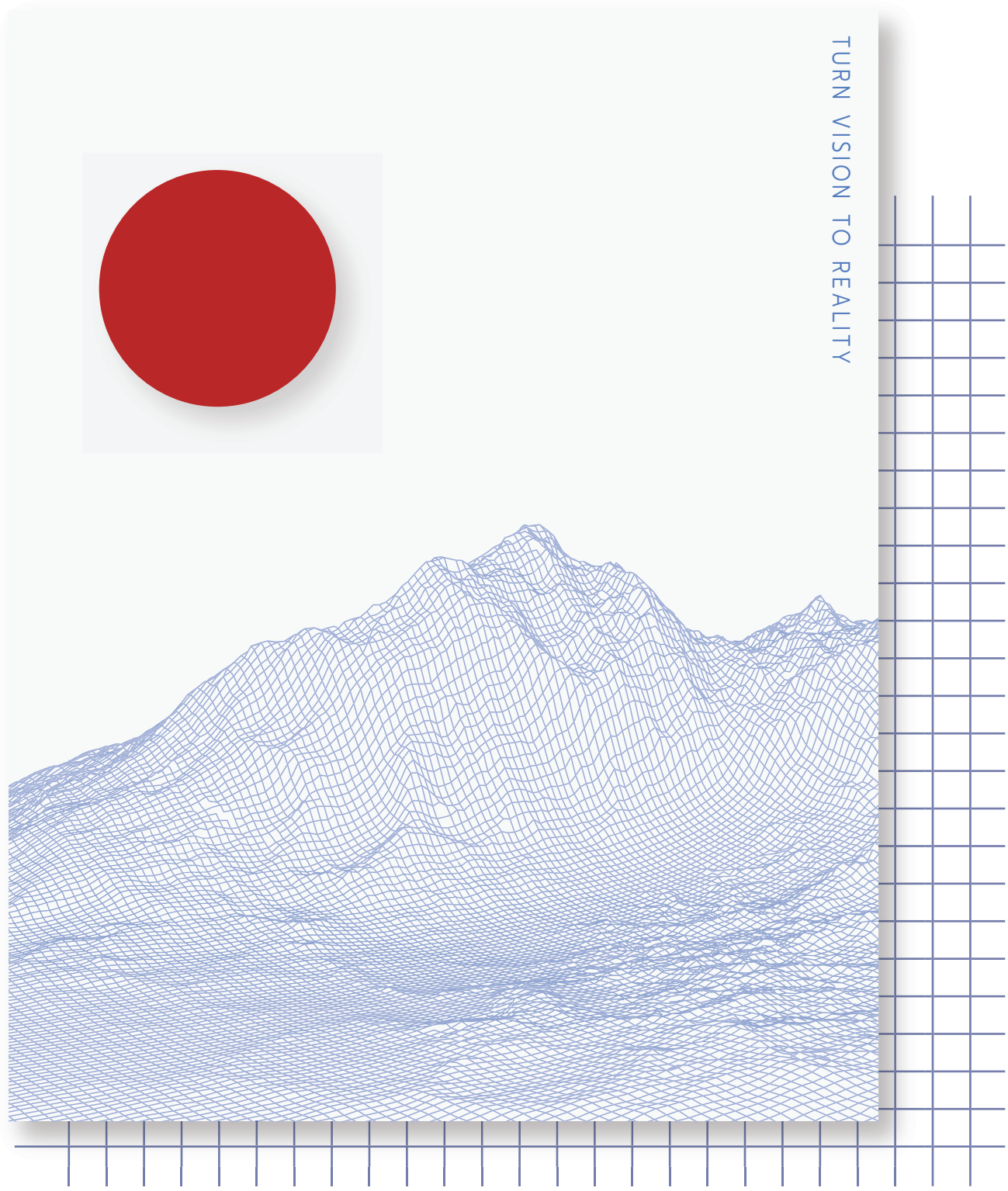
MFEC Public Company Limited

Annual Registration Statement/Annual Report 2020



Vision

MFEC Public Company Limited

To become Thailand's best IT workplace

with passion to create technologies and innovate solutions

that uplift your digital life

Mission

To drive innovations that enhance people's digital life

"The company is committed to operate business transparently and fairly under the corporate governance framework, while adhering to the corporate governance principles, ethics, and Code of Business conduct, responsibility to the society, environment and all stakeholders for consistent competitive advantages and sustainable growth. The company has transformed its business models following the IT trend, bringing about Social Media, Cloud Computing, Big Data, Mobility and Security in line with Digital Business Transformation to cope with rapidly-changed situations. MFEC strongly intends to "produce people" by developing internal and external human resources in the ICT field for the market."

Annual Registration Statement / Annual Report
Form 56-1 One Report

For the financial year ending 31 December 2020

MFEC Public Company Limited
(MFEC)

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Part 1 :
Business Operations and Performances

1. Business Structure and Operation

1.1 Business's Policies and Overview

MFEC Public Company Limited and its subsidiaries engages in business of consulting and developing computer systems and information technology networks for both public and private sector. The business focuses on large enterprise customers who are leaders in each industry; telecommunication business group, financial institutions, government agencies and state enterprises, energy, manufacturing industries and others who have high demands for information technology services. The scope of services ranges from consulting to solving problems or meeting customer needs, development and implementation of computer systems and information networks which includes hardware, software, peripherals and various network equipment, system operation, installation, testing, training and operation methods, as well as providing maintenance services.

1.1.1 Vision, Mission, Strategy and Goal

Vision:

To become Thailand's best IT workplace with passion to create technologies and innovate solutions that uplift your digital life

Mission:

To drive innovations that enhance people's digital life

Strategy and Goal of MFEC's Business Operations

2020 is another challenging year for MFEC, especially with a COVID-19 crisis which affects business operations around the world. Technology is having an important role in driving businesses in all aspects. MFEC, having been a large IT company with over 20 years in the industry, understands the change of technology very well. Moreover, MFEC has been adopting digital transformation since 2018. Therefore, MFEC is able to adapt quickly in this crisis. In order to effectively respond to our clients' needs and expectations, MFEC has transformed the process for business operations by developing applications to facilitate business operations and stepping up to look after and manage data for large organizations. Having helped many organizations, we found that security is an important issue. No matter how far the technology has been developed, security remains the most important issue. Therefore, we strive to develop the structure, design various solutions for security system administration according to special circumstance and appropriation of each organization. So that we can provide a stable cyber security service to our clients.

MFEC believes that technologies are driven by "humans". Therefore, we continuously strive to develop the potential of our staff and aim to develop their productivity every year in order to effectively develop the standard of work. MFEC encourages activities and learning sources that help develop new knowledge for our staff. This enhances staff's expertise, adds value to their work, and can keep up with changes that happen all the time. We believe that only great people can attract great people. Therefore, we give priority to recruit 'Young Talents' by supporting our talented staff who can attract the talents to create a new standard of work to complete difficult and challenging tasks, in order to provide the best outcome to our clients.

Although there was a great crisis in 2020 that affects business sectors around the world, on behalf of the Executive Committee, we would like to assure you that MFEC can handle this situation very well. MFEC has evaluated the situations in order to plan and prepare for appropriate actions. In 2021, the Executive Committee realize that the economic crisis from the previous year has emphasized the importance of digital transformation. In order to maintain the business, IT is the crucial part to help our clients through various crises.

1.1.2 MFEC History of major changes and developments

1) History and Background of MFEC PCL.

MFEC Company (Public Company Limited) was founded at the beginning of 1997 by a joint venture between Modernform Group (Public Company Limited) and a group of professional executives who have computer and communication technology experience. The organization's purpose is conducting business in consulting and implementing a network communication technology system for both government and private sectors. The organization focuses on large enterprise sectors, especially the leader of each industry: telecommunications, financial institutions, government agencies, state-owned enterprises, energy, manufacturing businesses, etc. Additionally, the organization changed strategic plans to enhance the organizational capability to support future business opportunities, especially in the economic regionalization period, including the economic community or AEC (ASEAN Economic Community) with a commitment to provide excellent service which caused the company to have good operating results and to grow up accordingly. On July 1st, 2003, the company registered to transform into Public Company Limited, and the first public trading on the Stock Exchange of Thailand was held on October 8th, 2003 with Modernform Group Public Company Limited as a "Major Shareholder".

During establishing the company, the executives foresaw that the business of buying and selling tends to have a lot of competitors, which will lead to price competition and cause the company unable to increase sales by keeping profit margins. In addition, entrepreneurs had to maintain inventory resulting in sufficient working capital for the aforementioned business, causing the risk of obsolete products which will decrease the selling price. The executives had started the business in the form of consulting service and implementing a network communication technology system by opening the Research and Development Center at Lao Peng Nguan Tower, Vibhavadi-Rungsit Road, which it is a center for researching and developing new technology and products of the company, supporting the job expansion, and focusing on sales of services. Those allowed the company to avoid price competition and maintain an appropriate profit ratio, and also helped to reduce dependence on manufacturers or distributors of various products, enhancing competitiveness and conducting business for the company to create added value by presenting new innovations to customers before competitors. In addition, the experience and work, which the company had received from providing services, helped to promote the company having the main customers in the telecommunication group, financial institution group, government agencies and state enterprises, energy, manufacturing industry, and others.

In 2004-2005, the Company invested in 6 subsidiaries, consisting of; 1) Promptnow Company Limited, MFEC holds 60% of the registered capital 2) Four Business Company Limited, MFEC holds 51% of the registered capital 3) Advanced Intelligence Modernity Company Limited, MFEC holds 51% of the registered capital 4) Modernform Integration Services Company Limited, MFEC holds 100% of the registered capital 5) M.I.S. Outsourcing Company Limited, MFEC holds 80% of the registered capital through Modernform Integration Services Company Limited and 6) Sky Blitz (1995) Company Limited, MFEC holds 100% of the registered capital through Modernform Integration Services Company Limited. All subsidiaries are companies about information technology business group, providing hardware and software services, which have a tendency to grow business in the small and medium-sized customers in order to expand their leadership in all areas of information technology services. In 2008-2010, the Company had disposal of shares in Sky Blitz (1995) Company Limited and Four Business Company Limited since they had accumulated loss. It was good to the Company, which did not need to receive operating loss in the future, for the organization growth and becoming a leader in the country's information technology services.

In 2011-2012, the executives decided to invest buying and transferring the business of NTS which MFEC holds 100% of the registered capital (which resulted in the Soft Square Group of 7 companies as a subsidiary, consisting of; 1) Hong Son Software Company Limited 2) Soft Professional Company Limited 3) Soft Plus Technology Company Limited 4) K Soft Consulting Company Limited 5) Sam Mok Software Company Limited 6) Soft square (1999) Company Limited 7) Khon Kaen Soft Tech Company Limited, holding through Soft Square (1999) Company Limited), with a decision to invest buying and transferring the business of the Magus Group which MFEC holds 100% of the investment. That made Motif Technology Public Company Limited and Business Application Company Limited become subsidiaries in MFEC Group, also jointly invested in Angstrom Solutions Company Limited which MFEC holds 40% of the registered capital. To strengthen the leadership in information technology business and continuously extend the investment of the Company's intellectual property development, MFEC Group consisted of one (1) associated company and thirteen (13) subsidiaries.

In 2014 and 2015, Modernform Group Public Company Limited, a major shareholder, approved the disposal of MFEC Public Company Limited shares in the amount of 61,983,675 shares or 14.07% of the paid-up capital to TIS Inc., in Japan, at the price of 10.70 baht per share, totally 663,225,322.50 baht on May 14th, 2014. After the said sale, the proportion of the shares of Modernform Group decreased to 2.41%, resulting in TIS Inc. who bought shares from Moderform Group and invested in 18% of registered capital, as a "major shareholder" instead of Modernform Group Public Company Limited. The said transaction by a major shareholder caused a positive change since TIS Inc. is a foreign company which is a leader in information technology business in Japan. It was considered to increase trade opportunity developing the potential and capacity in information technology which is equivalent to leading international companies. The Company had developed and improved business practices to be in line with market demand, trend, technology, as well as customers' needs. There was also an internal control system with organizational restructuring and new business management strategies in accordance with the economic downturn both domestic and international, including quick changes in information technology that is driving the behavior of consumers. For example, business transformation strategies focus on using advanced technology and develop a changing business, using the potential and expertise that MFEC has to solve and create a competitive advantage for customers in other industries, which is facing economic challenges and various changes including creating new business models in the form of joint ventures with partners in various industrial groups such as print media, television media, entertainment group, etc.

In the years 2016-2017, there was an important internal organizational reformation, which was the rearrangement of the new office environment that is the second branch of the Company and the product development center. The concept reflects the image of the organization that is full of creative power, along with work enhancement under the concept of "New Office – New Culture" consisting of 1. Collaboration 2. Communication 3. Concentration 4. Chill Out. MFEC's new office is located at SJ Infinite One Business Complex, 11th-12th Floor. The executives had a concept with a policy to support creative employees, having work potential, and managing to grow, expand, and register as a new subsidiary. There was also a policy to expand investment for new revenue streams and expand the customer base to other industries, which will strengthen the leadership in the information technology business. In addition, there were 4 investment companies comprising: 1) Playtorium Solutions Company Limited, MFEC holds 70% of the registered capital 2) Fanster Media Company Limited, MFEC holds 30% of the registered capital 3) Data Café Company Limited, MFEC holds 60% of the registered capital and 4) Digital Savvy Company Limited, MFEC holds 36% of the registered capital.

2) Important changes and developments in the past three (3) years

The first year of the operation, the Company had to face a major financial crisis in Asia, or commonly called in Thailand "Tom Yum Kung Crisis", affecting the ability in making profits and business operations. Only six (6) years after the founding, Mr. Siriwat Vongjarukorn, Executive Chairman and the President, had listed the Company on the Stock Exchange of Thailand. It was classified as a stock dividend with a 10-year average dividend of 7.81%, the highest in the communications sector. The operations of the Company have laid out a policy of growing with the customers, focusing on creating added value for the organization and stakeholders. In the past three (3) years, there were several important changes as follows;

In 2018, it was a significant adjustment year for the MFEC Group in the midst of a change. The Company increased investment in Fanster Media Company Limited, which increased the registered capital to further expand business, news distribution services, and activities through applications, issuing additional shares to executives and employees to encourage development and expand the business. As a result, the Company's shareholding proportion remained 29% of the registered capital. The Company had sold shares in two (2) companies of Soft Square Group, which were Soft Square (1999) Company Limited and Khon Kaen Soft Tech Company Limited, as well as merging business groups of companies in similar groups together in the Soft Square Group including; 1) Soft Professional Company Limited 2) Soft Plus Technology Company Limited 3) K Soft Consulting Company Limited and 4) Sam Mok Software Company Limited by amalgamating the companies under the name of Soft plus Technology Company Limited. The Company also adjusted internal businesses for the benefit of building business strength, increasing opportunities and revenue, reducing business risks, and strengthening business operations. Including financial enhancement and adjusting the structure of the affiliated companies, the Company purchased ordinary shares of M.I.S. Outsourcing Company Limited in the proportion of 75% of the registered capital from Praln FinTech Company Limited, for the benefit of managing the subsidiary before proceeding with the sale of some investment to J Ventures Company Limited in "JMART" group, with the objective of business expansion, building business strengths. Currently, the Company had the remaining shares 71.62% of the registered capital, and also bought the shares of Advanced Intelligence Modernity Company Limited from minority shareholders, 38.2%, resulting in the increase in the Company's shareholding 98.2% of the registered capital for the benefit of subsidiary management and driving the organization to grow in the future. From the important changes of the Company, MFEC focused on the creation of people and increased business opportunities, including internal and external reinvestment by increasing investment in Fanster Media, purchasing common shares in MISO and AIM, distributing and consolidating businesses of the Soft Square Group companies. The joint venture of Praln FinTech Company Limited "Subsidiary" with companies in the JMART Group would enable the subsidiary to expand the business base more widely, which would strengthen the MFEC Group to be a strong information technology business leader.

Thailand had entered the era of Digital Disruption, which is full of challenges to business changes and the environment of the competitions whether it was an adaptation to the new competition, the rapid changes of technology and new innovations. Being able to quickly respond to the competitive environment, MFEC transformation focused on two (2) important parts in the organization; 1) People Transformation: People are significant resources, and they are transformers to create changes within an organization, specifically, building an environment that suits next-generation newcomers, and enhancing internal workflow to have more efficiency. Consequently, it will be an effective method to train human resources and acquire new skills to prepare for new emerging technology and support the latest innovation creation. 2) Business Transformation: The result of the unexpected change in technology and innovation has an impact on customer behaviors, including suppliers. MFEC oversees that if we conduct business in a traditional approach, it will not correspond with employees' development growth.

It is essential to find a new business model to step into the uncharted business territory. MFEC will motivate talented employees who have big ideas to start a new actual business to respond to changing consumer needs and behaviors. The new company will be invested through Corporate Venture Capital. Additionally, suppliers will do Venture Building, which will co-invest in available technologies, capabilities, and workforce to achieve faster Time to Market.

In 2019, MFEC continued to restructure the organization and its affiliated companies. In addition, the Company determines business management strategies to be in line with changes in information technology, and improves business practices to meet the needs of the market by expanding the business model to be more diverse, for example; Solution Provider: To provide the best IT solutions to customers, which still attach importance to the Enterprise and Government customers as main customers of the Company, Revenue Sharing: To invest in potential businesses creating a continuous and sustainable income, The merger of MFEC's subsidiaries: To merge similar businesses of the affiliated group benefitting their business strength, increasing opportunities and revenue, reducing business risks and building business operations strength, including financial enhancement and To restructure the investment in the group of the affiliated companies for the benefit of subsidiary's management

In 2020, the adaptation during the crisis of Coronavirus Pandemic has been started since the end of 2019 that affected the business sector all around the world. Many organizations had to prepare for such situations by actively focusing on digital transformation, emphasizing that IT is the essential part for the survival of businesses. As a result, the Company's operational guidelines continue to focus on developing products and services, to further build on the existing technology in order to create new innovations that enhance Company's products and services. Therefore, the Company sees trends and market's needs, business competition and opportunities that will strengthen clients' businesses despite critical situations. This year, TIS Inc. has entered into a business alliance with MFEC due to its confidence in its potential as a leading provider of information technology services. TIS Inc. has made a partial tender offer (PTO) for 24.10 percent. After the completion of the tender offer, TIS Inc. holds 49.00 percent of the total ordinary shares. The transaction was a turnaround, with TIS Inc. being the second largest provider of information technology revenues in Japan.

Award of MFEC Group's Success during 2018-2020

The Year 2020

- Received "FY19 Architectural Excellence: Security" from Cisco Thailand
- Received "FY19 Enterprise Partner of the Year" from Cisco Thailand
- Received "Sliver Partner 2020" from Aruba Network
- Received "UiPath Strategic Partner in Thailand" from UiPath
- Received "Asia Pacific and Japan (APJ) Partner of the Year" from TIBCO NOW 2020
- Received "Cybersecurity Excellence Award 2020" from Dataone Asia
- Received "Azure Customer Success Partner of The Year 2020 - Data & AI" from Microsoft
- Received "Microsoft Licensing Solution Partner of The Year 2020" from Microsoft
- Received "Customer experience (CX) Strategic Partner" from Cisco
- Received "Marketing Excellence Partner of the Year" from Cisco
- Received the Corporate Governance Report of Thai Listed Companies: Excellent CG Scoring for the year

The Year 2019

- Received “Thailand Partner of the Year”Award from Microsoft Inspire Conference in Las Vegas, Nevada
- Received the “F5 ASEAN Partner Executive Summit” Award 2019
- Received the “Business Transformation Challenge” Award from developing DMP Project to Mitsubishi Motor Thailand of the TIS
- Received “FY18 Architectural Excellence Data Center” from Cisco Thailand & Indochina Partner Appreciation Event 2019
- Received “FY18 Innovation Excellence Partner of the Year” from Cisco Thailand & Indochina Partner Appreciation Event 2019
- Received the “FY19 Ready Partner of the Year” Award from RedHat
- Received the “ASEAN Partner of the Year” Award – OCI from Oracle
- Received the “Outstanding Analytics Solution Partner 2018” Award from IBM Partner Event at Think Thailand
- Received a verified certificate from Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC) committees
- Received the “Best Intelligence Solution Awards 2019” Award from Get On
- Received the “Enterprise Partner of the Year” Award from Fortinet
- Received the “Data & AI Partner of the Year 2019” Award from Microsoft Thailand Inspire 2019 event
- Received the “Microsoft Licensing Solution Partner of the Year 2019” Award from Microsoft Thailand Inspire 2019 event
- Received the “Top Commercial Service Sale Partner” Award from the Cisco Commercial Champs event

The Year 2018

- Received “Cloud Platform Partner of the Year 2018” Award from Oracle FY19 Thailand Partner Forum event, which illustrates that our transition skills enable current technology to suit with Oracle Cloud Solution successfully. We are the first partner in Thailand to develop the EXadata Cloud system for one of the largest clients in the ASEAN region
- Received the 2018 annual evaluation of Corporate Governance Report of Thai Listed companies by Thai Institute of Directors Association (IOD) to be a “Very Good” rating
- Received “Excellence” in the 2018 annual quality evaluation rating from the Thai Investors Association in Annual General Shareholders’ Meeting Assessment Meeting (AGM)
- Received the “Certifcate of Achievement Partner Plus Champs 2018” Award from Cisco event – Commercial xcelerate Champ 2018
- Received the “FY2018 Unity Gold Partner” Award from the F5 Networks Thailand event
- Received the Second-Runner Up Award on Cisco Innovation Challenge topic from Cisco Partner Summit 2018 event for pushing the envelope on “mDefense” App Monitoring Solution
- Received the “Top Enterprise Partner” Award from Lenovo DCG Channel kick-of 2018
- Received the “Gold Partner Award” from Veritas Partner Executive Award event
- Received the “Data & AI Partner of the Year 2018” Award in Microsoft Thailand Inspire 2018 Microsoft Thailand Inspire 2018
- Received the AWS Partner Network Advanced Consulting Partner 2018 Award on the AWS Partner Connection event

1.2 Nature of Business

1.2.1 Income Structure

During 2018 – 2020 as of 31 December 2020, the company and its subsidiaries' income structure was classified by type of products and services in the following table:

Products	Y2020		Y2019		Y2018	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Business Development and System Implementation	2,153	45.42	1,501	40.25	1,357	40.02
Maintenance Service	1,288	27.17	1,176	31.54	1,029	30.35
IT Professional Service	856	18.06	740	19.84	953	28.10
Cloud Service /1	345	7.28	261	7.00	-	-
Others	29	0.61	10	0.27	-	-
Income from sales and services	4,671	98.54	3,688	98.90	3,339	98.47
Other income/2	69	1.46	41	1.10	52	1.53
Total income	4,740	100.00	3,729	100.00	3,391	100.00

Remark:

/1. The revenue of Cloud Service for 2018 amounted to approximately 46 million baht, which was included in the revenue of the development and implementation business.

/2. Other income consists of marketing promotional income from seller of products, interest receivable, gain from fair value adjustment of derivatives, gain from exchange rate, and other miscellaneous income.

The principal businesses of the group are development and system implementation services, maintenance service, and information technology development. The revenue from these 3 core business segments accounted for 90.65% and 91.63% of total revenues for the year 2020 and 2019, respectively. In addition, the company is also a cloud service provider (Cloud Computing) starting from 2019. Revenue from the cloud service business segment is regarded as the main business segment of the company's group, which has grown up to 32% since 2019.

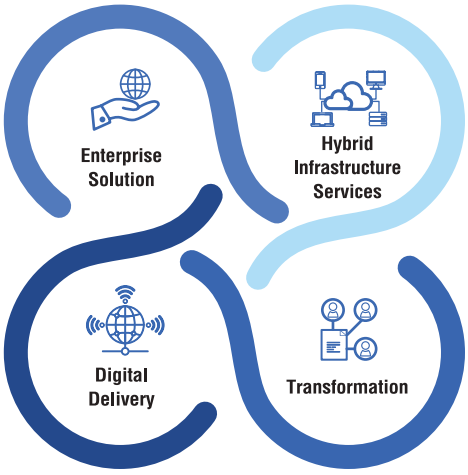
1.2.2 Product Information

1) Features of our Products and Services

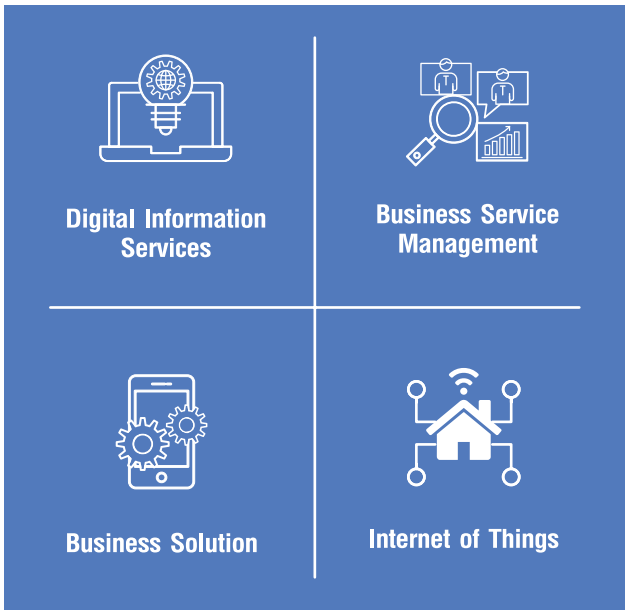
MFEC Public Company Limited has emphasized and prioritized its business operations in the field of continuous business transformation (Always Business Transformation). As the economic crisis and Coronavirus pandemic affected both private and government sectors, resulting in multidimensional shifts and technology playing an important role in dealing with market change. The Company has adjusted its management and business operation models by focusing on providing technological support based on clients' needs (Solution Delivery). The Company will design computer systems and communication systems to be able to function effectively, efficiently, accurately on client's scope of work. The provided system consists of application software, system software, computer hardware, and computer network equipment.

The Company's business approaches continue to focus on developing products and services in the ascending businesses, building on technologies that can create new innovations that enhance Company's products and services. As a result, the Company sees trends and market's needs, business competition and opportunities that will strengthen clients' businesses despite critical situations.

At the present, the Company has set the strategies for each business unit to focus on development of a full range of information technology and by working together (Team Collaboration) between each business unit, resulting in the impact solutions that meet clients' specific needs with a focus on solutions that optimize digital transformation of clients' organizations. Based on the expertise in Application development, together with a collaboration from the Security department, the Company sees the importance of fixing problems and forecasting probable problems. This creates Company's competitive advantages. Moreover, products and services from our Group of Companies can facilitate the creation of integrated technology and solutions (One Stop Service), as well as meeting clients' business strategies. Our four main businesses consist of:



1. Enterprise Solution



1.1 Digital Information Services

Data analytics technology that responds to data usage from the past, present to the analysis of predictions of what will happen in the future. The information you have can be managed to create efficiency and value. MFEC Digital Information Service has experience and expertise in, therefore confident and ready to provide comprehensive data management services including the design, planning, storage, processing, analysis, and reporting including providing training and consultation at the policy level to ensure that customers truly make use of the organization's data, the Digital Information Services team applies business concepts to applications and divides solutions to help develop digital businesses with partners and partners for sustainable stability by dividing the solution into 4 solutions as follows;

1. Database Solution Services is a database solution that is both On-Premise or Cloud to meet the needs of customers who want to develop systems or applications that has data stored in various formats, both RDBMS and NoSQL

2. Big Data Solution Services is bringing data not only in the RDBMS database but also in other parts of the organization to gather, analyze and find the value of the data from various sources for the business advantage in which partners can benefit from the information they have in the organization like never before

3. Analytic and Business Intelligent Good analysis results from having sufficient data. Useful information is relevant information. The results will be accurate. Digital Information Service has a team of data scientists sufficient for the analysis of the information needed at many levels, such as Data Mining, Machine Learning, Sentiment Analytic, Learn Social Listening to decode for Insight data or to lead to predictive analytic analysis and issue reports that are easily customized to understand to create a business advantage.

4. Application Infrastructure Services is the implementation of Middleware solutions, either On-Premise or Cloud, to meet the needs of customers who want to develop systems or applications by providing services in various fields, whether they are Web Application, Message Services, Integration Services or Service Oriented Architecture by bringing the capabilities of various services to support the needs of the Application perfectly.

1.2 Business Service Management

Nowadays, large corporations need to create a competitive edge in their business. Enterprise IT Solution must be brought to increase the efficiency of driving the business to be successful. MFEC has an experienced team to advice, develop and service customers as an IT partner. That makes MFEC has large customer bases in Banking, Telecom, Insurance, Enterprise, Government. Solution's BSM team provides great support both On-premise and Cloud. There are 4 solutions as follows;

1. Monitoring Solution is a solution to monitor and alert the efficiency of system or application for large organization.The solution covers from application monitoring or customers' usages in the infrastructure such as Mobile iOS, Android, Website in order to reduce problems and increase the speed of investigation and problems resolution to minimize the impact on customers. Those bring incomes and business advantages from being ready to serve and create customer satisfaction.

2. IT Service Management Solution is the design and enhancement of IT management solution following ITIL standards which consists of many processes to customers for maximum efficiency supporting internal and external organization.

3. IT Automation and Robotic Solution is the introduction of automated IT management solutions to enhance and manage tasks increasingly and efficiency to respond all demands in It globalization which moving fast and complicated. There are many solutions; robot using, analyzing text by AI using (OCR), managing automatic batch job for supporting productive for employees, reducing cost from errors, and speeding up IT in business responsiveness like never been before.

4. Customer Engagement Solution is the new solution for tracking and supporting various channels which called "Omni channel Customer Engagement" in order to understand actual desires and able to respond all at once which will conduct to customer satisfaction and follow-up to increase the value of the business enormously.

1.3 Business Solution

A professional service team focuses on technology to meet the High-Level business solution in financial solutions, digital process automation, enterprise content management, and CRM. With world-class products and a Business Solution team that has knowledge and understanding of Business Domain solution, therefore, has experience in developing and supporting the solution including supporting the system as well and being a partner that able to create value for customers in the long term. There are 4 solutions as follows;

1. Financial Solution

1.1 Capital Market Solution: A solution for financial markets consists of products for foreign exchange transactions, Products for interest rate risk management and products to manage commodity price risk supporting end-to-end workflows from Front-Office, Middle, Back-Office to Accounting with Process Automation and Straight Through Processing (STP) fundamentals to increase work efficiency and time-to-market.

1.2 Lending Solution: Loan Origination System and Core Loan System supports Secured, Unsecured Loan products for retail customers and institutions such as Term Loan, Mortgage Loan, Auto Loan, Hire Purchase / Leasing. It covers the functions of Apply Loan Request, Loan Approval, and Credit Analysis, Customer Management, Receivable Management up to Debt Collection Management.

2. Digital Process Automation (DPA): A technology for automate business processes to end-to-end automation to support drive change in the digital age by driving workflow. The collaboration automation between Human, System, and Robotics from personal processes to business management and support visualize, understand as well as improve business processes efficiently

3. Enterprise Content Management (ECM): A Solution for managing contents and documents in the organization by using a unified digital format covers the import of Content (Check-in), Scan and Indexing, Search and View, Editing and Control (Check-Out), including control the security of data usage outlined in conditions (Document Security). Moreover, the process is automated in an archive and destroy content according to the Retention Policy, which organizations can reduce the amount of paper usage and data redundancy, including increasing the efficiency of usage and distributing information both internal and external.

4. CRM - Customer Service Solution: For customer relationship management to business strategies that use managing processes technology and customer interaction to build long-term relationships with customers. By learning the different needs of customers and meet the needs of customers with products or services that are most appropriate for each customer. Such as the customer service system using CRM Customer Service tools for businesses or organizations and greatly improving the components of the customer service process with more value.

1.4 Internet of Things

Internet of Things (IoT) A technology for extending the control systems and machines used in traditional factories by using the machine's information in the factory transmitted to center and show information status to relevant parties via mobile phones, computers, and monitors instantly. The operation is a combination of many systems to work continuously together, including the Sensor Hardware Platform and Mobile Application. Qualifications mentioned with services designed for industrial factories in Thailand. The company is confident that it will be able to support the customer's organization and manage IT, in the long run, to be ready for the rapidly changing digital world.

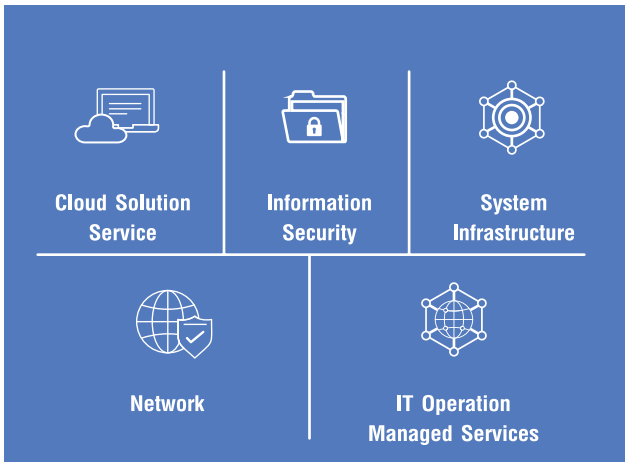
1. Sensors IoT technology is the technology that brings data from various sensors with small size but large amounts of data and a lot of data transmission frequency. Because there are many types of sensors, it is important to choose the right sensors for the right purpose. As mention, our team has researched and developed various sensors appropriately both quality and price to meet the needs of customers.

2. Communication From sensors to the storage, it is also important because there are limitations of communication in the actual work environment. However, MFEC's IoT module able to support various communication formats including NB-IoT, LoRa, Wi-Fi, BLE, RS-232, RS-484, Dry Contact, and Modbus, etc.

3. Platform For IoT which need to design for supporting large amounts of small data, therefore, it is necessary to use a special data warehouse designed suitably for IoT data storage and further expand the BIG DATA section to further expand the use of AI technology to enhance the system's potential, such as forecasting Event Future machine maintenance, Predictive Maintenance (PdM).

