



Metro Systems Corporation Public Company Limited

Annual registration statement 2020

(Form 56-1 One report)

Innovation, Digital Transformation



Vision

“Pursuit of excellence to serve our
clients the best IT solutions”



Mission

To commitment to driving innovative solution and fully integrated IT services, aiming to sustainably create values and contributions for stakeholders

To strive on personnel development through culture of creativity in order to form the knowledge and to develop the corporate potential to grow sustainably

To conduct on corporate management in good corporate governance, and on encouragement of Corporate Social Responsibility (CSR) and environmental protection



MSC

DIRECTION

People
Excellence



Digital
Transformation
Excellence



Product &
Service
Excellence



Customer
Retention
Excellence



Collaboration
Excellence



CORPORATE VALUE

M

MORAL

E

EXCELLENCE

T

TEAMWORK

R

RESPECT
AND TRUST

O

OWNERSHIP

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MESSAGE FROM CHAIRMAN OF THE BOARD

2020 is the year of the global challenge facing the Coronavirus disease 2019 (Covid-19) crisis that directly affects on global economy and businesses. Precedingly, there was “Digital disruption” causing many organizations to plan for adaptations. However, Covid-19 is like a catalyst for all sectors of industries to accelerate adaptation for survival and to create effective competitiveness by adopting technologies to transform new business model, to digital transformation, including Cloud technology, software, for continuous operation with no disruption. Online Platform and Digital Platform will take more important role, from now on. Therefore, all industrial groups, either in government or private sectors, have placed importance on investment for driving corporate into New Normal.

The Company has set strategic plans to respond to business situation continuously, including risk management, in order to respond to rapid change of technology and the pandemic, preventing disruption of customers' business. It's proved that the Company has been able to retain existing customers, along with increasing of new customers, in accordance with the commitment as “Customers' Success is Our Business,” to meet customers' requirements and market competitiveness.

In 2020, there were not much different in the Company's revenue from sales and services. Despite the impact from Covid-19, the Company still has strategic plans to cope with operations under abnormal situations. In addition to business success, sustainability management is crucially emphasized by the Company, comprehensively on Environment, Society and Good Governance, under well corporation of the Company's directors, executives and employees, focusing on innovation creation on business and society value in long term. The Company has been certified for Information Security Management (ISO27001:2013) to assure full and quality management of such.

At last, on behalf of the Board of Directors, we'd like to thank all stakeholders for all supports and wholehearted collaboration to cope with business operation in this crisis of Covid-19. For 2021, the Company would like to assure of transparent operation under good corporate governance and business code of conducts, with concerns on stakeholders and responsibility to society for the Company continuous sustainability.

Mr. Sunpitt Sethpornpong

Chairman of the Board

BOARD OF DIRECTORS AND EXECUTIVES



DIRECTORS



**1 MR. SUNPITT
SETHPORN PONG**

CHAIRMAN

**2 MR. KITTI
TECHATAVEEKIJKUL**

VICE CHAIRMAN

3 MR. TAVIT CHARUVAJANA

DIRECTOR/ CHAIRMAN OF
EXECUTIVE COMMITTEE/
CEO

**4 MR. NARONG
CHARUVAJANA**

DIRECTOR

**5 MR. SUVIJ
SUVARUCHIPHORN**

DIRECTOR

6 MR. WANARAK EAKACHAI

DIRECTOR/ DEPUTY CEO

**7 ASSOC. PROF. PHORNSIRI
THIVAVARNVONGS**

INDEPENDENT DIRECTOR

8 MR. PRAVIT CHATTALADA

INDEPENDENT DIRECTOR

**9 DR. VIRACH
APHIMETEETAMRONG**

INDEPENDENT DIRECTOR



EXECUTIVES



- | | |
|--|--|
| <p>1 MR. TAVIT CHARUVAJANA
DIRECTOR/ CHAIRMAN OF
EXECUTIVE COMMITTEE/
CEO</p> <p>2 MR. THONGCHAI
LUMVEERAKUL
EXECUTIVE DIRECTOR</p> <p>3 MR. AROON
TOR-EKBUNDIT
EXECUTIVE DIRECTOR</p> <p>4 MR. SURADET
LERTTHAMMAJAK
EXECUTIVE DIRECTOR</p> | <p>5 MR. VEERAPHAN
DURONGSANG
EXECUTIVE DIRECTOR</p> <p>6 MRS. NITTAYA
THANAVIRIYAKUL
EXECUTIVE DIRECTOR</p> |
|--|--|

MSC is committed to emphasize on sustainable business operation, under consideration on protection of environmental, social and governance (ESG), along with regards on all sectors of stakeholders, determining to create excellence on operational standard at global scale, and to ultimately satisfy customers with corporate quality policy of “Correct-Timely-Determining on Continuous Developed”



Metro Systems Corporation Public Company Limited

has selected as one of
Thailand Sustainability Investment (THSI) 2020



As a Listed Company emphasizing on Business Operational Sustainability under consideration of Environmental Social and Governance (ESG)



Sustainability Disclosure Acknowledgement

At the Award Ceremony for Sustainability Disclosure 2020 from Thaipat Institute. As a Company emphasizing on Work Process with Dissemination of Operational Information on Corporate Sustainability



Awards



FY19 Architectural Excellence Award: Meraki

Award for 2019 Top Sales and Market Growth Expansion in Enterprise group of Cisco Meraki from Cisco System (Thailand) Ltd., for the 2nd consecutive year.

SHINING STAR AWARD 2020

As a Presenter of Solutions Products at enterprise level in Huawei Thailand Partner Summit 2020



Top DCG Partner for Services Award

From Lenovo Accelerate'20, the award is showing potential and capability of leadership in service selling with outstanding performance through the past year.

Strategic Award 2019 HPE GreenLake

The award showing potential and capability of leadership in selling HPE GreenLake service from Hewlett-Packard Enterprise



Alliance



Hitachi Asia

MSC collaborates with the leader on IT Systems Management Solutions to help driving business on management and to check IT system for utmost effectiveness and benefit, by adopting Hitachi Job Management Partner 1 (JP1)



MYRA Self Check-In S.L. SPAIN

MYRA appointed HIS MSC Co., Ltd. as an official distributor of MYRA product in Thailand. HIS MSC creates travel experience of hotel's guests, especially during check-in and check-out, around the clock, using kiosk MYRA.

Activities



MSC held the seminar on business transformation in leaps and bounds to cope with **New Normal** through technology of Digital Transformation for New Normal Era (Live)

MSC with **Dell EMC** and **SIS** held the seminar of the “Power” Technologies for your Business in the latest product group.

MSC held online seminar of “Security in the Digital Age”



MSC entered market of enterprise solution **HPE** and **Cohesity**, emphasizing on data management in data center group.

MSC raised 3 primary solutions to support primary solutions to help business organization to transform into digital to welcome New Normal era.



MSC held **Innovation Day 2021-Design Revolution** in New Normal style.

MSC held annual seminar of **The Power of Data** responding to the era adopting data to proactive marketing for organization’s growth.

MSC and **Westcon Group** entered the market in solutions group of networking and security.



MSC and **Huawei Technologies Co., Ltd.** opened the grand event of Truly Believing in the Leader of Technology Enterprise.

MSC held the seminar of “THE AGE OF DISCOVERY: IT Compass for 2021”





1 BUSINESS OVERVIEW

STRUCTURE & OPERATION OF COMPANY GROUP

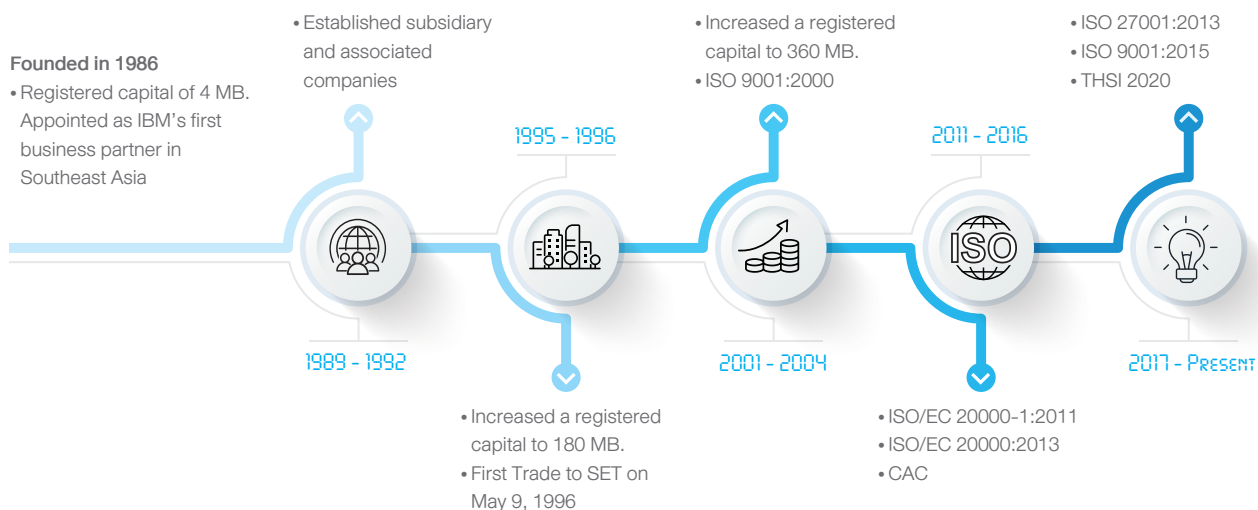
POLICY & OVERVIEW OF NATURE OF BUSINESS

Metro Systems Corporation Public Company Limited (MSC) is operation business as a trader of Information Technology Equipment (ITE) products of IBM and other international IT brands. It was founded on 6 January 1986, with registered capital of 4 million baht. The Company was appointed by IBM Thailand Co., Ltd. as a dealer for IBM products, being the first IBM partner in Southeast Asia.

In 1995, the Company has become a public company with registration for capital increase to be 180 million baht as a listed company in The Stock Exchange of Thailand. The Company has commenced trading of common stocks in The Stock Exchange of Thailand on 9 May 1996. The Company, then, has adjusted registered capital in appropriateness to business size. At present, the Company

holds 360 million baht of paid capital. The Company has extended scope of business to offering fully integrated IT solutions and services through turnkey sales, including consultation, system designs, installation and maintenance, as well as training for understanding of usage and office supplies sale to cover all customers' requirements with global leading brands such as IBM, HP, Lenovo, Dell, Acer, Microsoft, Solid Works, AWS and so on. Company's management is divided into 3 business units of Digital Solution Group, Solution Integration Group and Digital Printing Group.

In addition, the Company also manages through company group of 6 subsidiaries and Associates, in order to cover trade and industry sectors thoroughly.



CORPORATE GOALS

The Company has established clear business goals, determining to seek and serve the best technology for customers, quickly responding to customers' requirements in this era of rapid technological change in all industrial groups by quality and experienced personnel. The Company also operates business with transparency and fairness under the good corporate governance principles and the balance in economic, social, and environmental aspects for all stakeholders in order to create competitive advantage and support the company's sustainable growth.

In 2020, the Company aims to continuously generate revenue growth and gross margin, through increasing market share strategy by development of the Company's intellectual property application called "The Superapp". The Superapp is a CRM and ERP Platform that help corporate's core business and analyze data effectively and efficiently. Moreover, we have provided Analytics Systems such as Analytics, Robot Automation, PDPA Solution, E-Tax, Mobile App and Smart Message. The Company has also planned to expand the

market of IoT Platform in order to satisfy the expectation of IT market in this digital era, and to advocate Thailand's IT industry growth by knowledgeable and specialized teams to support our customers to change their business thought the digital era. The Company has accomplished such things successfully beyond expectation, and ready for development to continually enhance.

The Company has provided training on development of specific programming for i-Series for students and interesting persons in order to enhance learning on coding and have an opportunity to work with the Company. E-Learning has also been provided for internal and external persons to study, in accordance with corporate strategy emphasizing on development of personnel potential and social responsibility so that employees grow in their career path according to Sustainable Development Goals (SDGs) of United Nations as well.



BUSINESS STRATEGY

In driving vision and mission to achieve the goals, the Company has set strategy in 5 excellences, along with creation of core value of Metro Way, under good corporate governance, through the following strategic directions.



People Excellence

The strategy on enhancement the potential of human resource is to develop and enhance personnel skill, knowledge and capability. The Company supports creation of technological innovation within organization, in order to inspire the personnel in creation of new innovation, and also support the employees at all levels on presentation of business plan and performance to top management, in order to development leadership skill and ownership in accordance with core value. In addition to build employee engagement, the Company also creates the employees' willingness to explore their potential to create quality and value of work, and prompt to create continuous works for organization. Employees are the most important factor in business operation to enhance competitiveness.



Digital Transformation Excellence

The strategy on transformation the business model to accord with the digital transformation era, is to build the innovation culture through implementation of Robotic Process Automation (RPA) technology to support new normal and manage internal process under the idea of Agile Approach. This Approach emphasizes on team's internal communication in order to be prompt for transforming and learning new things among rapid changes, as well as to extent the development for sake of business and its customers.



Product & Service Excellence

The strategy on being leading in IT products and service provider, as well as a technological consultation is to strive on selecting new technological products and services from leading international brands, both hardware and software solution, in order to expand product portfolio and serve all customers' need in this digital era. Moreover, we have provided of total solution service from our expertise teams that are qualified by the brand's owners to satisfy the best services to customers



Customer Retention Excellence

The strategy on retaining customer base, most of the Company's customers are from private sector. The Company always pay attention and assesses on customer's satisfaction to be analyze for improved on selecting both products and services to continuously serve to customer needs.



Collaboration Excellence

The strategy on expanding business alliances and cooperative stakeholders by adhering business principles along with participation in social responsibility, both in Business ethics and development of community, society and environment under METRO Way for sustainable growth.

MAJOR CHANGES AND DEVELOPMENTS

Metro Systems Corporation Public Company Limited (MSC) has continuously developed for effective business operation, in accordance with business environment. The Company's 3 major development are shown below.

Year 2020

The Company has been announced as Thailand Sustainability Investment (THSI) 2020 for its business operation with Environmental, Social and Governance (ESG) by The Stock Exchange of Thailand, and for Sustainability Disclosure Acknowledgement on disclosure of Sustainability information by Thaipat Institute, and as the 5 Star of listed company with excellent corporate governance by Thai Institute of Directors (IOD) under support of The Stock Exchange of Thailand. Moreover, the Company has established corporate strategy department to push forward and monitor strategic operation to achieve vision, missions, and goals determined by the organization.



Year 2019

For shareholding structure, the Company acquired the refund from capital reduction of Metro Info Dynamics Company Limited, a subsidiary of the Company. As for management structure, the Company has appointed independent director to replace the resigned one. The Company has also renewed membership of Thai Private Sector Collective Action Against Corruption (CAC) with confirmation on 4 February 2019, and acquired Certification for Information Technology Security System (ISO 27001:2013) on 19 November 2019.

Year 2018

The Company has improved shareholding structure by ceasing operation of 2 subsidiaries; Metro Info Tech Co., Ltd. (MIT) and Metro Info Dynamics Company Limited Company, in order to concise business structure. As for the Company's business, the Company has changed the name from Software Solutions Products Group to Solutions Integration Group, and expanded the business by capital increase on subsidiary of digital information, in order to meet customers' need and serve to the changes of individual era.



NATURE OF BUSINESS

The Company operates the business on IT services through distribution of computer hardware, system software, application software, computer supplies, equipment and application development on requirement of customers, including integrated IT security services, from consultation, assessment on customers' requirements, project planning, system design, installation, maintainance, and traning to increase performance. The Company has divided operating guidelines for the Company and its subsidiaries, in order to make clear and to cover all products and IT services, into 3 business groups. Each business groups has strategies in accordance with individual competitive conditions as detailed below.



Digital Solutions Group

The Digital Solutions Group is operating as a distributor of hardware products, including servers, storages, desktop computers, notebooks, work stations, printers, as well as design and installation services for computer systems, softwares and solutions such as retail system (Point-Of-Sale machines and software), Video Surveillance system (IP Camera and softwares for security system), including solution for system recovery, security system, mobility. In addition, this group also expands sale scope to cover current customers' requirements by offering Cloud Solution services and services of coding application according to customers' requirements, and also the services of rental and product sales with inclusive services as Managed- Service Provider (MSP), and training on coding RPG for students and external interested persons.

The key strategy is to provide the services from sale, installation, and after-sale services by specialized teams, emphasizing on expertise of personnel to meet customers' requirements completely, in order to create competitive advantage in competition, as well as to corporate with the manufacturers, business alliances, and other softwares developers to offer total solutions for hardwares and softwares in market expansion to customers in business and industrial sectors, under sale policy of Managed Service Provider, collecting monthly service fee. This business model can be either On Premise type, installation of computer machines in customer's premise, and On Cloud, installation of computer machines provided the alliances (CAT) for customers to use via internet, in order to increase convenience for customers' business operation. The AWS service is to provide difference in Cloud Solution, and Business Continuity Service is to be Backup center for customer in emergency.



Revenue from sales
and services

1,950
(million baht)

26.3
(%)





Solutions Integration Group

The Solutions Integration Group is to operate as a distributor for software solutions with inclusive services of installation and IT consultation for effectiveness of business operation such as solutions for data center, network system, technological products, solutions for executive business decisions, emergency backup system for business, designed solutions, developed application by the Company as intellectual property application, outsource/ managed services with engineering team to be stationed at customer's company, including network engineer, system engineer, IT Support, and also remote support teams to monitor customer without being stationed at customer's company. The Metro Intelligent Cyber Security Center (MiCSC) has also been established for surveillance service and solutions on cyber security for the Company's customers. Bangkok Advanced Learning (BAL) is the Company's center for IT training and testing through the programs accredited by product developers, and main distributor for IBM, Cisco, Microsoft, Solid Works, Qlik Sense, Qlik View, K2 products and so on. This group has collaborated with business partners to hold seminars to provide knowledge and updated technologies to customers, partners, interested persons for customers' effective organization drive.

The key strategy emphasizes on helping customers transform their long-standing systems to meet the rapidly changing business challenges with the company's in-house software developed by the Digital Transformation Services (DTS) team., DTS provides consulting service, designing and developing of programing system to meet requirements of stakeholders, and ready for economic, social and environmental changes, leading to increasing of opportunity and competitiveness.



**Revenue from sales
and services**

3,690
(million baht)

49.8
(%)

Digital Printing Group

The Digital Printing Group is to operate the business of printers, office supplies such as printer's ink, small printers, projectors, smartphones, tablets, including leasing or rental services for printer, and sale of printer's supplies for all brands, IT goods for office, through direct sales of telemarketing and retail agents. In addition, this group has expanded total printing business by adding service of Digital Print on Demand to meet current consumers' requirements. This includes all natures of printing such as namecard, poster, calendar, bill, invoice, brochure, and various forms of books.

The key strategy is to use Tele Sales staff to present genuine goods, and to adjust sale strategies, emphasizing on "rental" service for copier machine/printer, in order to increase proportion of revenue and to meet customers' requirements, to penetrate B2B customer group in the target groups from SME to Enterprise Company, including environment group and academic institutions across the country, through IT systems for total sales management before and after sale.



Revenue from sales
and services

1,690
(million baht)

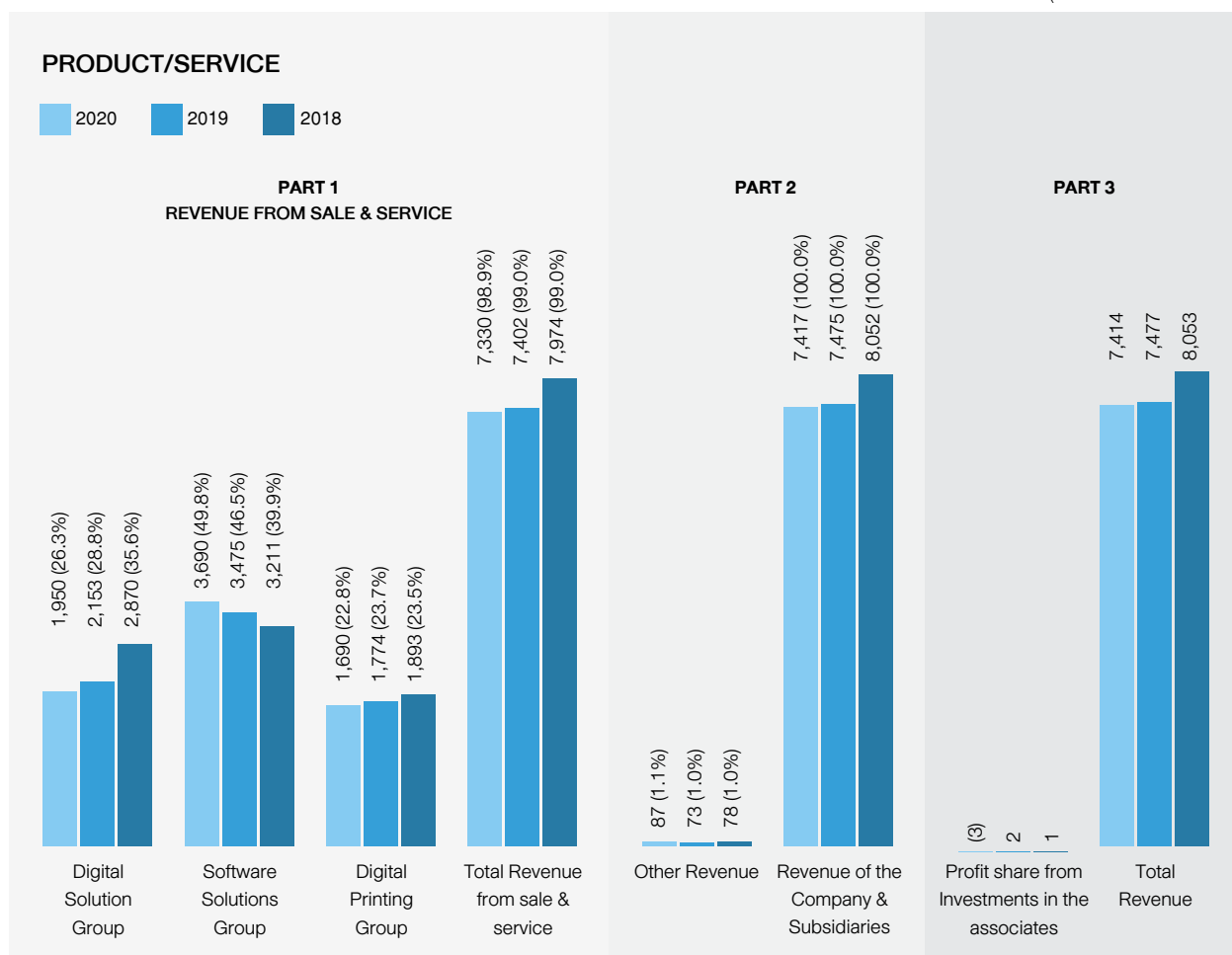
22.8
(%)



Revenue Structure

Primary revenue of the Company and subsidiaries according to types of business operation in the past 3 years are separated as follows

(Unit : Million Baht)



PRODUCT/SERVICE	OPERATOR	2020		2019		2018	
		Revenue	%	Revenue	%	Revenue	%
Part 1 Revenue from sale & service							
Digital Solution Group	MSC/MPP/MCC	1,950	26.3	2,153	28.8	2,870	35.6
Software Solutions Group	MSC	3,690	49.8	3,475	46.5	3,211	39.9
Digital Printing Group	MSC	1,690	22.8	1,774	23.7	1,893	23.5
Total Revenue from sale & service		7,330	98.9	7,402	99.0	7,974	99.0
Part 2 Other Revenue		87	1.1	73	1.0	78	1.0
Total Revenue of the Company & Subsidiaries		7,417	100.0	7,475	100.0	8,052	100.0
Part 3 Profit share from Investments in the associates		HIS/JBTH		(3)	2	1	
Total Revenue		7,414		7,477		8,053	

Origin : Consolidated financial statements

Marketing and Competition

The Company has clear business policies, emphasizing on creating competitive advantage in service, planning, IT consultation, and focusing on application development by the Company's intellectual property (IP), in order to flexibly meet requirements of customer's organization. This helps increase added value on goods & services of the Company. There is not much different in the overview of distributor competition in respect of brands and specifications so that most competitors focus on prices and services. Thereby, the Company has overview of marketing strategies to reduce risk in business operation as follows.

1. To increase diversity of quality products and services to meet customers' requirements, and to focus on offering solutions to customers, primarily considering actual usage of customers, by personnel teams specialized in each product. This is our competitive advantage that is different from other competitors in the market, and worth investing.
2. To expand the customer bases of private sectors from SME to enterprises, and several industrial sectors, such as industries of electronic components, motor vehicles, financial institutions, health facilities, academic institutions, in order to reduce risks when any industrial sectors have slowdown in investment and avoid highly competitive business. Thus, the Company has set the plans for risk management through income distribution, preventing the income to cluster on any customers/ customer base. This prevents the impact after loss of such customer. The Company also develops sale & marketing activities to maintain relationship with customers, with corporation of manufacturers and developer companies.
3. To organize the corporate and personnel by dividing personnel lines to take care of the products of each brand distributed by the Company, in order to get the products under close supervision of the Company's staff, and to get the staff specialized in such products. This helps create partners' confidence that the Company would be able to respond to customers' requirements in appropriateness with the products, and in accordance with customer's policy
4. To manage sale channels in Direct Sale, the market of which the Company is apt to expand with high margin, Tele Sale, and through the platform of Digital Marketing, to access new customer group interested in the products. The Company has also increased business alliances in corporation with the other partner companies to offer goods and services to support sale, while customers should benefit from integrated service.
5. To develop personnel expertise continually in order to provide consultation in IT investment, and to offer solutions responding to customers' requirements. This is to add value and differences to performance, instead of using only price competition mechanism.
6. To invest in technology, through establishment of Demonstration Center for customers to visit modern technology within the Company according to the idea of Proof of Concept. This is to demonstrate the usability hardware and/or software connection. The Company places importance on such investment and regards as key of business operation giving confidence to customers on product's effectiveness before making decision to buy in order to guarantee worthiness of investment and success in business customers would practically acquire.

Customer's Targeting Group and Characteristics

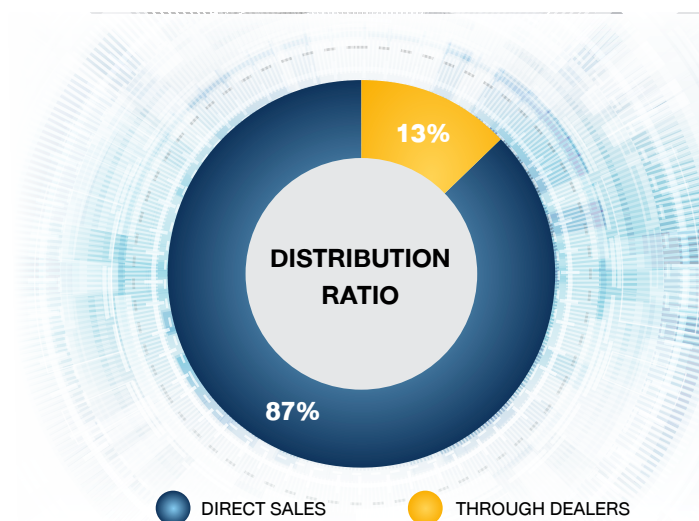
Targeting group of the Company's customers are mostly groups of small to large companies, financial institutions, government groups, state enterprises, and academic institutions, whereas the Company primarily focuses on customers in private sectors.

In 2020, sales proportion in private sector at 95%. However, the Company has repeat purchase rate at 91% of total customers, and total sales at 97% of the Company's total income.

The Company has no major customer with purchase of goods and services up to 10% of total income. This help reduce impact from loss of major customer.

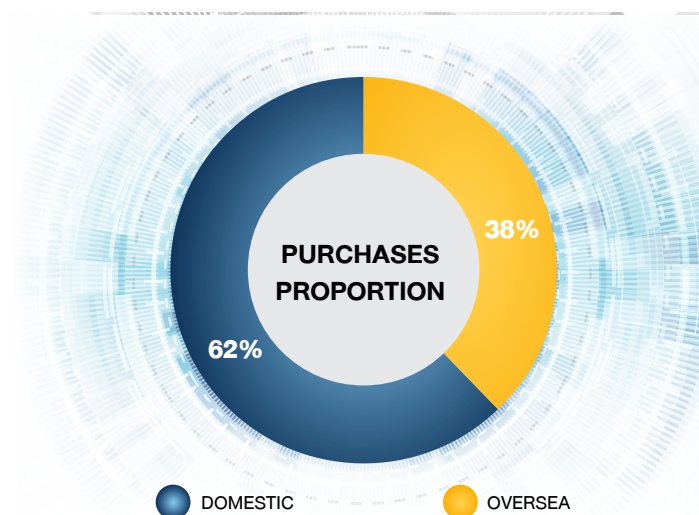
Sales and Distribution Channels

The Company places importance on distributing goods to customers thoroughly, both direct sales and dealers, emphasizing on design, selection of quality goods and after-sale services, installed by experience team and maintained after-sale service considering customer's satisfaction as the key. Ratio of direct sales and sales through dealers was 87:13.



Proportion of Domestic & Oversea Purchases

Most of sold products are primarily purchased from manufacturers with Thailand operational branch, in order to reduce risks of currency fluctuations affecting product cost and price-setting mechanism. There are some products that are necessary to purchase from overseas, such as purchase of software from Singapore and USA. The forward exchange contract is needed to be entered prior to each purchase. Proportion of domestic & overseas purchases in 2020 was 62:38.



Current Competition Conditions

industry is still growing in severe competition. In Thailand, investment of Network as a service is still growing continually in all organizations, especially for Cloud network services. COVID-19 pandemic has urged all organizations to adapt and seek for IT to help continuous operation, with no disruption. This includes adoption of systems for data analysis and network quality assurance, Edge processing, and AI technology for network, making both government and private sectors to emphasize on investments for driving organizations to New Normal.

During the past year, competition situation among IT service providers focused on service in form of Total Solution plus 2020, including designing, consultation, and after-sales service. Business model has also transformed from CAPEX to OPEX, in both rental and leasing services, in order to meet requirements of customer groups in individual industry.

The Company has collaborated as partners with global brands to support solutions that meet market's requirements in timely manner with abnormal situation of this year. At the same times, the Company has continuously supported marketing activities to introduce solutions and product knowledge and to deliver the best solutions to customers.

Industry Conditions and Competition

Gartner, Inc. has forecasted that in 2021, the overview of supply IT goods in Thailand will expand at 5.6 %, due to the pressure from COVID-19 pandemic. Each organization has adopted digital technology to cope with the crisis, accelerating digital business, such as Infrastructure as a Service (IaaS), software for Customer Relation Management (CRM), Cloud networking, data analysis and network quality assurance, Edge processing, and AI networking. With non-repeated pressures in all industries during continuous spread, the organization adopting digital to cope with the crisis increasingly better, and continue to growth of next year.

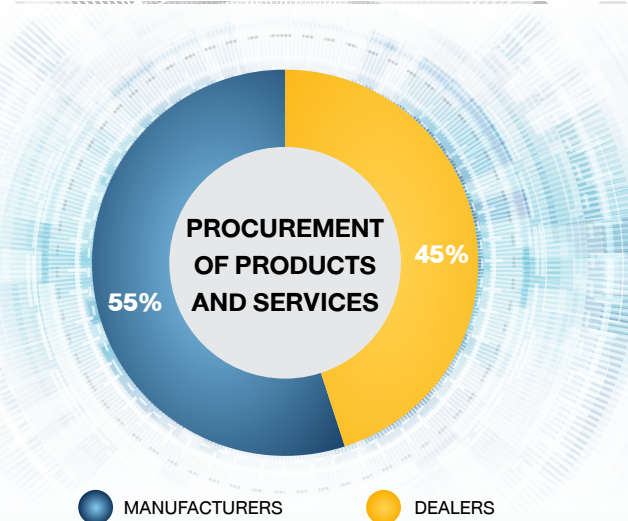
In 2021, software market at organizational level will get growing strongly again. Due to the impulse on adopting digital technology to support personnel remote work, as well as to increase virtual services, application of hyperautomation and Cloud system, due that in the past year, Cloud has proven of its good performance during the pandemic. Being capable for proper adjustment on increasing/reducing, Cloud system should keep on rapid growth until 2022.

The Company, as a leading company in business of technological industry, has prepared for abnormal situations occurring at present, including trends of business opportunity and risk factors, through service provision of Cloud computing, new applications relevant to Big data, in order to assist data processing and management quickly, effectively, cost saving on IT system management. Software as a Service (SaaS) has been used to presents goods, and networks for technologies is used to support data access at all times, and to increase potential on working through networking. The Company also procures softwares for data analysis, development of application and softwares for Mobile security, and Business Continuity services to support continuous work operation during crisis and strategies for new markets of customer's organization.

Procurement of Products and Services

The Company's procurement through 2 primary channels as follows.

1. Directly purchase from manufacturers, like IBM, HP, Microsoft, Epson, Solid Works, Cisco, Qlik View, Qlik Sense, K2 and so on, with agreement to appoint the Company as a distributor within the term of 1-2 years. In 2020, the Company's purchase proportion from manufacturers, at 55%.
2. Purchase from the dealers , at 45%

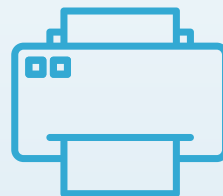


Operating Assets

The Company has operating assets divided into main Fixed Asset used by the Company and subsidiaries for business operations, including land and buildings at value of 322.38 million baht, and office equipment at value of 103.08 million baht. The Company has investment policy to specifically invest in the businesses related to main business of the Company, aiming to invest in sufficient proportion to get the Company in management position for setting crucial business directions. This is to support and enhance core business of the Company for stability, competitiveness, market coverage, and development of solutions for various industries, thus, to be effective enough to meet customers' requirements fully, as detailed in Attachment 4.



ASSETS
322.38
 (Million Baht)



OFFICE EQUIPMENT
103.08
 (Million Baht)

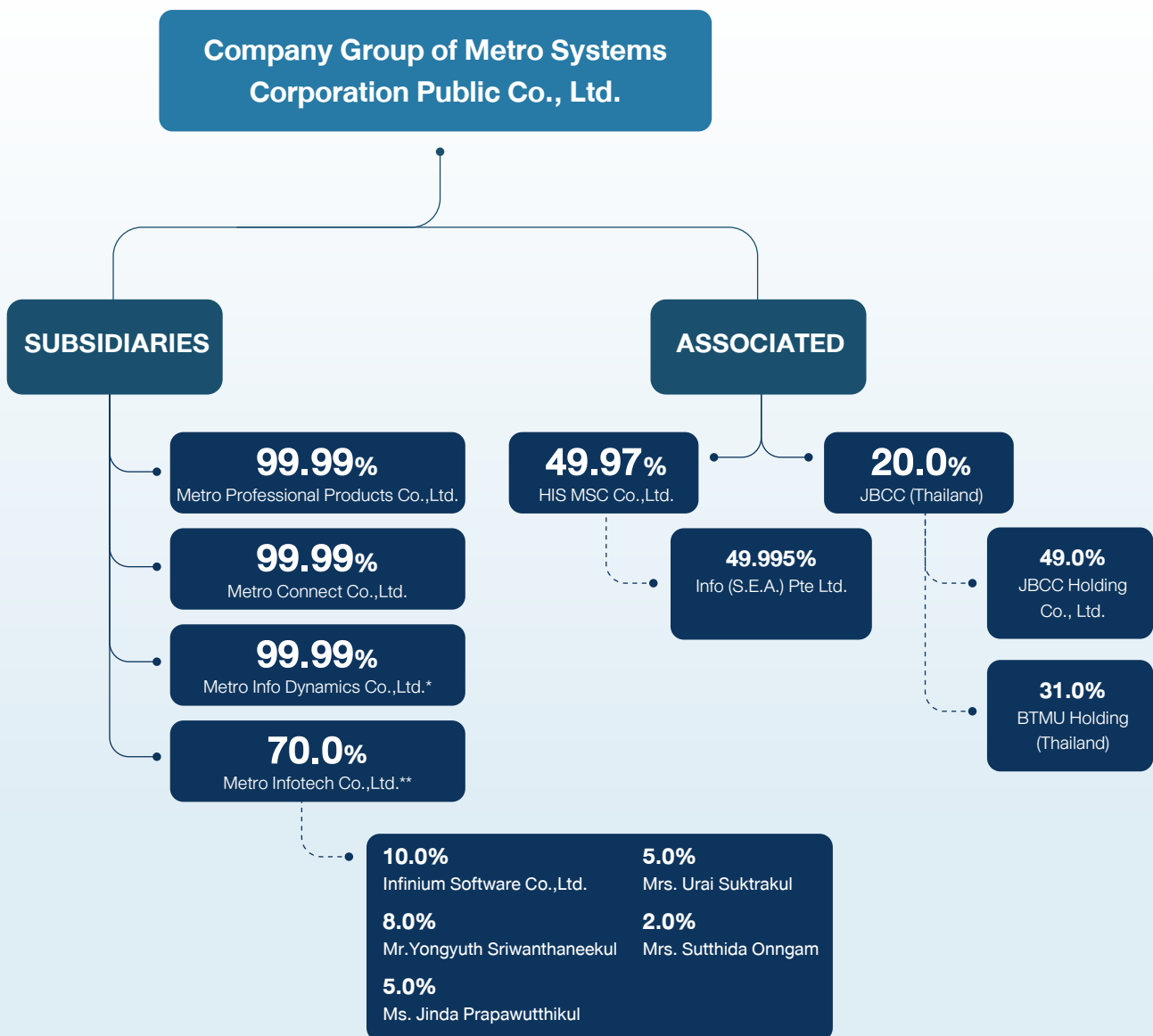
Working on Progress

-None-



SHAREHOLDING STRUCTURE OF THE COMPANY GROUP

The Company has invested in the IT business to advocate and support the operation of the core business to fully and effectively respond to customers' requirement, with 6 affiliated companies consisting of 4 subsidiaries; Metro Professional Products Co., Ltd. (MPP), Metro Connect Co., Ltd. (MCC), Metro Info Tech Co., Ltd. (MIT), Metro Info Dynamics Co., Ltd, and 2 associated companies; HIS MSC Company Limited and JBCC (Thailand) Co., Ltd. Under different conditions of shareholding and prescription of the policies by a parent company, as follows.



Remark :

* The subsidiary of Metro Info Dynamics Co., Ltd has already registered for dissolution and on liquidation process.

** The subsidiary of Metro Info Tech Co., Ltd. (MIT) is in the closure, due that the Company has policy to concise business structure.

Investment Policy in Subsidiaries & Associated Companies

The Company has policy to invest only in the enterprise with related nature to the key business of the parent company, aiming to invest in large proportion to enable the Company to participate in the management and formulation of important business guideline, in order to contribute and support business operation for stability of the Company's key business, with the competitiveness of market coverage and to develop industrial solutions efficiently for customers' requirements fully.

Relationship of Business Group of Major Shareholders

At present, the Company's group of major shareholders consists of the same group of shareholders and the Charuvajana family, the Company's founder.

Shareholders

The first 10 shareholders and proportion of shareholding, as of January 7, 2021.

	Shareholders Group	Type of Business	Shares	Proportions (%)
1	Metro Value Creation Co., Ltd.	Holding	88,331,363	24.54
2	Metrophose Co., Ltd.	Holding	69,165,402	19.21
3	Charuvajana Family		46,712,267	12.98
4	MC Bakery Co., Ltd.		46,419,600	12.89
5	Mr. Harakishin Thunwani		17,000,000	4.72
6	Makaranant Co., Ltd		14,560,000	4.04
7	Chuerattanapong Family		14,338,410	3.98
8	Suvarujiporn Family		7,592,490	2.11
9	Mrs. Chaweewan Achavaniyut		3,249,000	0.90
10	Miss Swangchit Laohathai		2,636,333	0.73
Total			310,004,865	86.11

Source : Shareholder List, as of January 7, 2021, from Thailand Securities Depository Company Limited (TSD)



Metro Value Creation Co., Ltd., as of 8 April 2020

Shareholders Group		Shares	Proportions (%)
1	Miss Seangchit Laohathai	133,334	33.34
2	Anantapol Holding Pte. Ltd.	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

Metrophos Co., Ltd., as of 2 April 2020

Shareholders Group		Shares	Proportions (%)
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

Details of Charuvajana family's Shareholding, as of 7 January 2021

Shareholders Group		Shares	Proportions (%)
1	Mrs. Pornthip Charuvajana	10,000,000	2.78
2	Miss Somchit Charuvajana	7,753,010	2.15
3	Miss Thipawan Charuvajana	5,033,649	1.40
4	Mr. Pirawitch Charuvajana	4,000,000	1.11
5	Mrs. Napaporn Charuvajana	3,684,989	1.02
6	Mr. Nattapol Charuvajana	2,848,600	0.79
7	Miss Amornsri Charuvajana	2,400,000	0.67
8	Miss Piyaporn Charuvajana	2,144,800	0.60
9	Mr. Boonchuay Charuvajana	1,335,811	0.37
10	Mr. Tavit Charuvajana	1,287,348	0.36
11	Miss Kanokporn Charuvajana	1,032,673	0.29
12	Mr. Narong Charuvajana	711,487	0.20
13	Mrs. Butsadee Charuvajana	630,320	0.18
14	Mr. Naris Charuvajana	567,644	0.16
15	Mrs. Orawan Chaiwiwat	3,281,936	0.91
Total		46,712,267	12.98

MC Bakery Co., Ltd., as of 7 January 2021

SHAREHOLDERS GROUP		SHARES	PROPORTIONS (%)
1	Anantapol Holding Pte. Ltd.	332,333	32.23
2	Mr. Sunpitt Sethpornpong	166,667	16.67
3	Mr. Pheerapon Sethpakdee	166,666	16.67
4	Miss Seangchit Laohathai	111,111	11.11
5	Mr. Sawangtham Laohathai	110,889	11.09
6	Miss Swangchit Laohathai	110,334	11.03
7	Miss Phanit Ngamkrekchoti	1,000	0.10
8	Miss Somchit Charuvajana	1,000	0.10
Total		1,000,000	100.00

Remark: Anantapol Holding Pte. Ltd. is not owned by the Company's directors or executives.

Amount of Registered Capital and Paid-up capital

As of December 31, 2020, the Company's registered capital was 360 Million Baht, divided into an ordinary 360 million shares, at a price of 1 Baht/Share, registered in SET with the initial of "MSC".

Issuance of Other Securities

- None -

DIVIDEND PAYMENT POLICY

The Company's policy

The Company has a policy to pay the dividend according to the Company's Separate Financial Statements, by no less than 50% of net profit after tax deduction, except in the case that the Company has accumulated losses, or it's necessary to be used for investment to increase the revenue.

HISTORICAL DIVIDEND PAYMENTS OF 5 YEARS (TURNOVER YEAR)	2019	2018	2017	2016	2015
Earnings per share (EPS)	0.65	0.67	0.61	0.49	0.41
Dividend per share (DPS)	0.45	0.47	0.43	0.35	0.30
Dividend payout ratio to net profit(%)	69.30	69.66	70.66	70.96	72.82

Dividend Payment Policy of Subsidiaries

Dividend Payment of subsidiaries was considered from Retained earnings (RE) and Financial liquidity of subsidiaries.

HISTORICAL DIVIDEND PAYMENTS OF 5 YEARS (TURNOVER YEAR)	2019	2018	2017	2016	2015
MCC Dividends (Baht / Share)	21	23	22	16	-
MID Dividends (Baht / Share)	-	-	-	-	-
MIT Dividends (Baht / Share)	-	-	44	-	100
MPP Dividends (Baht / Share)	12	50	30	30	30

RISK MANAGEMENT

The Company realizes on the important of Risk Management and commits to continual improvement process in order to achieve the company's goals and objectives as well as supporting the organization grow sustainably. The Company adheres to the Enterprise Risk Management Framework in accordance with the international COSO-ERM standard, as detailed below.

1. Formulation of Enterprise Risk Management Policy and Strategies

The Company has established a risk management process throughout the organization and in line with business strategies and goals by define the objectives and risk appetite.

2. Structure and Responsibilities

Enterprise risk management is executed by Risk Management Sub-Committee, requiring the Chairmen of Risk Management Sub-Committee to be dependent director. The Sub-Committee is to regulate operations in accordance with guidelines of risk management, as well as to advise, suggest and properly support development of risk management process, proposing recommendation to the Board of Directors and top managements, for continual and efficient risk management.

3. Risk Management Process

The Company has set 3 groups of risk management; Strategic Risk, Preventable Risk and External Risk, as well as to study and implement various risk management tools such as risk assessment and prioritization, using risk map, monitoring risk management through mitigation plan, Key Risk Indicator: KRI, including monitoring external factors changes and emerging risk, likely to affect business operations.

4. Establishment of Corporate Culture

The Company has built the awareness of the risk management to all employees by emphasizing everyone contributes and own the risks, and be responsible to identification, assessment, monitoring, and supporting efficient risk management.



Risk Factors

The Company has analyzed the environment both internal and external factors affected to business changed in accordance with trends in globalization, social expectation, competition, and bargaining power of partners and customers in trading, as well as politic and economic prospects including other relevant matters. Another factor is caused by within the organization, due to effectiveness in working process, personnel as key success of organization, including strategies capable of responding to current business , as divided into 4 groups below.

1. Strategic Risk

Risk	Cause	Guidelines for Risk Reduction
Personnel development to correspond the business growth	Advancement of technology, changes by globalization trends, and higher competition affect the business changed so that existing personnel may not be sufficiently skillful and knowledgeable for such changes.	Personnel skill development has been provided to correspond to technological changes, market requirements, sale business, by setting training roadmap, in accordance with work position in career path.
Retention of key personnel	Employees with IT capability, demanded by labor market, causing difficulty in recruiting and retaining personnel with quality corresponding to the organization's requirement, affecting ineffective operation.	Talent Pipeline in high and middle level of the managements gained from recruitment under criteria and learning needs, as well as establishment of corporate engagement, through activities
Organizational transformation to the digital era	Technological advancement and stakeholders' requirements playing roles on business forms, affecting direction of business operation both directly and indirectly.	The Company has established development plans to encourage personnel on expression of different opinions to create potential on corporate operations through activities, and to operational processes effectively and efficiently, emphasizing on responding to requirement of stakeholders.
Rely on manufacturers or partners	Partners may appoint additional representative or change business model into direct sale, if the Company's operation does not conform with manufacturer's contracts or code of conduct, the contract shall be liable to termination, or reduction of the role as distributors, likely to cause business Interruption or damages.	The Company has set strategy on additional development Intellectual Property and diversity of modern products and services persistent technological transformation, as well as on management on proportion of sale amount and profit from different types of products and services in proper and balancing manners.
Corporate Brand	Current business environment transforming by globalization and high competition directly affects customers' information perception to be called as Online or Digital Behavior	The Company has to be prepared for all forms of customer services by learning basic requirements of customers, and support impressive services beyond customers' expectation.

2. Preventable Risk

Risk	Cause	Guidelines for Risk Reduction
Information technology management	Current technology has come to play the roles on all lifestyles, including business operations. This causes the issues on cyber security & threats, liable to higher occurrence, including personnel' use of technologies may affect corporate key IT management.	The Company has acquired accreditation of Information Security Management System (ISO27001: 2013) with BCM plan in emergency cases.
Compliance with Laws, Regulations and Rules	As current technology has come to play the roles on all lifestyles and also business operations, regulatory agencies have to be more intensive on, for example, issuance of Personal Data Protection Act: PDPA to protect Thai people under transformations of consistent alterations of regulations and rules.	The Company has observed new law and regulations, while analyzing business operation impacts, for instance, advance preparation of Personal Data Protection Act, adjusting work process to conform to prospected laws and regulations becoming applicable in the future, with partners' and employees' acknowledgement of such.
Operation	External factor transformations, including on rapid growth of IT and customer behaviors, as well as higher stakeholders' requirements causing the Company's requirement on continual improvement of the Company operations.	The Company's development plan for process on corporate value chain has been established, with consideration on quality of goods, services and responses of key stakeholders, taking various tools to such, e.g., implementation of RPA for time-consuming and repetitive tasks, and so on. The Company has also acquired accreditation for the standard of Quality Management System: QMS (ISO9001: 2015) and other business-relevant universal standards.

3. External Risk

Risk	Cause	Guidelines for Risk Reduction
Climate Changes	Human-driven climate changes result as air changes and higher ocean temperature. Drought in several areas causes difficulty on forest recovery. All these cause disasters, including floods, earthquakes, resulting in failures of public facilities e.g., electricity, internet, and business operation shall be affected, if without planning ahead.	The Company has provided emergency plans, according to liable risk factors and Business Continuity Plan (BCP). The emergency drill has been organized annually requiring key persons to work in DR site, in order to test the operation in both systems and procedures. Furthermore, for business continuity, target of greenhouse gas reduction has also been set by the Company as a corporate key activity.
Technology and innovation change	Technology advancement has changed life style, business enterprise and economy. New technologies give different potentials and higher benefits.	The Company has prepared for the impacts on trading market in both hardware and software. The strategies have been set for additional modern diversity of products and services, including integrated service and development of corporate copyright products, in accordance with technology transformation.

Risk	Cause	Guidelines for Risk Reduction
Entry of new competitors	Entry of new goods and new sale approaches, including opensource and startup businesses affects customers' buying decisions, by which business operation and total sale amount are likely to be affected also.	The Company has acquired increasing of revenue from provision of system consultation, integrated service, data connection service, as well as emphasizing on professional services, with supports of universal standards.
Economy	National overview of economy lately has not been quite good, causing some corporates' disruptions or termination of projects, by which the expected revenue might not reach the targets.	The Company has adapted strategic plans to conform with current business conditions, including internal cost control.

