have the opportunity for charity donation, good friendships from colleagues, communities and society.

The Company has organized activity "Old lottery We Take" to allow employees to donate non-awarded government lottery tickets for other uses, such as wallpaper decorated in the temple. The activity will help in waste reduction and can help reduce environmental problems.



(5) Personnel Potential Development and Promotion

The Company focuses on all employee to realize and understand the 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 being a role model in their good corporate culture.



In addition to training courses on working duties, the Company also considers on the employees' health and safety in the workplace. The Company has provided annual health checks to all employees every year and organized **a screening program for cervical cancer and breast cancer** for female employees to facilitate screening processes from having the screening examination in the hospital.

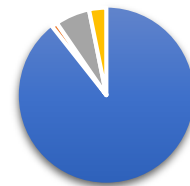
The Company has provided fire evacuation drills every year as a guideline for employees to know how to prevent themselves if such events occur and to comply with the Notification of Ministry of Interior, re: "Prevention and extinguishing of fire in the workplace for the employee's safety", which requires the employer to provide a fire evacuation drill at least once a year.

The Company has organized training courses on **safety, occupational health and workplace for the year 2018**. In this course, Safetech Co., Ltd. had educated employees every year in order to create awareness about the safety, occupational health and workplace for existing and new employees who have not previously trained. The aim of this training course was to allow the employees to effectively apply the knowledge gained from training on safety, occupational health and workplace in actual incidents. It is also a protection and reduce the risk of illness or injury in the workplace and daily life of employees. In 2018, there were 94 participants in the training course, divided into 84 employees from the Company and 10 employees are from the Company's affiliates.

To encourage employees to have regular health care, the Company has continuously organized exercise activities by providing a skilled trainer to be a leader in aerobic and yoga exercises every evening on Tuesdays and Thursdays. This activity creates awareness and good behavior in health care and providing an outdoor sports stadium for football, basketball, knock board and so on.

The Company also organized the Metro "LCC: Little Change Challenge Project" with AIA Vitality to allow employees to focus on exercise and encourage employees to have good health by allowing employees within the Company to participate in a nutritious diet program, exercising and keeping track of counting steps through the Vitality system of the AIA application. This was a 2-month program and encouraged employees to realize on the importance of health care by using correct methods.

94 employees attended the Safety, Occupational and Workplace Training Course.



■ MSC 84 persons ■ HIS 1 person
■ MCC 6 persons ■ MIT 3 persons





Prevention of Corruption Involvement

Anti-Corruption Policy

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 Company was firstly certified as a member of the Collective Action Coalition Against Corruption (CAC) on 22 April 2016. Currently, the Company has been renewed to be a member of the Collective Action Coalition Against Corruption (CAC) since 4 February 2019. 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 places great importance to the anti-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 2018, 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. As a result, over 90% of executives and employees have passed the test. The Company also provided anti-corruption campaigns within the organization by publicizing the policy via QR Code technology. In addition, the Company had participated in the anti-corruption campaigns jointly held by the government and private sectors on the National Anti-Corruption Day. The Company's management and employees attended the event for the 5th consecutive year.





CSR with knowledge sharing to society



Knowledge sharing

- ✚ Chandrakasem Rajabhat University
- ✚ Sasin Graduate Institute of Business Administration of Chulalongkorn University
- ✚ Thai-Nichi Institute of Technology
- ✚ Chiang Mai Rajabhat University
- ✚ Rajamangala University of Technology Lanna
- ✚ Huachiew Chalermprakiet University
- ✚ Buriram Rajabhat University
- ✚ Yala Rajabhat University
- ✚ Bangkok Suvarnabhumi University



CSR with environmental protection



Visit Solar cell Structure

- ✚ Nakornphet Sugar Limited
- ✚ The Parent-Teacher Association of Chulalongkorn University Demonstration School
- ✚ United Honda Automobile Company Limited
- ✚ WHA Utilities and Power Public Company Limited



Visit Company's Technology Center

- ✚ IPD Packaging Company Limited
- ✚ Sumitomo Rubber (Thailand) Company Limited
- ✚ Pharmicare Company Limited
- ✚ Kang Yong Electric Public Company Limited
- ✚ Thai Benkan Company Limited
- ✚ Dhanarak Asset Development Company Limited
- ✚ Aira & Aiful Public Company Limited
- ✚ Samart Corporation Public Company Limited
- ✚ Kulthorn Kirby Public Company Limited
- ✚ CST Supply Company Limited
- ✚ Thai radiator manufacturing Company Limited
- ✚ S.I.P.Siam Inter Pacific Company Limited
- ✚ Bangkok Post Company Limited
- ✚ Somboon Advance Technology Public Company Limited



Internal Control and Risk Management

As assigned by the Board of Directors, the Executive Committee is responsible for overseeing and evaluating the sufficiency of the internal control system. The Company has adopted the Internal Control System Sufficiency Evaluation Form prepared by the Securities and Exchange Commission (SEC) with the cooperation of PricewaterhouseCoopers Thailand (PwC Thailand) in the development of such evaluation form. This form is prepared as a tool to be a guideline for the company in evaluating the sufficiency of internal control of the company by itself according to the concept of The Committee of Sponsoring Organizations of the Treadway Commission (COSO), which defines the essential elements of internal control system in five areas: (1) Control Environment (2) Risk Assessment (3) Control Activities (4) Information and Communication System and (5) Monitoring Activities to ensure that the Company's operations have appropriate and adequate internal controls, including complying with the related laws, rules and regulations. The evaluation also had been conducted under the Corporate Governance (CG) framework and continuously certified by the Thailand Private Sector Collective Action Coalition Against Corruption (CAC) Program continuously since 2016.

To create the confidence in the operation with appropriate internal control, the Audit Committee has reviewed and evaluated the sufficiency of the internal control system from the management's operational information reported by the Internal Audit Department, which is responsible for reviewing the operations of all departments and reporting the results to the Audit Committee and the Board of Directors on a quarterly basis. For the evaluation of the sufficiency of the internal control system for the year 2018 according to the assessment framework in various areas, including internal control, risk assessment, operational control, information and communication systems and tracking system, it is found that the sufficiency of the Company's internal control system is right and appropriate. In addition, there was a suggestion from the Audit Committee to use the information technology system to improve work process continually.



Inter-Company Transactions

Currently, the Company has complied the policy on inter-company transactions according to the resolution of the Board of Director at the Meeting No.5/2018, dated on November 8, 2018 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 2018, 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 Internantional (1991) Co., Ltd. 2. United Flour Mill PLC. 3. MC Foods Co., Ltd. 4. MCF Marketing Co., Ltd. 5. MCF Producurs 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.Metro Co., Ltd. 12.Metro Group Co., Ltd. 13.Bangkok Industrial Gas Co., Ltd. 14.Samut Transport Co., Ltd.	Normal business	MSC revenue Product Sales - Service Sales - Other Sales MSC Expenditure: - Product Purchase - Service Purchase	 1,305,861 1,188,475 1,980,000 13,115,177 1,215,534	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. 1,6,11 have two same directors; Mr. Sunpitt Sethpornpong, Mr Suvij Suvaruchiphorn. Juristic Person no. 10,12 have the same directors; Mr.Sunpitt Sethpornpong. Juristic Person no.2-5,7-9,13-14 have the same directors; Mr Suvij Suvaruchiphorn.	Assets/Services	MSC Expenditure: - Assets Purchase - Other Expenses	 1,180,163 170,000	In accordance with the normal business based on the same price of product and service compared with external parties.



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

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. Metro Co., Ltd. 2. MC Bakery Co., Ltd. * The MSC Director, Mr. Sunpitt Sethpornpong is the main shareholder, with shareholding ratio at 15.45% in Juristic Person No. 1 and 16.67% in Juristic Person No. 2.	Normal Business	MSC Revenue: - Product Sales - Service Sales - Other Income - Other Expenses	467,600 75,600 387,000 64,580	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 above.	Normal Business	MSC Revenue: - Product Sales - Service Sales MSC Expenditure: - Service Purchase	57,375 -	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. * Metrophose Co., Ltd., MSC main shareholder is the main shareholder of Juristic Person No. 1-7.	Normal Business	MSC Revenue: - Product Sales - Service Sales - Others	1,694,438 184,200 610,000	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.
	Business Support	MSC Expenditure: - Insurance Premium - Other Expense - Goods purchasing	1,371,715 3,100,470 -	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 Sethpompong 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	25,920	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	255,336	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.	Business Support	MIT Revenue: - Product Sales - Service Sales	- 4,563	In accordance with the normal business based on the same price of service compared with external parties regarding to the terms and conditions of general trade.
		MIT Expenditure: - Other Expense	-	

6.4 Metro Info Dynamics Co., Ltd.

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

6.5 HIS MSC Co., Ltd.

Related Person/ Juristic Person	Type of Transaction	Characteristics of Transaction	Transaction Value (Baht)	Necessity and Reasonability
1. UFM Food Center Co., Ltd. * Metrophose Co., Ltd., MSC main shareholder is the main shareholder of this juristic person.	Business Support	HIS Expenditure: - Other Expense	131,047	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.2/2018 on 25 February 2019 on which there was an attendance of the Audit Committee and the Board of Directors, the inter-company transactions of year 2018 were deemed to be necessary, reasonable and for the maximum benefit of the Company. Currently, all of the four related transactions are transactions with trade agreements that are arranged in the same way that any ordinary prudence ought to do with his contractual party in the same situation.

Policy or trend of Inter-Company Transaction

The Company has established a policy and the possibility of future related transactions were prescribed as follows.

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

The Board of Directors of the Company is responsible for ensuring that the possible future related transactions are in accordance with the Law on Security and Stock Exchange, regulation, notification, order or specification of the Stock Exchange of Thailand or other related agency, as well as the requirement regarding the disclosure of related transaction information and the acquisition or disposal of major assets of the Company.

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

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



Financial Summary

	Consolidated Financial Statements			Separate Financial Statements		
	2018	2017	2016	2018	2017	2016
Statements of Comprehensive Income						
Total Revenues (Million Baht)	8,051	7,444	7,701	6,194	6,176	6,614
Revenues from Sales and Services (Million Baht)	7,974	7,395	7,651	6,104	6,089	6,534
Net Profit (Loss) (Million Baht)	283	235	188	243	219	178
Statements of financial Position				0	0	0
Total Assets (Million Baht)	3,510	3,156	3,136	2,604	2,553	2,590
Total Liabilities (Million Baht)	1,648	1,417	1,508	1,078	1,115	1,246
Total Equity (Million Baht)	1,862	1,739	1,628	1,526	1,438	1,345
Net Profit (Loss) (per share)	0.79	0.65	0.52	0.67	0.61	0.49
Dividend (per share)				0.43	0.35	0.30
Financial Ratio :						
Gross Profit Margin (%)	15.8	15.9	14.2	17.2	15.9	13.7
Net Profit (Loss) Margin (%)	3.5	3.2	2.4	3.9	3.5	2.7
Dividend (%)	-	-	-	70.6	71.0	72.8
ROA (%)	8.5	7.5	5.8	9.4	8.5	6.7
ROE (%)	15.7	14.0	11.8	16.4	15.7	13.6
Current Ratio (Times)	1.7	1.9	1.7	1.8	1.8	1.6
Debt to Equity Ratio (Times)	0.9	0.8	0.9	0.7	0.8	0.9
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)	5.17	4.83	4.52	4.24	3.99	3.74



Analysis and Explanation from The Management

Operating Performance

The overall Thai economy in 2018 grew at 4.1%. The main supporting factor came from tourism-related activities that began to recover. While the industrial sector was driven by domestic demand instead of exports, the personal computer market continued to decline. However, the computer services and software solutions markets have grown. Resulting in the year 2018, the Company has revenue from product sales and services of 7,974 million baht, an increase of 8% from the hardware product group and software solutions. In addition, the Company still has a policy of focusing on selling products that are of a high standard and, therefore, the Company has retained a gross profit margin close to the previous year. The Company had a net profit of 283 million baht, an increase of 21%.

Revenue

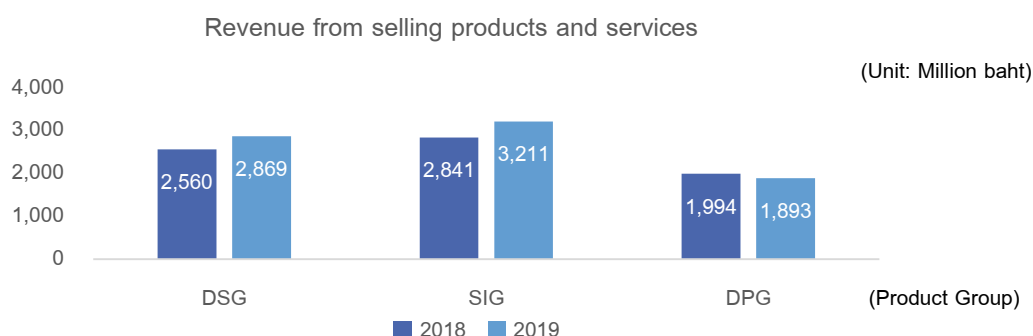
The Company has revenue from selling products and services by business groups. The details are as follows:

- Revenue from Digital Solution Group (DSG) was 2,869 million baht, or equivalent to 36%, Increasing by 12% from the previous year due to the sales of medium-sized computers and large-sized servers mainly due to the Company focusing on sales of higher standard products.