4. Application To enhance after having data, it must present appropriately and quickly develop applications on smartphones, including notification of information once errors occur with the factory or machinery immediately via various channels such as Line, Massager, Email, SMS and App Notification.

2. Hybrid Infrastructure Services



2.1 Cloud Solution Services

The MFEC Cloud Services approach is to be a full-service Cloud Technology service provider that consists of consultation, designing, implementation, and maintenance of Cloud system services for clients. Cloud Technology is designed to respond to all types of businesses' needs. MFEC Cloud Solution Services has IT expertise on Cloud Technology on every available and every type of platform. Most importantly, they are ready to give clients full service instantly. As the leader of the System Integrator field, our core design principle is based on "Design for Operation" to let client's businesses to get the most effective and the most responsive to what customers need the most. Cloud Services can bring business insights and implement them. There are five solutions:

1. Cloud Platform Services are the design and implement Cloud technology service on every available platform and every type of Cloud technology for clients who want a fast and convenient Cloud infrastructure. The fundamental Cloud structure is suited for crafting innovation to the organization. It should have these procedures: creating estimate value, controlling expense management, alerting notification, creating monthly reports, including creating billing service management, which suits domestic and international tax conditions.

2. Professional Services are consultation and implementation services on the complex systems in both architecture and data system operation area. We customize sophisticated systems to make them compatible with various conditions. At the same time, technology must support the business in speed, agility, stability, and security. It should be able to handle every workload situation.

3. Technical Operation Services is an after-sale service that the client might like some helps with designing and monitoring systems consistency. Let's leave all complex system maintenance to us. Clients can focus on making and developing the latest innovation and service in their businesses as a priority.

4. Products are innovative products designed for Thais. It is a cargo planning platform, using a map of Thailand supporting Thai logistic planning platform that predicts delivery efficiency and accuracy of EDM products (Electronic Digital Marketing Platform) since every mail needs to be delivered to the recipient. This platform was built to send mails to the inbox, which can analyze the behavior of the recipient and gather all of this information stored it into an extensive database for further analysis and design of the next strategy.

5. Service Package is the service timeframe to respond to the needs of the quantitative method. These are the following services:

- Migration Services: The Migration Service is to migrate data from one system to another system.
- Hybrid Gateway: The Hybrid Gateway service package is to provide a system connection between On-Premise to Public Cloud.
- Optimization: The Optimization service package is to provide a current system checklist and then present the best practice.

2.2 Information Security

Our information security team focuses on the technical examination and provides safety measures on the information technology system for full scale. Additionally, we have all of the information security certifications. MFEC has also a large organization with a team of diverse know-how. The collaboration of teamwork within the organization can bring out a convoluted solution and match well with the client's business objectives. The information security team has divided into six solutions:

1. Network Security is a solution that consists of a network security system. It is designed to prevent external network threats, also including internal threats from within a company network such as firewall system, intrusion prevention system, email security, and proxy.

2. Data Security is one of the most valuable assets of an organization. In a data security solution, the Information Security team will regulate, store, implement, and transfer data to the full security measure.

3. End Point Security User is considered to be the weakest point in terms of security in the organization, the Information Security Team has developed a security solution directly related to the user's usage, also known as Endpoint Security. This solution consists of Antivirus, Antimalware, Multi-Factor Authentication, etc.

4. Security Assessment is the executive service only provided by the leading IT service providers. There are two main types of services: Technical Assessment service consisting of Vulnerability Assessment, Penetration Testing, and Compliance Assessment service including ISO27001 Assessment, CSA Assessment.

5. Cloud Security Presently, it is undeniable that the IT system has already integrated as a part of an organization. Many organizations implement Cloud technology as the main business operation. When there is increasing usage in Cloud technology, the safety measurement also requires as well. The Information Security team sees the importance of preventing an organization's data while working on Cloud platforms, all in three types of Cloud technology: Public Cloud, Private Cloud, or Hybrid Cloud. Our company provides checking solutions on both compliance verification and cloud security protection topics to ensure that the company's valuable information is still safe condition even though there is activity on the Cloud platform.

6. DevSecOps In past years, the digital world has become a full effect on our lives. A software development team has become an essential part of leading companies to their success. Besides fierce competition on implementation, there are also speed races in delivering new services to customers first as well. However, if the application or service has a loophole, this will bring damage to both consumers and the organization as a whole. Therefore, building safety measurement is the essence of building an application in this digital era. The solutions that the Information Security team provides include DevOps Platform, Security for DevOps, and Container Security.

2.3 System Infrastructure

System Infrastructure team could meet the changing needs in various businesses while also supports to reduce the cost of IT system development, as well as increasing the ability to expand the infrastructure quickly, maintaining the full infrastructure by personnel with expertise and technology experience in application development and giving customers confidence that we can deliver various tasks efficiently by dividing the service into 4 parts as follows;

1. System Infrastructure Services are services from consulting and designing infrastructure solutions to use in the olden days work system and modern systems, including creating a DR Solution to back up the site in the event of a disaster and Migrate Data from the old system to the new system.

2. Modernize Data Center Services are services for managing the organization's data center up to date, supporting modern applications and the rapidly changing business with Hyper-Converged Technology, Virtualization, Automation, Hybrid-Cloud, Private-Cloud, etc.

3. Intelligent Data Protection Services provide backup and recovery services for data loss in both Server and Desktop levels, including useful backup data management and reducing data preparation time, whether using data for Test / UAT and reducing the cost of space allocation or allowing developers to access data and manage it themselves for speed in the development of various applications.

4. Digital Workspace Services are End-User management services for using applications and data on many devices, including personal data using in the organization.

2.4 Network

MFEC has a quality team of Certified engineers able to provide a full range of customer services, whether consulting design aids and plan the installation process, training to deliver technology After-sales care. There is a 24-hour service team with experience and continuous development. We have a customized team to provide solutions that are suitable for each organization's customers and also are Cisco Advanced Architecture Specialization in 5 core technologies such as Enterprise Networks, Security, Collaboration, Data Center and Service Provider which has a potential and readiness in every aspect of every organization. It is divided into 7 sub-solutions as follows;

1. Enterprise Networking are Networking Solutions, Software-Defined Networking, Switch, Router, Wireless, Network Management, and Optical Networking.

2. Wireless and Mobility are the Wireless and mobile communication solutions Software-Defined Access, Wireless Controllers, Indoor Access Points, Outdoor and Industrial Access Points and Cloud-Managed Access Points.

3. Security is the solution for secure network such as Next-Generation Firewalls, Advanced Malware Protection, Cloud Security, Network Visibility and Segmentation, Email Security and Web Security.

4. Collaboration is the solution to support collaboration such as Unified Communication, IP-Telephony System, Contact Center System, Voice & Video Conference and Collaboration Endpoints System.

5. Data Center is the solution for data center such as Servers - Unified Computing, Data Center Management and Automation, Data Center Switches, Data Center Security, Hyperconverged Infrastructure, Storage Networking and Virtual Networking.

6. Hybrid-IT is the innovation group solution for making work more efficient and convenient both in Cloud Services and Managed Services such as Cisco Meraki, Cisco Webex and Cisco Umbrella.

7. Network Programming brings Cisco product, APIs, to develop for meeting customer's need by providing services such as Web Application, Integration service, IoT Platform or Automation for decreasing complex works.

2.5 IT Operation Managed Services

MFEC is the SI having complete IT Infrastructure to supports outsource work and Managed services including Implementation and IT Infrastructure Maintenance provincial. Currently, customers need IT team with skills based on technology evolution to support customer business enable to compete with others, which divided into 4 service as following:

1. Outsource and Managed Services provide Engineer team service to be on customer's site. There are Network Engineer, System Engineer, IT Support including providing services out of customer's site by supporting team to monitor and remote support for customer.

2. Installation and Maintenance Service is consulting, design, implementation and maintenance service for kind of equipment such as Network, System, CCTV, Access Point, Beacon, signal cable, electricity and air controlling system in Data Center room including IT equipment transferring for customer both in Bangkok and outside of Bangkok which have services center all over the country.

3. Microsoft Service is the service for consulting, design, implementation and maintenance Product Microsoft such as Windows Server, Hyper-V Management, Exchange Server, Office365, Microsoft EMS (AIP/RMS/Intune), SCCM, SharePoint. including training for customers.

4. Other Product is supporting products which our team are managing such as HPE Aruba, Solar winds, Zabbix.

3. Digital Delivery

Application development services by experts covering all aspects of SDLC (Software Development Life Cycle) divide into Strategy Assessment Services, UX / UI Design, Solution Architect's Structure, and Development solution, including system implementation (Deployment Management), after-sales, with a focus on providing professional services to ensure that customers receive the service that meets their needs with the following solutions; Website Development, Mobile Solution with Block chain, E-Commerce, API Gateway, and Bio Metric Identification.

1. Strategy Assessment is a service that the company will send a business consultant team to work with customers in business planning making Gap Analysis and make sure that the customers who want the solution that meets the objectives and the needs of the target group precisely.

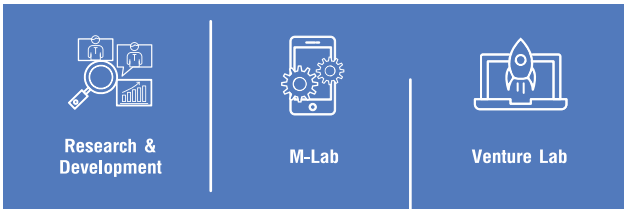
2. Rapid User and Customer Experience is a user experience design service by supporting Personal and User Journey, including creating a beautiful User Interface that is truly worthwhile to meet the needs of users.

3. Solution Design is the design consulting services and laying the main structure of the customer's solution so that it can support the number of users Security in the theft of information achieving business goals answer all the needs of the customers.

4. Solution Delivery is system management, development, and delivery service with a team of talented personnel in each solution ensuring that each solution is compatible with existing systems to accurately meet customer needs.

5. Support and Maintenance is post-production support service to ensure that the solutions that the customers receive can work continuously during the warranty period by a team that has expertise in every branch of the E2E System Development (End-to-End).

4. Transformation



4.1 Research & Development

Research and development are a part of the important factors that bring about many innovations in the form of improving existing products or services with a budget that consistently support and make research and development teams fully capable of inventing and develop new solutions, especially, the solutions related to the Thai language and create benefits or solve problems for customers as most appropriate and make various teams in the company able to use that research to increase or maintain the competitiveness of work. The development is divided into 2 forms as follows;

1. Thai Language-related Solution are existing technologies that are further developed to provide benefits and consistent with the actual needs of customers.

2. AI-related Solution are the technologies and techniques of AI to develop products or services, especially, require or involve human capabilities.

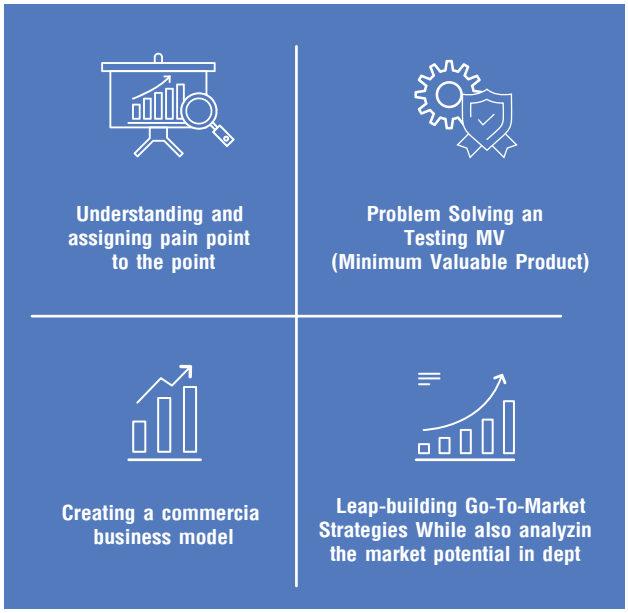
4.2 M-Lab

In today's world where every industry is disrupted by a new business model, even in the IT industry itself, this requires MFEC to have a development team capable of developing new applications keeping up with the changes and responding to the organization and customer's business model in a timely manner for being used to solve problems or improve the original working system, including creating a new working system accurately and quickly. They are divided into 2 forms;

1. Chatbot MFEC has a self-developed Chatbot solution from the ground up and makes it able to support connections with various systems of the organization quite independently to create a new style of the user interface and for users to easily access the new way of working.

2. Application Development with the technology stack that we choose to use, the application development limit has extended to another level, whether accuracy and speed in test development or deliverable.

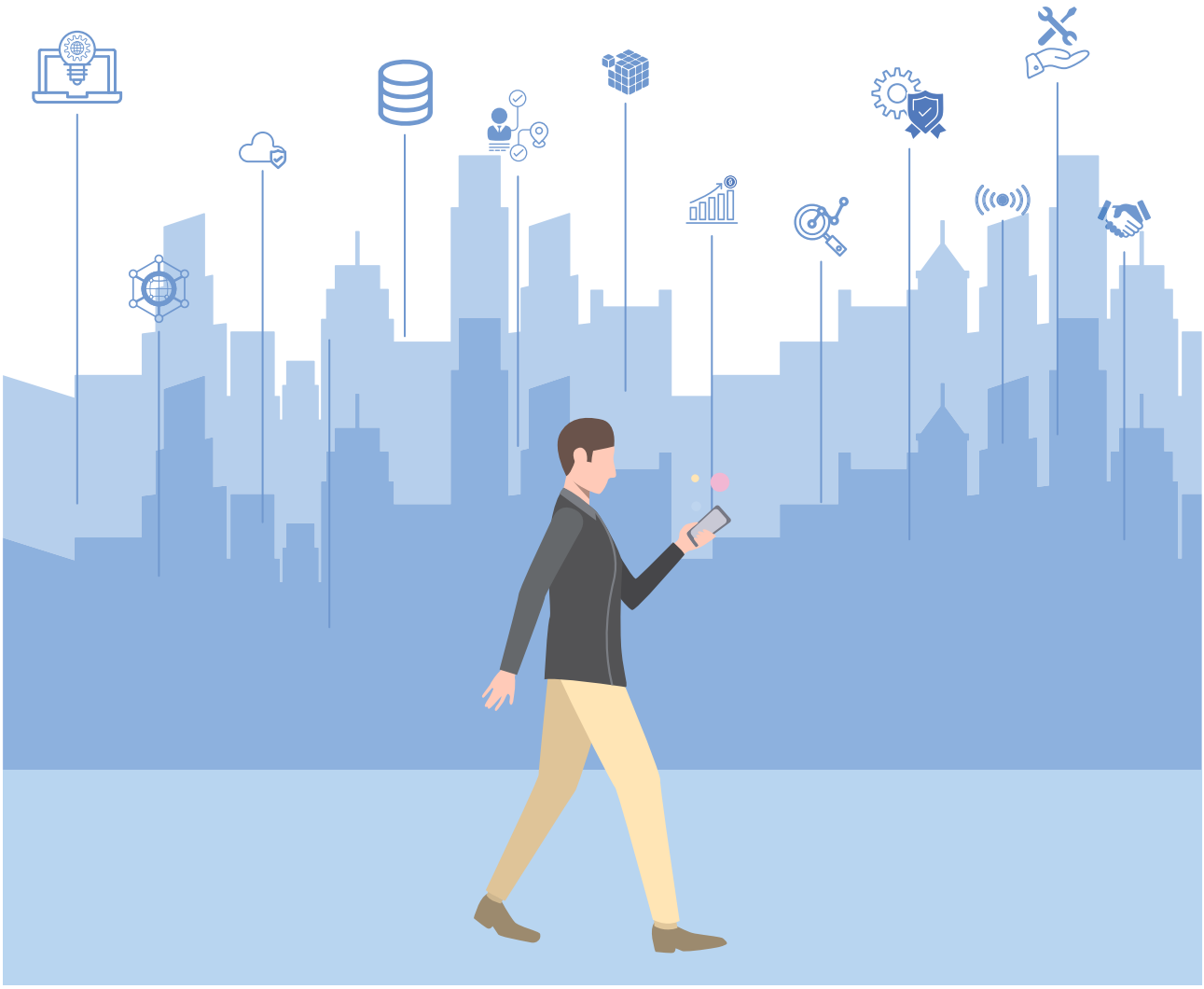
4.3 Venture Lab



It is like a Startup Studio which is a center of knowledge for innovation and support in research and development of forms to complete business planning for customers with a thought process system that uses understanding of problems and takes the creativity and views from the user as the center for creating ideas. Now it becomes a solution to test and develop innovation that meets customers as well as plan strategies for the market of industry and they are also ready to deal with the changing trend. The role of Venture Lab consists of;

1. Understanding and assigning pain points to the point
2. Problem Solving and Testing MVP (Minimum Valuable Product)
3. Creating a commercial business model
4. Leap-building Go-To-Market Strategies While also analyzing the market potential in depth to meet the ultimate goal is to be able to develop into a business that can grow

In the year 2020, the COVID-19 outbreak has affected people in the way of life in every way and caused the New Normal which made MFEC reform MFEC Group's businesses to be consistent with the direction of IT industry market, as well as changes in technology and customer needs. For example, Praln FinTech Company Limited (Praln FinTech), a fintech company provides merchants to accept payments from a variety of channels, either internet banking, credit card, or Thai QR Payment channel under the name of ChillPay service. Business Application Company Limited (BAC) has changed its product strategy from the previous one, BI Software business, shifting to a service company. Motif Technology Company Limited (Motif) continues to provide software development services and support technology needs for life insurance business, etc., which will enhance profitability in business operations and sustainable growth in MFEC Group.



2) Marketing and Competition

Overall industry conditions and market trends

Krungsri Research reports on business and industry trends of Thailand from 2021 – 2023 that the global economy has changed its structure from reliance on industry to more service sector. The service sector plays a role in driving the global economy from 62.0% of the world's GDP in 2008 to approximately 65.1% in 2017. Developed countries, such as the US, UK and France, accounted the service sector for a high average of 75% of GDP led by modern services such as IT, software and finance services. While Thai service sector's proportion had increased from 55.8% in 2008 to 63.2% in 2019 led by traditional services such as tourism, trade, hotels and restaurants. For Modern Services, they accounted for only 14% of GDP and are mainly concentrated in the finance and telecommunication business. In the next phase, advancement in technology will drive more demands for Modern services as it creates more value in products such as design and consulting services through the application of technologies such as Artificial Intelligence (AI) and Big Data to help sales increase and design new products that meet the consumers' needs more precisely. It is a challenging factor for the Thai economy that needs to be accelerated to the modern services business in order to sustain sustainable growth for the long term with the world economy.

Modern technology is transforming the industry into major structural reforms. In addition to focusing on productivity competition following the global megatrend that is entering the full industrial age 4.0, the industry sector has also focused on the sustainability of COVID-19's post-impact production chain with key technologies that will play a role in the industry over the next 3 years.

Thai economy is expected to grow at an average of 3.4% per year with a continuing recovery from the second half of 2020. Support factors include (1) Expected from Q2/2020 onwards, the situation of the new COVID-19 epidemic will be better, allowing the government to alleviate the control measures. This resulted in a gradual recovery of domestic economic activity and confidence in the private sector (2) Business models and consumer behavior are more adaptive such as online spending, work from home (WFH) (3) Exports tend to expand following economic recovery significantly (4) The beginning of alleviating to enter the country for specific group of tourists, such as movie shooting group, exhibitor group with high purchasing power and the Special Tourist Visa (STV), causes the number of foreign tourists to gradually recover. It is expected that international travel will increase accordingly. And in the second half of 2021, the discovery of the vaccine and its widespread use will lead to a wider range of international travel, which will drive a steady increase in the number of foreign tourists and (5) Economic stimulus measures, which will facilitate continued economic recovery in the country,

Therefore, the adjustment of the private sector in technology is essential in the digital age. It will influence daily life and business operations such as Cloud Big Data, Social Network, and Mobile Devices, including IoT devices. The digital transformation is a challenge for Thai entrepreneurs to understand how to use digital appropriately for their products and services and to reach more online consumers. It is an important problem that many organizations have to adjust themselves to keep up with and adapt to change.

Marketing Policy

Company's main business is to provide total solution service to customers who need End-to-End IT Infrastructure since system design, installing network, server and software, as well as maintenance service after installation. However, since information technology has shifted to the era of Cloud Computing, customers have begun to change their IT investment model to reduce the risk from purchasing 'On-premise' total solution to 'Pay as you go' on a monthly or yearly basis. Such factors led the company to adjust its direction from the former selling products and provide installation services to customers only to the model of being a Cloud sales agent and providing administrative services on the cloud to more customers.

At present, the company has positioned the market to be an IT company that is readily available in all areas covering information technology with every industry sector by adjusting the business base and creating a new business model in the form of a joint venture with partners in various industries including increasing the capacity of the organization to be in line with industry trends, building customer centric strengths, focusing on building new generations of people and leaders, being ready to support creation of creativity that can keep up with market trends to keep up with the customers' needs and expectations with One-Stop Services. The Company has a marketing approach in 2019 that will expand in the market to be larger by still focusing on the 6 pillars of the company's solution.

Customer characteristics and target customers

The company has a clear policy for establishing a trusted advisor strategy based on a holistic approach, providing solutions, including investments and labor to support customers in the long term. The company will focus on leading customers in each industry that use modern technology to be a leader cover all each type of industry, whether the telecommunication group, financial institution group, government and education group, manufacturing industry group, state enterprise and public utilities group, and medical service group.

Besides, the company has laid out a strategy to expand the customer base, focusing on the target market (Segmentation and Targeted Marketing) and focusing on creating non-technological business alliances such as collaborations between organizations or universities. By taking the ability and add technology to solve problems for specific groups of customers, including investment with external personnel in various forms, including startups, to create products and services that are clear in the market and specified needs.

Research and development

Research guidelines of the Research & Development Division, in 2019, more emphasis has been made on research and focusing on creating Deep Tech by considering the cost of investment in research together with comparing various options. Whether it is a joint venture with the technology owner, technology purchase or the selection that is developed from other people's technology which is based on the speed of going into the market. There are mainly guidelines for research on various topics, such as linguistics research, including characters, images, and sounds that providing services which more likely to use spoken and written language as a medium for transmitting the information. There are many plans to embed Thai language processing capabilities into more company solutions. Most research will focus on tools that are open source to provide cost-effective and freedom as well.

As for further, education with other technologies is important such as application development on the Block chain, Auto ML research or Mobile Application development consistent with the growth of the Mobile Device. The company has focused on technology Cross-Platform Application by creating emphasis and great user experience, etc. The research in various ways mentions that the goal is to increase the potential of the company in terms of being one of the technology leaders and increase the capability of the company in terms of service and support customers to the highest satisfaction.

Distribution Channel

The Company has established and divided into 6 sale groups according to the characteristics of the target customer group, consisting of:

1. Telecommunication Groups
2. Government and Education Groups
3. State Enterprises and Public Utilities
4. Financial Institutions
5. Manufacturing Industries
6. Medical Service Groups

Through direct contact and negotiation with customers mostly, it is a large enterprise with 77% of total sales and services in 2020. Most of customers are private sector accounted for 73%, while customers from state enterprises and government sectors accounted for approximately 27% by servicing to meet customers' needs. Most of the company's revenue still comes from the existing customer base. This is the result of a strategy of building a good relationship with customers in the form of "customers as partners" with experience, expertise, knowledge and understanding of the customers' business by designing solutions that are consistent with customers' needs to increase competitiveness. The company continues to gain the customers' trust with increasing work value accordingly.

3) Procurement of products and services

From the rapid change in information technology as well as new innovations to play a role instead of working in the original form, all affected businesses in various industrial sectors. The strengths of MFEC's products and services are the use of experience, quality work, service excellence and a complete variety of products, including bringing experiences from various industries to assimilate for the best benefit of the customers' business as well as development research and researching in investment education in various innovations, including joining with customers to build strength from Core Competency, which is a way to create products that meet the needs and sustainability of customers' business.

Another strength of the company is an organization that realizes and gives importance to the core of the business providing consulting services, development and implementation of computer systems and information technology networks. This is a business that relies on experience and expertise with hardware devices and software or program development to be able to connect and coordinate various equipment working together analytical competence as well as a deep and comprehensive understanding of the customers' business nature operation and the direction of today's technology changes.

Quality of Products and Services

In the field of servicing products or goods, selecting and sourcing a quality product or merchandise from an appropriate source, the company will order most of its products from the manufacturers that the company has appointed as a distributor. The company has knowledge and expertise in equipment and is confident in the quality. For products that the company has not been appointed as a distributor, the company will only order from distributors on the list of distributors that have been considered by the company for the quality and service until they are initially accepted (Approved Venders List).

In addition, the company is also aware of the rights and good work practices in cooperation with business partners or partners in accordance with the framework of corporate business ethics, which has established a code of conduct in writing and communicating to each other in general. Business partners must have good business ethics, following the framework of good faith and supporting the creation of fair competition between trade partners complying with various conditions. In the event that the conditions cannot be met, they must notify in advance in order to jointly find solutions and prevent from being damaged as well as not calling or accepting or paying any benefits who are dishonest in trade with partners. There are accurate, complete and truthful financial reports to enhance mutual efficiency or in other words, complementing each other's strengths, making a difference, including building a good relationship with each other. This will lead to long-term competitiveness in the market and grow together.

In terms of operations with partners, partner screening guidelines as well as evaluation of business partners' performance, the company has considered suitability in various dimensions before signing a contract as a business partner. There are 5 main steps;

• The accounting department is screened from tax documents (Phor Phor.), trade registration documents, registered capital to review and approve operations.

• The Partner Alliance department inspects contract terms, such as regulations or conditions that are illegal within the framework of the company or not, or examining trade disadvantages.

• The legal department examines various signing contracts before the collaboration was "Business Partners" that are legitimate or not.

• The Sales department considers a cooperative framework for achieving a common objective of proposing/ purchasing agreements for services and products between organizations and customers.

• The Product development department (Delivery) takes into account the potential of research and development of products, technology trends and customers' and market's needs study as a whole, as well as developing quality personnel to support various services.

Individual Partner Assessments: The Partner Alliance department conducts quarterly review of joint operational capabilities, mainly based on the internal fiscal year of the organization. The framework is to oversee the goals that are mutually agreed, including solutions to problems and business operations.

Proportion of purchasing products and employment of services

In 2020, the proportion of product purchasing directly and through domestic distributors accounted for 62.86% of total sales and overseas accounted for 37.14% of total sales. The highest purchase of total sales is Oracle from Oracle Corporation accounting for 16.05% of total purchase, which has a relationship with the company since the company's establishment.

For professional services, the company hired employees in 2 types, consisting of 1. Permanent employees (In-Houses) 2. Temporary contract employees (Outsource). By outsourcing hiring, companies or personnel with knowledge, abilities and expertise in specific areas are considered to work in their place. The criteria for selecting outsourcing include 1. Ability to reduce the burden of work to the organization or how much of a risk 2. Experience and expertise in the management of the work 3. Skills in solving immediate problems of staff at all levels involved in the job 4. Performance from the past to present, etc.

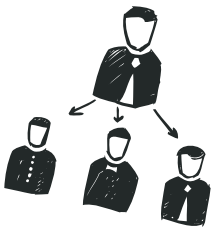
In this regard, from the aforementioned operating guidelines for good business partners and strictly abide by, the company has evolved to become a Gold Certified Partner, which is the Cisco's partner level, since 2013 until the current year. This gives the company more opportunities to expand the market and became

a market leader in service providers. The dealers in each level are entitled to different and descending commercial benefits, such as discounts on product prices and the rights to receive marketing assistance (Joint Marketing Fund), etc., including increasing business opportunities and competitiveness. It also demonstrates a commitment to improve work process efficiency and standardized support services, especially customer satisfaction. The most recent work received is the "Cisco Channel Customer Satisfaction Excellence" award as a unique partner in providing service and customer satisfaction. The company has no risk factor in relying on any distributor because the company has also partnered with other partners; such as IBM as the second-tier partner at the Premier Partner Level in both hardware and software, as well as Symantec distributors at the Platinum Partner Level, Microsoft products at the Microsoft® Licensing Solutions Partners. In addition, the company also entered into a business cooperation agreement with Internet Thailand Public Company Limited (INET) and joined hands with Amazon Web Services (AWS) as a registered consulting partner to increase the marketing channels for selling Cloud solution to customers, who want to change IT investment from CAPEX to OPEX. Joining with such partners increases your chances of bargaining greatly.

4 Assets used in business operations

As of 31 December 2020, the main fixed assets used by the Group in business operation

Net Residual Value after deducting accumulated depreciation of 100,643,000 baht.



Intangible assets in the amount of 24,091,000 baht

Additional details in Attachment 4 Assets used for business and Details of property appraisal items

5) Backlog

The Company and its subsidiaries had product and service contracts with customers which had not been delivered or provided (Backlog) as of December 31, 2020, totaling 5,112 million baht, which increased 2,023 million baht from the end of 2019 with the value of work that had not yet been delivered (Backlog) totaling 3,089 million baht.

Backlog had been significantly higher compared to the value t the end of 2019. As during the year 2020, the company received large projects with a value of 100 – 1,000 million baht. Especially in the last quarter of the year, most of backlogs are system integration and system maintenance. The duration of the project is 3-5 years. The project with the longest duration at the end of 2020 is scheduled for completion in 2024.

(Unit : Million Baht)

	31 December 2020	31 December 2019	Increase (Decrease)
Company	4,995	2,877	2,118
Subsidiary	117	212	(95)
Total	5,112	3,089	2,023

1.3 Structure of MFEC Group

1.3.1 Structure of MFEC Group

MFEC Public Company Limited and its subsidiaries provide IT professional services and system integration for both public and private sectors. The Company focuses on large-sized enterprises which lead each industry highly demanding IT services. Scope of the services extends from advice to solve problems or satisfy customers' need, development and integration of computer systems and IT network with hardware, software, extension and network equipment, system integration and tests, training for users to maintaining services.

The Company has the following, three main businesses;

1. IT Professional Services
2. System Integration
3. Professional Services

In order to strengthen the organization and comply with the government's direction which supports and promotes the digital economy among new-gen people and others, develops and creates technological innovation for business extension via digital technology for products and services based on a combination of innovation and business, MFEC Executives during 2017-2020 have had the following policies;

• Encourage the creative employees with work and management capabilities to grow business units together with the organization expansion by holding shares, registering business units as new subsidiaries, and allowing the employees to take part in businesses as owners and shareholders.

• Expand investment with groups of allies for new channels of income to enlarge the organization's income base to other industries.

• Intend to "Produce People" by developing both internal and external human resources in the fields which matches the ICT industry's need.

• Merge similar businesses in the group for business strength and dissolve the subsidiaries which have no trend to grow, greater opportunity, higher income, fewer risks, business advantages and higher financial efficiency.

During 2017-2020, the Company invested in the following, new companies;

• June 2017: New joint venture, Fanster Media Co., Ltd., was established by the Company and Aloha Inter Co., Ltd., providing information services from famous people through mobile/tablet applications, advertisement, PR and marketing services. The Company owned 30% of the joint venture's registered capital (40,000,000 baht).

• August 2017: New company – Data Cafe Co., Ltd. was established with an aim to provide consulting services, researching and analyzing of all types of business for the purpose of market expansion and business extension, training and accrediting for people in IT and other technology-or-computer-related fields. MFEC held 59.9% of the registered capital (20,000,000 baht).

• November 2017: MFEC and Siam Sport Syndicate PCL. joined to establish a new company – Digital Savvy Co., Ltd. with an aim to provide services in ticketing system for tickets or tickets for all plays and organizing events. MFEC held 36% of the registered capital (30,000,000 baht).

• July 2018: MFEC acquired common shares in M.I.S. Outsourcing Co., Ltd. (MISO) and held 75% of the registered capital (5,000,000 baht) with an aim to manage the subsidiaries.

• September – October 2018: MFEC increased the registered capital of Praln FinTech Co., Ltd. to drive its business growing as set in the direction and target for new business – electronic payment. MFEC held 70% of Praln FinTech's registered capital (42,850,000 baht) and sold some common shares of its subsidiary, Praln FinTech Co., Ltd. to a company of JMART Group - J Venture Co., Ltd. After the transaction, MFEC's holding declined to 72% of the registered capital (37,000,000 baht).

• October – December 2018: MFEC's holdings in two (2) companies of Soft Square Group: Soft Square 1999 Co., Ltd.; and Khon Kaen Softtech Co., Ltd. were sold. Four (4) companies of Soft Square Group were merged. They were: 1) Soft Plus Technology Co., Ltd.; 2) Soft Professional Co., Ltd.: 3) K Soft Consulting Co., Ltd.; and 4) Sam Mok Software Co., Ltd., which MFEC held 100% of the registered capital (18,000,000 baht). The merger aimed to strengthen business, raise opportunity, increase income, reduce business risks, build up business advantages and enhance financial efficiency.

In this regard, Soft Plus Technology Co., Ltd. changed the registered name of the new company on behalf of MSyne Innovations Co., Ltd. in January 2019 and purchased ordinary shares from a minority shareholder of Advance Intelligence Modernity Co., Ltd., causing the Company to increase the investment in the proportion of 98.2 percent of the registered capital (10,000,000 baht) for the benefit of controlling to set the direction/ process for future business operations.

• February 2019: MFEC bought shares from employees holding shares in Digital Savvy Co. Ltd. "DS", in order to maintain the combined shareholding of the company and with the employees of the company in the proportion of 49 percent of the registered capital (30,000,000 baht), causing the Company to invest in 39.18 percent of the registered capital.

A new company was established by MFEC and outsiders who have expertise in consulting business and being a cloud development service provider, under the name of "Undefined Co., Ltd." with the objective of providing development services; software applications and software with cloud computing technology. The Company invested in 40 percent of the registered capital (10,000,000 baht).

• March – April 2019: MFEC increased the registered capital of Digital Savvy Co., Ltd., "DS" in order to increase liquidity in business operations, allowing the company to operate in accordance with the business plan. The Company held 41.64 percent of the registered capital (40,000,000 baht).