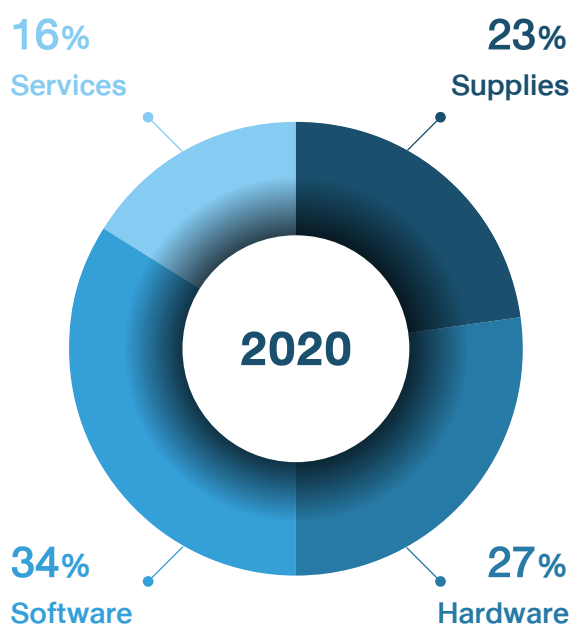
4. Emerging Risk

Risk	Cause	Guidelines for Risk Reduction
Covid-19 pandemic	Infection from animal to human by Cross-Species Transmission (CST) of coronavirus from bat to civet cat, and then human. It started from China with global spread. Such Covid-19 pandemic has affected global economy. Thailand tourism is especially affected, then spread to other sectors, including hotels, restaurants. The lockdown even affects all businesses.	<p>The Company has prepared;</p> <p>Employees' safety</p> <ul style="list-style-type: none"> • Questionnaires for family and self-examination on travelling and sicknesses. • To establish conviction on employees' safety such as by temperature measurement prior to entry of the offices, no entry of outsiders, request for employees' corporation on travelling reporting, conforming to Social Distancing rule. <p>Work from Home</p> <ul style="list-style-type: none"> • IT Facilities with close and all-time monitoring by the Management <p>Cash Flow</p> <ul style="list-style-type: none"> • Situational simulation for consideration of Cash Flow and provision for additional resource of the reserve.

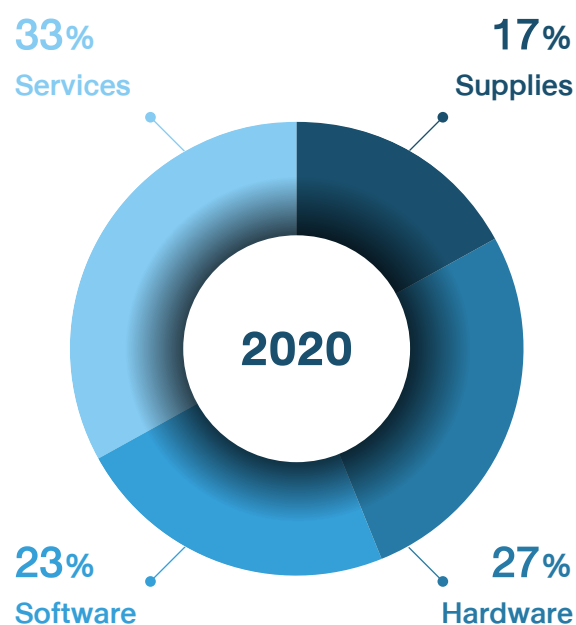


Management Discussion and Analysis (MD&A)

Revenue from sales breakdown



Gross profit for the year breakdown



Financial Highlight

Statements of Financial Position	Consolidated			Separate		
	2018	2019	2020	2018	2019	2020
Assets						
Current Assets						
Cash and cash equivalents	54	42	286	39	27	210
Current investments/Financial assets measured at fair value to profit or loss	10	249	143	0	100	103
Trade and other current receivables	1,672	1,292	1,233	1,161	1,172	1,061
Contract assets		29	14			
Current portion of lease receivables	255	232	191	119	101	106
Inventories	447	401	329	324	329	230
Other current assets	12	11	8	8	7	7
Total Current Assets	2,450	2,255	2,205	1,652	1,736	1,718
Investments in subsidiaries and associates	11	12	7	47	39	69
Deposits at financial institutions used as collaterals	41	39	39	14	14	14
Property, plant and equipment	567	507	427	554	495	415
Lease receivables	241	238	166	152	160	109
Other non-current assets	201	230	295	185	219	282
Total Assets	3,510	3,282	3,139	2,604	2,663	2,607
Current liabilities						
Short-term borrowings from financial institutions	228	148	144	71	99	88
Trade and other current payables	1,081	900	787	792	747	686
Short-term borrowings	6			6		
Current portion of long-term borrowings	95	65	38	47	18	23
Current provisions for employee benefits	15	49	16	15	48	12
Other current liabilities	4	7	17	2	2	12
Total Current Liabilities	1,429	1,169	1,001	932	914	821
Long-term borrowings from other parties	23	13	4	23	13	4
Lease liabilities	57	31	33	13	13	25
Non-current provisions for employee benefits	127	167	209	110	154	196
Deferred tax liabilities	12	8	3			
Other non-current liabilities			0.4			0.4
Total Liabilities	1,648	1,389	1,250	1,078	1,094	1,047

Statements of Financial Position	Consolidated			Separate		
	2018	2019	2020	2018	2019	2020
Shareholders' equity						
Authorized share capital	360	360	360	360	360	360
Issued and paid-up share capital	360	360	360	360	360	360
Premium on ordinary share	234	234	234	234	234	234
Retained earning						
Legal reserve	48	48	48	48	48	48
Unappropriated	1,218	1,247	1,243	884	928	918
To owners of the company	1,860	1,889	1,885			
Non-controlling interests	2	4	5			
Total Shareholders' equity	1,862	1,893	1,890	1,526	1,570	1,560
Total Liabilities and Shareholders' equity	3,510	3,282	3,139	2,604	2,663	2,607

Statements of Comprehensive Income	Consolidated			Separate		
	2018	2019	2020	2018	2019	2020
Revenue						
Revenue from sales	7,017	6,335	6,144	5,362	5,403	5,352
Revenue from services and rental	956	1,067	1,186	743	880	1,023
Other income	78	73	87	90	117	100
Total Revenue	8,051	7,474	7,417	6,194	6,400	6,475
Expense						
Cost of sales and services	6,717	6,192	6,254	5,057	5,213	5,412
Administrative expenses	970	998	904	838	910	827
Other loss			7			6
Finance costs	18	13	11	11	7	7
Impairment loss determined in accordance with TFRS 9			52			52
Income tax expenses	64	51	30	46	36	21
Total Expense	7,770	7,254	7,258	5,952	6,166	6,325
Profit before share of profit of investments in associates	281	220	159	243	234	150
Share of profit of investments in associates	1	2	(3)			
Profit before non-controlling interests	282	222	156	243	234	150
Non-controlling interests	(1)	2	0			
Profit for the years	283	220	156	243	234	150
Basic earnings per share	0.79	0.61	0.43	0.67	0.65	0.42
Par Value	1	1	1	1	1	1

Statement of Cash flows	Consolidated			Separate		
	2018	2019	2020	2018	2019	2020
Cash provided by operation before changes in operating assets and liabilities	474	399	369	376	337	311
Change in operating assets and liabilities	(762)	198	36	(433)	(90)	98
Net cash provided by operating activities	(288)	597	405	(57)	246	409
Cash paid for purchases of property, plant and equipment	(54)	(35)	(41)	(50)	(31)	(37)
Net cash provided by (used in) investing activities	490	(251)	84	369	(42)	(24)
Net cash used in financing activities	(216)	(358)	(245)	(307)	(216)	(202)
Net increase (decrease) in cash and cash equivalents	(14)	(12)	244	5	(12)	184
Cash and cash equivalents as at January 1,	68	54	42	34	39	27
Cash and cash equivalents as at December 31,	54	42	286	39	27	210

Statement of change in shareholders' equity	Consolidated			Separate		
	2018	2019	2020	2018	2019	2020
Issued and paid-up share capital						
Common stock						
Beginning balance	360	360	360	360	360	360
Added during the period						
Reduce during the period						
Ending balance	360	360	360	360	360	360
Premium on ordinary share						
Premium on ordinary share						
Beginning balance	234	234	234	234	234	234
Added during the period						
Reduce during the period						
Ending balance	234	234	234	234	234	234
Retained earning						
Appropriated						
Legal reserve						
Beginning balance	48	48	48	48	48	48
Added during the period						
Reduce during the period						
Ending balance	48	48	48	48	48	48
Unappropriated						
Beginning balance	1,090	1,218	1,246	796	884	928
Comprehensive income-restated	(1)	(22)	3	(0)	(21)	3
Added during the period	284	220	156	243	234	150
Reduce during the period	(155)	(170)	(162)	(155)	(169)	(162)
Ending balance	1,218	1,246	1,243	884	928	918

Statement of change in shareholders' equity	Consolidated			Separate		
	2018	2019	2020	2018	2019	2020
Non-controlling interests						
Beginning balance	6	2	4			
Effect from accounting adjustment						
Added during the period		2				
Reduce during the period	(4)		0			
Ending balance	2	4	4	-	-	-
Total Shareholders' equity	1,862	1,893	1,890	1,526	1,570	1,560

Financial Ratio		Consolidated			Separate		
		2018	2019	2020	2018	2019	2020
Liquidity Ratio							
Current Ratio	(Times)	1.7	1.9	2.2	1.8	1.9	2.1
Quick Ratio	(Times)	1.2	1.1	1.5	1.1	1.0	1.2
Cash flow current ratio	(Times)	(0.2)	0.5	0.4	(0.1)	0.3	0.5
Receivable turnover	(Times)	6.8	6.0	7.4	6.8	6.5	7.4
Avg. collection period	(Days)	53	60	49	53	55	49
Payable Turnover	(Times)	9.6	9.3	11.0	9.0	10.1	11.0
Payment Period	(Days)	38	39	33	40	36	33
Inventory Turnover	(Times)	17.9	15.3	18.2	17.2	16.8	20.9
Avg. selling period	(Days)	20	24	20	21	21	17
Cash Cycle	(Days)	36	44	36	34	41	33
Profitability Ratio							
Gross profit margin	(%)	15.8%	16.3%	14.7%	17.2%	17.0%	15.1%
Net Profit Margin	(%)	3.5%	2.9%	2.1%	3.9%	3.7%	2.3%
Return on equity	(%)	15.7%	11.7%	8.2%	16.4%	15.1%	9.6%
Efficiency Ratio							
Return on Assets	(%)	8.5%	6.5%	4.9%	9.4%	8.9%	5.7%
Return on Fixed Assets	(%)	65.2%	59.5%	53.1%	42.9%	44.6%	32.9%
Assets Turnover Ratio	(Times)	2.4	2.2	2.3	2.4	2.4	2.5
Financial policy ratio							
Debt to equity ratio	(Times)	0.9	0.7	0.7	0.7	0.7	0.7
Interest Coverage ratio	(Times)	(11.3)	49.8	40.8	0.1	42.7	63.2
Debt Service Coverage - cash basis	(Times)	(0.9)	1.5	1.5	(0.2)	1.0	1.8
Dividend payout rate	(%)	65.8%	59.6%	73.5%	70.6%	69.6%	69.3%

Operating Performance

The situation of the COVID-19 epidemic since the beginning of 2020 has inevitably impacted the global economy severely. After the end of the year, when the country faced a new outbreak, the Thai economy was quite affected by city lockdowns and measures for stopping the outbreak. However, the government has gradually launched a range of measures to mitigate the impact and stimulate domestic spending, which has briefly helped sustain private consumption. Private investment is expected to contract at a high rate due to the fragile and uncertain economy.

In 2020, the company had revenue from products sales and services of 7,330 million baht, a decrease of 1% from hardware and office supplies products. The revenue from the software products group and the services income increased. The Company's gross margin declined from the previous year due to an increase in revenue from its software product line, which is a low gross margin product and relatively high price competition. As a result, the Company had a net profit of 156 million baht, a decrease of 29%.

Revenue

The company has revenue from sales of products and services, divided by product groups as follows:

- Revenue from Digital Solution Group (DSG) amounted to 1,950 million baht, accounting for 27%, a 9% decrease from the previous year, due to a decrease in sales of medium-sized computers and large storage devices caused by contraction of the economy, consequently leading to private sectors investment in mega projects to continue to decline in hardware purchases as compared to 2019.
- Revenue from Solutions Integration Group (SIG) amounted to 3,690 million baht, accounting for 50%, an increase of 6% from the previous year, mainly from sales of Software License and income from rental and services, in line with the direction which the business of the Company is more service-oriented.

- Revenue from Digital Printing Group (DPG) amounted to 1,690 million baht, accounting for 23%, a decrease of 5 % compared to the previous year due to many organizations having a work-from-home policy and budget control measures for purchasing supplies. In addition, customers switched to a printer rental contract that charges per sheet instead of purchasing consumables, thus reducing the sales of printer consumables.

The gross margin of 14.7% is less than that of 2019, with a gross margin of 16.3%, due to the increase in revenue from Software License, which is a low gross margin product and is quite competitive in this year.

Expenses

The expenses consist of:

- Selling and administrative expenses decreased from the previous year by 93 million baht when compared to the revenue from sales of products and services in 2020, accounting for 12.3%, a decrease from 13.5% for the year 2019 due to the decrease in employee benefits expenses. The main reason is that in 2019 there was a provision of 45 million baht for employee benefits, reduced travel expenses and promotional expenses due to the COVID-19 epidemic situation, which led the Company to reduce such activities.
- The Company had an impairment loss according to TFRS9 is of amount 52 million baht, most of which was due to a debtor of the Company filed for business rehabilitation with the court and the court ordered the rehabilitation.
- Financial costs decreased from the previous year by 2 million baht when compared to the proportion of revenue from sales of products and services in 2020 which accounted for 0.15 %, a decrease from 0.18% in 2019.

- Income tax decreased by 21 million baht because in 2020, the Company has a lower profit before tax compared to revenue from sales of goods and services in 2020, accounting to 0.4%, a decrease from 0.7% in 2019.

As a result, the Company had a net profit attributable to the parent company of 156 million baht, compared to 220 million baht for 2019, a decrease of 64 million baht or 29%, mainly due to a decrease of 72 million baht in initial profit margin or by 1.7%, resulting in a decrease in gross profit of 133 million baht and an impairment loss according to TFRS9 of 52 million baht.

In terms of profitability ratio, the Company had a net profit margin of 2.1%, decreased from the previous year with a net profit margin of 2.9%, and the return on equity ratio was 8.2%, a decrease from the previous year which has a rate of 11.7%.

Financial Position

Assets

As at the end of 2020, the Company had total assets of 3,139 million baht, a decrease of 142 million baht from the end of 2019. The total assets consisted of current assets of 2,205 million baht or 70 % of total assets, and non-current assets of 934 million baht or 30 % of total assets. The cause of the decrease in total assets is due to:

- Current assets of 2,205 million baht, a decrease of 50 million baht, due to current investments or financial assets measured at fair value to profit or loss of 106 million baht, inventories decreased by 71 million baht, trade and other current receivables assets decreased 59 million baht, current portion of lease receivables due within one year decreased 40 million baht, contract assets decreased by 15 million baht, and other current assets decreased 3 million baht. Where else, cash and cash equivalents increased by 244 million baht.

Trade and Other Receivables

The company had trade accounts receivable after deducting allowance for doubtful accounts at the end of 2020 amounted to 873 million baht, a decrease of 127 million baht. Most of the debtors, 75% were not due for payment, while the remaining 25% were in the process of payment tracking. Debtors older than 1 year amounted to 1 million baht and debtors in the process of legal proceeding amounted to 70 million baht which were debtor under the payment of installment and collection. In 2020, the Company has set up an allowance for expected credit loss of 52 million baht or 5.6% of the total receivables. In 2020 the Company has an average debt collection period of 49 days, which, according to the company policy, allows most customers to pay for goods at approximately 30-60 days. The unbilled trade receivables at the end of 2020 were 229 million baht, an increase of 73 million baht.

Other receivables at the end of 2020 were 145 million baht, a decrease of 19 million baht, most of which were advance expenses.

Inventories

The Company has inventories after deducting allowance for devaluation of goods at the end of 2020 equaling to 329 million baht, a decrease of 71 million baht. Inventories of the Company can be divided into finished goods, project work in progress and goods in transit. The average sales period is 20 days according to the Company's management policy for controlling and preventing risks.

- Non-current assets of 934 million baht, a decrease of 93 million baht, due to a decrease in property, plant and equipment (net) 80 million baht, finance lease receivable 72 million baht, withholding tax decreased by 7 million baht, investment in Associates decreased by 6 million baht, rights-of-use assets increased by 38 million baht, deferred tax assets increased by 17 million baht, and intangible assets increased by 16 million baht.

Liquidity

Cash flow

As of 31 December 2020, the Company had cash and cash equivalents equaling to 286 million baht, an increase of 244 million baht due to:

- Net cash obtained from the Company's operations amounted to 405 million baht, mainly due to profit before income tax after deducting non-cash expenses of 369 million baht, change in trade and other receivables decreased by 27 million baht, finance lease receivables decreased 105 million baht, inventories decreased 63 million baht, other current assets decreased 3 million baht, trade and other payables decreased 106 million baht, resulting in the Company's cash derived from operations amounted to 462 million baht. The Company has employee benefit obligation payment of 10 million baht, and net income tax of 47 million baht.
- Net cash generated from investing activities of the Company amounted to 84 million baht: the Company received net cash received from the sale of equity instruments or debt instruments of the company net 108 million baht, interest received 15 million baht, cash received from the sale of land, buildings and equipment and intangible assets of 2 million baht, and payment for fixed assets and intangible assets increased by 41 million baht from investments in office equipment and furnishings.
- Net cash used in financing activities of the Company amounted to 245 million baht due to the Company's dividend payment of 159 million baht, repayment of lease liabilities 61 million baht, financing cost of 11 million baht, repayment of short-term loans from financial institutions of net 4 million baht, repayment of long-term loans from financial institutions of 5 million baht, and repayment of long-term loans from other companies 4 million baht.

Significant Liquidation Ratio

As of 31 December 2020, the Company had a debt-to-equity ratio of 0.7 times, the same as in 2019, with a decrease in liabilities, mainly from trade and other payables, current liability provisions for employee benefits and finance lease liabilities which is due within one year. At the same time, shareholders' equity decreased from dividend payment.

The debt services coverage ratio in 2020 is 1.5 times, the same as in 2019, with the Company having a lower cash flow from operations from the previous year due to a decrease of 106 million baht from trade and other payables, paying net income tax of 47 million baht. The Company paid employee benefit obligations of 10 million baht, and trade receivables and other receivables decreased by only 27 million baht. The company had debt payments of 75 million baht, a decrease of 133 million baht.

The Company's liquidity ratio at the end of 2020 was 2.2 times, an increase from 2019 which was 1.9 times due to an increase in cash and cash equivalents, which this year had a policy to reserve more cash from the previous year. Average collection period decreased from 60 days to 49 days, the Company's payment period decreased from 39 days to 33 days, and the average selling period dropped from 24 days to 20 days, while the quick ratio at the end of 2020 was 1.5 times, increased 1.1 times in 2019.

Source of Funds

Liabilities

Total liabilities at the end of 2020 was 1,250 million baht, a decrease of 139 million baht compared to the previous year. The total liabilities consisted of current liabilities of 1,001 million baht or 80% of total liabilities, and non-current liabilities of 249 million baht or 20 % of total liabilities. The reasons for the decrease in total liabilities is due to:

- Current liabilities of 1,001 million baht, a decrease of 169 million baht due to decrease in trade payables and other current payables of 113 million baht. The Company had trade payables of 567 million baht,

a decrease of 6 million baht. The Company had a payment period 33 days. The other payables amounted to 220 million baht, a decrease of 108 million baht, consisting of accrued expenses, deposits and deferred income. The current liability provisions for employee benefits decreased by 34 million baht. Current portion of lease liabilities decreased by 26 million baht, and short-term loans from financial institutions decreased by 4 million baht while current financial liabilities increased by 11 million baht.

- Non-current liabilities amounted to 249 million baht, an increase of 30 million baht due to an increase of non-current provision for employee benefits of 42 million baht and lease liabilities increased by 1 million baht. Deferred tax liabilities decreased by 5 million baht, long-term loans from other companies decreased by 4 million baht, and long-term loans from financial institutions decreased by 4 million baht.

Shareholders' Equity

The total amount of shareholders' equity at the end of 2020 was 1,890 million baht, a decrease of 2 % due to net profit in 2020 of 156 million baht and dividend payment rate in 2020 at 0.45 baht per share, totaling 162 million baht.

Liabilities Commitment and Off-Balance Sheet Obligations

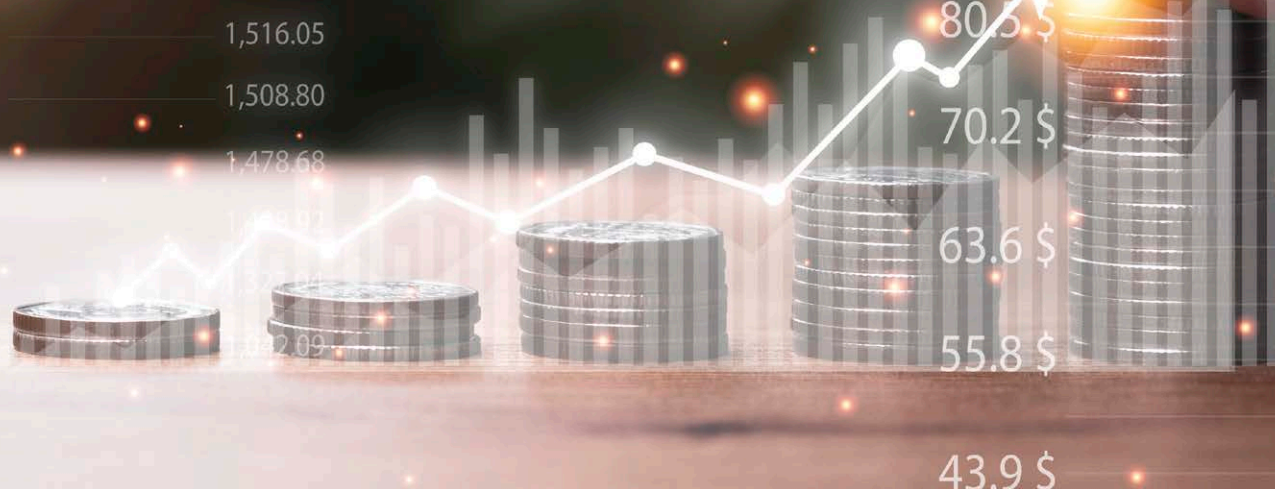
The Company has entered into the following operating lease agreements:

The contract for car rental, building and related service has a period of 5 years and is irrevocable. As of 31 December 2020, the minimum future payment within 1 year was of amount 5 million baht after 1 year, but no more than 5 years in the amount of 0.1 million baht.

The information has been disclosed in Note 36 of the Financial Statements for the year 2020.

Factors which may affect the financial status or future operation

- None -



General Information

Details of Company, Subsidiaries, Associated Company and Related Pesons

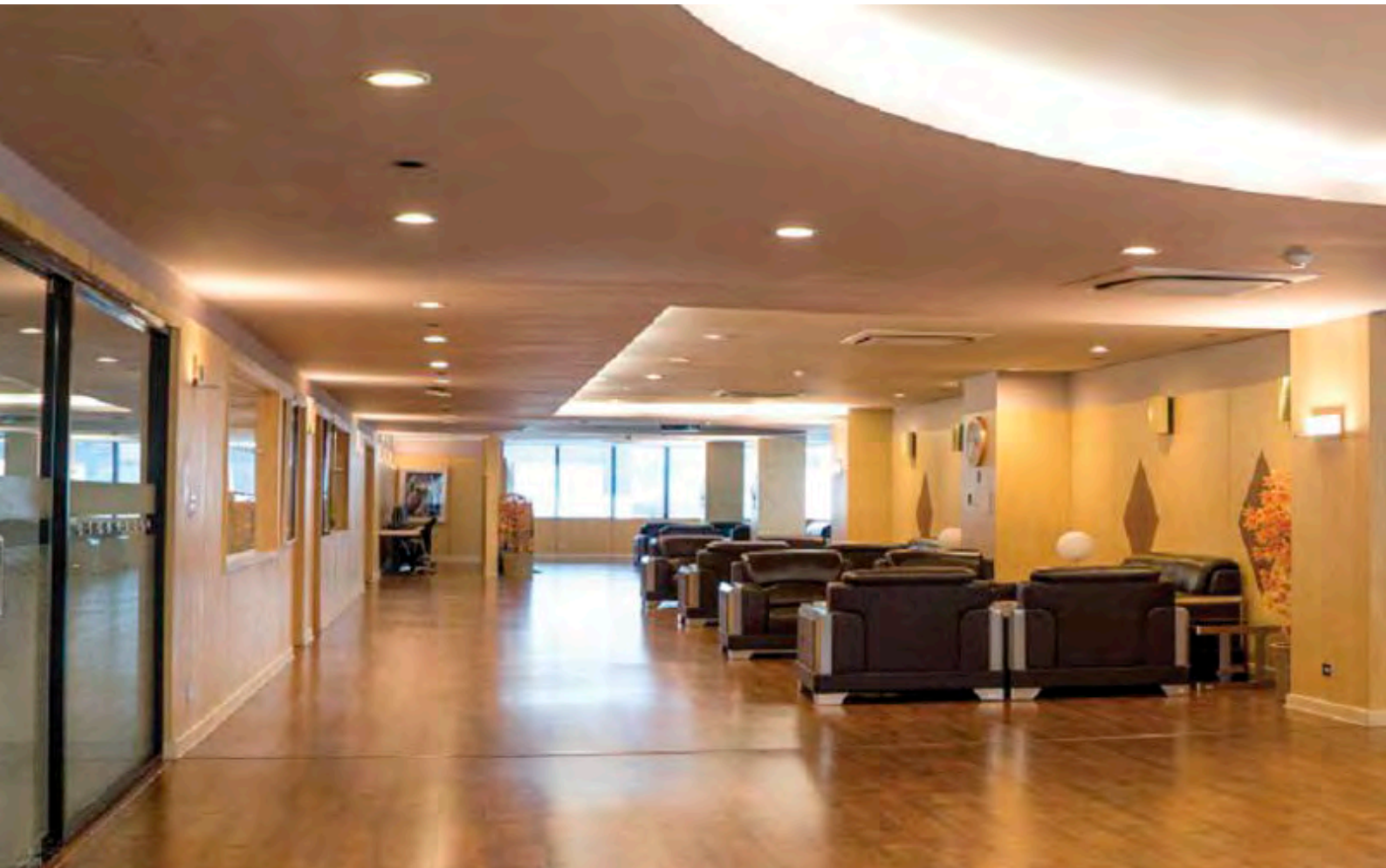
Metro Systems Corporation Public Co., Ltd.



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
Number of Shares	360,000,000 shares
Par Value	THB 1.00
Head Office Location	400 Chalermprakiat Rama 9 Rd, Prayet, Bangkok 10250
Telephone	02-089-4000
Web Site	http://www.metrosystems.co.th





Branches

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

Purpose of Business Microsoft Training and Demonstration Centre

Telephone 02-089-4724, 02-089-4015

Fax 02-298-0260

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



Envisioning Center 88/15-17 Mahatun Plaza Building, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

Purpose of Business IBM Training and Demonstration

Telephone 02-089-4135

Fax 02-253-0563

Web Site -

Subsidiaries Companies

Company Name	Metro Professional Products Co.,Ltd
Group Of Industry/Business	Technology Information Technology and Communications
Nature Of Business	Distributor of Computer/ Service Provider of Complete Computer System including rent out the computer
Registered and Paid Capital	THB 50,000,000
Number of Shares	500,000 shares
Par Value	THB 100.00
Head Office Location	98/44 Factory Land 2 Alley 3, Moo 11, Bhudhamolthon 5, Rai Khing, Sam Pran, Nakorn Pathom 73210
Telephone	02-019-9399
Fax	02-019-9398
Web Site	http://www.mpp.co.th

Company Name	Metro Infotech Co.,Ltd
Group Of Industry/Business	Technology Information Technology and Communications
Nature Of Business	Installation and Service Provider and Distributor of Software of Customer Relationship Management, Business Process Management and Business Intelligence
Registered and Paid Capital	THB 5,000,000
Number of Shares	50,000 shares
Par Value	THB 100.00
Head Office Location	400 Chalermprakiat Rama 9 Rd, Nhongbon Pravet, Bangkok 10250
Telephone	02-089-4551, 02-089-4552
Fax	02-726-2530
Web Site	http://www.metroinfotech.co.th

Company Name Metro Connect Co.,Ltd
Group Of Industry/Business Technology Information Technology and Communications
Nature Of Business Distributor of Computer product, Peripheral devices, and Software through IT Service Provider
Registered and Paid Capital THB 10,000,000
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>

Company Name Metro Info Dynamics Co.,Ltd
Group Of Industry/Business Technology Information Technology and Communications
Nature Of Business Distributor of Computer product, Peripheral devices, and Software
Registered and Paid Capital THB 2,500,000
Number of Shares 25,000 Shares
Par Value THB 100
Head Office Location 400 Chalermprakiat Rama 9 Rd, Nongbon Pravat, Bangkok 10250
Telephone 02-089-4000
Fax 02-726-2630
Web Site -

Associated Companies

Company Name HIS MSC Co.,Ltd

Group Of Industry/Business Technology Information Technology and Communications

Nature Of Business Service Provider and Distributor for Hotel Management Software,for example,Epitome Software

Registered and Paid Capital THB 4,000,000

Number of Shares 40,000 Shares

Par Value THB 100

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>

Company Name JBCC (Thailand) Co.,Ltd

Group Of Industry/Business Technology Information Technology and Communications

Nature Of Business IT Product Distribution for Japanese Customers

Registered and Paid Capital THB 10,000,000

Number of Shares 10,000 Shares

Par Value THB 1,000

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 Register

Thailand Securities Depository Company Limited
93 Ratchadapisek Road, Dindaeng, Dindaeng, Bangkok 10400
Tel. 02-009-900

Certified Pudlic Accountant

Mrs.Wilasinee Krishnamra
C.P.A. License No. 7098,and/or
Mr. Chavala Tienpasertkij
C.P.A. License No. 4301,and/or
Mrs.Nisakorn Songmanee
C.P.A. License No. 5035,and/or
Ms. Kornthong Luangvilai
C.P.A. License No. 7210

Deloitte Touche Tohmatsu Jaiyos Audit Limited
No.11/1, AIA Sathorn, Bangkok 10120.
Tel : 02,034-0000
Fax : 02-034-0100
E-mail : wk Krishnamra@deloitte.com

Legal Consultant

Legal Office of Metro Systems Corporation (Public) Co., Ltd.
Telephone 02-089-43523

Financial Consultant

-None-

**Consultant or Manager
under**

-None-



Other important information

Mr. Tavit Charuvajana has sold 14,000,000 units of the Company's shares, or equivalent to 3.89 % of the total paid-up shares of the Company. Mr. Narong Charuvajana has sold 16,000,000 units of the Company's shares, or equivalent to 4.44 % of the total paid-up shares of the Company, totaling 30,000,000 units of shares or 8.33 % of the total paid-up shares of the Company, sold to MC Bakery Co., Ltd. on 18 September 2020.

This change in shareholding structure has no impact on the controlling power of the Company, business policies, and the structure of the Board of Directors and Executives. MC Bakery Co., Ltd. did not send a representative to become the Company's director.

Legal dispute

On May 29, 2015, the Company engaged in the design, development, and installation of savings cooperative system program for member cooperatives and information technology system service for the Federation of Savings and Credit Cooperatives of Thailand Limited (FSCT), divided into 4 sub-tasks. The total value of employment under the contract is approximately 285,800,000 Baht, which the Company has proceeded according to the terms and conditions of the employment contract in all aspects. However, during the work on the project under the employment contract aforementioned, FSCT defaulted to pay wages and/or service fees of amount approximately 29,583,350 Baht and did not check for delivery of work in the part of work that the Company has completed which the wages amounted approximately 62,525,616 Baht. In addition, FSCT also asked the Company to slow down for the undergoing works that were in the progress of failing to comply with the terms of the employment contract, which impacted the works and caused damage to the Company. Therefore, on December 26, 2016, the Company issued a notice of demand and termination of the employment contract with FSCT, demanding FSCT to pay for the above-mentioned wages work and to return collateral for the contract and the performance of work of the contract which amounted to 14,290,000 Baht to the Company, but it appears that FSCT did not comply with the Company's notice of demand and termination of the contract.



The Company, as the plaintiff, filed a lawsuit against FSCT, as the defendant, with the Nonthaburi Provincial Court, civil case number Black No.Por.277/2560, in the charge of termination of the contract, claim compensation for the claim amount of 204,409,552 Baht. FSCT has filed a lawsuit against the Company as a defendant with the Nonthaburi Provincial Court, civil case number Black No.Por.2295/2560, in the charge of breach of employment contract with a claim of 312,389,794.45 Baht, in which the judicial ordered to combine trials for the two cases to be conducted at the same time. On March 12, 2019, the Nonthaburi Provincial Court judgement that FSCT pay 97,457,299.60 Baht with interest at the rate of 7.5% per year on the capital aforementioned from the filing day(February 14, 2017) until the payment is completed, the defendant shall return the promissory note and the IP Phone to the plaintiff. If the defendant is unable to return, the defendant must also pay the cost of the promissory note is 14,290,000 Baht, the cost for the IP phone is 186,784 Baht, the charges for an attorney fee of 100,000 Baht, and the prosecution fee for both cases totaling 50,000 Baht.

FSCT filed an appeal against the judgment of the First Instance Court (Nonthaburi Provincial Court) and the Appeal Court judgement FSCT to make a payment of 32,282,664.50 Baht with interest at a rate of 7.5 % per year from the filing day until the payment is completed to the plaintiff. In addition to the amendment to be in accordance with the judgment of the First Instance Court, the charges incurred during the appeal for the two records shall be vested.

The Company has submitted a petition for approval and the petition to the Supreme Court. Currently, the case is pending for FSCT to submit a petition to the Supreme Court with the Supreme Court to allow the Supreme Court to consider the petition of both parties whether to accept the case for consideration or not. If the Supreme Court does not accept the case, the trial will be terminated by adhering to the judgment of the Appeal Court.

Secondary market

-None-

Financial institution contacted frequently (only in the case of debt instruments)

- UOB Asset Management (Thailand) Company Limited
- Thai Cash Management Fund for Corporate Investors



A blue-tinted photograph of a business meeting. In the foreground, a person's hand in a dark suit sleeve points towards the center. In the background, another person's hand is visible, holding a pen. The background is a blurred architectural drawing or blueprint. The overall mood is professional and collaborative.

2

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE POLICY

Good corporate governance

Metro Systems Corporation Public Company Limited is committed to conducting business according to the principles of good corporate governance, code of conduct, laws, regulations, and relevant requirements, having responsibility to society, community, environmental, which is an important foundation in building confidence in investors and various stakeholders of the Company for long term sustainability.

The Board of Directors has always focused on the policy and practice of good corporate governance by assigning the Corporate Governance Sub-Committee to monitor and promote the company's operations, as well as to review and improve the CG Principles consistently. In order for the Executive Directors to comply with good corporate governance principles correctly and maintain standards in compliance with the regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC), including CG Principles for listed companies in 2017 (Corporate Governance Code: CG Code 2017), the Board of Directors has updated the latest CG principle on 27 February 2020. In addition, the Company's practices, whether it be a CG Principles, Code of Conduct, management structure, policies and practices related to the good governance practice, the Company has compiled them in the same book under the title "Corporate Governance Manual" to enable directors, executive directors, and employees to use it as guideline for their conduct in accordance with the framework of good corporate governance. The Company also regularly supervise the business on a yearly basis, including communicating with directors, executive directors and employees as well as publishing such information through the company website, where interested parties can access information via <https://ir.metrosystems.co.th/corporate-governance-th/>

Good corporate governance policy

The Company has clearly established the corporate governance policy in the CG Principles since 2017, which is the duty and responsibility of the Board of Directors, executive directors and all employees of the Company to acknowledge and implement. The Company regularly reviews policies on good corporate governance and practices. In 2020, the Company has reviewed the rules and regulations of good corporate governance of the regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The criteria for assessing good corporate governance of various institutions during the past year were found to have no material changes. The Company's policy on CG Principles remains consistent and relevant.

In 2020, the Company has reviewed and updated the corporate policy to be up to date.

Overview of policies and practices of corporate governance

The Company has established a corporate governance policy in the written CG Principles by continuously reviewing and improving the manual to be suitable for business operations, compliance with the law, good practice, business operations, economic and social environmental. The Board of Directors, executive directors and employees of all levels are assigned to acknowledge and adhere to it as a guideline for their operations, with the directors being a good role model in complying with the Code of Ethics and Corporate Governance to promote and make the company an efficient organization in business operations with good management, transparency, verifiable, fair to all stakeholders, adding value to shareholders with consideration for stakeholders to lead to sustainable growth which has the following important components.



Principle 1:

Recognize the roles and responsibilities of the Board of Directors as the leader who creates sustainable value for the business.

The Board of Directors realizes the role, duty and responsibility as the corporate leader who must supervise the organization to have good management, supervise the Company's business operations with transparency and lead to sustainability. The duties and responsibilities of directors have guidelines for performing as follows:

1. Define the main objectives, business goals, vision and mission of the Company by communicating with employees so that everyone has the same aims, mutual commitment, building organization together leading to the goal of creating value and provide sustainability of business in terms of economy, society, environmental, taking into account all stakeholders.
2. At the meeting of the Board of Directors every year, the Board of Directors will jointly review policies, plans and operating budgets in accordance with the business direction and monitor performance evaluation with consideration of competitiveness, technology industry trends, business impacts, short-term and long-term results from the performance report of the Executive Committee to allow the management to develop or improve, and allowing the company to adapt to the variable factors appropriately and effectively.
3. To determine the scope of duties and responsibilities of the committee in accordance with the Director Handbook, the charter of each sub-committee, which will be reviewed annually in order for the executive directors to perform their duties with responsibility, prudence, and honesty to the organization. It is also done so that they can be implemented correctly and appropriately and keep up with the changes that occur. The responsibilities of the Board of Directors and Management have been clearly separated in order to operate in accordance with laws, regulations, resolutions at the shareholders' meeting, as well as the guidelines set forth, and regularly communicate such roles, duties and responsibilities to directors, sub-committee management and employees at all levels of the Company.
4. Establish strategies, policies, regulations, code of conduct for directors, executive directors, and employees to cover all operations of the Company, including organizing a meeting of the executive committee to monitor the performance of the management, implementation of the Company's strategy at least once a year, and put together various policies in the form of a corporate governance manual to be used as a basis for operating ethically, with respect for the rights and responsibilities of shareholders and all stakeholders. The policies are based on correctness in accordance with CG principles that represent principles and operational guidelines that are ready to move the business forward in the framework of corporate culture (METRO Way) and maintain a good role model as a leader in corporate governance, taking into account social and environmental impacts as well as financial performance to provide the Company with stable and sustainable growth in the long term.
5. Organize Board of Directors' meetings at least once every three months and hold shareholders' meeting

within 4 months from the end of the Company's accounting period, and hold extraordinary general meeting of shareholders from time to time as needed for business operations.

6. Determine that the Company has internal control system, internal audit and risk management system that is appropriate, concise, and efficient, including continual and regular monitoring of the operations in various matters in the Board of Directors meetings.
7. The Board of Directors appoints the Company Secretary and determines the scope of powers, duties and responsibilities of the Company Secretary to perform duties with responsibility, prudence and honesty.

Regarding the corporate governance structure related to organizational management of the Board of Directors, the sub-committees, the management department, to various departments including the departments that are mechanisms for corporate governance, details are shown in diagram on topic Good Corporate Governance Structure page 72



Principle 2:

Define the business objectives and main goals for sustainability.

The Board of Directors jointly defines and reviews the Company's vision, mission, business strategy, and supervise the Company's business in accordance with the specified objectives and goals for the best benefit of economic value for the Company and Shareholders, along with clearly setting business goals, both short-term and long-term, have a concrete framework and plan for each year taking into account the economic conditions, market competition, risk factors and operational results. In the past years, we have followed up on the achievement of our goals that will help create value for the Company, customers, stakeholders and society as a whole. The all stakeholders are independent in expressing their opinions, not seeking benefit for themselves or anyone, not taking any action that is in conflict or in competition with the interests of the Company and its subsidiaries. Innovations and modern technology are also applied appropriately, safely, based on

social and environmental responsibility, ready to be leader for the organization's continuous development, leading to corporate sustainability.



Principle 3:

Strengthen board effective

The Board of Directors is aware of the important role in corporate governance for the best interests of the Company, has an understanding of roles, duties and responsibilities by dividing the roles of the Board of Directors and the management, and ensuring the Company has confidence in the system of transactions or businesses. In order for efficient and effective performance of the duties of the Board of Directors, the Board of Directors must jointly define and review the structure of the Board of directors, comply strictly with the Director Handbook or the Charter of each sub-committee. The Corporate Secretary is assigned by the Company to supervise the meetings of the Board of Directors, shareholders' meetings, and various activities of the Board of Directors, as well as to supervise the Company's compliance department to provide the Board of Directors and employees of the Company access to necessary information. There would be compliance with relevant laws and regulations, as well as promote corporate governance in accordance with good corporate governance standards.



Principle 4:

Recruiting and Developing Top Executives and Personnel Management

The Board of Directors is aware of the personnel who will take positions at all levels and is part of driving force of the Company towards its goals. Hence, the Board of Directors ensures that the recruitment and development of the Chief Executive Officer and the top management at all levels are possible by considering the knowledge, skills, and experiences under the appropriate remuneration of the Board of Directors, as well as establishing guidelines for the development of knowledge of directors and also assessing the performance of the Board of Directors and the sub-committees on a regular basis to assure stakeholders that the Board of Directors will be able to take responsibility for the Company within the specified scope of duties and to

supervise the management and development of personnel in accordance with direction and strategy of the Company.

In addition, the Company has formulated a succession plan for the top management of the organization in the event that the executives vacate their positions in order to maintain confidence of corporate investors and employees that the operations of the company can be continued smoothly. There is an annual meeting for discussion by the Nominating and Remuneration Sub-Committee.

The Company also has a policy of recruiting and determining the remuneration for directors and sub-committees, which are considered important persons in the supervision of the Company's business operation to meet its goals. This was done by taking into account the consistency with good corporate governance principles in order to create suitability, motivation, and competitiveness, and considering the scope of duties and responsibilities in each position, operational intentions, performance and financial status of the company. Remunerations were also done upon consideration of compared remuneration of other listed companies with similar size and characteristics.

The consideration of the remuneration payment to the Board of Directors and the executive directors must pass resolution of shareholder meeting of the Company every time, whereby the Nominating and Remuneration Sub-Committee will consider and present to the Board of Directors for approval that such compensation is suitable for their responsibilities and can motivate directors and executive directors to lead the organization in pursuit of both short-term and long-term goals and can be compared with the level practiced in the same industry before proposing to the next shareholders meeting.



Principle 5:

Promote innovation and responsible business conduct

The Board of Directors realizes the importance of and supports the creation of innovation that brings value to the business, while creating benefits for customers or related parties and having social and environmental responsibility by formulating an Operation Plan to enable all parties to act in accordance with the objectives, goals and strategies of

the Company by operating the business with responsibility, fairness and taking into account the interests of all stakeholders.

1. The Company encourages its employees to innovate both in process and by adding value to products. Therefore, the Metro Brain-Based Startup Project aims to open up employees to demonstrate their potential in creativity and propose ideas for further pursuit of new businesses. The innovation will be protected as the Company is the owner of intellectual property, which creates a good image to be a new generation organization that is the leader in future business as well as developing the organization to grow forward sustainably. It will continue to create innovation, resulting in business results, making the Company a sustainable technology business leader.
2. The Company has undertaken corporate social responsibility by supporting and encouraging all employees to take part in doing good deeds, giving back and helping society continuously, as well as focusing on the development of the potential of children and youth to be more efficient.

The Company's business operation has no impact on the social responsibility, the environment or any stakeholders. There is no legal breach in matters related to the Company's corporate social responsibility principles, such as good corporate governance, business operations, and corporate governance. Business was also done with fairness, anti-corruption, with respect for human rights, fair labor practices, consumer responsibility, environmental preservation, community, and social development, and being innovative and dissemination of innovation.

3. The Company realizes the importance of responsibility to all stakeholders in order to achieve sustainable objectives and main goals, thus providing efficient and effective resource allocation and management, taking into account the impacts and development of resources throughout the supply chain. The Company is committed to conducting business in accordance with code of conduct, good corporate governance policy, corporate social responsibility policy, anti-corruption

policy, procurement and review of business partners policy, and intellectual property protection policy, where stakeholders are shareholders, customers, competitors, partners or creditors, employees government and government agencies, as well as society and communities, which are to be taken care of by the Company with fairness strictly in accordance with the benefits and coverage of fairness and suitability as follows:

- 1) **Shareholders, investors, analysts** The Company operates its business in a transparent, accurate, fair manner and in accordance with the rules, regulations and related laws, takes into account the returns to shareholders, and discloses correct and equitable information through the website of the Stock Exchange of Thailand (SET) and the Company's investor relations website on a regular basis, including organizing an activity for the Company to meet with investors in "Opportunity Day", which will be organized after the announcement of the second and fourth quarter financial statements in order to maximize benefits and increase shareholder value over the long term.
- 2) **Customers** The Company distributes products and services at fair prices with international standard quality and treats customers fairly in order to create satisfaction for customers. The Company has fulfilled the contract with transparency, completeness, correctness, and upholding relationships. For example, the Company has conducted customer satisfaction surveys in terms of product / service trust, customer satisfaction, sales staff, information acquisition and service consistency, knowledge and understanding of products / services of personnel, accuracy and speed of purchase order process and of delivery, and overall satisfaction in each business group on an overall. The Company brought the survey results to the relevant departments to analyze the survey results and jointly find ways to develop and improve products and services in order to increase

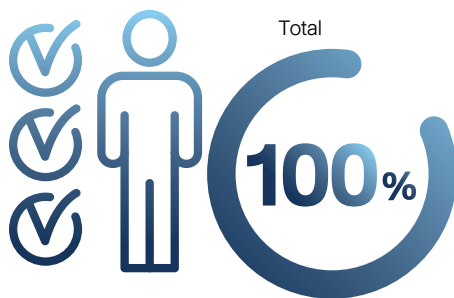
customer satisfaction in the long term, with customer satisfaction to the Company for each year expected to be not less than 80%.

- 3) **Competitors** Executive directors and employees of the Company formulate business strategies and competition and should treat competitors fairly within the framework of the laws related to trade competition. At the same time, the Company remained transparent and ethical, avoiding dishonest means to cause damage to competitors. The Company will not commit any act that infringes on their intellectual property, improper or dishonest means of obtaining confidential information, damage reputation of the competitor through defamatory accusations. The Company seeks to compete fairly to create good market conditions, such as providing information about products or creating new products or services, and not entering into any agreements with competitors or any person that is in the nature of reducing or restricting competition.
- 4) **Business partners** The Company realizes the importance of treating trade partners equally in accordance with the framework of honest and transparent trade competition, respect for each other's rights, does not demand or accept any property or benefit from trading partners, does not buy products with partners that infringe on intellectual property or violates human rights, and does not do business with partners who act illegally, refrain from creating trade bargaining power by means of reciprocity or creating conditions for compliance, and having honesty in doing business in a collaborative manner to comply with the procurement regulations announced by the Company for the management of the companies in the group to be in the same direction. The procurement regulations cover from the procurement of products, goods and services for distribution to customers, supplier selection with supplier screening process according to clear supplier grouping criteria, procurement and

appointment of import-export agent, supplier inspection, job acceptance and audit conditions, including preparing the Company's code of conduct and practices of the Company's business partners in order to be professional, transparent, and fair.

In the year 2020, the Company has announced its intention and sent a manual on sustainable business practice to all business partners. As for the new business partners, the Company has selected through screening of environmental, social, and governance issues, with a total of 279 members, representing 100%.

The New Business Partners



- 5) **Creditors** The Company was able to operate under reasonable business conditions and in accordance with industry practice, adheres to trade conditions and contracts fairly and lawfully, without taking advantage of counterparties, and does not use fraudulent or concealment methods for any important facts that may cause damage to creditors. The Company was strictly committed to pursuing the terms of agreements made with all of creditors strictly, accurate, and straightforward according to the agreed schedule while being able to repay the loan with interest in a full amount to the creditors within the agreed period and being responsible for various types of guarantees with honesty to build trust and fairness for the creditors. In case where the Company was unable to comply with the required conditions, it would notify and negotiate with creditors in advance to seek ways to prevent damage that could possibly occur to both parties.

- 6) **Employees** The Company considers employees as a valuable resource. Having employees with competence, diligence, honesty will make the business run sustainably. Annually, the Company stipulates fair compensation in order to align the employee's compensation policy with the performance of the Company in both short and long term. There are guidelines for increasing the annual wage and the provident fund. Besides, the Company provided various other benefits such as medical expenses for employees and their families, various allowances, supports for employees' potential development, knowledge, and skills, as well as instill in employees to act in accordance with the employee code of ethics and promote a livable working environment. The Company provides adequate workplaces, modern equipment, and meeting rooms, all for convenient use. The interior scenery of the Company has been adjusted for there to be green space around the building, creating pleasant environment, and also encouraging employees to use bicycles instead of cars for traveling around the company compound, and provision of electric vehicle chargers (EV Charger) to reduce pollution. The Company also arranged adequate protection equipment to be ready to cope with unexpected injuries or damages caused by daily operations, with a nursing room arranged to provide first aid treatments during the working hours.

The Company adheres to the human rights principle by establishing human rights policy and providing employees with knowledge and understanding on human rights principles in order to implement them as part of their operations and not support activities that violate human rights principles. The Companies will apply administrative justice principles to the management of salaries, wages, and benefits, as well as non-compulsory employment conditions, being against involuntary labor or the use of child labor. The Company is also without discrimination,

with practice of providing equal opportunities for all employees, providing good and suitable work environment, and strictly complying with applicable laws and Thai labor standards.

- 7) **Government and Government Agencies** The Company cooperates with government agencies in performing good corporate citizenship, complying with legal requirements for conducting business, accounting, paying taxes for the state in accordance with the nature of business. The Company also engages in business with government agencies in an honest and fair manner, treating them with the sincerest courtesy and goodwill like customers in general, refrained from bribery and unethical hiring of civil servants to immensely facilitate the Company's business, abstained from any illegal or fraudulent conducts with government officials, and never allowed any government official with intent to corrupt in any way or seek personal gain from the Company's business.
- 8) **Society and Community** The Company remained firm to provide assistance in various fields that benefit society and communities by striving to support activities that benefit society and communities, refrain from conducting businesses that worsen the society, and refrain from any acts that affect the destruction of natural resources and the environment, taking care of business operations not to cause pollution to the environment and society, and cooperate with all parties in the community by offering its devotion of time, effort, and resources according to suitability, including raising awareness and encouraging employees and related persons to act as good citizen, be responsible and benefits to society and communities.