- Revenue from Solutions Integration Group (SIG) was 3,211 million baht, or equivalent to 40%, Increasing by 13% from the previous year, which was largely due to an increase sales of network, applications, software infrastructure and software license.

- Revenue from Digital Printing Group (DPG) was 1,893 million baht, or equivalent to 27%, Decreasing by 5% from the previous year, The decrease was due to the customers switching to printer rental contracts upon the cost per sheet. Therefore, the result of printer supplies sales decreased.

Gross profit margin in the year 2018 was 15.9% was close to the figure of 2017, which stood at 15.8%, due to the Company focusing on sales of higher standard products and changing the strategy from the office supplies products sales to the long-term purchase contracts.





Expenses

The Company's expenses consist of:

- The sales and administrative expenses increased from the previous year by 58 million baht by comparing to the proportion of revenue derived from sales of goods and services in 2018. However, expenses ratio of 12.2% of 2018 was decreased when compared to the expenses of 12.3% in 2017. The increased expenses are mainly for promotional expenses and employee expenses.

- The financial costs were decreased from the previous year by 0.5 million baht or equivalent to 0.23% when compared to the revenue from sales of goods and services in 2018. This figure was close to 2017 at 0.24%.

- The income tax was increased by 4 million baht due to the company had increased profit before income tax in comparison to 2017. This figure represented 0.8% in ratio equal to that of 2017 when compared to the proportion of revenue from sales of goods and services in 2018.

As a result, the net profit of the Company was 283 million baht, compared to that of 235 million baht in 2017, an increase in the amount 48 million baht or 21%. The improvement in net profit was mainly the result of increased sales for 578 million baht. The gross profit increased by 79 million baht, which is more than the increased expenses.

The ratio of profitability shows the Company's net profit margin of 3.5%, an increase from the previous year, which have a net profit margin of 3.2%. The return on equity was 15.7%, increasing from the previous year of 14%.

Financial Position

Assets

At the end of 2018, the Company had total assets of 3,510 million baht, increasing by 355 million baht, compared to the end of previous year, the total assets consisted of current assets of 2,447 million baht or 70% of total assets and non-current assets of 1,064 million baht or 30% of total assets. The main reasons for the assets increase were as follows.

- The current assets of 2,447 million baht increased by 269 million baht due to the trade and other receivables after deducting an allowance for doubtful accounts which have increased by 653 million baht. The inventory was increased by 71 million baht. The financial lease receivables due within one year was also increased by 60 million baht. Other current assets were similarly increased by 19 million baht. Cash and cash equivalents were decreased by 14 million baht and the temporary investment was reduced by 520 million baht



due to a decrease of 29 million in the fixed deposits and a decrease of 492 million baht in the investments in money market funds.

Trade and Other Accounts Receivables

The Company's trade and other accounts receivables after deduction of allowance for doubtful accounts at the end of 2018 was equal to 1,362 million baht, increasing by 532 million baht. Most of the accounts receivable in proportion to 81% are unpaid debtors. For the remaining 19%, the debtor is in the process of following up payments. There was account receivable with the due term over 1 year in the amount of 0.09 million baht and debtors being under legal proceedings in the amount of 40 million baht, which are the debtors who are under the debt installment payment plans and on the process of debt collection. The Company estimated the allowance for doubtful account by considering each debtor under the Company's receivable account criteria to evaluate the debtors' circumstances. In 2018, the Company estimated the allowance for doubtful accounts of 38 million baht or 3% of total receivable accounts. The Company has an average debt collection period of 53 days from sales in 2018. The unbilled receivables at the end of 2018 were 195 million baht, an increase of 112 million baht.

Other account receivables at the end of 2018 were 105 million baht, an increase of 8 million baht. Mainly from accrued income and prepaid expenses.

Inventory

The Company has inventories after deducting allowance for diminution in the value of goods at the end of year 2018, equal to 447 million baht, increasing by 71 million baht from the year 2017. The Company's inventories were comprised of finished goods, work in progress and goods in transit. The average sales period was 20 days in accordance with the risk control and protection management policy of the Company.

- The non-current assets were 1,064 million baht, an increase of 86 million baht due to an increase of 61 million baht in financial lease receivables, an increase in withholding tax by 42 million baht, deferred tax assets increased by 7 million baht, the intangible assets increased by 3 million baht, the investment in associated companies increased from profit sharing of 0.7 million baht, the land, buildings and equipment (net) decreased by 28 million baht and the deposits for guarantee decreased by 0.4 million. Additionally, the Company has a Return on Fixed Assets (ROFA) by 65.2%.

Liquidity

Cash flow

As of 31 December 2018, the Company had net cash and the equivalent decreased by 14 million baht, thus equivalent to 54 million baht. The main reasons were as follows.



- The net cash received from the Company's operating result was 297 million baht. This was mainly profit before tax (excluding cash) of 474 million baht, an increase in trade and other accounts receivables at 657 million baht, the finance lease receivables increasing by 121 million baht, an inventory increasing by 54 million baht, other current assets increasing by 19 million baht, trade and others accounts payables increasing by 193 million baht, other current liabilities increasing by 9 million baht. As a result, the Company had net cash spent in operating activities of 175 million baht. The employee benefit paid 11 million baht. The Company paid net tax of 111 million baht, thus, giving net cash from operations of 297 million baht.

- The net cash derived from the Company's financing activities was 493 million baht due to the Company had cash received from the distribution of temporary investment fund of 492 million baht, a 12 month fixed deposit decreased by 27 million baht, bank deposits for guarantee decreasing by 2 million baht, cash received from the sale of lands, buildings and equipment and intangible assets of 7 million baht, and increased investment from fixed assets and intangible assets of 54 million baht from investment in equipment office supplies. And furnishings Paying assets payable 0.8 million baht Interest income 18 million baht

- The net cash spent on the Company's investment activities was 210 million baht as the Company had cash received from bank overdrafts and short-term loans from financial institutions of 173 million baht. Cash paid from short-term loans from other companies was 76 million baht. Cash received from sale and lease back was 57 million baht. The long-term loans were decreased by 25 million baht. The payment of liabilities under finance leases was 161 million baht. Purchase of investment of subsidiary company 2 million baht. The financial costs amounted to 19 million baht and dividend payment 156 million baht.

Significant Liquidation Ratio

As of 31 December 2018, the Company had a D/E ratio of 0.9 time, increased from the figure in 2017. This resulted from the increased liability from the bank overdraft and short-term loans from the other companies, trade 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 2018 was -0.8 time, decreasing 1.6 times from the figure in 2017. In 2018, the cash flow of the Company's operation was 297 million baht due to a decrease in the operations and an increase in trade and other receivables of 657 million baht. The financial lease receivables were increased by 121 million baht. The inventory has increased by 54 million baht. Other current assets were increased by 19 million baht. Similarly, trade and other payables were increased by 193 million baht and the other current liabilities were increased by 9 million baht. The employee benefits paid 11 million baht. The Company also paid debts of 187 million baht, purchased assets of 54 million baht and paying dividend 156 million baht.



The Liquidity Ratio as of the end of year 2018 was equal to 1.7 times, which has decreased from the previous year, due to the Company having collection period from 46 days to 53 days. However, the payment period from 40 days to 38 days. The average sales period was on the contrary decrease from 21 days to 20 days. The quick liability ratio as of the year end of 2018 was at 1.2 times which was increased for 0.3 time from the figure of the year 2017, mainly from the increase of trade and other receivables after allowance for doubtful accounts of 653 million baht. Additionally, the amount of trade and other payables was increased by 191 million baht.

Source of Funds

Liability

The total liability at the year end of 2018 was 1,648 million baht, an increase of 231 million baht from the previous year. The total debt consisted of the current liability of 1,414 million baht or 86% of the total debt and the non-current liability at 234 million baht or 14% of the total debt. The main reasons for the increase in debt were as follows:

- Current liabilities of 1,414 million baht, an increase of 264 million baht, resulting from an increase in bank overdraft and short-term loans from other financial institutions of 173 million baht, an increase in trade and other payables of 191 million baht. The Company had an account payable of 766 million baht, an increase of 130 million baht. The Company had a repayment period of 38 days. The other account payable amount stood at 287 million baht, an increase of 61 million baht, consisting of accrued expenses, deposits and advances of cash received, other current liabilities increased by 9 million baht, the short-term loans from other companies increased by 76 million baht, the long-term liabilities due within one year decreased by 5 million baht, the long-term liabilities under financial lease contracts due within one year decreased by 25 million baht and income tax payable decreased by 3 million baht.
- Non-current liabilities of 234 million baht, a decrease of 33 million baht, resulting from a decrease in long-term loans from financial institutes of 20 million baht, a decrease of liabilities under financial lease contract by 17 million baht, an increase in employee benefits obligations by 0.6 million baht, and an increase in liabilities on deferred tax by 4 million baht.

Shareholders' Equity

The Shareholder's equity at the end of year 2018 was 1,862 million baht, increasing by 7% due to the net profit in 2018 was 283 million baht. The Company paid dividends in 2018 at the rate of 0.43 baht per share, equivalent to the total dividend payment amount of 155 million baht.



Liability Commitments and Off-balance Sheet Management

The Company engaged in lease contracts as follows.

The Company has car lease contracts for 5 years, which cannot be terminated at any time. As of 31 December 2018, the minimum future payment within one year was 11.5 million and 20.5 million baht to be paid within 5 years.

The Company has disclosed this information in the Note of Financial Statement, Clause 31 of financial statements of year 2018.

Factors which may affect the financial status or future performance

- None -



Report of Audit Committee

The Audit Committees of Metro System Corporation (Public) Co., Ltd., are fully qualified and have experience in law, accounting, finance, information technology and management. The Audit Committee independently performs duties as assigned by the Board of Directors according to the scope as specified in the Charters of the Audit Committee which has been reviewed in accordance with the current situation and approved by the Board of Directors based on the criteria and guidelines in accordance with the regulations of the Stock Exchange of Thailand and their good corporate governance policy. The Audit Committee consists of 3 members. There were six meetings held in the previous year. Each member of the Audit Committee attended the meetings as follows.

Name	Position	Qualification	Meetings
Mr. Pravit Chattalada	Chairman of Audit Committee	Independent Director	5/6
Dr. Virach Aphimeteetamrong	Audit Committee	Independent Director, specialized in accounting and finance	5/6
Mr. Chacree-Amorn Tirachlisoonthorn	Audit Committee	Independent Director	6/6

In 2018, the Audit Committee has discussed matters with 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 to acknowledge the explanations from CPA, Management and Internal Auditors. However, the Audit Committee also held a joint meeting with the non-executive directors last year. In addition, the Audit Committee annually assesses their performance according to the following significant issues.

Financial Statement

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



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

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

Internal Audit

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

Good Corporate Governance

The Company has appropriately complied with the good corporate governance policy and Code of Conduct and reviewed the good governance policy to be up-to-date and suitable for the environment of the organization and to maintain a transparent and auditable management system. The Company is additionally committed to conducting business in accordance with sustainable development under the principles of good corporate governance by referring to the Stock Exchange of Thailand (SET) and the Thai Institute of Directors (IOD). As a result, the Company can analyze the strengths, weakness and the overall details of good corporate governance and develop, improve and apply to its subsidiaries as appropriate for the business. There are various communication channels within the Company. 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 communications relating to fraud incidents are also reviewed to be in line with the good corporate governance principles and the Code of Conduct.

Internal Control and Risk Management

The Audit Committee has reviewed the efficiency and effectiveness of the risk management procedures where they were the responsibility of the Risk Management Committee in both internal and external factors of the risk management framework. The Company's risk management, review and monitoring plan were also evaluated. The Report of Risk Management of the Company was prepared by the Risk Management Team. The Risk Management Committee has set up specific measures to support the plan and has a follow-up procedure to assess the adequacy of the internal control system. Additionally, the Company held risk management meetings within the business group and among the Risk Management Sub-Committee and offered reports to the Board of Committee. The Company ensured that the risk management plans and management direction are consistent with the Company's policies.