And MFEC reduced the registered capital of Data Café Co., Ltd. in order to make the company to have a suitable level of the registered capital for the management and business operations of the organization. The Company held a reduced investment in the proportion of 59.90 percent of the registered capital (8,000,000 baht).

• June – July 2019: MFEC reduced the registered capital of Motif Technology Public Company Limited "Motif" in order to be at an appropriate level for the management and business operations. In this regard, the Company had reduced the remaining investment in the proportion of 99.99 percent of the registered capital (40,000,000 baht).

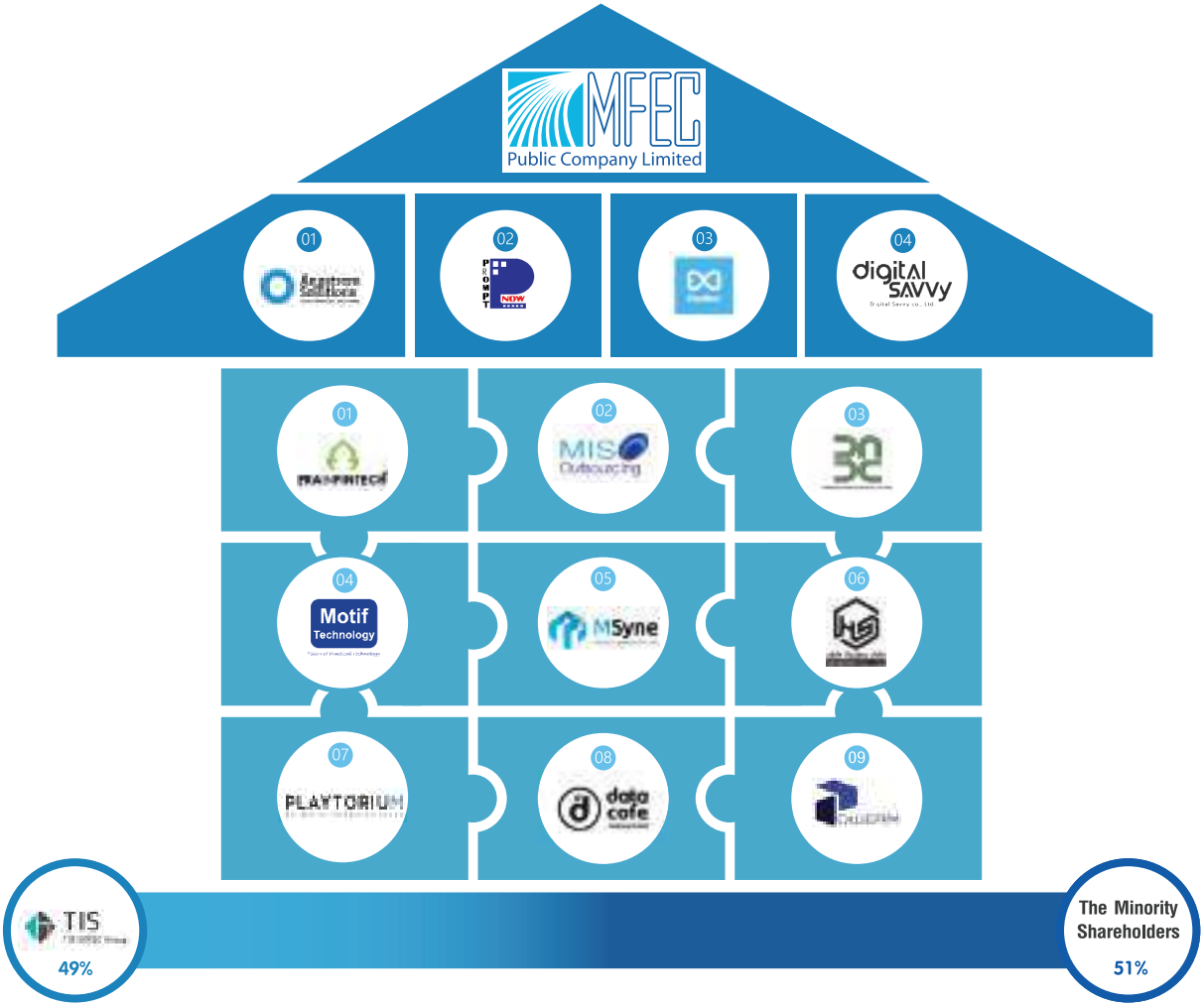
MFEC increased the registered capital of Fanster Media Co., Ltd., "FM" in order to expand the service, disseminated news, activities of famous people through applications and other channels. This will increase business benefits, in which the Company held 34 percent of the registered capital (67,000,000 baht).

• December 2019, Liquidation of Undefined Company Limited "Undefined" due to the company's existing business plan inconsistent with the future economic outlook

• January 2020, Liquidation of Advanced Intelligence Modernity Company Limited due to the growth trend is not in line with the business operation guidelines

• July – September 2020: MFEC sold 24.10% of the Company's ordinary shares to TIS Inc. "TIS" in order to expand the banking information technology business, payment system, information technology structure, and information security technology system, which is the main business that TIS has expertise. It also increases business opportunities through the Company's distribution channels in Thailand. MFEC held shares in investment decreased in proportion of 51 of the registered capital (441,453,555 baht).

As a result of investment in new companies and liquidation of some companies as mentioned above, MFEC Public Company Limited and its subsidiaries, as of 31 December 2020, consisted of four (4) associated companies and nine (9) subsidiaries;



Proportion of MFEC Group

MFEC Public Company Limted

Associated Company 01
Angstrom Solution Company Limited 40.00%

Associated Company 02
Promptnow Company Limited 20.00%

Associated Company 03
Fanster Media Company Limited 34.00%

Associated Company 04
Digital Savvy Company Limited 41.50%

Subsidiary 01
Praln FinTech Company Limited 71.62%

Subsidiary 02
M. I. S. Outsourcing Company Limited 75.00%

Subsidiary 03
Business Application Company Limited 99.99%

Subsidiary 04
Motif Technology Public Company Limited 99.99%

Subsidiary 05
MSyne Innovations Company Limited 99.99%

Subsidiary 06
Hong Son Company Limited 99.99%

Subsidiary 07
Playtorium Solutions Company Limited 70.00%

Subsidiary 08
Data Cafe' Company Limited 59.90%

Subsidiary 09
Joint Venture PowerM 100.00%

Note: Information as of 31 December 2020

Associate Company's Products and Services

Presently, MFEC Public Company Limited has four (4) associated and nine (9) subsidiaries companies with products and services in the following details;

Associated Company	Main Product/Service	Customer Type
1. Angstrom Solution Co., Ltd. (Angstrom)	• Securities trading	• finance/securities companies
2. Promptnow Co., Ltd. (PN)	• Mobile Financial Service • Gamification • Managed Service	• Financial institutions • Telecom
3. Fanster Media Co., Ltd. (FM)	• Information service on mobile/ tablet applications • Advertisement/PR/Marketing	• Entertainment • Retail
4. Digital Savvy Co., Ltd. (DS)	• Ticketing system for all play types	• Entertainment • Sports
Subsidiary	**Main Product/Service**	**Customer Type**
1. Prain FinTech Co., Ltd. (Praln) **Former:** Modernform Integration Services Co., Ltd. (MIS)	• Payment Gateway • Financial Technology • Consulting service and computer system development	• E-Commerce • Business groups with demand for Alternative Payment Channel • Middle market • Insurance • Manufacturing/ petrochemical • Service and Transportation • Retail • Consumers
2. M.I.S. Outsourcing Co., Ltd. (MISO)	• Audit, warranty management, and maintenance of IT infrastructure • IT project management and equipment management • Outsourcing IT outsiders • Professional services and system integration for Cloud and office work • IT professional services and system integration involving IT infrastructure – hardware & software	• Tourism • Financial institutions • Transportation • Manufacturing • Retail • Food • State agencies/State enterprises

Subsidiary	Main Product/Service	Customer Type
3. Business Application Co., Ltd. (BAC)	• Business Analytics - Cognos BI - Cognos TM1 - SPSS Software - Tableau - Datawatch	• State agencies/ private enterprises in all industries
4. Motif Technology PCL. (Motif)	• Agent Management (iAM) • Agent Compensation (iCOM) • Agent Leader (iAL) • Smart Quotation (iSQ) • eApplication (eAPP) • iClaim • Legal Tracking System (iLegal) • iCollection • Appraisal Collateral (iApprisal)	• Financial institutions • Insurance/ Life insurance
5. MSyne Innovations Co., Ltd. **Former:** Soft Plus Technology Co., Ltd. (SPT)	• Sell products mainly related to Data, Big Data, Data Lake, and Data Governance with emphasis on Cloudera, Hortonworks, or Informatica primarily • Selling services (Professional Services) installing Big data systems for various organizations - Data Integration - Data Preparation - Data Governance - Data Science • Selling Big Data Maintenance Services to various organizations, providing 24*7 service.	• Healthcare • Energy • Financial Institution • Telecommunication
6. Hong Son Co., Ltd. (HS) **Former:** Hong Son Software Co., Ltd. (HS)	• Advisory service for work process • Customized Software • System maintenance & support	• Energy • Financial institutions • Auction
7. Playtorium Solutions Co., Ltd. (PTS)	• IT professional services and system integration in new technology groups and startups • Recruitment service	• Financial institutions • Insurance/life insurance • Telecom • SMEs/startups
8. Data Cafe Co., Ltd. (DC)	• Business advisory and analytics • Accreditation for IT people	• Telecom • Financial institutions • Enterprises • Energy

Subsidiary	Main Product/Service	Customer Type
9. Joint Venture PowerM (PowerM)	• Sell products mainly related to Data, Big Data, Data Lake, and Data Governance with emphasis on Cloudera, Hortonworks, or • Selling services (Professional Services) installing Big data systems for various organizations - Data Integration - Data Preparation - Data Governance - Data Science • Selling Big Data Maintenance Services to various organizations, providing 24*7 service.	• Enterprise Group

Remark

1. Advance Intelligence Modernity Co., Ltd. (AIM), the Extraordinary General Meeting of Shareholders No. 2/2019 passed a resolution at the meeting to dissolve the company from January 14th, 2020 onwards.
2. Undefined Co., Ltd. (Undefined), the Extraordinary General Meeting of Shareholders No. 1/2019 passed a resolution to dissolve the business from December 26th, 2019.

1.3.2 Conflict of Interest

The company does not have any person who may have conflict of interest, holding more than 10% of the shares with voting rights of the company.

1.3.3 Business Relationship with Major Shareholder

MFEC and its group are neither subsidiaries nor parts of the major shareholder's business group. In addition, the company's main business does not have significant relationship or significantly relate to the major shareholder's business group. MFEC has only marketing strategic cooperation with the major shareholder in expanding business opportunities to both internal and external targeted customers for the company's business growth.

Only former subsidiary, Promptnow Co., Ltd. connects with the major shareholder TIS Inc. after MFEC sold its common shares (some) in Promptnow and waived its rights for Promptnow's capital increase shares to TIS Inc. on 1 May 2016. This move aimed to expand the Japanese customer base in Thailand and customer base overseas. Given TIS Inc. as a financial technology service leader, Promptnow will become a specialist in providing specific services. After the transaction, TIS Inc. holds a 40% stake in Promptnow and MFEC owns a 20% stake.

In this regard, TIS Inc., the major shareholder of MFEC having interest, as of 31 December 2020, held 49.00% of MFEC's paid up capital. In 2020, TIS Group consisted of 40 subsidiaries and 82 affiliated companies with details of the structure as follows:

TIS INTEC Group

(As of March 31, 2020)

TIS Inc., and 40 consolidated subsidiaries (As of March 31, 2020)

Domestic subsidiaries

TIS and main group companies	Shareholding ratio	Description of Business	Fiscal 2020, ended March 31, 2020 (Millions of yen, non-consolidated basis) Net sales	Operating income (Operating income to net sales ratio)
TIS Inc. (operating holding company)	—	Focuses on credit card companies but pursues business opportunities in a wide range of sectors, including services and manufacturing. Promote to expand payment business. Merged with pure holding company IT Holdings Corporation in July 2016 and became operating holding company. (Incorporated April 1971)	196,661	19,597 (10.0%)
INTEC Inc.	TIS 100%	Focuses on megabanks and life insurers, and assists with CRM for regional banks and offers a wide selection of services to regional public corporations, particularly in the Hokuriku region. (Established January 1964)	116,360	10,055 (8.6%)
AGREX INC.	TIS 100%	Leading company in mainstay BPO field. Began global BPO services in October 2013. Became wholly owned subsidiary in March 2015, and centralized Group's BPO operations at AGREX. (Established September 1965)	33,729	2,149 (6.4%)
QUALICA Inc.	TIS 80% Komatsu 20%	Formerly, information systems subsidiary of Komatsu. Focuses on assembly-based manufacturers, mainly those under the Komatsu Group umbrella, while expanding business with companies in the distribution and restaurant sectors. (Established November 1982)	21,176	2,195 (10.4%)
AJS Inc.	TIS 51% Asahi Kasei 49%	Formerly, information systems subsidiary of Asahi Kasei. Focuses on companies under the Asahi Kasei Group umbrella. (Established March 1987)	16,865	1,892 (11.2%)

IUK Inc.
INTEC Solution Power Inc.
KOUSHI INTEC Inc.
SKY INTEC INC.
SorunPure Inc.
Chuo System Corporation
TIS System Service Inc.
TIS Solution Link Inc.
TIS Tohoku Inc.
TIS Total Service Inc.
TIS Nagano Inc.
TIS West Japan Inc.
TIS Business Consultants Inc.
TIS Beijing Inc.
TIS Hokkaido Inc.
Registration Network, Ltd.
NEOAXIS Co., Ltd.
Nexway Co., Ltd.
HOKKOKU INTEC SERVICE Inc.
MicroMates Corp.

Overseas Subsidiaries

● China
QUALICA (SHANGHAI) Inc.
TISI (Shanghai) Co., Ltd.

● Singapore
QUALICA Asia Pacific Pte. Ltd.

● Thailand
Baseline Technology Consultants Co., Ltd.
CODE IT Consulting Co., Ltd.
ECM Consulting Co., Ltd.
I AM Consulting Co., Ltd.
i Coach Co., Ltd.
iHR Consulting Co., Ltd.
iTS–Tradeship Co., Ltd.
PromptNow Co., Ltd.
TISI (Thailand) Co., Ltd.
QUALICA (Thailand) Co., Ltd.

● Vietnam
AGREX DNP Vietnam Co., Ltd.
(Changed company name in June 2020)

● United States
Sequent Software Inc.
TIS Ventures, Inc.

82 Equity Method Affiliates

(As of March 31, 2020)

Main equity method affiliates

● China
Shanghai CardInfoLink Data Service Co., Ltd. (CardInfoLink)
(Voting rights ownership ratio 18.2%, 11 subsidiaries under the company)

● Thailand
MFEC Public Company Limited
(Voting rights ownership ratio 24.9%, 10 subsidiaries under the company)

● Indonesia
PT Anabatic Technologies Tbk
(Voting rights ownership ratio 37.3%, acquired convertible bonds with stock acquisition rights, 53 subsidiaries under the company)

For more information: http://www.tis.com/documents/en/ir/finance/annual_report/ar2020.pdf

1.3.4 Shareholders

List of Shareholders and their Holding, as of 30 December 2020:

Major Shareholder	No. of Shares	% of Total Shares
1. TIS Inc.[1]	216,285,199	49.0
2. Mr. Siriwat Vongjarukorn	16,495,559	3.7
3. Group of Mr. Naiyapong Kongboonma[2]	15,313,700	3.5
4. Mr. Sirisak Thirawattanangkul	12,926,013	2.9
5. Modernform Group PCL.[3]	8,200,000	1.9
6. Mr. Sittichai Wongpatarakul	6,613,300	1.5
7. Thai NDVR Company Limited	5,025,555	1.1
8. Ms. Thatthana Sangaram	4,901,000	1.1
9. Mr. Boonchai Kasemvilas	3,400,000	0.8
10. Mr. Worapoj Anueakjit	3,048,229	0.7
11. The Minority of Shareholders	149,245,000	33.8
Total	**441,453,555**	**100.0**

Remark: The number of shares included the shareholders related according to Section 258. MFEC Public Company Limited had TIS Inc. as the shareholder with stake.

[1]TIS Inc. provides IT professional services and system integration. As of 5 October 2020, the company had the following directors and executives:

1) Toru Kuwano	Chairman and President
2) Masahiko Adachi	Representative Director, Executive Vice President
3) Yasushi Okamoto	Director, Executive Vice President
4) Josaku Yanai	Director, Executive Vice President
5) Takayuki Kitaoka	Director
6) Akira Shinkai	Director
7) Koichi Sano*	External Director
8) Fumio Tsuchiya*	External Director
9) Naoko Mizukoshi*	External Director
10) Tetsuya Asano	Audit & supervisory Board Member
11) Tatsufumi Matsuoka	Audit & supervisory Board Member
12) Sadahei Funakoshi*	External Audit & Supervisory Board Member
13) Yukio Ono*	External Audit & Supervisory Board Member
14) Akiko Yamakawa*	External Audit & Supervisory Board Member

*Designated for Independent Director/Auditor as specified by the Tokyo Stock Exchange in Japan.

15) Jun Ikimune	Senior Managing Executive Officer
16) Masahiro Hosokawa	Senior Managing Executive Officer
17) Shinichi Horiguchi	Senior Managing Executive Officer
18) Masahiro Ueda	Managing Executive Officer
19) Kiyotaka Nakamura	Managing Executive Officer
20) Tsuyoshi Fukuda	Managing Executive Officer
21) Kei Ando	Managing Executive Officer
22) Naoto Kita	Managing Executive Officer
23) Hirashi Shimizu	Managing Executive Officer
24) Teruaki Akutsu	Managing Executive Officer
25) Hirofumi Akashi	Executive Officer
26) Akira Ogane	Executive Officer
27) Satoru Tayasu	Executive Officer
28) Thanawat Lertwattanarak	Executive Officer
29) Hiroto Ito	Executive Officer
30) Manabu Yano	Executive Officer
31) Hidehiko Shimoyama	Executive Officer
32) Kyoko Takayanagi	Executive Officer
33) Tsuneyoshi Ito	Executive Officer
34) Yasushi Tajima	Executive Officer
35) Ikuno Shimizu	Executive Officer
36) Isao Otokita	Executive Officer
37) Yoshiyuki Hayashi	Executive Officer
38) Masakazu Kawamura	Executive Officer

*The executive in No. 19 Mr. Kiyotaka Nakamura was appointed as MFEC's director by the company's Annual General Meeting of Shareholders 2019 held on 25 April 2019.

List of Major Shareholders of IT Holding, as of 30 September 2020, consists of:

1) ICHIGO Trust Pte. Ltd.
22,868,000 shares or 9.11%
2) The Master Trust Bank of Japan, Ltd. (Trust Account)
15,858,000 shares or 6.32%
3) Custody Bank of Japan, Ltd. (Trust Account)
10,325,000 shares or 4.11%
4) Employees' Shareholding Association of TIS INTEC Group
6,634,000 shares or 2.64%
5) Nippon Life Insurance Company
6,219,000 shares or 2.48%
6) MACQUARIE Bank Limited DBU A
6,002,000 shares or 2.39%
7) The Master Trust Bank of Japan, Ltd.
4,796,000 shares or 1.91%
(Retirement Benefit Trust Account, Mitsubishi Electric Corporation Account)
8) Custody Bank of Japan, Ltd. (Trust Account 5)
4,090,000 shares or 1.63%
9) MUFG Bank, Ltd.
4,081,000 shares or 1.63%
10) GOVERNMENT OF NORWAY
4,076,000 shares or 1.62%

[2]Kongboonma Group:

1) Mr. Naiyapong Kongboonma 8,870,000 shares
2) Mr. Ronnachai Kongboonma 3,593,700 shares
3) Mr. Marachai Kongboonma 2,500,000 shares
4) Mr. Thanapol Kongboonma 349,900 shares
5) Mr. Jedsada Kongboonma 100 shares

[3] List of Major Shareholders of Modernform Group PCL., as of 6 October 2020, consists of:

1) Mr. Taweechat Chulangkul
50,293,200 shares or 6.71%
2) Mrs. Chuleewan Wiwattanakasem
34,101,840 shares or 4.55%
3) Mr. Kawiwut Nueangchamnong
27,504,000 shares or 3.67%
4) Mr. Yothin Nueangchamnong
26,846,420 shares or 3.58%
5) Mr. Taksa Busayaphoka
23,396,000 shares or 3.12%
6) Mr. Chatchai Thammarungrueang
22,600,070 shares or 3.01%
7) Mr. Chaiyot Paporn
21,219,063 shares or 2.83%
8) Dhipaya Insurance PCL.
19,511,600 shares or 2.60%
9) Mr. Ongart Dharmrongsakul
15,068,700 shares or 2.01%
10) Mrs. Sutheera Busayaphoka
14,400,000 shares or 1.92%

Limitation of Foreign Holding

Foreign shareholders are allowed to hold no more than 49% of total shares issued and paid up. As of 30 December 2020, foreign shareholders held 49.00% of total shares issued and paid up.

1.4 Registered & Paid-Up Capital

- Total registered capital: 441,453,555 baht, equivalent to 441,453,555 common shares
  Par value at 1 baht per share
- Total paid-up capital: 441,453,555 baht, equivalent to 441,453,555 common shares
  Par value at 1 baht per share

The company has none of other types of shares whose rights or conditions differ from ordinary shares such as preferred shares or a project to issue and offer shares or convertible securities to Thai Trust Fund or an issuance of derivative warrants.

1.5 Issuance of other securities

The company does not issue other types of securities such as convertible securities, or debt securities.

1.6 Dividend Payment Policy

1.6.1 Dividend Payment Policy of MFEC Public Company Limited

The Company has a policy for dividend payment at the rate of not less than 50% of net profit after tax and legal reserves. The dividend payment of each year is considered from the Company's performance according to separate financial statements. The Board of Directors has the power to consider an exemption of implementation or change of such policy from time to time. Such consideration shall be under the conditions that it is the best interests of the shareholders, such as using such money as reserves for loan repayments, using such money for investment to expand the businesses of the Company, or in the event that there are changes in market conditions which may affect the Company's cash flow in the future.

In 2020, the Board of Directors resolved to pay the dividend of 0.40 baht per share which will be forwarded to the Annual General Meeting of the Shareholders. Considering the operating results for the year 2020 which is calculated from the separate financial statements in the allocation of dividends to the company's shareholders, the company has had profit from the operation of the business throughout. In addition, the actual dividend payment rate is higher than the Company's dividend policy, which is set at a rate of not less than 50% of the net profit in that year. In this regard, the shareholders will be taxed at 10% of their dividend received.

Dividend Payment during 2016 - 2020

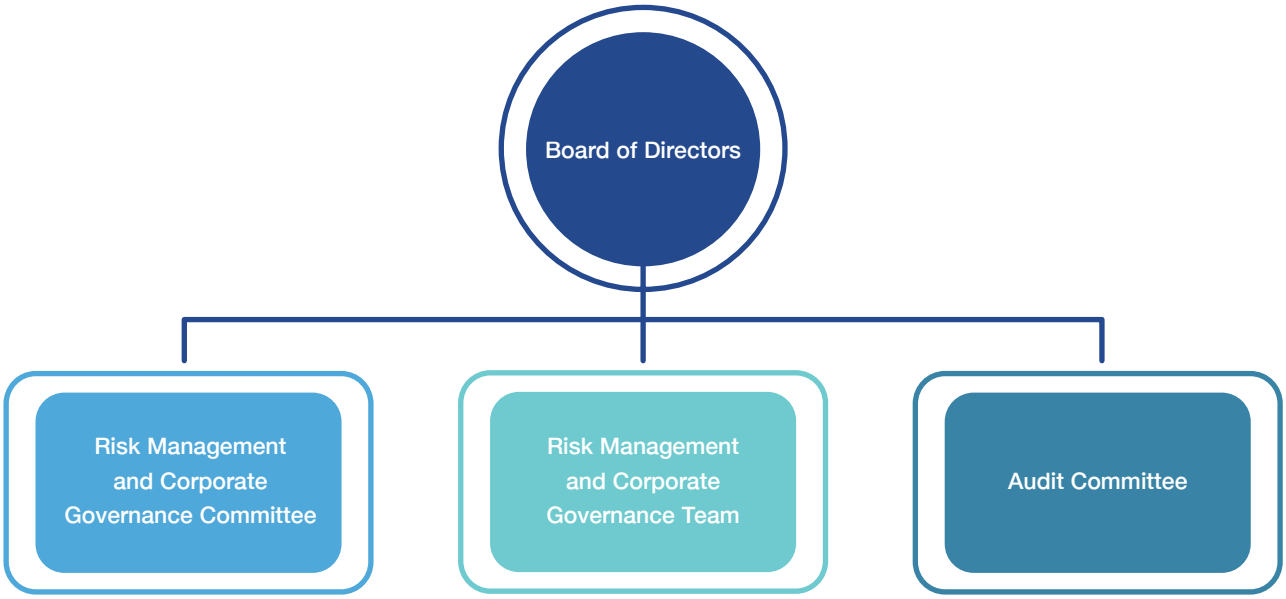
	Performance of the Year				
	2020	**2019**	**2018**	**2017**	**2016**
Ordinary share as of 31st December (shares)	441,453,555	441,453,555	441,453,555	441,453,555	441,453,555
Unappropriated retained earnings as of 31st December (Mil. THB)	402.12	334.22	209.68	407.21	420.38
Net profit (Mil. THB)	234.63	223.60	(83.00)	141.34	187.87
Earnings per share (Baht/share)	0.53	0.51	(0.19)	0.32	0.43
Dividend payment (Mil. THB)	176.58	154.51	88.29	110.36	154.51
Dividend per share (Baht/share)	0.40	0.35	0.20	0.25	0.35
Dividend payout ratio (percent) Calculated from the annual dividend compared to the net profit	75.26	69.10	-	78.08	82.24
Dividend payout ratio (percent) Calculated from the annual dividend compared to accumulated profit	43.91	46.23	42.11	27.10	36.75

1.6.2 Dividend Payment Policy of the Subsidiaries

In the case of the subsidiaries, the Board of Directors resolved to set the subsidiaries' dividend payment of no less than 50% of total profit after tax and legal provision.

2. Risk Factor Management

Risk Management Structure



MFEC Group has implemented the principles of risk management in the organization. The company has adopted risk management's international standards of The Committee of Sponsoring Organizations (COSO) and Enterprise Risk Management (ERM). Establishing the Risk Management Structure and having systematic and continuous processes help reducing the occurring damage. Risk Management Structure also helps contain sizes and level of occurring damage to be at acceptable level, which the damage can be evaluated, controlled, and systematically examined, along with considering the accomplishment of the objectives or goals of the organization.

The Company has established risk management in various areas such as Strategic Risks, Operatio
nal Risks, Human Resource Risks, Financial Risks, and Compliance risks. The Risk Committee has identified objectives, environment, event identification, risk assessment, risk response, and control activities which are communicated and followed up regularly.

Results of risk management in 2020

From the state of change that has continued from the year 2019, whether it is the change of geopolitics, change in population structure and the rapid change in technology that has a tremendous impact on the way we operate and live in today's society. Digital Disruption in 2020 is still a much discussed topic, thus the organization must look at what will intervene. At the same time, our organization has been continuously transforming since 2018 aiming to enable business operations to achieve the goals of the organization.

In 2020, otherwise, there was an epidemic of COVID-19 which has a huge strike on the country's economy forcing the company adjusted its strategy in 2 areas:

• Human Resources (HR) has worked on reducing the risk of employees traveling to work at the office, also maintaining a reasonable social distance in the workplace. The company has therefore adjusted work process and communication to support working from outside the office (Work from anywhere), as well as adding a new form of employment which is contract employment project by project using platform to put the right man to the right job (Gig work). As a result, the practices works effectively making no issues on the lack of human resources and adjusted well with Business Continuity Plan (BCP).

• Sales as the company has foreseen about 6-9 months that the market will be more competitive. We then revisited the strategy of the sales department focusing on the main customer group (Strategic Account) and following up on the must-win project continuously. The company is also adapting the way business units work to better collaborate on pre-sales for large and important projects. The result of this action gives the company a backlog of 2021 of more than four billion baht which reduces the risk of meeting the goals.

In 2020, the Board of Directors stipulated that Executive Committee and Risk Management and Corporate Governance Committee manage risks that may affect business operations to build confidence in the achievement of the organization's goals and sustainable long-term growth as follows:

1. Strategic Risk

1.1 Business growth risks

The economic direction in 2020 is still impacted by the previous year. "Digital Disruption" is the core of the competition in major industries, which is integrating digital technology and innovation into use. Therefore, E-Commerce businesses and other related businesses are expanding. Speed and customers' satisfaction have become the basic requirements of the business. Technology becomes a necessity for all businesses and companies, causing the increase in using technology to drive businesses, increasing efficiency and accuracy in decision making, reducing operational costs, creating understanding and customers' satisfaction. To achieve the goals, the companies need to explore various technologies, for example, communication and interaction via social media, data analytics, and flexible computer system or Cloud Computing to help business operation. Moreover, the companies need to transform the process and business model to a digital way by applying Artificial Intelligence (AI), Robotics and Automatic systems, Cognitive Computer systems, and Internet of Things (IoT). This is to be applied to all industries to create a rapid progress in technology, which will lead to innovations in products and services. In addition, the technology that helps connect humans, such as Chatbot Technology and Voice Translation technology, will create a competitive advantage to many organizations in various industries, i.e. medical industry, E-Commerce businesses, government sector, service industry, and upcoming aging society.

Therefore, to prepare for the above needs in this year, the Company has focused on adjusting strategies for business operation, which is a continuation from the previous year, through market studies and analysis. The Company also proceeds with adjusting business model, products and services, creating a brand image, and focusing on communicating with the customers. The Company adapts and integrates various strategies in order to achieve Company's objectives and goals, and to reduce the risk which will impact the growth of businesses in MFEC Group. Following are Company's strategies:

• Transforming businesses of the company and other companies in the group to be in line with technology trend - Cloud, Mobility, Big Data/Analytics and Social Business, eyeing on and adjusting to the following technology trend for business extension;

1. Artificial Intelligence (AI): Helping a computer system to have intelligence and capable of learning, making important decisions correctly and effectively, AI has been trusted and developed for many industries. Moreover, AI can think and analyze with rationale. AI can also create and adjust to new information provided. The development of AI are various and can be used differently in many industries.

2. Robotic Process Automation (RPA): A program that helps the businesses to build a robot to work in specific purposes. Each robot can work in a specific pattern which is planned by the creator. The robots can be used for repetitive works. Therefore, the staff will not need to work on repetitive tasks. RPA can help accelerate the work process by many times and can be operated 24 hours. Once the business is growing, the business can increase the efficiency by using RPA to easily support the increased workload. Should there be new processes or tasks that can be done by RPA, the businesses can immediately handle the workload without increasing the staff.

3. Data Analytics: It is a data analysis process by looking for a correlation model of information to be used for business purposes. For example, it is used to study market trends, find customer needs and behavior and use information to help corporate executives in business decisions. Data analytics is the process that will help drive the business to grow faster and smarter. This is because data analytics helps create products and services which are suitable for the market due to the understanding in customers' needs and efficiency in business operation.

4. Blockchain: It is a growing list of records, called blocks, which are tied together and typically managed by peer-to-peer network for accuracy. Blockchain works as a data structure so that each person's digital transaction can be shared to others like a chain, allowing the blocks of data to connect with all users, and being detected by other users for the block ownership. Blockchain is designed to store information in a way that makes it virtually impossible to add, remove or change data without being detected by other users. As everybody has a copy of blockchain, all blocks will perceive correction and can run algorithm to inspect transactions. New transaction will be permitted and secured when most of the network users agree on accuracy. Blockchain technology was originally developed as part of digital currency Bitcoin. The growth of this technology will take place in the next few years as many organizations are interested in bringing this technology for security and reliability of the organizations.

5. Internet of Things (IoT): This is Internet tecnology connects tools or things together or brings them to communicate each other through sensor software or network system so that information can be gathered and exchanged and humans can order and control equipment and tools through Internet. Examples are switch on-off of electrical appliances, mobile phones, office equipment, manufacturing machines and other daily-use equipment. IoT is also used to analyze data for cost reduction and safety in manufacturing plants.

Although IoT technology is still in early stage, the IoT market in Thailand has the possibility to grow constantly in the next 10 years as both customers and businesses are more aware of features and benefits of the IoT.

6. Information Security: Information Security is the protection of information systems used for collecting, processing and exchanging information through policy management. Information Security also includes both physical and technical protection and any other related technological protection. As Thailand is entering the time which technology is used for developing the country's economic potential, many businesses and organizations are giving priority to the security of information systems. A business can only be reliable when having credible transactions with customers. This technology can also create confidence regarding the security of business and clients' information. The tools which are used for information security are Anti-Virus software, Website Security Services, Biometrics Security, Multi-Factor Authentication, Voice Authentication, Facial Recognition, Palm Vein Pattern Authentication, Personal Security Device, etc.

7. Mobile Technology: In the previous year, we've used mobile technology as a fast and convenient way of communication due to the coverage of all areas, domestically and internationally. However, when we enter the time which technology is used to drive the economy, Thailand has used mobile technology as a means of communication with more substantial and more widespread. At the present, Mobile Applications have been variously developed, both in platform and type of applications. Mostly by developing the programs or applications which were previously on computer platforms, both stand-alone programs and internet-accessed program, to be mobile applications; for example, e-Mail, Calendar, Web browser, Financial & Internet Banking, Social Network, and Video Conference. Moreover, many organizations have applied the capabilities of mobile devices and wireless networks for their applications, both for internal public uses in a form of mobile application, such as CRM Application, Business Intelligent (BI), and Internal Work Application. Allowing many organizations, especially at the executive level, to implement management policies for staff and to make decisions for any urgent matters via mobile devices anywhere, anytime, even while traveling.