The Company is politically impartial by not acting in favor of or supporting any political party, any political party or any person with political power, and the Company respects the rights and freedoms of the employees' political rights,

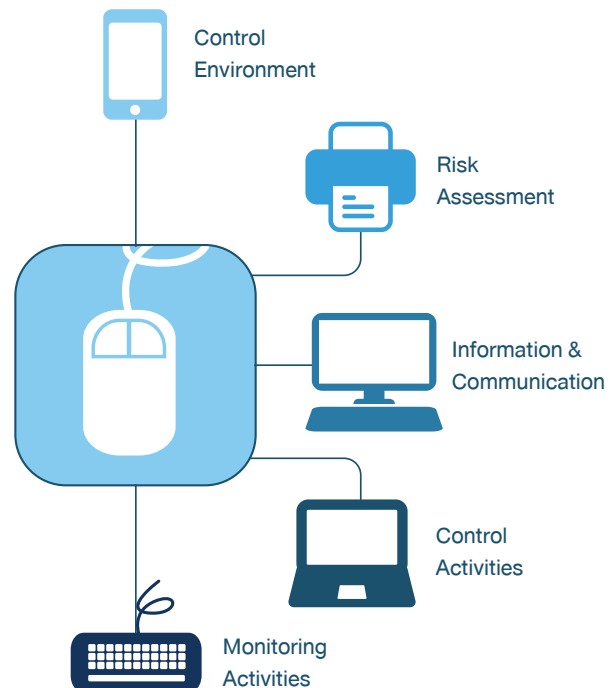
including the practice which must comply with all applicable laws.



Principle 6 :

Strengthen Effective Risk Management and Internal Control

The Board of Directors is responsible for assessing sufficiency of the internal control system, whereby the Company has used the internal control system adequacy assessment form in accordance with guidelines of the Securities and Exchange Commission (SEC) as a tool to assess the adequacy of the Company's internal control in accordance with the concept developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which defined five essential elements of internal control as follows:



To ensure that the operation of the Company has adequate and adequate internal controls, including complying with the relevant laws and regulations under the Internal Audit Department to collect information and present the results of the assessment on sufficiency of the internal control of the Board of Directors each year to the Audit Committee before reporting the results to the Board of Directors for acknowledgment, as well as to supervise the Company to

have an appropriate risk management system by establishing a risk management policy, while assigning the Risk Management Sub-Committee to consider risks, assess impacts and possible opportunities in order to prioritize risks and appropriate risk management methods.

In this regard, the Company emphasizes not allowing the Company's personnel to seek personal interests in order to avoid situations that may create a conflict of personal interest with the interests of the Company. The Board of Directors has assigned the Audit Committee to supervise connected transactions or transactions that may lead to conflicts of interest between the Company and the management, Board of Directors or shareholders, including the prevention of improper use of assets, information and opportunities of the Company and transactions with persons having relationship with the Company in an inappropriate manner, in accordance with the laws and regulations of the Stock Exchange of Thailand to ensure such transactions was conducted in accordance with the operating procedures and with disclosure of information as required by law which is mainly for the benefit of the Company and shareholders. Stakeholders are also to not be involved in decision-making. The Board oversees the compliance with the requirements on procedures and disclosures of transactions that may lead to a conflict of interest to be correct and complete in making important transactions. Items requiring approval from the shareholders' meeting must be approved in accordance with the laws and the Company's regulations.

In addition, the Company also has a defined anti-corruption policy and guidelines to not demand, accept, not pay and do not do business with individuals and juristic persons related to corruption. It has been approved by the Board of Directors. Executive directors and employees of the Company at all levels have been involved in monitoring the conduct of corruption and rejecting all forms of corruption both direct and indirect. In addition, if there is a violation and non-compliance with the aforementioned policies and guidelines, the person will be subject to disciplinary action in accordance with the Company's regulations and may be in violation of the law, regulations or other relevant provisions. The Company has opened channels for whistleblowing or complaints if anyone saw any actions of individuals in the

organization that may be within scope of corruption to prevent and control such actions from occurring. All employees are also to participate in anti-corruption day activities annually in order to acknowledge the importance of anti-corruption and promote the National Anti-Corruption Day to the company's employees. The Company is certified as a member of the program Thailand Private Sector Collective Action Coalition Against Corruption (CAC) since 2016.



Principle 7:

Maintain financial credibility and disclosure of information.

Maintaining financial credibility and integrity

The Board of Directors recognizes the role and duty of maintaining financial credibility to shareholders and other stakeholders such as investors and analysts by overseeing the financial reporting system and monitoring adequacy of the financial condition. It has appointed an Audit Committee consisting of independent directors to be in charge of the quality of financial reports and the internal control system. In the disclosure of financial statements, the Board of Directors is responsible for the consolidated financial statements of the Company and its affiliates which are prepared in accordance with the generally accepted accounting standards in Thailand by selecting the appropriate accounting policies and practicing them with respect. Management's explanations and analyzes are prepared for the disclosure of the financial statements every quarter, careful judgment and best estimates are made, and sufficient material information is disclosed in the notes to the financial statements. The Board of Directors maintains an effective internal control system to reasonably assure that the accounting records are accurate, complete and sufficient for the maintenance of assets and for their acknowledgment of weaknesses to prevent fraud or materially unusual operations, as well as a plan to address financial problems if the company is facing financial problems or is likely to have problems with due regard to rights of stakeholders.

Disclosure of Information

The Company has a policy to communicate and disclose information in a correct, adequate and timely manner in accordance with relevant rules, standards and practices by disclosing the Company's general information and financial information in accordance with the regulations of the Stock Exchange of Thailand, as well as disclosing the Company's policies to the public and stakeholders with accuracy, completeness, timeliness, transparency through channels that are easy to access, equitable and trustworthy, as evidenced in the form of corporate communication channels such as e-mails, corporate websites, annual registration information/ annual report (Form 56-1), made available in both Thai and English. The Company Secretary Department is responsible for coordinating and communicating with investors or shareholders, which is approved by the Board of Directors will disclose information of the Company through the Company's website in both Thai and English, and report to the Securities and Exchange Commission or the Stock Exchange of Thailand accordingly. This would facilitate shareholders, investors, analysts, and media to receive accurate, complete, transparent, and up-to-date information particularly since it became a matter that affected the decisions of investors and stakeholders. Therefore, it is necessary to control and define measures for the disclosure of information both financial and non-financial in accordance with the law.

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In addition, the Company provides shareholders and investors the opportunity to visit the Company and access the Company's information through management earnings announcements and other important events on an ongoing basis. Information and answers to inquiries of stakeholders can be obtained from the contact information provided herein. The Company allocates a specific investor relations budget every year in order to develop efficient investor

relations operations as well as for the Company to analyze investor relations opportunities, problems or developments by defining investor relations objectives, including annual work plans and reports on investor relations operations to executive directors. Disclosure of such information will be done correctly, adequate, equitable and timely.

Nevertheless, the Company has established a policy on information disclosure and transparency, requiring the Board of Directors to oversee the disclosure of information about the Company's operations in the annual report and on the Company's website. Annually, the disclosure and transparency policy will be reviewed in order to ensure that the policy is in compliance with current legal requirements and regulations. The Company also provided channels for complaints, comments and suggestions, or inquiries from both internal and external individuals through the Company website

The Company adheres to the laws, rules and regulations stipulated by the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand, and regularly monitors for changes to ensure correct and accurate disclosure of information, and as collateral for shareholders to have confidence in transparent business operations.



Principle 8:

Encourage Engagement and

Communication with Shareholders

Shareholders' rights

Shareholders, as the owners of the Company, have the right to set the direction of the Company's business, have the right to buy or transfer shares, the right to profit sharing, the right to attend meetings, to propose agenda in advance, and to nominate persons to be elected as directors of the Company, participation in decisions that have material effect on the Company, use of ballots in key agenda for transparency and verifiable, self-voting or by giving proxies to others, invitation to the meeting, receiving and accessing information of the Company before and after the meeting, as well as the results of consideration and voting resolutions, via various communication channels such as the securities depository center, the Company's website, etc. Shareholders therefore have the right to attend the shareholders'

meeting and have sufficient time for consideration and acknowledgment of the meeting results.

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 arranges for an annual general meeting of which the meeting is held within a period of not more than 4 months from the end of the fiscal year of the Company, and if there is an urgent case that requires the shareholders' resolution, the Company will call for an extraordinary general meeting for that specific case. In 2020, the Company held the Annual General Meeting on 2 April 2020 at Metro Systems Corporation Public Company Limited Head Office, No. 400 Chalermprakiat Rama 9 Road, Nong Bon Subdistrict, Prawet District, Bangkok. There was no extraordinary general meeting for that year.
- 2) The Company has disclosed information for the Annual General Meeting Invitation in both Thai and English languages, specifying the date, time, place, agenda of the shareholders' meeting, and supporting information for consideration of the various agendas, along with proxy forms of Form A. And Form C as specified by the Ministry of Commerce to allow shareholders to authorize the audit committee or any person to attend the meeting on their behalf. Included also was the map of the meeting venue. In 2020, the Company has published information through the Company's website on 3 March 2020, before sending the meeting invitation to shareholders.
- 3) Delivery of the invitation letter for the annual general meeting and supporting documents and the annual report in QR-Code format was done to the Thailand Securities Depository for distribution to all shareholders in advance of the annual

general meeting. Shareholders will receive invitations at least 7 days in advance to allow shareholders to receive information for decision making in voting with accuracy, completeness and transparency, including making the meeting invitation letter available in newspapers in both Thai and English for 3 days consecutively, 7 days in advance of the meeting for notice to shareholders.

- 4) Shareholders can propose agenda and / or nominate persons to be elected as directors at the annual general meeting, as well as submit questions in advance of the annual general meeting from 1 September to 30 November as stipulated by the Company. The shareholders can take such actions as per their rights via various channels including by e-mail, by post, or on the Company's website.

Steps in Operation



1 September – 30 November 2019

Propose Agenda and/or Nominate Person in Advance



3 March 2020

Publish Information via the Company's Website



2 April 2020

Annual General Meeting (AGM)

On the Date of Annual General Meeting

- 1) The Company arranged a venue that was convenient for traveling with sufficiently sized 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, Prawet, Bangkok.
- 2) For convenience, the Company has provided system for registration by using a barcode system showing the registration number of each shareholder that has been printed on the

registration form and the proxy form in order to speed up the registration process. In addition, the Company provides stamp duty for the enclosure of the proxy forms for the proxies who register to attend the meeting with a facilitator present throughout the registration period.

- 3) The Company has set guidelines for the annual general meeting in order to avoid violating any rights and facilitating the shareholders equally. Shareholders can register to attend the meeting at any time in order to exercise or abstain from their voting rights for agenda that have not yet been voted on and can express opinions freely within the appropriate time.
- 4) At the start of the meeting, directors, committees, executive directors, as well as the auditors and legal advisors were in attendance of the meeting. Before the commencement of the meeting, the Chairman of the meeting assigned the Company's legal advisor to clarify all criteria related to the meeting, such as opening of meeting and voting, as well as the method of counting the votes of the shareholders who have to vote for each agenda.
- 5) The Company uses ballot papers for every agenda item requiring a resolution to be transparent and verifiable. In the agenda of election of directors, the election of individual directors is made by voting through inquiry at the meeting whether any shareholders or proxies disagree or abstain from voting, and asking the shareholders or the proxies who disagree or abstain to raise their hands and vote on the ballot paper together with their signature. The officer will record the votes by scanning the barcode on the voting confirmation card and collect the said card, while for shareholders who agree to vote and sign on the ballot card but without raising hands, the Company will collect the cards all at once after the meeting has been completed.
- 6) For details of the voting results of each agenda item, the results will be collected and informed to the meeting after the completion of the voting on

each agenda item. When the staff has finished counting the votes, the meeting will be informed of the voting results immediate.

- 7) The Company has a company secretary, who has been assigned by the Board of Directors to act as an inspector for the vote counting throughout the meeting, and a representative from the Thai Investors Association who also observed for shareholder rights protection.
- 8) Shareholders who attend the meeting after the Chairman of the meeting has opened the meeting can vote on the agenda under consideration that have not reached resolution. He shall be counted as quorum since the start of the agenda item in which may cause the number of people having rights to vote on each agenda to be not equal.
- 9) In the Annual General Meeting, if there is a director who conflict of interest in any agenda, that director must notify the meeting and also abstain from voting and not attend the meeting for that agenda.
- 10) In the Annual General Meeting, the meeting will consider matters according to the agenda specified in the notice calling for the meeting without changing the said agenda and no other matters other than those specified in the letter will be considered. In this regard, after the meeting has considered all matters in accordance with the agenda, the chairman will allow the shareholders to ask additional questions on matters of interest before the meeting is closed.

After the Date of Annual General Meeting

- 1) The Company disclosed the resolutions of the Annual General Meeting by notifying the Stock Exchange of Thailand (SET) after the meeting on the same day and publishing the resolutions on the Company's website within the next business day.
- 2) The Company has prepared the minutes of the Annual General Meeting with clearly separated agendas, specifying names of directors who

attended / not attended the meeting, questions of shareholders, clarifications of the Board of Directors, vote count and results of votes in each agenda in full to the Stock Exchange of Thailand (SET) within 14 days after the meeting date in accordance with the regulations of the SET and disseminate the meeting details completely and appropriately, as well as publishing the minutes of the meeting to the shareholders on the Company's website (www.metrostystems.co.th)

Equitable Treatment of Shareholders

The Company has a policy to take care of the interests and treat all shareholders equally, whether they are major shareholders, minority shareholders, institutional investors or foreign shareholders. For the best interest of shareholders, up-to-date information is disclosed via the Company's Investor Relations website in order to keep shareholders informed of important news. Guidelines for the use of insider information have been established in writing and strictly informed to everyone involved, as well as requiring directors and executive directors to report their securities holding to the Board of Directors every quarter. Invitation letter to the shareholders' meeting were also made available in Thai and English.

In addition, shareholders can express their opinions or raise questions to the shareholders' meeting on matters related to the company by submitting questions related to the agenda prior to the meeting date and able to exercise their rights to ask questions at the Annual General Meeting, if any questions arise in each agenda

The conduct of the meeting must be in accordance with the Articles of Association of the Company following the order of the agenda, with complete details of each agenda being presented with clear information for consideration, as well as must not add agenda not informed to shareholders in advance unnecessarily, especially on important agenda that requires shareholders to take time to study information before making a decision.

The Board of Directors is aware of the misuse of inside information (Insider Trading) against any person in

connection with the information or who may be assumed to be a person who knows or possesses information that is material to change in price or value of a security and is information which has not yet to be disclosed to the public in accordance with the Securities and Exchange Act (No. 5) B.E. 2559, Section 242 (2) which stipulates that "inside information is prohibited be disclosed to other persons whether directly or indirectly, and by any means, know or should know that the recipient may use the information in the purchase or sale of securities or to bind to derivatives related to securities, either for themselves or for others; unless it is an act done in the manner that does not take advantage of other persons or in the manner prescribed by the SEC". The Company also has set a prohibition period of trading in the Company's securities during the period of 1 month prior to each Board of Directors' meeting.

The Company provides an opportunity for shareholders to propose additional agenda items and nominate persons to be elected as directors in advance of the Annual General Meeting. The Company has published such criteria through the SetLink system of the Stock Exchange of Thailand as well as the Company's website. In the past year, there were no shareholders proposing any meeting agendas or nominating persons to be elected as directors in advance of the 2020 Annual General Meeting in accordance with the above rules and procedures.

Code of Conduct

The Company has established a written code of conduct and good practice, which focuses on the principles of good corporate governance and in accordance with the Company's vision, mission, objectives and business goals to be used as a guideline for business operations of directors, executive directors and employees which these codes of conduct are upheld by adhering to the importance of treating stakeholders with fairness, equality, transparency and accountability. Executive directors are leaders and act as role models in their duties with honesty, fairness, transparency, and accountability to promote a sustainable corporate governance culture.

Communication and Operation Encouragement

The Company has continuously organized activities to create knowledge, understand and communicate on corporate governance and code of conduct in various forms, which are compiled in the Corporate Governance Manual, details appearing in Attachment 5 for directors, executive directors, employees, and all groups of stakeholders to understand and be able to apply the principles of good corporate governance and code of conduct. In the year 2020 the Company has performed the following:



Corporate Governance Manual, CG Principles and Code of Conduct

The Company has prepared Corporate Governance Manual, and CG Principles and Code of Conduct through the resolutions of the Board of Directors' meetings and has been reviewed annually with the manuals published on the Company's website at <https://ir.metrosystems.co.th/corporate-governance-th/> so that all groups of stakeholders and the general public can have easy access. In addition, the Company has prepared a test on business ethics, policies and regulations of the Company during the fourth quarter of every year with the aim that the directors, executive directors, employees to do the test with 100% score. A score of 80% or more is required to pass the assessment criteria of the Company. The test was also used as a communication channel and to test that the executive directors and employees have the correct understanding of the Company's policies and regulations.



Orientation for new employees, Organizing Activities and Communication

The Company has educated all new employees about good corporate governance, code of conduct and anti-corruption to instill and raise awareness and conduct themselves in their work properly.

Monitoring and Compliance

The Company has established rule, duties and responsibilities for directors, executive directors and all employees to acknowledge and comply with the policies and requirements in the Corporate Governance Manual, and CG Principles and Code of Conduct, with follow up on compliance to code of conduct through measures on complaints and whistleblowing and also internal audit processes of the Company. If directors, executive directors, or employees violate the principles of good corporate governance, it is considered a breach of discipline, and he may be warned, suspended, or dismissed as an employee.



Supervision of operations to be in accordance with the laws and regulations

The Company has a Compliance Department to assist the Board of Directors and employees of the Company to access necessary information, comply with relevant laws and regulations, as well as promote corporate governance in accordance with the standards of good governance.

Whistleblowing or Complaints

The Company has provided an opportunity to report leads or complaints for people who may have witnessed any acts of misconduct from the Company's code of conduct, corruption, or illegal actions. Said individuals can report the incident to their immediate supervisor of the department, Manager of the Internal Audit Department, Independent Director, or the Audit Committee, as well as prescribing measures to protect the informant so that their rights will not be violated.

In addition, the Company has assigned the Compliance Department, which is under the operation of the Company Secretary, to act as the complaint handling unit in the event that any behavior or event that may be in violation of compliance with the Company's rules, policies, or any suspected behavior that is contrary to the principles set out by the Company is encountered, which reports on any leads or complaints can be made directly via these channels:

Channels for Whistleblowing or Complaint



By mail : Corporate Secretary

Metro Systems Corporation Public Company Limited

No. 400 Chalermprakiat Rama IX Road,

Nong Bon sub-district, Prawet district, Bangkok 10250

Telephone : 020894124

E-mail : corporatesecretary@metrosystems.co.th

Company's website : <https://ir.metrosystems.co.th/complaint-channel-th/>



From the testing of the notification, there was no abnormality in the whistleblowing channel and no one reported the violation of the code of conduct

Major changes and developments in policies, practices and corporate governance systems over the past year.



Measures for the protection of whistleblowers, complainants or those who cooperate in the investigation

Whistleblowers, complainants, or those who cooperate in the investigation will receive appropriate and fair protection from the Company, for example, if they suffer damage, they will be mitigated through appropriate processes. There is no job reduction, intimidation, disruption, employment termination or any other acts that are detrimental to such persons. Information about complaints will be kept confidential and will not be disclosed to non-related parties unless required by law to be disclosed.

However, the Company has a process for resolving business ethics violations and has established plans for prevention of such incidents from recurring by regularly testing the notification system in the whistleblowing or complaints channels on the Company's website that the system can still be used properly. In the past year, from testing of the notification system, it was found that there were no abnormalities in the whistleblowing or complaints channels, and no one reported any violation of the Code of Conduct.

The Company gives importance to and is committed to conducting business with transparency and fairness, with the directors, executive directors, employees of the Company having the duty to comply with the principles of good corporate governance, code of conduct, laws, regulations, and related requirements. Better corporate governance acts within the scope of authority in the management structure. Since 1 December 2015, each year the Board of Directors, by scrutiny from the Corporate Governance Sub-Committee, reviews the CG Principles, Code of Conduct, policies, and regulations along with regularly compiled in the Corporate Governance Manual in order for the executive directors to comply with the good corporate governance principles correctly and appropriately. Testing, organizing activities to enhance knowledge, etc. was also done so that the employees of the Company are aware of the importance and act in accordance with the framework of good business ethics as a part of promoting the organization's sustainable growth in the long run.

Throughout the years of operation, the Company has consistently adhered to the good corporate governance principles, including laws, regulations and relevant requirements such as Code of Best Practices for Directors of Listed Companies and the criteria for being a company with good corporate governance system as provided by the Stock Exchange of Thailand, including the criteria following the Corporate Governance Report of Thai Listed Companies (CGR) of the Thai Institute of Directors Association (IOD), and in accordance with the quality assessment criteria for

organizing the annual general meeting of shareholders of the Thai Investors Association. However, as the Securities and Exchange Commission issued the Corporate Governance Code (CG Code) as a guideline for listed companies, the Company has revised the contents of the Corporate Governance Manual in accordance with the new issue of framework of CG Code good corporate governance practices. The eight points emphasize the performance and responsibility of directors and executive directors, building confidence among all stakeholders of the Company, and raise the standards of corporate governance of the company to the next level. In addition, the Company has established good governance practice as part of the mission and values of the organization to create appropriate benefits for stakeholders and create added value together on the principles of good corporate governance.

In addition, the Company's practice guidelines, whether it be a CG Principles, Code of Conduct, management structure, policies and practices related to compliance with corporate governance principles, are compiled in a handbook under the name "Corporate Governance Manual" for the directors, executive directors and employees of the Company to be able to use it as a guideline for their conduct in accordance with the framework of good corporate governance. In addition, the Company has assigned the Corporate Governance Sub-Committee to oversee and maintain standards and regularly review the policies, principles, and practices of corporate governance annually, which interested people can access information through <https://ir.metrosystems.co.th/corporate-governance-th/>

In 2020, the company received good corporate governance assessments and other awards as follows:



The Stock Exchange of Thailand has announced the results of the Corporate Governance of Thai Listed Companies (CGR) for the year 2020 which was surveyed and assessed by the Thai Institute of Directors Association. It turned out that the

Company received an excellent average score from the average score of the listed companies with 83% score, for SET100 scored 90%, SET50 scored 92%. The Company received a score of 90%, higher than the overall average score of listed companies and received a score equal to SET100 for the score of the Company classified by each category, namely Shareholders Rights Category; Equitable Treatment of Shareholders; Category on taking into account the role of stakeholders; Disclosure and Transparency category: The Board of Directors' Responsibility category; which received scores of 91%; 96%; 90%; 96%; and 85% respectively. For this year, the Company evaluation was higher than score for the year 2019 of 89%.



Thai Investors Association announces the quality assessment of the organizing of the 2020 Annual General Meeting of Shareholders (AGM Checklist) which the Company received a score of 99 %.



The Company has been announced as one of the 2020 Sustainable Stock List by the Stock Exchange of Thailand for its business operations with management principles on environmental awareness, corporate social responsibility, and corporate governance (Environmental, Social and Governance or ESG).



Thaipat Institute has selected the Company to receive the "Sustainability Disclosure Acknowledgement" from the disclosure of sustainability information.



Compliance with good corporate governance in other areas

The Company is committed to upholding good corporate governance by complying with applicable laws, regulations and requirements, including the "Code of Best Practices for Directors of Listed Companies" and criteria for being a company with good corporate governance system as recommended by the Stock Exchange of Thailand, whereby the Board of Directors has a process to apply the principles of good corporate governance for listed companies in 2017 (Corporate Governance Code: "CG Code"). They are used as framework for their conduct in addition to what has already been followed in accordance with good Corporate Governance Principle (CG Principle) for listed companies for the year 2012. The Company has prepared a CG Principles as guideline for good practice in ethics and code of conduct for directors, executive directors, and employees. The handbook will be proposed to the Corporate Governance Sub-Committee to review regularly at least once a year before proposing to the Board of Directors' meeting for approval and communicating to the executive directors for strict compliance.

The Company has a monitoring process by organizing an annual performance evaluation of the directors and sub-committees.

CG Code (Corporate Governance Code)



For items that has not yet been implemented, the Company will use as guideline for proper implementation, including:

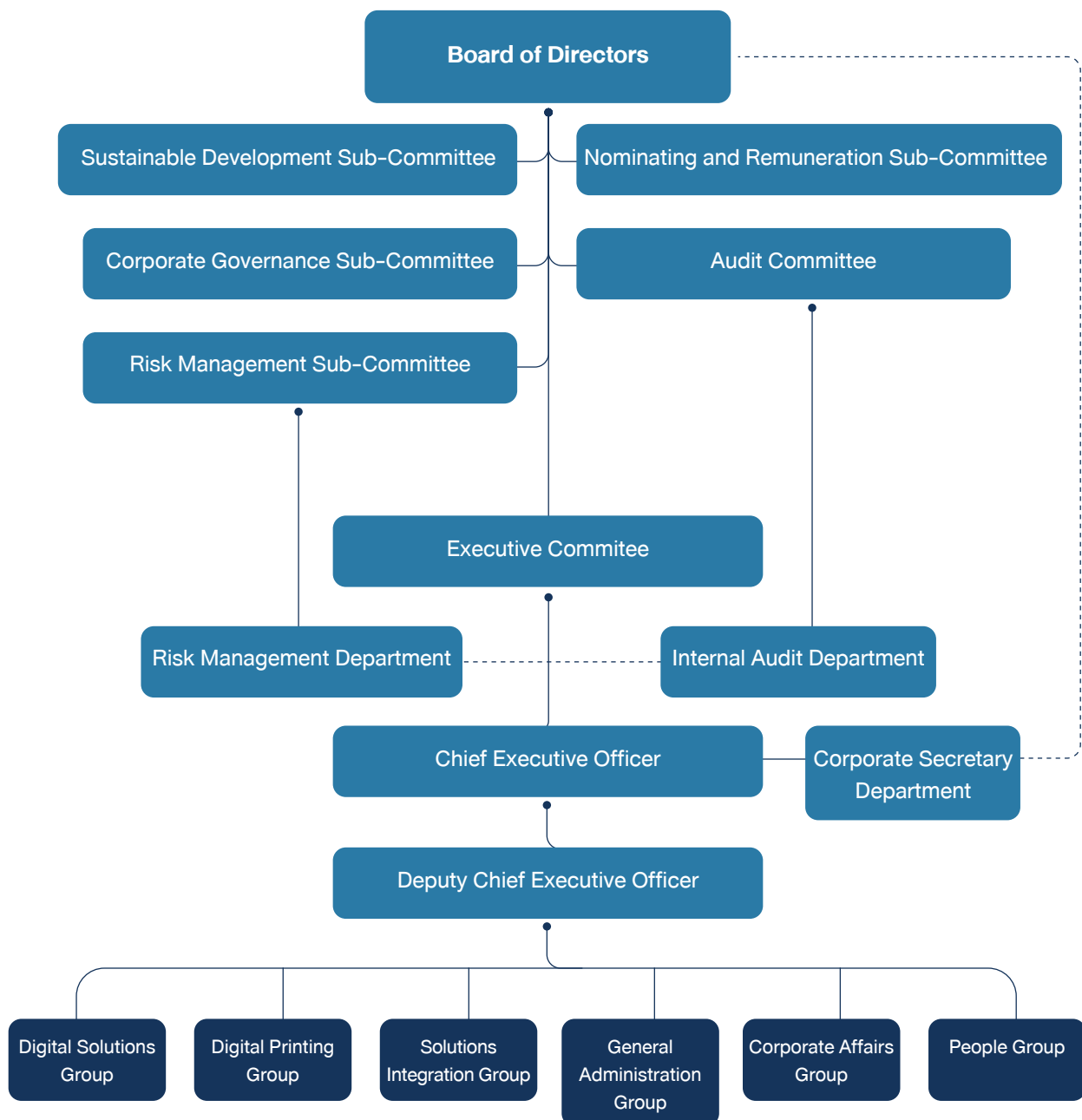
The Items that have not been implemented	Reason
The Chairman of the Board is an Independent Director.	The Chairman of the Board of Directors is a different person from the Chief Executive Officer, where the Company clearly separates duties and responsibilities of the Board of Directors and the management in order to create a balance between management and good corporate governance.
The Board of Directors should clearly state the term of office of Independent Director in the corporate governance policy for no more than 9 years.	The Board of Directors does not set the term of office of Independent Directors as the Company believes that such directors are knowledgeable and experienced enough to perform their duties well.
The Board of Directors should determine the number of listed companies in which each director may hold office in no more than 5 companies without exception.	The Board of Directors does not set the number of listed companies each director can hold a position in as the Company believes that each director can perform his duties in an excellent manner without any flaws or causing damage even if he holds position in more than 5 listed companies.
The Board should consider holding more than six board meetings a year.	The Company holds at least five board meetings a year to consider the annual and quarterly financial statements, including the determination of the Company's strategy, which is of the opinion that such meetings are complete and adequate for consultation and decision making.

CORPORATE GOVERNANCE STRUCTURE AND OTHER RELATED INFORMATION

Corporate Governance Structure

As of 31 December 2020, the Company has coordinated the organization management, which separates the duties between the Board of Directors and the Executive

Directors as follows:



Note:

The Board of Directors Meeting No. 1/2020 on 28 January 2020 resolved to change the name of the sub-committee from the Corporate Social Responsibility Committee to the Sustainable Development Sub-committee, effective from 28 January 2020 onwards.

Information about the Board of Directors

List of the 9 members of Board of Directors as of 31 December 2020 as follows

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

Forbidden Qualifications of the 9 members of Board of Directors :-

1. Not bankrupt, never been imprisoned by a final judgment for an offense relating to property committed in dishonesty, and never been punished or discharged from government from malpractice
2. Not operating as a partner or shareholder in any other legal entities that are same environmental and compete with the Company
3. Independent directors are qualified with the qualification of Company's independent directors, specified in Definition of Independent Directors, Page 91

Composition of the Board of Directors

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

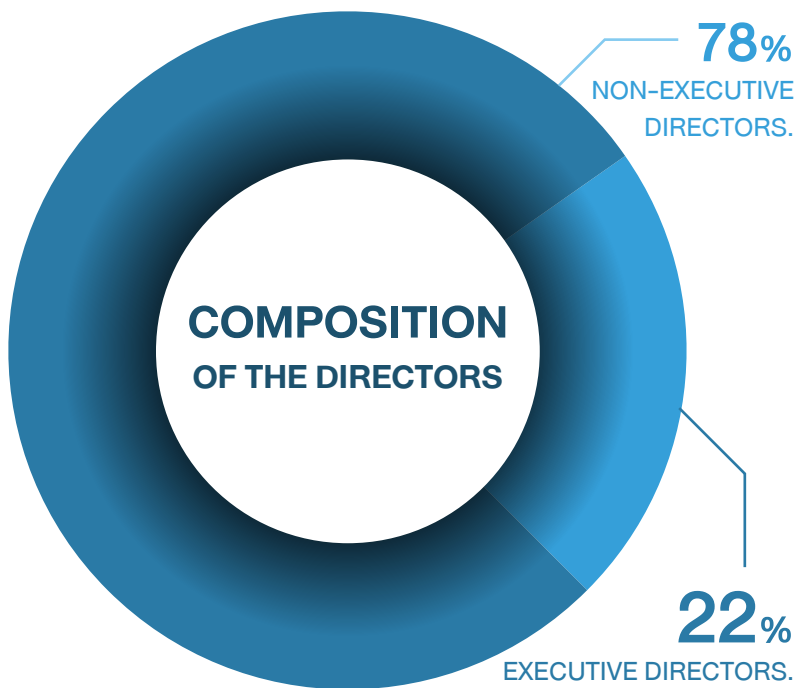
Board of Directors who are Non-Executive Directors, accounting for 78%.

Board of Directors who are Executive Directors, accounting for 22%.

Independent Director who is Woman.

Independent Directors and the Company's Independent Directors at least 1 in 3 of all directors and no less than three members.

Composition of the Board of Directors



Gender of Director



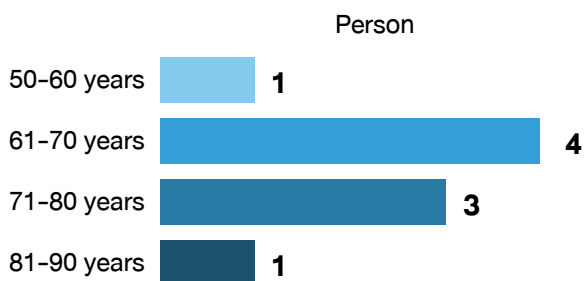
1
PERSON



8
PEOPLE



Age of Directors



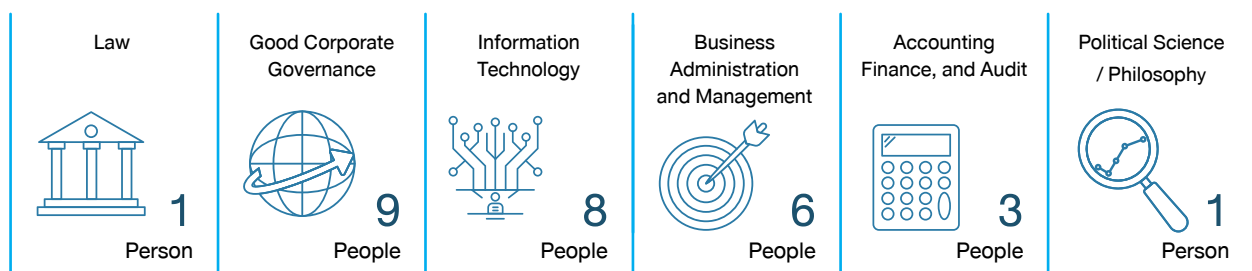
Independent Director

● Female

● Male



Directors' diverse skills and experiences



Policy on Diversity in Committee Structure

The Board of Directors has specified the director qualification and nomination process to be diverse for those who shall serve as directors by considering the necessary skills that are lacking in the board, professions and specialized expertise, including and not limited to race, religion, and gender etc.

Directors Authorized to Sign on Behalf of the Company

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

Roles and Duties of the Board of Directors

Roles and Duties of the Board of Directors are as follows:

- 1) Must perform duties in accordance with the law, objectives, articles of association of the company and resolutions of the shareholders' meeting, except in matters that require the approval of the shareholders' meeting before taking action, such as matters required by the law to be approved in a shareholders' meeting, connected transactions, and the purchase or sale of important assets in accordance with the regulations of the Stock Exchange of Thailand.
- 2) To have the power to appoint and remove the Executive Committee to carry out any or many activities, with details of delegation of authority within the scope of duties of the Executive Committee, which such delegation must not be in the manner that enables the Executive Committee to approve any transactions in which he or a person may have conflicts, stake, or other conflicts of interest, including performance assessment and Remuneration of Executive Committee.
- 3) Has the power to appoint and remove committees to carry out specific activities in a specific case in accordance with the assigned duties.
- 4) Establish policies, missions, visions, strategies, and operating directions of the Company and supervise the

management to act in accordance with the established policies with efficiency and effectiveness, with annual review and monitoring for the concrete implementation of the policy.

- 5) Consider quarterly operating results and establish reliable accounting system, financial reporting, auditing, and supervise the process for assessing suitability of internal control, risk management and internal audit to be effective.
- 6) Ensuring that a succession plan is in place for the top executive of the organization to be prepared in the event that the executives vacate their positions.

Separation of Chairman and Chief Executive Officer

The Company has separated the roles and responsibilities between Chairman and Chief Executive Officer, who were responsible for the establishment of policies and management of the Company's daily operations, respectively. This helped facilitate the Board of Directors to perform their duties independently and be able to supervise and evaluate the management of daily operations efficiently. The Company has determined a policy, where Chairman of the Board of Directors and Chief Executive Officer were required to be different people. Both positions were also required to be selected by the Board of Directors and screened by the Nominating and Remuneration Sub-Committee to obtain fully qualified persons.

In the event that the Chairman is not an Independent Director, the Company has clear measures for the balance of power between the Board of Directors and the management by requiring the Independent Directors to jointly consider the agenda of the Board of Directors meeting.

In addition, the Board of Directors has clearly approved the scope of authority and duties of the executive directors for transparency and appropriate flexibility in their operations. It is also responsible for controlling expenses and capital expenditures within the scope approved by the Board of Directors in the annual plan, implementing personnel policies, resolving problems or conflicts that affect the organization.

COMPOSITION OF THE BOARD OF DIRECTORS

Chairman

- Call for a meeting of the Board of Directors, setting of the date, time, and agenda
- Acts as the Chairman of the Board of Directors meeting by controlling the meeting and as a casting vote in the event that the Board of Directors meeting has voting and both sides are of equal votes
- Control meetings to be efficient in accordance with company regulations, support and provide opportunities for directors to express their opinions independently
- Acts as the Chairman of the shareholders 'meeting of the Company and oversees controlling of the shareholders' meeting
- Oversee and monitor the management of the Board of Directors, Executive Committee and other sub-committees to achieve the specified objectives



Chief Executive Officer

- To manage and supervise the normal business operations of the Company
- Responsible person for setting the Company's mission, objectives, guidelines, policies, and governs overall operations, contacts with product owners, customer relations, marketing
- The Company considers business strategies, raising of funds for the Company and proposes to the Executive Committee and / or the Board of Directors in order of importance.
- Have the power to appoint a deputy or assistant to the Chief Executive Officer and consultants in various fields necessary for the operation of the Company.
- Has the power to hire, appoint, lay off, dismiss, and set the rate of wages, gratuity, salary increase, compensation, and bonuses for employees of all levels, except for the hiring, appointment, and layoff of the managing director or deputy managing director of the group, in which it must be submitted to the Executive Committee to consider and approve.
- Has the power to consider and approve operation or entering into any contract or agreement in connection with the purchase or sale of products or services, which is the normal business operation of the Company, for the contract of procurement, hire or any other contract for the benefit of the business of the Company as specified in the annual approval structure or as assigned by the Board of Directors.
- Authority over financial approval or operations as specified in the annual approval structure or as assigned by the Board of Directors are:
 - Applying for credit for the purchase of products and / or services of the Company or for various operations in each business unit or work group in amount of more than 100 million baht for each time or each project.
 - In the borrowing or applying for loans for normal business transactions or for the operations of companies that are not related to financial institutions, shall have the power to consider and approve within the limit not exceeding 200 million baht per person.
 - Expenditure for investment in projects, investing in capital assets or fixed assets for management within the limit for each project not exceeding 25 million baht.
 - Granting a credit limit to customers for normal trading purposes within a limit not exceeding 200 million baht per person.
 - Contract for sale of products or services, etc.
- Spending for purchasing of products or services for sale as normal business within the limit for each time not exceeding 200 million baht
- Delegate sub-powers for the Deputy Chief Executive Officer, Vice President or Management Employee to manage and act on matters as necessary and appropriate at the discretion of the Chief Executive Officer. The above authorization requires the Chief Executive Officer or the attorney from the Chief Executive Officer to not approve any transaction in which he or a person may have a conflict of interest in any other manner with the Company or subsidiaries except for the approval of transactions that are normal business and / or in accordance with the criteria approved by the Board of Directors



Information about the Sub-Committees

There are 6 sub-committees with roles, duties and responsibilities to supervise, screen information, and make opinions and propose to the Board of Directors. As of 31 December 2020, the sub-committees are as follows:

Executive Committee

No.	Position	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

The Executive Committee has the following roles and duties:

- 1) To establish the organizational and administrative structures covering all details of the selection, training, as well as the authority to consider and approve the appointment and dismissal of employees in the role of President, Vice President.
- 2) To have authority to make recommendations, formulate business policies and strategies of the Company, business plans, management authorization, annual reports, approving annual budgets for business operations and cost estimates, and execute business plans and business strategies in accordance with the business plan and strategy, in line with predetermined policy and business guidelines.
- 3) To have the power to consider and approve on the implementation or entering into any contract or agreement with respect to the purchase or sale of products or services which are considered normal to the business operations of the Company or approve contract of procurement or hire, or any other contract for the benefit of the business of the Company as specified in the annual approval structure or as assigned by the Board of Directors.
- 4) To have the power to approve financial or operating matters as specified in the annual approval structure or as assigned by the Board of Directors.
- 5) To have the authority to consider and approve financial transactions with banks in matters such as requesting opening of all types of deposit accounts with commercial banks both in the country and internationally. To have the authorization signature on cheques and documents that correspond to the bank's account, including the authority to close the Company's deposit account with the bank.
- 6) Perform other duties as assigned by the Board of Directors in each period.

In this regard, the Executive Committee may give proxy to the President or the Vice President, or the Company's management employee to have financial authority or in connection with contract in any or several matters as the Executive Committee deems appropriate. To approve the aforementioned transactions, there must be no manner of approving transactions that allow the Executive Committee or the attorney from the executive director Committee to approve transactions in which they or persons who may have a conflicts of interest in any other manner with the company or subsidiary except for the approval of transactions that are in normal business and / or in accordance with the criteria 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 the number of persons, number of years, or term of office.

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 director or person to be an Executive Committee to carry out any or many activities by stipulating any conditions or may delegate power to one or more directors or other persons to perform in place of any of the Board of Directors”

Executive Directors vacate office upon

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 Director who are fully qualified under the announcement of the Stock Exchange of Thailand. They shall not have any business or professional service relationship with the Company, its subsidiaries, associated companies, or any juristic persons who may have any conflicts.

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

Note : Dr. Virach Aphimeteetamrong and Assoc. Prof. Phornsiri Thivavarnvongs have adequate knowledge and experience in performing their duties to review the reliability of the financial statements.

Scope of Audit Committee’s Authorities

- 1) To audit and ensure that the Company’s financial statement is accurate, reliable, and has adequate information disclosure.
- 2) To audit and ensure that the Company implements internal controls, internal audit systems and risk management appropriately and efficiently.
- 3) To review the Company’s work process, risk management, control, Information technology governance and information security and effective communication network systems.
- 4) To review the results of monitoring and measures to prevent corruption within the organization, including reviewing the Company’s internal whistleblowing and complaints.
- 5) To audit and ensure that the Company complies with the laws regarding security and the stock market, SET regulations, and applicable laws related to the Company’s business.
- 6) To appoint an independent internal audit department to approve the appointment, removal or termination of the chief internal audit or other departments related to internal audit affairs.

- 7) To consider and review the audit results recommendations of both auditors and Internal Audit Department Including follow up to ensure that the management has sufficiently proceeded with such recommendations.
- 8) To consider policies and procedures regarding non-audit services of the auditor's office and approve the use of such services to ensure that it will not affect the independence of the auditor (if any)
- 9) To consider the connected transactions or any transaction's which may cause a conflict of interest in compliance with the applicable laws and SET regulations. This will ensure that such transactions are deemed most reasonable and beneficial to the Company.
- 10) To consider, select and appoint an independent person to act as the Company's auditor, and propose remuneration for the selected person by considering reliability, adequacy of resources, amount of audited jobs, experience and performance over past years, as well as considering removal of the auditor and attending meetings with the auditor without the management's presence at least once a year.
- 11) Have the authority to hire advisors or third parties in accordance with the Company's regulations to give an opinion or consultation in case of necessity.
- 12) To report the performance of the Audit Committee to the Board of Directors at least 4 times a year, including preparing the Audit Committee's report and presenting it in the Company's annual report, in which must be signed by Chairman of the Audit Committee. The report must consist at least the following information:
 - 12.1 To give opinion on the accuracy, adequacy and reliability of the Company's financial statement.
 - 12.2 To give opinion on the adequacy of the Company's internal control systems.
 - 12.3 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.
 - 12.4 To give opinion on the suitability of the auditor.
 - 12.5 To give an opinion on any transactions that may cause a conflict of interest.
 - 12.6 To state the number of audit committee meetings and the attendances of each member of the audit committee.
 - 12.7 To give an overall opinion or comment that the audit committee perform their duty by following the charter.
 - 12.8 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.
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 (as detailed in Attachment 5).

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 2020, and the Board of Directors passed the resolution in the Meeting No. 4/2020 on 10 August 2020 to extend the term of office of the Audit Committee from 29 August 2020 to 28 August 2022.

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.

No.	Position	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. Pravitt Chattalada

Scope of Nominating and Remuneration Sub-Committee's Authorities

1. To consider the qualifications of the Board of Directors as a whole and individually suitable for the size, type and complexity of the business in terms of education, know-how, skills, experience and talents related to the Company's business, for total independence, and other qualifications according to the Company's criteria.
- 2) To determine the criteria and policies for the nomination and remuneration of the Board of Directors and sub-committees of the Company.
- 3) To consider the nomination of directors by considering suitable persons to serve as directors and propose to the Board of Directors and / or the shareholders' meeting for approval, as the case may be.
- 4) To consider and nominate a suitable person to hold the position of Chief Executive Officer in the event of a vacancy, including considering criteria for succession of Chief Executive Officers, which the nomination consideration must be appropriate to the Company's business management in order to achieve the vision determined by considering education, experience, knowledge, skills, expertise, as well as other qualifications in accordance with the criteria specified by the Company.
- 5) To determine the necessary and appropriate remuneration to motivate and retain the Board of Committee, Sub-Committees, and Chief Executive Officer each year, taking into account the consistency with the duties, responsibilities, determination, based on comparison within the same industry as well as considering business expansion and growth of the Company.
- 6) To establish the criteria and policies for determining the remuneration of the Board of Directors and the Chief Executive Officer and propose to the Board of Directors meeting and / or the shareholders' meeting for approval, as the case may be.
- 7) To be responsible to the Board of Directors and for providing explanations and answers to questions regarding the nomination and remuneration of directors and executive directors at the shareholders' meeting.
- 8) To report the performance of the nomination and remuneration to the Board of Directors and disclose in the annual report.
- 9) To perform any other duties assigned by the Board of Directors in each period.
as detailed in Attachment 5

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 2020, and the Board of Directors passed the resolution in the Meeting No. 4/2020 on 10 August 2020 to extend the term of office of the Audit Committee from 29 August 2020 to 28 August 2022.

Sustainable Development Sub-Committee

The Sustainable Development Sub-Committee consists of an Independent Director, an executive director, and a non-executive director, with an Independent Director acting as Chairman.

No.	Position	Name
1.	Chairman of Sustainable Development Sub-Committee	Mr. Pravit Chattalada
2.	Sustainable Development Sub-Committee	Mr. Kitti Techathaveekijkul
3.	Sustainable Development Sub-Committee	Mr. Wanarak Eakachai

Scope of Sustainable Development Sub-Committee's authorities:

- 1) To consider and scrutinize sustainable development activities and policies and present them to the Board of Directors.
- 2) To scrutinize the operating plan, the annual budget and review the sustainable development performance.
- 3) Follow up and report to the Board of Directors on sustainable development issues or trends, both current and emerging in the future, including those impacts that may have on the Company.
- 4) To have the authority to appoint a sustainable development working group as needed by assigning the head of the sustainable development working group to select and appoint a working group.
- 5) To promote the involvement of the Board of Directors, executive directors and employees in activities related to the Company's sustainable development policy.
- 6) To report the performance on sustainable development to the Board of Directors and disclose in the annual report.
- 7) To perform any other duties assigned by the Board of Directors in each period.

as detailed in Attachment 5

Term of Office

The Nominating and Remuneration Sub-Committee has a term of office of 2 years, first appointed on 8 May 2006, completed on 31 May 2020. The Board of Directors has passed a resolution in the Meeting No.3/2020 on 15 May 2020, which the Nominating and Remuneration Sub-Committee shall hold office for another term from 1 June 2020 to 31 May 2022.

Corporate Governance Sub-Committee

Corporate Governance Sub-Committees consists of an Independent Director, an executive director, an non-executive director and 4 executives, with an Independent Director acting as the Chairman.

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

Scope of Corporate Governance Sub-Committee's Authorities:

- 1) To propose the corporate governance procedures to the Board of Directors and give suggestions on the ethics and code of conduct to the directors, executive directors, employees and staffs of the Company.
- 2) To supervise and advise the Board of Directors and the executive directors on duties and responsibilities in accordance with the framework and criteria of a good corporate governance policy on a continual and appropriate basis.
- 3) To regularly review and update the policy on good corporate governance in order to keep the corporate governance policy up-to-date and in line with international standards and relevant laws, rules, practices, and regulations.
- 4) To follow up and evaluate the performance of directors and executive directors in accordance with good practice and prepare an annual corporate governance assessment report to be submitted to the Board of Directors, including presenting opinions and recommendations as necessary.
- 5) To report the results of operations regarding corporate governance to the Board of Directors and disclose in the annual report.
- 6) To perform any other duties assigned by the Board of Directors in each period.
as detailed in Attachment 5

Term of Office

The Corporate Governance Sub-Committee has a term of office of 2 years, first appointed on 6 November 2015, completed on 1 December 2017. The Board of Directors has passed a resolution in the Meeting No.6/2019 on 8 November 2019. The Corporate Governance Sub-Committee shall serve for another term from 1 December 2019 to 30 November 2021.

Risk Management Sub-Committee

Risk Management sub-committee consists of an Independent Director, an executive director, an non-executive director and 4 executive directors, with an Independent Director acting as the Chairman.

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

Scope of Risk Management Sub-Committee's Authorities:

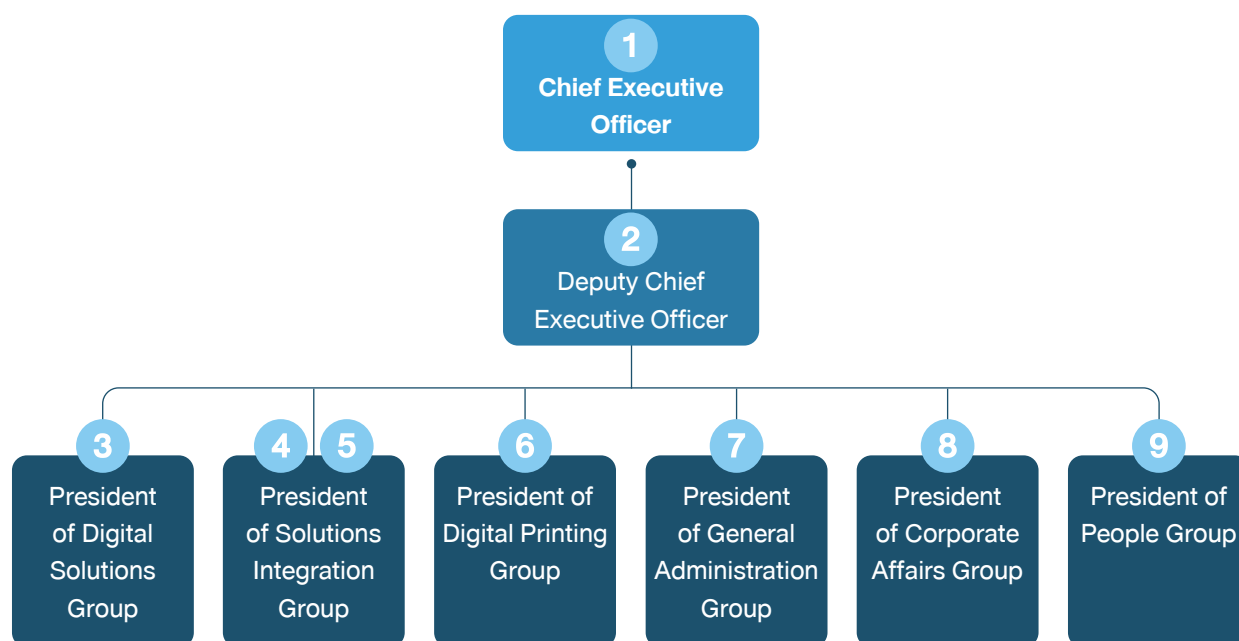
- 1) To review and assess potential risks, including the trends of their impact on the organization.
- 2) To establish a risk management policy to cover various risks in the management and review such policies annually and present to the Board of Directors for approval.
- 3) To supervise and support the implementation of corporate risk management in line with business strategies and goals, as well as changing circumstances.
- 4) To appoint a risk management working group as necessary.
- 5) To provide recommendations for monitoring the implementation of risk management, including analyzing, evaluating, managing, monitoring and reporting systematically.
- 6) To report risks and recommendations for risk management to the Board of Directors and disclose the related operating results in the annual report.
- 7) To perform other duties as assigned by the Board of Directors in each period.
as detailed in Attachment 5

Term of Office

Risk Management Sub-Committee has a term of office of 2 years, first appointed on 6 November 2015, completed on 1 December 2017. The Board of Directors has passed a resolution in the Meeting No. 6/2019 on 8 November 2019. The Risk Management Sub-Committee shall hold office for another term from 1 December 2019 to 30 November 2021.