Nomination and Remuneration of Auditor

The Audit Committee has considered, selected and appointed KPMG Phoomchai Audit Co., Ltd. to be the Company's auditor and set the audit fee for the year 2018 which was presented to the Board of Directors and proposed to the shareholders' meeting for the year 2018 to consider the appointment and approval of the audit fees. The Company's audit team for the year 2018 was represented by Miss Marisa Tarathonbanpakun, with CPA License No. 5752, Mr. Veerachai Ratanacharaskul, with CPA License No. 4323, Miss Pattamawan Wattanakul, with CPA License No. 9832.

The Audit Committee therefore believes that the Audit Committee has fully performed its duties as assigned by the Board of Directors, by using their knowledge and prudence with adequate independence, as well as providing constructive comments and suggestions for the benefit of all stakeholders equally.

Pravit Chattalada

Chairman of Audit Committee



Report of Corporate Social Responsibility Committee

Dear Shareholders,

The Corporate Social Responsibility (CSR) Committee was initially appointed at the meeting No 5/2015, held on 6 November 2015 to serve for the term of office for 2 years. In 2017, the Board of Directors' meeting No. 5/2017, held on 10 November 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. Pravit Chattalada	Chairman of Corporate Social Responsibility Committee
2	Mr. Kitti Techataveekijkul	Corporate Social Responsibility Committee
3	Mr. Wanarak Eakachai	Corporate Social Responsibility Committee

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

The CSR Committee is committed to ensure that the Company conducts its business in an ethical manner with the principles of corporate governance. The CSR Committee has conducted its duties as assigned by the Board of Directors thoroughly. In 2018, the CSR Committee has participated in three meetings to consider the various issues regarding the following.

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

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



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

3.1 Good Corporate Governance

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

- Sustainability Assessment Project, held by Somboon Advance Technology (Public) Co., Ltd. and SET: The invitation was sent out to the representatives of the Corporate Social Responsibility Team to participate in this project by aiming to educate listed companies in preparation for business sustainability at Somboon Advance Technology (Public) Co., Ltd.

- CSR Club Forum: "Why Supply Chain Sustainability Opportunities", organized by Thai Listed Companies Association: The objective was to learn about the business in the 4.0 era and the "sustainability" and "relationship" management in the supply chain which are an important business strategy for long-term sustainable growth opportunities.

■ Anti-corruption: As the Company is a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC), the Company has campaigned and implemented anti-corruption as follows.

- To renew the membership of the Thai Private Sector Collective Action Coalition Against Corruption (CAC), which will be expired after 3 years on 21 April 2019. The Company has thus submitted the application for membership renewal to meet the schedule since the last quarter of year 2018.

- To join the Anti-Corruption Day activities in 2018 under the concept of "Thai People Against Frauds" organized by the Anti-Corruption Organization (Thailand). The CSR Committee has communicated on the National Anti-Corruption Day to everyone in the organization to acknowledge the importance of this day and the relevant penalties for any employees involved in corruption. During 2018, none of these types of case were reported through the hotline channels available to report any incidents and complaints about improper conduct according to Code of Conduct, or any involvement in corruption or human rights being violated in any way.

- To exchange knowledge with Somboon Advance Technology (Public) Co., Ltd. about operational guidelines on the implementation of the Private Sector Collective Action Coalition Against Corruption (CAC).

- To prepare and organize a test via the system (E-Learning) for all executives and employees to evaluate their knowledge and understanding of the Code of Conduct, policies and regulations of the Company.

- To review any policy on anti-corruption and further relevant adjustment as appropriate and propose to the Board of Directors for approval.



3.2 Marketplace

The Company operated the business according to the Company's Code of Conduct and arranged for an Investors Day activity every year to clarify information about the business and the operations of the Company to securities analysts, investors and the media. In this regard, the Company also provided opportunities for shareholders, investors or interested parties to visit the Company to exchange knowledge and ask questions, as well as visiting various technology demonstration centers within the Company. In addition, the Company has improved the Company's website in the section of "Corporate Social Responsibility" to provide up-to-date, complete and accessible information.

3.3 Environment

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

- To campaign for energy saving by turning the power off when not in use in order to reduce the corporate expenses. As a result, the power expenses in 2018 were reduced from 2017 by 10,000 units or equivalent to a 4% decrease. The Company also acted as a prototype company to save electricity consumed by providing information and opportunities for those interested in visiting the solar power generation system installed within the Company.
- To campaign for waste management before disposal and promote recycling by separating the types of waste and providing separate trash bins for every building within the Company and publicize to employees for acknowledgment and to put into common practice.

3.4 Community and Social Development

The Company has continuously developed community and society by supporting activities within various communities as deemed appropriate. Additionally, the Company encouraged the employees to regularly participate in community and social development, as well as providing specialists and knowledge of new technology to students and teachers from schools within the vicinity and other interested persons through the modern technology demonstration center within the Company. The activities for community and social development organized by the Company are listed as follows.

- To provide opportunities for students of various educational institutions to learn and observe the work on the Company's information technology systems, such as visiting various technology demonstration centers within the Company. This activity aimed to enhance the students' knowledge beyond classroom learning and was ideal in preparing them for real work in their future careers. Many useful lectures were also provided for future operations through the Company's specialists.
- To support the activities on "National Children's Day of the Year 2018" by organizing the kiosks to provide sweets and gifts, as well as participating in activities on the occasion of the National Children's Day and sports at Kochapueak Anusorn School located within the community area.
- To organize the activity "Old Calendar We Request" by accepting donations of old calendars from employees and delivering them to the Educational Technology Center for the Blind Foundation for the Blind in Thailand under the Royal Patronage. The income from sales of old calendars is used to help



to buy paper produced as Braille media for the visually impaired and delivered to the Social Security Office to forward to the Center for the Promotion and Development of the Quality of Life of the Disabled in the Northeast of Thailand in Khon Kaen Province.

- To donate educational materials to improve the classroom for Kochapueak Anusorn School and Khlong Makhamtet School under the Intelligent Classroom Project. These activities were initiated to support the learning process of students in nearby schools and appropriately and effectively develop the potential for the integrated education of students through instructional media and modern technological innovations provided by the Company.

- To organize the activity of "METRO Run: Keep Running for Sharing" by allowing employees and their family, including teachers from nearby schools to join the charity run around the Company. The charity money was donated by the Company to buy teaching materials for students in 7 schools in the vicinity by aiming to increase knowledge and various learning skills for students to keep up with the advances in the technological world of the future.

3.5 Workplace

The Company has always updated the workplace and allocated resources to provide a complete exercise facility for employees to be happy in the work environment and have good physical health. In addition, the Company has provided activities to develop staff potential, as well as encouragement to employees to participate in various activities held regularly by the Company as follows.

- To organize the appropriate training courses for employees according to their knowledge and capabilities in order to encourage employees to succeed in their career in their related field at their full potential level.

- To encourage the employees to have good health by organizing weekly exercise activities for employees, such as aerobics and yoga, and to provide an outdoor sports stadium for football, basketball, knock board, and so on.

- To organize the METRO Brain Based Start Up Project, aiming to search for the best Start Up, as well as seeking out businesses that can create the New Market/New Business Model, in order to continue for MSC to be a leader in technology and a valuable innovation organization. The Company also encouraged employees to show their potential in creativity, development and the extension of technological innovation to be protected as the Company's intellectual property.

- To encourage the employee's participation by organizing regular activities and requesting cooperation from employees in terms of being a volunteer in joining social responsibility activities and cultivating in depth the organization's culture among employees and giving the opportunity to nominate any employees with a good behavior model for the METRO Award on a quarterly basis.

- To provide a relaxing garden in the area beside the building G and F as a resting place for employees and/or visitors during their leisure time.

4. The Corporate Social Responsibility Committee prepared a report on the Corporate Social Responsibility Committee to report on its operational performance in the year 2018.

The CSR Committee thus believed that the operation of the Corporate Social Responsibility Committee in the year 2018 was implemented in accordance with the plans as specified and assigned by the



Board of Directors and the employees of the Company also were aware of the importance of corporate social responsibility, community and the environment which will help the Company to grow sustainably.

Date: 23 January 2019

On behalf of Corporate Social Responsibility Committee

Pravit Chattalada

(Mr. Pravit Chattalada)

Chairman of CSR Committee



Report of Nominating and Remuneration Sub-Committee

Dear Shareholders,

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

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

The Nominating and Remuneration Sub-Committee consists of at least three members of an independent director, non-executive director and executive committee 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 for approval by the Meeting of Shareholders, to consider the suitable candidates for the position of CEO 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 CEO for approval and/or consideration at the shareholders' meeting to motivate and retain the members of Committees, Sub-Committees and CEO each year, having the responsibility to the Board of Directors and to clarify questions about the Nominating and remuneration of Directors and senior management in the shareholders' meeting, and report the Nominating and Remuneration Policies and disclose them in the Annual Report.

In 2018, the Nominating and Remuneration Committee held 3 meeting to consider various matters. All members of the Nominating and Remuneration Committee attended every meeting to follow up and consider important issues assigned by the Board of Directors. The meetings can be summarized as follows.

1. To consider the nomination of directors who will replace those retired by rotation for the year 2018 and propose to the Board of Directors for approval at the shareholders' meeting.
2. To consider the remuneration of Directors and Sub-Committees for the year 2018 and propose to the Board of Directors for approval at the shareholders' meeting.
3. To follow up the succession plan to ensure continuity of important positions and to maintain and develop personnel to be ready for any changes that occur at any time.
4. To consider the recruitment of directors qualified in terms of skills, experience and specific talents that are beneficial to the Company to allow the Board of Directors to have a variety of knowledge and experience.
5. To consider the recruitment of the experts in relation with the business operations of the Company to educate the Company's executives and the management to increase skills and experience. This special training by experts has taken place in May 2018.



6. To consider nominating the Audit Committee who completed the term of office on 28 August 2018 and propose to the Board of Directors for approval.

7. To consider recruiting the president and vice president of the Company and propose to the Board of Directors for approval.

8. To prepare the Report of the Nominating and Remuneration Sub-Committee to report the operational performance of year 2018.

The Nominating and Remuneration Sub-Committee has the opinion that their operation plan during the year 2018 has been achieved as assigned by the Board of Directors. The nomination for Directors and Executives and remuneration for Directors and Executives has been considered appropriately and at a level that helps in maintaining the Board of Directors, Sub-Committees and Executives of the Company for the organization's benefit and sustainable development.

Date: 23 January 2019

On behalf of Nomination and Remuneration Sub-Committee

Suvij Suvaruchiphorn

(Mr. Suvij Suvaruchiphorn)

Chairman of Nominating and Remuneration Sub-Committee



Report of the Corporate Governance Sub-Committee

Dear Shareholders,

The Corporate Governance Sub-Committee was initially appointed by the Board of Directors at meeting No. 5/2015, held on November 6, 2015 to serve for the term of office of 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 the chairman. The scopes of the Corporate Governance Sub-Committee's duties are to offer practical guidelines, provide good corporate governance and guidance on good practice regarding codes of conduct and integrity in business operation to the directors, executives, employees and staff consistently and appropriately, consider, review and improve the policy on corporate governance so that the Company's corporate governance policy will be up-to-date and in line with international standards and practices, rules, laws and regulations, evaluate the performance of the directors and management under the good corporate governance principles and report to the Board of Directors. The Sub-Committee also offers and accepts necessary suggestions and feedback from outside and within the organization and performs any further duties as assigned by the Board of Directors in each period.

In 2018, the Corporate Governance Sub-Committee operated according to the assigned roles and duties and held three meetings to consider the following issues:

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



good practice on ethics and codes of conduct for directors, executives and employees of the Company to be in line with the Company's strategy for year 2018.

2. To regularly consider and review the following policies:

- Governance control policy to supervise the operations of subsidiaries and procurement and vendors inspection policy. The contents of such policies remain complete, can be used as a reference in practice and are in accordance with the current legal regulations. Therefore, no content has been modified.

- Disclosure and transparency policy and Code of Conduct were Improved by updating various contents according to the facts and in line with the current regulations.

- Regulations regarding the procurement bidding were added in the section of the company's documentary evidence in the bid submission. Additionally, the provisions for products and service supplies to be sold to customers, rules for the appointment of import-export agents, criteria for checking business partners, and terms and conditions for work inspection were compiled together in one document for convenience purpose and easy understanding to those involved.