8. Marketing technology (MarTech) is a strategic tool aimed at customers who have a specific interest in marketing information or study the relationship of information on various social media for direction, planning or adjusting strategy of products, departments and organizations. In additions, it demonstrates communicating with consumers by using information to build relationships or create an interesting and innovative experience for the product. It works by applying information to see the change in a way to communicate effectively resulting in consistently better sales. The implementation of MarTech as a strategic tool consists of 3 main tools: First, Data Management Platform or User Relationship Management tool through websites and applications to see the connection between a customer and a service or product. The second tool is Customer Management Platform or the tool for managing customer databases on social media which can be crossed between platforms and used to learn customer consumption behavior. The last tool is Social listening, a tool that listens to the attention of a group of words in order to analyze information and communicate with the questioner in a timely manner. The company also has a team that analyze and plan data for customers in the form of a consultant to increase the value of the work piece and develop the potential of the team.

- **Restructure** MFEC Group has been restructured and its people have been developed with skill sets to cope with technology and market needs for efficient management.
- **Retention of the existing customers** in System Integration & Maintenance, increase of recurring income and Project Management. With these, project delivery can be complete with quality, punctuality and competitive costs. Joint cooperation is made with universities in terms of academics and recruitment of new graduates who are ready to work with MFEC Group. The policy implementation complies with the government policy to develop workforce for the digital economy and society. The company, as a result, bears lower labor cost.
- **Cooperating with business partners** to expand markets and business, the Company has cooperation with media for new income channels while the customer base is enlarged to other industries which have never been the company's customers and its leading position in the IT industry is strengthened.

In 2020, due to the COVID-19 epidemic, companies are more cautious about investing in startups by cutting off companies that do not see clear short-term returns. Therefore, some small firms are withdrawn from the investment, but at the same time, the Company has a policy to invest in companies with certain returns with a strong customer base, the ability to expand the customer base and those with characteristics that can support MFEC's business.

1.2 Risk to investment in new Start-ups

From MFEC Group's policy and business expansion plan for the organization's strength, MFEC has faced a risk of investment efficiency in recent year, both in terms of the rates of return which may not meet targets and project implementation which may be delayed. Those risks could arise from several factors such as local economic uncertainties, investment promotion policy, the situation of COVID outbreak laws and regulations involving taxes and others pertinent to investment, consumer behavior, industry response to changes and rapidly changing technology trends. And to prevent and reduce risks to investment, all companies are required to assess strategic risks, operational risks, financial risks and human resource risks, and set work plans to reduce risks. Risk Management and Corporate Governance Committee considers and gives approval on the work plans to reduce or control risks to acceptable levels. The management of the company and other companies in the group monitors performances of activities to reduce risks and, then, consistently reports them to the Risk Management and Corporate Governance Committee. Reporting is done to the Board of Directors for acknowledgement and solutions to immediate impacts arising from factors.

1.3 Competition Risks

Competition has heightened in the information technology business's system integration (SI) due to its rapid development of products and services. Both new and existing product owners make substitutes and authorize various representatives or distributors as more alternatives for consumers, leading to higher competition and reducing each project's profit margins in light of price competition and the representatives and distributors' services. Besides, technology changes like incoming Cloud will help lessen human works in organizations in the long term, leaving their people more time for other execution. Use of Cloud services surged more than 100% per annum at organizations in Asia. These services extend from a basic Cloud - Microsoft Office 365, an organizational system - Microsoft Dynamics, Microsoft SharePoint, Microsoft Azure to other Cloud services from other developers. These services tend to grow further.

Therefore, in order to reduce business risks in System Integration (SI), the company and other companies in MFEC Group have evolved themselves to find strength as a means to increase sales of products and services which are MFEC intellectual property to increase the direction of the market, such as Data Management Platform (DMP), Group Communication Application (MPY), Marketing Technology (MarTech) and Smart Hospital Application.

2. Operational Risk

2.1 Project Management Risks

The company has a policy to focus on selling products and providing services which will maximize customer satisfaction. To do so, the Company will deliver quality products and services in a timely manner. To prevent the matters regarding late delivery, the Company has organized a training for project managers. All project managers are required to participate and pass the training in order to ensure that the project management is in accordance with the operational standards set by the Company. The key topics in the training consist of Effective Project Planning, Monitoring and Controlling the Project, Project Risk Evaluation, etc. The Company also develops the software for internal usage to assist in project management, which will promote a systematic and standardized work throughout the organization. The organization also has a Quality Control Department to regularly inspect project operations. Should there be any projects that do not meet the plan, a report will be sent to relevant parties and according to the level of occurring issues to find the solutions to reduce operational risk.

The matter regarding fines for the project occurred in 2020 caused by the project from the previous year named "The Central Service Support System (CAT-CSS)". The project had various factors casing delays in project delivery such as additional customer demands. Therefore, the Company could use the deposit to compensate for the damages and fines.

2.2 Human Resources Risk Management

MFEC Group recognizes the importance of human resources, which is the key to drive the business. Therefore, the Company promotes continuous human resource development to prepare for the competition and changes in technology. Human Resource department has set the criteria for risk assessment in 4 topics as follows:

Topic	Metric	Level of Risks				
		1 Very Low	2 Low	3 Moderate	4 High	5 Critical
Higher unemployment rate	**Metric:** Number of Man-Day in non-working time reports	< 5%	5 - 10% (exclude)	10 - 15% (exclude)	15 - 20% (exclude)	20% and over
High resignation rate of the staff in 'Star' group	**Metric:** Turnover rate of the staff in Successor Group compare to a number of staff in Successor Group defined by the Head of Business Unit	< 5%	5 - 10% (exclude)	10 - 15% (exclude)	15 - 20% (exclude)	20% and over
Development of necessary skills for business operation	**Metric:** The assessment score given by the Head of Business Unit in Technical Skill is lowerthan 2, compare to all employees	< 5%	5 - 10% (exclude)	10 - 15% (exclude)	15 - 20% (exclude)	20% and over
Refusal to adapt to changes	**Metric:** Number of employees who need to develop skills according to the evaluation of technical capabilities and have better scores in the next round of assessment	> 80%	70 - 80%	60 - 70%	50 - 60%	< 50%

1. The results of Human Resource Risk Management for the year 2020 for Quarter 1, 2, 3 and 4 are as follows: number of Man-Day in non-working time report is considered moderate risk, which are 11.14%, 8.63%, 7.52%, and 6.41% respectively.

2. A turnover rate of the staff in Successor Group compared to a number of staff in Successor Group defined by the Head of Business Unit: The rate for Quarter 1, 2, 3, and 4 are 0%, 5.06%, 7.59%, and 7.59% respectively, which is considered as a low risk.

3. The assessment score given by the Head of Business Unit in Technical Skill is lower than 2, compared to all employees: The rate for Quarter 1, 2, 3, and 4 are 1.4%, 3%, 3%, and 2% respectively which is considered as a low and very low risk.

4. Number of employees who need to develop skills according to the evaluation of technical capabilities and have better scores in the next round of assessment: The rate for Quarter 2, 3, and 4 are 64.5%, 85.71%,100% and 90% respectively, which is considered as a medium, a low and very low risk.

Human Resource Development Policy

The challenges of various dimensions in 2020 are considered as an important basis driving the organization, such as the Covid-19 epidemic crisis that affects the employee development model and shifting skill set through technological change. The management realizes the importance of employee development in New Normal era in response to corporate strategy and learning behavior of employees for continued effectiveness though the new working patterns. Considering the allocation of knowledge development according to their expertise in each field, we are able to match different skill levels for each job following Human Resource Development Policy as below

1.Technology: The organization regularly assesses its technological skills to encourage working to achieve goals and delivering work to customers with maximum efficiency, which the practices were occurred in different forms as follows;

1.1 Knowledge sharing within the organization under the project "The Meetup" which consists of business technology and new innovative trends with 65 training courses and 1,826 employees participated

1.2 Skill development model and certification of expertise in technology certified by external institutions with 375 training courses and 204 participants in total

2. Leadership: It is important to be aware and focus on coping the change, so that we can contribute to strategic planning to be able to handle the crisis appropriately. Thus, C-meeting has been holding monthly throughout the year for decentralizing from the management through supervisors.

3. Project Management: A team supervising project overview must have skills that help minimizing any risks that may occur to the organization, contract management skills and knowledge sharing that project managers need. The development of project managers has been organized once, 3 batches of the project contract management with totaling of 62 people

4. Soft Skill: The development of soft skills is very essential in the current state which growing from personal experiences through Clinic Consult sharing work experiences and opinions under the defined 13 topics.

In addition to focusing on skill development in various aspects, the company also delivers positive change to society through knowledge development both schools and third parties as follows;

1. The company continuously conducts various educational activities, cooperating with more than 25 leading public and private universities in attempt of enhancing the capacity and sharing technology knowledge. MFEC considers this mission as a mean to produce competent employees to meet the growth of Group companies under the name "MFEC The Next Gen", project merging the strengths of two parties (industry and education) to form a mechanism for the continuous development of ICT professionals. As an academic memorandum of cooperation (MOU) was signed with both public and private universities, the form of co-drafting courses and providing IT knowledge has been made with 12 universities throughout the country.

2. Transferring technology knowledge to the general public under the "C Thru" project was started to enhance the understanding of technology to society with MFEC people through video content via social media. There are 2,239 people following up with the total of 10 technology stories.

From the above challenges, it shows that the key driving an organization is continually developing employees. With the crisis that made quite a significant change, the development of employee become an important part of achieving goals and make the most effective operations.

2.3 Information Technology Management Risk

Due to the importance of IT system to business management, the company draws up its IT strategy to be in line with the internal administration and analyzes IT Risk Management in all dimensions;

(1) Business Disruption Risk

(2) Technology Risk

(3) IT Governance Risk

MFEC Group which provides IT services has a contingency plan for risks in the cases (1) and (2). If there arise such risks in the future, the risks will be ensured to acceptable levels as set in the contingency plan.

With respect to the IT governance risk, the information security measures are established for portable tools including notebooks. Portable tools are necessary and become a part of IT work. Therefore, risks could happen from information loss or unintentional information leakage. There are also the measure for use of legitimate software. As there are diverse employees, some may use fake software. Therefore, there must be control and preventive measures as use of fake software is regarded as infringement of intellectual property. The executives and IT Support supervisors collaborate to define measures to mitigate such risks. The policy and measures are set to control and prevent the risks, while being announced for all employees for acknowledgment and strict practices.

3. Financial Risks

3.1 Foreign Exchange Risks

The Company faces FX risks as most of its products are purchased in the US dollar and the company earns most of its income from sales of products and services in the baht. Therefore, the company has obligations to pay in a foreign currency. Meanwhile, it is difficult to forecast currency fluctuations, given its impact factors spanning from Thailand's economic fundamentals, fiscal and monetary policies, the global economic situations, expectations to speculations, etc.

Previously, the company has measures to manage against FX risks through forward contracts to take the full coverage of the whole foreign currency-denominated payment to manage FX risks for more efficient cost and income management.

3.2 Credit Risk relating to Account Receivables

The company has the prudent credit policy, taking into account proper credit conditions. The company's customers are categorized into two (2) groups:

The first group is the existing customers with strong financial status. Most of them are in large size. The company extends the credit term of 30-60 days to this group and 90 days for customers with a long trading history and excellent credit risk assessment.

The second group is comprised of new customers. The company has the policy for them to pay in cash or make payment through banks' letter of credit (L/C). Payment will be made in installment according to work completion.

Credit extension will be subject to analytical results of financial statements and other information of each customer. Aside from its prudent credit extension, the company has the policy to set aside provision for doubtful debts as described in net realizable value. The company and its subsidiaries record estimated provision for doubtful debt for a loan loss that may incur from inability to collect receivables. Generally, this is considered by collection experience and an analysis of receivables period.

In addition, the company group recorded such losses in accordance with the requirements of IFRS 9 Financial Instruments. This has been effective since January 1, 2020. During the year 2020, the company recognized Provision for Expected Credit Loss in the amount of 25.5 million baht, which is a major cause of: The Central Bankruptcy Court ordered a large corporate customer of the Company to undertake a business reorganization.

3.3 Risks in Investment in Subsidiaries and Investment in Associates

The company has investments in subsidiaries and investments in associates by the cost method totaling 431 million baht and 129.5 million baht, or 9% and 2.7% of the total assets in the separate financial statements, respectively. To prevent risks involving demonstration of investment which did not reflect the actual business picture in the financial statements, the company, in 2020, hired a specialist to make the value appraisal of all subsidiaries. The consultant used the discount cash flow method (DCF) to analyze net cash flow of each subsidiary's future operations. By comparing with the investment value based on the net asset value appraisal, the company adjusted the investment value to accord with the appraisal results in its financial statements.

For the year 2020, the company recorded an allowance for loss from impairment of investment in Motif Technology Public Company Limited, a subsidiary in which the company holds 99.9% of shares, amounting to 5 million baht. And the company also recorded the impairment of investment in Digital Savvy Company Limited, an associate company in which the company holds 42% of the shares, amounting to 6.9 million baht. Due to the valuation of such investment, its recoverable value is lower that its value according to the account.

Apart from the value appraisal, the company continued its monitoring on its subsidiaries' performance. Every subsidiary has been asked to set work plans which are presented to the Executive Committee every year. Monitoring is done every quarter. If any subsidiary records its performance which does not meet its plan, that subsidiary must report and present the plan to the Executive Committee. And the company requires all subsidiaries to have and report their business risk assessment to the Executive Committee on a regular basis.

3.4 Risks of presenting goodwill in the consolidated financial statements

The group's goodwill is presented in the consolidated financial statements amounting to 258 million baht, or 5% of total assets. The impairment assessment of goodwill is a significant accounting estimate that requires considerable judgement in identifying the cash-generating unit and estimating the future cash flows that the group expects to receive the assets form the group, including the determination of the appropriate long-term discount rate and growth rate. This creates a risk associated with the measurement of goodwill.

The Company determines the recoverable amount of the cash-generating unit. The estimated future cash flows that the entity is expected to receive are based on the financial forecast, which covers a period of 5 years.

Key assumptions for calculating the value of the asset are summarized as follows:

Growth rate	3 percent per year
Discount rate before tax	9 percent per year

The Management considers the growth rate based on the previous performance. Market growth forecast, GDP growth rate and the discount rate are the pre-tax rate that reflects the unique risks involved in that segment. The company group considered and believed that goodwill does not cause any impairment.

4. Compliance Risks

Risk to personal data

Personal data is the driving force behind business, thus to collect, using or disclosing personal information is inevitable. Meanwhile, data owners are becoming more watchful to privacy alerting to the law approved by the National Legislative Assembly (NIA), the Personal Data Protection Act 2019 (PDPA), effective on June 1. 2021 with all organizations that collect use or disclose personal information in the Kingdom of Thailand.

The company is very aware of the risks associated with personal information. Therefore, it has been prepared for the Company's operations to be in accordance with the Personal Data Protection Act 2019, the company has performed as follows:

- Training course for employee about Personal Data Protection Act 2019
- Appointment of a Data Protection Officer (DPO)
- Assessment, understanding the current state of an organization's PDPA readiness by performing a data discovery and Gap Analysis Assessment
- Amendments closing the gap by using controls, such as the development of information policies and the use of security tools
- Continuous review of PDPA functions through PDPA Health Check to ensure the operation go correctly

5. Corruption Risk

MFEC Group is well aware of and pay attention to encouragement of the employee across the organization to perform their duties with honesty and integrity, while none of authorities is exploited for self-advantages or others' benefits. Therefore, the policy and practices are determined across all processes starting from sales, services, hire, procurement, donation and other forms of support such as reception, and giving/receiving gifts for the employees' practices. The guideline is prepared and training is provided. Risks are evaluated, monitored and reported to the Executive Committee for acknowledgement. The letter is delivered to customers and suppliers to acknowledge the guideline for MFEC's business operations with transparency and fairness. In 2019, the Company has continuously conducted an evaluation form on Anti-Corruption measures and submitted the assessment form to the Thai Private Sector Collective Action Coalition Against Corruption (CAC) for consideration on August 5, 2019. The collective Action Coalition Committee of the Thai Institute of Directors Association (IOD) has approved MFEC Public Company Limited to be a member of the Thai private Sector Collective Action Coalition against Corruption. The said certification is valid for three (3) years from the date that the resolution is approved.

In the year 2020, the company has always followed the anti-corruption policy and code of conduct, also perceived the great importance to business partners. Therefore, letters containing content about the expectations of business partners are sent with a clear set of business ethics to communicate the standards of business, management, as well as company regulations so that business activities can be effectively successful and adhere to mutual good governance principles.

3. Driving Business for Sustainability

3.1 Sustainable Management Policy and Goals

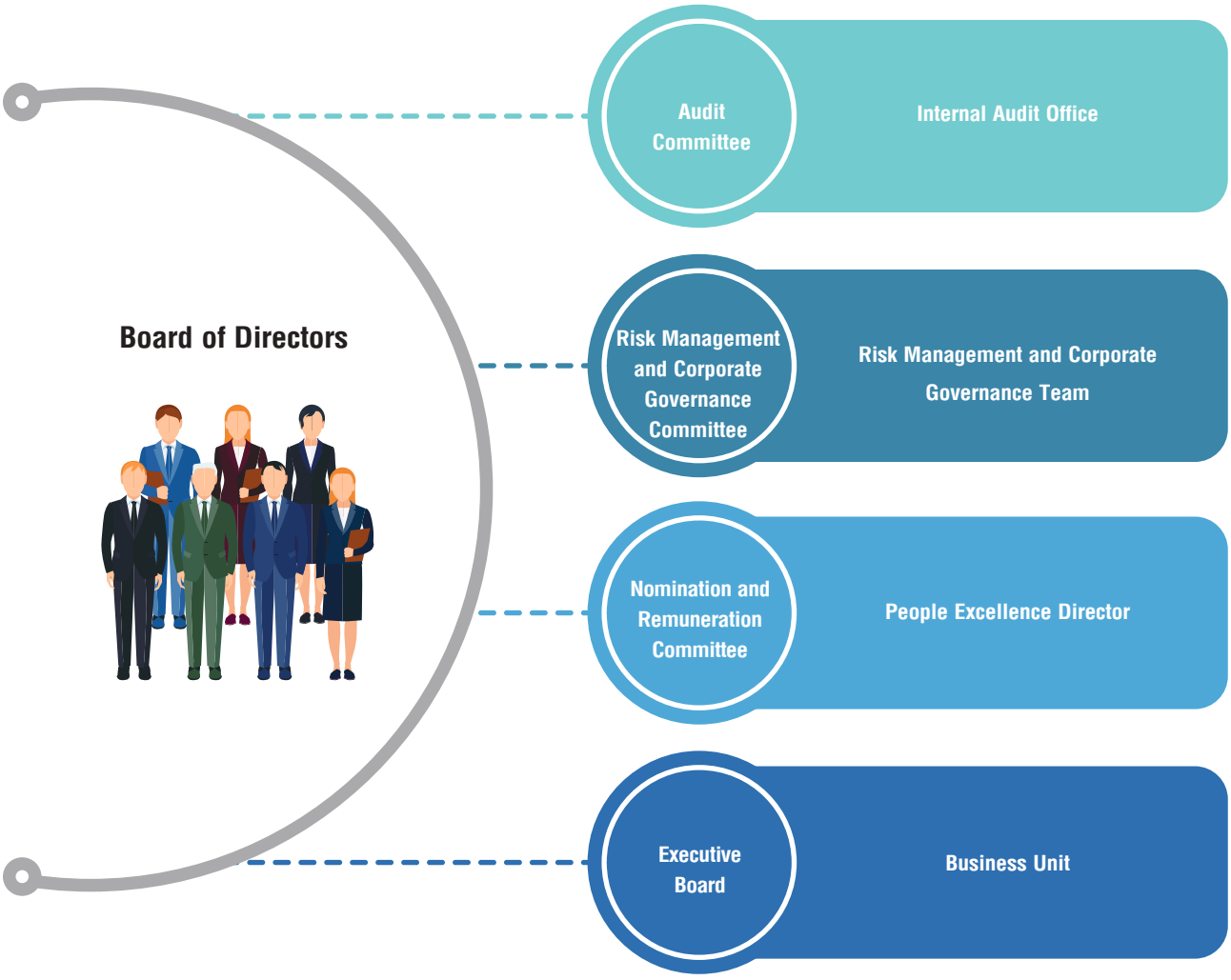
MFEC Group is well aware of rapid change of new technology, life style and needs of people in the country, so we strive to strengthen the country's foundation by enhancing educational knowledge. To respond these changes, the company has set up guidelines in order to create sustainability in various fields aiming to see equality and social justice. Additionally, economic development has been kept in mind as a plan to increase income distribution for better quality of life and corporate responsibility adhering to good governance, business ethics, and corporate governance. Therefore, MFEC is more than ready to drive the organization with its strong vision and mission towards sustainable growth.

"Share drives sustainable growth"

The moves were in line with MFEC Group's direction/goals for business operations emphasizing on growing sustainability under business ethics and good risk management. This strategy has become the core with the purpose of driving the organization, while enhancing service capability and encouraging the social responsibility and sustainable development in work processes. As a result, the sustainable environmental, social and corporate governance value added methodology is applied for benefits of related parties, including shareholders, employees, customers, allies, communities and society.

Sustainable development structure

The company sets up a sustainable development management structure, in which the Chairman and Chief Executive Officer act as leaders in driving the organization towards sustainable development. And the Board of Directors has assigned Nomination & Remuneration Committee, Risk Management & Corporate Governance committee, Audit Committee and Executive Board to advocate, achieve goals and meet the needs of stakeholders.



Process of sustainability materiality assessment issues

1 Identification of sustainability issues

Identification of sustainability issues has an impact on the sustainability of the company which covers economic, social and environmental dimensions both internal organization and external by considering the risk and business opportunity, global business trends and similar industry. Furturemore, we have concern toward the expectations of internal and external stakeholders of the company by collecting data from various departments of the company responsible for related issues.

2 Priority of sustainability issues and strategy formulation

It is vital to prioritize issues with clearly defining strategies and short and long term goals. Also, we need to analyze them regarding the prediction of future conditions in order to be prepared for competition and transformation by emphasizing the adaptability of the organization for company sustainability and advancement.

3 Operational plan and responsible parties

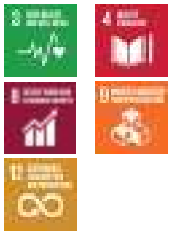
To begin this process, we compile the evaluation of important issues and specify the consistency between the issues in intention to summarize the materiality for the company. Then, operational plans were created while specifying the responsible parties to take charge of 3 major issues consisting of;

- Human resources such as recruitment (Recruitment) to maintain staff and drive the work to occur consistently (Retention), including development of potential and readiness of personnel (Development)
- New business investment
- Modification of existing business

4 Monitoring and evaluation

Important issues needed to reviewed, followed up, controlled and monitored on a regular basis to achieve sustainability strategies.

Key sustainability issues

Sustainability issues	Internal framework	External framework	Reported topics	Sustainable Development Goals
Corporate governance - Corporate governance structures	MFEC Group	Partner, Employee	Social corporate governance	
Business ethics - Code of business ethics - Employee ethics - Corporate governance - Communication of Code of business ethics and anti-corruption policy - Endorsement of internal and external audit - Anti-corruption policy	MFEC Group	Partner, Employee	Economic issues in business ethics	
Risk management - Structure of Risk management - Procedure of Risk management - Building awareness of cooperate risk culture	MFEC Group	Partner, Employee	Economic risk management	
Establishment of accessing and understanding of technology	MFEC Group	Partner, Customer, Employee	Establishment of accessing and understanding of technology in social dimension	
Human Resources management - Promotion of diversity and equal labor standard - Human Resources development	MFEC Group	Partner, Employee	Human Resources management in social dimension	
Corporate social responsibility	IT business and educational institution	Community, customer and society	Corporate social responsibility in social dimension	
Environmental management of MFEC	MFEC Group	Employee, Community, Society	Environmental management of MFEC in social dimension	

Sustainable Development Goals

The company considers the importance of 6 key goals under the Sustainable Development Goals (SDGs) of the United Nations, namely 3,4,8,9,12,13 which is consistent with the company's materiality assessment. At the same time, MFEC also follows another 11 goal such as 1,2,5,6,7,10,11,14,15,16,17 creating sustainable value for the stakeholders.

Principle description

Sustainable Dvelopment Goals (SDGs), the world's development direction in order for other countries to implement and achieve success, results in sustainable development in the economic and social aspects and environment during a period of 15 years (September 2015 – September 2030). It is developed that takes into account the holistic balance of all aspects, based on natural resources, wisdom and culture, with participation of all groups of people with generosity, respecting each other for the ability to be self-reliant and equal quality of life.

Sustainable Development 17 Goals consisted of :

Goals 1: No Poverty
Goals 2: Zero Hunger
Goals 3: Good Health and Well-being
Goals 4: Quality Education
Goals 5: Gender Equality
Goals 6: Clean Water and Sanitation
Goals 7: Affordable and Clean Energy
Goals 8: Decent Work and Economic Growth
Goals 9: Industry, Innovation and Infrastructure
Goals 10: Reduced Inequalities
Goals 11: Sustainable Cities and Communities
Goals 12: Responsible Consumption and Production
Goals 13: Climate Action
Goals 14: Life below Water
Goals 15: Life on Land
Goals 16: Peace, Justice and Strong Institutions
Goals 17: Partnerships for the Goals

VALUE CHAIN MFEC

Upstream

Hardware products from manufacturers

Software products from producers

development of Tailor Made Application

Software Development

Downstream

Integration of IT infrastructure for customers

Maintenance service and consultancy services in IT system for customers.

Investment in Start-up

3.2 Managing stakeholder impacts in the business value chain

MFEC Value Chain

MFEC emphasizes on two processes of Value Chain management: value creation and support activities. The company has a written manual detailing control, measure and evaluation processes. Some processes like evaluation of customer satisfaction are included in the section of risk management.

No matter what the process the company uses, the main target for business operation is "making sustainable profit." Such profit will be made when the organization stays competitive and creates value to customers who then decide to purchase our products and services. This is the origin of the value activities. Earlier, the company has categorized its value activities into two (2) groups;

1. Primary Activities

means an activity directly involving the production process of products/services, product delivery to customers and quality after-sale services.

2. Support Activities

means an activity which support or facilitate the primary activity with efficiency. Details are described in the following table;

Primary Activities	Support Activities
1. Collection of inputs in raw materials and delivery.	- To comply with the main goal to reduce redundant costs and focus on quality of service, the company collects customers' comments for further improvement, optimal benefits and internal system development for speed through reduction of unnecessary processes. In the meantime, information is gathered in every process with transparent inspection.
2. Transforming inputs into products / services together, while improving the employees' capacity and work capability for excellent services, and promoting ideas of innovative products to cope with customers' needs	- The company has the policy to promote people's capacity through several activities including the MFEC Incubator. - TechFace program aims to encourage the employees' knowledge transfer and exchange. - Focusing on internal communications among the employees to understand the policy and business management for the same direction and goal
3. Promoting the products/services be well recognized among customers and suppliers, and encouraging customers to purchase products / services consistently extending from integration, maintenance, spare parts services to warranty of products/ services.	- Having business units be directly responsible for the customer satisfaction surveys and evaluation results will be shown in the part of "Risk Management." - Focusing on compliance with laws and the corporate governance principles for transparency in every process throughout a value chain. - Supporting the ERP system in the procurement process for sales

Primary Activities	Support Activities
4. Joining force with suppliers, having guidelines for screening suppliers and evaluation of suppliers' tasks	- Screening activities for partners and suppliers are held before signing contracts with business partners. Five (5) steps are taken; 1. Accounting Department screens tax and registration document to inspect and approve operations. 2. Partner Alliance Department examines contractual conditions such as regulations or possible infringement against the laws and the company's regulatory framework or trade disadvantages. 3. Legal Department examines contracts and legal conditions before joining as "Business Partner." 4. Sales Department reviews the framework of cooperation in an agreement to offer/purchase of products and services in achieving co-objectivces between the organization and customer. 5. Product Development Department considers capability of product research & development, conduct studies on technology trends, customer and market demand, and develop quality people to cope with services. - Evaluation Partner Alliance Department considers joint implementation on a quarter basis, based on the organization's budget year. The framework of consideration aims at supervision and control as well as solutions to problems and activities taken to achieve co-targets in the following quarter.

3.2.2 Stakeholder participation

The integral part of MFEC's sustainability strategy is stakeholder participation as it helps prioritizing and creating operational plans and activities which is based on the corporate governance policy in order to have a good management system. The Board of Directors and executives focus on vision and take responsibility for their duties on the purpose of increasing competitiveness and gaining trustworthiness of shareholder, investors and other relevant parties. In addition, we make sure the operational process is clear and verifiable, as well as respectful to the rights, equality and responsibility to all stakeholders. MFEC believes that good corporate governance will lead the organization to stability, make value added and increase competitiveness. It also includes management efficiency which affects the confidence of the shareholders, investors and all relevant parties in the long run. Also, information details and activities will be revealed in the annual report (Form 56-1) and the company's website for investors to perceive, the stakeholders are divided into 5 groups as follows;

Stakeholders	Participation	Expectation	Operation
Society and Community	- Being a leader encourages the development of human resources in the country - Supporting public interest activities - Any activities that are harmful to society are not permitted - Intellectual capital activities are being held to grow knowledge in the community development and build high-value-added jobs in the community	- Innovation that impacts society - Organization Progress - Better quality of life	- Corporate Social Responsibility Articles
Stakeholders and Board of Directors	- Organizing the shareholders annual meeting according to the AGM Checklist - Annual reports - Sustainability reports	- Joint of determining the operational direction - High and sustainable investment return - Good corporate governance and risk management - Disclosure and transparency	- Sustainability Policy according to the corporate governance framework
Customer	- Flexible and effective communication - Continuous meeting with customers - Survey of customer satisfaction after the project is completed	- Good quality products and services - Accurate information regarding products and services without distorting the facts - Customer confidentiality - Performance of following conditions committed customers	- Customer Responsibility Articles

Stakeholders	Participation	Expectation	Operation
Business partners and Creditors	- Advance notice must be given in order to cooperate to find solutions and prevent damages in case the given conditions cannot be complied with - No requesting, accepting or paying any dishonest benefits in dealing with business partners, debtors or creditors in any case - Continuous communication through both social media and phone call	- Honest trading framework and fair competition between trade partners. - The payment period is acceptable. - Value added and long-term cooperation	- Articles of responsibility to partners or creditors
Employee	- Encouragement of the employees understanding towards ethics and roles - Continuous support to the development of professional skills. - Build up safe and friendly working environment - Encouragement of employees participation in determining work directions	- Happy coexistence - Fair returns and employee treat	- Articles of responsibility to employees - Policies and guidelines for knowledge development

3.3 Environmental Dimension in Sustainability

3.3.1 Environmental Policies and Practices

Corporate environmental management

Under the crisis of COVID-19, the company has enforced Work from Home Policy where employees were asked for cooperation to work remotely aiming to reduce the spread of virus. However, the pandemic currently seems at the recovery stage, employees are allowed to return to the office. Thus, MFEC has brought good environment to the workplace along with considering employees' safety as the first priority by applying Social Distancing policy, which has been managed as follows:

3.3.2 Environmental performance

1.

Placing hand sanitizer in various locations throughout the office and encouraging employees to apply it all the time to avoid getting sick and spreading germs.

2.

Encouraging the practice of wearing mask to reduce the transmission of germ as COVID-19 can be passed on through coughing, sneezing, mucus and saliva from infected people.

3.

Cleaning desk with alcohol is one of the requirement which can be done as often, plus there are housekeepers keep an eye on various contact areas such as buttons, handrails, etc.

4.

The practice of handwashing with hand sanitizers containing more than 70% alcohol has applied. Especially those traveling on crowded public transport, they should wash hands immediately once picking up or touching something to prevent the spread of infection after the contact.

5.

Eating food promptly and avoid sharing food are one of the practice as the disease can be transmitted easily through saliva of an infected person.

6.

Social Distancing is a must, so employees are required to stay 2 meters apart to decrease the spread of infection after contact, close contact, or chat.

3.4 Sustainability management in the social dimension

3.4.1 Social Policy and Practice

MFEC Group's boards of directors, executives and employees are strongly committed to move ahead in creating value for the organization, the society and environment systematically following the guidelines on "Social Responsibility" ("Eight (8) Guidelines"). These guidelines are directly related to MFEC and its group in term of business operations, activities, employees, suppliers and foundation, which are described in the following details;

1) Fair Business Operations: MFEC Group faithfully executes its business operations with equality, fairness, honesty and integrity, while respecting intellectual property rights, political right and obligations to the stakeholders.

• The company operates businesses for customers with integrity, fairness, respect and follow conditions as agreed and determined strictly. For example, showing respect to project implementation, once a product or its model and services agreed for purchase/sale end production, the company will find a better model of the product with comparable or higher quality as agreed.

• The company discloses information involving products and services in full details with accuracy and no distortion. Right, sufficient and useful information must be provided for customers. There exists a replacement process if a defect is found in a delivered product.

• The company sets its policy and Code of Conduct for the employees and executives on practices and contacts with the suppliers said as requesting, receiving or paying none of any benefits without integrity when contacting with suppliers. In addition, a letter is sent to all suppliers, informing them MFEC's Code of Business Conduct (in country and abroad).

• The company competes with competitors fairly under a framework of competition without improper and dishonest search of their information, destruction of their reputation through defamation or any untrue deeds for MFEC's benefits.

• The company operates businesses with neutrality, takes no side of a political party or a political group, and supports none of any activities of a political party in particular.

Respect to property rights

• The company promotes practices following intellectual property rights, licenses, patents and moral rights and define them as Code of Business Conduct.

• The company encourages and supports the executives and employees to utilize the company's resources and assets efficiently and properly with valid licenses, supporting none of infringement against intellectual property rights. herefore, the IT Governance Policy is set and announced for all in the organization.