Information about the Executive Committee

As of 31 December 2020, the Company has set up the management structure of the Company as follows:



Note: :

1. The persons ranked 1 to number 9 are the executive directors according to the announcement of the Securities and Exchange Commission concerning the definition of the announcement regarding issuance and offering of securities.
2. Person number 7 is the same person with the Chief Financial Officer.

List of executive directors as of 31 December 2020

No.	Name	Position
1	Mr. Tavit Charuvajana	Chief Executive Officer (CEO)
2	Mr. Wanarak Ekachai	Deputy Chief Executive Officer (Deputy CEO) / President of People Group
3	Mr. Veeraphan Durongsaeng	President of Digital Solutions Group
4	Mr. Aroon Tor-Ekbandit	President of Solutions Integration Group
5	Mr. Suradewt Lertthammajak	President of Solutions Integration Group
6	Mr. Thongchai Lumveerakul	President of Digital Printing Group
7	Mrs. Nittaya Thanaviriyakul	President of General Administration Group / President of Corporate Affairs Group / Chief Financial Officer

All 7 executive directors are executive directors in regards to the definition of “executive directors” according to the announcement of the Securities and Exchange Commission No. TorChor.23/2551, Including not having the following prohibited qualifications:

1. Not being a bankrupt, never being sentenced by a final judgment for an offense in connection with assets committed dishonestly, never being punished or discharged from the government or government organization or agency for malpractice.
2. Not operating as a partner or shareholder to any other juristic person that has the same nature and is in competition with the business of the Company.

Information of Directors in Subsidiaries, Associated Companies which are Core Business of the Company as of 31 December 2020

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

Note: Details of directors of subsidiaries, associated companies are shown in Attachment 1.

Remuneration of Executive Directors

The Company has a policy to consider the remuneration of the executive directors, including the compensation of the Chief Executive Officer based on the short-term and long-term performance of the Company and individual performance in comparison with the performance indicators as a measure of financial indicators and the work development process, as well as personnel development indicators such as total revenue excluding interest, operating expenses against operations income, customer satisfaction, etc. Through all resolutions of the shareholders' meeting of the Company, the Nominating and Remuneration Sub-Committee will consider and present to the Board of Directors for approval that such compensation is appropriate and able to motivate the management to lead the organization to achieve both short-term and long-term goals and can compare with the level of practice in the same industry before proposing to the shareholders' meeting for the sustainable success of the Company, all done subjected to transparent criteria and the scope of job responsibilities.

In 2020, executive directors such as the Chief Executive Officer, Deputy Chief Executive Officer, President will receive compensation comprising salary, bonus, provident fund and other benefits as follows:

Monetary Compensation

Remuneration type	2019		2020	
	No. of person	Total amount	No. of person	Total amount
Salary, bonus, and other income	7	64,845,000	7	68,071,000



Other Remunerations for the Executive Directors

The executive directors of the Company receives other benefits and welfare according to the Company's regulations similar to other employees such as benefits related to medical treatment, health check-up, various types of loan welfare and provident fund. Provident fund for executives is at rate of 5% of salary.

Information about the employees

As of 31 December 2020, the Company and its subsidiaries have a total of 1,126 employees. The number of employees in each company is as follows:

Company	Executive*	Sale Department	Engineer Department	Other Department	Total
Metro Systems Corporation Public Company Limited	7	175	632	209	1,023
Metro Professional Products Company Limited	1	8	24	11	44
Metro Connect Company Limited	-	8	19	7	34
HIS MSC Company Limited	-	4	17	4	25
Total	8	195	692	231	1,126

*Note: Executive directors refer to executive directors in regards to the definition of "executive directors" according to the announcement of the Securities and Exchange Commission.

The proportion of the total remuneration of female employees to the total remuneration of male employees was 43:57, the total compensation of the Company's personnel at the end of 2019 was 806.65 million baht and at the end of 2020 totaled 737.23 million baht which comprised of bonus, commissions, provident funds contributions, and other welfare. In addition, subsidiaries and associated companies paid remuneration to employees in the same manner as the Company at the end of 2019 totaling 106.24 million baht and the end of 2020, in total of 83.51 million baht.

The proportion of the total remuneration of employees to the total remuneration of executive directors is 81:19.

The proportion of the total remuneration of female employees to the that of male employees is 43:57.

The proportion of employees who participate in the provident fund are as follows:

Company	Total employees	Employees participating in the fund	Percentage of employees participating/ total employees (%)
Metro Systems Corporation Public Company Limited	1,024	591	58%
Metro Professional Products Company Limited	44	26	59%
Metro Connect Company Limited	34	31	91%
HIS MSC Company Limited	25	22	88%
Total	1,127	670	59%

Policy for Choosing Provident Fund Manager

The Company has policy to encourage the provident fund committee of the Company to select fund manager who adheres to the Investment Governance Code (“I Code”) and to act as fund manager who manages the investments responsibly, taking into account environmental, social and governance factors (ESG) with good investment governance practices is followed. This is because provident fund investment is key to managing provident funds to grow. Fund directors must consider carefully by selecting fund manager with system to support the fund’s operation appropriately, safely and in the best benefit of fund members in the long term.

Other Important Information

Corporate Secretary

The Board of Directors appoints the company secretary to oversee the meetings of the Board of Directors, shareholders’ meeting, and various activities of the Board of Directors, as well as to supervise the Company’s compliance in assisting the Board of Directors and employees of the Company to comply with the relevant laws and regulations, including support for corporate governance in accordance with good corporate governance standards. Currently, the Board of Directors has appointed Ms. Sumateta Jitsiripol as a corporate secretary from 28 February 2017, as detailed in Attachment 1

Accounting Supervisor

The Company has assigned Mrs. Kanyaporn Chanprasit as the Accounting Manager to perform the duties of supervising the accounting to be accurate and complete in accordance with accounting standards and related laws with the qualifications of the person holding the position as in Attachment 1.

Internal Audit Manager

The Company has assigned Mrs. Thasa Varochathanin as the Internal Audit Manager for overseeing the operations in accordance with the Company’s work procedures, regulations and other laws related to the Company with the qualifications of the person holding the position as in Attachment 3.

Supervisor of the Company’s operations (Compliance)

The Company has assigned Ms. Sumeteta Jitsiripol to be the company secretary under the supervision of the Corporate Affairs Group to ensure that the Company will supervise the performance of all business groups / work groups to strictly comply with laws, rules, regulations, orders, announcements from both inside and outside the organization, as well as being a center of providing information and / or consulting on laws, rules, regulations to employees with the qualifications of the person holding the position as in Attachment 3.

Investor Relations Supervisor


The Company has assigned Ms. Sumeteta Jitsiripol to be the company secretary to follow up and collect relevant news and information to support executive directors in dealing with external parties including analysts and investors and maintain good relationships with analysts and investors.

In addition, the Company provides shareholders and investors the opportunity to visit the Company and access the Company’s information through management earnings announcements and other important events on an ongoing basis with prompt information and answers to inquiries of stakeholders using the contact information provided. In this regard, the Company allocates a budget for investor relations specifically every year to develop efficiency in investor relations. The Company has analyzed opportunities, problems or development in investor relations by specifying work objectives in investor relations, including annual work plans and investor relations performance reports to top management which must be accurate, adequate, equitable and timely.



Auditors

According to the Public Companies Act B.E. 2535, Section 120 requires that the Meeting of Shareholders shall include for the appointment and remuneration of the Company's auditors every year. The appointment of the same auditors may be approved as being the previously appointed auditors. The Articles of Association, Article 46 requires that the auditor must not be a director, an employee or holding any position in the Company. As per the recommendation of the Audit Committee in compliance with the aforementioned Public Companies Act B.E. 2535, the Board of Directors has therefore considered and decided to propose to the Annual General Meeting to approve the appointment of auditors from Deloitte Touche Tohmatsu Jaiyos Audit as auditors of the Company for the year 2019 and remunerations of the annual audit for the year of 2020 are detailed below



Auditors from Deloitte Touche Tohmatsu Jaiyos Audit Company Limited

Mrs. Wilasinee Krishnamra C.P.A. License No. 7098, and/or	Miss Nisakorn Songmanee C.P.A. License No. 5035 and/or
Mr. Chavala Tienpasertkij C.P.A. License No. 4301, and/or	Miss Kornthong Lueangvilai C.P.A. License No. 7210

Remuneration of Auditors

Remuneration for the annual audit was set up at amount of 1,280,000 baht, for quarterly financial statements of the three quarters at the amount of 1,380,000.00 baht, and for a total audit remuneration for the year 2020 at 2,660,000.00 baht. The auditors from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. also act as the auditors of Metro Professional Products Co., Ltd., Metro Connect Co., Ltd. and HIS MSC Co., Ltd., a subsidiaries and an associated of the Company, by receiving remuneration for the annual audit of year 2020 from the aforementioned companies with the amount of 1,135,000. The auditor has no relationship or interest with the Company, subsidiaries, executive directors, major shareholders or any person who is associated with such individuals.

Other service fees

-None-

Other services

-None-

KEY PERFORMANCE IN CORPORATE GOVERNANCE

Summary of the performance of directors' duties in the past year

The Board of Directors has established policies and strategies that can lead to enhancing competitiveness, building culture and corporate values, as well as enhancing efficiency, governance, sufficiency of internal control system and risk management of the organization and provide other opinions that are beneficial to the organization's development.

Nomination, Development and Evaluation of the Board's Performance

Nomination and Appointment of Company Directors

The Company's Articles of Association requires that the Board of Directors to consist of not less than 5 persons but not more than 30 persons and that not less than half of the Directors must reside in the Kingdom of Thailand. The selection of persons to be appointed as directors of the Company must be nominated by the Nominating and Remuneration Sub-Committee in accordance with the selection criteria of the Nominating and Remuneration Sub-Committee, which is based on professional diversity, expertise, no limitation on race, religion, gender and will consider for qualifications as follows:

1. Have the knowledge, skills, experience in the Company's industry a candidate can contribute in finance, accounting, management or others as appropriate in accordance with the Company's strategy and business operations and must not be in conflict with the Company's regulations.
2. Does not have any prohibited criterias in accordance with the law on public limited companies and must not appear to show an inadequacy in qualities to be entrusted with the management of the company from its shareholders in accordance with the criteria set forth by the Securities and Exchange Commission and Stock Exchange of Thailand (SET).
3. Be able to fully devote himself to making important decisions in the interests of the Company.
4. Be of virtue, ethical and any other qualifications that may be further prescribed by law or as appropriate by the Board of Directors.

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

- 1) Each shareholder shall have one share-one vote.
- 2) Each shareholder shall use all available votes to elect under Clause 1) one or several directors 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.

Directors who are required to retire in the first and second years after the registration of the Company shall be drawn by drawing lots on who will leave office. For the subsequent years, the Directors who were in their office the longest shall retire from the position of Director. Those 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 3/4 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 (Record Date), 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 1 September to 30 November of each year for the Nominating and Remuneration Sub-Committee to consider and screen before proposing to the Board of Directors and the Annual General Meeting for further approval.

In order that, director nomination of the Board of Directors, the Company has specified the qualifications of director of the Board of Directors to be selected in accordance with the Company's business strategies prepared in the form 'Skill Matrix' of the Board of Directors described as follows:

Name of Director	Information Technology	Political Science / Philosophy	Law	Accounting, Finance, and Audit	Business Administration and Management	Good Corporate Governance
1. Mr. Sunpitt Sethpornpong	●				●	●
2. Mr. Tavit Charuvajana	●				●	●
3. Mr. Kitti Techataveekijkul	●				●	●
4. Mr. Narong Charuvajana	●			●	●	●
5. Mr. Suvij Suvaruchiphorn	●		●			●
6. Mr. Wanarak Eakachai	●	●				●
7. Mr. Pravitt Chattalada	●					●
8. Dr. Virach Aphimeteetamrong	●			●	●	●
9. Assoc. Prof. Phornsiri Thivavarnvongs	●			●	●	●

Nomination and Appointment of Independent Directors

The Company has defined the definition of Independent Directors which exceeds the requirements of the Securities and Exchange Commission or the Stock Exchange of Thailand as follows, Selection and appointment of Independent Directors are determined by the number of Independent Directors in the composition of not less than 1/3 of the total number of directors of the Company. The persons who are selected must not have the prohibited characteristics according to the criteria set by the Securities and Exchange Commission, and then presented to the Board of Directors for consideration before proposing to the shareholders' meeting for consideration of electing directors to hold office. Qualification of the Independent Directors are as follows:

- 1) A person who holds no more than a 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) Not being or having ever been a non-executive director, staff, employee, advisor who receives regular salary, or a person with managing authority of the Company unless he has been discharged from the aforementioned characteristics for at least 2 years.
- 3) Not being a person with a blood relationship with another director, executive director, major shareholder, authorized person, or person to be nominated as a director, executive directors or authorized person of the Company or the subsidiaries.

- 4) Does not or has never had a business relationship with the Company in a manner that may hinder its independent judgment, including not being or having been a significant shareholder or authorized person of a company that the Company has business relationship with, unless it has been discharged from the aforementioned characteristics for at least 2 years.
- 5) Not being or having been the auditor of the company and not being a significant shareholder, authorized person, or partner of the audit firm of the Company's, unless he or she has been discharged from such discharged from that characteristic for at least 2 years.
- 6) Not being or having been a service provider of any kind, including providing legal advisory or financial advisory services, receiving a service fee of more than 2 million baht per year from the company and not being a significant shareholder, authorized person or partner of such professional service provider, unless he has been discharged from the aforementioned characteristics for at least 2 years.
- 7) Not being a director who has been appointed as a representative of the Company's Board of Directors, major shareholders, or related persons of the major shareholders.
- 8) Do not operate a business of the same nature and in significant competition with the business of the company or subsidiary, or not be a significant partner in a partnership, or be a director who takes part in management, staffs, employees, advisors who receive regular salaries or holding more than a percent of the total number of voting shares of other companies operating business of the same nature and in significant competition with the business of the Company or subsidiary.
- 9) Not having any other characteristics that prevent him or her from expressing independent opinions on the Company's operations, including connection to the parent company, subsidiary company, associated company, major shareholder or authorized person of the Company.

In this regard, all independent directors can express their opinions independently and not be under the influence of any person or group of people. There is no circumstances that will coerce the inability to express their opinions as expected by the Independent Directors, and must be able to participate in decision-making in the form of Collective Decision.

In Annual General Meeting 2020, for the election voting for Directors, shareholders were required to use ballots to elect directors individually, allowing all shareholders to cast their votes to elect the nominated persons. A total of 3 directors are appointed: Mr. Kittit Techataveekijkul, Mr. Pravit Chattalada, and Mr. Suvij Suvaruchiphorn.

Recruiting of Top Management

The Board of Directors has considered and assigned the Nominating and Remuneration Sub-Committee to consider criteria and methods for recruiting qualified persons to hold the position of the top management and nominating persons deemed appropriate and rationale for the Board of Directors to consider for appointment. The selection criteria are set as follows:

- 1) Have the knowledge, skills, education, experience, and expertise that are consistent with the operations of the company and can help develop the Company further.
- 2) Possess all qualifications and does not have any prohibited characteristics as required by the the laws on public limited company, securities, and other related laws.
- 3) Able to fully devote himself to making important decisions in the interests of the Company.
- 4) Be of virtue, have management ethics and a good track record.

Then, the Nominating and Remuneration Sub-Committee will present the names and reasons to the Board of Directors for further appointment.

Director Orientation

The Company organizes an orientation for every new director taking new positions to enhance knowledge and understanding of the first-time directors in learning about the business and operations of the Company, with the company secretary taking the lead in presenting documents and information that are useful for the performance of duties of the new director, such as director handbook, corporate governance, code of conduct, company regulations, shareholder structure, company performance, various criteria or related laws, etc.

Director's Knowledge Enhancement

The Company places great emphasis on the development of knowledge and capability by promoting training and continuous knowledge development to the Board of Directors, sub-committees, executive directors, company secretaries in order to create new knowledge and ideas for the implementation in their operation. The training and education are conducted internally and also by using the services of external institutions or participating in various activities organized by the Company, the Thai Institute of Directors Association (IOD), the Securities and Exchange Commission (SEC), as well as other leading training institutes in all related courses continuously throughout the year. There were 7 directors who have completed courses related to performing their duties, representing 77.78% of the total number of 9 directors as follows:

List of Directors	Certificates
1. Mr. Sunpitt Sethpornpong	Director Certification Program 2013
2. Mr. Kittti Techataveekijkul	Director Certification Program 2013
3. Mr. Narong Charuvajana	Board Matter and Trends 2016 Director Accreditation Program 2003 Director Certification Program 2003 Role of the Compensation Committee 2007
4. Mr. Wanarak Eakachai	Director Accreditation Program 2016
5. Mr. Pravitt Chattalada	Director Accreditation Program 2004
6. Dr. Virach Aphimeteetamrong	Anti-Corruption for Executive Program 2012 Director Accreditation Program 2003
7. Assoc. Prof. Phornsiri Thivavarnvongs	Director Accreditation Program 2002

Training Programs / Seminar Topics for Directors and Executive Directors in 2020

Name of Director / Position	Training Programs / Seminar Topics
Mr. Tavitt Charuvajana • Chief Executive Officer	Metro Systems Corporation Plc. • MSC Tech Trend 1#2020 • Career Success Forum 2020
Mr. Kittti Techataveekijkul • Vice Chairman	Thai Information Technology Industry Association • The IoT Security Forum in Bangkok 2020 Metro Systems Corporation Plc. • MSC Tech Trend 1 #2020 • Career Success Forum 2020 Thai Institute of Directors Association • GRC Series Ep. 5: Ten Years to Midnight • Four Urgent Global Crises and Their Strategic Solutions

Name of Director / Position	Training Programs / Seminar Topics
Mr. Narong Charuvajana <ul style="list-style-type: none"> Director 	Thai Information Technology Industry Association <ul style="list-style-type: none"> The IoT Security Forum in Bangkok 2020 Metro Systems Corporation Plc. <ul style="list-style-type: none"> MSC Tech Trend 1#2020 CISA: Certified Information Systems Auditor Career Success Forum 2020 Thai Institute of Directors Association <ul style="list-style-type: none"> Director Forum: Boards Role in Strategy for Business Sustainability Thailand Management Association <ul style="list-style-type: none"> Digital Transformation Forum & Excellence (Building Sustainable Supply Chain) GRC Series Ep. 5: Ten Years to Midnight Four Urgent Global Crises and Their Strategic Solutions Directors Briefing
Mr. Wanarak Eakachai <ul style="list-style-type: none"> Director Deputy Chief Executive Officer President of People Group 	Metro Systems Corporation Plc. <ul style="list-style-type: none"> Career Success Forum 2020
Dr. Virach Aphimeteetamrong <ul style="list-style-type: none"> Director Independent Director 	Federation of Accounting Professions <ul style="list-style-type: none"> Professional Certificate in Forensic Accounting
Mr. Aroon Tor-Ekbundit <ul style="list-style-type: none"> Executive Director President of Solutions Integration Group 	Metro Systems Corporation Plc. <ul style="list-style-type: none"> MSC Tech Trend 1#2020 Career Success Forum 2020 SuperApp CRM Training SuperApp CRM Training (Testing customer presentation) SuperApp CRM Sales Workshop
Mr. Suradet Lertthammajak <ul style="list-style-type: none"> Executive Director President of Solutions Integration Group 	Metro Systems Corporation Plc. <ul style="list-style-type: none"> SIG Product Training SuperApp CRM Training SuperApp CRM Training (Testing customer presentation) Career Success Forum 2020 Extended DISC & Design Thinking I Plus Learning and Consultant Co., Ltd. Strategic Thinking and Planning
Mr. Veeraphan Durongsang <ul style="list-style-type: none"> Executive Director President of Digital Solutions Group 	Metro Systems Corporation Plc. <ul style="list-style-type: none"> MSC Tech Trend 1#2020 Career Success Forum 2020
Mr. Thongchai Lumveerakul <ul style="list-style-type: none"> Executive Director President of Digital Printing Group 	Metro Systems Corporation Plc. <ul style="list-style-type: none"> MSC Tech Trend 1#2020 Career Success Forum 2020

Name of Director / Position	Training Programs / Seminar Topics
<p>Mrs. Nittaya Thanaviriyakul</p> <ul style="list-style-type: none"> • Executive Director • President of General Administration Group • President of Corporate Affairs Group • Chief Financial Officer 	<p>Metro Systems Corporation Plc.</p> <ul style="list-style-type: none"> • MSC Tech Trend 1#2020 • Career Success Forum 2020 • GRIT Class No. 1 • CISA: Certified Information Systems Auditor <p>Thai Listed Companies Association</p> <ul style="list-style-type: none"> • Guidelines for the implementation of the Personal Data Protection Act (PDPA) • TLCA CFO Professional Development Program (TLCA CFO CPD) • TLCA CFO Professional Development Program (TLCA CFO CPD) 3/2020 • TLCA CFO Professional Development Program (TLCA CFO CPD) 4/2020 • Director Forum: "Board's Role in Strategy for Business Sustainability" • TLCA CFO CPD 6/2020 on the topic Update on Taxes and Foreign Investment Issues <p>Conicle online</p> <ul style="list-style-type: none"> • Growth Mindset for Disruptive World • How to gain success from feedback (FeedbackSkills) • Techniques for Advanced Presentation Skill • Easy Design Thinking • Listening and communication skills of modern management (Deep Listening & Dialogue) • Deep Communication & Teamwork • The New Leadership Skills • The High-Performance Leader • System Thinking for Business • StrategicManagement <p>Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.</p> <ul style="list-style-type: none"> • 2020 Deloitte Forum Webinar Series "The World Remade by COVID-19" Series#1 <p>Omega World Class Co., Ltd.</p> <ul style="list-style-type: none"> • Boardroom Presentation, Data Visualization & Story Telling <p>Federation of Accounting Professions</p> <ul style="list-style-type: none"> • Process review in preparing and monitoring the implementation of strategic plans • Review in internal control system using a universal internal control framework • Operational Audit and Compliance Audit for Value Adding <p>NYC Management Company Limited</p> <ul style="list-style-type: none"> • TFRS for the year 2021

Evaluation of the Board of Directors and Sub-Committees Performance

The Company has a policy to arrange for the Board of Directors to conduct self-assessment annually by using the adapted performance appraisal form of the Stock Exchange of Thailand for the Board to review. The Board of Directors has reviewed its work and the obstacles to work during the past year. For the assessment process, the company secretary will submit the performance appraisal form of the board to all directors to evaluate the performance for the year, both as a group and individually. The results of the assessment were gathered from the committee to summarize and analyze the results of the committee's performance assessment by informing in the committee meeting on the performance and problems. The conclusions will be used to improve performance of the Board of Directors in the future.

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

Board of Directors

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

- 1) Structure and Qualifications of the Board of Directors
- 2) Roles, Duties and Responsibilities of the Board of Directors
- 3) Board of Directors meeting
- 4) Responsibilities of Director
- 5) Relationship with the management
- 6) Development of the directors and executive directors

The criteria to evaluate each topic sets out a 5 level rating as below:

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

Individual Director

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

- 1) Structure and qualifications of the Board of Directors
- 2) Board of Directors meeting
- 3) Roles, Duties and Responsibilities of the Board of Directors

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

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

Sub-Committees

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

- 1) Structure and qualifications of the Sub-Committees
- 2) Sub-Committees meeting
- 3) Roles, Duties and Responsibilities of Sub-Committees

The criteria to evaluate each topic sets out a 5 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 2020, the average rating results are as follows:

- The average assessment result for the Board of Directors as a group was scored 93.95%
- The average assessment result for the Board of Directors as individual was scored 92.93%
- The average assessment results for Sub-Committees as individual was scored 93.67%
- The average assessment results for Sub-Committees as individual is divided into:
 - Audit Committee; with the average assessment results 100%
 - Sustainable Development Sub-Committee; with the average assessment results 90.19%
 - Nominating and Remuneration Sub-Committee; with average assessment results 91.67%
 - Corporate Governance Sub-Committee; with the average assessment results 92.98%
 - Risk Management Sub-Committee; with the average assessment results 93.45%

Meeting attendance and remuneration for individual committees

The Company set the Board of Directors meeting in advance all year except for extraordinary meetings. The the schedule will be informed to each director at the beginning of every year, with meetings will be held at least 5 meetings a year. As for the sub-committees, there are at least 2 scheduled meetings a year, except for the Audit Committee and the Risk Management Sub-committee which will hold a meeting every quarter. The Company has a policy to encourage each director to attend board meetings regularly at an average of not less than 80 % of all board meetings in the year and disclose the number of meetings and their attendance at meetings of the directors and each committee member which is shown in the table showing the number of times the Board of Directors and various sub-committees attended the meetings. In 2020, the attendance rate for the Board of Directors in Board meetings has an average score of 100%.

Table Showing the Number of Attendance for the Board of Directors and Sub-Committees Meeting for the Year 2020

Name	Board of Directors	Executive Directors	Audit Committee	Nominating and Remuneration Sub-committee	Sustainable Development Sub-Committee	Corporate Governance Sub-committee	Risk Management Sub-committee	Non-Executive Committee
Mr. Sunpitt Sethpornpong	5/5							1/1
Mr. Kittit Techataveekijkul	5/5				3/3	3/3	4/4	
Mr. Tavit Charuvajana	5/5	12/12						
Mr. Narong Charuvajana	5/5			3/3				
Mr. Wanarak Eakachai	5/5				3/3	3/3	4/4	
Mr. Suvij Suvaruchiphorn	5/5			3/3				1/1
Mr. Pravit Chattalada	5/5		5/5	3/3	3/3			1/1
Dr. Virach Aphimeteetamrong	5/5		4/5			3/3		1/1
Assoc. Prof. Phornsiri Thivavarnvongs	5/5		5/5				4/4	1/1
Mr. Veeraphan Durongsang		12/12				3/3	4/4	
Mr. Aroon Tor-Ekbundit		12/12				3/3	4/4	
Mr. Thongchai Lumveerakul		12/12				3/3	4/4	
Mrs. Nittaya Thanaviriyakul		12/12				3/3	4/4	
Mr. Suradet Lertthamchak		11/12						

The Chairman and / or the Vice Chairman and the Chief Executive Officer jointly consider and select agenda items for the Board of Directors meeting, each director is free to propose an agenda on the agenda.

The company secretary is responsible for sending meeting invitations and meeting documents to each director at least 5 working days in advance of the meeting, including the agenda which are clearly categorized, such as matters to be informed, to consider, or to approve. The setting of criteria and format of information in the documents to be presented to the Board of Directors will also be complete, adequate, and appropriate in order to support the smooth, rapid and efficient the Board of Directors meetings under the relevant laws and regulations. Each department can be respectively used for reference and adhered to as standard in preparing information before submission. The Company Secretary Department compiles and presents to the Board of Directors at each meeting in order for the Board of Directors to have the right information and have adequate time to analyze the information before attending the meeting, unless in case of urgent matters. The document prepared is brief but concise, providing complete information. For matters that are not disclosed in writing, the matter is discussed at the meeting where the Chairman of the Board of Directors will allocate sufficient time for the management to propose the matter and sufficient time for the directors to discuss matters. Important issues will be discussed thoroughly. The Chairman of the meeting will provide opportunities for each director to express their opinions independently, with the meeting time allocated appropriately and conducted efficiently. In the event that any of the director has any interest in the matter to be considered, the director will notify the meeting for acknowledgment and must not participate in expressing opinions and shall not have the right to vote on that matter. The minimum number of quorums at the time of the Board of Directors' resolution must be at least 2/3 of the total number of directors. The director's holding of securities is also reported in case of any changes in each quarter.

The company secretary will record the minutes of the meeting. The Company has a policy for the executive directors of the Company to meet every month to summarize and analyze operations performance and present to the Board of

Directors at every Board of Directors meeting. At each executive meeting, the Company has a policy for executive directors to attend the executive meeting to acknowledge and provide more detailed information on the matter directly related to the problem, whereby the board of directors can access additional necessary information from the Chairman, Chief Executive Officer, company secretary, or other assigned executive directors.

In addition, the Company holds a meeting between the non-executive directors without the management's presence to discuss issues and matters related to management and report findings of the meeting to the Board of Directors.

Remuneration of Directors

The Nominating and Remuneration Committee is responsible for determining the remuneration of the directors by carefully scrutinizing the suitability of various matters. Directors will receive compensation based on their experience, duties, roles and responsibilities, and compared with remuneration for directors in the same industry, as well as considering business expansion and profitable company growth. The directors' remuneration will be in accordance with the principles and policies set by the Board of Directors within the framework approved by the shareholders' meeting (for the types of remuneration that must be approved by the shareholders' meeting)

From the 2020 Annual General Meeting on 2 April 2020, it was resolved to determine the remuneration of directors including sub-committees by setting meeting allowances and gratuity for the board as follows:

Remuneration of Board of Directors

Board of Directors' Annual Remuneration	not over than	2,700,000	baht/year
Meeting allowances	amounting to	22,000	baht/person/meeting

Therefore, the Board of Directors will allocate the Annual Remuneration as appropriate within the said amount.

Remuneration of Audit Committee

For the Chairman	amounting to	130,000	baht/ each quarter
For each member	amounting to	100,000	baht/each quarter

Remuneration of Executive Committee

Chief Executive Officer	amounting to	14,000	baht/meeting
Executive Director	amounting to	14,000	baht/person/meeting

In this regard, the directors who hold the position of Executive Director will not be granted Board of Directors meeting allowances.

Remuneration of Other Sub-committees

Chairman / Sub-committee				
Sustainable Development Sub-Committee	17,000	baht/time	12,000	baht/person/time
Corporate Governance Sub-Committee	17,000	baht/time	12,000	baht/person/time
Risk Management Sub-Committee	17,000	baht/time	12,000	baht/person/time
Nominating and Remuneration Sub-Committee	17,000	baht/time	12,000	baht/person/time

Summary of Directors' Remuneration

(unit: baht)

Remuneration Type	2019		2020	
	Person	Amount	Person	Amount
Meeting Fee	15	4,017,000	14	4,077,000
pension	9	2,140,000	9	2,140,000
Total		6,157,000		6,217,000

Remuneration Summary of Each Director Received in the Year 2020

Name	Board of Directors	Executive Directors	Audit Committee	Nominating and Remuneration Sub-committee	Corporate Social Responsibility Committee	Corporate Governance Sub-committee	Risk Management Sub-committee	Total (Baht)
Mr. Sunpitt Sethpornpong	450,000							450,000
Mr. Kittit Techataveekijkul	335,000				36,000	36,000	48,000	455,000
Mr. Tavit Charuvajana	225,000	168,000						393,000
Mr. Narong Charuvajana	335,000			36,000				371,000
Mr. Wanarak Eakachai	335,000				36,000	36,000	48,000	455,000
Mr. Suvij Suvaruchiphorn	335,000			51,000				386,000
Mr. Pravit Chattalada	335,000		520,000	36,000	51,000			942,000
Dr. Virach Aphimeteetamrong	335,000		400,000			51,000		786,000
Assoc. Prof. Phornsiri Thivavarnvongs	335,000		400,000				68,000	803,000
Mr. Veeraphan Durongsang		168,000				36,000	48,000	252,000
Mr. Aroon Tor-Ekbundit		168,000				36,000	48,000	252,000
Mr. Thongchai Lumveerakul		168,000				36,000	48,000	252,000
Mrs. Nittaya Thanaviriyakul		168,000				36,000	48,000	252,000
Mr. Suradet Lertthamchak		168,000						168,000
Total	3,020,000	1,080,000	1,320,000	123,000	123,000	267,000	356,000	6,217,000

Other remuneration of directors

The Company has no policy to other remuneration to the Directors.

Management of Subsidiaries and Associated Companies

The Company realizes the importance of focus on business investment in its subsidiary and associates companies. The management of the companies should always act in accordance with the principles of good corporate governance and transparency. The Company has set the rules for the supervision of subsidiaries and associates, including measures for monitoring the management of its subsidiaries in order to safeguard the interests of the investment of the Company. The Board of Directors meeting have approved the implementation of a regulatory policy, which this policy has been thoroughly assessed by the Corporate Governance Sub-Committee and approved by the Board of Directors. The management of the subsidiary and associates are treated as a company within the same organization. The aforementioned policy sets out guidelines for overseeing the management of the subsidiaries and associates in the following four aspects:

1. Management of Subsidiaries and Associated Companies

- Nomination of director in the subsidiaries and associated companies: 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 or associate. The directors who have been nominated must be fully qualified and have no characteristics considered as a lack of trust according to the announcement of the Securities and Exchange Commission Re: Determination of Untrustworthy Characteristics of the Company's Directors and Executive Directors, and act in the best interests of its subsidiaries and associated.
- Scopes of Duties and Responsibilities of Subsidiaries' and Associated' 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 and associated companies 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 and associates 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 executive directors of Subsidiaries and Associates: The directors and executive directors of the subsidiaries must 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 and associated, or the person assigned by the Board of Directors of the Company within the time period. The Board of Directors of subsidiaries and associated is responsible for informing the Company of transactions that may cause conflicts of interest, and directors and management of subsidiaries and associated companies must not participate in approving matters that they have interest, stake, conflict of interest, or receive financial benefit out of the usuals.
- Disclosure of information of subsidiaries and associated: Subsidiaries and associated are responsible for disclosing information on operating results and financial position, transactions between subsidiaries and associated with connected persons, the acquisition or disposition of assets, or the execution of other important transactions of the subsidiaries and associates are. They are also required to provide accurate and complete reports, including reports on business plans, business expansion, large investment projects, as well as joint investments with entrepreneurs to the Company through monthly or quarterly performance reports as necessary and appropriate.
- Intercompany transactions: Directors, executives directors or related persons of subsidiaries and associated companies may enter into transactions with the Company only when such transactions are approved by the Board of Directors or the shareholders' meeting, according to size of the transaction calculated in accordance with the criteria specified in the Announcement on connected transactions, unless it is a transaction that is a commercial agreement in the same manner that an ordinary person would do with the two parties in the same situation or is a formal trade 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 subsidiaries and associated are responsible for submitting monthly or quarterly and annual performance reports, including financial statements approved by executive directors or directors, as well as supporting information for preparing such financial statements, provide a quarterly performance estimate, compare summarized actual operation performance for the quarter, report financial issues when detected or requested by the company.

3. Treatment and Use of Information within Subsidiaries

Subsidiaries and associated companies must realize the importance of the preservation and use of inside information of subsidiaries and associated companies and the company under the following guidelines.

- Internal information confidentiality: In the event of dissemination of confidential information, prior approval from the Chief Executive Officer of subsidiaries and associated companies is required. The Company's Investor Relations Department is responsible for disseminating such information. If the information concerns an individual, prior consent must be obtained from the third party or stakeholders. Staffs of the subsidiaries and affiliates must not answer any questions or express their opinions to others, unless they are obliged or entrusted to answer them.
- Use of internal information: Do not use internal information of the Company that may affect the Company, subsidiaries and associated companies. Any people privileged to internal information of the company are not to trade shares or securities of the Company, or solicit others to buy, sell, offer for sale of shares or securities of the company, whether in person or through a broker. It is prohibited to disclose material facts that may affect price changes of securities and which are not publicly disclosed, whether such action is done for the gain of oneself or others. Directors or executive directors of subsidiaries and associated companies are prohibited from trading in securities during the period of a month prior to each Board of Directors meeting.
- Prevention of use of internal information: The Company has established an internal control system to protect data files or confidential documents. Access to confidential information will only be permissible to top management and employees as necessary, with violations subjected to disciplinary action or legal redress, as the case may be.

4. Exercise of rights in shareholders' meetings of subsidiaries and associated companies

The Company will send a representative to attend the shareholders' meeting of the subsidiaries and associated companies every time there is a meeting and delegate the representatives to vote according to the agenda, including other agendas which are not predetermined in the meeting agenda.

Following up on compliance with corporate governance policies and practices

The Company realizes the importance of good corporate governance by establishing relevant policies and practices, whether it is a corporate governance manual, code of conduct, policies and practices related to good corporate governance. The Company has compiled it in the same form in the corporate governance manual and promotes the application and practice of all stakeholders.

In 2020, the Company has followed up on the implementation of good corporate governance, covering employee care and non-discrimination, anti-unfair competition, environmental awareness, occupational health and safety, safe information security, which the follow-up results showed that the Company has completely followed the guidelines of each issue. In addition, the Company has followed up 4 additional issues of good corporate governance as follows:



Prevention of Conflicts of Interest The Company emphasizes for the Company's personnel to not seek personal interests in order to avoid situations that may create a conflict of personal interest and the interests of the Company, so it is set out in the corporate governance manual. In the roles, duties and responsibilities

of the Board of Directors, a clear guideline has been established and is in the interests of the Company and the shareholders as a whole, which the stakeholders with conflict of interest do not participate in decision-making. The Board of Directors oversees the compliance with the requirements on procedures and disclosures of transactions that may lead to a conflict of interest to be correct and complete in making important transactions. In the event of an agreement to enter into a transaction requires approval from the shareholders' meeting, it must be approved in accordance with the laws and the Company's regulations.

In the past year, it was not found that directors, executive directors and employees had any case that might create a conflict of interest.

- **The use of internal information for profit** The Company gives importance on the use of internal information by specifying the use of internal information in the internal control manual which has been approved by the Board of Directors in order to understand the correct practice.

The Company prohibits directors and executive directors from using the Company's internal information that are crucial and has not yet been disclosed to the public for their own or others' benefits, including trading of the Company's securities. Directors, executive directors and employees in departments that may have knowledge of internal information are prohibited to trade in the Company's securities during the period of a month prior to the disclosure of the financial statements to the public, whereby the Company will notify the directors and executive directors of the Company of the period trade in securities should not be conducted.

The Company realizes the importance of keeping customers' confidential information by not using such information for the benefit of directors, executive directors, employees, and related persons unless it is required to be disclosed as required by law. It also places great emphasis on data security in the information system by controlling and/or preventing third party access to corporate information and assigning access rights to employees at different levels in accordance with their authority and responsibility. In addition, the Company has a policy for relevant persons to acknowledge only information as necessary for the operation, supervise the use and retention of sensitive information carefully, with any disclosure of information requiring permission from the management of the agency. In the event that a third party participates in the work on the information that has not yet been disclosed to the public and is in the process of negotiating, which is considered internal information that may affect the movement of the securities prices of the respective companies involved, they will have to enter into a confidentiality agreement until information is disclosed to the Stock Exchange and the Securities and Exchange Commission.

The Company has assigned the Chief Financial Officer, executive directors, and the auditor to prepare and report the change in securities holding of his / her spouse, dependants, and underage child to the company secretary by preparing such information and delivered within 30 working days after taking office. In addition, directors and executive directors must notify about every purchase or sale of the Company's securities by notifying at least 1 day in advance before trading to the Board of Directors or the person concerned. The Board of Directors is responsible to report to the Securities and Exchange Commission when securities are bought or sold within 3 business days, including strictly complying with the Securities and Exchange Act B.E. 2559.

Directors, executive directors, employees who violate the internal information use policy will be subject to disciplinary action and / or legal actions, as the case may be.

In the past year, it was not found that the directors and executive directors had traded any securities during the period that the Company had set to refrain from trading.



Collective Action Coalition
Against Corruption

- **Anti-Corruption, Anti-Corruption Policy**

The Company recognizes the importance and is committed to combat all forms of corruption in order to operate the Company's business in accordance with the principles of good corporate governance. The Company has therefore set up a separate anti-corruption policy exclusively on 24 February 2015 and communicated the anti-corruption policy to executive directors and employees at all levels including business partners, customers, and all stakeholders for acknowledgment. The Company has annually reviewed the Anti-Corruption Policy in order to ensure that such policies are complete and cover the risks of corruption in the Company's business operations.

The Company was certified for the first Collective Action Coalition Against Corruption (CAC) of the Thai private sector on 22 April 2016. Currently, the Company has been certified for the second renewal of Thai Private Sector Collective Action Coalition Against Corruption on 4 February 2019. Employees of the Company at all levels have participated in monitoring all conducts for corruption and also denying all forms of corruption, both directly and indirectly, as well as establishing guidelines for reporting and whistleblowing or complaints from corrupt acts in the Whistleblowing and Complaints Policy, which contains information on providing channels for those witnessing misconduct in accordance with the code of business conduct, involvement of corruption, or human rights violations, whistleblowing or complaints can be submitted to the direct supervisor, Internal Audit Manager, Independent Director, or Audit Committee. The whistleblower can choose not to disclose his name, address, contact phone number, and the recipient of the complaint must keep the relevant information confidential, taking into account the safety and reputation of the complainant.

The Company has set policies and guidelines on anti-corruption, including preventive measures in the "Anti-Corruption Policy" and disclose it on the Company's website, www.metrosystems.co.th as a guideline for directors, executive directors and employees to adhere as corporate culture, with 7 chapters, namely

- Chapter 1: Definitions related to Anti-Corruption Policy
- Chapter 2: Duties and responsibilities of the Board of Directors, Audit Committee, Executive Committee, Chief Executive Officer and Executive Director, Internal Audit Manager
- Chapter 3: Practice guidelines for directors, executive directors, employees at all levels
- Chapter 4: Requirements and prohibitions on recruitment of personnel, promotion, giving or accepting gifts, entertainment or hospitality, support grants or charitable donations, business relations, and procurement with government sectors
- Chapter 5: Whistleblowing and complaints, official notification channels, procedure for receiving leads or complaints about corruption, measures for protection of whistleblowers, complainants or those who gave cooperation in the investigation, and on false leads or complaints
- Chapter 6: Penalty for Violation of the Anti-Corruption Policy
- Chapter 7: Policy review on a regular basis to ensure consistency with legal requirements and regulations

The Company has clearly defined the definition of corruption in the said policy, including persons involved, such as directors, executive directors, and employees of the Company at all levels, who must work together against corruption. In order to prevent the Company's business operations from being involved in any fraudulent practices, the Company has an internal audit system under the principles of internal control that is in line with the risk of corruption, along with the penalties. The Company also monitors and oversees the anti-corruption policy and reviews the policy at least every year to ensure that such policy is compliant with legal regulations

Actions of the Company to Combat Corruption

In the area of fraud risk assessment, the Company has assigned the Risk Management Sub-Committee to be responsible for assessing the risks of corruption that may occur within the organization by assessing the risks of corruption separately from the other risks, self-evaluation using set principles and methods which clearly define guidelines, monitor, and review the completeness of all processes, carry out regular and continuous risk reviews at both in organizational and departmental levels. The organization and department also monitor progress and determine measures to control risks or various risk factors that have an impact on the Board of Directors for acknowledgment and further corrective action.



This year, the company has campaigned and promoted the National Anti-Corruption Day for everyone in the organization to acknowledge the importance on 10 September 2020, along with the penalties if any staff were found to be involved in corruption. The Company also organized an online test on business ethics, rules, regulations, and anti-corruption policies. This serves to raise awareness, promote training and instill in everyone in the organization a code of conduct in their operations to be able to act properly for the organization's sustainable growth. All staffs are required to answer the test correctly not less than 80 percent per the target set up by the Company in 2020. Summarized findings from the result turns out that the management and employees of the company have passed the aforementioned criteria, with all of them correctly answered 100 percent.

The Company gives great importance to anti-corruption as well as supports and promotes personnel at all levels to have awareness of anti-corruption in all forms: giving or accepting of gifts, support grants, or charitable donations as a guideline for management and employees to adhere to correct practices in preventing corruption by stipulating as follows:



On giving of gift or subsidy to any activity or project, the giver must make it on behalf of the Company, with the recipient's name clearly specified with the exact purpose of the grant, which the grant must not have a purpose to imply an obligation or bribery, or influence decision-making in conducting business together and must be given according to normal practice and/or commercial practice only. The granting must be done with transparency and without any legal violations. Any giving with value of over 3,000 baht must be approved by the Chief Executive Officer. The giving of gifts to government agencies or government officials can only be made in value not exceeding 3,000 baht.



On accepting gifts with value of not more than 5,000 baht must not imply an obligation or bribe for which the gift giver or seller will be entitled to favorable treatment for business purposes, better business price, or an updated or altered sales condition for the benefit of the seller. In the event that the value of the gift received exceeds 5,000 baht, the recipient must proceed in accordance with the procedure set out by the company and must provide evidence of gifts to the company. It is also not allowed to accept gifts in cash or in cash equivalents.



Charitable contributions must be made on behalf of a company to any organization that is trustworthy, documented, and the purpose of the donation must be clear to the benefit of society. It must be done with transparency, through established and legal procedures, as well as monitoring and auditing to ensure donations have not been used as an excuse for bribery.



The Company has provided channels for complaints and whistleblowing on illegal acts, violations or non-compliance with the code of conduct or behaviors that may imply corruption of individuals in the organization as follows:

Complaint Process

If the complainant observed any suspected violation of the good corporate governance principles, or non-compliance with code of conduct, or inaccurate financial reports or defective internal control system, they could submit inquiry or report them to the person in charge with the procedures for receiving complaint as follows:

1. Fact Gathering

The complaint recipient will gather facts related to corruption or illegal acts, violations of the principles of good corporate governance, non-compliance with the company's code of conduct, violation of human rights, inaccurate financial reporting, or the defective internal control system by themselves.

2. Data Processing and Filtering

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

3. Investigation

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

4. Reporting

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

Measures for Protection of Complainant and Investigator

The complainant, those who cooperate in investigation, and investigator would be offered protection in accordance with the following criteria:

- 1) The complainant or the person cooperating in the investigation can choose not to disclose themselves if they believe that disclosure would cause any insecurity or damage. The company can report its progress, clarify facts to know or mitigate the damage more conveniently and quickly.
- 2) On the whistleblower or the person cooperating in the investigation, the company will not disclose the name, surname, photograph, or any other identifier information of the informant and will conduct an investigation of the truthfulness.
- 3) The complaint recipient must keep the relevant information confidential and disclose it as necessary, taking into account the safety and reputation of the complainant or the person cooperating in the investigation, the source of the information, or the related person.
- 4) In cases where the whistleblower, the complainant or the person cooperating in the investigation think that they may be unsafe or troubled by any possible damage, the whistleblower, the complainant or the person who cooperates in the investigation may request the Company to prescribe appropriate protection measures with consideration of the Chief Executive Officer, or the Company may prescribe protection measures without request if it is deemed that a matter may likely cause damage or insecurity.
- 5) Those suffering the damage will be alleviated through appropriate and fair procedures through review of the Investigative Committee.
- 6) The complainant, person involved in investigation, or those denying violations of the Code of Conduct or corruption will be protected by the Company and will not cause or constitute a reason for demotion, termination of employment, punish, give negative effect or take any action that is harmful to such persons.

False Reporting

If the Company finds that any whistleblowing or complaint with evidence proving to be an act of dishonest, false and intent to cause damage, in the case of being an employee of the company, he will be disciplined according to the Company's regulations. If it is a third party who has acted to cause damage to the company, the Company will consider legal action against that person as well.

Whistleblowing and complaints channels

Any person seeing any suspected acts of violations of good corporate governance principles or disrespect of human rights, failure to comply with the code of ethics, or inaccurate financial reports, or a defective internal control system, inquiry or report can be submitted to the person responsible as follows:

- 1) Supervisors of the business group or the whistleblower's department
- 2) Internal Audit Manager
- 3) Independent Director
- 4) Audit Committee

In this regard, if anyone finds or wants to complain on any behavior or event that might be in violation of the good corporate governance principles, failure to comply with the Company's code of conduct, inaccurate financial reports, or defective internal control system, the person can notify the matter directly to responsible persons via the following channels:

- a) By Mail :
Company Secretary
Metro Systems Corporation Public Company Limited
No. 400 Chalermprakit Rama IX Road, Nong Bon,
Prawet, Bangkok 10250
- b) Telephone : 0-2089-4124
- c) E-mail : corporatesecretary@metrosystems.co.th
- d) Company website : <https://ir.metrosystems.co.th/complaint-channel-th/>

However, the Company has a process for resolving business ethics violations and has established plans for prevention of such incidents from recurring by regularly testing the notification system in the whistleblowing or complaints channels on the Company's website that the system can still be used properly.

In the past year, from testing of the notification system, it was found that there were no abnormalities in the whistleblowing or complaints channels, and no one reported any violation of the Code of Conduct.

The Audit Committee's Performance of Duty Report

ATTN: Shareholders of Metro Systems Corporation Public Company Limited

The Audit Committee of Metro Systems Corporation Public Company Limited (MSC) composes of 3 independent directors, performing duties as assigned by the Board of, in accordance with requirements of the Stock Exchange of Thailand. In 2020, Audit Committee had attended 5 meetings with the Board of Directors, and 1 meeting with Non-Executive Director and meeting of Audit Committee with Internal Audit Department, Certified Public Accountant, and related agencies as follows.