- Good Corporate Governance Handbook was revised to be in line with the new CG Code, which contains a total of 8 categories, however it has divided the contents into 5 sections as per the previous version. In the Rights of Shareholders section, the details about the conditions of the Annual General Meeting invitation letter and meeting documents, opportunity for shareholders to propose agenda and/or the nomination for directors at the annual general meeting, and advance questions submission were modified. In the Equitable Treatment of Shareholders section, the additional details on awareness of the information misuse was added. For the Roles of Stakeholders section, the information on business operation with partners and creditors were edited. In the Disclosure and Transparency section, more information about those who are responsible for disclosing information was added and regular revision of Disclosure and Transparency Policy are applied. In the section of Liabilities of the Board of Directors, the appropriate application for good corporate governance principles was specified to suit with the business context.

3. To continuously supervise and provide the directors to attend the training course to enhance their knowledge and encourage the directors to attend various courses offered by the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand (SET), and the Securities and Exchange Commission. Some external qualified experts were also invited to provide useful knowledge to allow the directors to perform their duties in line with the 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 was conducted in an effective and transparent manner in accordance with good governance principles and the AGM Checklist criteria. As a result, the Company has been awarded for the qualified annual general meeting from the Thai Investors Association a score of 97% which was higher than the average overall score for listed companies of 92.42%.



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 was under the supervision of the Thai Institute of Directors (IOD), resulting in the Company's 88% which is equal to SET100 score. This was 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 agenda of the Annual General Meeting of Shareholders and to nominate persons to be elected as directors prior to the Annual General Meeting of Shareholders Year 2019 from 1 September to 30 November 2018.

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 2019 before the expiry of the given period.

7. To prepare a report of the Corporate Governance Sub-Committee, in order to report upon operational performance for the year 2018 to the Board of Directors.

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

Date: 30 January 2019

On behalf of Corporate Governance Sub-Committee

Virach Aphimeteetamrong

(Dr. Virach Aphimeteetamrong)

Chairman of Corporate Governance Sub-Committee



Report of Risk Management Sub-Committee

Dear Shareholders,

Metro Systems Corporation Public Company Limited has implemented an Enterprise Risk Management System and authorized The Risk Management Sub-committee to supervision risk management to be effective and efficient and to ensure that the Company cover all possible risks under the principles of Good Corporate Governance. The Risk Management Sub-Committee have authority and duties as assigned by the Board of Directors from December 1, 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 Eakachai	Risk Management Sub-Committee
4	Mr. Thongchai Lumveerakul	Risk Management Sub-Committee
5	Mr. Aroon Tor-ekbundit	Risk Management Sub-Committee
6	Mr. Veeraphan Durongsang	Risk Management Sub-Committee
7	Mrs. Nittaya Thanaviriyakul	Risk Management Sub-Committee

The Risk Management Sub-Committee shall have the following duties:

- 1) To establish the policy, management strategies and risk management framework for 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 applied in practice.
- 5) To report to the Board of Directors on risk management and major risks management regularly.
- 6) To perform other duties as assigned by the Board of Directors in each period.

In 2018, the Company has established internal risk management systems for 5 business groups, namely those of Digital Solution Group (DSG), Solutions Integration Group (SIG), Digital Printing Group (DPG), Supporting Group and Metro Connect Co., Ltd. The Risk Management Sub-Committee attended every quarterly meeting throughout the year in order to offer the information and to consider various issues for the preparation of the risk management system. The summary of the meetings was detailed as follows.

- 1) To review the criteria of operational framework, charters, and risk management handbook in the Risk Management Sub-Committee's meeting No.1, held on January 24, 2018.



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

3) To consider the corporate risks of year 2018 by dividing into 3 groups, which are: Business Interruption, Regulator and Compliance, and Talent Shortage and to monitor further corrective action.

4) To prepare a Report of Risk Management to report on the operational performance for the year 2018 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 2018 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: 23 January 2019

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 2018

(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 2018
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 2018, 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 2018 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 8	
The key audit matter	How the matter was addressed in the audit
<p>The Group's customers include a variety of small-sized to large-sized companies, financial institutes, governmental divisions, state enterprises and educational institutions. The Group has trade accounts receivable overdue longer than 6 months and certain balances that are the subject of legal actions.</p> <p>The Group estimates the allowance for doubtful accounts considering on a receivable by receivable basis with reference to receivables aging report, the receivable's ability to pay and timing of payment in the future and the Group's receivable monitoring process. Therefore the estimation of recoverable amount involves a high degree of management judgment in determining the allowance for doubtful accounts. Therefore, this matter is key area of focus in my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> □ Understanding and testing the design and implementation and the effectiveness of internal controls over the credit approval process, receivables monitoring process, collection process and allowance for doubtful accounts estimation process; □ Assessing the appropriate of allowance for doubtful accounts estimation by considering the historical cash collection trends, each receivables' ability to pay, as well as information relating to the receivables in the lawyer's confirmation, and testing the reversal of allowance for doubtful account provisioned for in the previous year and also testing the mathematic accuracy; □ Sampling the receivable aging report and testing with related document and testing the mathematic accuracy; □ Testing the receipt of cash after the reporting period on a sample basis; □ Analysing receivables that were overdue longer than normal credit term which no allowances were provided for; and □ Considering the adequacy of the disclosures in accordance with the Thai Financial Reporting Standards.

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.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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
25 February 2019

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	
		2018	2017	2018	2017
(in Baht)					
Current assets					
Cash and cash equivalents	6	53,632,278	68,073,921	39,143,142	33,845,044
Current investments	7	10,496,933	530,776,806	66,685	368,873,473
Trade and other accounts receivable	5, 8	1,662,031,754	1,009,063,730	1,159,055,048	875,375,962
Current portion of finance lease receivables	5, 14	248,952,631	188,476,488	116,452,507	91,146,281
Inventories	9	446,982,924	375,857,630	324,216,104	292,310,827
Other current assets		24,547,759	5,641,818	12,815,382	3,657,605
Total current assets		2,446,644,279	2,177,890,393	1,651,748,868	1,665,209,192
Non-current assets					
Investments in associates	10	11,266,913	10,638,225	1,998,800	1,998,800
Investments in subsidiaries	4, 11	-	-	44,898,170	43,219,370
Deposits used as collateral	12	41,290,000	41,658,980	14,290,000	14,290,000
Property, plant and equipment	13	566,589,283	594,470,607	553,661,436	580,439,230
Finance lease receivables	5, 14	243,726,006	182,686,554	151,937,932	111,988,167
Intangible assets	15	16,710,707	13,236,570	16,637,748	13,151,051
Deferred tax assets	16	27,824,614	20,965,997	21,693,914	15,262,869
Withholding tax deducted at source		153,201,627	111,014,327	144,006,804	104,215,469
Other non-current assets		3,010,607	2,945,655	2,915,940	2,915,652
Total non-current assets		1,063,619,757	977,616,915	952,040,744	887,480,608
Total assets		3,510,264,036	3,155,507,308	2,603,789,612	2,552,689,800

Metro Systems Corporation Public Company Limited and its Subsidiaries

Statements of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2018	2017	2018	2017
(in Baht)					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	17	227,513,553	54,540,976	70,522,862	-
Trade and other accounts payable	5, 18	1,052,456,721	861,903,802	765,617,597	734,517,660
Short-term loans from other party	17	6,296,950	82,431,195	6,296,950	82,431,195
Current portion of long-term loans	17	20,455,110	25,447,992	20,455,110	25,447,992
Current portion of finance lease liabilities	17	74,981,999	99,588,451	26,651,591	52,978,050
Dividend payable		3,292,427	3,251,926	1,252,847	1,046,071
Income tax payable		-	2,632,539	-	-
Other current liabilities		28,995,859	19,745,056	26,764,436	17,682,351
Total current liabilities		1,413,992,619	1,149,541,937	917,561,393	914,103,319
Non-current liabilities					
Long-term loans	17	10,888,630	31,343,740	10,888,630	31,343,740
Finance lease liabilities	17	68,518,372	85,780,923	25,064,793	37,939,854
Non-current provisions for employee benefits	19	142,598,139	141,950,303	124,513,579	126,361,318
Deferred tax liabilities	16	12,105,610	8,179,067	-	-
Deposit and guarantee	5	-	-	-	5,000,000
Total non-current liabilities		234,110,751	267,254,033	160,467,002	200,644,912
Total liabilities		1,648,103,370	1,416,795,970	1,078,028,395	1,114,748,231
Shareholders' equity					
Share capital	20				
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
Share premium :	20				
Share 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		1,217,696,118	1,090,195,512	883,639,061	795,810,878
Other components of shareholders' equity		(17,986)	67,021	408	8,943
Equity attributable to equity holders of the Company		1,859,799,880	1,732,384,281	1,525,761,217	1,437,941,569
Non-controlling interests		2,360,786	6,327,057	-	-
Total shareholders' equity		1,862,160,666	1,738,711,338	1,525,761,217	1,437,941,569
Total liabilities and shareholders' equity		3,510,264,036	3,155,507,308	2,603,789,612	2,552,689,800

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	2018	2017	2018	2017
		(in Baht)			
Revenue					
Revenue from sale of goods	5	7,017,492,628	6,606,868,553	5,361,619,654	5,496,510,713
Revenue from rendering of services	5	938,854,784	763,694,662	725,156,518	573,420,298
Rental revenue	5	17,165,879	24,475,944	17,684,679	19,020,085
Total revenue	22	7,973,513,291	7,395,039,159	6,104,460,851	6,088,951,096
Cost of sales of goods	5	(6,066,665,964)	(5,691,720,487)	(4,583,407,452)	(4,755,453,631)
Cost of rendering of services	5	(637,970,827)	(514,202,085)	(460,918,668)	(354,919,741)
Rental costs		(12,675,204)	(11,962,099)	(12,272,277)	(11,950,767)
Gross profit		1,256,201,296	1,177,154,488	1,047,862,454	966,626,957
Other income	5, 22	77,656,038	49,288,879	89,983,287	86,861,195
Distribution costs	5, 22, 23	(163,041,826)	(135,510,560)	(135,161,020)	(113,070,450)
Administrative expenses	5, 22, 24	(807,380,505)	(776,946,593)	(702,854,565)	(679,746,787)
Finance costs	5, 22	(18,298,771)	(17,827,361)	(11,083,455)	(10,899,585)
Share of profit of investments in associates	10, 22	537,070	203,575	-	-
Profit before income tax expense		345,673,302	296,362,428	288,746,701	249,771,330
Tax expense	27	(63,815,470)	(60,072,654)	(45,853,000)	(30,705,867)
Profit for the year		281,857,832	236,289,774	242,893,701	219,065,463
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Net change in fair value of available-for-sale investments	7	(81,786)	83,776	(10,668)	11,179
Share of other comprehensive expense of associates		(24,711)	-	-	-
Income tax relating to items that may be reclassified		21,490	(16,755)	2,133	(2,236)
Total items that will be reclassified subsequently to profit or loss		(85,007)	67,021	(8,535)	8,943
<i>Item that will not be reclassified subsequently to profit or loss</i>					
Losses on remeasurements of defined benefit plans	19	(1,519,267)	-	(336,144)	-
Share of other comprehensive income of associates		139,233	121,663	-	-
Income tax relating to items that not be reclassified		276,007	(24,332)	67,229	-
Total item that will not be reclassified to profit or loss		(1,104,027)	97,331	(268,915)	-
Other comprehensive income (expense) for the year,					
net of tax		(1,189,034)	164,352	(277,450)	8,943
Total comprehensive income for the year		280,668,798	236,454,126	242,616,251	219,074,406

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	2018	2017	2018	2017
Profit (loss) attributable to:					
					(in Baht)
Owners of parent		283,261,848	235,055,925	242,893,701	219,065,463
Non-controlling interests		(1,404,016)	1,233,849	-	-
Profit for the year		281,857,832	236,289,774	242,893,701	219,065,463
Total comprehensive income (expense) attributable to:					
Owners of parent		281,968,509	235,220,277	242,616,251	219,074,406
Non-controlling interests		(1,299,711)	1,233,849	-	-
Total comprehensive income for the year		280,668,798	236,454,126	242,616,251	219,074,406
Basic earnings per share	28	0.79	0.65	0.67	0.61