Promoting the social responsibility

• An opportunity for the employees to independently exercise their democratic rights in a general election in the democracy without any impact to the organization

• The employees, suppliers, customers and allies an opportunity to participate in the company's social activities or donate money or items as desired. For example, the company's major shareholder TIS Inc. provided its financial assistance for Pan Panya Foundation to conduct education activities for Thai children in remote areas.

2) Anti-Corruption: MFEC's Board of Directors pays attention to promote the employees across the organization to perform their duties with honesty and integrity, regardless of exploitation of their authority for their own benefits or others, while acting against all kinds of corruption including bribery. Therefore, the Executive Committee is entrusted to submit a membership in anti-corruption (Private Sector Collective Action Coalition against Corruption or CAC) and is awaiting consideration to become a member and update the business ethics manual, good corporate governance policy of the organization according to the new CG guidelines which divided the practice into 8 criteria, including risk management policy, service quality control policy, security policy Occupational health and working environment, IT Governance policy, Anti-corruption policy and sustainability policy. The announcement has made for executives and employees within the organization to acknowledge and abide by and publicize to investors in general on the company's website- www.mfec.co.th

Anti-Corruption Policy determines the following practices for the executives and employees at all level;

• The Executive Committee is authorized to oversee and supervise business operations, based on the Anti-Corruption Policy.

• In regard to business/procurement relationship with the private or public sectors, all work units shall abide by Code of Conduct on Receiving/Giving Gifts, Assets or Other Benefits for all transactions with the private/public sectors as described in the following practices.

1) Proceeding correctly and straightforwardly when contacting with officials or units of the private/public sectors

2) Before receiving or giving gifts, thorough examination shall be made to assure it follows legal practices and the company's Articles of Association. Prices of items or gifts received/given shall be proper for each occasion and not be pricy.

3) Never receiving or giving cash, cheque, bond, gold, jewel or other cash equivalents

4) Never receiving or giving gifts which may influence an unfair decision-making for a duty, if necessary, receiving too-high value gifts/souvenirs from a party related in a business, this matter shall be reported to a supervisor in order.

5) In an event of asset donation for a purpose, this action can be done in a proper amount with approval and transparency.

6) Evidences for cash payment for gifts/souvenirs shall be kept for later inspection.

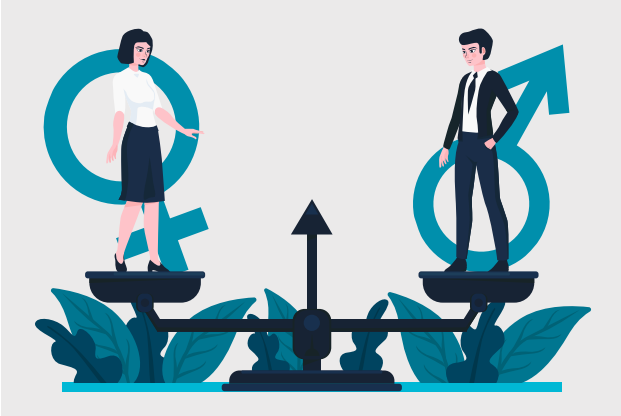
Internal Audit Office is delegated the authority to examine any corruption that may arise and if any irregularities are found, the office shall report such irregularities to the Audit Committee instantly.

3) Respect for Human Rights: All human beings are equal in rights, human dignity, freedom, gaining the right to individual equality and the right to freedom of opinion and expression without interference set forth in Thailand's Constitution. As the company is well aware of the human value, its executives and employees are required to respect the human rights, the foundation for the society and business operations.

• The company promotes and respects the human rights protection with no violation to the human rights, and abides by the laws such as employment of workforce and disabled persons, and none of under-aged workforce or illegal alien workers.

• The company respects and abide by the universal declaration of employment and has fair treatment to its stakeholders, ensuring an existence worthy of human dignity. Everyone, without discrimination and violation to fundamental rights, has the right to work regardless of sex, age, nationality, religion, physical conditions and political opinion.

• The company sets measure to protect the employees informing about violation to the human rights or unequal treatment to the employees. The informants will be protected without penalty.

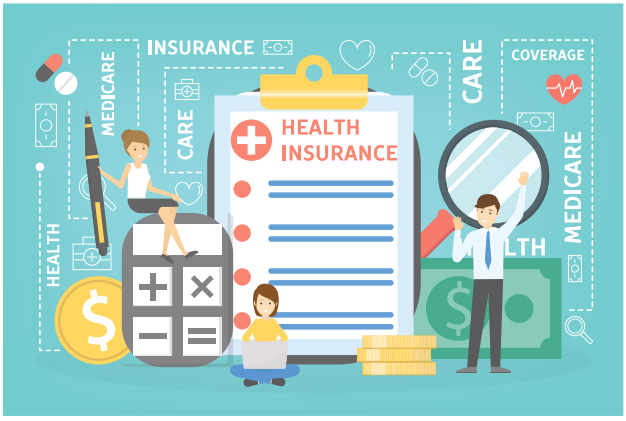


4) Fair Treatment to Workforce: As the organization's human resources remain the key to drive MFEC Group to a success, the management team pays attention to fair treatment for the employees and respects the fundamental rights with the principles of equality. The employees are expected to work happily and peacefully, which shapes the decent MFEC society, boosts work capabilities and develops the organization with sustainability. The management team and Human Resource Department set the following measures and practices.

• The company pays attention to treatment and care of all levels of the employees in the organization. Each of unit heads are required to take supervision for fairness, avoid unfairness, work insecurity or psychological pressure, have fair treatment to the employees, respect their dignity and equality, define their career path and promotion with welfare, remuneration and their regular development for more knowledge and skills.

• The company provides welfare, health care, annual physical examination, life and health insurance, and flexible welfare for health of the employees and their families at all levels as determined by the company.

• Channels and measures are determined to protect the employees who make complaints/give clues/recommendations, while they are protected from being unfairly penalized or getting bullied at work.



5) Responsibility to Consumers: MFEC mission states "We are committed to develop the organization to become the leader among integrated information technology service providers in the country, while gaining competitive advantages continuously with sustainability through dedication in production of quality products and excellent services with internationally-accredited standards and fair prices to all levels of our customers. We will become the leader to encourage the country's human resources development, create high value-added local jobs, and distribute income, and upgrade quality of lives for people in the country."

MFEC adheres to professional services with expertise and international standard for customers' satisfaction - a major aim. The following practices for services are determined:

• Sale units are determined to present quality and standardized products and services which have proper and safe technology and meet customers' need. Information related to products and services are accurately disclosed in full without distortion.

• Work processes with internationally-accepted standards exist from selection, quality inspection to fast product delivery system.

• Return procedure of products with defects to customers exists with the analysis process to suggest proper products if an irregularity is found during the integration and connection of equipment and systems.

6) Conservation of the Environment: MFEC Group regards efficiency use of resources to reduce energy consumption for conservation of the environment and business operations. The following practices for the conservation of the environment are determined:

• Human Resource Department executes promotion activities for the employees to take part in activities which aim at efficient resource utilization, power saving, reduction of grass house and global warming effects. Examples extend from use of used paper for a copy, ERP development and improvement for international communications instead of use of paper, improvement of e-mail system with Cloud for data collection, use of virtualization technology and servers of computers to share and reduce of a computer's burden for energy savings, and shift to notebooks instead of desktop computers.

• Never doing or supporting any execution which could damage natural resources, the environment and work environment

7) Participation into Community or Social Development: Aside from the policy for energy saving and awareness of the environment, MFEC Group adheres to its mission focusing on creation of local jobs and distribute income to upgrade quality of lives for people in the country. For example, visually impaired peoples have been hired on the project of necks and shoulders massage treatment to financially assist the visually impaired people to have an occupation as a source of income for themselves and their families directly. And the company joined to promote the operating activities of "Pan Panya Foundation". In 2020, the company donated additional funds to support the foundation activities for 200,000 baht and encouraged the employees to participate in for knowledge sharing. Therefore, they are proud to be part of charitable activities in supporting the education of Thai children in remote areas and helping with sustainability development.

8) Innovations and Dissemination of Innovations from the Operations: The Executive Committee foresees the importance of organizational development with sustainability through development of human resources and innovations, improvement of work efficiency, and reduction of work redundancy. Every year, the People Excellence Department arranges training under the Share & Shine Project for the purpose of knowledge transfer and experience sharing within the organization. Each of the unit heads is assigned by the management to consider their innovations, process/guidelines for work process improvement, process reduction, and improvement of work efficiency. In 2020, the Executive Committee reviewed, improved and developed the following innovative tasks to reduce work redundancy and improve work efficiency.

1) People Excellence Department develops Application "MPY" with Digital Delivery team for the purpose of communications between the executives and employees, and among the employees, and self-reservation of conference rooms in order to lessen work redundancy and save paper and workforce. All employees do not miss important contents aimed to be communicated to them.

2) Quality Assurance Department aims to inspect project implementation to follow a project's work procedures and plan, develop the program called MFEC Portfolio Management (MPM) to help check a database in an initial phase/errors for reduction of the inspection processes and procedures in each project and to improve the MFEC Portfolio Management (MPM) program to be able to provide data services according to the needs of various departments that change each year. This information will be used to calculate and make reports more accurate and faster.

3) IT Support Department performs internal various system development to increase efficiency including;

3.1 Changing a new server to increase work efficiency

3.2 Changing the ERP (Enterprise Resource Planning) software system

3.3 Developing a property management system (Fix asset online) to help manage and reduce paper usage

3.4 Using IoT (Internet of Things) technology to control and maintain the temperature of the server room condition increasing the infrastructure system supports office space expansion of SJ Infinite One Business Complex

MFEC Group conducts activities to create value in the organization, society and surrounding environment in a systematic way following an international CSR framework in the following, three (3) dimensions;

1) CSR in Process: Activities are conducted for the society and environment, which affect the organization's stakeholders and environment. Examples are take care of the employees' welfare, take no damage to the environment and take responsibility for the customers. This is a part of the business process being embraced into all procedures starting from research and development, design, delivery, integration and development to services.

2) CSR After Process: Activities are conducted for the society and environment and affect the society and environment with no direct involvement in the organization's operations. Meanwhile, these activities relate to promotion of business operations and become a part of public relations activities and corporate image creation.

3) CSR as Process: Pan Panya Foundation has been established as a non-profit organization to assist the society and environment and already celebrated its 3 anniversary on September 22nd, 2019 after the establishment.

3.4.2 Social Performance

1. Risk Management in the COVID-19 crisis

In 2020, the COVID-19 crisis occurred that affected businesses all over the world. This created a huge challenge for individuals who has to make lifestyle adjustments in order to survive the epidemic, including the business sector that all organizations have to accelerate to cope with the crisis. It could be seen that "technology" has played a role in life and conducting more business activities. Although technology could help solve problems, the key to leading organization through the crisis is 'employee'. MFEC's advantage is to see the long-term impacts of the crisis from the beginning and establishing a working team to tackle the COVID-19 crisis, especially under the work of the Business Continuity Plan (BCP) to plan and prepare for the situation that arises by setting guidelines and various policies to support the work of employees continuously.

Prevention and response during the COVID-19 crisis

MFEC puts its employees as the first priority and set the highest standard of preventing and controlling the spread of COVID-19. To maintain physical and mental well-being of employees and reduce the risk of being infected, guidelines are applied in accordance with circumstance and policies from the COVID-19 epidemic management center infected as follows;

1. Covid-19 topic was created on MPY, an application used for communicating among employees, with constant announcements and guidelines of conduct. In addition, we keep Covid-19 infected situation updated to provide employees with correct information and prevent rumors that may cause any damages. They are announced as follows:

- 1/2020 response plan no.1 Guidelines for prevention and surveillance at work and practice for traveling to countries with confirmed cases

- 2/2020 response plan no.2 Guidelines for traveling to countries with confirmed cases and entering work area

- 3/2020 response plan no.3 Work from home policy

- Announcement of practices for MFEC employees asking for cooperation in various fields, including body temperature measurement, mask wearing, hands washing, use of personal items and revealing travel information, etc.

- Messenger/deliverer are not allowed to enter the office area.

- Refrainment from the meeting/conference with outsiders, use of virtual conference instead

- Employee are not allowed to travel to countries with confirmed cases.

2. Preparing daily report that provides current COVID-19 situation, infectees in the organization and infected areas through the website and MPY application aiming to create awareness and practice of Covid-19 prevention. For the record, MFEC found 0 infected employees.

3. Creating health check feature on MPY application allowing employees to complete daily report where their health condition is monitored and updated in real time in order to assess the infection risk of individuals, in case of any risks of infection, MFEC can take action immediately to avoid the spread of virus.

4. Work from Home policy has been announced to reduce the risk of COVID-19. At the beginning, employees were divided into 2 groups, A and B, taking turn in working at the office. After the announcement of a state of emergency over the COVID-19, the company therefore immediately managed all employees to work from home in order to reduce the risk of infection by requiring them to work from home and refrain from visiting various locations as well as following the company's practices and the Ministry of Public Health strictly.

5. Insurance for COVID-19 was provided to all employees since the outbreak started as they are the main factor who drive the organization to success, also to make employees feel at ease knowing that the company takes extra good care of them.

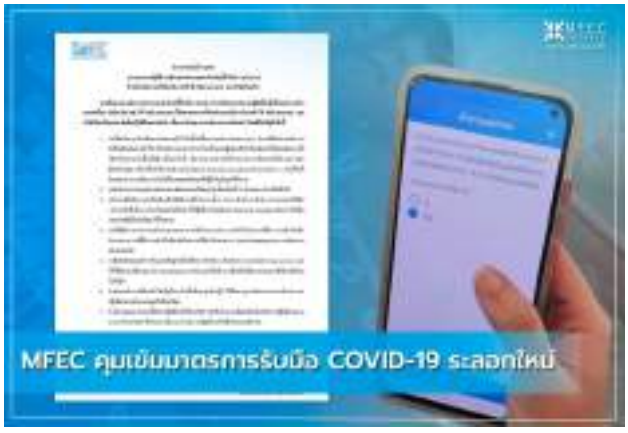
Preparation after the COVID-19 crisis

MFEC continues to be prepared for COVID-19 by establishing corporate policies and laying out guidelines to keep the business going and taking all stakeholders who have benefited into account. The company communicate well with all employees aiming to develop and strengthen service efficiency to customers, also update the organization status promptly, completely and appropriately in accordance with face.

The AGM, held on April 27, 2020, was the time of COVID-19. Due to the pandemic MFEC has transformed our meeting format which is our first time experiencing online AGM, as well as first time in Thailand. We see advantages in using virtual conference to communicate the direction of the organization, vote for approvals, lay out the guidelines and formulate operational policies to accommodate the possible impacts after the COVID-19 situation.

New ways of working for a sustainable future

After the COVID-19 situation has got recovered, it left people a big change making them transform their behaviors in a new way of life (New Normal) which technology has become an integral part of making everyday life effortless. MFEC foresaw the future of business operations, therefore, working models have been developed to accommodate every situation in the future. Long-term work plans have been adjusted to allow employees working with more flexibilities, Work from Anywhere (WFA) platform, hence, was brought out in the early stage giving employees a trial run from July to August 2020 to see the possibilities of the new working model. Afterwards, WFA has applied to meet the needs of employees.



2. Human Resource Management

2.1 Encouragement of diversity and equitable labor practices

Despite the coronavirus crisis in 2020, the company still adheres to the development of human potential to feed into the country industry, along with meeting company's growth and MFEC Group. We have been continuously enhancing capabilities of employees in the form of training in particular field which respond to the market demand, as well as expanding opportunities for more researches in various technologies to create knowledge stored within the organization. In addition, in-depth knowledge was invented in various industries to meet the future needs of customers, along with promoting teamwork. Due to those facts, MFEC is open and offers job opportunities for everybody without discriminating against gender, religion and physical appearance.

a. Support for people with disabilities

The project itself doesn't only give people with disabilities opportunities but generate income and equal participation in society. MFEC supports the employment of the visually impaired in order to encourage professional skills and inspire other people with disabilities to value life with positivity.

Support for people with disabilities

Project: Support visually impaired

Objective: Support visually impaired

Activities: The company employs people with visual impairment to give our people neck and shoulder massage helping to reduce office syndrome from January to March which gain lots of attention making full registration roundly. Once the pandemic has begun, we must have discontinued the hiring to prevent the spread of virus until further notice.

b. Recruiting employees

In the event of COVID-19 epidemic, the rapid adaptation is essential. As well as recruiting, MFEC continues to recruit talent and qualifications in various fields continually. The recruitment process must take into account the safety of the interviewee and job applicants mainly. The steps have been adjusted to be in all online forms to suit the situation that arises, and also added a remote working model to provide resilience in the crisis of COVID-19. Everyone in the organization is the key cog in driving the business that will lead the organization to success and sustainable development. MFEC is committed to recruiting and retaining competent employees, along with developing employees to be full of potential as an important force in driving the organization to be strong and grow sustainably.

MFEC has established networks with educational institutions signing a Memorandum of Understanding (MOU) with the Faculty of Information Technology, Mahidol University with the aim to create future tech talents. The main objective is to increase potential of building academic knowledge and develop new technologies for students in both academic and operational terms by giving them opportunities for training, therefore, internship is another important part of the corporate development In additions, MFEC participated in the Virtual Event Internship Fair organized by Opportunity Hub to offer interns training program during the crisis, as well as students who are interested in a long-term internship. With this project, MFEC has gained many people who are well-qualified for the job, so they are able to develop skills and explore the field that meets the course. As a tech company, we desire to produce people with potentials and good quality attempting to benefit the community, society and the further growth of the country.

Activities in recruitment

Project: Remote Working Employment

Objective: To search for skilled and competent employees without workplace restrictions

Activities: Due to the rapid change in technology affected work patterns and behaviors, the company foresees future of long-term employment making the new form of employment to achieve flexibility. Each business unit are able to consider different forms of employment to meet their needs, and Remote Working Employment is a form that allows employees to work and deliver jobs outside the office.

Project: University Job Fair

Objective: To introduce the company by having experts giving carrier advices, including recruiting jobs and interns targeting junior and senior students

Activities: We participated in job exhibition at various universities to make recognition of MFEC IT job opportunities with activities as follows

- NMUTNB Super Hi-Tech
- STDIO CTF : Career Fair Booth
- PSU Engineering Job Fair 2020
- Mahidol Engineering Job Fair
- Job Fair & Education Fair #11
- SIIT Job Fair
- KMUTT & SIT Open House 2020
- CE Smart Career
- ICT Career Day 2020

Project: MFEC The Next Gen

Objective: To share knowledge and work experience from MFEC employees and recruit interns from junior and senior students

Activities: It is a special training program in collaboration with the university in order for the company to share knowledge and work experience, activities under the MFEC The Next Gen project are as follows:

- Blockchain Session @Silpakorn
- Mobile Application Skill 2020

Project: Open House

Objective: To expand knowledge and give work advices from MFEC employee as guidance in the future work

Activities: Professors and students attend MFEC business tours by organizing a knowledge and experience sharing session which is consist of following activies:

- MFEC x Silpakorn
- MFEC MUICT Open House

Project: Job Expo Thailand 2020

Objective: To search for new graduate

Activities: A booth was set up at BITEC Bangna Exhibition and Convention Center in Job Expo Thailand 2020 in response to government policy and promote the organization, we made 73 applicants in total

All exhibitors

73 Persons

c. Allocation of Benefits

Providing good welfare is a sign of caring shows that the organization do pay attention to employees. Moreover, welfare is an important tool for employees to maintain their physical and mental health which directly affect task performance and daily life. MFEC has delivered various welfare with the following benefits allocated below:

- Provident fund: After the probation, employees can apply for a provident fund with accumulation rates of 3%, 5%, 7%, 10% or 15% of salary.

- Annual leave: The leave is divided into 4 types: 30 days of sick leave / year, vacation leave 12 days / year, business leave 6 days / year and non-paid leave 3 years of work condition according to the company's policy.

- Group health insurance

- Social security

- Medical Expenses, Family Medical Expenses, Group Health Insurance Surplus and Social Security Surplus

- Grants for various purposes such as congratulatory money in the event of marriage, childbirth, ordination, disaster, family death.

d. Building positive employee experience and engagement with the organization

Beside supporting employee with good welfare, the key to attach competent employees with the organization is the happiness of work. Hence, employee engagement is a tool to measure job allocation rate and determine productivity amount occur during work hours. MFEC places great emphasis on strengthening the capabilities as well as building great relationship among people in the organization. With those supporting ideas, activities are organized to support the creation of a good experience caused happiness at work and bond among employee led to work dedication with effectiveness.

Activities building positive employee experience and corporate engagement

Project: MFEC Orientation Program

Objective: To communicate corporate information, work tools and corporate culture for new employees as a way to build relationship between the People Excellence team and new employees Excellence team and new employees

Activities: MFEC Orientation Program is an activity being held to welcome new employees continuously throughout the year, which takes place 1 day at the beginning of each month. The MFEC Orientation Program is divided into 3 different formats due to external situation as follows

1. January – March

   Orientation Program was organized at the office, separated into 4 sessions to introduce the organization in various aspects given fun activities with company information.

2. April - June

   The situation of the epidemic intensifies sending impact to activities required gathering, MFEC Orientation Program was modified to be online session having video introduction and information about various benefits delivered to new employees via email and run the session through Microsoft Team program.

3. July - December

   Situation of the COVID-19outbreak seem continuously recovering. MFEC Orientation Program has returned the offline event at the office by reducing activity hour to half a day and using the delivery of video introducing the organization and information about various benefits to new employees via email. That way, new employees could study that information at any time.

Project: MFEC Mentoring Program

Objective: 1. To communicate and transmit the corporate culture through mentoring program

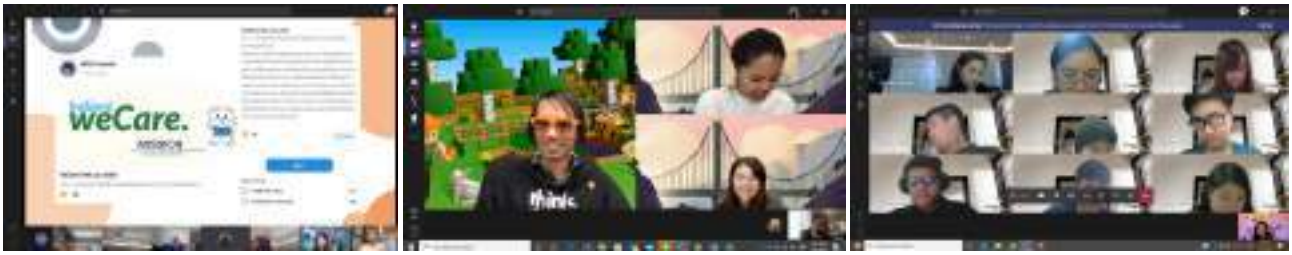
2. New employees are supervised by mentors so that they could learn job function in order to the probation.

Activities: It is an activity organized for new employees to have a mentor providing assistance during the first 3 - 6 months. Each mentor will receive mentoring book describing corporate culture and company direction, as well as steps and essential skills needed for mentors themselves should have.

Project: Who doesn't care? We Care 2020 Virtual Activities

Objective: To organize activities for employees who work at site offices in order to check on their life and working situation, so we could reduce the gap between site employees and People Excellence department.

Activities: Who doesn't care We Care will enter the 12th year anniversary in 2020. This year event was held through virtual conference due to the epidemic of COVID-19, making People Excellence team was unable to lead the activities at the locations where the employees are.



Project: MFEC Welcome Back

Objective: To welcome employee back to the office

Activities: Once the pandemic started to get better, the company has announced the permission for office returning with a 25% area density limit bringing back more employees to the office area. Beside the office return, there are employees must be stationed in their work areas according to our customer's locations. With concern for all, the management team has therefore delivered a welcome back kit to cheer up the employee during the unusual time.

Project: MFEC Halloween Day 2020

Objective: Creating engagement among employees

Activities: After the COVID-19 situation continues to gradually get better, the company realizes that it is the right time to organize activities to create engagement for employees to relieve fatigue from work. Therefore, MFEC Halloween Day 2020 was held in 2 different formats: office location was set for registered employees to attend while broadcasting the activity for people who are not able to make a visit. This event has gained lots of attention from our employees.

e. Employee well-being

A positive work environment makes employees feel good about coming to work, so that always focus on creating the environment that will help employee produce work proficiency and efficiency. With the regard of making a workplace which motivates people to give the best in them without zero concerns, MFEC takes the employee safety and comfort for their good quality of life as the first priority out of anything. Therefore, we keep our heads up for employee well-being so as to achieve happiness and high work competency.

Activities supporting well-being of employees

Project: Spraying flu germicidal medicine

Objective: To prevent the spread of influenza A and B

Activities: With intention to keep good health of all employees, a spray service provider has been operated at all office location to reduce the risk of influenza A and B so that employees work in a safe environment without concerning about any health issues.

Project: Well - Being Campaign Project#1

Objective: To encourage MFEC employee and subsidiary being healthy both mentally and physically

Activities: Consultation service provided by Samitivej though video conference has been offered to the employee under the concept of “no need to be sick to see a doctor “, takes just 15 minutes per session. There are many programs for employees to choose from for such as neck care, shoulder care, body care, etc. which can be easily access via Line Line@Samitivej.

Project: Vaccination against 4 strains of influenza with Paolo Kaset Hospital

Objective: To get employee vaccine with special deal

Activities: Registration for vaccination service was available at 2 offices: SJ Infinite One Business Complex and Modernform Tower at a very special price. If employees are not able get a second shot at the office on the specified date and time, they could also register for service at a medical center.

2.2 Human Resources Development

The organization would not capable of owning a success if they are not driven by competent employees, human resources development is therefore an important mission that requires such close attention at MFEC. We adhere to the duty of building information technology professionals for the benefit if our own country by enhancing higher capacity in terms of specific skills, in-depth knowledge of various industries as well as management skills attempting to be prepared to compete with the outside business world. Refer to those facts, training and developing human resources to support rapid change from external factor will help employees in adjust more quickly for the sustainable growth of the organization.

a. Creating access and sharing information technology knowledge

MFEC has been responding to the rapid change of technology and continuously developing new knowledge for employees to learn and put themselves through another skill level. They are able to exchange ideas for one another and share the society some useful technology knowledge to reduce communication gap and increase accessing opportunities for technology.

Activities for knowledge-building and accessing for technology

Project: MPY Application

Objective: To create a communication channel within the organization

Activities: It is an application that keep the whole organization connected: making announcements on activities, rewards and clock in - out for work hours and some events. In 2020, additional topics were created to keep up with the outside situations such as Covid-19, MFEC Care, etc., In additions, two new features were launched to serve employee a quicker way to stay connected in terms of communication in general and welfare check, also delivery was available as a new tool for messenger booking.

Project: ATM Podcast

Objective: To provide a channel for knowledge sharing in form of listening with the content that easily to understand

Activities: MFEC employs a wide range of experienced employees to continuously drive personal development, so various technical skills and knowledge about technology have been passed on the employees themselves and interested parties through MFEC's Podcast channel.

Project: The Meet Up

Objective: To create a session for knowledge sharing in order to increase productivity and efficiency

Activities: The Meet Up is a platform available for employees to share what they are interested in such as Technology Trend, Technical Skills, People Skills so that knowledge and experiences could be passed on to one another. The session has been hosted by people from different fields with topics that well respond with rapid change of new technology.

Project: C Thru

Objective: To enhance the quality of technology life in the era of digital transformation as one of the leading IT companies
To share our good image in IT to customers, IT workers and outsiders who are interested in technology.

Activities: It's a channel sharing technology knowledge in the video format up to 15 minutes published 2 episodes per month via Facebook, YouTube. The content summarizes the major technological events that occurred during that time.

b. Management and competence development of employees

Career growth is the goal of everybody, providing advancement for employees is therefore an important mission of the organization. MFEC is always involved in people development to help maintaining talents with the company for a long time and contribute to growing success. At the same time, the company has been organizing various activities to encourage employees to bring out their abilities and potentials making them clearly seen the direction of their own progress and carrier path. Besides, it also keeps employees working under the standards called MFEC Employee MBASSADOR standards through 4 following policies;

1. WHO YOU ARE

Employees need to set their career paths and career design in order to find a perfect job that fit their preferences, values and interests while contributing to the organization growth.

2. WHAT TO DO

Work quality should be concerned with responsibility performed by employee who continually improving their skills through the organization's learning process.

3. HOW TO DO

The company encourages employees to work professionally with passion and positive energy, along with creating new standards and becoming a great supporter of the organization.

4. MFEC TO BE

Employees must have awareness about the direction of organization and be adhered to the concepts and practices. At the same time, they should be aware of the organization representation at all times and help create the sustainable organization and opportunities for the next generation.

Throughout 2020, MFEC has never stopped developing employees' competency according to the working standard MFEC MBASSADOR, we had completed different tasks as follows:

1. MBASSADOR Timesheet communicates the importance of completing a timesheet as a routine to solve the problems of risk management of the corporate management team. Accordingly, content has been updated through MPY application and email in order to communicate with employees when organizing internal activities.

2. MBASSADOR Project Management is in charge of informing Project Manager about understanding the process of project management to reduce errors and increase work efficiency by creating contents educating through MPY application, and organizing workshops in terms of contract management. In additions, Microsoft Teams group meeting was also established to let MBASSADOR Project Management communicating thoroughly with others related people, also being able to inquire about problems at any time.

3. MBASS and Friends (Referral) is a channel for communicating corporate culture with employees attempting to earn their participations in recruiting talented people to MFEC. Basically, employees can refer their friends to the Talent Acquisition team by enrolling in Microsoft Form making it go into recruiting process.

In addition to developing employees to work in accordance with MBASSADOR concept, MFEC also organizes many activities to maximize employees' abilities.

Activities/projects related to employee management and development

Project: MFEC Live Space

Objective: To serve as a channel for communicating the company's goals between the executives and employees

Activities: MFEC Live Space was originally an internal event where gathering is required, it was modified in 2020 to a virtual event due to COVID-19 crisis. MFEC management has communicated with employees about the direction of operation and ways to make the organization move continuously under the crisis, while having many employees joining the live conference accordingly.

Project: Clinic Consultant

Objective: To enhance the skill level of employees in the form of actual case studies which can be applied to achieve greater customer satisfaction

Activities: It is an activity that allows employees to submit work problems so that MFEC experts, who are experienced in particular areas, could respond to help with various issues.

Project: Expert's story

Objective: To become another channel of passing on skills from senior to junior

Activities: Preparing a video of MFEC experts tells various stories of working in terms of soft skill and management that are able to apply in the work of daily life.

3. Social Operations

The Company operates in the form of CSR as a Process by Pan Panya Foundation. MFEC has co-founded and supported the operations regarding social responsibility in a form of a non-profit organization, Pan Panya Foundation, since 2016. The Foundation dedicates on using technology to support and expand opportunities in education thoroughly and equally, gathering volunteers who are experts in various fields to share their knowledge, especially in information technology, in order to develop knowledge regarding information technology as another skill for the youths' careers in the future. The Foundation also help the Thai children in various aspects, such as education, sports, social and environment, and cultural aspects in order to develop the learning skills in all areas and further develop to society towards sustainability.

Creating Opportunities and Sharing Knowledge for Thai Children

Pan Panya Foundation has been established with a goal to create equality in education by using information technology, computer networks, and digital contents to help sharing information and knowledge, promote career development and further education in the primary and secondary levels in Thailand with network partners, create opportunities for the youths in remote area who lack of learning materials to be able to access quality learning materials, increase opportunities to futher study in university level. The operations of the Foundation are according to the frameworks of a social aspect of Sustainable Development Goals (SDGs), which are according to SDG's Goal 1 – No Poverty, Goal 2 – Zero Hunger, Goal 3 – Good Health and Well Being, Goal 4 – Quality Education, Goal 5 – Gender Equality.

The Operations of Pan Panya Foundation in 2020

1 The Mini Marathon "Run Pan Suk" Year 2

Objectives: To raise funding in order to support Pan Panya Foundation and to use such fund for the Foundation's social projects in 2020 according to Pan Panya Foundation's objectives and to support education activities which benefits Thai children

Project Achievements: Pan Panya Foundation has received funds for the Foundation's projects in order to help disadvantaged children in Thailand. However, due to COVID-19 situation, the Foundation needed to cancel the event with regards to health and safety issues. Only running shirts were sell for charity purpose.

2 Pan Panya: Share Happiness on Children's Day 2020

Objectives: To promote and support the development of children in needy and remote area, so that people acknowledge the importance of child development, to promote the expression of the youth in the fields of education, arts, sports, recreations, to support children to be aware of their duties and disciplines.

Project Achievements: Provided a lunch to students of Betty Dumen Border Patrol Police School, Phayao Province, having 4 activities: Bowling Rolling Non-Stop, Ringtoss, Let's Paint, and Bingo, and any other recreational activities, the Foundation also donated stationery and consumer goods that benefited for educational purposes to the school. The Foundation received supports from many generous donors who helped passing the happiness and gifts to the participating students on Children Day.

Participants:
99 Persons

3 Pun for School" Finding Schools-in-Need

Objectives: There are many schools in Thailand and in various areas, both in the cities and rural areas, that need assistance. Most problems include lack of consumer goods, scholarships, clothing, etc. Therefore, in order to find the destitute schools in Thailand and provide supports for those schools, the Foundation announced that the schools could submit their information to the Foundation. The participating schools were destitute schools that needed help in various field which were aligned with Pan Panya Foundation and its sponsors. Pan Panya Foundation will consider the schools' needs and find the sponsors to support the schools in next academic year to develop quality of Thai children's education. Such information must be filled in the forms provided by the Foundation.

Project Achievements:

1) There were 18 types of requested donation: consumer goods, improvements of Brain-Based Learning (BBL) playgrounds, extracurricular books, libraries, desks and chairs, sport equipment, water filters, school buildings, vegetable seeds, agricultural equipment, school fences, education camps, first-aid kits, wall renovation, scholarship for destitute students, repairment of buildings, student clothing, and clothing.