NO.	DIRECTOR	POSITION	QUALIFICATION	MEETING
1	Pravit Chattalada	Chairman of Audit Committee	IT knowledge	5/5
2	Dr. Virach Apimetheethamrong	Audit Committee	Financial, accounting knowledge	4/5
3	Assoc. Prof. Phornsiri Thivavarnvongs	Audit Committee	Financial, accounting knowledge	5/5

Supervision of annual key functions;

- Review the Company's quarter financial statements, annual financial statement of 2020 and consolidated financial statements for accuracy and reliability, disclosing sufficient information beneficial for investors or user of financial statements.
- Review Related Parties Transaction (RPT), liable to Conflict of interest for conformity of laws and requirements of The Stock Exchange of Thailand, disclosing to acknowledgement of The Stock Exchange of Thailand in accurate, timely manner.
- Supervise internal control and performance of internal audit, assessing sufficiency appropriateness of the Company's Internal control for business operation, considering audit plan comprehensive on performance and IT issues. In 2020, result of internal audit found none of substantial issues, with appropriate monitoring the result of suggestion and improvement for appropriate internal control.
- Supervise good corporate with review on compliance with the laws, relevant regulations, business code of conducts, the Company's policies and standing orders, including review fraud detection results and notification system for channels of whistleblowing or complaint on website. In 2020, there has been no report of complaint.
- Review risk management, reviewing effectiveness and efficiency of management process responsible by Risk Subcommittee together with Management Department to manage risk and cope with unexpected situation.
- Promote and support Management Department on proactive strategy for sustainable business operation, emphasizing on the projects of innovation, technology, law environment, and personnel readiness for corresponding to rapid changes of business in the era of digital economy.
- Recruit and appoint certified public accountant from Deloitte Touché Tohmatsu Limited ("DTTL") for consideration of the Board of Directors with resolution to propose for approval of the shareholders' meeting to appoint;
 Ms. Wilasinee Krishnamra: Certified Public Accountant with Registration No. 7098 and/or
 Mr. Chavala Tienprasertkij: Certified Public Accountant with Registration No. 4301 and/or
 Ms. Nisakorn Songmanee: Certified Public Accountant with Registration No. 5035 and/or
 Ms. Kornthong Luangwilai: Certified Public Accountant with Registration No. 7210
 to act as the Company's auditors of the year 2020.

29 January 2021

On behalf of The Audit Committee

Pravit Chattalada

(Mr. Pravit Chattalada)

Chairman of the Audit Committee

Report of the Nominating and Remuneration Sub-Committee



Dear Shareholders

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

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

The Nominating and Remuneration Sub-Committee consists of at least 3 directors: an independent director, two non-executive directors, and has a two-year term of the position.

The Sub-Committee performed their duties with care, prudence and transparency, taking into account the best interests of shareholders and all stakeholders. Additional information on related matters has been studied carefully by determining the scope of authority and duties relating to the formulation of criteria and policies for the nomination and remuneration of the Board of Directors and Sub-Committees, considering appropriate person for the nomination of directors to propose to the Board of Directors for approval and / or to propose for approval at the shareholders' meeting the consideration and selection of suitable person for the position of Chief Executive Officer. In the event of a vacancy in the position including the succession criteria, the top management establishes the criteria and policy for determining the remuneration of the Board of Directors and the Chief Executive Officer for submission to the Board of Directors for approval and / or submission to the shareholders' meeting for determining the necessary and appropriate remuneration. This remuneration serves to motivate and maintain the Board of Directors, Sub-Committees and Chief Executive Officer each year. The Sub-Committee is responsible to the Board of Directors, and for providing explanations and answering questions about the recruitment, determination of remuneration for directors and top management at the shareholders' meeting, including the nominating and remuneration policy report, and disclose it in the annual report.

In 2020, the Nominating and Remuneration Sub-Committee held three meetings to consider various matters, whereby all directors attended every meeting in order to follow up and consider important matters assigned by the Board of Directors, which can be summarized as follows:

1. Consider recruiting directors to replace those retiring by rotation for the year 2020 and propose to the Board of Directors for approval at the shareholders' meeting
2. Consider the remuneration of directors and sub-committees for the year 2020 and propose to the Board of Directors for approval at the shareholders' meeting.
3. Consider the Charter of the Nominating and Remuneration Sub-Committee for the year 2020 and propose to the Board of Directors for approval.
4. Consider the recruitment of the Vice President from internal personnel and propose to the Executive Committee for appointment.
5. Consider and nominate an Audit Committee who expires in August 2020 and propose to the Board of Directors for approval.
6. Consider the recruitment for the Chief Executive Officer who expires in December 2020 and proposes to the Board of Directors for approval.

The Nominating and Remuneration Sub-Committee has opinion that the operation of the Nominating and Remuneration Sub-Committee for 2020 has been carried out following plans that has been laid down and in accordance with the assignment of the Board of Directors in the selection of the Executive Directors, and determination of appropriate remuneration for directors and executive directors, which will help to maintain the Board of Directors, Sub-Committees and executive directors who have knowledge and abilities to benefit the organization and to develop sustainably.

Dated 12 January 2021

On behalf of the Nominating and Remuneration Sub-Committee

Suvij Suvaruchiporn

(Mr. Suvij Suvaruchiporn)

Chairman of the Nominating and Remuneration Sub-Committee

Report of the Sustainable Development Sub-Committee



Dear Shareholders

The Sustainable Development Sub-Committee was first appointed by a resolution of the Board of Directors Meeting No. 5/2015 on 6 November 2015, with a term of 2 years. In 2019, the Board of Directors Meeting No. 6/2019, held on 8 November 2019, passed a resolution allowing the Sustainable Development Sub-Committee to serve for another term from 1 December 2019 to 30 November 2021.

The names of the Corporate Social Responsibility Subcommittee are as follows:

No.	Committee member	Position	No. meeting
1	Mr. Pravit Chattalada	Chairman of the Sustainable Development Sub-Committee	3/3
2	Mr. Kittit Techataveekijkul	Sustainable Development Sub-Committee	3/3
3	Mr. Wanarak Eakachai	Sustainable Development Sub-Committee	3/3

The Sustainable Development Sub-Committee consists of 3 members, with independent directors acting as chairman and having various scope of powers and duties related to the Company's business operations in line with their participation in social responsibility by reviewing activities, policies, operating plans, annual budgets, and present them to the Board of Directors to review corporate's sustainable Development performance. The Sub-Committee is also responsible to monitor and report current and emerging social responsibility issues or trends, including impact that may they have on the Company and report to the Board of Directors. Moreover, the Sub-Committee has the power to appoint sustainable development working group as needed by assigning the head of the working group to select a working group from representatives of each business group and / or work group to help drive policies in various areas and to organize activities related to corporate social responsibility.

The Sustainable Development Sub-Committee has been committed to conducting business ethically and adhering to good corporate governance principles and has always performed duties as assigned by the Board of Directors. The Sub-Committee also had 3 meetings to consider various matters, which can be summarized as follows:

1. Consider and scrutinize the annual work plan and budget, and review the performance of corporate social responsibility, as well as screen activities held in and out of the Company according to the work plan and present to the Board of Directors.
2. Review the 9 social responsibility policies: good corporate governance, fair business operation, anti-corruption, respect for human rights, fair labor practices, responsibility towards consumers, environmental preservation, community and social development, innovation and dissemination of innovation. The Sub-Committee has communicated corporate

social responsibility activities on the Company's website so that interested parties can access information quickly and accurately. This too enabled directors, executives, employees, and all stakeholders to acknowledge and implement appropriate policies in various fields.

3. Implement corporate social responsibility policy and activities related to social responsibility. In this year, the Sustainable Development Sub-Committee had set goals for economic, social, and environmental development along with business operations to advance towards sustainability in each of the following areas.

3.1 Economic

1) Good corporate governance

The Company has appointed the Corporate Governance Sub-Committee to provide guidance on good practices in accordance with the ethics and business ethics framework for the directors, executives, employees, and staffs of the Company appropriately and continuously in order to ensure that all parties have a proper and consistent approach to act in the same direction according to the principles of good corporate governance.

2) Anti-corruption

Executives and employees have joined forces to fight against corruption in year 2020, which the activity that has been organized for the sixth year in conjunction with the Anti-Corruption Organization (Thailand) under the concept of "Misconducts Detection is Extremely Easy at Your Fingertips through the Power of Data". This year was the first year that the event was held via Facebook Live, in responds to the New Normal. The Company gives importance to anti-corruption in all forms and therefore had organized anti-corruption activities within the organization to reinforce and raise awareness in operating business with responsibility, transparency, and good governance.

3.2 Social

1) Education

The Company has provided opportunity for teachers and students to visit various technology demonstration centers in the Company and listen to lectures from specialists in order to gain work experience and knowledge that will benefit future operations. This also allowed the Company's speakers to provide knowledge and guidance in education at leading institutions in Thailand in order to build networks and relationships between companies and institutions, as well as to build potential good relationships with students and graduates who may have the opportunity to work with the organization.

2) Community and social development

The Company has continued participation in community and social development by supporting activities within various communities as appropriate, including encouraging employees to regularly take part in community and social development. In this year, the Company organized activities for the development of the community and society as follows:

- Organized "Metro Donation - blood donation for human life" for the second consecutive year on the occasion of the 34th anniversary of the founding of the Company. This activity allowed participation in merit-making by donating blood to the blood bank of Siriraj Hospital on 6 January 2020 at the headquarters building.
- Supported organizing of the "National Children's Day 2020". The Company has provided educational materials and gifts for children to nearby schools: Khot Phueak Anuson School, Surau Chorakhe Khop School (Kulangkun Upatham), and Khlong Makham Thet School, to support education and promote activities for students in the community area which were held on 10 January 2020.

- Organized the “Pass Us the Unused Calendars” activity for the fourth time continuously where donations of old calendars were accepted from employees to be delivered to the Educational Technology Center for the Blind, Foundation for The Blind in Thailand Under the Royal Patronage of H.M. The Queen. The calendar will be used for production of Braille medium for the visually impaired, held on 11 March 2020.
- Donated 15 computers to support education to more than 140 children of the Social Action for Children and Women (SAW) on 17 March 2020 at the headquarters building.
- Donation of printers and photocopies to Ban Khao Phru Samet School, Wang Khiri Sub-district, Huai Yot District, Trang Province, under the Trang Primary Educational Service Area Office 2, which is open for teaching from Kindergarten 1 to Primary 6, with a total of 68 students, to support education and improve the quality of school education on 4 August 2020.
- Organized the “METRO Care Football for Your Smiles” activity to bring revenue without deducting expenses on purchasing sports equipment, and sports funds to support health promotion for needy schools, which were donated to 3 schools: Wat Wang Pla Chit School, Nakhon Nayok Province; Baan Chong Takhian School, Nakhon Nayok Province; and Ban Klongtaman School, Prachinburi Province.

3.3 Environment

- Organized activities for employees to participate in managing the use of resources with most benefit by campaigning to save water, electricity, including sorting waste by type before disposing, and using wet waste as fertilizer for use within the Company under the METRO Green Clean Office project, along with public relations for employees to acknowledge and strictly implement.
 - Install electric vehicle charger (EV charger) as alternative of clean energy instead of the use of gas or oil which causes environmental pollution. This initiative helps to reduce carbon footprint which aligns with the Sustainable Development Goals (SDGs) in the matter of Affordable and Clean Energy, which is certified to be accessible, reliable, sustainable, and modern for all to facilitate employees, customers, and partners of the organization. The facility is free of charge to promote reduce of environmental problems, especially air pollution be it greenhouse gas emission, dust and smoke, or particulate matter emission (PM 2.5).
4. Prepare a report of the Sustainable Development Sub-Committee to report the performance of the year 2020 according to the work plan.

The Sustainable Development Sub-Committee agreed that the implementation of the Sustainable Development Sub-Committee for the year 2020 was carried out as planned and in line as Board of Directors assigned. There was also good cooperation received from executives and employees with awareness of the importance of social, community, and environmental responsibility in order to help the Company to grow sustainably.

Dated 12 January 2021

On behalf of the Sustainable Development Sub-Committee

Pravit Chattalada

(Mr. Pravit Chattalada)

Chairman of the Sustainable Development Sub-Committee

Report of the Corporate Governance Sub-Committee



Dear Shareholders

The Corporate Governance Sub-Committee was first appointed by a resolution of the Board of Directors Meeting No. 5/2015 on 6 November 2015 for a term of 2 years. In 2019, the Board of Directors Meeting No. 6/2019, held on 8 November 2019, passed a resolution allowing the Corporate Governance Sub-Committee to serve for another term from 1 December 2019 to 30 November 2021.

The Corporate Governance Sub-Committee consists of the following:

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

The Corporate Governance Sub-Committee consists of 7 members, consisting of 3 directors and 4 executive directors or non-executive directors acting as chairman. The Corporate Governance Sub-Committee has scope and authority in proposing good corporate governance practices, and provide guidance on good practices in accordance with the framework of good ethics and morals in the Company's business conduct to the directors, executive directors, employees, and staffs of the Company. This is to ensure that the Company's corporate governance policy is up to date in line with the international standard practice guidelines. The Corporate Governance Sub-Committee must perform their duties fully in accordance with the Charter of the Corporate Governance Sub-Committee and as assigned by the Board of Directors, as well as the laws, rules, regulations of the regulators of listed companies. The Corporate Governance Sub-Committee also monitors the duties performance of directors and management in accordance with good practices and prepare an annual corporate governance assessment report to the Board of Directors along with presenting necessary opinions and recommendations. Also, the Corporate Governance Sub-Committee are to perform duties as assigned by the Board of Directors at each period.

In 2020, the Corporate Governance Sub-Committee has performed in accordance with its roles and duties and held 3 meetings to consider various matters, which are summarized as follows:

1. Propose good corporate governance practices, supervise legal compliance to the Board of Directors, summarize the overview of the Company's good corporate governance and provide guidance on good practice on ethics and morals in business operations of the directors, executives, and employees of the Company in 2020 to be consistent with the Company's strategy, appropriately, and in line with stakeholders' expectations.
2. Propose to regularly review and revise policies to be in line with the laws, rules, regulations and principles, and propose to the Board of Directors for approval as follows:
 - Information Disclosure and Transparency Policy - The Corporate Governance Sub-Committee proposed to review the Information Disclosure and Transparency Policy, and opined that the principles of the Policy was still complete and valid for use as reference for practice. According to current legal regulations it is still compliant and hence the content has not been revised.
 - Corporate Governance Policy of Subsidiaries - The Corporate Governance Sub-Committee proposed to review the subsidiary's corporate governance policy, and opined that the principles of the Policy was still complete and valid for use as reference for practice. According to current legal regulations it is still compliant and hence the content has not been revised.
 - Good Corporate Governance Manual - The Corporate Governance Subcommittee proposed to review the CG Principles, and considered that the organizational policy should be reviewed and revised as appropriate in accordance with current situation for the directors, executive directors and employees to be able to adhere to this guideline and apply them in practice properly.
 - Business Code of Conduct - The Corporate Governance Sub-Committee proposed to review the Business Code of Conduct, and considered that the corporate policy should be reviewed and revised as appropriate in accordance with current situation so that directors, executive directors and employees can adhere to this guideline and apply them in practice properly.
 - Suppliers' Business Code of Conduct - The Corporate Governance Subcommittee has proposed to review the Code of Conduct for Supplier, and considered that the contents on compliance with laws and regulations, anti-corruption, confidentiality, intellectual property rights, procurement of product and service, quality of products and services, equal treatment, safety and occupational health, and violations of the code of conduct, should be reviewed and revised as appropriate so that trading partners can adhere to this guideline and apply them in practice properly.
 - Sustainable Business Practices - The Good Corporate Governance Sub-Committee has proposed to review the sustainable business practices, and considered that the content on compliance with anti-corruption laws and regulations, human rights, safety and occupational health, and environment should be reviewed and revised to keep the content up-to-date and in line with the corporate governance principles of the Company.
 - The Charter of the Corporate Governance Sub-Committee - The Corporate Governance Sub-Committee proposed to review the Charter of the Corporate Governance Sub-Committee and opined that the contents of the Charter was still complete and valid for use as reference for practice. According to current legal regulations it is still compliant and hence the content has not been revised.

In addition, the Company has prepared a test on business code of conduct, policies and regulations of the Company to be used as a communication channel and to test that employees have the correct knowledge and understanding of the Company's policy, rules, and regulations, realizing the importance of communicating the policies and regulations to employees regularly. In 2020, 100% of the Company's employees have completed the said test with obtaining passing grade of 80% and above.

3. Supervise the provision of knowledge - Directors regularly attended various trainings and encouraged directors to attend various courses of the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand, the Securities and Exchange Commission, and invite qualified external speakers to provide knowledge that is useful for performing their duties in accordance with the CG Code in the recruiting and development of senior executives and personnel management.
4. Provide advice on plans for preparation of the shareholders' annual general meeting, supervising the organization of the shareholders' annual general meeting to be in accordance with the law and AGM Checklist criteria in order to lay out the meeting with efficiency, transparency, in accordance with CG Code. This effort resulted in the Company, assessed by the Thai Investors Association for the quality of the 2020 Annual General Meeting of Shareholders, obtaining a 99% score, higher than the overall average score of listed companies of 93.10%.
5. Supervise the setting of criteria for the minor shareholders to propose agenda for the annual general meeting of shareholders in advance and nominate persons to be elected as the Company's directors in advance of the 2021 Annual General Meeting of Shareholders, which will be held from 1 September 2020 to 30 November 2020.

In this regard, from the opportunity for shareholders to propose the agenda and nominate persons to be considered for election as the Company's directors in advance, after the deadline of the specified period, no minor shareholders proposed such matters for the 2021 Annual General Meeting of Shareholders.

6. Provide advice on the implementation of the CGR Checklist criteria which the Company participated in the Corporate Governance Report of Thai Listed Companies (CGR) for the year 2020, organized under the supervision of the Thai Institute of Directors (IOD). This effort resulted in the Company obtaining an excellent average score of 90%, higher than the overall average rating of listed companies of 83%.
7. Prepare a report on the Corporate Governance Sub-Committee to report the operating results for the year 2020 to the Board of Directors.

The Corporate Governance Sub-Committee is committed to supervising the Company to strictly adhere to the good corporate governance policy and business code of conduct, as well as to develop good corporate governance and business code of conduct continuously, with transparency, fairness, accountability, and promoting sustainable business operations in order to gain confidence from stakeholders and meet international standards.

Dated 29 January 2021

On behalf of the Corporate Governance Sub-Committee

Virach Aphimeteetamrong

Chairman of the Corporate Governance Sub-Committee

Report of the Risk Management Sub-committee



Dear Shareholders

Metro Systems Corporation Public Company Limited has organized an Enterprise Risk Management, with the Risk Management Sub-Committee responsible for supervision to ensure that the Company has effective and efficient risk management covering all risks following Good Corporate Governance. The Risk Management Sub-Committee has authority and duties assigned by the Board of Directors from 1 December 2015 onwards, with a period of 2 years, consisting of 7 persons as follows:

No.	Committee member	Position	No. meetings
1	Assoc. Prof. Phornsiri Thivavarnvongs	Chairman of the Risk Management Sub-Committee	4/4
2	Mr. Kitti Techataveekijkul	Risk Management Sub-Committee	4/4
3	Mr. Wanarak Eakachai	Risk Management Sub-Committee	4/4
4	Mr. Thongchai Lumveerakul	Risk Management Sub-Committee	4/4
5	Mr. Aroon Tor-Ekbundit	Risk Management Sub-Committee	4/4
6	Mr. Veeraphan Durongsang	Risk Management Sub-Committee	4/4
7	Mrs. Nittaya Thanaviriyakul	Risk Management Sub-Committee	4/4

In the management of risks, the Risk Management Sub-Committee has the scope of duties and responsibilities in accordance with the Risk Management Sub-Committee Charter.

In 2020, the Risk Management Sub-Committee has managed and supported for risk management in appropriate and timely manner by assessing critical issues and analyzing the risks of the 3 core business units: Digital Solutions Group, Solutions Integration Group, and Digital Printing Group, as well as supporting groups. Impacts on business operations will be assessed from the three main business groups, which were presented to the Risk Management Sub-Committee for consideration up to 4 times, and summarized as follows:

1. There are 4 major risks to the organization
 - 1) On guidelines for organizational change to keep pace with the digital age (Digital Transformation), there were two important issues: developing employees' knowledge in technology to keep pace with the changes; and to accommodate the emergence of new businesses and the ever-increasing demands of the IT staff market. This resulted in difficulty for recruitment of employees to support the business in the future.
 - 2) On products and services, some products and services of the organization may not be able to meet the market demand in the future.
 - 3) Customer management for both existing and new customers
 - 4) Internal Operation must be prepared to respond promptly to the rapid change in the digital age, including supporting the operations of products, services, and new businesses of the main business.
2. Reviewed the Risk Management Sub-Committee charter, risk management policy, and risk management framework (through the 1st Risk Management Sub-Committee Meeting on 28 January 2020).
3. Prepared the Risk Management Sub-Committee minute meeting to report the operating results for 2020 according to the scheduled work plan.

The Risk Management Sub-Committee has opinion that the operation of the Risk Management Sub-Committee for 2020 has been carried out in line with the Company's goal of establishing a corporate risk management system with cooperation from the management team and employees as well.

Dated 29 January 2021

On behalf of the Risk Management Sub-Committee

Phornsiri Thivavarnvongs

(Assoc. Prof. Phornsiri Thivavarnvongs)

Chairman of the Risk Management Sub-Committee

Report of the Board of Directors' Responsibility for Financial Reports

The Board of Directors is responsible for the consolidated financial statements of the Company and its affiliated companies, the financial information that appears in the annual report, and the information on the Internet. Such financial statements were prepared in accordance with generally accepted accounting standards in Thailand, used appropriate and consistent accounting policies, and used careful judgment and the best possible estimate in the preparation and with adequate disclosure of important information in the notes to the financial statements.

The Board of Directors maintains an effective internal control system to reasonably be assured that accounting records are accurate, complete, and comprehensive to maintain assets, and to identify weaknesses to substantially prevent fraudulent or unusual conduct

The Board of Directors has appointed Audit Committee that consisted of independent directors to oversee the quality of the financial reports and the internal control system. Opinions of the Audit Committee on this matter is as in the annual report.

The Board of Directors is of the view that the overall internal control system of the Company is of satisfactory and able to build rational confidence in the reliability of the financial statements of the Company and its Affiliates as of 31 December 2020.

Sunpitt Sethpornpong

(Mr. Sunpitt Sethpornpong)

Chairman of the Board

Tavit Charuvajana

(Mr. Tavit Charuvajana)

Chief Executive Officer

Internal Control and Related Transactions

INTERNAL CONTROL

The Board of Directors has placed importance and supported Internal Control System continually, assigning the Audit Committee to undertake the review on evaluation of internal control and on performance of duties of Internal Audit Department, responsible of the review on various operational systems, including IT systems, according to annual audit plan approved by Audit Committee, in order to rationally assure that the Company's operation has sufficient internal control systems, sufficient personnel to undertake such efficiently, with reliability of financial reporting and compliance with applicable laws and regulations. The Company has defined clear organizational structure and chain of command, determining functions of individual committees and executives in corporate governance, including the operations of subsidiaries, in order to maintain the interests invested to subsidiaries, protecting the Company's properties from unrighteous or unauthorized used of directors or managements. The Company has prescribed the criteria of entering into the transaction according to general Terms of trade (TOT). In case of any transaction, either by juristic persons or ordinary person, which may cause conflict of interests, SEC's are to be observed and the Company's information is to be fully disclosed.

Internal control is to comply with control frame of COSO 2013 (The Committee of Sponsoring Organizations of the Treadway Commission), whereas the Internal Audit Department is responsible to evaluation on sufficiency of Internal Control System of 2020, according to Evaluation form of Office of the Securities and Exchange Commission (SEC) and, submitted to Audit Committee for consideration

of approval in the meeting of Audit Committee no. 1/2021, on 29 January 2021, before reported to The Board of Directors in the meeting of The Board of Directors no. 2/2021, on 22 February 2021, with participation of 3 Audit Committees. The result showed no substantial shortcoming related to Internal Control System, with the following overview.

Control Environment:

The Company has encouraged positive attitude of executives and employees at all levels towards Internal Control, with conscious mind, honesty, ethics, responsibility on assigned tasks and importance of Internal Control's effectiveness. The Company's Code of Conduct was used for the Company's management, with annual revision. The employees were subjected to undergo the test of Office 365 on business code of conduct, policies and standing orders, in order to set the same standard in promotion and changes, allowing the employees to recognize opportunity, career advancements to grow to ultimate caliber individually.

Risk Assessment:

Risk Subcommittee are responsible to risk management, determining measure of risk prevention and mitigation, including monitoring and reporting the results to The Board of Directors and Audit Committee also places importance on anti-corruption, with assessment of the risks incurred by the corruption such as property losses, corruption against government agencies, and so on.

Control Activities:

Substantial activities of individual work systems are prescribed in order to assure sufficient internal control appropriate to nature of business operation and environment. The Company has management structure, procedures for individual business process across the organization. The Company strives to develop management system and maintain quality standard continually, by accreditation of ISO 9001: 2015 ISO/IEC 20000-1:2011 and ISO/IEC27001:2013, with emergency business plans to cope with crisis.

Information & Communication:

Sufficient information and reports are provided for consideration of The Board of Directors and Executive Committee. The reports are done in form of Comparative analysis, solutions and monitoring on operations, along with factual documentations, and channels to communicate crucial information, The Company's regulations through the organization, including safe channel for whistleblowing of corruption by stakeholders.

Monitoring Activities:

Monitoring is to be responsible by directors and employees, supervisors at all levels, including Internal Audit Department, through Internal Control System, supporting the Company's intension to undertake anti-corruption and report the results freely to Audit Committee.

Particulars of Chief Internal Audit Executive

In the meeting of Audit Committee no. 2/2012, on 29 February 2012, Mrs. Thasa Varochathanin was appointed as the Company's Internal Audit Manager since 1 March 2012, by her 23 years experiences in business internal audit, with certification from training courses, such as Certified Professional Internal Audit of Thailand (CPIAT), and understanding in activities and operations of the Company. Therefore, she was deemed proper to undertake such duty appropriately.

Consideration, approval, appointment, demotion, transfer the position of Chief Internal Audit Executive was done under approval of Audit Committee, according to requirement for qualification of such position detailed in Attachment 3

Particulars of Operations Supervisors

Miss Sumetta Jitsiripol was appointed as Operations Supervisors of Compliance Department supervise compliance of the employees towards the rules and regulations of government agencies, according to qualification detailed in Attachment 3.

Related parties transactions

At present, the Company has complied with the policy on Related parties transactions according to the resolution of the Board of Directors No.2/2021 on 22 February 2021 in accordance with rules of the Securities and Exchange Act B.E. 2535 (amendment) which is effective from 31 August 2008 onwards (Section 89/12). The Securities and Exchange Commission (SEC) is required to set details and supervise connected transactions of listed companies to be in accordance with good corporate governance principles and with other relevant laws for transparency in the decision to enter into the transactions to be of no conflict of interest and is in the best interest of the Company and the shareholders, which for the transactions the following details must specified:

- The Related person should clearly specify the name, nature of their relationship, such as their shareholding, relationship with directors, executives, or major shareholders; and if the Related person is a legal entity, information of such legal entity should be specified, for example, group of major shareholders, nature of business, etc.
 - For nature of the transaction, it should be clearly stated the type of transaction, for example, a business transaction that is an ordinary business transaction of the company, a transaction involving assets, or other services (such as acquisition or disposition of assets, granting of assets, granting of property rights, giving or receiving of services) or providing financial assistance (e.g. loan of money or other assets, providing property as collateral, acting as guarantee, debt removal), etc.
 - Prices and conditions: Should be clearly compared when given to the Related persons for shareholders to have sufficient information to support their decision making. Information on prices and conditions should be specified in accordance with the nature of the transaction, such reference to price list for the case of goods or services traded in ordinary business which has market price as reference; in other cases, the price may be compared with external parties along with opinion from an independent expert (e.g., real estate appraisal using independent appraisers). However, in the case of contract price, as follows::
- Directors, executives, or related persons may enter into transactions with the company or Subsidiaries only after the transaction is approved by the shareholders' meeting of the company, unless it is a trade agreement in the same manner as a normal person would do with a common counterparty in the same situation, with a commercial bargaining power without influence of his or her status as a director, executive, or other related person as the case may be, and is a formal agreement approved by the Board or in accordance with principles approved by the Board. Reasons, assumptions, and factors for consideration of the transaction should also be included.
 - Opinion of the Board of Directors If a Related transaction, the company must seek approval from the shareholders' meeting along with opinion from the Board. In a Board meeting, related person for the related transaction should not attend the meeting. The Board's opinion should include the following points:
 1. The reasonableness of how it is in the best interest of the Company, including risks to the Company such as on lending of money or guaranteeing loans to affiliates.
 2. Whether or not and why the criteria used to set prices and conditions is fair to the Company; and are the same criteria when doing transactions with third parties used for the related transaction.
 3. Protection measures to ensure that there is a random review of the transactions to be genuine and proper according to the contract or the specified policy.
 4. The Company must notify the Board of Directors' resolution on related transactions as soon as the Company agrees to enter into the transaction (usually the date that the Board of Directors approves it), i.e., within the date of the Board of Directors' resolution or at latest by 9 o'clock of the next business day via SETLink system.



Transactions between the Company and the Subsidiaries with the Related Persons

Transactions between the Company and the Subsidiaries and the related Persons, as of 2020, are divided into 4 major categories, consisting of ordinary business transactions, ordinary business support transactions, short-term real estate rental transactions, and transactions relating to assets or services. For transactions between the Company and its subsidiaries or associated companies, the financial statements of the Company in the notes to the financial statements should be examined, with details of each related transaction are as follows:

Summary of the Related Parties Transactions Report

Between 1 January and 31 December 2020

1) Relationship: Major shareholder (More than 10 percent)

Related person / legal entity	Item Type	Item description	มูลค่าของรายการ (บาท)	ความจำเป็น และความสมเหตุสมผล
MC Bakery Company Limited	Ordinary business transactions	MSC income: <ul style="list-style-type: none"> • MSC sales • Service income • Other income 	- - 74,000	In accordance with ordinary business transaction. For the price and service, the Company uses the same practices as with third parties in accordance with general trading conditions.
The first legal entity holds 12.89% of shares in MSC.				

2) Relationship: Some of the MSC directors are directors in the Related legal entities

Related person / legal entity	Item Type	Item description	Transaction value (baht)	Necessity and reasonableness
Center Containers Co., Ltd.	Ordinary business transactions	MSC income:		In accordance with ordinary business transaction. For the price and service, the Company uses the same practices as with third parties in accordance with general trading conditions.
T S T Development Co., Ltd.		• MSC sales	646,114	
Siam Aroon Group Co., Ltd.		• Service income	51,225	
N.I.M. Co., Ltd.		• Other income	2,744,488	
MC Foods Co., Ltd.				
MCF Products Co., Ltd.		MSC expenditures:		
MCF Marketing Co., Ltd.		• MSC product purchase	1,435,849	
MDEC International (1991) Co., Ltd.				
United Flour Mill Plc.		• MSC service purchase	43,338	
MC Broker Co., Ltd.				
United Grains Co., Ltd.				
Samut Transport Co., Ltd.	Asset or service	MSC expenditures:		In accordance with ordinary business transactions. For the price and service, the Company uses the same practices as with third parties.
Srikrung Wattana Group Co.,Ltd.		• Asset purchase	1,292,744	
Duckhams Oils (Thailand) Co., Ltd.		• Other expenses	40,600	
Metro Group Energy Co., Ltd.				
Phoenix World Energy Co., Ltd.				
The 1 st legal entity has 2 common directors, Mr. Kittit Techataveekijkul and Mr. Narong Charuvajana.				
The 2 nd - 9 th legal entity has 2 common directors, Mr. Sunpitt Sethpornpong and Mr. Suvit Suvaruchiporn.				
The 10 th - 12 th legal entity has 1 common director, Mr. Suvij Suvaruchiporn.				
The 13 th - 15 th legal entity has 1 common director, Mr. Sunpitt Sethpornpong.				
The 16 th legal entity has 1 common director, Mr. Wanarak Eckachai.				

3) Relationship: Some of the directors of Metro Co.,Ltd. are major shareholders (more than 10 percent) in the Related legal entities

Related person / legal entity	Item Type	Item description	Transaction value (baht)	Necessity and reasonableness
Metro Co.,Ltd.	Ordinary business transactions	MSC income: <ul style="list-style-type: none">• MSC sales• Service income• Other income	649,800 85,000 497,711	In accordance with ordinary business transaction. For the price and service, the Company uses the same practices as with third parties in accordance with general trading conditions.
* There is one MSC director being a major shareholder.				

4) Relationship: The persons involved are the children of the directors in the MSC.

Related person / legal entity	Item Type	Item description	Transaction value (baht)	Necessity and reasonableness
Mr. Thipawan Charuvajana	Short-term rent/ rental of real estate	MSC expenditures: • Storage rental Documents	480,000	In accordance with ordinary business transaction. The rental rates are as with the standard rates specified by the Company. The Company uses the same practices in entering into transactions as with third parties.
* Is the son of Mr. Thavit Charuvajana, a director of MSC				

5) Relationship: The related persons of the MSC directors are shareholders or executives in the related legal entity.

Related person / legal entity	Item Type	Item description	Transaction value (baht)	Necessity and reasonableness
Intelton Co., Ltd.	Ordinary business transactions	MSC income:		In accordance with ordinary business transaction. For the price and service, the Company uses the same practices as with third parties in accordance with general trading conditions.
Siam Flour (2012) Co., Ltd.		• MSC Product sales	44,430	
United Flour Trading Co., Ltd. (2012)		• Service income	-	
Mr. Suvij Suvaruchiporn, a director of MSC, has a child as a director in legal entity No. 1.		Other income MSC	468,000	
Mr. Sunpitt Sethpornpong, a director of MSC, has siblings as directors in legal entities No. 2-3.		expenditures: • MSC service purchase	1,310,000	

6) Relationship: MSC's major shareholders are major shareholders (more than 10 %) in the related legal entity.

Related person / legal entity	Item Type	Item description	Transaction value (baht)	Necessity and reasonableness
Treemit Marketing Co., Ltd.	Ordinary business transactions	MSC income:		In accordance with ordinary business transaction. For the price and service, the Company uses the same practices as with third parties in accordance with general trading conditions.
Roj-Anant Consultant Co., Ltd.		• MSC product sales	1,813,324	
UFM Fuji Super Co., Ltd.		• Service income	649,058	
UFM Food Centre Co., Ltd.		• Other income	362,400	
Siam Flour Trading Co., Ltd.				
MC Plastics Co., Ltd.				
MC Industrial Chemical Co., Ltd.				
Rich Products Manufacturing (Thailand) Co., Ltd.	Support transactions	MSC expenditures:		In accordance with ordinary business transaction. The service fees are as with the general commercial terms. The Company uses the same practices in entering into transactions as with third parties.
* Metrophos Co., Ltd., major shareholder of MSC, is the major shareholder of legal entities No. 1-7.		• Insurance premium	649,774	
		• Other expenses	3,467,648	
		• Product purchase	-	
** MC Bakery Co., Ltd., major shareholder of MSC, is the major shareholder of the 8 th legal entity.		• Service purchase	6,110	

7) Relationship: a subsidiary with a connected entity of MSC

7.1 Metro Professional Products Company Limited

Related person / legal entity	Item Type	Item description	Transaction value (baht)	Necessity and reasonableness
MDEC International (1991) Co., Ltd. Metro Co.,Ltd.	Ordinary business transactions	MPP income: • Product sales • Other income	191,200 -	In accordance with ordinary business transaction. For the price and service, the Company uses the same practices as with third parties in accordance with general trading conditions.
* The first legal entity is Mr. Sunpitt Sethpornpong and Mr. Suvij Suvaruchiphorn, whom are directors of MSC, are directors of the Company. ** The second legal entity is Mr. Sunpitt Sethpornpong, whom is director of MSC, is the major shareholder of the Company.		MPP expenditures: • MPP product purchase • MPP service purchase	22,410	

7.2 Metro Connect Company Limited

Related person / legal entity	Item Type	Item description	Transaction value (baht)	Necessity and reasonableness
UFM Food Centre Co., Ltd. * Metrophos Company Limited, the major shareholder of MSC, is the major shareholder of the above legal entity.	Support transactions	MCC expenditures: • Other expenses	165,390	In accordance with ordinary business transaction. The service fees are as with the general commercial terms. The Company uses the same practices in entering into transactions as with third parties.

7.3 HIS MSC Company Limited

Related person / legal entity	Item Type	Item description	Transaction value (baht)	Necessity and reasonableness
UFM Food Centre Co., Ltd. * Metrophos Company Limited, the major shareholder of MSC, is the major shareholder of the above legal entity.	Support transactions	HIS expenditures: • Other expenses	13,904	n accordance with ordinary business transaction. The service fees are as with the general commercial terms. The Company uses the same practices in entering into transactions as with third parties.

Necessity and reasonableness of related transactions

On the Company and its subsidiaries' related transactions with the related persons for the fiscal year 2020, according to the resolution of the Board of Directors No. 2/2021 on 22 February 2021, in which the Audit Committee attended the meeting, the said transaction is necessary, reasonable, and is in the best interest of the Company. Currently, the 4 types of related transactions are transactions with the same trade agreement as an ordinary person would do with the general counterparty in the same situation.

Policy or trends in related transactions in the future

The Company has set policies and trends in related transactions in the future as follows:

The Company will stipulate the terms and conditions of the related transactions to be in accordance with normal commercial conditions and according to the market price which can be compared with the price incurred with third parties. However, the Audit Committee or the Company's auditor or independent expert, as the case may be, will review and give opinions on the suitability of the price and the reasonableness of the transaction.

The Board of Directors is responsible for ensuring that any future transactions that may occur is in accordance with the law on securities and exchange, regulations, announcements, orders, or regulations of the Stock Exchange or related agencies, as well as disclosure requirements for information on related transactions and the acquisition or disposition of important assets of the Company.

If the Company has transactions between persons who may have conflicts in the future, the Audit Committee must give opinions on the suitability of such transactions. If it is found that the Audit Committee does not have expertise in considering related transactions, there must be a person with special expertise such as the Company's auditor or an independent expert to comment on that particular related transactions.

The opinion of the Audit Committee or the person with special expertise will be used in the decision-making of the Board of Directors or shareholders, as the case may be, and the Company has to disclose such related transactions in the notes to the financial statements.





SUSTAINABILITY

R E P O R T

DRIVING BUSINESS FOR SUSTAINABILITY



VISION

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

MISSION

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



STRATEGY

We will conduct our business within the Corporate Social Responsibility framework by enhance the engagement of the all stakeholders.



Reporting Scope

The Company has arranged and reported on Corporate Social Responsibility to present performance of Metro Systems Corporation Public Company Limited (MSC) in the year of 2020, during 1 January 2020 to 31 December 2020 on management for sustainability, with policy driving teams to hold activities of the Company's CSR and report to Sustainable Development Sub-Committee, in order to filter the policies, activities, operational plans, annual budget and present to the Board of Directors in 56-1 One Report and the Company's website annually, in accordance with regulations of Stock Exchange of Thailand (SET)

The Company had set material issues in this report as follows.

Step 1: Identifying material issues

To identify the material issues affecting the Company's sustainability, comprehensively on economic, social and environmental dimensions, both inside and outside the Company, under consideration on risks and opportunities of the Company's business, as well as expectations of the Company's internal and external stakeholders, and to collect data relevant to such issue from all sections of the Company.

Step 2: Sorting material issues

To prioritize individual issue on sustainability, along with setting strategy and goals for long term and short term, in order to prioritize the effects on the Company's business operation on economically, socially, and environmentally, as well as the degree affecting stakeholders' decision, through the tool of Materiality Matrix.

Step 3: Establishing an action plan and determining the responsible parties

To gather the results from evaluation of material issues and identify the conformity between issues, in order to arrange conclusion of material issues to the Company in analysis on management guidelines for individual issue, with responsible parties determined. This was presented to the Board of Director to consider for approval on material sustainability issues, including scope of report content.

Step 4: Monitoring and Evaluation

To review the evaluation of material issues, including to monitor, control and audit the operations regularly, in order to achieve the Company's strategy of sustainability.

Quality Control on Reporting

This report has collected and been audited prior to dissemination, in the form conforming to determined operational plans, started from the meetings within the organizations either directly or indirectly relevant to the stakeholders, in order to analyze and determine the issues, as well as to collect quantitative and qualitative data, to assure completeness and comprehensiveness of such material issue in all dimensions of the Company's sustainability.



Contact:
Investor Relations
Department



Investor Relations Department
of Metro Systems Corporation
Public Company Limited (MSC)



Email: ir@metrosystems.co.th



Tel: 02-0894124

POLICIES & GOALS ON SUSTAINABILITY MANAGEMENT

The Company has set the actions on CSR in process and CSR after process through driving of the policies in accordance with stakeholders' expectations, and regulations of Stock Exchange of Thailand pursuant to direction and strategies of the Company's business operation, in order to reflect intentions and determination on business driving under consideration on environmental, society, including respect on human right and good corporate governance. The Company has set short-term goals to identify business substantial issue, in order to find guidelines for the Company's sustainability management, and long-term goals to respond to Sustainable Development Goals (SDGs): Goal 8: Decent work and economic growth for the Company's sustainable growth according to the Company's missions.



In the past year, the Company has reviewed CSR policy to have the content conforming to current situations as per CSR frame in 9 aspects including good corporate governance, fair operating practices, anti-corruption, respect for human rights, fair labor practices, responsibility to consumers, caring for the environment, contribution in community and society development, and innovation possession and dissemination, whereas no substantial change of content, as detailed in Corporate Governance on the Company's website for stakeholders to comprehend, use as guidelines to follow the Company's direction of business operations.

MANAGEMENT OF THE IMPACTS ON STAKEHOLDERS IN BUSINESS VALUE CHAIN

Business value chain

The Company recognizes and emphasizes on management of sustainable value chain, in order to meet all stakeholders' expectation. The Company has set 2 activities of value chain as follows.

1) Primary Activities



2) Supporting Activities

The Company has concept to establish mutual growth in long term. Therefore, policies, goals and strategies have been set in accordance with principles of sustainable development into all steps of operations from upstream to downstream, starting from finding environmental-friendly goods or raw materials, developing technology for quality goods and services, managing capabilities of personnel resource in the Company, in order to support primary activities as per value chain to achieve the Company's goals.

Analysis of Stakeholders in Business Value Chain

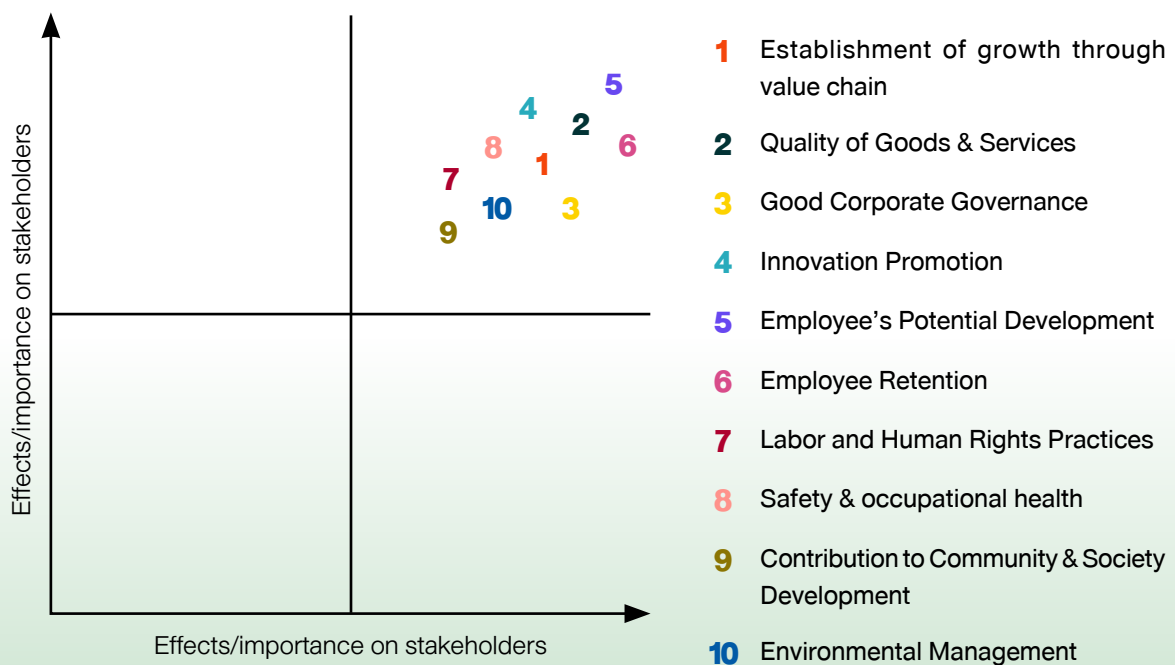
The Company has supply chain management plan, using data from contribution with all stakeholders, by assessment of stakeholders' expectation at least once a year, through feedback listening process, satisfaction surveys, meetings, or other channels of contribution, in order to know impacts and related issues between the Company and stakeholders in both positive and negative aspects, and to determine the guidelines of contributions appropriate to requirements, expectations and concerns of stakeholders, as well as to set the index for continuous performance monitoring, good management systems, transparent and auditable operation process, and respect on equal rights of shareholders and responsibility to stakeholders. The relevant agencies were responsible on direct report to the Management, Sustainable Development Sub-Committee, and Board of Directors regularly as follows.

Stakeholders	Channels	Suggestion/Expectations/Interest of stakeholders	Guidelines to meet stakeholders' expectation
Internal Stakeholders			
Employees	<ul style="list-style-type: none"> Email, intranet, computer monitor, TV mounted at each building, website, MS Team Employee Engagement Training for employees' knowledge on work operation Meeting of Welfare Committee Two-way potential assessment 	<ul style="list-style-type: none"> Compensation and benefits, company's rules and regulations Job security Career advancement Employee potential development Equal and fair treatment 	<ul style="list-style-type: none"> The Company encourages employee training for potential development and career advancement Consideration of compensation based on performance evaluation Equal treatment towards employees, according to human right policy
Shareholders	<ul style="list-style-type: none"> Shareholders' meeting Annual report Website, emails, phones Opportunity Day News dissemination via Mass Media Company's visits 	<ul style="list-style-type: none"> Good performance Dividend payment Good corporate governance and risk management Correct, complete, intime of decision making and transparent disclosure of the Company's information Good strategies in business operations. 	<ul style="list-style-type: none"> Effective, transparent, auditable organization management
Partners	<ul style="list-style-type: none"> Partners' letters Procurement employee Code of Conduct for Supplier Partner and Business Partner's satisfaction surveys Business Partner's visits 	<ul style="list-style-type: none"> Fair and transparent procurement pay off debts on time and full Long-term business relations Supportive standard for business operation Observation of contractual terms and conditions. Receiving correct and complete information Sustainable growth and mutual progress Cash discount from payment 	<ul style="list-style-type: none"> Observation on partners' Code of Conduct Correction & improvement according to customers' suggestions

Stakeholders	Channels	Suggestion/Expectations/Interest of stakeholders	Guidelines to meet stakeholders' expectation
Internal Stakeholders			
Customers	<ul style="list-style-type: none"> • Sale • emails/phones/websites • Customers' satisfaction survey • Seminars • The Company's channels of complaints 	<ul style="list-style-type: none"> • Receipt of quality consistent to product's standard • On-time delivery and capability of service provision • Confidence gained from protection of material data • Observation of terms & conditions and contracts • Sale offers according to current technological trends • Acknowledgement of updated technology and improving existing products instead of purchasing new one 	<ul style="list-style-type: none"> • Deliver quality goods and services • Observe Privacy Policy and relevant laws • Find the ways to correct, improve according to customers' suggestions
External Stakeholders			
Community & society	<ul style="list-style-type: none"> • Websites • Collaborative activities • Knowledge training for schools • Allow visits at the Company's Technology Demonstration Center • Survey of community needs 	<ul style="list-style-type: none"> • Gain various helps and supports • Contribute on community & society development • Receive opportunity to work with the Company • Enhance establishment of recognition on CSR 	<ul style="list-style-type: none"> • Continuous community & society development
Competitors	<ul style="list-style-type: none"> • website • Code of Conduct 	<ul style="list-style-type: none"> • Fair competition • Non-infringement of intellectual property • Desire to become the Company's business alliance 	<ul style="list-style-type: none"> • Observe laws and Code of Conduct
Government agencies	<ul style="list-style-type: none"> • Website, email • Related employees 	<ul style="list-style-type: none"> • Corporation and supports in various aspects • On-time and full tax and fee payments as required • Observation on relevant laws and agreements 	<ul style="list-style-type: none"> • Corporate with government agencies • Observe on relevant laws and agreements
Financial institutions	<ul style="list-style-type: none"> • Letter • Meeting • Email, phones 	<ul style="list-style-type: none"> • Interest and debt payments according to contractual conditions • Provide proper amount financed and interest rate to the Company 	<ul style="list-style-type: none"> • Observe on relevant laws and agreements

Identification of material issues on sustainability

The Company has the process to identify business material issues, considering feedback and supportive information from all relevant groups of stakeholders liable to affect the issue of organization's economic, social and environmental sustainability. To identify such issues, internal data from meeting of responsible persons on material issues of organization's sustainability and strategies, as well as risk management in short and long term were used, in order to achieve the goals, with external data from meeting of responsible persons in various work lines associated to stakeholders, in order to know the factors affecting decision making of stakeholders in individual group through feedback survey or data collecting according to appropriateness on individual group. Such material issues were approved by the Board of Directors, prioritized in Matrix form; the horizontal axis demonstrates priority/effects on the business (economic, social, environmental), and vertical axis demonstrates priority/effects on stakeholders as shown in the following table.





Employee's Potential Development

The Company has policy to develop personnel knowledge and capability to be adopted to work practically and effectively, emphasizing on continuous development to become a high-performance organization. Demonstration centers have also been established for employees' learning, enhancing skills and expertise to be ready for development of self-potential, and prompt for coping with rapid changes of technologies, competition, business environment, economy, both inside and outside of the organization, including disruptive innovation. Human resource development must conform with the direction, strategy, vision and mission of the company and along with participation in corporate social responsibility.

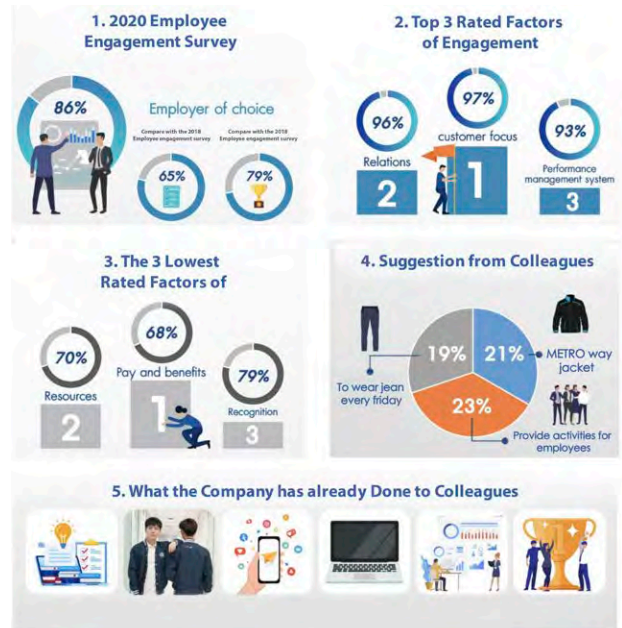


The Company has MSC Academy unit, where Human Resource Department has policy to develop employees' potential, emphasizing on personal skills and characteristics, in conformity with individual development plan and training roadmap, through highly effective courses and learning activities at international level, and contemporary learning experiences, with considering that learning and development are important parts to push up caliber of competitiveness, allowing business opportunity, and also crucial strategies to retain employees' growth along with the organization.