Metro Systems Corporation Public Company Limited and its Subsidiaries

Statements of changes in equity

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

Metro Systems Corporation Public Company Limited and its Subsidiaries

Statements of changes in equity

Consolidated financial statements											
		Retained earnings			Other components of shareholders equity						
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriate d	Current investments - available-for-sale investments	Share of other comprehensive expense of associate s	Total other components of equity	Equity attributable to owners of parent	Non-controlling interests	Total equity
	Note										
(in Baht)											
Year ended 31 December 2018											
Balance at 1 January 2018		360,000,000	234,221,748	47,900,000	1,090,195,512	67,021	-	67,021	1,732,384,281	6,327,057	1,738,711,338
Transactions with owners, recorded directly in equity											
Distributions to owners of the parent											
Dividends to owners of the Company	29	-	-	-	(154,796,603)	-	-	-	(154,796,603)	-	(154,796,603)
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	(744,066)	(744,066)
Total distributions to owners of the parent		-	-	-	(154,796,603)	-	-	-	(154,796,603)	(744,066)	(155,540,669)
Changes in ownership interests in subsidiaries											
Acquisition of non-controlling interests without a change in contro	4	-	-	-	243,693	-	-	-	243,693	(1,922,494)	(1,678,801)
Total changes in ownership interests in subsidiaries		-	-	-	243,693	-	-	-	243,693	(1,922,494)	(1,678,801)
Total transaction with owners recorded directly in equity		-	-	-	-154,552,910	-	-	-	-154,552,910	(2,666,560)	(157,219,470)
Comprehensive income for the year											
Profit (loss) for the year		-	-	-	283,261,848	-	-	-	283,261,848	(1,404,016)	281,857,832
Other comprehensive income		-	-	-	(1,208,332)	(65,238)	(19,769)	(85,007)	(1,293,339)	104,305	-1,189,034
Total comprehensive income for the year		-	-	-	282,053,516	(65,238)	(19,769)	(85,007)	281,968,509	(1,299,711)	280,668,798
Balance at 31 December 2018		360,000,000	234,221,748	47,900,000	1,217,696,118	1,783	(19,769)	(17,986)	1,859,799,880	2,360,786	1,862,160,666

Statements of changes in equity

ANNUAL REPORT 2018 | METROSYSTEMS CORPORATION PLC. PAGE 157

Metro Systems Corporation Public Company Limited and its Subsidiaries

Statements of changes in equity

Separate financial statements						
					Other components of shareholders'	
					equity	
					Current	
					investments-	
					available-for-sale	
					investments	
	</					

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	2018	2017	2018	2017
		(in Baht)			
Cash flows from operating activities					
Profit for the year		281,857,832	236,289,774	242,893,701	219,065,463
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Income tax expense		63,815,470	60,072,654	45,853,000	30,705,867
Finance costs		18,298,771	17,827,361	11,083,455	10,899,585
Depreciation and amortisation		99,109,751	106,367,592	94,515,723	100,853,231
Employee benefit expenses	19	10,358,394	10,314,252	9,045,942	9,034,457
Unrealised gain on exchange		(1,539,582)	(657,654)	(1,367,165)	(388,450)
Gain on sales of current investments					
- Available-for-sale investments		(871,208)	(574,811)	(613,710)	(481,464)
Loss (gain) on sales of investment in associates		-	966,868	-	(519,204)
Share of profit of investments in associates	10	(537,070)	(203,575)	-	-
Set up provision for:					
- Bad debts and doubtful accounts	8	389,781	1,001,586	389,781	764,228
- Decline in value of inventories	9	19,286,325	4,437,182	19,286,325	4,437,182
Loss (gain) on disposals of property, plant and equipment and intangible assets		(3,594,674)	1,790,145	(3,473,720)	1,756,895
Loss on write-off of assets		2,436,913	249,159	2,431,534	246,995
Loss (gain) on contract termination		(432,741)	14,584	(432,741)	14,584
Written off withholding tax deducted at source		219,847	41,040	212,266	-
Dividends received	11	-	-	(29,455,934)	(39,914,872)
Interest income		(15,010,448)	(10,095,827)	(14,508,540)	(9,266,571)
		473,787,361	427,840,330	375,859,917	327,207,926
Changes in operating assets and liabilities					
Trade and other accounts receivable		(656,800,984)	42,489,640	(286,887,042)	21,914,218
Finance lease receivables		(121,028,086)	(106,446,766)	(64,768,481)	(88,932,539)
Inventories		(54,073,705)	34,798,097	(14,853,688)	5,106,304
Other current assets		(18,905,941)	10,947,410	(9,157,777)	7,838,370
Other non-current assets		(64,952)	32,306	(288)	34,350
Trade and other accounts payable		193,158,306	(83,001,099)	33,444,248	(105,366,231)
Other current liabilities		9,250,803	(16,404,864)	9,082,085	(15,537,926)
Deposit and guarantee		-	(5,000,000)	(5,000,000)	(5,000,000)
Net cash generated from (used in) operating		(174,677,198)	305,255,054	37,718,974	147,264,472
Employee benefit paid	19	(11,229,825)	(2,348,730)	(11,229,825)	(2,348,730)
Proceeds from non-current provisions for employee benefit transfer from subsidiary	19	-	-	-	1,660,893
Tax received		1,178,304	28,647,363	-	27,593,352
Income tax and withholding tax deducted at source paid		(112,645,118)	(106,305,441)	(92,218,286)	(85,189,454)
Net cash from (used in) operating activities		(297,373,837)	225,248,246	(65,729,137)	88,980,533

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	
		2018	2017	2018	2017
(in Baht)					
Cash flows from investing activities					
Proceeds from sale of investment in associates		-	1,254,204	-	1,254,204
Proceeds from sale of current investment		1,406,709,000	1,211,169,960	1,013,259,000	901,130,000
Acquisition of current investment	7	(914,250,000)	(1,445,660,000)	(653,850,000)	(1,014,510,000)
Decrease in fixed deposit at bank (12 months)		26,609,391	-	10,000,000	-
Decrease in deposits used as collateral		2,368,980	62,220,000	-	62,220,000
Proceeds from sales of property, plant and equipment and intangible assets		7,181,160	717,634	7,011,608	465,654
Acquisition of property, plant and equipment		(51,602,562)	(29,540,551)	(48,128,348)	(28,204,946)
Acquisition of intangible assets		(2,020,468)	(408,247)	(1,991,468)	(381,245)
Payment for accounts payable for fixed assets		(848,095)	(287,833)	(848,095)	(287,833)
Dividends received		-	-	29,455,934	39,914,872
Interest received		18,384,210	10,203,276	17,257,299	9,422,332
Net cash from (used in) investing activities		492,531,616	(190,331,557)	372,165,930	(28,976,962)
Cash flows from financing activities					
Proceeds from bank overdrafts and short-term loans from financial institutions		2,583,741,556	2,542,755,334	1,593,750,865	1,778,755,334
Repayment of bank overdrafts and short-term loans from financial institutions		(2,410,768,979)	(2,583,950,962)	(1,523,228,003)	(1,804,276,191)
Proceeds from short-term loans from other parties		6,296,950	187,519,640	6,296,950	187,519,640
Repayment of short-term loans from other parties		(82,431,195)	(122,997,570)	(82,431,195)	(122,997,570)
Proceeds from sale and leaseback transactions		62,262,900	89,906,610	-	-
Repayment of sale and leaseback transactions		(5,733,023)	(1,098,678)	(5,733,023)	(1,098,678)
Proceeds from long-term loans		-	2,353,160	-	2,353,160
Repayment of long-term loans		(25,447,992)	(24,352,101)	(25,447,992)	(24,352,101)
Proceeds from finance lease liabilities		-	19,227,610	-	19,227,610
Repayment of finance lease liabilities		(161,435,816)	(111,547,174)	(96,505,433)	(45,901,546)
Repayment of change in ownership interest in subsidiary without a change in control	11	(1,678,800)	-	(1,678,800)	-
Dividend paid		(155,500,168)	(126,073,636)	(154,589,827)	(125,988,508)
Finance costs paid		(18,904,855)	(17,937,448)	(11,572,237)	(11,006,519)
Net cash used in financing activities		(209,599,422)	(146,195,215)	(301,138,695)	(147,765,369)
Net increase (decrease) in cash and cash equivalents		(14,441,643)	(111,278,526)	5,298,098	(87,761,798)
Cash and cash equivalents at 1 January		68,073,921	179,352,447	33,845,044	121,606,842
Cash and cash equivalents at 31 December		53,632,278	68,073,921	39,143,142	33,845,044

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	
	2018	2017	2018	2017
	(in Baht)			
Non-cash transactions :				
Current investment transfer to deposit used as collateral	2,000,000	-	-	-
Deposits used as collateral transfer to				
current investments	-	39,300,000	-	10,000,000
Increase in assets from inventory transfer	12,084,022	14,350,132	12,084,022	14,350,132
Increase in inventory from finance lease	48,421,936	-	48,421,936	-
Increase in assets from finance lease	14,615,000	-	14,615,000	-
Assets transfer to inventory	-	9,284,244	-	9,284,244
Assets transfer to intangible assets	5,050,464	833,175	5,050,464	833,175
Account payables for fixed assets	403,911	848,095	375,210	848,095
Dividend payable	3,292,427	3,251,926	1,252,847	1,046,071
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 2018

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

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2018

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 25 February 2019.

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 (20% 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 2018 and 2017 were as follows:

Name of the entity	Type of Business	Incorporate country	Ownership interest (%)	
			2018	2017
<i>Subsidiaries</i>				
Metro Professional Products Company Limited	Sale and service of computer and computer programs	Thailand	99.9990	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 2018. The initial 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 2018

In addition to the above new and revised TFRS, the FAP has issued a number of new and revised TFRS which are not yet effective for current periods. The Group/Company has not early adopted these standards in preparing these financial statements. Those new and revised TFRS that are relevant to the Group's/Company's operations are disclosed in note 34.

(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>
Derivatives	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 prepared and 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 assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities within the year ending 31 December 2019 is included in the following notes:

Note 8	Valuation of trade accounts receivable: key assumptions underlying allowance for doubtful accounts;
Note 19	Measurement of defined benefit obligations: key actuarial assumptions.
Note 32	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 2018

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 30 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 2018

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. 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.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

(c) *Derivatives*

Derivatives 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. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(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.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Leased assets

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

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.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

4 Acquisitions of non-controlling interests

In April 2018, the Company acquired an additional 1.39% interest in Metro Professional Products Company Limited for Baht 1.68 million in cash, increasing its ownership interest from 98.60% to 99.99%. The carrying amount of Metro Professional Products Company Limited's net assets in the Group's financial statement on the date of acquisition was Baht 137.42 million. The Group recognised a decrease in non-controlling interests of Baht 1.92 million, an increase in retained earnings of Baht 0.24 million.

The following summarises the effect of changes in the Group's ownership interest in Metro Professional Products Company Limited:

	<i>(in thousand Baht)</i>
Group's ownership interest before acquisition date	1,678
Effect of increase in Group's ownership interest	244
Group's ownership interest after acquisition date	<u>1,922</u>

5 Related parties

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

Significant relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Major shareholders		
Metro Value Creation Company Limited	Thailand	A major shareholder
Metrophose Company Limited	Thailand	A major shareholder, common director
Subsidiaries		
Metro Professional Products Company Limited	Thailand	Shareholding, common director
Metro Info Tech Company Limited	Thailand	Shareholding, common director
Metro Connect Company Limited	Thailand	Shareholding, common director
Metro Info Dynamics Company Limited	Thailand	Shareholding, common director
Associates		
Metrosoft Company Limited (Disposed on January 2017)	Thailand	Shareholding, common director
HIS MSC Company Limited	Thailand	Shareholding, common director
JBCC (Thailand) Company Limited	Thailand	Shareholding
Key management personnel	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

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2018

Name of entities	Country of incorporation/ nationality	Nature of relationships
<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
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
UFM Fuji Super Company Limited	Thailand	Common shareholder and director
Miss Thipawan Jaruwatjana	Thailand	Close member of key management

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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

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

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

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sale of goods and rendering of services	-	-	46,347	17,148
Rental revenue	-	-	4,455	2,925
Other income	-	-	19,161	19,164
Dividend income	-	-	29,456	39,915
Purchase of goods and receiving of services	-	-	290,690	477,056
Purchase of assets	-	-	6,563	744
Administrative expenses	-	-	283	-
Interest expenses	-	-	133	200
Associates				
Sale of goods and rendering of services	3,563	3,658	2,663	2,634
Other income	4,339	4,763	4,339	4,763
Distribution costs	3	-	-	-
Purchase of goods and rendering of services	-	100	-	100
Other related parties				
Sale of goods and rendering of services	4,399	6,530	4,399	6,530
Other income	2,713	3,441	2,713	3,441
Purchase of goods and rendering of services	14,370	10,191	14,344	10,117
Distribution costs	2,911	-	2,903	-
Purchase of assets	1,180	275	1,180	275
Administrative expenses	1,167	5,308	919	4,953
Key management personnel compensation	72,574	67,687	58,260	55,848

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Key management personnel compensation

Key management personnel compensation comprised:

	Consolidated		Separate	
	financial statements		financial statements	
<i>Year ended 31 December</i>	2018	2017	2018	2017
		(in thousand Baht)		
Short-term management benefits	71,427	66,584	57,331	54,955
Long-term management benefits	1,147	1,103	929	893
Total	72,574	67,687	58,260	55,848