2) There were 324 schools submitting their information to the Foundation:

- Schools from northern region: 58 schools
- Schools from north-eastern region: 126 schools
- Schools from central region: 60 schools
- Schools from eastern region: 9 schools
- Schools from western region: 19 schools
- Schools from southern region: 51 schools

324 schools
Submitting their information to the foundation

4 Paint Your Dream, Expand Your Knowledge Year 3

Objectives: To promote talent and support learning, creativities, to provide a space for students and youths to express their talents by using their imagination, knowledge and creativity through drawing and painting, to propagate understanding of the culture and lifestyle of the children, and to promote further development of learning, the participants were Thai students who were in grade 4-6. Compliance with the rules and the beauty of the works were the decision criteria. There were 4 topics for participation: The Youth who Care for the World, Thai Children Away from Drugs, Thai Children and Thai Tradition, Thai Children and Technology.

Project Achievements: There were 3 awards for each topic: 1 winning prize, 1 first runner-up prize, and 1 consolation prize. There were 4 topics, 12 students have been received the awards. The Foundation has opened the vote for another 5 awards. A total number of the award is 17. All participating students received a certificate of participation from this project.

Participating artworks:
958 artworks

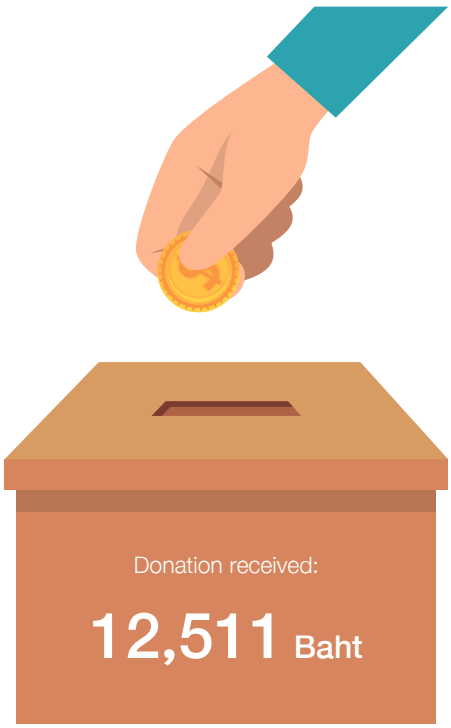
Awarded artworks for scholarship:
17 awards

5 Sharing N95 with Love, Helping Thai Doctors Fight COVID-19

Objectives: Due to COVID-19 situation, the medical staff were the “Heroes” who fought the spread of Coronavirus. Having appropriate protective equipment would help our heroes to work safer and reduce the spread of the pandemic. Hospital in many areas were in need of N95 masks and the medical services were to continue until the pandemic is gone. This is because the N95 masks were used for prevention of diseases in everyday. Although many agencies had donated the N95 masks, there were not enough for the operations. Pan Panya Foundation and MFEC Public Company Limited have set up the project to invite everyone to help protecting medical staff and sharing encouragement by contributing to purchase N95 masks directly through Pan Panya Foundation’s bank account.

Project Achievements:

1) Donated 45 pieces of N95 masks, medical gloves, and face shields to Chana Hospital in Songkla Province
2) Donated 100 pieces of N95 masks, 25 pieces of surgical masks, 2 pieces of PPE suites to Yala Hospital in Yala Province



6 Pun for School

Objectives: Due to COVID-19 situation, the school activities and operations were affected. There was a shortage of surgical masks in many schools. Pan Panya Foundation acted as the mediator to publicize between donors and destitute schools in order to promote hygiene and support the destitute schools with equipment for maintaining good hygiene in the prevention of COVID-19 in the schools.

Project Achievements: Pan Panya Foundation helped creating public relation medias to request donations of surgical masks and any other equipment which were beneficial in maintaining good health for 183 schools. The Foundation also helped sharing information to network partners that could help, so that the masks and equipment had been donated to the schools. There were many generous donors from many organizations. Many people had sent donations to the schools to alleviate the shortage of hygiene equipment, which helped the children to maintain their health.

Number of schools the Foundation helped with publicity:

183 schools

7 Sufficiency Economy: Following the King's Philosophy (Year 3)

Objectives: To promote activities which are benefit for students' education in remote area and to ensure that students have healthy lunch without having to buy vegetables since the schools can grow organic vegetables, to encourage students to have an agricultural experience according to the Sufficiency Economy Philosophy, to promote the way of living according to Sufficiency Economy

Project Achievements: : Funded schools had sufficient fund to carry out the Sufficiency Economy projects and procure necessary equipment for the projects. The Foundation also encouraged students to use organic vegetables which grown by themselves for lunch. So that the students received all necessary nutrition. This is because food security is very important to the growth of children and youths.

There were 10 schools that the Foundation continuously supports, as follows:

1. Ban PoSor School, Mae Hong Son
2. Ban Huay Pao Nua School, Loei
3. Ban Wang Taen School, Loei
4. Ban Pha Wai School, Loei
5. Ban Wangtow Samakkee School, Uthai Thani
6. Wat HubMeoi School, Nakhon Nayok
7. Ban KaPuang School, Mae Hong Son
8. Ban HuaiBong School, Uthai Thani
9. Ban Rai Witthaya School, Mae Hong Son
10. Sahagorn Bumrungwit School, Phetchaburi

There were schools that have been newly selected from 'Pun for School' Project. The selected schools needed agricultural assistance. Pan Panya Foundation has selected 20 schools as follows:

1. Ban Tanod Noy School, Phetchaburi
2. Ban Pangkhum School, Chiang Mai
3. Wat Natee Watthanaram School, Surat Thani
4. Wat Kaothamon School, Phetchaburi
5. Ban Nongpakor School, Chiang Rai
6. Ban Tahong School, Chumphon
7. Ban Suanjan School, Chumphon
8. Wat Boonlue School, Uthai Thani
9. Radpattana School, Chiang Rai
10. Ampornjintakanon School, Trad
11. Ban Sobmang School, Nan
12. Ban Jikthoeng School, Ubon Ratchathani
13. Ban Huay Hak Mai Tai School, Mae Hong Son
14. Ban Na Padang School, Kamphaeng Phet
15. Ban Klongtam School, Pattani
16. Ban NatRao School, Si Sa Ket
17. Ban Nong HuaChang School. Si Sa Ket
18. Ban Huay Duai School, Ubon Ratchathani
19. Ban Mae Hu, Mae Hong Son
20. Ban Yaho School, Narathiwat

Participants:
3,159 students

Lists of
30 schools

8 | 4 Years of Pan Panya, Volunteer for Good Society

Objectives: To support Ban Nam-aom School, Wichian Buri District, Phetchabun Province with equipment and any other goods which are beneficial for education and to improve the school landscape by bringing more than 20 volunteers to paint the walls and the school playground

Project Achievements: The volunteers of Pan Panya Foundation received good friendship, happiness, and proud of being a part of doing good deeds for the society. Pan Panya Foundation and Ban Nam-aom School had the opportunity to be network partners in developing the learning of students who are the future of the country.

Participants:
71 persons

9 | Art Camp for the Mountain Kids

Objectives: The volunteers of Pan Panya Foundation were being a part of running an art camp with Thai Loei Teacher Art Club at Huai Puling School, Om Koi District, Chiang Mai, by teaching art skills to students from Elementary to grade 6.

Project Achievements: Teaching art skills through 4 activities: Oil Pastels Color, Creative Lines, Cartoons with Geometry, Fun with Watercolor, the Foundation also donated art supplies in order to promote students' knowledge and imagination in further creating artworks.

Participants:
122 persons

Activities:
4 activities

Any Other Activities of Pan Panya Foundation

1. Handing Over Mosquito Repellent Lotion to Betty Dumen Border Patrol Police School

Staff of Pan Panya Foundation have handed over the Soffell mosquito repellent lotions to the Principal of Betty Dumen Border Patrol Police School. Mr. Rungwit Sooksampas, Pan Panya Foundation Sub-Committee, handed over the mosquito repellent lotions sponsored by CP Consumer Products to the Principal of Betty Dumen Border Patrol Police School, Pong District, Phayao Province.

2. Donating Laptop Computers to Wat Sirisuttawas School

Pan Panya Foundation has donated 3 laptop computers sponsored by MFEC Public Company Limited to Wat Sirisuttawas School, Banrai Sub-District, Bang Krathum District, Pitsanulok for educational purpose. The Foundation also became a network partner with Village of Sustainable Development Project by 'Pay it Back to Your Land' Project and Armed Forced Development Command in order to help developing schools in remote areas.

3. Donating CDs of Thai Junior Encyclopedia Project

Pan Panya Foundation has received the CDs as a good support from Thai Junior Encyclopedia Project. Therefore, the Foundation has donated the CDs to the schools that were in need of such CDs for educational purpose. The Foundation has already donated the CDs to a total of 219 schools all over the country.

Number of schools Donated

219 schools

4. Donating Medical Equipment to Panyanunthaphikku Medical Center, Nonthaburi

On Tuesday, 19th May 2020, Ms. Orawan Hnuntaku, Director and Secretary of Pan Panya Foundation, together with the staff of Pan Panya Foundation and volunteers from MFEC Public Company Limited, delivered the surgical masks, N95 face masks, Face Shield, alcohol gel, medical gloves to be used for helping patients and for the operations of medical staff at Panyanunthaphikku Medical Center, Nonthaburi.

5. Happy Birthday to Pan Panya Foundation

On 22nd September 2020, Pan Panya foundation celebrated the 4th anniversary of the establishment of Pan Panya Foundation. The Foundation held an event on the Foundation Facebook fanpage for the members to wish the Foundation happy birthday. Four members had received the gifts from this activity.

6. Donating the Necessities to The Mirror Foundation

The volunteers of Pan Panya Foundation have donated extracurricular books, both first and second hand with good conditions, for approximately 10 cases and the electrolyte baverages to The Mirror Foundation's projects.

7. Opening the Donation for 'Pan Panya: Sharing Knowledge to Children near Mekhong'

Pan Panya Foundation opened for donations in the forms of stationery, educational materials, and any other necessities for the preparation of 'Pan Panya: Sharing Knowledge to Children near Mekhong' Project at Rimkhong Wittaya School, Chiang Khong District, Chiang Rai, which the Foundation had planned to do the project there in December 2020. However, due to COVID-19 situation, the project has been postponed for the safety of the participants. There are still people who wish to donate various things to Pan Panya Foundation continuously.

8. MFEC Sharing and Creating Your Dream

Mrs. Somjai Pungmeetham has handed over the durable articles, such as cabinets, desks, and computers to Elementary and Primary students at Pha Pha Community School, Mae Katuan Sub-District, Sop Meoi District, Mae Hong Son Province. The school lacks many educational resources. MFEC has helped the students create their dreams by having a good educational environment and sufficient equipment. This also efficiently enhanced educational opportunities in the field of technology. Because youth is the future of the nation, educational opportunity is an important factor to foster the youth to grow up with quality. MFEC is well aware of the importance of this.

MFEC has donated
to support the operations of CSR activities

200,000

Baht in 2020

Lists of Donors of Pan Panya Foundation

1. MFEC Public Company Limited
2. TIS Incorporation (TIS Inc.)
3. Guest donors

Growth of Pan Panya Foundation

Pan Panya Foundation	2018	2019	2020	2021
Number of projects	6	9	9	9
Number of participants (person)	1,179	12,727	7,131	15,760
Subsidy from MFEC Public Company Limited (Baht)	600,000	900,000	380,860	200,000

Next Steps of Pan Panya Foundation

The operation plans of Pan Panya Foundation in 2021 will focus on using technology to support and promote the development of learning potential to the students who are disadvantaged in opportunities in education. The Foundation will be focusing on development of knowledge and creativity, promotion of environmental preservation in the community and society in order to develop the students' creativity in innovative ideas, resulting in the extension to their careers, creating jobs, generating income, helping Thai youth to have more knowledge for their sustainable living.

Contact Information of Pan Panya Foundation

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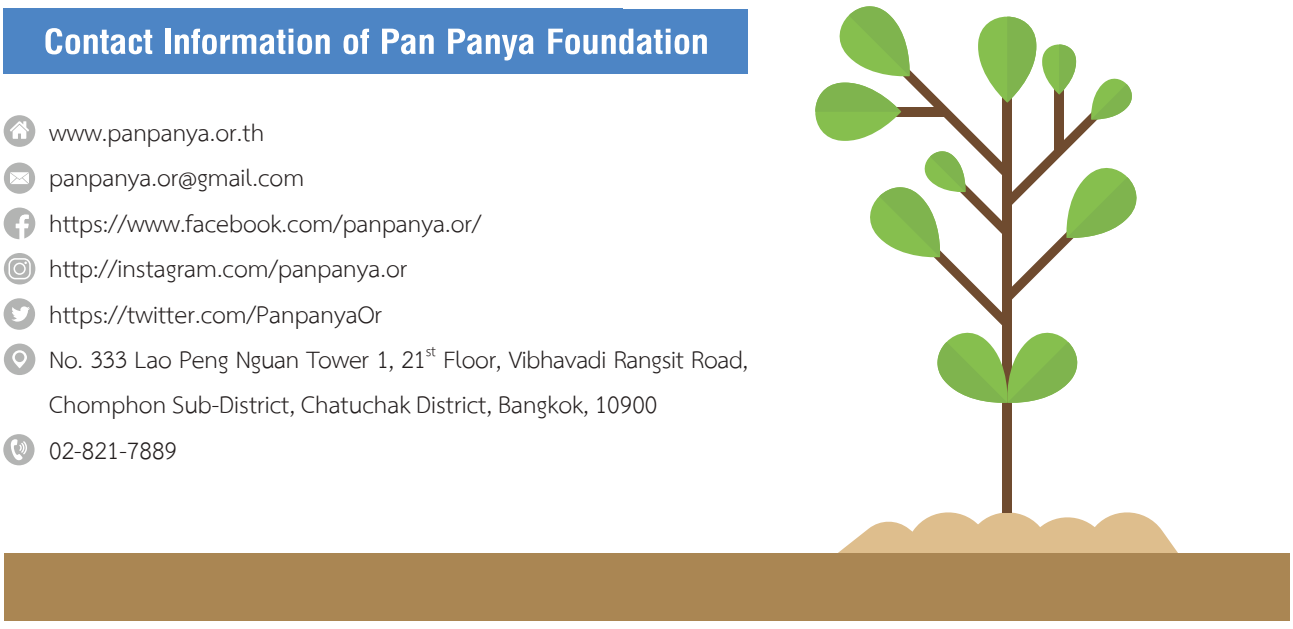


4. Management Discussion and Analysis (MD&A)

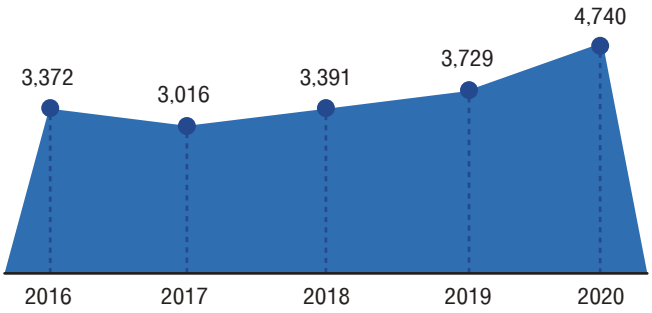
Financial Status in the year 2020

Item Description	Consolidated Financial Statement		
	Y2020	Y2019	Y2018
Total Revenues (Mil. Baht)	4,740.32	3,729.31	3,391.55
Revenues from Sales and Services (Mil. Baht)	4,670.82	3,688.09	3,339.49
Gross Profit (Mil. Baht)	857.96	794.46	614.47
Net Profit (Loss) (Mil. Baht)	244.62	225.42	(166.15)
Total Assets (Mil. Baht)	5,124.00	3,670.06	3,330.28
Total Liabilities (Mil. Baht)	3,191.48	1,812.90	1,598.43
Shareholdes equity of the Company (Mil. Baht)	1,904.73	1,828.89	1,708.09
Minority shareholders of subsidiaries (Mil. Baht)	27.79	28.27	23.76
Profitability:			
Gross Profit Magin (%)	18.37%	21.54%	18.40%
Net Profit (Loss) Margin (%)	5.16%	6.04%	(4.90%)
Return on investment:			
Return on assets (%)	4.77%	6.14%	(4.99%)
Return on equity (%)	12.84%	12.33%	(9.73%)
Liquidity & Stability of the service :			
Current ratio (Times)	1.48	1.83	1.86
Debt to equity ratio (Times)	1.33	1.65	1.70
Asset Turnover			
Inventory turnover ratio	3.78	4.60	4.43
Average product sales period	95	78	81
Accounts receivable turnover ratio	2.78	2.79	3.37
Average collection period	129	129	107
Trade payable turnover ratio	4.79	5.88	4.96
Average repayment period	75	61	73
Cash Cycle	149	146	115
Capital Structure Ratio:			
Debt to equity ratio (Times)	1.65	0.98	0.92
Per Share Data:			
Number of registered shares (Shares)	441,453,555	441,453,555	441,453,555
Number of fully paid shares (shares)	441,453,555	441,453,555	441,453,555
Book Value (Baht/Share)	4.31	4.14	3.87
Net Profit (Loss) (Baht/Share)	0.55	0.51	(0.38)
Dividends(Baht/Share) *	0.40	0.35	0.20

Remark: The Board of Directors' Meeting No.1/2021 held on 23 February 2021 passed a resolution to pay devident for the year 2020 operation results to shareholders at a rate of Baht 0.40 per share. The proposal is to be presented at the Annual General Meeting of the Shareholders for the year 2021 on 26 April 2021 for further approval.

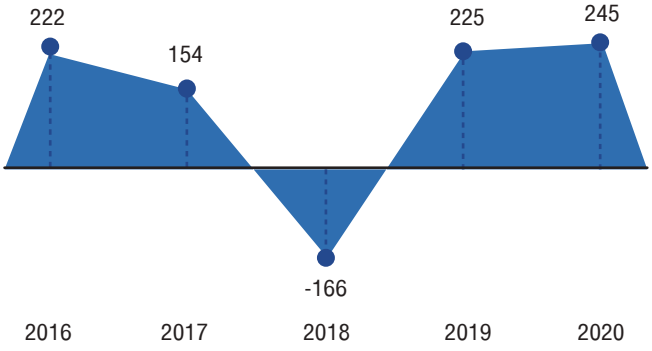
Total Revenues

	Value (Million Baht)
2014	5,176
2015	3,382
2016	3,372
2017	3,016
2018	3,391
2019	3,729
2020	4,740



Net Profit & Loss

	Value (Million Baht)
2014	270
2015	197
2016	222
2017	154
2018	-166
2019	225
2020	245



Discussion and Analysis of Financial Situations and Performance

Performance

Since the beginning of 2020, Thailand and the world have been widely and negatively affected by the COVID-19 pandemic. However, the Company still received the revenue from the ongoing projects started in 2019. Although at the beginning of the COVID-19, there were some delays in the implementation of some projects, the Group was able to learn and adapt the business operations to the arising situations in a timely manner. Therefore, the Company was able to hand over the large projects in time in 2020, especially during the last quarter of the year. Moreover, the Company has created a new model for its business operations that can support the work during the COVID-19 situation, maintain the efficiency of its operations, reduce the impacted risks, including the preparation for the business operations for the post COVID-19 era which will have different competitive approaches.

In 2020, the Company has acquired several large projects of which the project value varied between 100 million – 1 billion Baht with a project duration from 3 to 5 years. The Group also recognized the revenues from the handover of large projects throughout the year. As a result, the Group's total revenue from salesand services in 2020 totally amounted to 4,670.8 million Baht, which is considered the highest amount in the past 7 years. In addition, the Group also has the backlog projects that can be recognized from the operations in 2021 and onwards after 2021, which is significantly higher by comparison to the end of 2019.

Under the severe and ongoing conditions of price competition in the market, the Group focuses on strategies to compete for an advantage pricing to maintain the market share in the IT service provider sector. As a result, the gross profit margin for the year 2020 has decreased when compared to the last year. However, such pricing strategy was considered a success in the aspects of maintaining the market share in the IT service provider sector and increasing in revenues. Moreover, the large projects that the Group has acquired in 2020 have an average of 3-5 years for the project durations. Therefore, the Group can prepare long-term plans to manage the use of internal resources with higher efficiency. Although the gross profit margin was declining, the increase of sales affected the gross profit realization in 2020, which had the gross profit of 857.9 million Baht, an increase by 63.5 million Baht from last year. Such factors therefore played the significant part in affecting the growth of the Group's net profit in 2020.

Besides the ability to adapt swiftly in the COVID-19 pandemic crisis, the Group continues to focus on the strategies to maintain the market share in the IT development and system integration to the leading corporate clients in various business sectors. The Group has been supporting clients' businesses to be able to manage the use of their information technology resources for maximum efficiency by participating in designing and developing the systems to respond to the use of IT resources within clients' budgets, which have been reduced in many organizations due to the impact of COVID-19. Such ability to swiftly adapt to the competitive environment of the industry is considered a success in terms of revenues and increasing value to the shareholders in the aspect of higher turnover for 2020. The operations for the upcoming 2021 are considered to be a challenging year in terms of maintaining the market share and the excellence of customer services and in regard to sustainability.

Performance Overview for the Operations in 2020 and Comparison to the Performance in 2019 and 2018

Description	Y2020		Y2019		Change		Y2018	
	Mil THB	%	Mil THB	%	Mil THB	%	Mil THB	%
Revenue from Sales and Services	4,670.8	100.0%	3,688.1	100.0%	982.7	26.6%	3,339.5	100.0%
Cost of Sales and Services	(3,812.9)	(81.6%)	(2,893.6)	(78.5%)	(919.3)	31.8%	(2,725.0)	(81.6%)
Gross Profit, before Operating Expenses	857.9	18.4%	794.5	21.5%	63.4	8.0%	614.5	18.4%
Other Income	69.5	1.5%	41.2	1.1%	28.3	68.7%	52.1	1.6%
Impairment Losses on Assets and Investment	-	0.0%	-	0.0%	-	0.0%	(263.3)	(7.9%)
Selling and Administrative Expenses	(607.3)	(13.0%)	(552.9)	(15.0%)	(54.4)	9.8%	(540.0)	(16.2%)
Profit from Operating, before interest and Tax	320.1	6.9%	282.8	7.7%	37.3	13.2%	(136.7)	(4.1%)
Share of Profit from Associates	1.7	0.0%	2.4	0.1%	(0.7)	(29.2%)	(7.7)	(0.2%)
Financial Costs	(11.1)	(0.2%)	(4.0)	(0.1%)	(7.1)	177.5%	(2.2)	(0.1%)
Net Profit, Before Corporate Tax	310.7	6.7%	281.2	7.6%	29.5	10.5%	(146.6)	(4.4%)
Corporate Income Tax	(63.0)	(1.3%)	(53.1)	(1.4%)	(9.9)	18.6%	(18.4)	(0.6%)
Net Profit (Loss)	247.7	5.3%	228.1	6.2%	19.6	8.6%	(165.0)	(4.9%)
Profit Attributed to Non-Controlling Interests	(3.1)	(0.1%)	(2.7)	(0.1%)	(0.4)	14.8%	(1.1)	0.0%
Net Profit (Loss), Parent portion	244.6	5.2%	225.4	6.1%	19.2	8.5%	(166.1)	(5.0%)

Revenues

Revenues from Sales and Services

Revenue by Segment	2020		2019		Increase (Decrease)		2018	
	Mil. THB	Income Ratio	Mil. THB	Income Ratio	Mil. THB	%	Mil. THB	Income Ratio
Revenue from system development and system integration	2,153.3	46.1%	1,500.9	40.7%	652.4	43.5%	1,259.7	37.7%
Revenue from system maintenance (Maintenance Agreement)	1,288.1	27.6%	1,175.8	31.9%	112.3	9.6%	1,029.3	30.8%
Revenue from IT system development	855.5	18.3%	740.5	20.1%	115.0	15.5%	953.2	28.5%
Total revenue from main businesses	4,296.9	92.0%	3,417.2	92.7%	879.7	25.7%	3,242.2	97.0%
Revenue from Cloud services	345.2	7.4%	260.6	7.1%	84.7	32.5%	91.7	2.8%
Revenue from other businesses	28.7	0.6%	10.3	0.3%	18.4	178.6%	5.6	0.2%
Total revenue from sales and services	4,670.8	100.0%	3,688.1	100.0%	982.8	26.6%	3,339.5	100.0%

The Group has revenues from 3 main business segments: revenue from system development and system integration, revenue from system maintenance, and revenue from development of IT systems. The income ratio in 2020 from the 3 segments is 92 percent of the total revenue from sales and services. (was 92.7 percent of the 2019 total revenue) The revenues from the 3 main business segments has increased to 879.7 million Baht, which is 25.7% of revenue growth compared to the previous year.

• Revenue from System Development and System Integration (SI) amounted to 2,153.3 million Baht, 1,500.9 million Baht, and 1,259.7 million Baht in the year 2020, 2019, and 2018 respectively. Such revenues accounted for 46.1%, 40.7% and 37.7% of the total revenue of the year 2020, 2019, and 2018 respectively. The SI projects can be considered as the business segment that has been continuously generating main revenue to the Company with a growing rate every year. Especially in 2020, the Company's revenue from the System Development and System Integration segment has increased by 43.5% compared to the last year. This was because the Company has acquired several large projects during 2020. Such projects valued varied between 100 million – 1 billion Baht. The project values included the revenues from the system maintenance segment, which the Company recognizes as recurring income for project implementation in the period of 3-5 years from the project handover date.

• Revenue from Maintenance Agreement Service (MA) amounted to 1,288.1 million Baht, 1,175.8 million Baht, and 1,029.3 million Baht in the year 2020, 2019, and 2018 respectively. Such revenues accounted for 27.6%, 31.9%, and 30.8% of the total revenue of the year 2020, 2019, and 2018 respectively. The Group had lower revenue from the Maintenance Agreement Service (MA) segment compared to the year 2019 due to the revenue recognition from the handover of several large SI projects in 2020. As a result, the overall income ratio of the Group has changed in 2020 of which almost half of the total revenue was from the SI segment. Although the income ratio from the MA segment was lower, the Group was still able to maintain Maintenance Agreement Service (MA) revenue growth. The revenue growth for this segment is 9.6% and 14.2% of each year for the year 2020 and 2019 respectively.

• Revenue from IT Professional Service (PS) amounted to 855.5 million Baht, 740.5 million Baht, and 953.2 million Baht in the year 2020, 2019, and 2018 respectively. The revenue from this segment has increased by 15.5% compared to last year's revenue to 18.3% of total revenue of this year. The proportion of the revenue from IT Professional Service (PS) to the total income has decreased slightly. The Group now focuses on strategies for improving and developing IT Professional Service in order to help promote and optimize clients' business organization to be able to respond and align with the ever-changing trends in technology.

In addition, MFEC Group had revenue from Cloud Solution Service which was recognized in 2020 for the amount of 345.3 million Baht. Such revenue accounted for 7.4% of the total revenue of the year 2020, which has grown 32.5% from last year. Compared to the revenues recognized by the Group, revenue from Cloud Solution Service has a growth rate of 276% since 2018. Revenue from Cloud Solution Service is likely to grow steadily, which is in line with the responses from the clients who are leading organizations that need technology for the optimum efficiency of data management.

Other Revenues

Description	2020	2019	Increase (Decrease)	
	Mil. THB	Mil. THB	Mil. THB	%
Profit from measuring of fair value of derivatives	9.6	-	9.6	100.0%
Other income from sales promotion	35.2	31.8	3.4	10.7%
Profit from exchange rate	6.3	-	6.3	100.0%
Share of profit from Power M Joint Venture	2.3	-	2.3	100.0%
Other income	16.1	9.4	6.7	71.3%
Total	**69.5**	**41.2**	**28.3**	**68.7%**

Other revenues for the year 2020 amounted to 69.5 million Baht, an increase of 28.3 million Baht or 68.7% from last year. This was mainly due to an increase in profit from measuring the fair value of derivatives, other income from sales promotion (rebate income), and profit from exchange rate in the amount of 9.6 million Baht, 3.4 million Baht, and 6.3 million Baht respectively.

Costs and Expenses

Costs of Sales and Costs of Rendering Services

Description	2020	2019	Increase (Decrease)		2018
	Mil. THB	Mil. THB	Mil. THB	%	Mil. THB
Profit from sales and services	4,670.8	3,688.1	982.7	26.6%	3,339.5
Costs of sales and services	3,812.9	2,893.6	919.3	31.8%	2,725.0
Gross profit	857.9	794.5	63.4	8.0%	614.5
Gross profit margin (%)	18.4%	21.%	(3.2%)		18.4%

Costs of sales and services in 2020 amounted to 3,812.9 million Baht, which was in line with the increasing revenue of the Group. Revenues and costs are recognized according to the correlation of the successful stages of services, including the revenue and cost recognition over the period of time for the Maintenance Service Agreement, with reference to the relevant sales and services agreements. Although there has been a serious price competition during the year, resulting in the Group's gross profit margin of year the 2020 to be 18.4%, a decrease of 3.2% comparing to 2020, such gross profit margin for the year 2020 was the same ratio as the year 2018, indicating the Group's increasing trend of profitability.

The recognition of revenue from sales and services has increased by 26.6% during the year 2020, resulting in the Group's gross profit increased by 63.4 million Baht or 8% increase.

Selling and Administrative Expenses

Description	2020	2019	Increase (Decrease)		2018
	Mil. THB	Mil. THB	Mil. THB	%	Mil. THB
Selling and distribution expenses	100.9	111.7	(10.8)	(9.7%)	97.3
Administrative expenses	506.4	481.1	25.3	5.3%	442.7
Loss from impairment of investment (Reversal)	-	(40.0)	40.0	100.0%	-
Total of selling and administrative expenses	**607.3**	**552.8**	**54.5**	**9.9%**	**540.0**

Administrative expenses have increased by 25.3 million Baht or 5.3% due to the entries of non-recurring expenses and non-monetary items during 2020 in the amount of 26 million Baht.

For the year 2019, the Group has recorded the reversal of loss in impairment from the investment in a joint venture, Angstrom Solutions Company Limited, in a total amount of 40 million Baht, which was shown by offsetting in administrative expenses. If the reversal of such expenses were not considered, the selling and administrative expenses for the year 2019 would be in the amount of 592.8 million Baht. Comparing to the selling and administrative expenses for the year 2020 which amounted to 607.3 million Baht (including non-recurring loss of 26 million Baht), Such expenses of the Group has increased only by 2.4%, resulting from the successful management of reduction of costs and unnecessary expenses of the business operations in 2020. The Company was able to adapt to the situation of COVID-19 pandemic. Such reduction of unnecessary costs did not affect the efficiency of the employees in any way.

Non-Recurring Loss (Non-Recurring Expenses)

During the year 2020, the Company recognized the provision for expected credit loss in the amount of 26 million Baht, of which due to the Central Bankruptcy Court's order for one of the Company's large corporate clients to undertake the rehabilitation.

Such losses were recorded in accordance with the requirements of the 9th Thai Financial Reporting Standards (TFRS 9) regarding financial instruments, effective from 1st January 2020. However, such losses were not a monetary loss of the current period. Moreover, such losses were non-recurring items and did not affect the operations of the Group.

Financial Costs

Description	2020	2019	Increase (Decrease)		2018
	Mil. THB	Mil. THB	Mil. THB	%	Mil. THB
Financial cost from monetary loans	1.3	4.0	(2.7)	(67.5%)	2.2
Financial cost from lease agreements with rights of used of assets	9.8	-	9.8	100.0%	-
Total of financial costs	**11.1**	**4.0**	**7.1**	**177.5%**	**2.2**

Increasing financial costs were due to the change of recording entries of financial costs of the 16th Thai Financial Reporting Standards regarding lease agreements, effective from 1st January 2020. The Group is required to acknowledge the rights of used of assets and liabilities arising from all lease agreements with the lease period more than 12 months. With the introduction of the said financial report standards, the Group is required to recognize the financial cost as expenses in the incurred fiscal year and throughout the lives of right of used of assets. The Group has recorded the financial costs incurred from such lease agreements with rights of used of assets in the earnings statement for the year 2020 in the amount of 9.8 Million Baht.

The financial costs from monetary loans have decreased by 2.7 million Baht compared to the last year. Due to the project management capability, the Company could maintain the project deliveries according to the agreed schedules and could effectively follow up the payments from the clients. As a result, the cash cycle was shorter, the need to use credit limits from the financial situations as the working capital was decreased. Therefore, the Company had lower liabilities incurred from the loan interests.

Net Profit (Loss)

The Company has the net profit amounted to 244.6 million Baht, 225.4 million Baht, and net loss amounted to 166.1 million Baht for the year 2020, 2019, and 2018 respectively. The net profit margins were 5.16%, 6.04%, and (4.90%) respectively. Although the net profit margin for the year 2020 has slightly decreased when compared to the year 2019, the 2020 performance result showed higher net profit. Although the Group was affected by the COVID-19 pandemic since the beginning of 2020, the Company had the ability to swiftly adapt to such situations in a timely manner, together with the successful business strategies, the Company was able to acquire and deliver many large projects, especially in the last quarter of 2020. Such actions were critical to the increase of net profit in the year 2020.