Employee Retention

The Board of Directors has appointed Welfare Committee to allow the employees to discuss about welfare and benefits, or amendment of rules and regulations liable to affect the Company's employees. The procedures of employment and compensation have been prescribed, illustrating that the Company does not discriminate against and give equal opportunity to all employees, including women, disable persons or other disadvantage groups, in order to motivate personnel with high capability and experiences to join the Company, and to retain capable employees with the Company in long term, as well as to set the measures of termination in Employee Manual, showing intentions and guidelines to take care of the employees fairly, emphasizing on health care and personnel welfare at best, as the Company believes that personnel are important parts to drive the organization to sustainable success.

The Company emphasizes on employee retention through the employment term with assignment on duties according to own potentials to develop capability and skills to conform with professional goals, paying attention on work life balance. The Company cares for all employees' life quality, in order to create morale and engagement with the organization, as crucial part to establish sustainability in every pace of the Company's growth. The Company places important on strategy of employee retention with continuous personnel development. Human Resource Department has initiated the project of new employee's coaching or Mentoring Program



to offer a coach to new employee for welcoming, caring, and introduce cultural value and support self-adaptation during starting period. Human Resource has developed of mentoring skill and technique for persons selected as mentors, with monitoring, evaluation, and recognition in various modern and creative form from new employees, in order to support cares on new employees for even more engagement to the organization. The survey of Employee Engagement has been conducted with the result higher than the average of the industry. Such result was taken into analysis for deployment of the plan to create engagement to the organization continuously.





Quality of Products and Services

The Company has marketing policy as the leader of IT goods and service distributor, including consultation on technology. The products were arranged in wider range of diversity, with full offer to support and respond to various requirement of customer in individual group of industry, focusing on selection of new technology from manufacturers at international standards including hardware, software, solutions or supplies, concerning on environment-friendly materials through technologies without generation of heat, dust, and odor from the machines. This help customers reduce costs on the machines, ink and electricity charge. The Company has set regulations on procurement as framework, emphasizing on the process to the products with quality and copyrights from products owners or authorized distributors only. The work operators and relevant persons has been require for strict observation on code of conducts, in order to create customers' confidence, the Company has operated under international standard ISO 9001:2015 ,with warranty from products' owners, and protection on trade secret, in



accordance with Personal Information Protection Policy conforming to Privacy Data Protection Act : PDPA and General Data Protection Regulation : GDPR, for provision of the services under business philosophy of "Customer's Success is Our Business"

Innovation Contribution

The Company has strategies to advocate technological innovations relevant to business operation to meet market requirements and to meet future changes, including new services, products and processes with value creation beneficial for the organization and stakeholders. The budget of approximately 15 million baht has been spent on researches and developments, with objectives on innovation creations to generate social and/or environmental interests and values, enhancing competitiveness of employees and driving the organization as future business leader were as follows:



Development of Document approval System to improve or reduce the steps in workflow for more effective results. The help reduce document works, including document tracking, time saving and paper usage reducing. Technology of RPA – Robotic Process Automation system was developed through AI innovation to reduce repetitive work processes, saving enough time for employees to perform other works more effectively.



Development of the Company's software as own intellectual property under the brand "The SuperApp" with Customer Relationship Management (CRM) system. It's customer relations management by disseminating this innovation to customers under principle-based utilization of technology and personnel. The goals of CRM system are not only customer services, but also include data collection on customers' expenses and requirements. Such data are to be analyzed and used for products development, so that such products may create social values effectively in acceptable level beneficial to corporate overview.



Innovation for extension of METRO Brain-Based Start Up project (Employees' Innovation Contest 2019). This year, the innovation of such project has been extended through development of Image Analytics system under the name of "Smart Face Recognition Attendance" to automatically audit work check-in time of the employees using the method to detect employee's face through CCTV or IP Camera.

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



All these operations are to respond to United Nations' 9 goals for sustainable development on Goal 9: Industry Innovation and Infrastructure.

Establishment of growth through value chain

The Company has strategy to adjust business operation forms in accordance with IT trends to correspond to the era of Digital Transformation. With understanding of customers' businesses, quality and standardized products are to be delivered with offers and services proper for various customers' usages, including provision of the seminars on goods and technologies for customers and relevant persons, as well as attention on after-sale services, regular audit and evaluation of customer's satisfaction.

The Company places importance on sustainable business development and growth, along with corporate social responsibility & environmental, with various activities held including support on educational aids, provision of technology knowledge for students, establishment of education centers for visits of external agents, allowing the employees in all level to participate in social activities.



All these operations are to respond to United Nations' 9 goals for sustainable development on Goal 8: Decent work and economic growth.



Safety & Occupational Health

By the Company concerns on safety & occupational health in employees' work environment, the project to enhance knowledge was organized for the employees to realize and be able to cope with working environment risks, including knowledge on correct and safe management of the inventory and the Company's premises, with regular assessment on working environment.

In addition to attention on effective working of the employees, the Company has also invested for employees' health and safety for over 3.6 million baht to take care of employees' health and life quality according to the concept of Happy Workplace, including club building for facilities such as rooms for fitness, table tennis, yoga, aerobic, swimming pool with salt chlorinator and sauna. Training on safety and occupational health were also held. Sport clubs were established. All are for employees' relations and also for good health of employees.



Good Corporate Governance

The Company has transparent, fair and effective management system, under supervision of Good Corporate Governance Sub-Committee. No violations of intellectual property, not interested in other benefit, which may be acquired from incorrect operations. The Company handles taxation in correct, complete, transparent, auditable and on-time manners, determining on conformity with relevant laws, constituting no tax evasion, including taxation in individual countries the Company has related operations. The Company has also set the policy on anti-corruption, determining on creation of corporate cultures to reject corruptions in all transaction with government and private sectors in all cases. The Directors, the executives and the employees have contributed in monitoring and rejection of corruptions in all forms, both directly and indirectly.

Labor and Human Rights Practices

The Company realizes and appreciate the importance of respects on human rights, with concerns on society, community, customers, partners, and employees, preventing violations of human rights and giving equal right from recruitment to termination. This policy is disclosed on the Company's website. Relevant activities were held, and the employees are allowed to comment, whistle blow or complain on unfair, incorrect practices within the Company, corruption, human rights violations against the laws or good corporate governance, the Company's code of conducts. The employees making such comments, whistleblowing or report such issues shall be protected, whereas the complaint can be done through the Company's website, or directly to the executives.

Environment management

The Company well realizes that business operation will affect stakeholders in environmental aspects, either directly or indirectly. Therefore, the Company determines on pushing and supporting any actions to minimize the effects. The Board of Directors has appointed the Sustainable Development Sub Committee to proceed according to CRS policy, comprehensive on environmental management and maintenance as per the Company's policy. The company has campaigned for everyone in the organization to strictly adhere to the environmental policy. As well as providing training courses related to the environment occupational health and safety to employees including awareness the importance and enhances their knowledge, while fostering a guideline to conduct themselves in accordance with the environmental policy.

In addition, the Company has invested in Green Investment with budget of 3 million baht, to develop clean energy and alternative energy for effective usage, including using waste sorting bins, food waste fertilizer machine, LED lamp, or installment of air purifier in employees' working rooms. The company has also installed EV Charger ,as an option to substitute using pollutive gas or fuel, which is a clean energy, reducing emission of CO₂ gas, according to United Nations' goals for sustainable development on Goal 7: Affordable and Clean Energy, confirming availability of energy accessible for everyone reliably, sustainably, and modernly, to facilitate the employees, customers and partners who come to contact with the organization, for free, without any charges.



Contribution to Community & Society Development

The Company seeing how community & society development is needed to retain along through business operation, Community investment has been established on traffic light to facilitate employees and society around, in order to provide safety when crossing the street at estimate budget of 1.4 million baht, plus 1 million baht for budget allocation in CSR activities for employees' contribution to the society. This year, the Company has supported educational via Smart Classroom and Online, and communicated to employees involvement with this activities and/or projects in order to encourage all employees to do good deeds. Continuously giving back society and communities.

SUSTAINABILITY MANAGEMENT IN ENVIRONMENTAL

Environmental Policies and Practices

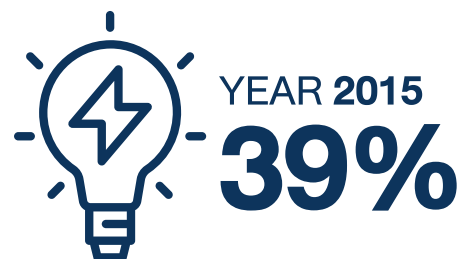
The Company has set environmental policies and plans as parts of business operations. This starting from procurement, production, goods & services delivery and waste disposal. With the Board of Directors striving on reduction of negative environmental effects, Sustainable Development Sub-Committee has been appointed to supervise the operations on energy, water, garbage, waste, pollution and greenhouse gas. The support team has established the plans in conformity with business operation strategies as per the standard requirements on environment and energy conservation according to the Company's policy framework. After the review on environmental policies, Sustainable Development Sub-Committee sees that such environmental policies and practices are still applicable for current situation (as detailed in <https://www.metro systems.co.th/home-th>). With working environment as office buildings, the Company has set short-term environmental target on reduction 10% of water resources usage within the organization, in comparison of the previous year, and long-term target on reuse of water consumed in the organization.

Environmental Performance



Efficient use of Energy/Electricity

The Company has set the target to reduce at least 1% of electricity charge in every year. Measurement is to be done by installment of solar cell on the roofs and parking buildings, in order to save electric energy and to create environmental-friendly image. The other projects are to be done also, such as placing the stickers for campaign to turn off the lights when not using, set on-off time for air conditioner during 12.00 p.m. - 1.00 p.m., separate switches for each spot, and to organize activities for the employees to help save electricity through certain methods, starting from self-behavior adaptation such as turning the light off when not in use, plug off electrical appliances after used. As a result, electricity cost in 2020 decreased from the base year of 2015 at 39% and 4.22% from 2019.



**DECREASED
FROM THE BASE
YEAR**





Improving Energy Efficiency

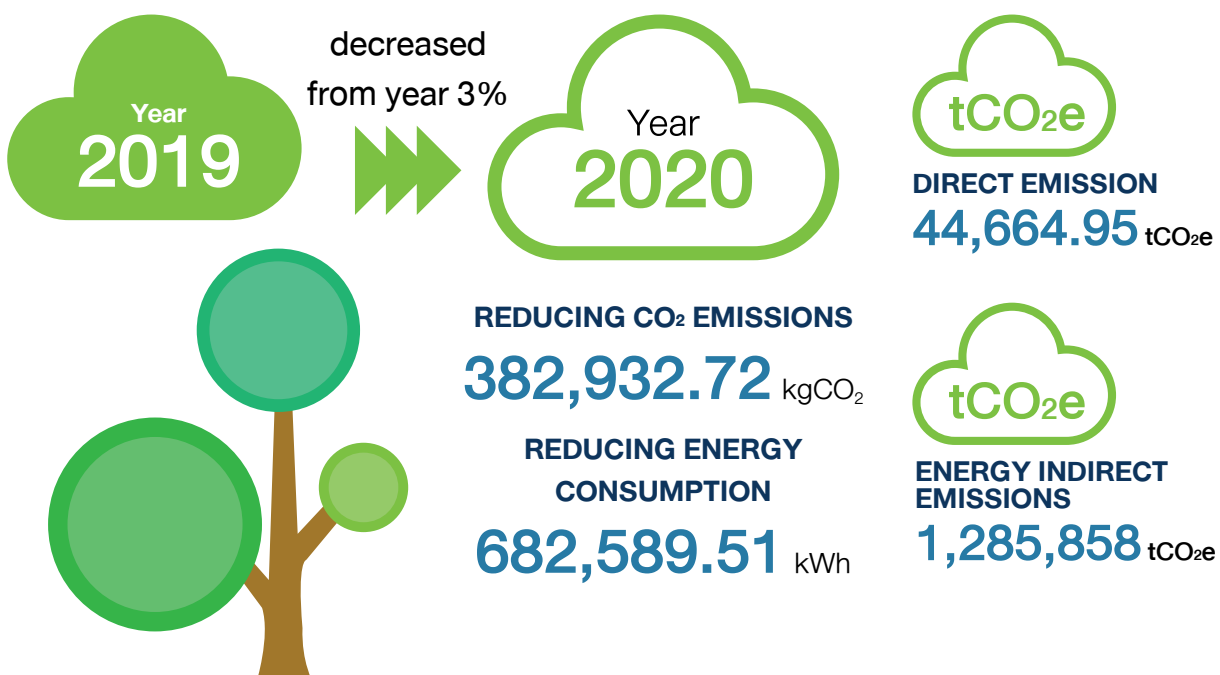
The Company has changed to use highly efficient equipment to save energy, using LED to reduce electric energy consumption, and to reduce green gas emission, and also to help the nation save energy for fossil burning in electricity generation.



Greenhouse Gas Management

The Company participated in listening to the clarification on report of green gas management, in order to be prompt as a model of sustainability reporting according to Sustainability Reporting Guide of The Stock Exchange of Thailand as basic of GHG Emissions reporting. The Company made a report of corporate GHG Emissions 2020 to be a guide for the Company's GHG management divided into 2 types; Type 1: Direct Emission at 44,664.95 tCO₂e, Type 2: Energy Indirect Emissions at 1,285,858 tCO₂e, emphasizing on optimizing consumptions of power and renewable energy, as well as monitoring on the performance of optimizing and reducing GHG emissions as per the prescribed targets at 1% in comparison with the previous year. That made the Company capable of reducing tCO₂ emissions at 382,932.72 kgCO₂e per year and reducing energy consumption at 682,589.51 kWh per year, equivalent to 3% in comparison of 2019. The Company also contributed to society by giving information and allowing the visits of solar power generation system to be adopted by any interested companies for sustainable business operation of all.

GHG Emissions





Water Efficiency

Since the Company is a distributor, not a manufacturer, water consumption cost has not been different in each year. The Company has set the quantitative target to reduce 10% consumption in comparison of the previous year, with water consumption unit in 2020 reduced from 2019 at 24.92. The Company has convinced corporate water saving through public relations for acknowledgment of the Company and employees' observation on the project of METRO Green Clean Office, turning off when not in use.

Water consumption unit in
2020 reduced from **2019**
at **24.92%**



Reduction of Waste from Business Operation

With the Company's concerns on stakeholders who are in supply chain, the "PRINTSERV - Digital Printing Service Center", the center for total printing services, has been established by the Company for study visits of customers, partners, and interested persons. The Company as one of the biggest IT companies of Thailand uses environment-friendly technology, allowing energy and cost saving in printing works. The Company also has the process for disposal of used ink cartridges by sending 486 cartridges back to Hewlett-Packard (Thailand) Ltd., for reuse. In previous year, the Company produced no industrial waste from business operation. Therefore, no discarded electronic device has been taken into treatment and elimination processes

As for garbage from employees' daily life, the Com-

pany has provided waste separation guidelines according to the principles of 3R: Reduce Reuse Recycle, taking leaf litter to make the compost for the Company's in-house usage, whereas separated wet garbage has been taken into fertilizer making process by food waste shredder. Toilet paper has also been substituted by hand dryers. The Company has set quantitative target for corporate waste reduction at least 100 kilograms from previous year. However, the result from waste separation has shown increasing of waste from 2019, for 3,741.43 kilograms, due to COVID-19 pandemic. The Company has increased disease prevention and control measures in accordance with government measures, and keep striving on reduction of the waste from business processes.



SUSTAINABILITY MANAGEMENT IN SOCIAL

Social Policies and Practices

The Company recognizes and places importance on respects of human rights, the basic rights in accordance with human rights policies (as detailed on <https://www.metroshsystems.co.th/home-th/>), conforming to the universal principle of human rights and UN recommended principles on business and human rights, treating relevant persons; employees, community, surrounding society, with respects on human value, considering impartiality and equality, with no discrimination in employment, compensation payment, promotion, training, and employees potential development, by sexes, ages, education, races, religions. This also includes communication and strictly observation of on human right policies, whereas new employees are provided with monthly e-learning orientation. And for existing employees, it's done through online test. This has started since last October. The Company has set monitoring and supervision processes on employees and business operations, in order to prevent involving in the action violating human rights such as child labor, sexual harassment and so on, and then reported the result to Board of Directors.



Social Performances

Employees



Employee Recruitment

The Company has policy to recruit good employees with high caliber according to standard and corporate success factors, including leadership, creativity, problem-solving skills, good communication, teamwork, and professional skills for highly efficient performance. Employee recruitment is based on necessity and appropriateness of works according to manpower plans prescribed by the Company. The hired employee requires qualification, experiences and capability suitable to work position. Such recruitment is non-discrimination, being done through several channels, including advertisement on online media, corporate public relations project and vacancy (MSC University Networking, Jobs Fair), as well as recommendation from the executives or employees, in order to make known broadly to labor market, helping effective personnel recruitment.

Human Resource Development

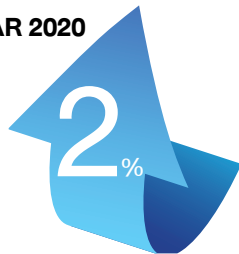
The Company has organized trainings for development of employees in all level continuously, in various learning forms, through integrated skill development. This started from new employees' orientation for learning, and adaptation to corporate culture, and basic knowledge on corporate social responsibility, code of conducts, anti-corruption, with in-house training and public training, self-study (E-Learning), on the Job training, coaching-feedback, project assignment, promotion for study abroad. The Company has reviewed learning and development plans annually, in order to conform with strategies and corporate business operations, including training roadmap as define in levels below.

- 1) **Individual Level:** basic courses including Obligation of new employee, employee's Code of Conducts for business operation, Quality Management System ISO9001, Risk Management Systems, IT Recognition, Occupational Safety, Health and Environment, Self-Leadership, Growth Mindset, Metro PRO, Metro Success Factors, and practices of key corporate value: METRO Way.
- 2) **First Line Manager Level:** Leadership Development Program for Line Manager, Performance Appraisal, Coaching and Feedback, People Management, Growth Mindset), The 7th Habits of Highly Effective People, The 8th Habits, Design Thinking, and so on.
- 3) **Middle Management Level:** Advanced Management Development Program for Executive, Mini MBA, Finance for Non-Finance, The 7 Habits of Highly Effective People, Strategic Management, and Director Accreditation Program (DAP).
- 4) **Top Management Level:** Corporate Culture, Advanced Management Development Program for Executive, Director Accreditation Program (DAP), Director Certification Program (DCP), and others held by Thai Institute of Directors Association (IOD), and so on.

The Company has inserted human resource development through learning processes and activities held by the Company, such as contribution in CSR, in order to promote code of conducts in work, and mental & emotional developments, and social & environmental generosity, financial plan, investment, saving fund for long-term stability with annual instruction of experts from financial institutions, Wellness Program with instruction of nutritionist on diet selection along with correct physical exercise, and innovation activities as impulse for creativity extension. Furthermore, the Company places important on employee on excellent performance with practices on corporate values, through various complimentary forms such as complimentary cards written by the Management or employees to thank or admire the colleagues according to corporate values of METRO Way, in order to enhance morale of the colleagues, and to create mutually supportive working atmosphere.



YEAR 2020



In 2020, The Company has promoted 8% of permanent employees, increasing from the past year by 2 %.

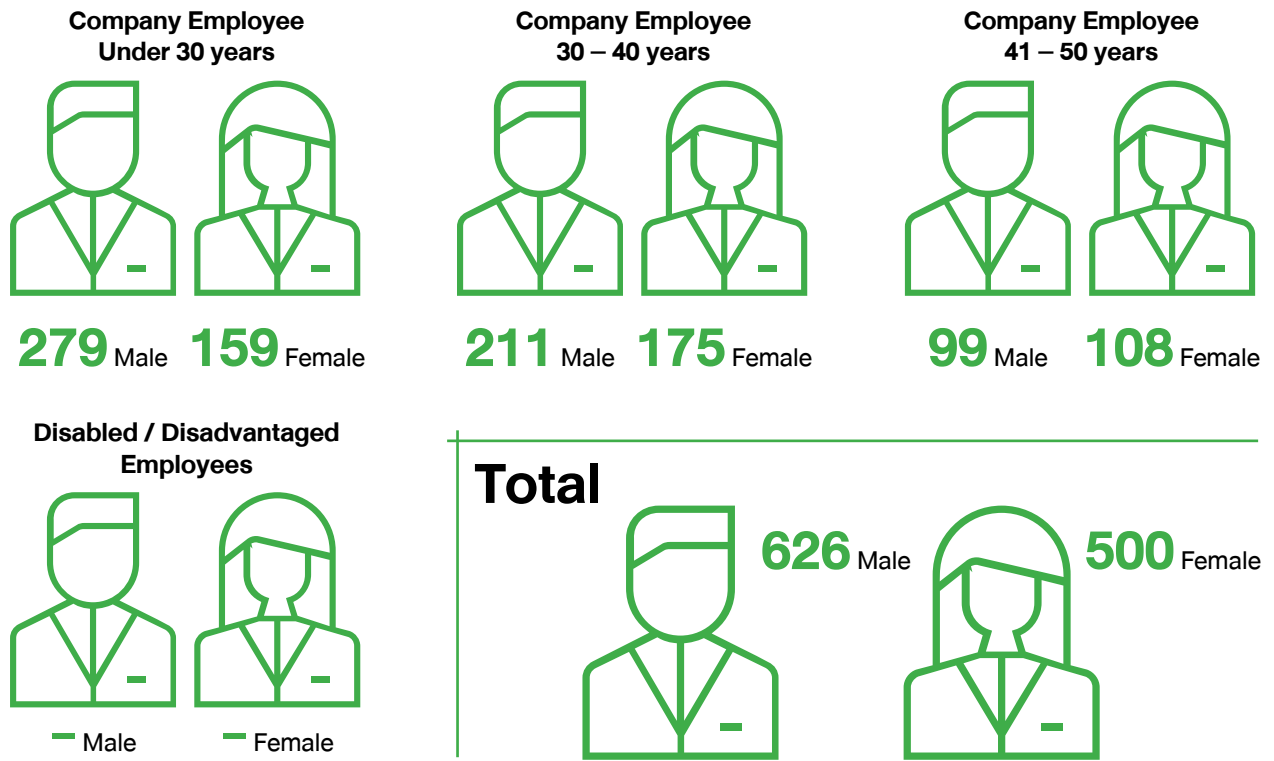
Development of Human Resource Management System

The Company has conducted annual performance evaluation through performance management system (Metro PRO) , in order to develop employees' performance, reward, and opportunity to grow in certain professional line, emphasizing on 2-ways communication between supervisor and employee, on prescription of Individual KPIs, Work Plan and Update, Coaching — Feedback, Career Path, Individual Development Plan, Training Need, and so on.



In addition, the Company also places importance on IT development for Human Resource Management (HRIS) comprehensive on working, starting from request of employment, probation evaluation, leave request, time keeping, transfer, promotion, Request for part-time work, Request for overtime pay and overtime allowance, employee's annual Performance Appraisal (PA), Request for Approval of Training and Testing, employee's personal data record, and processing of data analysis capable of supporting equipment work, including communication equipment, in order to respond to digital transformation.

Employment



Fair Compensation

The Company has clear strategies and practices on welfare and compensation, considering on the Company's performance, Key Performance Indicators (KPIs), along with economic trends. However, for such compensations (Salary, gratuity, bonus, non-monetary compensation), the Company has compared with payment of market in the same group of business industry, in order to motivate joining of quality personnel, and to retain the capable employees with the Company in long term.

Every position of the employees has salary structure divided into levels, according to the key groups. Each level is clearly defined with lowest and highest salary rates as framework for salary management under the same standard of practices, generating corporate fairness. Since salary structures have been defined through the survey from labor market in the same industry, this confirms competitiveness of the Company salary payment. Figures of salary in same level may differ in accordance with performance rating and years in position.

Other benefits and welfares have been defined under consideration of comprehensiveness across the organization, and adjusted to conform with transformation of economic conditions, such as off-days, uniform, health center, insurance, nursing room, and generic drugs for primary illnesses, housing/emergency loans, in accordance with work position, function and ability.

Employee Training

For employee development, the Company requires at least 6 hours from at 50% of employees to attend training. In this year, 568 employees, equivalent to 62%, had participated training, with operation cost at 3.3 million baht. In 2020, the training was for knowledge testing of product owners, domestically and internationally. In such training, 116 employees had passed the tests from products owners, as a career path.

In 2020, 187 programs were held by the Company for employee's development (56 In-house program/131 Public program), with 568 employees attending at least 6 hours. This is equivalent to 61.59% of employees from the target of 50%.

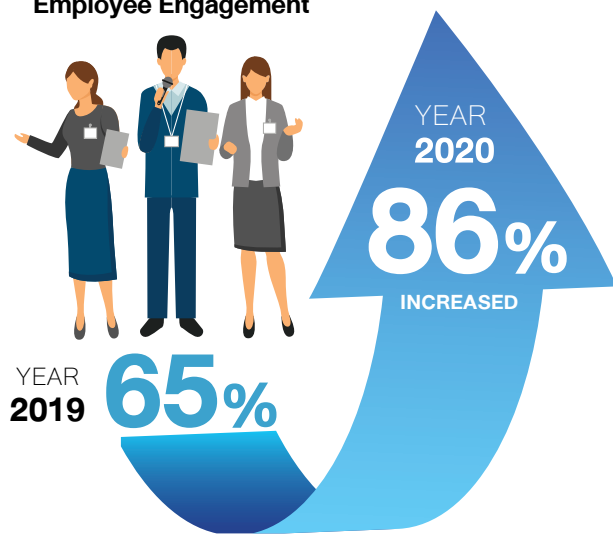


Remark : In 2020, due to Covid-19 situation, Department of Skill Development had changed the target from 50% to 10% of employees.

Employee Engagement

In the past year, the Board of Director has set the plan for development of employee engagement, since we believe that corporate engagement of the employee would enhance effectiveness of employee's performance. Average score of employee engagement was set at no less than 80%. In 2020, the score was 86%, relatively increased from 65% of 2019.

Employee Engagement



The Company and subsidiaries have had no dispute on labor issue through the past 3 years. Employee's resignation rate of 2020 was at 7%, remarkably reduced from 2019 by 2%, whereas the target was set below 10%.



Occupational Safety, Health and Environment



The program of “Occupational Safety and Health for general employees and new employees,” was organized by the Company according to Occupational Safety, Health and Environment ACT B.E. 2554 (2011), with objectives to establish awareness on safety and good work environment suitable for work operation, in conformity with the required guidelines. This also prevention and reduction of the risks on illnesses or injuries in work place and employee’s daily life. The Company had also arranged Fire Drill as the practices for employees in case of such incident, in compliance with Announcement of the Ministry of Interior on fire prevention and suppression in work place for employee’s safety at work, requiring Fire Fighting and Evacuation Fire Drill Training for no less than once a year.



In addition, the Company had also arranged Annual Health Check Up for all employees, for health assessment, finding the risk of disease. The activity of MSC Fit Challenge with AIA was also held to convince employees on health care, and to provide knowledge on health care practices, proper working posture for correct, quick working with less mistakes, in order to develop safety, reduce stress and fatigue from work, preventing office syndrome, a popular illness caused by sitting still for long time with no movement.

The Company also provides fitness clubs to promote regular health care, with selection of physical exercises to cope with the stress after work e.g., football club, badminton club, yoga club, aerobic club, table tennis club. The Company has also arranged proper work environment with regular measurement and assessment on light, noise, air quality in the buildings, humidity and temperature in working rooms.



MSC with Disinfection

To Protect Covid-19

ACCIDENT STATISTICS

0%





TEMPERATURE MEASURING ROBOT

ABSENT RATE OF WORK-RELATED ILLNESS

0%

Due to Covid-19 pandemic this year, the Company has set the measures for risk reduction, through Work from Home concept, allowing flexibility of working hour and working place. As for employees' conveniences at work, the specialized agency has been arranged to provide technology equipment, applications for working online. As for the employees working in the office, the Company has arranged spraying of virus disinfectant within the Company and branch offices, in order to reduce risk of COVID-19 spreading and infection. Dinsow is the Robot provided by the Company to measure temperature regularly every day, for all employees and outsiders entering the office.

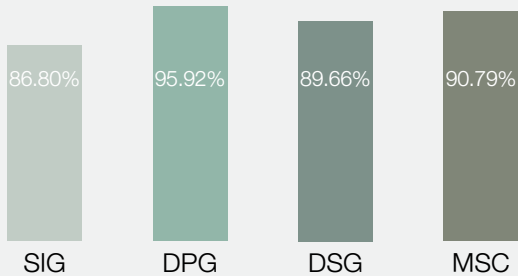
In 2020, the Company has set the target of accident rate at 2% maximally, whereas the actual statistical rate was 0% and rate of absenteeism by sickness at work was 0%

Customers

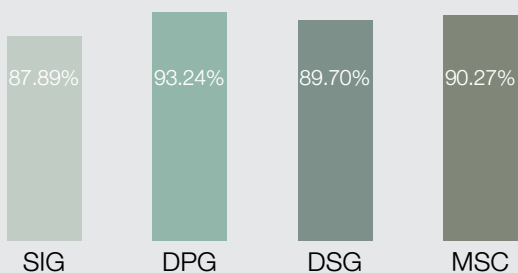


In 2020, the Company has conducted customer's satisfaction survey in perspectives of conviction, reliability on products and/or services, sale, regular information, skillful personnel, speed and accuracy of purchase procedure, goods delivery, business groups. In overview, the result was in the range of highly satisfied, with no complaint from customers at all. Survey result has been taken into the meeting for discussion among relevant sections, for analysis, and finding the methods to develop/improve goods and services to increase customer's satisfaction in long term. The target of annual customer's satisfaction was set at no less than 80%.

Customer Satisfaction Survey Results 2019



Customer Satisfaction Survey Results 2020



Contact Channels for Customers or Consumers

Besides Customer Satisfaction Survey, the Company has policies and practices to communicate information on the impacts from goods or services to customers' acknowledgement, through the channels below.



Company's website: www.metrosystems.co.th



email crc@metrosystems.co.th



Tel: 02-0894242

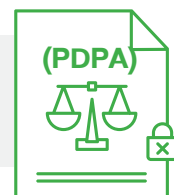
Retention of Customers' Personal Data

The Company has prescribed IT Security Policy to cover protection of customers' personal data and inform customer prior to storage and usage of such data. The practices for security of data and information systems have been set in conformity of the policy for the employees to use as operational guidelines, under responsibility of IT department.

Cyber and Personal Data Security

The Company has standardized Personal Information Protection Policy in compliance with Personal Data Protection Act B.E. 2062 (2019), with provision of online test on "Personal Data Protection Act (PDPA)", by the objectives to convince all management and employees on Personal Information Protection laws as imminent laws relevant to personal daily living and corporate operation. This year, no incident of damages caused by customer data leakage at all.

Personal Data
Protection Act
(PDPA)



Since the Company also sees importance of cyber threats prevention, “Metro Intelligent Cyber Security Center (MiCSC)” was established using technology of Security Incident & Event Management (SIEM) at universal level, in order to respond to requirement on IT security of government and private sectors. Around the clock, skillful and knowledgeable personnel are assigned to surveil, audit and respond to the threats promptly. Ticket Management system is provided for customer’s tracking on problem solving. MiCSC team is also available for advice of primary solutions to prevent business operational impacts, retaining effective operation and reduction of corporate costs.



Community and Society

In 2020, in order to maintain community and society along with the Company’s business operation, the Company has set the policies to support activities and educational projects, then communicate to employees to create acknowledgement and contribution of such, as detailed below.



MSC Jobs Fair

The Company has organized the events to give opportunities for current students and alumni to acquire jobs corresponding to knowledge and capabilities, in leading organizations. This year, the activity was held for Faculty of Engineering in Computer Engineering at Chulalongkorn University, in form of Virtual Online Jobs Fair.



MSC University Networking

The Company has set the goals to arrange activities for 6 institutions, with the result beyond expectation from participating institutions of 1. Chulalongkorn University 2. Mahidol University 3. Thammasat University 4. Kasetsart University 5. King Mongkut’s Institute of Technology Ladkrabang 6. Thai-Nichi Institute of Technology and 7. Asian Institute of Technology (AIT). The activities included lectures on IT knowledge, by the Company’s experts, in order to allow the students’ access to modern technologies with direct experiences, developing quality IT personnel for society and nation.



Metro Systems Channel

In addition to the project of Smart Classroom, the Company, as an IT leading company, has established learning channels on online platforms, in order to share knowledge to students and all interested persons through the Company's YouTube channel, with 5 learning categories of;

METRO Trending to update trends and introduce technologies

METRO Product to introduce the Company's products

METRO CSR to organize activities and projects according to the Company's CSR policy

METRO Event to present annual general meeting, seminars with leading organizations and so on

METRO Library to promote learning corporate, supporting dissemination of IT basic knowledge

Community Activity

The Company has regularly conducted activities for society and community, such as blood donation to Blood Bank of Siriraj Hospital, Children's Day activities, donation of old calendars for production of Duxbury Braille instructional media, donation to community, and so on. The Company has set conditions and criteria on supports and donations, in accordance with the Company's regulations. During COVID-19 pandemic, the Company has gathered volunteer staff to make face shields for poor hospitals, through the project of "With Love & With Care from METRO's Heart" as detailed in Subcommittee of Sustainability Management's report, on pages 113

In addition, The Company has surveyed direct and indirect impacts of the Company's current and future operations on community, in order to solve or improve. Though the result has shown no impact on surrounding communities and society, the Company still focuses on continual community and society cares, in order to raise sustainable life quality of people in society. The Company has set quantitative target on community and social contribution no less than 80% of communities and societies requesting for the Company's helps through different channels.





4

**FINANCIAL
STATEMENT**



REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Metro Systems Corporation Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Metro Systems Corporation Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2020, and the related consolidated and separate statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Metro Systems Corporation Public Company Limited and its subsidiaries and of Metro Systems Corporation Public Company Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2.4 to the interim financial statements that the Group has adopted group of Financial Instruments Standards which become effective for fiscal years beginning on or after January 1, 2020. The Group elected to recognize the cumulative effect of initially applying such Standards as an adjustment to the beginning balance of retained earnings and other components of shareholders’ equity of the reporting period. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matters	Audit Responses
<p>Recognition of revenue from sales and installation of computer and software</p> <p>The Group has sales and installation of computer and software agreement with customers which have different terms and pricing conditions for each customer by using output method on the basis of measurement of the value of completed and transferred to customer relative to total value of promised under the contract with customers and included methods on surveys performance completed to date. Therefore, the key audit matter is accuracy of recognition of revenue from sales and installation of computer and software by using output method following the criteria of contracts in accordance with Thai Financial Reporting Standards.</p> <p>Accounting policies of recognition of revenues were disclosed in the Notes 3.15 to the financial statements.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the revenue recognition process related to sales and installation of computer and software and related internal control procedures • Testing the design and implementation of the internal control procedures related to sales and installation of computer and software • Testing the operating effectiveness over the internal control procedures around revenue recognition process related to sales and installation of computer and software and • Performing substantive testing as follows: <ul style="list-style-type: none"> - Evaluating the terms and condition of the sales and installation of computer and software agreements, assessing the group's satisfaction of the performance obligation, recalculating the revenues by using output method whether it is appropriately recognized in accordance with the sales and installation of computer and software agreements, examining the related supporting documents of those revenues. - Performing analytical procedures relating to the revenue from sales and installation of computer and software.

Other Information

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

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

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

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

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 the 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 financial reporting process.

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

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

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

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

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

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

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

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

BANGKOK
February 22, 2021

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

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

UNIT : BAHT

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	NOTES	2020	2019	2020	2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	285,562,704	41,801,828	210,412,079	26,658,501
Current investments	7	-	248,828,477	-	100,429,629
Trade and other current receivables	8	1,233,473,118	1,292,296,764	1,061,233,018	1,172,453,933
Contract assets	9	14,283,556	29,003,567	-	-
Current portion of lease receivables	15	191,397,104	231,727,559	106,141,163	100,859,534
Inventories	10	329,484,978	400,603,749	229,932,059	328,843,737
Financial assets measured at fair value to profit or loss	11	143,282,797	-	103,417,827	-
Other current financial assets		189,575	-	134,073	-
Other current assets		7,353,590	10,612,058	6,825,456	7,135,325
Total Current Assets		2,205,027,422	2,254,874,002	1,718,095,675	1,736,380,659
NON-CURRENT ASSETS					
Deposits at financial institutions used as collaterals	12	39,290,000	39,290,000	14,290,000	14,290,000
Investments in subsidiaries	13	-	-	67,398,420	37,398,620
Investments in associates	14	6,819,351	12,388,464	1,998,800	1,998,800
Lease receivables	15	165,999,008	238,268,025	108,774,070	159,719,761
Property, plant and equipment	16	427,017,812	507,011,566	415,023,703	495,001,851
Right-of-use assets	17	38,117,743	-	34,134,445	-
Other intangible assets	18	36,872,077	20,698,792	36,681,075	20,433,862
Deferred tax assets	19	52,333,484	34,874,084	50,778,401	33,582,583
Withholding tax deducted at source		164,966,650	171,484,570	157,215,576	161,687,657
Other non-current assets		3,041,759	2,977,743	2,952,481	2,877,414
Total Non-current Assets		934,457,884	1,026,993,244	889,246,971	926,990,548
TOTAL ASSETS		3,139,485,306	3,281,867,246	2,607,342,646	2,663,371,207

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2020

UNIT : BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions		143,897,648	148,289,974	88,298,691	99,242,837
Trade and other current payables	20	786,734,658	900,186,152	685,979,953	746,867,767
Current portion of long-term borrowings from financial institutions	21	4,420,000	5,040,000	4,420,000	5,040,000
Current portion of long-term borrowings from other parties	22	4,498,049	4,306,935	4,498,049	4,306,935
Current portion of lease liabilities	23	28,766,506	55,169,078	13,661,893	8,792,244
Current provisions for employee benefits	24	15,640,242	49,038,228	12,336,219	47,601,434
Dividend payable		3,215,472	3,532,493	1,625,892	1,492,913
Current income tax payable		2,867,287	3,438,529	-	-
Current financial liabilities		10,574,675	-	10,574,675	-
Other current liabilities		-	211,623	-	211,623
Total Current Liabilities		1,000,614,537	1,169,213,012	821,395,372	913,555,753
NON-CURRENT LIABILITIES					
Long-term borrowings from financial institutions	21	-	4,420,000	-	4,420,000
Long-term borrowings from other parties	22	4,296,943	8,794,992	4,296,943	8,794,992
Lease liabilities	23	32,651,848	31,216,383	25,232,459	12,947,145
Non-current provisions for employee benefits	24	208,954,532	167,339,925	196,077,727	153,836,161
Deferred tax liabilities	19	2,691,751	7,554,589	-	-
Other non-current liabilities		370,597	-	370,597	-
Total Non-current Liabilities		248,965,671	219,325,889	225,977,726	179,998,298
TOTAL LIABILITIES		1,249,580,208	1,388,538,901	1,047,373,098	1,093,554,051

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2020

UNIT : BAHT					
		CONSOLIDATED		SEPARATE	
	NOTES	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
360,000,000 ordinary shares of Baht 1 each	25	360,000,000	360,000,000	360,000,000	360,000,000
Issued and paid-up share capital					
360,000,000 ordinary shares of Baht 1 each, fully paid	25	360,000,000	360,000,000	360,000,000	360,000,000
PREMIUM ON ORDINARY SHARES		234,221,748	234,221,748	234,221,748	234,221,748
RETAINED EARNINGS					
Appropriated					
Legal reserve	26	47,900,000	47,900,000	47,900,000	47,900,000
Unappropriated		1,243,095,030	1,246,051,980	917,847,800	927,501,193
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY		-	697,382	-	194,215
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE					
TO OWNERS OF THE COMPANY		1,885,216,778	1,888,871,110	1,559,969,548	1,569,817,156
NON-CONTROLLING INTERESTS		4,688,320	4,457,235	-	-
TOTAL SHAREHOLDERS' EQUITY		1,889,905,098	1,893,328,345	1,559,969,548	1,569,817,156
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,139,485,306	3,281,867,246	2,607,342,646	2,663,371,207

Notes to the financial statements form an integral part of these statements

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	NOTES	2020	2019	2020	2019
Revenue from sales	31	6,143,970,955	6,334,878,893	5,352,393,751	5,402,578,201
Revenue from rendering of services	31	1,136,147,465	1,048,921,278	976,274,797	858,194,680
Rental revenue	31	50,043,794	18,102,775	46,228,980	21,701,617
Cost of sales	27	(5,416,066,767)	(5,447,418,300)	(4,713,361,747)	(4,639,658,669)
Cost of rendering of services	27	(805,196,930)	(734,216,622)	(668,020,770)	(562,414,140)
Rental costs	27	(32,260,525)	(10,553,318)	(30,731,898)	(10,468,358)
Gross profit		1,076,637,992	1,209,714,706	962,783,113	1,069,933,331
Other income		86,598,299	72,532,297	99,837,667	117,209,381
Distribution costs	27	(135,383,579)	(155,387,222)	(123,449,046)	(137,244,118)
Administrative expenses	27	(769,077,437)	(842,518,166)	(703,299,681)	(773,082,041)
Other loss	27	(6,617,708)	-	(6,206,010)	-
Profit from operating activities		252,157,567	284,341,615	229,666,043	276,816,553
Finance costs	27	(10,935,973)	(13,282,058)	(6,917,805)	(6,781,300)
Impairment loss determined in accordance with TFRS 9	27	(52,174,042)	-	(52,173,935)	-
Share of gain (loss) of associates accounted for using equity method	14	(3,170,554)	2,134,870	-	-
Profit before income tax		185,876,998	273,194,427	170,574,303	270,035,253
Income tax expenses	19	(29,851,230)	(50,775,480)	(20,965,062)	(36,279,457)
Profit for the years		156,025,768	222,418,947	149,609,241	233,755,796
Other comprehensive income (loss)					
Items that will be reclassified subsequently to profit or loss					
Net change in fair value of current investments - available-for-sale investments	7	-	830,348	-	242,258
Share of gain on other comprehensive income of associates		-	52,933	-	-
Income tax relating to items that will be reclassified subsequently to profit or loss		-	(167,913)	-	(48,451)
Total items that will be reclassified subsequently to profit or loss		-	715,368	-	193,807
Items that will not be reclassified subsequently to profit or loss					
Losses on remeasurements of defined benefit plans		-	(26,344,316)	-	(25,867,667)
Share of other comprehensive loss of associates		-	(694,946)	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	5,407,852	-	5,173,533
Total items that will not be reclassified subsequently to profit or loss		-	(21,631,410)	-	(20,694,134)
Other comprehensive loss for the years - net of tax		-	(20,916,042)	-	(20,500,327)
Total comprehensive income for the years		156,025,768	201,502,905	149,609,241	213,255,469

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT					
	NOTE	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
PROFIT ATTRIBUTABLE TO:					
Owners of the Company		155,794,770	220,321,568	149,609,241	233,755,796
Non-controlling interests		230,998	2,097,379	-	-
PROFIT FOR THE YEARS		<u>156,025,768</u>	<u>222,418,947</u>	<u>149,609,241</u>	<u>233,755,796</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Company		155,794,770	199,405,526	149,609,241	213,255,469
Non-controlling interests		230,998	2,097,379	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEARS		<u>156,025,768</u>	<u>201,502,905</u>	<u>149,609,241</u>	<u>213,255,469</u>
BASIC EARNINGS PER SHARE	28 Baht	0.43	0.61	0.42	0.65
WEIGHTED-AVERAGE NUMBER OF ORDINARY SHARES	28 Shares	360,000,000	360,000,000	360,000,000	360,000,000

Notes to the financial statements form an integral part of these statements

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

CONSOLIDATED FINANCIAL STATEMENTS

	Note	Shareholders' equity attributable to owners of the Company							Non-controlling interests	Total shareholders' equity	
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity					Equity attributable to owners of the Company
				Appropriated	Unappropriated	Unrealized gain on (reversal) revaluation of available-for-sale investments - net of tax	Share of other comprehensive income of associates	Total other components of equity			
Balance as at January 1, 2019		360,000,000	234,221,748	47,900,000	1,216,561,352	1,783	(19,769)	(17,986)	2,360,325	1,861,025,439	
Transactions with owners, recorded directly in shareholders' equity											
Distributions to shareholders of the Company											
Dividends to shareholders of the Company	33	-	-	-	(169,199,530)	-	-	-	-	(169,199,530)	
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	(469)	
Total transactions with shareholders, recorded directly in shareholders' equity		-	-	-	-	-	-	-	-	-	
Comprehensive income for the years											
Profit for the years		-	-	-	(169,199,530)	-	-	-	(469)	(169,199,999)	
Other comprehensive income (loss)		-	-	-	220,321,568	-	-	-	2,097,379	222,418,947	
Total comprehensive income for the years		-	-	-	(21,631,410)	673,022	42,346	715,368	-	(20,916,042)	
Ending balances as at December 31, 2019		360,000,000	234,221,748	47,900,000	1,246,051,980	673,022	42,346	715,368	2,097,379	201,502,905	
						674,805	22,577	697,382	4,457,235	1,893,328,345	

UNIT : BAHT

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2020

CONSOLIDATED FINANCIAL STATEMENTS

Shareholders' equity attributable to owners of the Company											Non- controlling interests	Total shareholders' equity
Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity				Equity attributable to owners of the Company			
			Appropriated Legal reserve	Unappropriated	Unrealized gain on (reversal) revaluation of available- for-sale investments - net of tax	Share of other comprehensive income of associates	Total other components of equity					
Balance as at January 1, 2020 - as previously reported	360,000,000	234,221,748	47,900,000	1,246,051,980	674,805	22,577	697,382	1,888,871,110	4,457,235	1,893,328,345		
	-	-	-	3,247,830	(674,805)	(22,577)	(697,382)	2,550,448	198	2,550,646		
	360,000,000	234,221,748	47,900,000	1,249,299,810	-	-	-	1,891,421,558	4,457,433	1,895,878,991		
Transactions with owners, recorded directly in shareholders' equity												
Distributions to shareholders of the Company												
Dividends to shareholders of the Company	33	-	-	(161,999,550)	-	-	-	(161,999,550)	-	(161,999,550)		
Dividends to non-controlling interests		-	-	-	-	-	-	-	(111)	(111)		
Transactions with owners, recorded directly in shareholders' equity												
Comprehensive income for the years		-	-	(161,999,550)	-	-	-	(161,999,550)	(111)	(161,999,661)		
Profit for the years		-	-									
Total comprehensive income for the years		-	-	155,794,770	-	-	-	155,794,770	230,998	156,025,768		
Ending balances as at December 31, 2020		-	-	155,794,770	-	-	-	155,794,770	230,998	156,025,768		
	360,000,000	234,221,748	47,900,000	1,243,095,030	-	-	-	1,885,216,778	4,688,320	1,889,905,098		

UNIT : BAHT

Notes to the financial statements form an integral part of these statements

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2020

CONSOLIDATED FINANCIAL STATEMENTS

UNIT : BAHT							
	Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity	Total shareholders' equity
				Appropriated Legal reserve	Unappropriated		
Beginning balance as at January 1, 2019		360,000,000	234,221,748	47,900,000	883,639,061	408	1,525,761,217
Transactions with owners, recorded directly in shareholders' equity							
Distributions to shareholders of the parent	33	-	-	-	(169,199,530)	-	(169,199,530)
Dividends to shareholders of the Company		-	-	-	(169,199,530)	-	(169,199,530)
Total transactions with shareholders, recorded directly in shareholders' equity							
Comprehensive income for the years							
Profit for the years		-	-	-	233,755,796	-	233,755,796
Other comprehensive income (loss)		-	-	-	(20,694,134)	193,807	(20,500,327)
Total comprehensive income for the years		-	-	-	213,061,662	193,807	213,255,469
Ending balance as at December 31, 2019		360,000,000	234,221,748	47,900,000	927,501,193	194,215	1,569,817,156
Beginning balance as at January 1, 2020 - as previously reported		360,000,000	234,221,748	47,900,000	927,501,193	194,215	1,569,817,156
Effect from adoption Thai Financial Reporting Standards 9	2.4	-	-	-	2,736,916	(194,215)	2,542,701
Balance as at January 1, 2020 - as adjusted		360,000,000	234,221,748	47,900,000	930,238,109	-	1,572,359,857
Transactions with owners, recorded directly in shareholders' equity							
Distributions to shareholders of the parent	33	-	-	-	(161,999,550)	-	(161,999,550)
Dividends to shareholders of the Company		-	-	-	(161,999,550)	-	(161,999,550)
Total transactions with shareholders, recorded directly in shareholders' equity							
Comprehensive income for the years							
Profit for the years		-	-	-	149,609,241	-	149,609,241
Total comprehensive income for the years		-	-	-	149,609,241	-	149,609,241
Ending balance as at December 31, 2020		360,000,000	234,221,748	47,900,000	917,847,800	-	1,559,969,548

Notes to the financial statements form an integral part of these statements

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Cash flows from operating activities					
Profit before income tax expenses		185,876,998	273,194,427	170,574,303	270,035,253
Adjustments for					
Depreciation	16,17	102,332,047	99,256,825	97,115,401	94,815,675
Amortization of intangible assets	18	6,343,149	6,281,924	6,269,223	6,203,341
Interest received		(15,201,053)	(18,309,739)	(15,062,578)	(17,942,088)
Dividends received	13, 14	-	-	(29,398,449)	(63,499,231)
Gain on write-off of dividend payable		(478,665)	-	(28,665)	-
Allowance for doubtful accounts (reversal)	8	-	(31,073,084)	-	(13,917,926)
Expected credit loss		52,744,025	-	53,162,289	-
Finance costs		10,935,973	13,282,058	6,917,805	6,781,300
Gain on sales of current investment - available-for-sale investments	7	-	(1,029,785)	-	(280,555)
Loss for obsolete, decline in value and write-off inventories (reversal)	10	1,793,559	(19,640,472)	1,793,559	(19,640,472)
Loss from destruction of inventories		-	16,100,000	-	16,100,000
Gain from sale financial assets measured at fair value to profit or loss	11	(2,385,778)	-	(937,989)	-
Loss on fair value adjustment		6,617,708	-	6,206,009	-
Gain on disposals of property, plant and equipment and intangible assets		(963,389)	(112,862)	(727,511)	(53,892)
Loss on write-off of assets		20	792,102	16	792,102
Written off withholding tax deducted at source		789,740	468,627	346,090	-
Non-refundable input tax		94,509	-	-	-
Loss (Gain) from cancellation contract		307,584	-	(1,185)	-
Unrealised gain on exchange rate		(984,374)	(448,089)	(972,585)	(453,520)
Share of loss (gain) of associates accounted for using equity method	14	3,170,554	(2,134,870)	-	-
Provision for employee benefits	24	17,792,772	62,809,766	16,067,168	57,848,783
Cash provided by operation before changes in operating assets and liabilities		368,785,379	399,436,828	311,322,901	336,788,770
Operating assets (increase) decrease					
Trade and other current receivables		12,459,328	444,371,934	64,716,136	11,728,539
Contract assets		14,720,012	(18,792,522)	-	-
Finance lease receivables		105,478,007	(11,645,083)	38,882,046	9,243,657
Inventories		62,639,991	37,184,888	90,432,898	(13,821,920)
Other current assets		3,258,468	1,202,361	309,869	1,170,597
Other non-current assets		(64,016)	32,864	(75,067)	38,526
Increase (decrease) in operating liabilities					
Trade and other current payables		(105,665,526)	(166,619,801)	(53,224,981)	(22,863,336)
Other current liabilities		(211,623)	(411,644)	(211,623)	(411,644)
Other non-current liability		136,952	-	136,952	-
Cash received from operations		461,536,972	684,759,825	452,289,131	321,873,189
Employee benefit paid	24	(9,576,151)	(15,374,068)	(9,090,818)	(14,820,735)
Income tax refunded		57,599,315	54,465,540	52,406,507	51,508,628
Income tax paid		(104,602,578)	(126,759,309)	(86,428,130)	(112,232,524)
Net cash provided by operating activities		404,957,558	597,091,988	409,176,690	246,328,558

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Cash flows from investing activities					
Interest received		15,414,063	18,182,795	15,092,258	17,815,150
Cash received from current investments					
- available-for-sale securities	7	-	642,049,868	-	349,349,868
Cash received from disposal of equity or debt instruments of other parties	11	830,164,393	-	380,000,000	-
Cash paid for acquisition of current investments					
- available-for-sale securities	7	-	(878,670,000)	-	(449,190,000)
Cash paid for purchase of equity or debt instruments of other parties	11	(722,660,000)	-	(382,000,000)	-
Cash received from returned of the capital of subsidiary		-	-	-	7,499,550
Cash paid for increase in share capital in subsidiary		-	-	(29,999,800)	-
Cash received from time deposit		-	148,649	-	-
Decrease in deposits at financial institutions used as collaterals		-	2,000,000	-	-
Cash received from disposal of property, plant and equipment and intangible assets		1,718,109	469,403	1,459,477	206,661
Cash paid for purchases of property, plant and equipment	5.1	(31,968,922)	(34,076,094)	(28,732,861)	(30,320,600)
Cash paid for purchases of intangible assets	5.3	(8,634,796)	(1,444,527)	(8,634,796)	(1,173,973)
Cash paid to pay creditors for property	5.1	(183,439)	-	(183,439)	-
Dividend received		-	-	29,398,449	63,499,231
Net cash provided by (used in) investing activities		83,849,408	(251,339,906)	(23,600,712)	(42,314,113)
Cash flows from financing activities					
Finance costs paid		(11,078,483)	(13,177,541)	(6,966,748)	(6,676,783)
Cash received from short-term borrowings from financial institutions	5.4	2,118,880,275	2,323,916,154	1,820,786,249	1,842,108,730
Cash paid for short-term borrowings from financial institutions	5.4	(2,123,272,601)	(2,403,139,733)	(1,831,730,395)	(1,813,388,755)
Cash paid for short-term borrowings from other parties	5.4	-	(27,761,150)	-	(27,761,150)
Cash received from sale and leaseback transactions	5.2	-	32,417,051	-	6,190,388
Cash paid for sale and leaseback transactions	5.2	-	(1,054,771)	-	(1,054,771)
Cash paid for long-term borrowings from financial institutions	5.4	(5,040,000)	(5,040,000)	(5,040,000)	(5,040,000)
Cash paid for long-term borrowings from other parties	5.4	(4,306,935)	(19,092,399)	(4,306,935)	(19,092,399)
Cash paid for lease liabilities	5.2	(60,789,089)	(76,189,460)	(12,726,665)	(22,824,882)
Cash received from non-controlling interests from the capital increase of subsidiary		200	-	-	-
Cash repayment for decreasing of capital in subsidiary		-	(450)	-	-
Dividend paid		(159,439,457)	(168,460,233)	(161,837,906)	(168,959,464)
Net cash used in financing activities		(245,046,090)	(357,582,532)	(201,822,400)	(216,499,086)
Net increase (decrease) in cash and cash equivalents		243,760,876	(11,830,450)	183,753,578	(12,484,641)
Cash and cash equivalents as at January 1,		41,801,828	53,632,278	26,658,501	39,143,142
Cash and cash equivalents as at December 31,		285,562,704	41,801,828	210,412,079	26,658,501

Notes to the financial statements form an integral part of these statements

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

1. GENERAL INFORMATION AND OPERATIONS

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

Branch 1 888/15-17 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

Branch 2 141/15-18 Skulthai Tower Surawong Road, Suriyawong, Bangrak, Bangkok 10500

Branch 3 979/27-31 SM Tower Condominium, Phahonyothin Road, Samsennai, Phayathai, Bangkok 10400

The Company’s major shareholders during the financial period were Metro Value Creation Company Limited, Metrophose Company Limited and MC Bakery Company Limited which were incorporated in Thailand.