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

<i>Trade accounts receivable - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
		(in thousand Baht)		
Subsidiaries				
Metro Professional Products Company Limited	-	-	45	179
Metro Info Tech Company Limited	-	-	303	2,773
Metro Connect Company Limited	-	-	2,658	16,266
Metro Info Dynamics Company Limited	-	-	11	1,420
Associates				
HIS MSC Company Limited	701	1,524	701	1,524
JBCC (Thailand) Company Limited	-	41	-	-
Other related parties				
MDEC International (1991) Company Limited	57	43	57	43
Metro Company Limited	471	34	471	34
N.I.M. Company Limited	18	18	18	18
Treemit Marketing Company Limited	-	23	-	23
United Flour Mill Public Company Limited	37	32	37	32
UFM Food Center Company Limited	30	22	30	22
MC Bakery Company Limited	6	6	6	6
MC Plastic Company Limited	2	16	2	16
MC Foods Company Limited	35	-	35	-
MCF Product Company Limited	26	-	26	-
MCF Marketing Company Limited	26	-	26	-
UFM Fuji Super Company Limited	62	-	62	-
MC Industrial Chemical Company Limited	7	72	7	72
Bangkok Industrial Gas Company Limited	-	808	-	808
Total	1,478	2,639	4,495	23,236
<i>Less allowance for doubtful accounts</i>	-	-	-	-
Net	1,478	2,639	4,495	23,236
 Bad and doubtful debts expense for the year	 -	 -	 -	 -

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2018

Other receivables - related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiaries				
Metro Info Tech Company Limited	-	-	1	1
Metro Connect Company Limited	-	-	1,714	9,022
Metro Info Dynamics Company Limited	-	-	187	-
Associate				
HIS MSC Company Limited	2	2	2	2
Total	2	2	1,904	9,025

Finance lease receivables - related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Associate				
HIS MSC Company Limited	8	17	8	17
Total	8	17	8	17

Trade accounts payable - related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiaries				
Metro Professional Products Company Limited	-	-	-	189
Metro Info Tech Company Limited	-	-	11,350	11,965
Metro Connect Company Limited	-	-	46,229	11,306
Associates				
JBCC (Thailand) Company Limited	3	-	-	-
Other related party				
MDEC International (1991) Company Limited	1,648	1,437	1,648	1,437
UFM Food Center Company Limited	320	-	320	-
Total	1,971	1,437	59,547	24,897

Other payables - related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiaries				
Metro Professional Products Company Limited	-	-	260	-
Metro Info Tech Company Limited	-	-	40	557
Metro Connect Company Limited	-	-	171	90
Associate				
HIS MSC Company Limited	101	-	101	-
Other related parties				
MDEC International (1991) Company Limited	33	50	33	50
UFM Food Center Company Limited	2,620	2,442	2,373	2,389
Metro Company Limited	47	-	47	-
Miss Thipawan Jaruwatjana	40	40	40	40
Total	2,841	2,532	3,065	3,126

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Deposit and guarantee - related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiary				
Metro Info Tech Company Limited	-	-	-	5,000
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Cash on hand	233	233	113	113
Cash at banks – current accounts	20,242	16,484	18,965	13,128
Cash at banks – savings accounts	33,157	51,357	20,065	20,604
Cash and cash equivalents in the statement of financial position	<u>53,632</u>	<u>68,074</u>	<u>39,143</u>	<u>33,845</u>

7 Current investments

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Fixed deposit at bank (12 months)	151	28,760	-	10,000
Available-for-sale investments	10,346	502,017	67	358,873
Total	<u>10,497</u>	<u>530,777</u>	<u>67</u>	<u>368,873</u>

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Current investments				
Available-for-sale investments				
At 1 January	502,017	245,078	358,873	245,001
Purchases during the year	914,250	1,445,660	653,850	1,014,510
Sales during the year	(1,405,839)	(1,188,805)	(1,012,645)	(900,649)
Valuation adjustment	(82)	84	(11)	11
At 31 December	<u>10,346</u>	<u>502,017</u>	<u>67</u>	<u>358,873</u>

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

8 Trade and other accounts receivable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Trade accounts receivable					
Related parties	5	1,478	2,639	4,495	23,236
Other parties		1,365,258	839,031	981,798	699,913
Post-dated cheque		33,195	28,780	17,276	18,864
		1,399,931	870,450	1,003,569	742,013
<i>Less</i> allowance for doubtful accounts		(38,281)	(40,888)	(20,708)	(23,042)
		1,361,650	829,562	982,861	718,971
<i>Add</i> unbilled trade accounts receivable		195,215	82,749	89,900	77,535
Total trade accounts receivable		1,556,865	912,311	1,072,761	796,506
Other receivables					
Related parties	5	2	2	1,904	9,025
Other parties					
Prepaid expenses		64,754	56,010	50,662	35,193
Accrued income		36,436	35,428	30,912	29,558
Others		3,975	5,313	2,816	5,094
Total other receivables		105,167	96,753	86,294	78,870
Total trade and other accounts receivable		1,662,032	1,009,064	1,159,055	875,376
Bad and doubtful debts expense for the year		390	1,002	390	764

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	1,350	1,361	3,073	19,673
Overdue:				
Less than 3 months	128	1,278	1,422	3,563
Total	1,478	2,639	4,495	23,236
<i>Less</i> allowance for doubtful accounts	-	-	-	-
Net	1,478	2,639	4,495	23,236

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	1,126,536	586,007	763,081	515,225
Overdue:				
Less than 3 months	221,647	234,865	192,533	157,121
3-6 months	7,644	5,730	3,240	5,730
6-12 months	2,759	63	1,939	63
Over 12 months	85	235	-	-
Account receivables under legal case	39,782	40,911	38,281	40,638
Total	1,398,453	867,811	999,074	718,777
<i>Less</i> allowance for doubtful accounts	(38,281)	(40,888)	(20,708)	(23,042)
Net	1,360,172	826,923	978,366	695,735
 <i>Add</i> unbilled trade accounts receivable	 195,215	 82,749	 89,900	 77,535
Total	1,556,865	912,311	1,072,761	796,506

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.

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Merchandise inventories	443,047	307,713	322,732	265,579
Project in process	26,587	72,403	24,135	30,990
Goods in transit	8	23	8	23
Others	1,498	590	1,498	590
Total	471,140	380,729	348,373	297,182
<i>Less</i> allowance for decline in value	(24,157)	(4,871)	(24,157)	(4,871)
Net	446,983	375,858	324,216	292,311

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Inventories recognised as an expense in ‘cost of sales of goods and Administrative expenses’ :				
- Cost	6,066,666	5,691,720	4,583,407	4,755,454
- Write-down to net realisable value	19,286	4,437	19,286	4,437

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

10 Investments in associates

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
At 1 January	10,638	12,558	1,999	2,734
Share of profit of investments in associates	537	204	-	-
Share of other comprehensive income of investments in associates	92	97	-	-
Reversal of allowance for impairment	-	-	-	2,205
Disposal of investments	-	(2,221)	-	(2,940)
At 31 December	11,267	10,638	1,999	1,999

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
Notes to the financial statements
For the year ended 31 December 2018

Investments in associates as at 31 December 2018 and 2017 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
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	for the year ended
	(%)								(in thousand Baht)				31 December
Associates													
HIS MSC													
Company Limited	49.97	49.97	4.0 million Baht	4.0 million Baht	1,999	1,999	11,267	10,638	-	-	11,267	10,638	-
JBCC (Thailand)													-
Company Limited	20.00	20.00	10.0 million Baht	10.0 million Baht	2,000	2,000	-	-	-	-	-	-	-
					<u>3,999</u>	<u>3,999</u>	<u>11,267</u>	<u>10,638</u>	<u>-</u>	<u>-</u>	<u>11,267</u>	<u>10,638</u>	<u>-</u>
Separate financial statements													
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net				Dividend income
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	for the year ended
	(%)								(in thousand Baht)				31 December
Associates													
HIS MSC													
Company Limited	49.97	49.97	4.0 million Baht	4.0 million Baht	1,999	1,999	-	-	1,999	1,999	-	-	-
JBCC (Thailand)													
Company Limited	20.00	20.00	10.0 million Baht	10.0 million Baht	2,000	2,000	(2,000)	(2,000)	-	-	-	-	-
					<u>3,999</u>	<u>3,999</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>1,999</u>	<u>1,999</u>	<u>-</u>	<u>-</u>	<u>-</u>

None of the Group's/Company's associates are publicly listed and consequently do not have published price quotations

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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.

	2018 (in thousand Baht)	2017 (in thousand Baht)
Carrying amount of interests in immaterial associates	11,267	10,638
Group's share of:		
- Profit for the year	537	204
- Other comprehensive income	92	97
- Total comprehensive income	629	301

11 Investments in subsidiaries

	Separate financial statements	
	2018 (in thousand Baht)	2017 (in thousand Baht)
At 1 January	43,219	43,219
Acquisitions	1,679	-
At 31 December	44,898	43,219

On 25 April 2018, the Company acquired 2,798 ordinary shares of Metro Professional Products Company Limited, the subsidiary, representing a 1.39% interest, from its existing shareholders at a price of Baht 1.68 million. As a result, the Company's shareholding in the subsidiary increased from 98.60% to 99.99% (see note 4).

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Investment in subsidiaries as at 31 December 2018 and 2017 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		2018	2017
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017		
	(%)						(in thousand Baht)					
Subsidiaries												
Metro Professional Products Company Limited	99.9990	98.6000	20 million Baht	20million Baht	21,399	19,720	-	-	21,399	19,720	5,916	5,916
Metro Info Tech Company Limited	70.0000	70.0000	5 million Baht	5 million Baht	3,500	3,500	-	-	3,500	3,500	1,540	-
Metro Connect Company Limited	99.9997	99.9997	10 million Baht	10million Baht	10,000	10,000	-	-	10,000	10,000	22,000	16,000
Metro Info Dynamics Company Limited	99.9940	99.9940	10 million Baht	10million Baht	9,999	9,999	-	-	9,999	9,999	-	17,999
					44,898	43,219	-	-	44,898	43,219	29,456	39,915

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

12 Assets pledged as collateral

As at 31 December 2018, the deposits at banks amounting to Baht 41.29 million (2017: *Baht 41.66 million*) in the consolidated financial statement and amounting to Baht 14.29 million (2017: *Baht 14.29 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 2018, the Group/Company mortgaged the land and building at the carrying amount of Bath 6.11 million (2017: *Baht 6.23 million*) to secure the credit facilities from financial institutions.

As at 31 December 2018, the Company has no secured of the credit facilities from financial institutions (2017: *Baht 9*).

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

13 Property, plant and equipment

Consolidated financial statements										
	Land	Land improvements	Buildings	Furniture and fixtures	Office equipment	Vehicles	Other fixed assets	Assets under construction in progress and installation	Assets held for lease	Total
<i>(in thousand Baht)</i>										
Cost										
At 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 and 1 January 2018	226,388	18,773	535,543	126,520	779,822	12,541	63,644	18,288	59,086	1,840,605
Additions	-	-	3,264	3,426	32,459	553	3,418	35,586	-	78,706
Transfers	-	-	8,704	156	10,101	-	-	(34,421)	10,409	(5,051)
Disposals	-	-	(1,001)	(670)	(12,539)	(10,191)	(1,986)	-	(8,969)	(35,356)
At 31 December 2018	226,388	18,773	546,510	129,432	809,843	2,903	65,076	19,453	60,526	1,878,904
Accumulated depreciation										
At 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 and 1 January 2018	-	14,593	418,656	78,560	641,935	12,019	51,627	-	28,744	1,246,134
Additions	-	236	12,062	14,785	52,424	359	4,214	-	11,433	95,513
Transfers	-	-	-	-	28	-	-	-	(28)	-
Disposals	-	-	(124)	(664)	(7,549)	(10,188)	(1,839)	-	(8,968)	(29,332)
At 31 December 2018	-	14,829	430,594	92,681	686,838	2,190	54,002	-	31,181	1,312,315

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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 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 and 1 January 2018										
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
At 31 December 2018										
Owned assets	226,388	3,944	115,916	36,751	90,954	713	11,074	19,453	29,345	534,538
Assets under finance leases	-	-	-	-	32,051	-	-	-	-	32,051
	226,388	3,944	115,916	36,751	123,005	713	11,074	19,453	29,345	566,589

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2018 amounted to Baht 936 million (2017: Baht 891 million).

Security

As at 31 December 2018, the Group mortgaged the land and building at the carrying amount of Baht 6.11 million (2017: Baht 6.23 million) in the consolidated financial statement to secure the credit facilities from financial institutions. (see note 12 and 17).