Statement of Financial Position

(Unit : Million Baht)	Y2020		Y2019		Change		Y2018	
	Mil THB	%	Mil THB	%	Mil THB	%	Mil THB	%
ASSETS								
Cash and Cash Equivalents	174.0	3.4%	165.6	4.5%	8.4	5.1%	306.0	9.2%
Current Investment	-	0.0%	24.3	0.7%	(24.3)	(100.0%)	69.5	2.1%
Trade and Other Receivables	1,950.6	38.1%	1,571.0	42.8%	379.6	24.2%	1,229.6	36.9%
Unbilled Receivables	725.6	14.2%	469.2	12.8%	256.4	54.6%	566.5	17.0%
Cost of Work in Progress	433.5	8.5%	293.5	8.0%	140.0	47.7%	244.5	7.3%
Prepayment for Cost of Services	864.7	16.9%	413.6	11.3%	451.1	109.1%	292.9	8.8%
Other Current Assets	136.9	2.7%	54.8	1.5%	82.1	149.8%	78.3	2.4%
Total Current Assets	**4,285.3**	**83.6%**	**2,992.0**	**81.5%**	**1,293.3**	**43.2%**	**2,787.3**	**83.7%**
Investment in Associates	171.2	3.3%	122.4	3.3%	48.8	39.9%	75.1	2.3%
Building improvements and equipment	76.5	1.5%	84.9	2.3%	(8.4)	(9.9%)	74.7	2.2%
Right of Use of Assets	101.6	2.0%	-	0.0%	101.6	100.0%	-	0.0%
Goodwill	258.0	5.0%	258.0	7.0%	-	0.0%	258.0	7.7%
Other intangible assets	24.1	0.5%	22.5	0.6%	1.6	7.1%	18.4	0.6%
Prepayment for Cost of Services	142.8	2.8%	122.8	3.3%	20.0	16.3%	64.3	1.9%
Other Non-Current Assets	64.5	1.3%	67.4	1.8%	(2.9)	(4.3%)	52.5	1.6%
Total Non-Current Assets	**838.7**	**16.4%**	**678.0**	**18.5%**	**160.7**	**23.7%**	**543.0**	**16.3%**
Total Assets	**5,124.0**	**100.0%**	**3,670.0**	**100.0%**	**1,454.0**	**39.6%**	**3,330.3**	**100.0%**

Assets

As of 31st December 2020, the Group had total assets of 5,124 million Baht, which increased by 1,454 million Baht or 39.6% from 31st December 2019, of which the total assets of 3,670 million Baht. Such increase of assets was due to significant changes of assets as follows:

- Accounts receivable and other receivable have increased by 379.6 million Baht or 24.2%. The main reason was the handover of large projects with high values. The Company recognized the revenues from handing over of large projects with value from 100-500 million Baht in the last quarter of 2020. The Company has issued invoices for the completed and delivered projects. However, most of the invoiced items were not yet due. As a result, there was an increase of accounts receivable.

At the end of 2020, the Group has trade accounts receivable that were not yet due in the amount of 1,096 million Baht, increasing from the end of 2019 by 367 million Baht. (At the end of 2019, trade the accounts receivable that were not yet due amounted to 729 million Baht)

- The unbilled amount has increased by 256.4 million Baht or 54.6%. The unbilled amount was directly related to the handover of large projects at the end of the year, which the invoices haven't been issued to the clients yet.

- Work-in-progress costs have been increased by 140 million Baht or 47.7%. The main reason was derived from the acquisition of large projects, especially many System Integration (SI) projects which were under development and system installation phases and were not yet completed at the end of the year. Since the Company recognizes the costs of sales and services according to the successful stage of the project, the costs regarding the projects pending to handover will be shown as a work-in-progress cost at the end of the year.

- Costs of services paid in advance (total amount of current and non-current transactions) amounted to 1,007.5 million Baht at the end of 2020, which increased by 471.1 million Baht or 87.7%. (Costs of services paid in advance at the end of 2019 was 536.4 million Baht) The main reasons were according to the recognition and handover of many large SI projects during 2020. Such projects have the Maintenance Agreements (MA). Several projects have legal liabilities according to the Maintenance Agreement to pay the maintenance service fee from the beginning of the maintenance period.

- Rights-of-used-of-assets has increased by 101.6 million Baht or 100% due to the introduction of the 16th Thai Financial Reporting Standards (TFRS 16) regarding lease agreements, effective from 1st January 2020. The TFRS 16 requires the Company, as the tenant under the lease agreement, must acknowledge all assets and liabilities of all lease agreements with the leased period more than 12 months. Unless such assets are underlying assets. The Company also has to record rights of used of assets and amortization over the leased term.

At the end of 2020, the Group had a balance of the rights of used of assets in the amount of 101.6 million Baht, and the liabilities according to the lease agreements listed as liabilities at 97.8 million Baht. Both assets and liabilities have increased in full in 2020.

(Unit : Million Baht)	Y2020		Y2019		Change		Y2018	
	Mil THB	%	Mil THB	%	Mil THB	%	Mil THB	%
LIABILITIES								
Overdrafts	20.0	0.4%	13.7	0.4%	6.3	46.0%	-	0.0%
Trade and Other Payables	1,229.6	24.0%	554.1	14.8%	685.5	126.0%	639.1	19.2%
Deferred Income	1,019.3	19.9%	528.4	14.4%	490.9	92.9%	429.1	12.9%
Accrued Expenses	215.1	4.2%	187.2	5.1%	27.9	14.9%	156.2	4.7%
Liabilities under Lease Contract (ROU lease)	97.8	1.9%	-	0.0%	97.8	100.0%	-	0.0%
Liabilities under Financial Lease Arrangement	79.6	1.6%	78.9	2.1%	0.7	0.9%	-	0.0%
Unbilled Payable	257.7	5.0%	212.1	5.8%	45.6	21.5%	198.8	6.0%
Provision for Employee Benefits	164.5	3.2%	129.5	3.5%	35.0	27.0%	99.3	3.0%
Other Liabilities	107.9	2.1%	119.0	3.2%	(11.1)	(9.3%)	75.9	2.3%
Total Liabilities	**3,191.5**	**62.3%**	**1,812.9**	**49.4%**	**1,378.6**	**76.0%**	**1,598.4**	**48.0%**
SHAREHOLDER'S EQUITY								
Share Capital - Issued and Fully paid-up	441.5	8.6%	441.5	12.0%	-	0.0%	441.5	13.3%
Premium on Ordinary Shares	986.7	19.3%	986.7	26.9%	-	0.0%	986.7	29.6%
Other Component of Shareholders	6.4	0.1%	5.9	0.2%	0.5	8.5%	6.2	0.2%
Legal Reserve	44.1	0.9%	44.1	1.2%	-	0.0%	44.1	1.3%
Unappropraited Retained Earnings	426.0	8.3%	350.6	9.6%	75.4	21.5%	226.5	6.8%
Total Shareholders' Equity, Parent Portion	1,904.7	37.2%	1,828.8	49.8%	75.9	4.2%	1,705.0	51.2%
Non-Controlling Interests in Subsidiaries	27.8	0.5%	28.3	0.8%	(0.5)	(1.8%)	26.9	0.8%
Total Shareholders' Equity	**1,932.5**	**37.7%**	**1,857.1**	**50.6%**	**75.4**	**4.1%**	**1,731.9**	**52.0%**
Total Liabilities and Shareholders' Equity	**5,124.0**	**100.0%**	**3,670.0**	**100.0%**	**1,454.0**	**39.6%**	**3,330.3**	**100.0%**

Liabilities

As of 31st December 2020, the Group had total liabilities of 3,191.5 million Baht, which increased by 1,378.6 million Baht or 76% from total liabilities as of 31st December 2019, which was 1,812.9 million Baht. An increase of the total liabilities was due to significant changes of assets as follows:

- Accounts payable and creditors have increased by 685.5 million Baht or 126%. The main reason was due to the Company's orders of goods and services for the installation in many large projects during the last quarter of the year 2020, especially SI projects which the payments have not yet due at the end of the year. As a result, there was an increase in accounts payable.

- Revenues received in advance have increased by 490.9 million Baht or 92.9%. The main reason was due to the large SI projects that were pending the handover, which the successful stage of work less than the project values billed to the clients at the end of the year. Moreover, such liabilities were derived from projects with the Maintenance Agreements (MA). Several projects have legal liabilities according to the Maintenance Agreement to pay the maintenance service fee for the first year of service from the beginning of the maintenance period. The MA service fees received in advance were therefore not fully recognized as the revenues.

- Unbilled costs have been increased by 45.6 million Baht or 21.5% due to the handover of large projects at the end of the last quarter of 2020. And the Company has not received invoices from the service providers or business partners, resulting in the higher unbilled costs compared to the end of 2019.

Equity of the Company

There were changes of equity in the year 2020 and 2019 as follows:

	2020	2019
	Mil THB	Mil THB
Equity of the Company		
Amount at the beginning of the year (as of 1st January)	1,828.8	1,704.9
Impacts from changes of accounting policies	1.5	-
Net profit for the year	244.6	225.4
Comprehensive profit (loss) for the year	(15.7)	(13.2)
Dividend	(154.5)	(88.3)
Amount as of 31st December 2020	**1,904.7**	**1,828.8**

As of 31st December 2020, the Company had total equity amounted to 1,904.7 million Baht, increased by 75.9 million Baht from 31st December 2019 which amounted to 1,828.8 million Baht, representing an increase of 4.2%. The increase in equity was resulted from the net profit of 244.6 million Baht in 2020. Net from the amount of dividend payments announced and paid during the year 2020 was 154.5 million Baht.

Cash Flow Analysis

	2020	2019	2018
	Mil THB	Mil THB	Mil THB
Profit before income tax	**311**	**281**	**(165)**
Adjustments to reconcile profit to cash received from (paid to) operating activities	130	50	380
Changes in assets and liabilities for operating activities	(40)	(365)	(20)
Cash paid for income tax / Net of tax returned	(96)	(74)	(56)
Net cash received from (used for) the operating activities	**305**	**(108)**	**139**
Net cash received from (used for) the investing activities	**(110)**	**(32)**	**95**
Net cash received from (used for) the financing activities	**(187)**	**-**	**(96)**
Increase (decreased) of net cash and cash equivalent	**8**	**(140)**	**138**

Cash Flow for Operating Activities

In 2020, the Company had net cash flow from paying income tax and changes in working capital amounted to 305 million Baht, which was a significant increase compared to the year 2019. The reasons of such changes were as follows:

1. An increase of earnings before tax (EBT) and total net profit

In 2020, the Company had the earnings before tax (EBT) amounted to 311 million Baht, which increased by 30 million Baht from last year. (in 2019, the EBT was 281 million Baht.) The total net profit for the year 2020 was 248 million Baht, which increased by 20 million Baht from last year. (in 2019, the total net profit was 228 million Baht.)

2. Adjustments to reconcile profit to cash received from (paid to) operating activities have increased from 2019 in the amount of 80 million Baht. The reasons of such changes were as follows:

	2020	2019	2018
	Mil THB	Mil THB	Mil THB
Depreciation and amortization	74	45	47
(Profit) Loss from unrealized exchange rate	(1)	28	3
Doubtful accounts and allowances for credit loss	26	15	-
Loss from disposal of investment to the subsidiaries	-	-	61
Reserves for late penalties and possible loss from the projects	10	(9)	4
Loss from impairment of investment (Reversal)	-	(40)	202
Reserves for employees' long-term benefits	15	14	39
Any other transactions	6	(3)	24
Adjustments to reconcile profit to cash received from (paid to) operating activities	**130**	**50**	**380**

The depreciation and amortization for the year 2020 have increased by 29 million Baht due to the 16th Thai Financial Reporting Standards (TFRS 16) regarding lease agreements, which effective from 1st January 2020. According to the requirements of the TFRS 16, the Group is required to record the rights of used of assets from the lease agreements in the list of assets. The rights of used of assets shall be amortized throughout the lease term. Therefore, such amortization has been recorded in the year 2020.

For the year 2020, the Group has recorded the allowance for credit loss amounted to 25.5 million Baht due to the Central Bankruptcy Court's order for a large corporate client of the Company to undertake the rehabilitation. The Company has recorded the credit loss according to the 9th Thai Financial Reporting Standards (TFRS 9) regarding financial instruments, effective from 1st January 2020.

The reversal of impairment loss of investment was lower as in the previous year, the Group has reverted the impairment loss of investments from Angstrom Solutions Company Limited, a joint venture company, in the amount of 40 million Baht in the consolidated financial statements for the year 2019.

3. Changes in assets and liabilities for operating activities

In 2020, the Company had better liquidity management due to the balance between cash inflows and cash outflows from important operating activities, such as financial liquidity in managing in-time handover of projects and shorter time of billing and collecting payments from the clients. As a result, the cash cycle was shorter. Therefore, the Company only used 40 million Baht as the working capital in 2020, which was much lower compared to the working capital used in 2019, which was 366 million Baht. The important transactions used as working capital in 2019 was the increase in accounts receivable as the payments of one of the state enterprise clients were due but the handover of the project was pending during the end of 2019. Such pending payments amounted to 220 million Baht.

Cash Flow in Operating Activities

	2020	2019	2018
	Mil THB	Mil THB	Mil THB
Purchase of investment in joint venture companies	(50)	(7)	(11)
Cash received from sale of investment in subsidiaries	-	-	55
Investment in other long-term investments	-	(10)	-
Cash returned from other long-term investments	11	-	-
Loans to related companies	(11)	(1)	-
Purchase of building improvements and equipment	(29)	(50)	(46)
Purchase of intangible assets	(11)	(11)	(9)
Cash received from sales of equipment and intangible assets	3	1	22
Dividend received from joint venture companies	2	2	2
Net cash received from (paid to) investment in fixed income funds	(30)	46	79
Any other transactions	5	(2)	3
Net cash received from (used for) the investing activities	**(110)**	**(32)**	**95**

The Group's cash flow for investing activities has increased from the previous year. Important investing activities was the cash used for purchasing of investment in 'I Two Enterprise Company Limited' (I2), which is the joint venture company that the Company has purchased shares for capital increase in the amount of 49.5 million Baht in 2020. As a result, the Company holds 15% of shares in I2.

Cash Flow in Financing Activities

	2020	2019	2018
	Mil THB	Mil THB	Mil THB
Liabilities according to lease agreements	(34)	-	-
Net cash received from financial management agreements	1	77	-
Overdrafts and short-term loans from financial institutions	6	14	-
Dividend payment	(155)	(88)	(114)
Interest payment	(2)	(1)	(1)
Any other transactions	(3)	(2)	19
Net cash received from (used for) the financing activities	**(187)**	**-**	**(96)**

In 2020, the Company had more cash flow in financing activities from the important transactions incurred during 2020, such as dividend payment amounted to 155 million Baht (increased from the year 2019 by 66 million Baht) and payments for the liabilities according to the lease agreements which started to be a part of cash flow for financing activities from 2020 onwards, according to the 16th Thai Financial Reporting Standards (TFRS 16) regarding lease agreements which effective from 1st January 2020.

Important Financial Ratio

Description	Consolidated Financial Statement		
	2020	2019	2018
Profitability :			
Gross profit margin (%)	18.37%	21.54%	18.40%
Net profit margin (Net loss margin) (%)	5.16%	6.04%	(4.90%)
Return on Investment :			
Return on Assets (%)	4.77%	6.14%	(4.99%)
Return on equity (%)	12.84%	12.33%	(9.73%)
Liquidity Ratio:			
Working captial ratio (times)	1.48	1.83	1.86
Quick ratio (times)	1.33	1.65	1.70
Assets Turnover			
Inventory turnover	3.78	4.60	4.43
Average holding period	95.00	78.00	81.00
Account receivable turnover	2.78	2.79	3.37
Average collection period	129.00	129.00	107.00
Account payable turnover	4.79	5.88	4.96
Average payment period	75.00	61.00	73.00
Cash Cycle	149.00	146.00	115.00
Ratio of Capital Structure:			
Debt to equity ratio (times)	1.65	0.98	0.92

Liquidity Ratio

The Company's liquidity ratio for the year 2020 had the liquidity ratio of 1.61 and quick ratio of 1.48, which were lower than 2019 due to the large projects that have been completed. As a result, the Company recognized the revenues and costs of the projects in 2020 financial statements. Many large projects with high project values were ready for handing over and recognition of revenues and costs around the end of the year. As a result, there were many accrued transactions on accounts receivable, accounts payable, and work-in-progress cost.

The Group has a fairly good liquidity ratio and sufficient liquidity for normal business operations.

Assets Turnover

The Asset turnover is normal, the inventory turnover has decreased compared to the previous year. As a result, the average holding period increased by 17 days from 78 days of the previous year to 95 days of average holding period in 2020. On the other hand, the 14-day increase for payment period affected a slight increase in cash cycle to 149 days for the year 2020, which was 146 days for the year 2019. The cash liquidity management for 2020 in the real situation was better, although the financial ratio has slightly dropped according to the aforementioned explanation regarding liquidity ratio.

Ratio of Capital Structure

The Group's debt to equity ratio as of 31st December 2020 was 1.65:1 (as of 31st December 2019 was 0.98:1). The debt to equity ratio at the end of 2020 was higher than 2019 due to the increase of accounts payable and accrued transactions at the end of the year. This was because the handover of many large projects during the end of the year, resulting in significantly higher accrued transactions on assets and liabilities compared to the end of 2019.

Although the debt to equity ratio at the end of 2020 has highly increased, the Company was able to manage the liquidity for the business well. This reflected in the significant decrease in cash flow used as working capital. This was the result of an improvement of efficiency in handing over projects on time and management of billing and collecting payments from the clients similar to the credit terms given to the clients. Therefore, the Group's interest burden arising from financing of working capital was decreased by almost 100% without having to use the credit from financial situations for the Company's working capital. Moreover, the Company does not have any records of default payments of goods and services with its business partners. (Zero Default Rate)

Profitability and Return on Investment

Although the Company had lower gross profit margin and net profit margin in 2020 compared to 2019, the Company considered 2020 as the highly successful year in respect of the in-time adaptability to the COVID-19 pandemic and the determination of appropriate strategies for business operations for the changing market conditions and intense price competition. The Company is also affected by the clients in many sectors. As a result, the Company's gross profit margin has decreased due to the aforementioned price competition.

Due to the acquisition of large projects with the long period of project duration from 3 to 5 years, the Company was able to manage the use of internal resources efficiently and appropriately in the long run. Moreover, throughout the implementation of these projects, the Company can continuously recognize the revenues from each project until the completion of the projects in the next 5 years, which greatly help in managing and mitigating risks in business operations in the long run.

The return on equity in the year 2020 was 12.84%, a slightly increase from 12.33% in the year 2019. Since the Company can maintain the capital structure and generate returns to the shareholders in terms of net profit from the operations of each year in good and consistent conditions, the average dividend yield is higher every year. (Please see details regarding the dividend payment in the next section.)

The Remuneration of the Auditor

The Group of companies, which consists of the Company and its 9 subsidiaries, had the remuneration of the auditor amounted to 3.17 million Baht.

Non-Audit Fee

- None -

Dividend Payment of the Company

For the Performance of the year 2020 according to the separate financial statements, the Company has net profit of 234.6 million Baht. The Board of Directors Meeting No. 1/2020 held on the 23rd February 2020 has the resolution to propose to the 2020 Annual General Meeting of Shareholders, which is scheduled on 26th April 2021, to consider and approve the dividend payment at a ratio of 0.40 Baht per share. The dividend payment for the year 2020 will be the amount of 176.6 million Baht.

Factors that May Affect the Financial Status or Performance in the Future

- None -

5. General information and Other important information

5.1 MFEC Public Company Limited

Company name
MFEC Public Company Limited

Initial
MFEC

Business Type
IT Services and Systems Integration

Location

Head Office
349 SJ Infinite One Business Complex, Vibhavadi-Rangsit Road,
Chompol, Chatuchak, Bangkok 10900
Tel 0-2821-7999

Branch 1
333 Lao Peng Nguan Tower, Vibhavadi-Rungsit Rd.,
Chompol, Chatuchack, Bangkok 10900
Tel. 0-2821-7888 Fax. 0-2618-8188

Registration No. 0107546000156

Home Page www.mfec.co.th

Investor Relations investor@mfec.co.th

Company Secretary secretary@mfec.co.th

Registered Capital 441,453,555 baht

Paid-Up Capital 441,453,555 baht

References

Securities Registrar

Thailand Securities Depository Company Limited
93 Ratchadapisek Road, Dindaeng, Dindaeng,
Bangkok 10400
Tel. 0-2009-9000 Fax. 0-2009-9991
Website http://www.set.or.th/tsd

Auditors

Ms. Poonnard Paochareon
Certified Public Accountant No. 5238

Ms. Manee Rattanabunnakit
Certified Public Accountant No. 5313

Mr. Khitsada Lerdwana
Certified Public Accountant No. 4958

EY Company Limited
193/136-137 33rd Floor, Lake Rajada Office Complex,
Rajadapisek Road, Klong Toei, Khlong Toei, Bangkok 10110
Tel. 0-2264-0777 Fax. 0-2264-0789-90
Website https://www.ey.com/th/en/home

5.2 Other important information

-None-

5.3 Legal Dispute:

As of 31 December 2020, the company's subsidiaries is the ligitant or disputant in a significant case or dispute which has not yet ended with details as follows:

Case 1

A subsidiary may incur contingent liabilities from penalties associated with a service agreement made with a government agency. Under the term of the agreement, in case of late work delivery, the other party has the right to charge a penalty fee for such delay at the rate specified in the agreement. Although the subsidiary completed and delivered and the, the delivery indeed occurred after the period specified in the agreement.

In response to this, the management of the subsidiary provided clarification and documentary evidences to prove that the subsidiary was not at fault in the late delivery of work and set aside a provision for possible penalties amounting to Baht 5 million. The management is confident that the amount is, adequate for settlement of the actual contingent liabilities.

On 30 August 2016, the subsidiary filed a lawsuit with the Central Administration Court to claim damages of Baht 94 million from the above customer, together with interest thereon at the rate of 7.5% per annum. The other party filed a statement to the court on 20 April 2017.

Subsequently, on 14 July 2017, the above government agency filed a suit against the subsidiary with the Administrative Court for the late delivery of work, claiming damages amounting to Baht 39 million. The subsidiary filled a counterclaim on 24 August 2017 and submitted additional testimony to the court on 18 May 2018.

Subsequently, on 17 February 2020, the court scheduled 18 February 2020 to be the last day for the fact-finding hearing. The subsidiary then submitted additional testimony to the court. On 31 July 2020, the Central Administrative Court delivered a ruling in favour of the subsidiary, resulting in it winning the lawsuit. The court's ruling required the government agency to pay a last installment of the payment of Baht 30 million to the subsidiary and required the subsidiary to pay penalties from delays in submitting deliverables of Baht 5 million. Finally, the net payment amount that the government agency has to pay the last installment net of the penalties is Baht 25 million.

Subsequently, on the third quarter, the above government agency lodged an appeal. Currently appeal is under consideration by the court.

Case 2

On 13 May 2016, the contracting party, i.e., a state enterprise, terminated the agreement for system purchase/ sale and installation/development with the contract value of Baht 34 million. The subsidiary filed a law-suit with the Civil Court on 16 August 2016 for the breach of contract, claimed for damages for early contract termination (the contract was to expire on 31 May 2016) and claimed for payment in accordance with the letter of guarantee which the misuse of rights.

On 27 July 2017, the court ruled the customer was not to be held responsible for such damages as the contract was legally terminated and the customer had the right to confiscate the collateral under the contract amounting to Baht 3 million. Subsequently, on 2 August 2017, the court protection was sought for the letter of guarantee. On 13 December 2017, the subsidiary has lodged another appeal, which was accepted by the court. Subsequently, on 21 February 2018, the customer filed an appeal against the court's decision. On 12 September 2018 the court upheld the ruling of the Court of First Instance, and the legal representative of the subsidiary submitted a request to the court for further issue temporary protection. The subsidiary filed a petition on 11 December 2018.

On 5 November 2019, the Supreme Court dismissed the claim and rejected the petition and rejected the petition based on the fact that the essence of the judgment of the Appeal Court could not be changed. The subsidiary is to be responsible the damages of 3 million according to the guarantee made with a bank. The subsidiary has settled the payment on 26 Mach 2020.

On 7 September 2018, the state enterprise customer filed lawsuit against the subsidiary with the Civil Court for the late delivery of work, claiming damages of Baht 141 million. The subsidiary filed a counterclaim on 18 January 2019. Subsequently, on 19 August 2019, the Civil Court ordered the postponement of the case hearing to 18 November 2019. Subsequently, on 27 October 2020, the Civil Court ordered the postponement the witness hearing to 27-30 April 2021. Currently, the case is under consideration by the court.

The management considered and estimated the penalty loss at Baht 3 million.

Case 3

On 17 June 2020, a private company, as a hiring party under purchase and computer software license agreements, filed a lawsuit against the subsidiary with the Southern Bangkok Civil Court on the grounds that the subsidiary failed to fulfill contractual obligations and submit deliverables within the due date agreed under the terms of the agreements. The private company demanded the subsidiary to return the earlier payment of Baht 5 million.

The subsidiary's management is in the process of preparing documentation for lodging of a defense and a counterclaim against the plaintiff, claiming the termination of the agreements by the hiring party to be illegitimate since they had yet to reach the agreed date for submission of deliverables. In addition, the management assessed that the subsidiary was able to ensure the timely submission of deliverables as agreed under the terms of the agreements. Subsequently, the court scheduled the mediation on 19 November 2020. Subsequently, the Civil Court ordered postponement of this case to 22 March 2021.

The management did not consider setting aside a provision for contingent liabilities in respect of the repayment claimed by the plaintiff in the current year since the subsidiary is still in the process of filing a request with the Civil court to consider the counterclaim. As at 31 December 2020, this case has not yet been finalised.

Part 2:

Corporate Governance

6. Corporate Governance Policy

6.1 Overview of Corporate Governance Policies and Practices

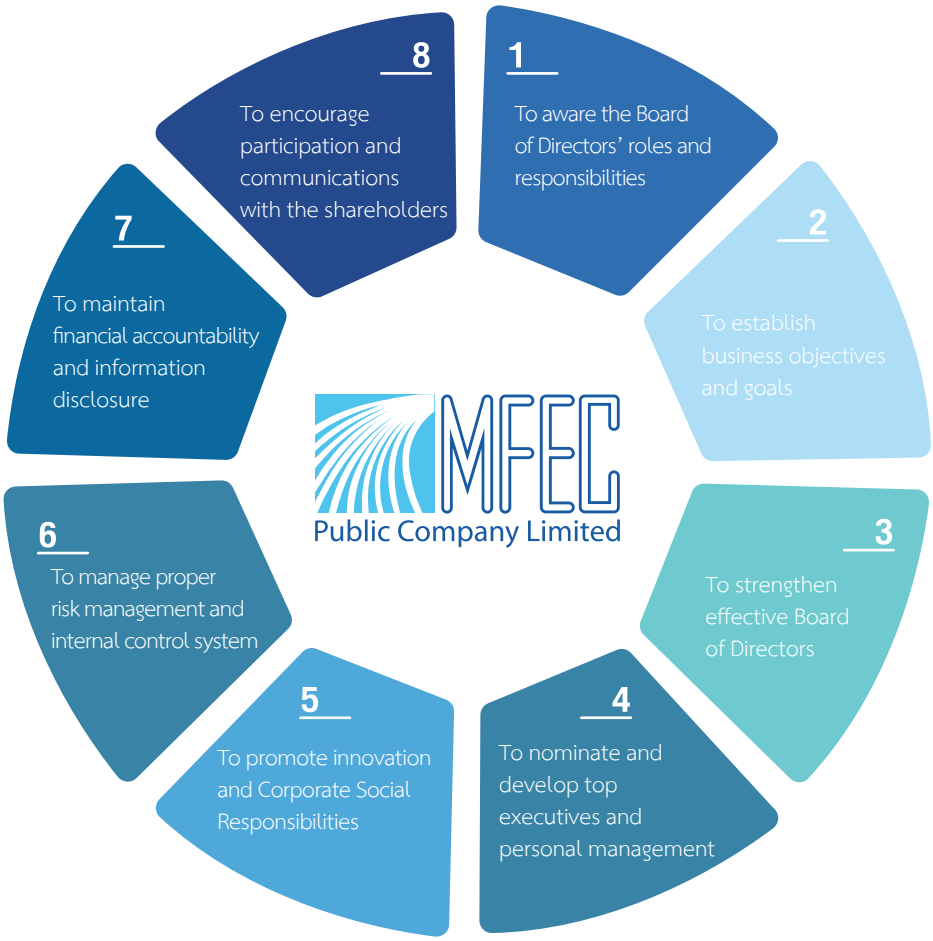
The Board of Directors is firmly committed to organizational development for transparency, corporate governance, responsibility and retention of the stakeholders' gains and social benefits. The Company's employees have been developed to be good people with morality, while being promoted in IT education for more effectiveness of the organization's sustainable expansion and participation in the nation's social development.

Guidelines for sustainable development are described below:

1. Hovernance with fair business operations
2. Anti-Corruption
3. Respect to human rights and social responsibility
4. Community Participation for Educational Development

The Risk Management and Corporate Governance Committee are communicated to directors, executives, and employees to acknowledge and realize the importance of good corporate governance. In addition, the Company's Corporate Governance manual is used as the guideline to consider risky behavior which may come against the ethics and work guidelines, helping to promote the corporate governance, improving business operations and encouraging employees with good moral. This move will gain confidence and acceptance from the society and lead to a sustainable growth through the internal channels and MFEC's website https://www.mfec.co.th/en/coporate-governance/code-of-conduct/.

The Board determines the Corporate Governance Policy in the following details:



Guideline 1) To aware the Board of Directors' roles and responsibilities as the leader of the organization for business value creation with sustainability: The Company pays high attention to the Board of Directors' roles, duties and responsibilities for the purpose of maintaining benefits of the shareholders and stakeholders.

Therefore, the Board of Directors comprises of nine (9) members and the number is appropriate for the size of MFEC. The Board consists of Chairman (non-executive and non-independent director), five (5) non-executive, independent directors (one (1) female independent director and four (4) male independent directors), two (2) executive directors and one (1) non-executive director.

The list of Board members with a three-year term as follows;

Director	Type	Appointment Year	Latest Selection Year by AGM	No. of Years for the Position (Year)
Mr. Sirisak Tirawattanangkul	Non-Executive Director	2011	2019	9
Mr. Kiyotaka Nakamura	Non-Executive Director	2014	2019	6
Mr. Siriwat Vongjarukorn	Executive Director	2003	2020	17
Mr. Thanakorn Charlee	Executive Director	2015	2020	5
Mr. Anant Leetrakul	Independent Director	2012	2018	8
Mr. Suchart Thammapitagkul	Independent Director	2003	2018	17
Prof. Dr. Uthai Tanlamai	Independent Director	2016	2018	4
Ass. Prof. Dr. Kamales Santivejkul	Independent Director	2016	2019	4
Dr. Charn Tharawas	Independent Director	2016	2020	4

Authority of the Board of Directors:

The Board of Directors has the authority to approve various matters of the Company in accordance with the scope of duties under the law, Company regulations, the Board of Directors' Charter, and the resolution of the Annual General Meeting of Shareholders, including determining and reviewing the vision, mission, operational strategy, risk management policy, budget plan and annual business plan, medium-term business plan. The matters of the Company are included determining the goals of business operation, following up and evaluating the operational results as planned, and supervising investment expenses items during mergers and acquisitions, including investment in new businesses.

In 2020, the Board of Directors performed its duties and was well aware of its responsibilities in accordance with the Corporate Governance Policy in the following details;

1.1 To assign the Risk Management and Corporate Governance Committee acting to promote, support and supervise, ensuring that all employees and related parties are required to comply with the good corporate governance policy, including anti-corruption, and to review the suitability of various system and measures complying with business changes, regulations and legal requirements

1.2 To provide a code of business ethics for the purpose of communicating internally to the directors, executives, and employees, and to be aware of the importance and used as a basis for considering the appropriateness of behavior that may be at risk of violation of ethics and operational guidelines

1.3 To determine the policy of holding the directorial position in no more than five (5) listed companies, and President and senior executive holding the managerial position in one (1) listed company for sufficient management time

1.4 To have no records of infringement against the regulatory requirements of the Securities and Exchange Commission/ the Stock Exchange of Thailand

1.5 To determine a position of a Chairman of the Board of Directors not to be the same person as the Chief Executive Officer for clearly separated roles, authorities, and duties, and to appoint independent directors as a chairman of the sub-committees

1.6 The Board of Directors provides a comprehensive internal control system for finance, work execution, legal and regulatory compliance, as well as proper and sufficient risk management, an Internal Audit Department under the supervision of Internal Audit Manager, named Ms. Thitirat Thanathitikankun, has been monitoring as an independent department reporting to the Audit Committee.

1.7 The Board of Directors ensures that there is a sufficient risk management system, regular monitoring of risk management, following the organization's principles of corporate governance by assigning the Risk Management and Corporate Governance Committee to report the risk management results on a quarterly basis and to report the results of the supervision operations

complying with the anti-corruption practices within the organization to the Board of Directors on a regular basis.

1.8 The Board of Directors defines the performance appraisal of the president with proper remuneration for the organization structure.

Guideline 2) establish business objectives and goals for sustainability: The Board pays attention to lead the organization to a sustainable growth. In 2018, the Board of Directors' Meeting No. 5/2018 held on 25th September 2018, resolved to approve the revision of the Company's vision, mission and corporate value, as well as preparation of the manual for the code of business conduct.

2.1 Vision: To become Thailand's best IT workplace with passion to create technologies and innovate solutions that uplift your digital life

2.2 Mission: To drive innovations that enhance people's digital life

MFEC aims to be the IT company most people desire to work with to create technology and innovation which upgrade all people's quality of life committed to business conduct with transparency and fairness under the framework of good corporate governance, adhere Corporate Governance Policy and Code of Conduct with responsibilities to society, environment and stake-holders. To create competitive advantage and sustainable growth, the Company has changed the business model according to the trend of information technology such as Social Media, Cloud Computing, Big Data, Mobility and Security in accordance with Digital Business Transformation supporting the rapidly changing situation at present and striving to "produce people" by developing human resources both inside and outside the organization in the ICT profession to match the market demand.