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

Details of the Company’s subsidiaries as at December 31, 2020 and 2019 were as follows:

Subsidiaries	Type of business	Incorporate country	Ownership interest (%)	
			2020	2019
Metro Professional Products Company Limited	Sale and service of computer and computer programs	Thailand	99.9992	99.9990
Metro Info Tech Company Limited	Sale and maintenance service and computer programs	Thailand	70.0000	70.0000
Metro Connect Company Limited	Sale and service of computer and computer programs	Thailand	99.9997	99.9997
Metro Info Dynamics Company Limited	Sale and computer peripheral service	Thailand	99.9940	99.9940

The Company has extensive transactions and relationships with its related parties. Accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred had the Company operated without such affiliations.

Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Group’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The Group maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Group’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2018) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2020 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statements (No. 3) B.E. 2562” dated December 26, 2019.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).
- 2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements, except the following financial reporting standards:

The table below sets out the impact of the initial application of new Thai Financial Reporting Standard effect to statement of financial position as follows:

Statement of consolidated financial position as at January 1, 2020

Unit : Thousand Baht

	Consolidated financial statements			
	As previously reported As at December 31, 2019	Thai Financial Reporting Standard No.9	Thai Financial Reporting Standard No.16	After adjusted As at January 1, 2020
Current assets				
Trade and other current receivables	1,321,300	(66)	-	1,321,234
Non-Current assets				
Property, plant and equipment	507,012	-	(10,425)	496,587
Right-of-use assets	-	-	27,915	27,915
Other intangible assets other than goodwill	20,699	-	(2,003)	18,696
Deferred tax assets	34,874	13	-	34,887
Total assets	<u>1,883,885</u>	<u>(53)</u>	<u>15,487</u>	<u>1,899,319</u>
Current liabilities				
Trade and other current payables	(900,186)	6,806	-	(893,380)
Current portion of lease liabilities	(55,169)	-	(5,875)	(61,044)
Financial liabilities				
Financial liabilities - Derivative liabilities	-	(4,202)	-	(4,202)
Non-Current liabilities				
Lease liabilities	(31,216)	-	(9,612)	(40,828)
Total liabilities	<u>(986,571)</u>	<u>2,604</u>	<u>(15,487)</u>	<u>(999,454)</u>
Retained earnings - unappropriated	(1,246,052)	(3,248)	-	(1,249,300)
Other components of shareholders' equity	(697)	697	-	-
Total shareholders' equity	<u>(1,246,749)</u>	<u>(2,551)</u>	<u>-</u>	<u>(1,249,300)</u>

Statement of separate financial position as at January 1, 2020

Unit : Thousand Baht

	Separate financial statements			
	As previously reported As at December 31, 2019	Thai Financial Reporting Standard No.9	Thai Financial Reporting Standard No.16	After adjusted As at January 1, 2020
Current assets				
Trade and other current receivables	1,172,454	(66)	-	1,172,388
Non-Current assets				
Property, plant and equipment	495,002	-	(10,425)	484,577
Right-of-use assets	-	-	18,911	18,911
Other intangible assets other than goodwill	20,434	-	(2,003)	18,431
Deferred tax assets	33,583	13	-	33,596
Total assets	<u>1,721,473</u>	<u>(53)</u>	<u>6,483</u>	<u>1,727,903</u>
Current liabilities				
Trade and other current payables	(746,868)	6,779	-	(740,089)
Current portion of lease liabilities	(8,792)	-	(2,789)	(11,581)
Financial liabilities				
Financial liabilities - Derivative liabilities	-	(4,183)	-	(4,183)
Non-Current liabilities				
Lease liabilities	(12,947)	-	(3,694)	(16,641)
Total liabilities	<u>(768,607)</u>	<u>2,596</u>	<u>(6,483)</u>	<u>(772,494)</u>
Retained earnings - unappropriated	(927,501)	(2,737)	-	(930,238)
Other components of shareholders' equity	(194)	194	-	-
Total shareholders' equity	<u>(927,695)</u>	<u>(2,543)</u>	<u>-</u>	<u>(930,238)</u>

Group of Financial Instruments Standards

In the current year, the Group has initially applied Group of Financial Instruments Standards. The Group has elected to recognize the cumulative effect of initially adopting of TFRS 9 as an adjustment to the opening balance of retained earnings and other component of shareholders' equity of the reporting period.

TFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting

The Group has applied TFRS 9 in accordance with the transition provisions set out in TFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Group has assessed its existing financial assets and financial liabilities in terms of the requirements of TFRS 9) is January 1, 2020. Accordingly, the Group has applied the requirements of TFRS 9 to instruments that continue to be recognized as at January 1, 2020 and has not applied the requirements to instruments that have already been derecognized as at January 1, 2020. Comparative amounts in relation to instruments that continue to be recognized as at January 1, 2020 have not been restated.

All recognized financial assets that are within the scope of TFRS 9 are required to be measured subsequently at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortized cost;
- Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- All other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may take the following irrevocable election/designation at initial recognition of a financial asset;

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination in other comprehensive income; and
- The Group may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch,

In the current year, the Group has not designated any debt investments that meet the amortized cost or FVTOCI criteria as measured at FVTPL.

When a debt investment measured at FVTOCI is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortized cost or at FVTOCI are subject to impairment. See (b) below.

The director of the Company reviewed and assessed the Group's existing financial assets as at January 1, 2020 based on the facts and circumstances that existed at that date and concluded that the initial application of TFRS 9 has had the following impact on the Group's financial assets as regards their classification and measurement:

- The Group's investments in equity instruments (neither held for trading nor a contingent consideration arising from a business combination) that were previously classified as investments held as available-for-sale and were measured at fair value at each reporting date under TAS 105 "Accounting for Investments in Debt and Equity Securities" have been designated as at FVTOCI. The change in fair value on these equity instruments continues to be accumulated in the investment revaluation reserve;

(b) Impairment of financial assets

In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model. The expected credit loss model requires the Company and its subsidiaries to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

Specifically, TFRS 9 requires the Company and its subsidiaries to recognize a loss allowance for expected credit losses on;

- (1) Debt investments measured subsequently at amortized cost or at FVTOCI;
- (2) Lease receivables;
- (3) Trade receivables and contract assets; and
- (4) Financial guarantee contracts to which the impairment requirement of TFRS 9 apply.

In particular, TFRS 9 requires the Company and its subsidiaries to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company and its subsidiaries are required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. TFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

(c) Classification and measurement of financial liabilities

A significant change introduced by TFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, TFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognized.

Apart from the above, the application of TFRS 9 has had no impact on the classification and measurement of the Group's financial liabilities.

Thai Financial Reporting Standards No. 16 "Leases"

The Group's management has applied TFRS 16 using the cumulative catch-up approach which.

- Requires the Group to recognize the cumulative effect of initially applying TFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.
- Does not restate the comparative information and continue to present comparative information under TAS 17 and TFRIC 4.

a) Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. TFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on "risk and rewards" in TAS 17 and TFRIC 4.

The Group applies the definition of a lease and related guidance set out in TFRS 16 to all lease contracts entered into or changed on or after January 1, 2020 (whether it is a lessor or a lease in the lease contract). In preparation for the first-time application TFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in TFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group.

b) Impact on Lessee Accounting

Former operating leases

TFRS 16 changes how the Group accounts for lease previously classified as operating leases under TAS 17, which were off balance sheet.

Applying TFRS 16, for all leases (except as noted below), the Group:

- 1) Recognizes right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with TFRS 16.
- 2) Recognizes depreciation of right-of-use assets and interest on lease liabilities in the statement of comprehensive income.
- 3) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

Lease incentives (e.g. rent free period) are recognized as part of the measurement of the right-of-use assets and lease liabilities whereas under TAS 17 they resulted in the recognition of a lease incentive, amortized as a reduction of rental expenses on a straight line basis.

Under TFRS 16, right-of-use assets are tested for impairment in accordance with TAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Group has adopted to recognize a lease expense on a straight-line basis as permitted by TFRS 16. This expense is presented within “other expenses” in profit or loss.

The Group has used the following practical expedients to leases previously classified as operating leases applying TAS 17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has adjusted the right-of-use asset at the date of initial application by the amount of provision for onerous leases recognized under TAS 37 in the statement of financial position immediately before the date of initial application as an alternative to performing an impairment review.
- The Group has elected not to recognize right-of-use assets and lease liabilities to leases for which the lease term end within 12 months of the date of initial application.
- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

Former finance leases

For leases that were classified as finance leases applying TAS 17, the carrying amount of the leased assets and obligations under finance leases measured applying TAS 17 immediately before the date of initial application is reclassified to right-of-use assets and lease liabilities respectively without any adjustments, except in cases where the Group has elected to apply the low-value lease recognition exemption.

The right-of-use asset and the lease liability are accounted for applying TFRS 16 from January 1, 2020.

c) Impact on Lessor Accounting

TFRS 16 does not change substantially how a lessor accounts for leases. Under TFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, TFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

Under TFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under TAS 17).

Because of this change, the Group has reclassified certain of its operating sublease agreements as finance leases and accounted for them as new finance leases entered into at the date of initial application. As required by TFRS 9, an allowance for expected credit losses has been recognized on the finance lease receivables.

Financial impact of the initial application of TFRS 16

The Group recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. The weight average lessees incremental borrowing rate applied to lease liabilities recognized in the statement of consolidated and separate financial position on January 1, 2020 are 4.13% and 4.04%, respectively.

The following table shows the operating lease commitments disclosed applying TAS 17 at December 31, 2019, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

Impact on lease liabilities as at January 1, 2020

	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
Operating lease commitments at December 31, 2019	21,400	11,666
Short-term leases and leases of low-value assets	(4,866)	(4,866)
Effect of discounting the above amounts	(1,047)	(317)
Finance lease liabilities recognized under TAS 17	86,385	21,739
Lease liabilities recognized at January 1, 2020	<u>101,872</u>	<u>28,222</u>

In addition, the Federation of Accounting Professions has announced two Accounting Treatment Guidances, which have been announced in the Royal Gazette on April 22, 2020, detail as follows:

Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand’s economy”

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who effected from the situations that affected Thailand’s economy with the helping period during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should be comply with all relief measures specified in this accounting treatment guidance.

The Group has not adopted such accounting treatment guidance in the preparation of the financial statements for the year ended December 31, 2020.

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The Group has not adopted those accounting treatment guidances in the preparation of the financial statements for the year ended December 31, 2020.

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

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset and liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial Reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

The revised Thai Financial Reporting Standard No.3 "Business Combinations" clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No.1 "Presentation of Financial Statements" and Thai Accounting Standards No.8 "Accounting Policies, Changes in Accounting Estimates and Errors", including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No.9 "Financial Instruments" and Thai Financial Reporting Standard No.7 "Financial Instruments: Disclosures".

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when it becomes effective. The Group's management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

3.1 Basis of preparation of consolidation financial statements

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

Transactions eliminated on consolidation

Significant intra-group balances and transactions have been eliminated in the preparation of the consolidated financial statements. The consolidated financial statements for the years ended December 31, 2020 and 2019 were prepared by using the financial statements of its subsidiaries and associates as of the same date.

3.2 Foreign currencies

Transactions in foreign currencies

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

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

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

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, all deposits at financial institutions with the original maturities of three months or less and highly liquid short-term investments, excluding cash at banks used as collateral.

3.4 Trade and other current receivables

a) Policies applicable prior to January 1, 2020

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

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

b) Policies applicable from January 1, 2020

Trade receivables and other current receivables are stated at their invoice value less allowance for expected credit losses.

The allowance for expected credit losses has disclosed in Note 3.6.

3.5 Inventories

Inventories are stated at lower of cost or net realizable value. Cost is calculate by the weighted average method.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

3.6 Financial instruments

Policies applicable from January 1, 2020

Financial assets and financial liabilities are recognized in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost;

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI);

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset;

- The Group may irrevocable elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- The Group may irrevocable designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

(i) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognized in profit or loss and is included in the “finance income - interest income” line item.

(ii) Debt instruments classified as at FVTOCI

The corporate bonds held by the Group are classified as at FVTOCI. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses (see below), and interest income calculated using the effective interest method (see (i) above) are recognized in profit or loss. The amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if these corporate bonds are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

A financial asset is held for trading if;

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or

- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be classified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with TFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the “finance income” line item in profit or loss.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of TFRS 9 (see Note 2.4).

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically;

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above).
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called “accounting mismatch”) that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other gains and losses” line item. Fair value is determined in the manner

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(ii) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with TFRS 16 “Leases”.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if;

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if;

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and TFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy). The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the "other gains and losses" line item in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective date is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between; (1) the carrying amount of the liability before the modification; and (2) the present value of cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of interest rate risk in cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements;

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationships; and
- The hedged ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income.

a) Policies applicable before January 1, 2020

The Group use financial instruments to manage exposure of fluctuations in foreign currency exchange and interest rates. These instruments, which mainly comprise forward contracts and interest rate swap are recorded in the financial statements on the contract date. The purpose of these instruments is to mitigate risk.

Swap and forward contracts prevent effect from fluctuations in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled. Swap and forward contracts are recorded as other financial assets or liabilities on inception, and are translated at the end of the reporting period exchange rate. Unrealized gains or losses on transactions are recognized in the statement of profit or loss. Premiums or discounts are amortized in the statement of profit or loss on a straight-line basis over the contract period.

Interest rate swap contracts prevent effects from fluctuations in floating interest rates. Any differential to be received or paid on an interest rate swap contracts are recognized as a component of interest income or expense over the period of such instrument. Gains or losses of early termination of interest rate swap contracts or on earlier repayment of the borrowing are recognized in the statement of profit or loss.

3.7 Current investment, investments held as available-for-sale and other investments

Policies applicable prior to January 1, 2020

Current investment

Current investment consisting of deposit at banks having a maturity exceeding 3 months but less than 12 months and is not used as collateral is presented at cost.

Investments held as available-for-sale

Investments held as available-for-sale are stated at fair value. Changes in the fair value of these investments are recorded as a separate item in shareholders' equity.

Other investments

Other investments are non-marketable equity securities which are stated at cost less any impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognized as profit or loss in the statement of comprehensive income.

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

3.8 Investments in subsidiaries and associates

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

An associate is an entity which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate equals or exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment is recognized immediately as profit or loss in the statement of profit or loss and other comprehensive income in the period in which the investment is acquired.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture. No re-measurement upon such changes in ownership interests is required.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held-for-sale.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss for the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest in the statement of profit or loss and other comprehensive income if that gain or loss would be reclassified to profit or loss upon the disposal of the related assets or liabilities.

When a group entity transacts with an associate, profits and losses resulting from such transactions are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognized as profit or loss in the statement of comprehensive income.

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

3.9 Property, plant and equipment

Recognition and measurement

Property is measured at cost less allowance for impairment losses, if any.

Land improvements, plant and equipment are measured at cost less accumulated depreciation and allowance for impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use. The cost also includes the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for separately by major components.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net as profit or loss in the statement of comprehensive income.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized as an expense in statement of comprehensive income as incurred.

Depreciation

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

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

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

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

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

3.10 Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and allowance for impairment losses, if any.

Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized as an expense in the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible asset, other than goodwill, from the date that they are available for use.

The estimated useful lives are as follows:

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

Intangible assets with definite useful lives are tested for impairment when there is an indicator that the asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually or when there is an indicator that the asset may be impaired.

3.11 Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized as an expense in the statement of comprehensive income unless it reverses a previous revaluation credited to equity and it subsequently impairs in which case it is charged to statement of comprehensive income.

Calculation of recoverable amount

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

Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized as an expense in the statement of comprehensive income.

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

3.12 Interest-bearing liabilities

Interest-bearing liabilities are recognized initially at fair value less attributable transaction charges in relation to the liabilities. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognized as an expense in the statement of comprehensive income over the period of the borrowings.

3.13 Provision

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

3.14 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of comprehensive income in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value based on salary, mortality rate, service period and other factors. The discount rate used in determining post-employment benefit obligation is the yield of the government bond.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized on a straight-line basis until the benefits become vested. To the extent that the benefits is vested, the expense is recognized immediately in the statement of comprehensive income.

The Group recognizes all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in the statement of comprehensive income.

Past service cost related to the plan amendment is recognized as an expense in the statement of comprehensive income when the plan amendment is effective.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted cash flow basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.15 Recognition of revenues

Revenue from sale of goods

Revenue from sale of goods is recognized in the statement of comprehensive income when control of the goods is transferred to customers, generally on delivery of goods. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Revenue from sales are measured at the amount of consideration received or expect to be received for delivered goods after deduction of discounts, excluding value added tax.

For sale with warranties to assure that the goods complies with agree-upon specifications, the Group recognize the warranty according to TAS 37 “Provisions, Contingent Liabilities and Contingent Assets” consistent with its previous accounting treatment.

The service-type warranties provided customers with a service in addition to the assurance that the product complies with agree-upon specifications is recognized as revenue over the period in which the service is provided.

Revenue from installation of software

The Group provides an installation of various software products for specialised business operations. Such installation are recognized as a performance obligation satisfied over time. Revenue is recognized for these installation over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred from work performed to date relative to the estimated total contract costs. The directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under TFRS 15.

Revenue from rendering of services

Revenue from rendering of services is recognized over time when services have been rendered considering the stage of completion. The stage of completion is assessed by reference to cost of services incurred. When the outcome of a service rendering contract cannot be estimated reliably, service revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Sales of services - maintenance relating to electronic equipment

The maintenance service is considered to be a distinct service as it is both regularly supplied by the Group to other customers on a stand-alone basis and available for customers from other providers in the market. A portion of the transaction price is therefore allocated to the maintenance services based on the stand-alone selling price of those services.

Revenue relating to the maintenance services is recognized over time. The transaction price allocated to these services is recognized as a contract liability at the time of the initial sales transaction and is released on a straight line basis over the period of service.

Rental income from operating lease contracts

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Income from finance lease contracts

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Dividend received

Dividend received is recognized on the date the Group's right to receive payments is established.

Interest income and other income

Interest income and other income are recognized in the statement of comprehensive income on an accrual basis.

3.16 Expense recognition

Expenses are recognized on an accrued basis.

3.17 Finance costs

Finance costs comprise of interest expense on borrowings and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in statement of comprehensive income using the effective interest method.

3.18 Leases

The Group has applied TFRS 16 which comparative information has not been restated and is presented under TAS 17. The details of accounting policies under both TAS 17 and TFRS 16 are as follows.

a) Policies applicable from January 1, 2020

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Property, Plant and Equipment” policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in profit or loss.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

The Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance lease or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies TFRS 15 to allocate the consideration under the contract to each component.

b) Policies applicable prior to January 1, 2020

Operating leases

Long-term leases for assets which a significant portion of the risks and rewards of ownership are still retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged as expenses to the statement of comprehensive income on a straight-line basis over the periods of the leases.

When operating leases are terminated before the lease periods expire, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Finance leases

Leases in which substantially all the risks and rewards of ownership, except legal title are transferred to the Company are accounted for as finance leases. The Company capitalized the asset and recorded liabilities in the statements of financial position of the lessee in the amount at the lower of the estimated present value of the underlying lease payments or at the fair value of the leased asset at the contractual date. The leased assets are depreciated using the straight-line method over their estimated useful lives. Interest or financial charge is calculated by the effective interest rate method over the term of contracts. Financial charge and depreciation are recognized as expenses in the statement of comprehensive income.

3.19 Income tax expense

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

Current tax is the expected tax payable or receivable derived from a computation of profit or loss using tax rates enacted and any adjustment to tax payable in respect of previous years.

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

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

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

Deferred tax assets and liabilities are offset when they relate to income tax levied by the same taxation authority and the Company and its subsidiaries intend to settle its current tax assets and liabilities on a net basis.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. The Company recognizes deferred tax liabilities for all taxable temporary differences in the consolidated and separate financial statements.

3.20 Basic earnings per share

The calculations of basic earnings per share for the year are based on the profit for the year attributable to equity holders divided by the weighted-average number of ordinary shares held by outsiders outstanding during the year.

3.21 Fair value measurements

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability as market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement, which are described as follows:

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

4. ACCOUNTING ESTIMATES AND SOURCE OF ESTIMATION UNCERTAINTY

4.1 Use of management's judgments

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) requires the Group's management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

4.1.1 Impairment

The Group's balance assets with definite useful lives are tested for impairment when there is an indicator that the asset may be impaired. The asset balances with indefinite useful lives are tested for impairment annually or when there is an indicator that the asset may be impaired.

4.1.2 Classification of leases

In determining whether a lease should be classified as an operating lease or finance lease, the Group's management has to use judgement to determine whether significant risks and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

4.1.3 Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of such obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group's considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related obligations. Additional information is disclosed in Note 24.

Past service cost related to the plan amendment is recognized as an expense in the statement of comprehensive income when the plan amendment is effective.

4.1.4 Significant increase in credit risk

As explained in Note 3.4, expected credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. TFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

4.2 Key sources of estimation uncertainty

The Group have estimates with the assumptions concerning the future. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

4.2.1 Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Board of Directors of the Company has set up a valuation committee, which is headed by the Chief Financial Officer, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group uses other observable information either directly or indirectly.

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 35.

4.2.2 Calculation of recoverable amount

In the calculation of recoverable amount, the Group's management estimated the future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

4.2.3 Allowance for obsolete and slow-moving inventories

The Group has provided allowance for obsolete and slow-moving inventories based on management's best estimate of net realizable value of damaged, obsolete or deteriorated inventories and review of the aging analysis at the end of each reporting period.

5. DISCLOSURES SUPPLEMENTARY OF CASH FLOWS INFORMATION

5.1 Non-cash transactions occurred from property, plant and equipment for the years ended December 31, are as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Payable for purchases of fixed asset brought forward (recorded as part of other payables)	183	404	183	375
<u>Add</u> Increase during the years	38,469	47,932	35,233	44,205
<u>Less</u> Transferred from inventory	(5,915)	(14,077)	(5,915)	(14,077)
<u>Less</u> Cash payments during the years	(32,152)	(34,076)	(28,916)	(30,320)
Payable for purchases of fixed asset carried forward (recorded as part of other payables)	<u>585</u>	<u>183</u>	<u>585</u>	<u>183</u>

5.2 Movements in finance lease liabilities for the years ended December 31, are as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Finance lease liabilities brought forward	86,386	128,150	21,739	36,366
<u>Add</u> Purchases fixed asset during the years	36,803	3,063	30,223	3,063
<u>Add</u> Proceeds from sale and lease back	-	32,417	-	6,190
<u>Less</u> Cancel the contract early	(982)	-	(342)	-
<u>Less</u> Cash payments during the years	(60,789)	(77,244)	(12,726)	(23,880)
Finance lease liabilities carried forward	<u>61,418</u>	<u>86,386</u>	<u>38,894</u>	<u>21,739</u>

5.3 Purchases of intangible assets for the years ended December 31, are as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Payable for intangible assets brought forward (recorded as part of other payables)	-	-	-	-
<u>Add</u> Purchases during the years	24,519	10,272	24,519	10,002
<u>Less</u> Transferred from inventory	(770)	(8,417)	(770)	(8,417)
<u>Less</u> Transferred from property, plant and equipment	(15,114)	(411)	(15,114)	(411)
<u>Less</u> Cash payments during the years	(8,635)	(1,444)	(8,635)	(1,174)
Payable for intangible assets carried forward (recorded as part of other payables)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

5.4 Reconciliation of liabilities arising from financing activities

Changes in the liabilities arising from financing activities, including both cash and non-cash changes classified as financing activities in the statements of cash flows, were as follows:

As at December 31, 2020	Unit : Thousand Baht			
	Consolidated financial statement			Balance as at December 31, 2020
	Balance as at January 1, 2020	Financing cash flows	Non-cash changes Borrowings directly transferred to supplier	
Short-term borrowings from financial institutions	148,290	(4,392)	-	143,898
Long-term borrowings from financial institutions	9,460	(5,040)	-	4,420
Long-term borrowings from other parties	13,102	(4,307)	-	8,795
Total	170,852	(13,739)	-	157,113

As at December 31, 2019	Unit : Thousand Baht			
	Consolidated financial statement			Balance as at December 31, 2019
	Balance as at January 1, 2019	Financing cash flows	Non-cash changes Borrowings directly transferred to supplier	
Short-term borrowing	6,297	(27,761)	21,464	-
Short-term borrowings from financial institutions	227,514	(79,224)	-	148,290
Long-term borrowings from financial institutions	14,500	(5,040)	-	9,460
Long-term borrowings from other parties	32,194	(19,092)	-	13,102
Total	280,505	(131,117)	21,464	170,852

As at December 31, 2020	Unit : Thousand Baht			
	Separate financial statement			Balance as at December 31, 2020
	Balance as at January 1, 2020	Financing cash flows	Non-cash changes Borrowings directly transferred to supplier	
Short-term borrowings from financial institutions	99,243	(10,944)	-	88,299
Long-term borrowings from financial institutions	9,460	(5,040)	-	4,420
Long-term borrowings from other parties	13,102	(4,307)	-	8,795
Total	121,805	(20,291)	-	101,514

As at December 31, 2019	Unit : Thousand Baht			
	Separate financial statement			Balance as at December 31, 2019
	Balance as at January 1, 2019	Financing cash flows	Non-cash changes	
			Borrowings directly transferred to supplier	
Short-term borrowing	6,297	(27,761)	21,464	-
Short-term borrowings from financial institutions	70,523	28,720	-	99,243
Long-term borrowings from financial institutions	14,500	(5,040)	-	9,460
Long-term borrowings from other parties	32,194	(19,092)	-	13,102
Total	123,514	(23,173)	21,464	121,805

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Cash on hand	367	247	152	152
Cash at banks - current accounts	112,634	15,287	111,899	14,467
Cash at banks - saving accounts	172,562	26,268	98,361	12,040
Total	285,563	41,802	210,412	26,659

As at December 31, 2020 and 2019, savings accounts and fixed deposit not exceeding 3 months bear interest at the rates between 0.05% - 0.35% per annum.

7. CURRENT INVESTMENTS

Current investments consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Time deposit	-	2	-	-
Available-for-sale securities	-	248,826	-	100,430
Total	-	248,828	-	100,430

Movements during the years ended December 31, 2019 of available-for-sale securities were as follows:

	Unit : Thousand Baht	
	Consolidated	Separate
Available-for-sale securities		
As at January 1,	10,346	67
Purchases during the year	878,670	449,190
Sales during the year	(641,020)	(349,069)
Change in fair value	830	242
As at December 31,	248,826	100,430

8. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, consisted of the following:

				Unit : Thousand Baht	
		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Trade accounts receivable					
Related parties	29	969	1,111	5,792	1,585
Other parties		864,677	956,777	752,737	871,152
Post-dated cheque		59,666	48,390	15,988	19,000
		<u>925,312</u>	<u>1,006,278</u>	<u>774,517</u>	<u>891,737</u>
<u>Less</u> allowance for doubtful accounts		-	(6,008)	-	(5,589)
<u>Less</u> allowance for expected credit losses		<u>(51,826)</u>	<u>-</u>	<u>(51,826)</u>	<u>-</u>
		<u>873,486</u>	<u>1,000,270</u>	<u>722,691</u>	<u>886,148</u>
<u>Add</u> unbilled trade accounts receivable		<u>229,367</u>	<u>156,865</u>	<u>219,978</u>	<u>152,876</u>
Total trade accounts receivable		<u>1,102,853</u>	<u>1,157,135</u>	<u>942,669</u>	<u>1,039,024</u>
Others current receivables					
Others receivables					
Related parties	29	2	413	9,477	11,025
Other parties		7,965	7,916	1,244	2,885
Prepaid expenses		98,162	105,703	97,529	104,234
Accrued income		24,491	21,129	10,314	15,286
Total other receivables		<u>130,620</u>	<u>135,161</u>	<u>118,564</u>	<u>133,430</u>
Total trade and other accounts receivable					
		1,233,473	1,292,296	1,061,233	1,172,454

Movements during the years ended December 31, in the allowance for doubtful debts (2019) and allowance for expected credit losses (2020) were as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2020	2019	2020	2019
As at January 1,	(6,008)	(38,281)	(5,589)	(20,708)
Effect from adoption TFRS 9	(66)	-	(66)	-
Balance as at January 1, 2020	(6,074)	(38,281)	(5,655)	(20,708)
Impairment losses recognized on receivables	(47,101)	(1,829)	(47,101)	(1,410)
Amounts written off during the year as uncollectible	209	1,201	209	1,201
Amounts recovered during the year	721	1,515	721	1,515
Impairment losses reversed	419	31,386	-	13,813
As at December 31,	<u>(51,826)</u>	<u>(6,008)</u>	<u>(51,826)</u>	<u>(5,589)</u>

Trade receivables as at December 31, are classified by aging as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Related parties				
Within credit terms	958	1,074	5,685	1,499
Overdue:				
Less than 3 months	11	37	107	86
Related parties - net	<u>969</u>	<u>1,111</u>	<u>5,792</u>	<u>1,585</u>
Other parties				
Within credit terms	692,211	802,906	551,871	693,184
Overdue:				
Less than 3 months	157,936	157,666	144,114	153,867
3-6 months	1,981	6,589	611	5,513
6-12 months	1,070	-	1,070	-
Over 12 months	802	421	716	3
Account receivables under legal case	70,343	37,585	70,343	37,585
Total	<u>924,343</u>	<u>1,005,167</u>	<u>768,725</u>	<u>890,152</u>
<u>Less</u> Allowance for doubtful accounts	-	(6,008)	-	(5,589)
<u>Less</u> Allowance for expected credit losses	<u>(51,826)</u>	<u>-</u>	<u>(51,826)</u>	<u>-</u>
Other parties - net	<u>872,517</u>	<u>999,159</u>	<u>716,899</u>	<u>884,563</u>
<u>Add</u> unbilled trade accounts receivable	<u>229,367</u>	<u>156,865</u>	<u>219,978</u>	<u>152,876</u>
Total	<u>1,102,853</u>	<u>1,157,135</u>	<u>942,669</u>	<u>1,039,024</u>

The average credit period on sales of goods from 30 days to 60 days. No interest is charged on outstanding trade receivables.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position.

The Group has been no change in the estimation techniques or significant assumptions made during the current reporting period.

9. CONTRACT ASSETS

Contract assets as at December 31 are as follows:

	Unit: Thousand Baht Consolidated financial statements	
	2020	2019
Current assets		
Installation of software computer and services contract	14,284	29,004
Contract assets - net	<u>14,284</u>	<u>29,004</u>

Contract assets are from Installation of software and service contract with customers. The contract assets are from price allocation to computer sales which are recognized revenues at point in time, when the Group transferred control of computer to customers. Contract asset will decrease relative to monthly service in each month. Monthly network service are recognized revenues at over time and percentage of completion.

Payment for installation of software services is not due from the customer until the installation services are complete and therefore a contract asset is recognized over the period in which the installation services are performed to represent the entity's right to consideration for the services transferred to date

There were no impairment losses recognized on any contract asset in the reporting period.

10. INVENTORIES

Inventories as at December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Finished goods	320,663	366,690	221,110	296,502
Project in process	13,198	37,303	13,198	35,731
Goods in transit	810	60	810	60
Others	1,125	1,068	1,125	1,068
Total	<u>335,796</u>	<u>405,121</u>	<u>236,243</u>	<u>333,361</u>
<u>Less</u> Allowance for decline in value of inventories	<u>(6,311)</u>	<u>(4,517)</u>	<u>(6,311)</u>	<u>(4,517)</u>
Net	<u>329,485</u>	<u>400,604</u>	<u>229,932</u>	<u>328,844</u>

Inventories which were recognized as expenses and included in the cost of sales for the years ended December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Cost of inventories recognized as an expense in cost of sales:				
- Cost of sale of goods and rendering of services	5,416,067	5,447,418	4,713,362	4,639,659
- Obsolete and slow-moving inventories (reversal)	1,794	(19,640)	1,794	(19,640)
Total	<u>5,417,861</u>	<u>5,427,778</u>	<u>4,715,156</u>	<u>4,620,019</u>

11. FINANCIAL ASSETS MEASURED AT FAIR VALUE TO PROFIT OR LOSS

Financial assets measured at fair value to profit or loss consisted of the following:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Financial assets measured at fair value to profit or loss	143,283	-	103,418	-
Total	143,283	-	103,418	-

Movements during the year ended December 31, 2020 of financial assets measured at fair value to profit or loss were as follows:

	Unit : Thousand Baht	
	Consolidated financial statement	Separate financial statement
Financial assets measured at fair value to profit or loss		
As at January 1, 2020	248,828	100,430
<u>Add</u> Purchases during the periods	722,660	382,000
<u>Less</u> Sales during the periods	(827,778)	(379,062)
Valuation adjustment	(427)	50
As at December 31, 2020	143,283	103,418

12. DEPOSITS AT FINANCIAL INSTITUTIONS USED AS COLLATERALS

- 12.1 As at December 31, 2020 and 2019, the Group have deposits at financial institution used as collaterals of Baht 39.29 million, in the consolidated financial statements, are pledged as collateral with a financial institution for project performance of and credit facilities. (see Note 36.2)
- 12.2 As at December 31, 2020 and 2019, the Company have deposits at financial institution used as collaterals of Baht 14.29 million in the separate financial statement, are pledged as collateral with a financial institution for project performance of and credit facilities for the Company. (see Note 36.2)

13. INVESTMENTS IN SUBSIDIARIES

Investment in subsidiaries as at December 31, 2020 and 2019 and dividend income for the years ended December 31, 2020 and 2019 consist of:

	Separate financial statements								Dividend income For the year ended December 31, 2019
	Ownership interest As at December 31, December 31, 2020	Paid-up capital		Cost method		For the year			
		As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	Thousand			
						Baht			
						Thousand			
%	Million	Million	Thousand	Thousand	Thousand	Baht	Baht	Baht	
Subsidiaries									
Metro Professional Products Company Limited	99.9992	99.9990	50.00	20.00	51,398	21,399	6,000	40,000	
Metro Info Tech Company Limited	70.0000	70.0000	5.00	5.00	3,500	3,500	-	-	
Metro Connect Company Limited	99.9997	99.9997	10.00	10.00	10,000	10,000	21,000	23,000	
Metro Info Dynamics Company Limited	99.9940	99.9940	2.50	2.50	2,500	2,500	-	-	
					67,398	37,399	27,000	63,000	

On January 21, 2020, the Extraordinary General Meeting of the Shareholders no. 1/2020 of Metro Professional Products Company Limited, which is a subsidiary, has passed the special resolution to increase the registered share capital from Baht 20.00 million to Baht 50.00 million by issuing new ordinary of shares 300,000 shares with a par value of Baht 100 per share, totaling Baht 30.00 million. In January 2020, the subsidiary has called and received share subscription from the existing shareholders amounting to Baht 30.00 million. The subsidiary registered the increase in its paid-up capital with the Department of Business Development, Ministry of Commerce on January 31, 2020.

On April 25, 2019, at the Annual General Meeting of Shareholders no. 7/2019 of Metro Info Dynamics Company Limited ("MID") has approved the resolution regarding the reduction of MID's registered share capital from Baht 10.00 million to Baht 2.50 million or from Baht 100 per share to Baht 25 per share. Subsequently, on May 2, 2019, Metro Info Dynamics Company Limited registered to decrease capital with Department of Business Development, Ministry of Commerce and on May 3, 2019, MID returned the capital at the rate of Baht 75 per share to all of its shareholders.

On August 26, 2020, the Extraordinary Shareholders' Meeting no. 1/2020 of Metro Info Dynamics Company Limited ("MID") passed a resolution to approve the dissolution. Metro Info Dynamics Company Limited ("MID") registered the dissolution with the Department of Business Development, Ministry of Commerce on August 28, 2020, which is currently in the process of liquidation.

14. INVESTMENTS IN ASSOCIATES

Movements in investments in an associates recorded by the equity method in the consolidated financial statements and by cost method in the separate financial statements for the years ended December 31, are as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2020	2019	2020	2019
At January 1,	12,388	11,267	1,999	1,999
Share of profit (loss) of investments in associates	(3,171)	2,135	-	-
Share of other comprehensive income of investments in associates	-	(514)	-	-
Dividend income	(2,398)	(500)	-	-
At December 31,	6,819	12,388	1,999	1,999

Investments in associates as at December 31, 2020 and 2019 and dividend income for the years ended December 31, 2020 and 2019 consist of:

	Consolidated financial statements							
	Ownership interest		Paid-up capital		Cost method		Equity method	
	As at	December 31,	As at	December 31,	As at	December 31,	As at	December 31,
	2020	2019	2020	2019	2020	2019	2020	2019
	%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Associates								
HIS MSC Company Limited	49.97	49.97	4.00	4.00	1,999	1,999	6,819	12,388
JBCC (Thailand) Company Limited	20.00	20.00	10.00	10.00	2,000	2,000	-	-
					3,999	3,999	6,819	12,388
					(2,000)	(2,000)		
					1,999	1,999		
Less Allowance for impairment loss								
Total investments in associates							2,398	500

	Separate financial statements							
	Ownership interest		Paid-up capital		Cost method		Dividend income	
	As at	December 31,	As at	December 31,	As at	December 31,	For the year	
	2020	2019	2020	2019	2020	2019	ended December 31,	
	%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	2020	2019
Associates								
HIS MSC Company Limited	49.97	49.97	4.00	4.00	1,999	1,999	2,398	500
JBCC (Thailand) Company Limited	20.00	20.00	10.00	10.00	2,000	2,000	-	-
					3,999	3,999	2,398	500
					(2,000)	(2,000)		
					1,999	1,999		
Less Allowance for impairment loss								
Total investments in associates								

15. LEASE RECEIVABLES

Lease receivables as at December 31, consisted of the following:

	Unit : Thousand Baht					
	Consolidated financial statements				Total	
	Portion due within one year		Portion due after one year		2020	2019
	2020	2019	2020	2019	2020	2019
Related parties	55	59	48	103	103	162
Other parties	213,597	261,277	181,270	256,309	394,867	517,586
	213,652	261,336	181,318	256,412	394,970	517,748
<u>Less</u> Unearned interest income	<u>(19,959)</u>	<u>(29,608)</u>	<u>(10,833)</u>	<u>(18,144)</u>	<u>(30,792)</u>	<u>(47,752)</u>
	193,693	231,728	170,485	238,268	364,178	469,996
<u>Less</u> Impairment loss determined in accordance with TFRS 9	<u>(2,296)</u>	<u>-</u>	<u>(4,486)</u>	<u>-</u>	<u>(6,782)</u>	<u>-</u>
Net	191,397	231,728	165,999	238,268	357,396	469,996

	Unit : Thousand Baht					
	Separate financial statements				Total	
	Portion due within one year		Portion due after one year		2020	2019
	2020	2019	2020	2019	2020	2019
Related parties	55	59	48	103	103	162
Other parties	121,532	120,224	120,922	172,443	242,454	292,667
	121,587	120,283	120,970	172,546	242,557	292,829
<u>Less</u> Unearned interest income	<u>(13,150)</u>	<u>(19,424)</u>	<u>(7,710)</u>	<u>(12,826)</u>	<u>(20,860)</u>	<u>(32,250)</u>
	108,437	100,859	113,260	159,720	221,697	260,579
<u>Less</u> Impairment loss determined in accordance with TFRS 9	<u>(2,296)</u>	<u>-</u>	<u>(4,486)</u>	<u>-</u>	<u>(6,782)</u>	<u>-</u>
Net	106,141	100,859	108,774	159,720	214,915	260,579

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Impairment loss determined in accordance with TFRS 9	6,782	-	6,782	-

As at December 31, 2020 and 2019, the gross investment under lease contracts and present value of minimum lease payments receivable were as follows:

Unit : Thousand Baht				
Consolidated financial statements				
	2020		2019	
	Gross investment under finance lease contracts	Present value of minimum lease payments under finance lease contracts	Gross investment under finance lease contracts	Present value of minimum lease payments under finance lease contracts
Portion due within one year	213,652	193,693	261,336	231,728
Portion due after one year but within five years	181,318	170,485	256,412	238,268
Total	394,970	364,178	517,748	469,996
<u>Less</u> Unearned interest income	<u>(30,792)</u>	<u>-</u>	<u>(47,752)</u>	<u>-</u>
Total	364,178	364,178	469,996	469,996
<u>Less</u> Impairment loss determined in accordance with TFRS 9	<u>(6,782)</u>	<u>(6,782)</u>	<u>-</u>	<u>-</u>
Gross investment under finance lease contracts - net	357,396	357,396	469,996	469,996

Unit : Thousand Baht				
Separated financial statements				
	2020		2019	
	Gross investment under finance lease contracts	Present value of minimum lease payments under finance lease contracts	Gross investment under finance lease contracts	Present value of minimum lease payments under finance lease contracts
Portion due within one year	121,587	108,437	120,283	100,859
Portion due after one year but within five years	120,970	113,260	172,546	159,720
Total	242,557	221,697	292,829	260,579
<u>Less</u> Unearned interest income	<u>(20,860)</u>	<u>-</u>	<u>(32,250)</u>	<u>-</u>
Total	221,697	221,697	260,579	260,579
<u>Less</u> Impairment loss determined in accordance with TFRS 9	<u>(6,782)</u>	<u>(6,782)</u>	<u>-</u>	<u>-</u>
Gross investment under finance lease contracts - net	214,915	214,915	260,579	260,579

The average term of leases entered into is 3 - 5 years. Generally, these lease contracts do not include extension or early termination options.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in Thai Baht. Residual value risk on equipment under lease is not significant, because of the existence of a secondary market with respect to the equipment.

The following table presents the amounts included in profit or loss for the year ended December 31, 2020.

	Unit : Thousand Baht	
	Consolidated financial statement 2020	Separate financial statement 2020
Selling profit/loss for leases	12,585	8,635
Finance income on the net investment in leases	23,768	11,721

The Group's finance lease arrangements do not include variable payments.

The average effective interest rate contracted approximates 6.50 - 7.50% per annum.

16. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the years ended December 31, are as follows:

As at December 31, 2020

	Unit : Thousand Baht				
	Consolidated financial statements				
	Balance as at January 1, 2020	Additions	(Disposals)	Transfer in (Transfer out)	Balance as at December 31, 2020
Cost					
Land	226,388	-	-	-	226,388
Land improvements	18,773	-	-	-	18,773
Buildings	539,280	636	-	-	539,916
Furniture and fixtures	129,026	876	(1,027)	-	128,875
Office equipment	789,608	23,059	(88,356)	(7,750)	716,561
Vehicles	5,852	1,531	(1,607)	(3,063)	2,713
Other fixed assets	64,630	2,188	(4,696)	356	62,478
Assets held for lease	48,352	102	-	(2,730)	45,724
Total	1,821,909	28,392	(95,686)	(13,187)	1,741,428
Accumulated depreciation					
Land improvements	15,065	236	-	-	15,301
Buildings	435,006	12,390	-	-	447,396
Furniture and fixtures	105,264	13,698	(1,027)	-	117,935
Office equipment	685,294	52,431	(87,626)	(1,019)	649,080
Vehicles	2,937	502	(1,584)	(609)	1,246
Other fixed assets	55,993	3,784	(4,694)	-	55,083
Assets held for lease	23,528	9,127	-	(2,729)	29,926
Total	1,323,087	92,168	(94,931)	(4,357)	1,315,967
Assets under construction and installation	8,190	10,077	-	(16,710)	1,557
Property, plant and equipment	507,012				427,018

As at December 31, 2019

Unit : Thousand Baht

	Consolidated financial statements				
	Balance as at January 1, 2019	Additions	(Disposals)	Transfer in (Transfer out)	Balance as at December 31, 2019
Cost					
Land	226,388	-	-	-	226,388
Land improvements	18,773	-	-	-	18,773
Buildings	546,510	496	(8,308)	582	539,280
Furniture and fixtures	129,432	1,600	(2,006)	-	129,026
Office equipment	809,843	36,056	(77,002)	20,711	789,608
Vehicles	2,903	3,085	(136)	-	5,852
Other fixed assets	65,076	1,735	(2,181)	-	64,630
Assets held for lease	60,526	-	-	(12,174)	48,352
Total	1,859,451	42,972	(89,633)	9,119	1,821,909
Accumulated depreciation					
Land improvements	14,829	236	-	-	15,065
Buildings	430,594	12,447	(8,035)	-	435,006
Furniture and fixtures	92,681	14,536	(1,953)	-	105,264
Office equipment	686,838	57,039	(76,008)	17,425	685,294
Vehicles	2,190	1,158	(411)	-	2,937
Other fixed assets	54,002	4,069	(2,078)	-	55,993
Assets held for lease	31,181	9,772	-	(17,425)	23,528
Total	1,312,315	99,257	(88,485)	-	1,323,087
Assets under construction and installation	19,453	8,023	(9,756)	(9,530)	8,190
Property, plant and equipment	566,589				507,012

Depreciation for the years ended December 31,

2020	Thousand Baht	92,168
2019	Thousand Baht	99,257

As at December 31, 2020

Unit : Thousand Baht

	Separate financial statements				Balance as at December 31, 2020
	Balance as at January 1, 2020	Additions	(Disposals)	Transfer in (Transfer out)	
Cost					
Land	220,675	-	-	-	220,675
Land improvements	18,773	-	-	-	18,773
Buildings	534,030	636	-	-	534,666
Furniture and fixtures	127,939	871	(1,027)	-	127,783
Office equipment	758,270	21,005	(88,016)	(7,750)	683,509
Vehicles	3,499	347	(436)	(3,063)	347
Other fixed assets	63,729	2,195	(4,646)	356	61,634
Assets held for lease	48,352	102	-	(2,730)	45,724
Total	1,775,267	25,156	(94,125)	(13,187)	1,693,111
Accumulated depreciation					
Land improvements	15,065	236	-	-	15,301
Buildings	430,023	12,344	-	-	442,367
Furniture and fixtures	104,346	13,628	(1,027)	-	116,947
Office equipment	659,090	49,853	(87,285)	(1,019)	620,639
Vehicles	1,045	69	(436)	(609)	69
Other fixed assets	55,357	3,682	(4,644)	-	54,395
Assets held for lease	23,529	9,127	-	(2,730)	29,926
Total	1,288,455	88,939	(93,392)	(4,358)	1,279,644
Assets under construction and installation	8,190	10,077	-	(16,710)	1,557
Property, plant and equipment	495,002				415,024

As at December 31, 2019

Unit : Thousand Baht

	Separate financial statements				
	Balance as at January 1, 2019	Additions	(Disposals)	Transfer in (Transfer out)	Balance as at December 31, 2019
Cost					
Land	220,675	-	-	-	220,675
Land improvements	18,773	-	-	-	18,773
Buildings	541,260	496	(8,308)	582	534,030
Furniture and fixtures	128,361	1,564	(1,986)	-	127,939
Office equipment	780,676	32,418	(75,535)	20,711	758,270
Vehicles	557	3,063	(121)	-	3,499
Other fixed assets	63,835	1,791	(1,897)	-	63,729
Assets held for lease	60,526	-	-	(12,174)	48,352
Total	1,814,663	39,332	(87,847)	9,119	1,775,267
Accumulated depreciation					
Land improvements	14,829	236	-	-	15,065
Buildings	425,747	12,311	(8,035)	-	430,023
Furniture and fixtures	91,834	14,445	(1,933)	-	104,346
Office equipment	663,100	53,220	(74,655)	17,425	659,090
Vehicles	557	885	(397)	-	1,045
Other fixed assets	53,295	3,947	(1,885)	-	55,357
Assets held for lease	31,182	9,772	-	(17,425)	23,529
Total	1,280,544	94,816	(86,905)	-	1,288,455
Assets under construction and installation	19,542	7,937	(9,759)	(9,530)	8,190
Property, plant and equipment	553,661				495,002

Depreciation for the years ended December 31,

2020

Thousand Baht 88,939

2019

Thousand Baht 94,816

17. RIGHT-OF-USE ASSETS AND LEASE

Right-of-use assets as at December 31, were as follows:

As at December 31, 2020

Unit : Thousand Baht

	Consolidated financial statements					Balance as at December 31, 2020
	Balance as at January 1, 2020	Consequence from initial apply to TFRS 16 (see Note 2.4)	Additions	Transfer/Others	Disposals	
Cost						
Buildings	-	2,533	5,466	-	-	7,999
Vehicles	-	12,787	15,849	3,063	(1,501)	30,198
Office equipment	-	167	-	11,754	-	11,921
Intangible assets	-	-	-	2,861	-	2,861
Total cost	-	15,487	21,315	17,678	(1,501)	52,979
Accumulated depreciation						
Buildings	-	-	891	-	-	891
Vehicles	-	-	6,307	609	(553)	6,363
Office equipment	-	-	2,392	3,783	-	6,175
Intangible assets	-	-	574	858	-	1,432
Total accumulate depreciation	-	-	10,164	5,250	(553)	14,861
Total right of use assets	-					38,118

Depreciation for the years ended December 31,
2020

Thousand Baht 10,164

As at December 31, 2020

Unit : Thousand Baht

	Separate financial statements					Balance as at December 31, 2020
	Balance as at January 1, 2020	Consequence from initial apply to TFRS 16 (see Note 2.4)	Additions	Transfer/Other	Disposals	
Cost						
Buildings	-	-	7,999	-	-	7,999
Vehicles	-	6,483	15,741	3,063	(621)	24,666
Office equipment	-	-	-	11,754	-	11,754
Intangible assets	-	-	-	2,861	-	2,861
Total cost	-	6,483	23,740	17,678	(621)	47,280
Accumulated depreciation						
Buildings	-	-	891	-	-	891
Vehicles	-	-	4,355	609	(281)	4,683
Office equipment	-	-	2,356	3,783	-	6,139
Intangible assets	-	-	574	858	-	1,432
Total accumulate depreciation	-	-	8,176	5,250	(281)	13,145
Total right of use assets	-					34,135

Depreciation for the years ended December 31,
2020

Thousand Baht 8,176

As at December 31, 2020, lease liabilities of the Group including lease liabilities from sale and leaseback agreements and other finance leases agreements in the consolidated and separate financial statements amounting to Baht 23.03 million and Baht 4.76 million, respectively. The Group has taken assets arising from sale and leaseback agreements and other finance leases agreements entered into finance leases agreements with other lessee which recorded as lease receivables and transferred the rights of such assets to lessee.

The statement of comprehensive income for the year ended December 31, 2020 included transactions related to leases were as follows:

Amounts recognized in profit or loss	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
Depreciation on right-of-use assets	10,164	8,176
Interest expense on lease liabilities	3,245	1,256

18. INTANGIBLE ASSETS

Movements in other intangible assets for the years ended December 31, are as follows:

As at December 31, 2020

Unit : Thousand Baht

	Consolidated financial statements				
	Balance as at January 1, 2020	Additions	(Disposals)	Transfer in (Transfer out)	Balance as at December 31, 2020
Cost					
Software licenses	69,131	4,353	(87)	4,279	77,676
Total	69,131	4,353	(87)	4,279	77,676
Accumulated amortization					
Software licenses	48,432	6,343	(86)	(859)	53,830
Total	48,432	6,343	(86)	(859)	53,830
Intangible assets during development	-	5,052	-	7,974	13,026
Other intangible assets	20,699				36,872

As at December 31, 2019

Unit : Thousand Baht

	Consolidated financial statements				
	Balance as at January 1, 2019	Additions	(Disposals)	Transfer in (Transfer out)	Balance as at December 31, 2019
Cost					
Software licenses	60,272	9,861	(1,413)	411	69,131
Total	60,272	9,861	(1,413)	411	69,131
Accumulated amortization					
Software licenses	43,561	6,282	(1,411)	-	48,432
Total	43,561	6,282	(1,411)	-	48,432
Other intangible assets	16,711				20,699

Depreciation for the years ended December 31,

2020

Thousand Baht

6,343

2019

Thousand Baht

6,282

As at December 31, 2020**Unit : Thousand Baht**

	Separate financial statements				Balance as at December 31, 2020
	Balance as at January 1, 2020	Additions	(Disposals)	Transfer in (Transfer out)	
Cost					
Software licenses	67,769	4,353	(42)	4,279	76,359
Total	67,769	4,353	(42)	4,279	76,359
Accumulated amortization					
Software licenses	47,335	6,270	(42)	(859)	52,704
Total	47,335	6,270	(42)	(859)	52,704
Intangible assets during development	-	5,052	-	7,974	13,026
Other intangible assets	20,434				36,681

As at December 31, 2019**Unit : Thousand Baht**

	Separate financial statements				Balance as at December 31, 2019
	Balance as at January 1, 2019	Additions	(Disposals)	Transfer in (Transfer out)	
Cost					
Software licenses	59,180	9,591	(1,413)	411	67,769
Total	59,180	9,591	(1,413)	411	67,769
Accumulated amortization					
Software licenses	42,542	6,204	(1,411)	-	47,335
Total	42,542	6,204	(1,411)	-	47,335
Other intangible assets	16,638				20,434

Depreciation for the years ended December 31,

2020

Thousand Baht

6,270

2019

Thousand Baht

6,204

19. DEFERRED INCOME TAX AND INCOME TAX EXPENSE

Deferred tax assets and deferred tax liabilities as at December 31, are as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets	52,333	34,874	53,522	40,173
Deferred tax liabilities	(2,691)	(7,555)	(2,744)	(6,590)
Deferred tax - net	49,642	27,319	50,778	33,583

Movements in deferred tax assets and deferred tax liabilities for the years ended December 31, are as follows:

As at December 31, 2020

	Unit: Thousand Baht Consolidated financial statements			
	Balance as at January 1, 2020	Profit or loss	Recognized in Profit or loss and other comprehensive income	Shareholders equity
Deferred tax assets				
Allowance for expected credit loss	1,118	9,233	-	13
Allowance for obsolescence and decline in value	903	380	-	-
Allowance for decline in values of investment	400	-	-	-
Provisions for employee benefit	41,338	2,296	-	-
Finance lease liabilities	10,185	(6,798)	-	-
Deferred revenue	2,090	(1,001)	-	-
Current financial assets	-	791	-	-
Intangible assets amortized	-	25	-	-
Total	56,034	4,926	-	13
Deferred tax liabilities				
Depreciation of buildings	(4,998)	717	-	-
Finance lease receivables	(20,081)	14,865	-	-
Accrued income	(1,525)	785	-	-
Financial assets measured at fair value to profit or loss	(158)	85	-	-
Prepaid costs	(1,953)	936	-	-
Current financial assets	-	(4)	-	-
Total	(28,715)	17,384	-	-
Deferred tax - net	27,319	22,310	-	13

As at December 31, 2019

Unit: Thousand Baht

	Consolidated financial statements				
	Balance as at	Recognized in			Balance as at
	January 1, 2019	Profit or loss	Profit or loss and other comprehensive income	Shareholders equity	December 31, 2019
Deferred tax assets					
Allowance for doubtful accounts	7,657	(6,539)	-	-	1,118
Allowance for obsolescence and decline in value	4,831	(3,928)	-	-	903
Allowance for decline in values of investment	400	-	-	-	400
Provisions for employee benefit	28,188	7,881	5,269	-	41,338
Finance lease liabilities	19,302	(9,117)	-	-	10,185
Deferred revenue	-	(5,259)	-	7,349	2,090
Total	<u>60,378</u>	<u>(16,962)</u>	<u>5,269</u>	<u>7,349</u>	<u>56,034</u>
Deferred tax liabilities					
Depreciation of buildings	(5,713)	715	-	-	(4,998)
Finance lease receivables	(37,293)	17,409	-	(197)	(20,081)
Accrued income	(1,653)	128	-	-	(1,525)
Current investments	-	-	(158)	-	(158)
Prepaid costs	-	4,915	-	(6,868)	(1,953)
Total	<u>(44,659)</u>	<u>23,167</u>	<u>(158)</u>	<u>(7,065)</u>	<u>(28,715)</u>
Deferred tax - net	<u>15,719</u>	<u>6,205</u>	<u>5,111</u>	<u>284</u>	<u>27,319</u>

As at December 31, 2020

Unit: Thousand Baht

		Separate financial statements		
	Balance as at	Recognized in		Balance as at
	January 1, 2020	Profit or loss	Profit or loss and other comprehensive income	December 31, 2020
Deferred tax assets				
Allowance for expected credit loss	1,118	9,233	13	10,364
Allowance for obsolescence and decline in value	903	359	-	1,262
Allowance for decline in values of investment	400	-	-	400
Provisions for employee benefit	38,350	2,047	-	40,397
Finance lease liabilities	(598)	881	-	283
Current financial assets	-	791	-	791
Intangible assets amortized	-	25	-	25
Total	40,173	13,336	13	53,522
Deferred tax liabilities				
Depreciation of buildings	(4,998)	717	-	(4,281)
Finance lease receivables	(18)	2,354	-	2,336
Accrued income	(1,525)	785	-	(740)
Financial assets measured at fair value to profit or loss	(49)	(10)	-	(59)
Total	(6,590)	3,846	-	(2,744)
Deferred tax - net	33,583	17,182	13	50,778

As at December 31, 2019

Unit: Thousand Baht

	Balance as at January 1, 2019	Separate financial statements Recognized in		Balance as at December 31, 2019
		Profit or loss	Profit or loss and other comprehensive income	
Deferred tax assets				
Allowance for doubtful accounts	4,142	(3,024)	-	1,118
Allowance for obsolescence and decline in value	4,831	(3,928)	-	903
Allowance for decline in values of investment	400	-	-	400
Provisions for employee benefit	24,570	8,606	5,174	38,350
Finance lease liabilities	946	(1,544)	-	(598)
Total	34,889	110	5,174	40,173
Deferred tax liabilities				
Depreciation of buildings	(5,713)	715	-	(4,998)
Finance lease receivables	(5,829)	5,811	-	(18)
Accrued income	(1,653)	128	-	(1,525)
Current investments	-	-	(49)	(49)
Total	(13,195)	6,654	(49)	(6,590)
Deferred tax - net	21,694	6,764	5,125	33,583

Income tax expenses

Income tax expenses recognized in statements of comprehensive income for the years ended December 31, 2020 and 2019 were as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Current income tax	52,161	56,980	38,147	43,043
Deferred tax expenses relating to the origination and reversal of temporary differences	(22,310)	(6,205)	(17,182)	(6,764)
Income tax expense per the statements of comprehensive income	<u>29,851</u>	<u>50,775</u>	<u>20,965</u>	<u>36,279</u>

Reconciliation of effective tax rate

Unit: Thousand Baht				
Consolidated financial statements				
	2020		2019	
	Tax rate (%)	Amount	Tax rate (%)	Amount
Profit before income tax		185,877		273,194
Income tax using applicable tax rate	20	37,175	20	54,639
Effects of net loss not recognized as deferred tax assets		(22,310)		(6,205)
Tax effect of income and expenses that are not taxable		14,986		2,341
Income tax expenses	16	29,851	18	50,775

Unit: Thousand Baht				
Separate financial statements				
	2020		2019	
	Tax rate (%)	Amount	Tax rate (%)	Amount
Profit before income tax expense		170,574		270,035
Income tax using applicable tax rate	20	34,115	20	54,007
Effects of net loss not recognized as deferred tax assets		(17,182)		(6,764)
Tax effect of income and expenses that are not taxable		4,032		(10,964)
Income tax expenses	12	20,965	13	36,279

20. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, consisted of the following:

		Unit : Thousand Baht			
Notes		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Trade payables					
Related parties	29	334	800	14,117	16,678
Other parties		566,167	571,367	489,418	468,160
Total trade payables		566,501	572,167	503,535	484,838
Other current payables					
Other payables					
Related parties	29	2,590	2,809	2,451	2,618
Other parties		27,800	55,569	24,800	50,527
Accrued expenses		104,205	148,954	81,991	122,374
Deposits and advances received		85,639	120,687	73,203	86,511
Total other current payables		220,234	328,019	182,445	262,030
Total trade and other current payables		786,735	900,186	685,980	746,868

21. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Long-term borrowings from financial institutions as at December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Long-term borrowings from financial institutions	4,420	9,460	4,420	9,460
<u>Less</u> Current portion of long-term borrowings	<u>(4,420)</u>	<u>(5,040)</u>	<u>(4,420)</u>	<u>(5,040)</u>
Total long-term borrowings from financial institutions	<u>-</u>	<u>4,420</u>	<u>-</u>	<u>4,420</u>

22. LONG-TERM BORROWINGS FROM OTHER PARTIES

Long-term borrowings from other parties are borrowing contact that has installment payment as at December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Long-term borrowings from other parties	8,795	13,102	8,795	13,102
<u>Less</u> Current portion of long-term borrowings	<u>(4,498)</u>	<u>(4,307)</u>	<u>(4,498)</u>	<u>(4,307)</u>
Total long-term borrowings from other parties	<u>4,297</u>	<u>8,795</u>	<u>4,297</u>	<u>8,795</u>

23. LEASE LIABILITIES

The Group entered into the lease agreements of vehicles and office equipment. The minimum lease payments under the lease agreements and their present value of liabilities under lease agreements as at December 31, consisted of the following:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	Minimum lease payments	Present value of minimum lease payment	Minimum lease payments	Present value of minimum lease payment
	2020	2019	2020	2019
Within 1 year	31,141	57,606	28,766	55,169
Over 1 year and within 5 years	34,686	32,430	32,652	31,216
<u>Less</u> Deferred interest	<u>(4,409)</u>	<u>(3,651)</u>	<u>-</u>	<u>-</u>
	<u>61,418</u>	<u>86,385</u>	<u>61,418</u>	<u>86,385</u>

	Unit : Thousand Baht			
	Separate financial statements		Separate financial statements	
	Minimum lease payments	Present value of minimum lease payment	Minimum lease payments	Present value of minimum lease payment
	2020	2019	2020	2019
Within 1 year	15,351	9,480	13,662	8,792
Over 1 year and within 5 years	27,119	13,593	25,232	12,947
<u>Less</u> Deferred interest	<u>(3,576)</u>	<u>(1,334)</u>	<u>-</u>	<u>-</u>
	<u>38,894</u>	<u>21,739</u>	<u>38,894</u>	<u>21,739</u>

24. PROVISIONS FOR EMPLOYEE BENEFITS

The Group provided employee benefit obligations upon retirement which are considered as unfunded defined benefit plans.

Amounts recognized as expense in the statements of profit or loss and other comprehensive income in respect of the defined benefit plans for the years ended December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Provisions for employee benefit as at January 1,	216,378	134,570	201,438	124,514
Included in profit or loss:				
Current service cost	14,587	55,061	13,084	50,809
Past service cost	-	2,610	-	2,256
Interest cost	3,205	5,139	2,983	4,784
Provision for employee benefit (Paid)	(9,576)	(15,374)	(9,091)	(14,821)
Transfer of provision from a subsidiary	-	8,028	-	8,028
Included in other comprehensive income :				
Actuarial loss on defined benefit plan	-	26,344	-	25,868
Provisions for employee benefit as at December 31,	224,594	216,378	208,414	201,438
Current provisions for employee benefits	15,640	49,038	12,336	47,602
Non-current provisions for employee benefits	208,954	167,340	196,078	153,836

During 2019, the Company transferred employees from a subsidiary which has obligation for employee benefits in amount of Baht 8.03 million.

The key actuarial assumptions used to calculate the defined benefit obligation as at December 31, consisted of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
<u>Financial Assumptions</u>				
Employee retirement age	55 years	55 years	55 years	55 years
Mortality rate	Thai Mortality Table 2017	Thai Mortality Table 2017	Thai Mortality Table 2017	Thai Mortality Table 2017
Employee turnover rate (%)	1.43 - 22.92	1.43 - 22.92	1.43 - 17.19	1.43 - 17.19
Discounted rate (%)	1.50 - 1.71	1.50 - 1.71	1.69	1.69
Expected rate of salary increase (%)	5.00	5.00	5.00	5.00

Significant actuarial assumptions for the determination of the defined employee benefit obligations were discount rate and expected salary increase rate. The sensitivity analysis below was determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

The impact on the employee benefit obligations increased/(decreased) as at December 31, were as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2020	2019	2020	2019
	Increase	Increase	Increase	Increase
	(Decrease)	(Decrease)	(Decrease)	(Decrease)
Discount rate - decrease by 1.0%	17,293	17,195	16,096	15,997
Discount rate - increase by 1.0%	(15,107)	(14,949)	(13,958)	(13,885)
Salary increase rate - decrease by 1.0%	(16,368)	(14,551)	(15,163)	(13,597)
Salary increase rate - increase by 1.0%	18,521	16,466	17,167	15,300
Turnover rate - decrease by 1.0%	226	2,594	131	2,022
Turnover rate - increase by 1.0%	(226)	(2,516)	(131)	(2,022)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit Method at the end of the report period, which is the same as that applied in calculating the post-employment benefit obligations liability recognized in the statement of financial position.

On April 5, 2019, The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette which will be effective in 30 days after the announce date. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered an amendment to post-employment benefits plan. The Group and the company already reflected the effect of such change by recognizing past service cost as an expense in the consolidated and separate statements of comprehensive income for the period in which the law is effective.

25. SHARE CAPITAL

Share capital as at December 31, consisted of the following:

	Par value per share (in Baht)	2020 Number	2020 Amount	Thousand share /Thousand Baht 2019 Number	2019 Amount
Authorised					
At January 1,					
- Ordinary shares	1.00	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
At December 31					
- Ordinary shares	1.00	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
Issued and paid-up					
At January 1,					
- Ordinary shares	1.00	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
At December 31,					
- Ordinary shares	1.00	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>

Share premium

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

26. LEGAL RESERVES

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

As at December 31, 2020 and 2019, the Company's legal reserve equaled to one-tenth of the registered share capital.

27. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Purchase goods and services	5,346,742	5,379,100	4,616,244	4,624,646
Employee benefits expense	800,641	889,385	737,233	806,648
Cost of maintenance and outsourcing	643,147	563,622	505,645	413,863
Depreciation and Amortization expenses	108,675	105,537	103,385	101,019
Changes in inventory	69,325	66,019	97,118	15,013
Travelling expense	9,705	20,894	8,082	16,145
Promotion expenses	13,465	25,930	10,262	19,147
Transportation expense	19,548	20,252	19,020	19,397
Expected credit loss, debts and doubtful debts expenses, declining value in inventories and investments; and written off withholding tax deducted at source	2,431	(50,546)	2,782	(33,391)
Finance costs	10,936	13,282	6,918	6,781
Utilities	16,204	17,298	15,626	16,679
Entertainment	8,256	11,858	7,523	10,588
Office, equipment and vehicle rental	4,428	11,611	4,428	9,747
Maintenance expenses	10,510	12,936	10,395	12,839
Professional and consultant fee	8,893	8,918	7,775	7,669
Other loss	6,618	-	6,206	-
Impairment loss determined in accordance with TFRS9	52,174	-	52,174	-
Others	96,015	107,280	93,345	82,859
Total expenses	<u>7,227,713</u>	<u>7,203,376</u>	<u>6,304,161</u>	<u>6,129,649</u>

28. BASIC EARNINGS PER SHARE

The calculations of basic earnings per share for the years ended December 31, 2020 and 2019 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	
	2020	2019	2020	2019
Basic earnings per share				
Profit for the year attributable to owners of the Company (Thousand Baht)	<u>155,795</u>	<u>220,322</u>	<u>149,609</u>	<u>233,756</u>
Number of ordinary shares outstanding (Thousand Share)	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
Earnings per share (Baht)	<u>0.43</u>	<u>0.61</u>	<u>0.42</u>	<u>0.65</u>

29. RELATED PARTIES TRANSACTIONS

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

Significant relationships with related parties were as follows:

Name of entities	Country of incorporation/ Nationality	Nature of relationships
Major shareholders		
Metro Value Creation Company Limited	Thailand	A major shareholder
Metrophose Company Limited	Thailand	A major shareholder, common director
MC Bakery Company Limited	Thailand	A major shareholder, common director
Subsidiaries		
Metro Professional Products Company Limited	Thailand	Shareholding, common director
Metro Info Tech Company Limited	Thailand	Shareholding, common director
Metro Connect Company Limited	Thailand	Shareholding, common director
Metro Info Dynamics Company Limited	Thailand	Shareholding, common director
Associates		
HIS MSC Company Limited	Thailand	Shareholding, common director
JBCC (Thailand) Company Limited	Thailand	Shareholding
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly director (whether executive or otherwise) of the Group/the Company
Other related parties		
MDEC International (1991) Company Limited	Thailand	Common shareholder and director
Metro Company Limited	Thailand	Common shareholder and director
United Flour Mill Public Company Limited	Thailand	Common shareholder and director
United Silo & Services Company Limited	Thailand	Common shareholder and director
Metromax Company Limited	Thailand	Common shareholder and director
Treemit Marketing Company Limited	Thailand	Common shareholder and director
UFM Food Centre Company	Thailand	Common shareholder and director
MC Industrial Chemical Company Limited	Thailand	Common shareholder and director
MC Plastics Company Limited	Thailand	Common shareholder and director
MC Solvents 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
Siam Flour Trading Company Limited	Thailand	Common shareholder and director
Mc Petroleum Company Limited	Thailand	Common shareholder and director
United Grains Company Limited	Thailand	Common shareholder and director
International Warehousing Company Limited	Thailand	Common shareholder and director
Samut Transport Company Limited	Thailand	Common shareholder and director
Rich Products Manufacturing (Thailand) Company Limited	Thailand	Common shareholder
Other related parties	Thailand	Common shareholder and director
Miss Thipawan Jaruwatjana	Thai	Close member of key management

The pricing policies for particular types of transactions are explained further below:

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

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

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Shareholders				
Other income	74	72	74	72
Subsidiaries				
Sale of goods and rendering of services	-	-	4,153	10,330
Rental income	-	-	4,388	4,388
Other income	-	-	12,550	12,339
Dividend income	-	-	27,000	63,000
Purchase of goods and rendering of services	-	-	275,421	190,173
Purchase of assets	-	-	3,626	7,293
Administrative expenses	-	-	-	105
Associates				
Sale of goods and rendering of services	12,074	6,564	1,133	5,713
Other income	4,142	4,607	4,142	4,607
Dividend income	2,399	500	2,399	500
Purchase of assets	163	-	163	-
Other related parties				
Sale of goods and rendering of services	3,714	4,446	3,523	4,375
Other income	3,604	3,421	3,604	3,421
Purchase of goods and rendering of services	1,508	6,391	1,485	6,310
Distribution costs	3,032	2,860	2,882	2,700
Purchase of assets	1,293	589	1,293	553
Administrative expenses	1,122	1,332	1,107	1,318
Key management personnel compensation	77,858	84,461	67,265	71,804

Significant balances with related parties as at December 31, were as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Trade receivables - related parties				
Major shareholder				
MC Bakery Company Limited	6	6	6	6
Subsidiaries				
Metro Professional Products Company Limited	-	-	-	73
Metro Connect Company Limited	-	-	5,294	441
Associates				
HIS MSC Company Limited	5	610	5	610
JBCC (Thailand) Company Limited	471	40	-	-
Other related parties				
MDEC International (1991) Company Limited	59	61	59	61
Metro Company Limited	-	35	-	35
United Flour Mill Public Company Limited	55	33	55	33
UFM Food Centre Company Limited	73	71	73	71
MC Industrial Chemical Company Limited	28	32	28	32
MC Plastic Company Limited	-	2	-	2
UFM Fuji Super Company Limited	116	114	116	114
Siam Flour Trading Company Limited	40	-	40	-
Rich Products Thailand Company Limited	5	-	5	-
United Grains Company Limited	5	2	5	2
Other related parties	106	105	106	105
Total	<u>969</u>	<u>1,111</u>	<u>5,792</u>	<u>1,585</u>
Other current receivables - related parties				
Subsidiaries				
Metro Professional Products Company Limited	-	-	40	39
Metro Info Tech Company Limited	-	-	8,028	8,028
Metro Connect Company Limited	-	-	1,407	2,545
Associate				
HIS MSC Company Limited	2	413	2	413
Total	<u>2</u>	<u>413</u>	<u>9,477</u>	<u>11,025</u>
Finance lease receivables - related parties				
Associate				
HIS MSC Company Limited	15	22	15	22
Other related parties				
Metro Company Limited	82	124	82	124
Total	<u>97</u>	<u>146</u>	<u>97</u>	<u>146</u>
Inventories				
Subsidiaries				
Metro Connect Company Limited	-	-	3,496	-
Total	<u>-</u>	<u>-</u>	<u>3,496</u>	<u>-</u>
Trade payables - related parties				
Subsidiaries				
Metro Professional Products Company Limited	-	-	-	446
Metro Info Tech Company Limited	-	-	9,027	9,027
Metro Connect Company Limited	-	-	4,776	6,405
Other related parties				
MDEC International (1991) Company Limited	94	600	74	600
UFM Food Centre Company Limited	240	200	240	200
Total	<u>334</u>	<u>800</u>	<u>14,117</u>	<u>16,678</u>

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Other current payables - related parties				
Subsidiaries				
Metro Connect Company Limited	-	-	20	-
Associate				
HIS MSC Company Limited	-	198	-	198
Other related parties				
MDEC International (1991) Company Limited	-	38	-	-
UFM Food Centre Company Limited	2,590	2,573	2,431	2,420
Total	<u>2,590</u>	<u>2,809</u>	<u>2,451</u>	<u>2,618</u>

30. KEY MANAGEMENT BENEFIT EXPENSES

Benefit expenses to key management of the Group were presented as part of “Employee benefit expenses”.

Management benefit expenses for the years ended December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Short-term management benefits	76,928	83,476	66,465	71,040
Long-term management benefits	930	985	800	764
Total	<u>77,858</u>	<u>84,461</u>	<u>67,265</u>	<u>71,804</u>

31. OPERATING SEGMENT

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

Segment 1 : Sales computer and equipment

Segment 2 : Installation software

Segment 3 : Sales supplies and office equipment

Segment 4 : Rental and other services

Information on operating segments

Performance for the years ended December 31, 2020 and 2019, are as follows:

Segment Revenue

	Segment 1		Segment 2		Segment 3		Segment 4		Total reportable segments	
	Unit : Thousand Baht									
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
External revenue	1,950,335	2,153,499	2,503,827	2,407,542	1,689,809	1,773,838	1,186,191	1,067,024	7,330,162	7,401,903
Inter-segment revenue	264,739	143,810	12,493	38,966	862	379	20,764	26,943	298,858	210,098
Total segment revenue	<u>2,215,074</u>	<u>2,297,309</u>	<u>2,516,320</u>	<u>2,446,508</u>	<u>1,690,671</u>	<u>1,774,217</u>	<u>1,206,955</u>	<u>1,093,967</u>	<u>7,629,020</u>	<u>7,612,001</u>
Timing of revenue recognition										
At a point in time	1,855,862	2,020,019	2,516,320	2,446,508	1,690,671	1,774,217	931,121	921,978	6,993,974	7,162,722
Overtime	359,212	277,290	-	-	-	-	275,834	171,989	635,046	449,279
Total revenue	<u>2,215,074</u>	<u>2,297,309</u>	<u>2,516,320</u>	<u>2,446,508</u>	<u>1,690,671</u>	<u>1,774,217</u>	<u>1,206,955</u>	<u>1,093,967</u>	<u>7,629,020</u>	<u>7,612,001</u>
Gross profit	<u>285,282</u>	<u>337,930</u>	<u>249,493</u>	<u>333,106</u>	<u>186,663</u>	<u>214,596</u>	<u>355,200</u>	<u>324,083</u>	<u>1,076,638</u>	<u>1,209,715</u>

Assets and liabilities classified by segment as at December 31, 2020 and 2019 are as follows:

	Unit : Thousand Baht	
	2020	2019
Total assets	<u>3,139,485</u>	<u>3,281,867</u>
Total liabilities	<u>1,249,580</u>	<u>1,388,539</u>

Reconciliation of reportable segment profit or loss

	Unit : Thousand Baht	
	For the period ended December 31, 2020	2019
Profit or loss		
Total gross profit from reportable segments	1,076,638	1,209,715
Unallocated amounts:		
- Other income	86,598	72,532
- Distribution costs	(135,383)	(155,387)
- Administrative expenses	(769,077)	(842,519)
- Other loss	(6,618)	-
- Finance costs	(10,936)	(13,282)
- Impairment loss determined in accordance with TFRS 9	(52,174)	-
Share of profit (loss) of investments in associates	(3,171)	2,135
Profit before income tax	<u>185,877</u>	<u>273,194</u>

Geographical information

The Group is operates principally in Thailand. There are no material revenues derived from, or assets located in foreign countries.

For the years 2020 and 2019, the Group has no major customer with revenue of 10 percent or more of the Group's revenues.

32. PROVIDENT FUND

The Group has a provident fund for those employees who have elected to participate. The contributions from the employees are deducted from their monthly salaries at 5% of monthly salary, and the Group matches the individuals' contributions. The provident fund is managed by an authorized financial institution in accordance with the Provident Fund Act B.E. 2530 (1987). For the years ended December 31, 2020 and 2019, the Group's contributions recognized in the statements of income were Baht 18.53 million and Baht 17.96 million, respectively, and the Company's contributions recognized in the statements of income were Baht 17.04 million and Baht 16.30 million, respectively.

33. DIVIDENDS PAIDS

At the annual general meeting of the shareholders of the Company held on April 2, 2020, the shareholders approved the appropriation of dividend of Baht 0.45 per share, amounting to Baht 162.00 million. The dividend was paid to shareholders in April 2020.

At the annual general meeting of the shareholders of the Company held on April 3, 2019, the shareholders approved the appropriation of dividend of Baht 0.47 per share, amounting to Baht 169.20 million. The dividend had already paid to shareholders in April 2019.

34. FINANCIAL INSTRUMENTS

Financial Risk Management Policies

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

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

Capital Management

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

Interest rate risk

Interest rate risk is the risk of future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings. The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

The effective interest rates of borrowings as at December 31, 2020 and 2019 and the periods in which the borrowings mature or re-price were as follows:

As at December 31, 2020

Unit : Thousand Baht

	Effective interest rate (% per annum)	Consolidated financial statements			Total
		Outstanding balance maturing			
		Within 1 year	After 1 year but within 5 years	Over 5 years	
Current Liabilities					
Short-term borrowings from financial institutions	1.56 - 3.44	143,898	-	-	143,898
Current portion of long-term borrowings from financial institutions	3.9	4,420	-	-	4,420
Current portion of long-term borrowings from other parties	3.26 - 4.31	4,498	-	-	4,498
Non-Current Liabilities					
Long-term borrowings from other parties	3.26 - 4.31	-	4,297	-	4,297
Total		152,816	4,297	-	157,113

As at December 31, 2019

Unit : Thousand Baht

	Effective interest rate (% per annum)	Consolidated financial statements			Total
		Outstanding balance maturing			
		Within 1 year	After 1 year but within 5 years	Over 5 years	
Current Liabilities					
Short-term borrowings from financial institutions	2.09 - 2.80	148,290	-	-	148,290
Current portion of long-term borrowings from financial institutions	3.90	5,040	-	-	5,040
Current portion of long-term borrowings from other parties	3.26 - 4.31	4,307	-	-	4,307
Non-Current Liabilities					
Long-term borrowings from financial institutions	3.90	-	4,420	-	4,420
Long-term borrowings from other parties	3.26 - 4.31	-	8,795	-	8,795
Total		157,637	13,215	-	170,852

As at December 31, 2020

Unit : Thousand Baht

	Effective interest rate (% per annum)	Separate financial statements Outstanding balance maturing			Total
		Within 1 year	After 1 year but within 5 years	Over 5 years	
Current Liabilities					
Short-term borrowings from financial institutions	1.55 - 1.88	88,299	-	-	88,299
Current portion of long-term borrowings from financial institutions	3.90	4,420	-	-	4,420
Current portion of long-term borrowings from other parties	4.31	4,498	-	-	4,498
Non-Current Liabilities					
Long-term borrowings from other parties	4.31	-	4,297	-	4,297
Total		97,217	4,297	-	101,514

As at December 31, 2019

Unit : Thousand Baht

	Effective interest rate (% per annum)	Separate financial statements Outstanding balance maturing			Total
		Within 1 year	After 1 year but within 5 years	Over 5 years	
Current Liabilities					
Short-term borrowings from financial institutions	2.09 - 2.50	99,243	-	-	99,243
Current portion of long-term borrowings from financial institutions	3.90	5,040	-	-	5,040
Current portion of long-term borrowings from other parties	3.26 - 4.31	4,307	-	-	4,307
Non-Current Liabilities					
Long-term borrowings from financial institutions	3.90	-	4,420	-	4,420
Long-term borrowings from other parties	3.26 - 4.31	-	8,795	-	8,795
Total		108,590	13,215	-	121,805

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

As at December 31, 2020 and 2019, the Group was exposed to foreign currency risk in respect of financial assets, financial liabilities and contingency liabilities which were hedged in the following currencies:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2020	2019	2020	2019
US Dollars				
Trade and other current receivables	2,414	5,776	2,318	5,671
Trade and other current payables	(195,758)	(185,459)	(185,257)	(186,852)
Gross statement of financial position exposure	(193,344)	(179,683)	(182,939)	(181,181)
Currency forwards bought	601,878	543,547	598,622	540,779
Currency forwards sold	(851)	(27,937)	(851)	(27,937)
Net exposure	407,683	335,927	414,832	331,661
SG Dollars				
Trade and other current payables	(8,704)	(1,525)	(8,704)	(1,525)
Gross statement of financial position exposure	(8,704)	(1,525)	(8,704)	(1,525)
Currency forwards bought	9,811	12,934	9,811	12,934
Net exposure	1,107	11,409	1,107	11,409
Euro				
Trade and other current receivables	24	-	24	-
Trade and other current payables	(463)	-	(463)	-
Gross statement of financial position exposure	(439)	-	(439)	-
Currency forwards bought	2,299	-	2,299	-
Net exposure	1,860	-	1,860	-

Classification of forward contracts and interest rate swap as at December 31 are as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Current assets				
Other current financial assets				
Forward contracts	190	-	134	-
Total current assets	190	-	134	-
Current liabilities				
Other current financial liabilities				
Forward contracts	(10,575)	-	(10,575)	-
Total current liabilities	(10,575)	-	(10,575)	-
Total	(10,385)	-	(10,411)	-

* Under Thai Financial Reporting Standards 9 “Financial instruments”, the Group adjusted the fair value of forward contracts and interest rate swap through profit and loss and other comprehensive income, respectively.

Movement of forward contracts and interest rate swap for the year ended December 31, 2020 in the consolidated financial statements are as follows:

	Unit : Thousand Baht Consolidated financial statements			
	Balance as at January 1, 2020 as under previous TFRSs	Effect from adoption TFRS 9	Balance as at January 1, 2020 as under new TFRSs	Change in fair value during the period
Current assets				
Other current financial assets				
Forward contracts	-	-	-	190
Current liabilities				
Other current financial liabilities				
Forward contracts	(6,798)	2,604	(4,194)	(6,381)
Total	(6,798)	2,604	(4,194)	(6,191)

	Unit : Thousand Baht Separate financial statements			
	Balance as at January 1, 2020 as under previous TFRSs	Effect from adoption TFRS 9	Balance as at January 1, 2020 as under new TFRSs	Change in fair value during the period
Current assets				
Other current financial assets				
Forward contracts	-	-	-	134
Current liabilities				
Other current financial liabilities				
Forward contracts	(6,780)	2,596	(4,184)	(6,391)
Total	(6,780)	2,596	(4,184)	(6,257)

As at December 31, 2020 and 2019, the nominal amounts and fair values of forward contracts in the consolidated and separate financial statements are as follows:

	Unit : Thousand Baht			
	Consolidated financial statements			
	Nominal amounts**		Fair values*	
	2020	2019	2020	2019
Forward contracts				
Currency forwards bought	624,489	563,039	613,988	558,821
Currency forwards sold	(856)	(27,806)	(851)	(27,681)
Total	623,633	535,233	613,137	531,140

	Unit : Thousand Baht			
	Separate financial statements			
	Nominal amounts**		Fair values*	
	2020	2019	2020	2019
Forward contracts				
Currency forwards bought	621,177	560,243	610,732	556,053
Currency forwards sold	(856)	(27,806)	(851)	(27,681)
Total	620,321	532,437	609,881	528,372

* The fair value of forward contracts is the adjustment value of the original contracts which the Company entered with the commercial banks with the market price on the reporting date in order to reflect the current value of the contracts.

** The nominal amount of forward contracts is the value of the original contracts which the Company entered with the commercial banks and must be repaid at the maturity date.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount. At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position. However, management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Credit risk management

Note 3.6 details the Group's maximum exposure to credit risk and the measurement bases used to determine expected credit losses.

Before establishing new customers, a designated team is responsible for the determination of credit limits. Whereby they use a system to access customers' potential credit quality and set a credit limit for them. Both the credit limits and the scoring system are reviewed and authorized once per calendar year.

Credits approvals and other procedures are setup to ensure that follow-up actions are taken to recover the overdue debts. Furthermore, the Group reviews the recoverable amount of each trade debt and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

35. FAIR VALUE MEASUREMENT

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset and liability.

Financial assets and financial liabilities measured at fair value

Fair value of financial assets and financial liabilities which are measured at fair value and their fair value hierarchy level classification as at December 31, 2020 and 2019 were summarized as follows:

Financial assets/ financial liabilities	Consolidated financial statements		Separate financial statements		Fair value hierarchy	Unit : Thousand Baht Valuation techniques and key inputs for fair value measurement	
	Fair value as at		Fair value as at				
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019			
<u>Financial assets</u>							
Current investment - available-for- sale securities	-	248,826	-	100,430	Level 2	Fair value are measured at fair value based on the redemption value by the financial institutions at the reporting date	
Financial assets measured at fair value to profit or loss	143,283	-	103,418	-	Level 2	Fair value are measured at fair value based on the redemption value by the financial institutions at the reporting date	
Derivative assets	190	-	-	134	-	Level 2	Fair value are measured at average buying rates from Bank of Thailand at the reporting date
<u>Financial liabilities</u>							
Derivative liabilities	10,575	-		10,575	-	Level 2	Fair value are measured at average selling rates from Bank of Thailand at the reporting date

These financial assets and financial liabilities are presented as a part of current assets and current liabilities in the statement of financial position.

Financial assets and liabilities not measured at fair value in the consolidated and separate statements of financial position as at December 31, 2019 are as follows: (fair value disclosure)

		Unit : Thousand Baht			
		Consolidated financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
As at December 31, 2019					
Forward contracts	528,544	-	531,140	-	531,140

		Unit : Thousand Baht			
		Separate financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
As at December 31, 2019					
Forward contracts	525,776	-	528,372	-	528,372

Financial assets and financial liabilities not measured at fair value

Fair value of financial assets and financial liabilities which are not measured at fair value and their fair value hierarchy level classification as at December 31, 2020 and 2019 was summarized as follows:

Unit : Thousand Baht					
Consolidated financial statements					
	2020		2019		Fair value hierarchy
	Carrying amount	Fair value	Carrying amount	Fair value	
Financial liabilities					
Short-term borrowings from financial institutions	143,898	143,898	148,290	148,290	Level 3
Long-term borrowings from financial institutions	4,420	4,420	9,460	9,460	Level 3
Long-term borrowings from other parties	8,795	8,795	13,102	13,102	Level 3

Unit : Thousand Baht					
Separate financial statements					
	2020		2019		Fair value hierarchy
	Carrying amount	Fair value	Carrying amount	Fair value	
Financial liabilities					
Short-term borrowings from financial institutions	88,299	88,299	99,243	99,243	Level 3
Long-term borrowings from financial institutions	4,420	4,420	9,460	9,460	Level 3
Long-term borrowings from other parties	8,795	8,795	13,102	13,102	Level 3

Valuation technique for financial assets and financial liabilities not measured at fair value of the Company and the subsidiaries are as follows:

Short-term borrowings from financial institutions - the carrying amounts stated in the statements of financial position of these financial liabilities approximate their fair values because of the short-term period to maturity of these financial instruments.

Long-term borrowings from financial institutions and long-term borrowings from other parties - the carrying amounts stated in the statements of financial position of these financial liabilities approximate their fair values because most of these financial instruments bear interest at market rate.

Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

36. COMMITMENTS AND CONTINGENT LIABILITIES

The Group and the Company have commitments and contingent liabilities as follows:

36.1 Future rental and service payments under long-term lease agreements as at December 31, were summarized as follows:

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
Within one year	4,807	11,064	4,807	9,098
Later than 1 year but not later than 5 years	139	10,224	139	5,567
Total	4,946	21,288	4,946	14,665

The Group has entered into car and building lease agreements including related services. The agreement periods is ranged from 1 to 5 years, which will expire in 2023.

For the years ended December 31, 2020 and 2019, the Group recorded expense according to the non-cancellable operating lease and service agreements in the consolidated statements of comprehensive income of Baht 9.67 million and Baht 12.18 million, respectively, and the Company recorded expense in the financial statements of comprehensive income amounting to Baht 9.67 million and Baht 10.10 million, respectively.

36.2 Letter of guarantee from financial institutions

As at December 31, 2020 and 2019, the Group had commitments from the financial institutions that issued letter of guarantees to various partners amounting to Baht 400.47 million and USD 0.10 million and Baht 324.52 million and USD 0.10 million, respectively.

As at December 31, 2020 and 2019, the Company had commitments from the financial institutions that issued letter of guarantees to various partners amounting to Baht 339.43 million and USD 0.10 million, and Baht 251.96 million and USD 0.10 million, respectively.

36.3 Related party guarantees

As at December 31, 2020 and 2019, the Company has provided guarantees to suppliers in the total amount of Baht 200 million.

36.4 Assets pledged as collaterals

As at December 31, 2020 and 2019, the subsidiary has pledged its land and existing constructions at the total cost of Baht 10.96 million which has the net book values of Baht 5.93 million and Baht 5.98 million, respectively as collaterals for the credit facilities from the financial institution.

36.5 Others

As at December 31, 2020 and 2019, the Group has unused credit facilities in the amount of Baht 3,402 million and USD 20.93 million, and Baht 3,293 million and USD 11.20 million, respectively.

As at December 31, 2020 and 2019, the Company has unused credit facilities in the amount of Baht 2,099 million and USD 19.93 million, and Baht 2,038 million and USD 10.12 million, respectively.

37. LITIGATIONS

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

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

On March 12, 2019, the Court ordered to compound these 2 cases for consideration. The Federal Court judged that FSCT has to pay the Company amount of Baht 97.46 million, including interest at the rate of 7.5% per annum from February 14, 2017 until the full payment. Subsequently, on June 21, 2019, FSCT appealed its judgment.

As at December 31, 2019, the Company has reversed allowance for doubtful account for such claim which had been set up in 2016 because of the Court judged that FSCT has to pay the company and the management believes that the Company has correctly complied with the related conditions of the agreement in all respects as lawyer's opinion.

On August 4, 2020, the Court of Appeal judged that FSCT had to pay the Company amounted of Baht 32.28 million, including interest at the rate of 7.5% per annum from February 14, 2017 until the full payment.

On October 1, 2020, the Company submit a request for permission to file a petition and petition the adjudication of the Appeal Court by standing upheld the judgment of the Court of First Instance.

Subsequently, FSCT has requested an extension's the period of time to submit a request for permission to file a petition and petition which the court allowed to extend to February 25, 2021.

38. RECLASSIFICATIONS

Certain reclassifications have been made in the financial statements for the year ended December 31, 2019, to conform to the classification used in current year's financial statements. Such reclassifications have no effect to previously reported assets, liabilities, net profit, total comprehensive income and shareholders' equity. The reclassifications are as follows:

	Unit : Baht		
	Consolidated financial statements		
	As at December 31, 2019		
	Previous presentation	Reclassifications	Current presentation
<u>Statements of financial position</u>			
Trade and other current receivables	1,321,300,331	(29,003,567)	1,292,296,764
Contract assets	-	29,003,567	29,003,567

39. EVENTS AFTER THE REPORTING PERIOD

39.1 On February 19, 2021, the Board of Directors' Meeting of Metro Professional Products Company Limited, which is a subsidiary, has passed a resolution to pay annual dividends from the operations of the year 2020 at the rate of Baht 12.00 per share for 500,000 shares, totaling Baht 6.00 million. The proposed dividends shall be subjected to the approval by the annual general meeting of the shareholders of the subsidiary.

39.2 On February 19, 2021, the Board of Directors' Meeting of Metro Connect Company Limited, which is a subsidiary, has passed a resolution to pay annual dividends from the operations of the year 2020 at the rate of Baht 18 per share for 1,000,000 shares, totaling Baht 18.00 million. The proposed dividends shall be subjected to the approval by the annual general meeting of the shareholders meeting of the subsidiary.

39.3 On February 22, 2021, the Board of Directors' Meeting of the Company has passed a resolution to pay annual dividends from the operations of the year 2020 at the rate of Baht 0.30 per share for 360,000,000 shares, totaling Baht 108.00 million. The proposed dividends shall be subjected to the approval by the annual general meeting of the shareholders of the Company.

40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements have been approved for issuing by the Board of Directors of the Company on February 22, 2021.

Attachments

1. Details of Directors, Executive Director, Chief Financial Officer, Accounting Supervisor and Company Secretary
2. Details of Directors of the subsidiaries
3. Details of the head of Internal Audit and Supervisor of the Company's operations (Compliance)
4. Assets used in business and details of property appraisal items
5. Full version of the corporate governance policy and practice and full version of code of conduct that the Company has prepared
6. Audit Committee Report

Note: Investors can view the attachments on the Company's website

<https://ir.metrosystems.co.th/annual-report/>

READER'S FEEDBACK SURVEY

PLEASE FILL IN YOUR PRIMARY INFORMATION

Gender

☐ Female

☐ Male

Age

☐ under 30 years old

☐ 30-45 years old

☐ over 45 years old

STAKEHOLDER GROUP THAT YOU BELONG TO

☐ Employee

☐ Customer

☐ Shareholder/Investor

☐ Partner

☐ Financial Institution/ Creditor

☐ Analyst/Academic

☐ Official/Government Agency

☐ Mass Media

☐ People/ Community Nearby

☐ Other (Please identify)

THE CHANNEL YOU HAVE OBTAINED THIS SUSTAINABILITY REPORT FROM

☐ Company's Website

☐ Company's Employee

☐ Annual General Meeting of Shareholders

☐ Other Website

☐ Seminar

☐ Other (Please identify)

OBJECTIVES TO READ THIS REPORT

☐ To Fine Data for Making Investment Decisions

☐ To Study/Research

☐ To Know the Company

☐ To Use as Guidelines for an Arrangement of Sustainability Work in Your Organization

☐ Other (Please identify)

SATISFACTION WITH THIS REPORT

Completeness of Content

☐ Very High

☐ High

☐ Moderate

☐ Poor

Main Point in the Report

☐ Very High

☐ High

☐ Moderate

☐ Poor

Interesting Content/Sequence

☐ Very High

☐ High

☐ Moderate

☐ Poor

Comprehensibility of Communication

☐ Very High

☐ High

☐ Moderate

☐ Poor

Overall Satisfaction

☐ Very High

☐ High

☐ Moderate

☐ Poor

THE CONTENT THAT YOU INTEREST THE MOST (Please identify the reasons)

THE CONTENT THAT YOU INTEREST THE LEAST (Please identify the reasons)

WHETHER MATERIAL ISSUES OF CORPORATE SUSTAINABILITY ARE COMPLETELY IDENTIFIED IN THIS REPORT

☐ Completely

☐ Not completely (Please identify the issues to be added)

ADDITIONAL SUGGESTIONS FOR DEVELOPMENT OF SUSTAINABILITY REPORT FOR NEXT YEAR (Please identify)

.....
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Metro Systems Corporation Public Company Limited
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