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	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 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 and 1 January 2018	220,675	18,773	530,376	125,426	751,868	10,273	62,521	18,288	59,086	1,797,286
Additions	-	-	3,181	3,379	29,669	-	3,299	35,675	-	75,203
Transfers	-	-	8,704	156	10,101	-	-	(34,421)	10,409	(5,051)
Disposals	-	-	(1,001)	(600)	(10,962)	(9,716)	(1,985)	-	(8,969)	(33,233)
At 31 December 2018	220,675	18,773	541,260	128,361	780,676	557	63,835	19,542	60,526	1,834,205
Accumulated depreciation										
At 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 and 1 January 2018	-	14,593	414,004	77,738	620,412	10,273	51,083	-	28,744	1,216,847
Additions	-	236	11,867	14,689	48,684	-	4,051	-	11,434	90,961
Transfers	-	-	-	-	28	-	-	-	(28)	-
Disposals	-	-	(124)	(593)	(6,024)	(9,716)	(1,839)	-	(8,968)	(27,264)
At 31 December 2018	-	14,829	425,747	91,834	663,100	557	53,295	-	31,182	1,280,544

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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
Net book value										
At 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 and 1 January 2018										
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
At 31 December 2018										
Owned assets	220,675	3,944	115,513	36,527	85,526	-	10,540	19,542	29,344	521,611
Assets under finance leases	-	-	-	-	32,050	-	-	-	-	32,050
	220,675	3,944	115,513	36,527	117,576	-	10,540	19,542	29,344	553,661

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2018 amounted to Baht 918 million (2017: Baht 891 million).

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Security

As at 31 December 2018, the Company has no secured of the credit facilities from financial institutions (2017: Baht 9).

14 Finance lease receivables

	Consolidated financial statements					
	Portion due within one year		Portion due after one year		Total	
	2018	2017	2018	2017	2018	2017
	<i>(in thousand Baht)</i>					
Related party	8	11	-	8	8	19
Other parties	276,870	209,272	264,910	198,654	541,780	407,926
	276,878	209,283	264,910	198,662	541,788	407,945
Less unearned interest income	(27,925)	(20,807)	(21,184)	(15,975)	(49,109)	(36,782)
	248,953	188,476	243,726	182,687	492,679	371,163
Less allowance for doubtful accounts	-	-	-	-	-	-
Net	248,953	188,476	243,726	182,687	492,679	371,163

	Separate financial statements					
	Portion due within one year		Portion due after one year		Total	
	2018	2017	2018	2017	2018	2017
	<i>(in thousand Baht)</i>					
Related party	8	11	-	8	8	19
Other parties	132,777	103,244	166,674	122,056	299,451	225,300
	132,785	103,255	166,674	122,064	299,459	225,319
Less unearned interest income	(16,333)	(12,109)	(14,736)	(10,076)	(31,069)	(22,185)
	116,452	91,146	151,938	111,988	268,390	203,134
Less allowance for doubtful accounts	-	-	-	-	-	-
Net	116,452	91,146	151,938	111,988	268,390	203,134

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Bad and doubtful debts expense for the year	-	-	-	-

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

As at 31 December 2018 and 2017 the gross investment under finance lease contracts and present value of minimum lease payments receivable were as follows:

Consolidated financial statements				
	2018		2017	
	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	276,878	248,953	209,283	188,476
Portion due after one year but within five years	264,910	243,726	198,662	182,687
Total	541,788	492,679	407,945	371,163
Less unearned interest	(49,109)		(36,782)	
Net investment under finance lease contracts	492,679		371,163	

Separated financial statements				
	2018		2017	
	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	132,785	116,452	103,255	91,146
Portion due after one year but within five years	166,674	151,938	122,064	111,988
Total	299,459	268,390	225,319	203,134
Less unearned interest	(31,069)		(22,185)	
Net investment under finance lease contracts	268,390		203,134	

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

15 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 2017	51,959	50,924
Additions	408	381
Transfers	833	833
At 31 December 2017 and 1 January 2018	53,200	52,138
Additions	2,021	1,991
Transfers	5,051	5,051
At 31 December 2018	60,272	59,180
<i>Accumulated amortisation</i>		
At 1 January 2017	35,229	34,288
Amortisation charge for the year	4,735	4,699
At 31 December 2017 and 1 January 2018	39,964	38,987
Amortisation charge for the year	3,597	3,555
At 31 December 2018	43,561	42,542
<i>Net book value</i>		
At 1 January 2017	16,730	16,636
At 31 December 2017 and 1 January 2018	13,236	13,151
At 31 December 2018	16,711	16,638

16 Deferred tax

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

	Consolidated financial statements			
	Assets		Liabilities	
	2018	2017	2018	2017
	(in thousand Baht)			
Total	60,378	65,212	(44,659)	(52,425)
Set off of tax	(32,553)	(44,246)	32,553	44,246
Net deferred tax assets (liabilities)	27,825	20,966	(12,106)	(8,179)

	Separate financial statements			
	Assets		Liabilities	
	2018	2017	2018	2017
	(in thousand Baht)			
Total	34,889	39,635	(13,195)	(24,372)
Set off of tax	(13,195)	(24,372)	13,195	24,372
Net deferred tax assets	21,694	15,263	-	-

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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

	At 1 January 2018	Consolidated financial statements (Charged)/credited to:			At 31 December 2018
		Profit or loss	Other comprehensive income (in thousand Baht)	Equity	
Deferred tax assets					
Allowance for doubtful account	8,178	(521)	-	-	7,657
Allowance for decline in value of inventory	974	3,857	-	-	4,831
Allowance for decline in values of investment	400	-	-	-	400
Non-current provision for employee benefit obligations	28,058	(174)	304	-	28,188
Finance lease liabilities	27,602	(8,300)	-	-	19,302
Total	65,212	(5,138)	304	-	60,378
Deferred tax liabilities					
Depreciation of buildings	(6,428)	715	-	-	(5,713)
Finance lease receivables	(44,430)	7,137	-	-	(37,293)
Accrued Income	(1,550)	(103)	-	-	(1,653)
Current investments	(17)	-	17	-	-
Total	(52,425)	7,749	17	-	(44,659)
Net	12,787	2,611	321	-	15,719

	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
Non-current provision for 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

Metro Systems Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2018

	At 1 January 2018	Separate financial statements (Charged)/credited to:			At 31 December 2018
		Profit or loss	Other comprehensive income (in thousand Baht)	Equity	
Deferred tax assets					
Allowance for doubtful account	4,609	(467)	-	-	4,142
Allowance for decline in value of inventory	974	3,857	-	-	4,831
Allowance for decline in values of investment	400	-	-	-	400
Non-current provision for employee benefit obligations	24,940	(437)	67	-	24,570
Finance lease liabilities	8,712	(7,766)	-	-	946
Total	39,635	(4,813)	67	-	34,889
Deferred tax liabilities					
Depreciation of buildings	(6,428)	715	-	-	(5,713)
Finance lease receivables	(16,392)	10,563	-	-	(5,829)
Accrued income	(1,550)	(103)	-	-	(1,653)
Current investment	(2)	-	2	-	-
Total	(24,372)	11,175	2	-	(13,195)
Net	15,263	6,362	69	-	21,694

	At 1 January 2017	Separate 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	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
Non-current provision for 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 investment	-	-	(2)	-	(2)
Total	(21,508)	(2,862)	(2)	-	(24,372)
Net	13,468	1,797	(2)	-	15,263

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

17 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Current</i>				
Bank overdrafts				
unsecured	2,391	4,541	-	-
Short-term loans from financial institutions				
secured	16,000	50,000	-	-
Short-term loans from financial institutions				
unsecured	209,123	-	70,523	-
Bank overdrafts and short-term loans from financial institutions	227,514	54,541	70,523	-
Short-term loans from other party				
no interest				
unsecured	6,297	82,431	6,297	82,431
Current portion of long-term loans from financial institutions				
unsecured	5,040	5,040	5,040	5,040
Current portion of long-term loans from other party				
unsecured	15,415	20,408	15,415	20,408
Current portion of finance lease liabilities	74,982	99,588	26,652	52,978
Current portion of long-term liabilities	101,734	207,467	53,404	160,857
	329,248	262,008	123,927	160,857
<i>Non-current</i>				
Long-term loans from financial institutions				
unsecured	9,460	14,500	9,460	14,500
Long-term loans from other party				
unsecured	1,429	16,844	1,429	16,844
Finance lease liabilities	68,518	85,781	25,064	37,940
	79,407	117,125	35,953	69,284
Total	408,655	379,133	159,880	230,141

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

As at 31 December 2018, the above loans bear interest at floating rates ranging from 0% to 4.80% per annum (2017: 0% to 7.12% per annum).

Long-term liabilities

- The Group/Company's long term loans as at 31 December 2018 bear interest rate at 3.26% per annum to 4.31% 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 June 2023.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Within one year	254,266	162,420	97,275	107,879
After one year but within five years	10,889	31,344	10,889	31,344
Total	<u>265,155</u>	<u>193,764</u>	<u>108,164</u>	<u>139,223</u>

Secured interest-bearing liabilities as at 31 December 2018 and 2017 were secured on the assets as disclosed in note 12 and 13.

As at 31 December 2018, the Group/Company has unutilized credit facilities in amount of Baht 2,950 million and Baht 1,933 million, respectively (2017: Baht 2,628 million and Baht 2,007 million, respectively).

Finance lease liabilities

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

		Consolidated financial statements			
		2018		2017	
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest
Within one year	79,732	4,750	74,982	106,487	6,899
After one year but within five years	71,327	2,809	68,518	89,674	3,893
Total	<u>151,059</u>	<u>7,559</u>	<u>143,500</u>	<u>196,161</u>	<u>10,792</u>

		Separate financial statements			
		2018		2017	
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest
Within one year	28,372	1,720	26,652	56,568	3,590
After one year but within five years	26,705	1,641	25,064	39,972	2,032
Total	<u>55,077</u>	<u>3,361</u>	<u>51,716</u>	<u>96,540</u>	<u>5,622</u>

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Changes in liabilities arising from financing activities

Consolidated financial statements				
	Bank overdrafts and short-term loans from financial institutions used for cash management purposes	Other loans and borrowings	Finance lease liabilities	Total
	<i>(in thousand Baht)</i>			
Balance at 1 January 2018	54,541	139,223	185,369	379,133
Changes from financing cash flows	172,973	(101,582)	(104,905)	(33,514)
Other change:				
Other non-cash movement	-	-	63,036	63,036
Balance at 31 December 2018	227,514	37,641	143,500	408,655
Separate financial statements				
	Bank overdrafts and short-term loans from financial institutions used for cash management purposes	Other loans and borrowings	Finance lease liabilities	Total
	<i>(in thousand Baht)</i>			
Balance at 1 January 2018	-	139,223	90,918	230,141
Changes from financing cash flows	70,523	(101,582)	(102,238)	(133,297)
Other change:				
Other non-cash movement	-	-	63,036	63,036
Balance at 31 December 2018	70,523	37,641	51,716	159,880

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

18 Trade and other accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Trade accounts payable					
Related parties	5	1,971	1,437	59,547	24,897
Other parties		763,892	634,926	489,355	548,088
Total trade accounts payable		765,863	636,363	548,902	572,985
Other payables					
Related parties	5	2,841	2,532	3,065	3,126
Other parties					
Accrued operating expenses		183,080	160,011	128,158	117,026
Deposits and advances received		85,411	46,365	71,970	26,814
Others		15,262	16,633	13,523	14,567
Total other payables		286,594	225,541	216,716	161,533
Total trade and other accounts payable		1,052,457	861,904	765,618	734,518

19 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 financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
At 1 January	141,950	133,985	126,361	118,015
Include in profit or loss:				
Current service cost	7,094	7,082	6,169	6,174
Past service cost	-	-	-	-
Interest on obligation	3,264	3,232	2,877	2,860
	10,358	10,314	9,046	9,034
Included in other comprehensive income				
Actuarial loss	1,519	-	336	-
	1,519	-	336	-
Other				
Provisions transferred from Subsidiary	-	-	-	1,661
Benefit paid	(11,229)	(2,349)	(11,229)	(2,349)
	(11,229)	(2,349)	(11,229)	(688)

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
At 31 December	142,598	141,950	124,514	126,361

Actuarial losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Demographic assumptions	(1,599)	-	(1,664)	-
Financial assumptions	2,481	-	2,559	-
Experience adjustment	637	-	(559)	-
Total	1,519	-	336	-

Actuarial assumptions

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate (%)	2.9	2.6	2.9	2.6
Future salary growth (%)	5	5	5	5
Employee turnover (%)	0 - 14	0 - 25	0 - 14	0 - 25
Retirement age (Year)	55	55	55	55

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

At 31 December 2018, the weighted-average duration of the defined benefit obligation for the Group is in range of 12 years (2017: 11 years) and for the Company is 12 years (2017: 11 years).

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 2018				
Discount rate (1% movement)	(9,056)	10,236	(7,850)	8,868
Future salary growth (1% movement)	9,523	(8,576)	8,274	(7,458)
Future Mortality (1% movement)	(1,426)	1,426	(1,245)	1,245
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

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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.

On 13 December 2018, the National Legislative Assembly passed a bill amending the Labor Protection Act to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group/Company will amend its retirement plan in the period in which the amendment will have become law and is announced in the Royal Gazette. As a result of this change, the provision for retirement benefits as at that future period end as well as past service cost recognized during that period in the consolidated and the separate financial statements is estimated to increase by an amount of approximately Baht 44.52 million and Baht 39.10 million, respectively.

20 Share capital

	Par value per share (in Baht)	2018 Number Amount (thousand shares / thousand Baht)	2017 Number Amount (thousand shares / thousand Baht)
Authorised			
At 1 January			
- ordinary shares	1	<u>360,000</u>	<u>360,000</u>
At 31 December			
- ordinary shares	1	<u>360,000</u>	<u>360,000</u>
Issued and paid-up			
At 1 January			
- ordinary shares	1	<u>360,000</u>	<u>360,000</u>
At 31 December			
- ordinary shares	1	<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.

21 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

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

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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.

22 Segment information

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

- Segment 1 Computer and equipment
- Segment 2 Software
- Segment 3 Supplies and office equipment
- Segment 4 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.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Information about reportable segments

	Segment 1		Segment 2		Segment 3		Segment 4		Total reportable segments	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	<i>(in thousand Baht)</i>									
External revenue	<u>2,869,490</u>	<u>2,560,290</u>	<u>2,255,144</u>	<u>2,057,454</u>	<u>1,892,858</u>	<u>1,993,687</u>	<u>956,021</u>	<u>783,608</u>	<u>7,973,513</u>	<u>7,395,039</u>
Inter-segment revenue	<u>261,120</u>	<u>524,441</u>	<u>40,210</u>	<u>27,166</u>	<u>496</u>	<u>1,114</u>	<u>64,351</u>	<u>31,191</u>	<u>366,177</u>	<u>583,912</u>
Total segment revenue	<u>3,130,610</u>	<u>3,084,731</u>	<u>2,295,354</u>	<u>2,084,620</u>	<u>1,893,354</u>	<u>1,994,801</u>	<u>1,020,372</u>	<u>814,799</u>	<u>8,339,690</u>	<u>7,978,951</u>
Gross profit	<u>415,125</u>	<u>379,294</u>	<u>305,383</u>	<u>279,183</u>	<u>229,704</u>	<u>260,659</u>	<u>305,989</u>	<u>258,018</u>	<u>1,256,201</u>	<u>1,177,154</u>
Total assets as at 31 December									<u>3,510,264</u>	<u>3,155,507</u>
Total liabilities as at 31 December									<u>1,648,103</u>	<u>1,416,796</u>

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Reconciliation of reportable segment profit or loss

	2018	2017
	<i>(in thousand Baht)</i>	
Profit or loss		
Gross profit from reportable segments	1,256,201	1,177,154
Unallocated amounts:		
- Other income	77,656	49,289
- Distribution costs	(163,042)	(135,511)
- Administrative expenses	(807,380)	(776,947)
- Finance costs	(18,299)	(17,827)
Share of profit from investments	537	204
Consolidated profit before income tax expense	<u>345,673</u>	<u>296,362</u>

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.

23 Distribution costs

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Employee expenditure	84,340	68,642	77,861	61,506
Promotion expenses	33,941	27,106	16,347	14,393
Transportation expenses	21,548	19,646	20,332	18,780
Entertainment expenses	12,598	10,324	10,497	9,089
Others	10,615	9,793	10,124	9,302
Total	<u>163,042</u>	<u>135,511</u>	<u>135,161</u>	<u>113,070</u>

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

24 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Employee expenditure	611,985	588,645	523,549	507,650
Depreciation and amortisation expenses	68,805	77,698	64,389	72,201
Travelling expense	34,046	26,766	29,227	23,041
Provisions for debts and doubtful debts expenses, declining value in inventories and investments; and written off withholding tax deducted at source	19,676	4,781	19,676	5,132
Utilities	17,579	18,491	17,093	17,849
Office, equipment and vehicle rental	11,789	10,061	10,118	9,584
Maintenance expenses	11,185	11,353	11,003	11,303
Professional and consultant fees	5,374	11,309	10,755	9,957
Others	26,941	27,843	17,045	23,030
Total	807,380	776,947	702,855	679,747

25 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Salaries, wages, overtimes and bonus		654,164	575,444	560,110	508,271
Commission		84,340	68,642	77,861	61,506
Welfare		23,892	28,488	18,282	21,819
Contribution to defined benefit plans		16,317	15,370	14,190	13,518
Employees' long-term benefits	19	10,358	10,314	9,046	9,034
Others		19,410	25,951	17,181	23,159
Total		808,481	724,209	696,670	637,307

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.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

26 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Purchase goods and services		6,157,078	5,652,290	4,634,599	4,745,716
Employee benefits expense	25	808,481	724,209	696,670	637,307
Cost of maintenance and outsourcing		478,860	382,009	322,736	236,218
Depreciation and amortisation expenses		99,110	106,368	94,516	100,853
Changes in inventory		(90,412)	39,864	(51,192)	10,172
Travelling expense		34,085	26,793	29,265	23,068
Promotion expenses		33,941	27,106	16,347	14,393
Transportation expense		21,548	19,646	20,332	18,780
Provisions for debts and doubtful debts expenses, declining value in inventories and investments; and written off withholding tax deducted at source		19,888	5,480	19,888	5,201
Finance costs		18,299	17,827	11,083	10,900
Utilities		17,579	18,491	17,093	17,849
Entertainment		12,598	10,324	10,496	9,089
Office, equipment and vehicle rental		11,789	10,061	10,118	9,584
Maintenance expenses		11,185	11,353	11,003	11,303
Professional and consultant fee		5,374	11,309	10,755	9,957
Others		66,630	85,039	51,988	65,651
Total expenses		7,706,033	7,148,169	5,905,697	5,926,041

27 Income tax expense

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Current tax expense		66,426	51,386	52,215	32,503
Deferred tax expense	16	(2,611)	8,687	(6,362)	(1,797)
Total		63,815	60,073	45,853	30,706

*Income tax recognised in
other comprehensive income*

Tax (expense) benefit

Available-for-sale investments	16	17	(17)	2	(2)
Losses on remeasurements of defined benefit plans	16	304	-	67	-
Total		321	(17)	69	(2)

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Reconciliation of effective tax rate

Consolidated financial statements				
	2018		2017	
	Rate	(in thousand Baht)	Rate	(in thousand Baht)
	(%)		(%)	
Profit before income tax expense		345,673		296,362
Income tax using the Thai corporation tax rate	20	69,135	20	59,272
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		(5,320)		801
Total	18	63,815	20	60,073

Separate financial statements				
	2018		2017	
	Rate	(in thousand Baht)	Rate	(in thousand Baht)
	(%)		(%)	
Profit before income tax expense		288,747		249,771
Income tax using the Thai corporation tax rate	20	57,749	20	49,954
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		(11,896)		(19,248)
Total	16	45,853	12	30,706

28 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2018 and 2017 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	
	2018	2017	2018	2017
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the year attributable to ordinary shareholders of the Company (basic)	283,262	235,056	242,894	219,065
Number of ordinary shares outstanding (basic)	360,000	360,000	360,000	360,000
Earnings per share (basic) (in Baht)	0.79	0.65	0.67	0.61

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

29 Dividends

At the annual general meeting of the shareholders of the Company held on 4 April 2018, the shareholders approved the appropriation of dividend of Baht 0.43 per share, amounting to Baht 154.80 million. The dividend was paid to shareholders during 2018.

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.

30 Financial instruments

Financial risk management policies

The Group/Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group/Company does not hold or issue derivative for speculative or trading purposes.

Risk management is integral to the whole business of the Group/Company. The Group/Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group/Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's/Company's operations and its cash flows because debt securities interest rates are mainly fixed and float. The Group/Company is primarily exposed to interest rate risk from its borrowings (see note 17). The Group/Company mitigates this risk by ensuring that the majority of its borrowings are close to the current market rate.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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:

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
2018					
Current					
Bank overdraft and loans payable - financial institutions	2.25-4.80	227,514	-	-	227,514
Loans payable - other party	nil	6,297	-	-	6,297
Non-current					
Loans payable - financial institutions	3.90	5,040	9,460	-	14,500
Loans payable - other party	3.26-4.31	15,415	1,429	-	16,844
Total		254,266	10,889	-	265,155
2017					
Current					
Bank overdraft and 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
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
2018					
Current					
Bank overdraft and loans payable - financial institutions	2.32-2.51	70,523	-	-	70,523
Loans payable - other party	nil	6,297	-	-	6,297
Non-current					
Loans payable - financial institutions	3.90	5,040	9,460	-	14,500
Loans payable - other party	3.26-4.31	15,415	1,429	-	16,844
Total		97,275	10,889	-	108,164

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	Effective interest rate (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
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

Foreign currency risk

The Group/Company is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group/Company primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date 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	
	2018	2017	2018	2017
	(in thousand Baht)			
United States Dollars				
Trade and other accounts receivable	3,900	4,176	3,171	2,628
Trade and other accounts payable	(202,496)	(208,133)	(183,689)	(183,208)
Gross balance sheet exposure	(198,596)	(203,957)	(180,518)	(180,580)
Currency forwards, net	554,538	538,106	535,502	516,804
Net exposure	355,942	334,149	354,984	336,224
Singapore Dollars				
Trade and other accounts payable	(5,599)	(352)	(5,599)	(352)
Gross balance sheet exposure	(5,599)	(352)	(5,599)	(352)
Currency forwards, net	11,269	8,401	11,269	8,401
Net exposure	5,670	8,049	5,670	8,049

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.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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.

	Consolidated		Separate	
	financial statements		financial statements	
	Carrying	Fair	Carrying	Fair
	amount	Value	amount	Value
	(in thousand Baht)			
31 December 2018				
Financial assets and financial liabilities				
measured at fair value				
Current investment - available-for-sale investments	10,346	10,346	67	67
Forward contracts (USD)	554,538	554,538	535,502	535,502
Forward contracts (SGD)	11,269	11,269	11,269	11,269
31 December 2017				
Financial assets and financial liabilities				
measured at fair value				
Current investment - available-for-sale investments	502,017	502,017	358,873	358,873
Forward contracts (USD)	538,106	538,106	516,804	516,804
Forward contracts (SGD)	8,401	8,401	8,401	8,401

The Group determines level 2 fair value for the current investment - available-for-sale investments by reference to the value quotes announce by the financial institutions at the reporting date, and for foreign currency forward contracts by translate at the exchange rates at the reporting date.

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.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Financial instruments carried at fair value

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group/Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

31 Commitments with non-related parties

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	11,532	6,419	9,325	5,817
After one year but within five years	20,537	14,545	13,488	13,497
Total	32,069	20,964	22,813	19,314

Letter of guarantee from financial institutions

As at 31 December 2018, the Group has commitments from the financial institutions that issued letter of guarantees to various partners amounting to Baht 318.59 million and USD 0.1 million (2017: Baht 320.79 million and USD 0.1 million).

As at 31 December 2018, the Company has commitments from the financial institutions that issued letter of guarantees to various partners amounting to Baht 242.95 million and USD 0.1 million (2017: Baht 257.41 million and USD 0.1 million).

Related party guarantees

As at 31 December 2018, the Company has provided guarantees to suppliers in the total amount of Baht 210 million for credits obtained by a subsidiary (2017: Baht 210 million for credits obtained by a subsidiary).

As at 31 December 2018, the credit facilities from the financial institutions amounting to Baht 60 million of a subsidiary are guaranteed the Company (2017: Baht 190 million for credit obtained by a subsidiary).

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

32 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 2018, 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.

33 Events after the reporting period

At the Board of Directors’ meeting of the Company held on 25 February 2019, the Board of Directors approved the appropriation of dividend of Baht 0.47 per share, amounting to Baht 169.20 million.

34 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which relevant to the Group’s/Company’s operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January of the following years.

TFRS	Topic	Effective
TFRS 15	Revenue from Contracts with Customers	2019
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

* TFRS - Financial instruments standards

The Group/Company has not early adopted these standards in preparing these financial statements.

Metro Systems Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

(a) TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

Management is presently considering the potential impact of adopting and initially applying TFRS 15 on the consolidated and separate financial statements.

(b) TFRS - Financial instruments standards

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the consolidated and separate financial statements.

Customer Success Is Our Business

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