2.3 Corporate Values:

• **Passion to Succeed** To perceive the definition of self-success and strong desire for work success and future career path jointly planned with the organization

• **Teamwork** To become the unity, working together with mutual understanding, sharing a success, suffering and happiness with colleagues

• **Professional** To be committed and responsible for the disciplines and ownerships of duty for everyone and customers

The Board of Directors is required to hold a joint meeting with the management at the end of every year. MFEC Board of Directors' Meeting No. 10/2020 held on 15th December 2020 discussed with the management teams of MFEC and its companies to set their objectives, strategies and business plans for the following year so that these actions meet the goals and ensure the Company profit as set in the organization's business plan (Target Plan).

Guideline 3) To strengthen Effective Board of Directors: As the Board of Directors is well aware of its roles, duties and responsibilities to lead the organization to its objectives and goals as determined, while playing a major role to push for the company's sustainable growth, the Board's structure and qualifications, and the company's criteria and procedures are set in the following details;

3.1 The Board of Directors is well structured and comprises of directors who have proper and versatile qualifications (Skill Matrix). Among the Board members, at least one (1) shall be non-executive director with business experience. The proportion of executive directors to non-executive directors shall reflect a balance of power. The Board shall consist of no less than five (5) members and no more than 12 members. MFEC Public Company Limited has nine (9) Board members. Five (5) of which satisfy the independence characteristics according to the Securities and Exchange Commission (details as described in Attachment 1: Details of Directors).

The responsibility for performance, time allocation and support mechanism are determined for the directors to perceive their roles and criteria for the directorial position in other companies as a means to ensure that the directors are able to dedicate time performing their duties. Therefore, each director is required to take the directorial position in no more than five (5) listed companies, while reporting is required for other positions taken with disclosure of direct and indirect stakes in other enterprises. The criteria and information must be revealed. Each director should have at least 80% meeting attendance

Definition: A listed company means a company whose shares are publicly traded on the stock exchange.

3.2 Mr. Sirisak Tirawattanangkul was appointed as Chairman of the Board and Mr. Siriwat Vongjarukorn was appointed as Executive Chairman/President whose duties and responsibilities differ from the former's.

In this regard, Chairman of the Board has taken the roles and duties to govern, monitor and ensure the directors' efficient performance and achievement of the organization's objectives and goals, determining the Board of Directors Meeting agendas through discussion with all directors, and ensuring major issues included in the agenda, by allocating adequate time for the management to present and discussing important issues. This role position also encourage careful consideration and independent opinions, strengthen good relationship between executive directors and non-executive directors, and to foster relationship between the Board and the management.

3.3 The Board of Directors appoints all sub-committees consisting of the Audit Committee, the Nomination and Remuneration Committee, the Risk Management and Corporate Governance Committee, and the Executive Committee. These committees review major and specific issues in detail prudently, screen information, and present directions for consideration before forwarding them to the Board for approval. These committees' roles, duties and meeting attendance are disclosed in the topic on Management Structure.

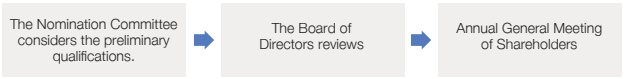
3.4 The Board determines the criteria for nomination and remuneration to the directors and each of committees in the following details;

3.4.1 Practice in nominating qualified candidates for the position of directors:

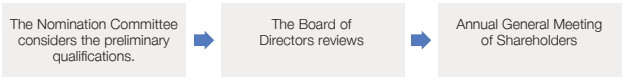
Nomination of candidates for directors/independent directors

In 2020, the Nomination and Remuneration Committee nominated the candidates to assume the positions of the directors and independent directors who had a diversity of qualifications, experiences, skills, and specific and useful capabilities with dedicated time and full effort for the strong Board of Directors. Therefore, each director was required to hold the position of the director at no more than five (5) listed companies.

The Company provided the opportunity for the minority shareholders to propose qualified candidates and present them to the Nomination and Remuneration Committee's meeting before forwarding the list to the Board of Directors meeting, and to appoint them according to the Articles of Association requiring a shareholders' meeting approval of no less than half of the number of eligible shares to vote. One (1) shareholder had the number of votes as one (1) share for one (1) vote. Each shareholder must cast all of his/her votes to elect a candidate or candidates as a director or directors in the number equal to the directors that required in an election. One-third of all directors shall vacate the office at each of Annual General Meeting of Shareholders. The number of non-independent directors may be determined as a proportion of the number of shares held in the company as appropriate. This was also subject to elected directors' capabilities. (The nomination procedures for directors are reported in Significant Corporate Governance Report, 8.1.1 Nomination, Development and Evaluation of the Board's Performance.)



3.4.2 Practice to determine remuneration for the Board of Directors and sub-committees: This is in line with the Company's long-term strategies and goals, experience, duties, scope of accountability and responsibilities which the committee members, who are assigned duties and responsibilities as members of the sub-committee, should receive appropriate additional renumeration and compare with the level that is practiced in the industrial group.



3.5 The Board determines a framework and mechanism on supervision of operations of the subsidiaries and other enterprises in which the company makes investment, according to the company's policy to promote/jointly invest with the employees who have knowledge, capabilities and management capabilities for new subsidiaries. The Company has the policy to jointly invest with its allies to enlarge services to a full coverage (The list of 9 (nine) subsidiaries and 4 (four) associated companies are described in 1.3.1: Shareholding Structure of MFEC Group). Therefore, the Board defines the framework and mechanism to supervise the enterprises that the Company invests in the following manners:

Subsidiary – To appoint an MFEC representative as each subsidiary's director, executive, or controlling person, by specifying the scope of duties and responsibilities of the representative, while arranging the proper, prudent, and sufficient internal control for transactions following the legal and regulatory requirements and compliance with each subsidiary and MFEC's policies

Associated Company – To appoint an MFEC representative performing duties in accordance with each associated company and MFEC's policies, which the Board should make the Shareholders' Agreement or other types of agreement for clarity of managerial authority, participation in decision-making of major issues, and monitoring of performance for preparation of the Company's consolidated financial statements in a duly manner

Scope of Authorities, Duties and Responsibilities of Directors/ Executive Representatives are as follows:

1. To participate in planning and formulating policies, directions, strategies, work plans, and organizational structures, in accordance with economic conditions, market competition conditions, and MFEC Public Company Limited Policy

2. To take part in planning and setting business plans, annual budgets to be presented to MFEC Board of Directors

3. To supervise the business operations following the policies, the management directions and the approved business plans

4. To monitor completed and correct disclosure of financial status, performances, connected transactions in the group or related persons, acquisitions or liquidations of assets or other major transactions following MFEC's regulatory requirements involving the disclosure of information and transactions

5. To manage having an appropriate internal control system and sufficient conciseness

Apart from its supervision through the dispatch of directors/ executive representatives and directors in the subsidiaries/ associated companies as approved by their Board, the Company has the auditing mechanism, through the Internal Audit Department, to help audit/review the subsidiaries/associated companies' internal control system with proper, prudent and adequate management in required fields, and report the results to the Audit Committee for acknowledgment.

3.6 To run the Board and committees' annual performances and appraisals by group and individual at least once (1) a year for joint consideration of performance and problems for further improvement

Criteria for Performance Appraisal of the Board/Committees (by group/individual)

Appraisal Item	Board	Committee	Individual
Structure & Qualification of Directors	/	/	/
Role, Duty & Responsibility of Directors	/	/	/
Meeting of Directors	/	/	/
Relationship with Management	/	x	x
Self-Development and Development of Executives	/	x	x

Remark / = Appraisal, x = No Appraisal

Summary of Performance Appraisal of the Board of Directors: Based on five (5) appraisal items, the Board scored very good with improvement and practices following the principles of corporate governance.

Summary of Performance Appraisal of Four (4) Committees: The Executive Committee, the Audit Committee, the Risk Management and Corporate Governance Committee and the Nomination and Remuneration Committee. Based on three (3) appraisal items combined, all of the committees scored good.

3.7 Regular development and improvement of skills and knowledge for the directors' tasks

- Newly appointed directors gain suggestions and useful for their duties so that they understand the Company's objectives and goals, visions, missions, corporate culture, business characteristics and directions for businesses, none of new directors was appointed in 2020.
- The directors take necessary training and knowledge development, understanding legal and regulatory requirements, standards, risks, business environment, and updated information regularly

In 2020, the Board members and executives have taken the following additional training:

Course	Trainee	Position
Training Program "Senior Executive of Justice" Generation 25th by the College of Justice Judicial Training Institute	1. Mr. Siriwat Vongjarukorn	Chief Executive Officer
"English for Lawyers" course by the Lawyer Council of His Majesty the King	1. Ms. Saowaluck Nachiangtai 2. Mr. Chaiyawat Khongkasuriyachai	Legal Officer Legal Officer
Advanced Intellectual Property and International Trade Law and Arbitration, Investment Law, Securities and Exchange Law by the Lawyers Council of the Royal Patronage	1. Ms. Saowaluck Nachiangtai	Legal Officer
Practice course for new auditors by the Association of Internal Auditors of Thailand	1. Ms. Thitirath Thanathitikankun	Internal Audit Manager
Preparation course for Personal Data Protection Act 2019 by MFEC Public Company Limited	1. Ms. Thitirath Thanathitikankun 2. Ms. Nareerat Wongwitthayanan 3. Ms. Napapat Pradabjai	Internal Audit Manager Internal Audit Officer Internal Audit Officer
Organizational Management 24 hrs. by NP Intelligence Company Limited	1. Ms. Sarunya Mungraksathum	Organizational Change Management Specialist
P01: Preliminary to Corporate Sustainability by SET	1. Ms. Orawan Hnunatku 2. Ms. Dollaporn Nijsathorn	Company SecretaryAssistant to Company Secretary
S01 – S03: Corporate Sustainability Strategy by SET	1. Ms. Orawan Hnuntaku	Company Secretary
Problems and Methods of Recording Recognition Practices according to accounting standards by Dharmniti Auditing Company Limited	1. Ms. Netnapha Chaoun	Accounting Manager
Provision for impairment of financial instruments (TRFS 9) by Actuarial Business Solutions Company Limited	1. Ms. Netnapha Chaoun	Accounting Manager
Online Discussion "Good Life, A new way, Waste separation at the source" by the Power of the Land Volunteer Project, Volunteer Bank	1. Ms. Rada Tachawit	Foundation Coordinator
"Action to reduce-global-warming in the situation of COVID-19 with Care the Bear" by SET	1. Ms. Rada Tachawit	Foundation Coordinator
CCC Live Forum #5/2020, Topic "Making PR news to bang – Making difficult things easy to understand" by Corporate Communications, SET	1. Ms. Rada Tachawit	Foundation Coordinator

Course	Trainee	Position
SD PROFESSIONAL SHARING 2/2020: Sustainability Report "Do it not difficult" as thought by the Business Development for Sustainability Department, SET	1. Ms. Rada Tachawit	Foundation Coordinator
SD PROFESSIONAL SHARING 3/2020: Storytelling for Sustainability of companies and brands by the Business Development for Sustainability Department, SET	1. Ms. Rada Tachawit	Foundation Coordinator

Each Board member/executive's record of basic training by Institute of the Thai Directors (IOD) are described in Attachment 1: Details of Directors, Executives and Authorized Persons.

3.8 To have the Company Secretary supporting operations of the Board of Directors and sub-committees with access to necessary information, arrange the annual meeting schedule and delivering meeting documents not less than seven (7) days in advance, and to qualify the Company Secretary as required by the Stock Exchange of Thailand (Details are shown in Item 7.6.1 Company Secretary) for supporting the Board of Directors

• To have all Board members proposing useful issues as meeting agenda

• To encourage invitation to the high-level executives attending the Board meeting in October and December and, as the direct positions involving business-related difficulties, providing additional information for business, and getting acquainted with high-level executives for the purpose of consideration on the succession plan

• To have the non-executive directors, in every first meeting of a year, meeting each other as necessary for discussions without the presence of the management, and informing the President about the meeting results

Guideline 4) To nominate and develop top executives and personal management: In order to ensure high-level executives with necessary knowledge, skills, experiences and qualifications to lead the organization toward its goals, the Board delegates the Nomination and Remuneration Committee performing the following tasks;

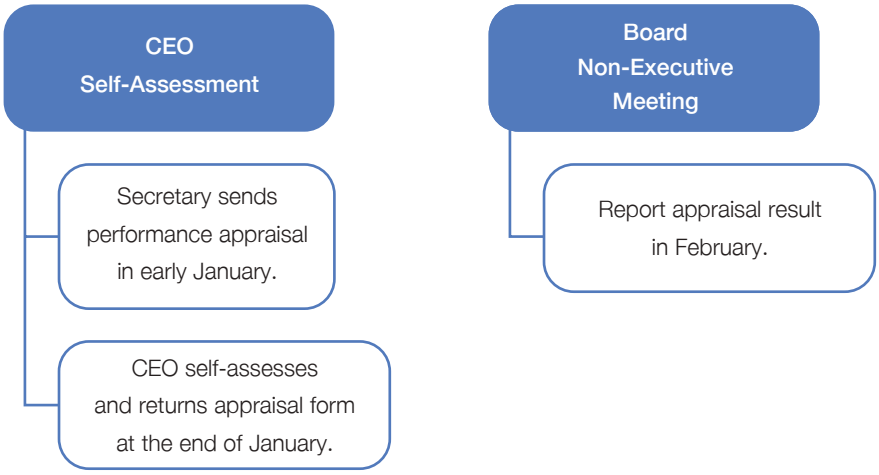
4.1 To consider and determine the nomination criteria and procedures of qualified candidates for the position of the President and the succession plan, reporting the Board about the results at least once (1) a year, and setting the policy and procedures for the president and high-level executives who will take positions of the directors in other companies by presenting and proposing the approval from the Board of Directors meetings

4.2 The Company has a policy to promote and support the Chairman of the Board, President, Executive Committee, attending training and development to increase knowledge, capability, and experience that are beneficial to the operations.

4.3 The Board determines the remuneration as incentives for Chairman of the Executive Committee/ President, high-level executives, and other employees at all operational levels to comply with the organization's objectives, goals, and benefits in the long term, and to compare the renumeration with those in the same industry, regarding to the operating performance.

Remuneration Structure	Executive Chairman/President/High-Level Executives
Monthly Remuneration	Salary
Other Monthly Remuneration	Company car, fuel expense, mobile phone expense and management allowance
Welfare	Provident fund, social security insurance, group health insurance and liability insurance

4.4 The Board determines the criteria and factors for performance appraisals, approves the remuneration structure of the directors/president/high-lvel executives, and follows up the appraisals to comply with the criteria.



Guideline 5) To promote innovation and Corporate Social Responsibilities: This guideline aims to create value to businesses and brings benefits to customers or related parties with the environmental and social responsibility, increasing business opportunities which comply with the organization's objectives, goals and strategic plans, with respect to impacts and sustainability.

5.1 As the Board has the policy to support innovations by inventing new items through creative ideas for the benefits to the economy and society, the Board assigns the management teams of the Company and MFEC Group's companies to review their business goals, strategies and work plans/operating activities adding value to the organization via business models for the sustainable expansion. The Executive Committee, therefore, sets the concept and informs it to every business unit, putting it into practice and, as a part of the innovative plan to improve the work procedures, bringing about a reform, making a difference, and gaining competitive advantages.

5.2 The Risk Management and Corporate Governance Committee revised the corporate governance policy and other policies including risk management, quality, safety, occupational health and work environment, IT governance, anti-corruption and code of business conduct. The Code of Business Conduct Committee was set up and proposed to the Board. These revised policies have been disseminated through MFEC's website www.mfec.co.th to allow the directors, executives and employees to use these policies as the guidelines to behave with ethics and responsibility to the environment and society, no violation to the stakeholders' rights and achievement to the corporate purposes and goals.

Guideline 6) To manage proper risk management and internal control system: The Board manages to ensure that the Company has risk management and internal control systems in order to achieve the objectives effectively, and abide by the related laws and standards, and sets a certain policy and clear practice on anti-corruption and communicate it throughout all organizational levels and outsides for actual implementation.

6.1 The Board joins hand with the Executive Committee to review and evaluate impacts and probability of the corporate risks that may arise, taking internal and external factors into consideration once (1) a year. The Risk Management and Corporate Governance Committee was established to determine a framework of risk management process within the organization and review the risk management policy, while reviewing and approving the acceptable levels of risks, governing developments, practices and framework of risk management consistently. Quarterly reporting to the Board is required. The corporate risks are described below;

- Strategic Risk
- Operation Risk
- Financial Risk
- Human Resource Risk
- Compliance Risk

The details are described in the topic "Risk Factors." The Risk Management and Corporate Governance Committee established the Risk Management and Corporate Governance Working Team. Ms. Chulee Werawittayanukoon acts as a secretary who coordinates and reports to the committee each quarter.

6.2 The Board has established the Audit Committee, which has qualifications following the Securities and Exchange Commission and the Stock Exchange of Thailand's regulatory requirements, and performs its duty with independence as stated in the Audit Committee Charter, while delegating the tasks to the Audit Committee to plan, audit, evaluate the internal control, and report the results to the Board consistently.

6.3 The Board governs the subsidiaries or other significantly invested enterprises (a stake with voting right at 20% or more) to establish the risk management and internal control.

6.4 The Board governs data security system, practices for data confidentiality and manages sensitive information which may affect stock price. The policy is set for the directors, executives and employees of MFEC to keep confidentiality, and included in the Code of Business Conduct.

• Directors & Executives

The directors and executives are prohibited to exploit inside information to reap benefits and to trade the company's securities in a period of thirty (30) days or one (1) month before an announcement of financial statements of each quarter.

• Employees at all levels

The employees are prohibited to disclose confidential information to outsiders as set in the Code of Business Conduct.

6.5 The Board determines measures to manage a conflict of interest that may arise.

• To require the directors reporting their stakes, at least before their involved agenda in a Board meeting, and recording them in minutes of the meeting, their participation shall not be permitted in such agenda.

• To determine the direction and practices for a transaction that may cause a conflict of interest according to the procedures, and disclose such information

• Normal business transactions shall be forwarded to the Audit Committee for consideration, approval and acknowledgement.

• Connected transactions which may cause a conflict of interest in a medium scale

Preliminary Review by Audit Committee → Board Review & Approval → **Dissemination via the SET**

• Connected transactions which may cause a conflict of interest in a large scale

Preliminary Review by Audit Committee → Board Review & Approval → AGM Review & Approval → **Dissemination via the SET**

6.6 The Board determines a mechanism for complaints with protection measures for informers, channels for complaint information through www.mfec.co.th or independent directors/audit directors, processing for examination, reporting to the Board, and monitoring the solution progress.

Guideline 7) To maintain financial accountability and information disclosure: The Board of Directors manages a system for preparation of financial statements and disclosure of important information with accuracy, adequacy and punctuality, according to related guidelines, regulatory requirements, standards and practices. The Board also monitors adequacy of financial liquidity and ability to repay. In the event that a business faces financial troubles or tends to face financial troubles, the Board has a plan to solve them or set other mechanisms which can solve the financial troubles regarding to rights of the stakeholders, and should prepare Sustainability Development Report and promote IT as a tool for dissemination of information.

7.1 The Board governs persons involving in preparation and disclosure of information to gain appropriate knowledge, skills and experience for their responsibilities and be sufficient in number. The major information shall be disclosed in the following manners;

Quarterly Disclosure

• Financial statements and notes/Management Discussion and Analysis (MD&A)

Annual Disclosure

• Annual Information Form 56-1 One Report

The information is disseminated for investors in both Thai and English versions through the Stock Exchange of Thailand and MFEC's website www.mfec.co.th.

7.2 The Board governs the administration monitoring, assessing the financial status and reporting it to the Board regularly. Prompt solutions shall be made if any signs for liquidity and ability-to-repay problems arise. The problem signs include consecutive losses, decline in net profit margin, low cash flow, incomplete financial information, lack of a proper accounting system, lack of evaluation on cash flow and budget, no business plan, more increased amount of liabilities than increased amount of assets, problems in liquidation of inventory products and debt collection.

7.3 The Board delegates the tasks of communications with outsiders to executive chairman/president.

Guideline 8) To encourage participation and communications with the shareholders: The Board governs to ensure the shareholders take part in the Company's decision-making of major issues, have a shareholders' meeting be complete smoothly with transparency, efficiency and convenience for the shareholders to exercise their rights, and have the disclosure of meeting resolutions and preparation of minutes of meetings with accurateness and completeness.

• Rights of the Shareholders

The shareholders are welcomed to participate in governing the business operations and giving opinions. In 2020, the Company proceeded with the shareholders' rights in the following issues;

1) The AGM was scheduled. The company set the AGM once a year within four (4) months after the date of ending an accounting year on 31 December. Due to the situation of the Corona Virus outbreak 2019 (COVID-19) that is likely to get worse, according to the announcement of the resolution of the Cabinet Meeting on March 17th, 2020 about "Prevention of Spreading" to refrain from activities that are a combination of a large number which is a risk factor for the spread of COVID-19, the AGM was held via electronic media on April 27th, 2020 at Conference Room, 21st Floor, Lao Peng Nguan Tower, No. 333, Viibhavadi-Rangsit Road, Chomphol subdistrict, Chatuchak district, Bangkok, 10900. None of extraordinary meetings was held.

2) Opportunity was given to the shareholders to propose an agenda (s) in advance by informing the shareholders via the Stock Exchange of Thailand's channel and notifying the result of the meeting agenda for the shareholders' acknowledgment.

3) The shareholders were invited for a shareholders' meeting (in Thai and English) beforehand. The Board of Directors' Meeting No. 1/2020 held on February 23rd, 2020 resolved to organize the AGM on April 27th, 2020. Invitation shall be made through the company's website and the Stock Exchange of Thailand's channel for the shareholders to acknowledge the AGM schedule.

4) The meeting agenda (in Thai and English), important document for consideration and decision-making, Board of Directors' opinions, the minutes of the AGM 2019, annual report with meeting document, proxy document and practices were disseminated on the company's website from March 27th, 2020, no less than thirty (30) days prior to the AGM.

5) The invitation letter was delivered by the registrar of Thailand Securities Depository Co., Ltd. on April 3rd, 2020, twenty-one (21) days in advance, with three (3) consecutive days of newspaper announcement before the AGM (April 3rd,7th, and 8th, 2020) to call for the AGM in advance.

6) Proceeding of the AGM

• Prior to the AGM, Chairman of the AGM introduced the Board, auditor, Chief Financial Officer and independent financial advisers, and informed the AGM the voting and vote counting procedures with use of voting cards.

In 2020, more than 88.89% of the directors, auditor, Chief Financial Officer and financial advisers attended the AGM.

• During the AGM, Chairman explained the process of resolution in each agenda following the Articles of Association, opened the floor to the shareholders to question, express opinions and make comments in a proper period, and answered the questions before voting.

In 2020, with respect to the agenda on election of the directors, Chairman allowed the shareholders to elect the directors on an individual basis. During the AGM, any director who was at stake in or related to any agenda would inform the AGM and abstain from voting in such agenda. Chairman proceeded with the agenda in order and none of additional agenda was considered.

• After the AGM, Company Secretary recorded the minutes, disseminated the meeting resolutions and the number of votes in each agenda on April 27th, 2020 (Thai and English versions), while recording the AGM minutes, video and sound for dissemination in the company's website after the AGM. The minutes of the AGM was submitted to the Stock Exchange of Thailand within fourteen (14) days as required.

7) Equal Treatment to the Shareholders

• Proposal of the AGM agenda/candidates: The shareholders were provided the opportunity to propose candidates for the position of the directors, agenda and questions in advance during December 16th, 2019 – February 21st, 2020. The shareholders were informed through the Stock Exchange of Thailand's news system and the announcement of certain principles and clear procedures were made in the company's website www.mfec.co.th in the part "Investor Information."

• The shareholders were equally given the rights to vote according to the number of shares held.

• The Company enclosed Proxy Form B which the shareholders can direct their votes in each agenda in the invitation letter so that the shareholders who are unable to attend the AGM by themselves can authorize any of the Company's independent directors or other persons as proxies for such shareholders to cast votes on behalf of the shareholders. The shareholders may download Proxy Form B on the Company's website.

• The directors, executives or employees are prohibited from the use of inside information for their own benefits, trade of the company's shares and give the inside information to other persons for trade of the company's shares. The directors and executives must have reports of the start volume of their securities holding, details and changes following Section 59 of the Securities and Exchange Act.

• The directors of the company and its subsidiaries are required to report their stakes and their related persons' stakes following Section 89/14 of the Securities and Exchange Act, B.E. 2551. Reporting shall be made to Company Secretary within seven (7) days if any change of such information occurs.

8) Regard to the stakeholders' roles: The Company pays attention to the social responsibility and is well aware of the major roles of all groups of stakeholders. Anti-corruption practices and policies have been set for receiving/giving gifts/assets or any other benefits while transactions are made with persons in the private and public sectors. The Company also informed its suppliers its Code of Business Conduct for acknowledgment and practice, while launching measures for information protection mechanism for informers and revising the policies and practices for all groups of stakeholders. The manual on corporate governance was also revised, while being publicized for all employees to practice. The revised version was disseminated in the website for the share-holders and stakeholders to acknowledge the organization's ethics.

In 2020, there were the following, additional good practices;

(1) Joining a member of the private sector against anti-corruption

(2) Increasing channels for public relations on the prevention of anti-corruption on the receiving and giving of goods or any other benefit while transactions are made with persons in the private and public sectors

(3) Promoting international human rights and non-infringement of intellectual property

Compliance with good corporate governance principles in other matters

In 2020, the Risk and Corporate Governance Committee has considered applying the principles of good corporate governance for listed companies in 2017 or the Corporate Governance Code (CG) issued by the Securities and Exchange Commission to be used as appropriate for the business, which there are still matters that the company is still unable to perform, but there are plans for replacement measures waiting to be presented through the Risk Management and Corporate Governance Committee meeting as follows:

The chairman of the board should be an independent director.

The Chairman of the Board is a shareholder of the Company, which has a role in managing the organization, taking into account the benefits of the organization, shareholders and all stakeholders.

The Board of Directors should specify the tenure of independent directors less than 9 years.

Nomination and Remuneration Committee considers the qualifications, knowledge and specific expertise of each director, taking into account the diversity of the Board Skill Matrix as information for consideration, presenting to the Board of Directors and the Annual General Meeting of Shareholders.

In the year 2020, there were two (2) executive directors, consisting of Mr. Siriwat Vongjarukorn and Mr. Thanakorn Charlee and one (1) independent director, Dr. Charn Tharawas, whose term has expired and has been nominated by the Nomination and Remuneration Committee and approved by the Board of Directors meeting and disclosed to shareholders prior to the election of directors, The Board of Directors considered and agreed that two (2) executive directors and one (1) independent director are qualified persons with independence by being able to give independent opinions in accordance with relevant rules Including being an experienced director Bring knowledge and expertise to give opinions and suggestions to the organization in business operations.

Data communication through the arrangement of analyst meetings

The Executive Committee recognizes the importance of communicating various information with shareholders and investors, therefore, planning to meet analysts on a quarterly basis.

Governance on Use of Inside Information

Aside from governing through legal requirements, the company has the policy and adheres to ethics, honesty and integrity in its business operations toward the customers, suppliers, investors and shareholders. The Code of Business Conduct has been established for the directors, executives and employees at all levels for practices in order to prevent improper disclosure of any important information or access to sources of information without permission. If anyone breaches the regulation, he or she is regarded as taking serious wrongdoing and may receive disciplinary punishments.

The Company has the regulations to supervise and prevent the use of undisclosed inside information for self-benefits or others' benefits in the following manners;

- Directors, executives, employees & workers shall keep the corporate secrets and/or inside information confidential.
- Directors, executives, employees & workers shall not disclose the corporate secrets and/or inside information or exploit it for their own benefits or others' benefits in either direct or indirect ways and with or without compensation.
- Directors, executives, employees & workers shall not trade, transfer or receive a transfer of the company's securities by exploiting corporate secrets and/or inside information, and/or make any legal transactions by exploiting the corporate secrets and/or inside information that may cause damages to the company in either direct or indirect ways. This requirement is extended to spouses and underage children of the directors, executives, employees and workers. Any of those who infringes this regulation is considered taking serious wrongdoing.
- Directors, executives, accountants, and their spouses and underage children are prohibited from exploiting inside information to trade, transfer or receive a transfer of the company's securities in a period prior to a public disclosure of the company and its related companies' financial statements (from 15 April to the date of reporting the first-quarter financial statements/from 15 July to the date of reporting the second-quarter financial statements/from 15 October to the date of reporting the third-quarter financial statements/and from 1 February to the date of reporting the annual financial statements).

In addition, the company's directors and executives are required to prepare the shareholding list and report the Securities and Exchange Commission the changes of any securities held by the directors and executives, and their spouses and underage children according to Section 59 of the Securities and Exchange Act, B.E. 2535 within the required period stated in the regulation on reporting of the shareholding. The executives are required to submit the copies of the report to the company in the same day they report the details to the Securities and Exchange Commission.

6.2 Code of Business Ethics

Best practice based on the company's ideology which employees adhere to as a guideline for proper performance plays an important role in work regulations at all levels in MFEC. Everybody in the organization takes charge in following the principles and best practices which has been defined in the organizational ethics, action taking is compulsory for operating levels, business unit heads, board of directors, committees, independent directors and Chairman of the Executive Committee.

Employees at all levels is required to perform corporate ethics relating to their duties by regularly having discussion between employee and supervisor whether the actions are in accordance with codes of conduct. Besides, communication within team can be a great option in order to have better understanding about MFEC code of conduct and if there is any action against the ethics, it must be reported to listed channels.

6.3 Significant Changes and Developments of the Policy, Practices and Governance System in 2020

1. The company is certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).

After the company was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) on 5 August 2019 by the Thai Institute of Directors Association (IOD), MFEC has pushed its affiliates to formulate Anti-Corruption policies and review the Charter of each committee.

2. Communication about Code of Conduct and the Anti-Exploitation Policy

The company has prepared and continued to update the corporate governance manual and business ethics in order to keep information up to date. The existing practice guidelines are consistent with the development of relevant regulations and international standards of corporate governance, business ethics and anti-corruption. As well as the current situation, there are various communication and public relation channels internal and external of the organization as follows: issuing internal promotional emails, prompting quarterly. Especially "Anti-Corruption Guidelines" was sent copies of corporate ethics notice to partners and suppliers and publicized" No Gift Policy" through Facebook 'MFEC Society'.

3. Supporting and Promoting the internal control system and internal audit

MFEC supports and promotes the internal control system and internal audit to ensure that the company has the correct and complete compliance with the policies regulations and procedures, as well as to comply with laws, rules and regulations related to the Company's business operations. It also adds value and improves the performance of the organization. It helps the organization achieve its goals by systematically assessing and improving the effectiveness of operational, control and governance process, as well as supporting the company's operations to achieve the objectives and strategic plans by providing confidence and services in a consultative manner independently and fairly.

4. Anti-Corruption Prevention

The company has established an Anti-Corruption and Anti-Bribery in the operational governance to comply with Corporate Compliance Policy in accordance with good corporate governance policy and business ethics for managements, shareholders, employees and society. It is a significant part of prevention anti-corruption, including promoting training and cultivating employees to have good practice in operating for the organization that grows with sustainability.

5. Supporting the activities of “Pan Panya Foundation”

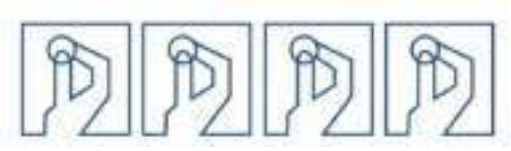
Consistently as a means to drive and develop Thai children’s education quality, and promote the education quality toward remote communities

6. Corporate Governance Evaluation Result

The company was assessed by the Thai Institute of Directors Association (IOD) at **“Excellent”**. Of Thai listed companies in the Stock Exchange of Thailand (Corporate Governance Report of Thai Listed Companies) for the year 2020.

7. The company received the result of the Annual General Meeting of Shareholders (AGM Checklist) for the year 2020

By the Thai Entrepreneurs Promotion Association, the Thai Listed Companies and the SEC are classified as **“Good”**.



8. Whistleblowing Measures and Mechanisms for protection of Whistleblowers

In order to treat all stakeholders equally and fairly in accordance with the principles of corporate governance, the Company has provided channels for receiving whistleblowing, complaints, comments or suggestions showing that stakeholders who has been affected or is at risk of being affected, or having a risk that will be affected which may cause damage to all groups of stakeholders from the Company's operation, or from the practices of the Company's employees regarding illegal or ethical acts, including behaviors that may implied an infringement unequal treatment or the act of being indiscriminate.

The Company will conduct the investigation in accordance with the procedures and recording in writing without disclosing the name of the whistleblower, as well as keeping the compliant information confidential, in order to protect the impact that may occur on the whistleblower.

Provide Clues to Corruption Directly at or Send Letter to:

Human Resource Department
Head Office:
No. 349 SJ Infinite One Business Complex, 12th Floor,
Vibhavadi-Rangsit Road, Chomphon subdistrict,
Chatuchak district, Bangkok 10900
e-mail : corp_cg@mfec.co.th
Tel. : 02-821-7999

7. Corporate Governance Structure and Important Information about the Board of Directors, Sub-committees, Employees and Others

7.1 Organization Chart

1 – 5 are the Company's management executives according to the Securities and Exchange Commission, Thailand.

Board of Directors

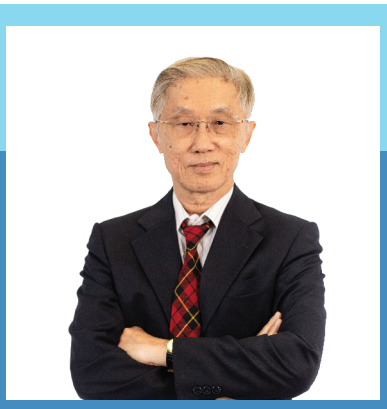
Mr. Sirisak Tirawattanangkul
Chairman

Mr. Kiyotaka Nakamura
Vice Chairman

Mr. Siriwat Vongjarukorn
Director

Mr. Thanakorn Charlee
Director

Mr. Anan Leetrakul
Independent Director



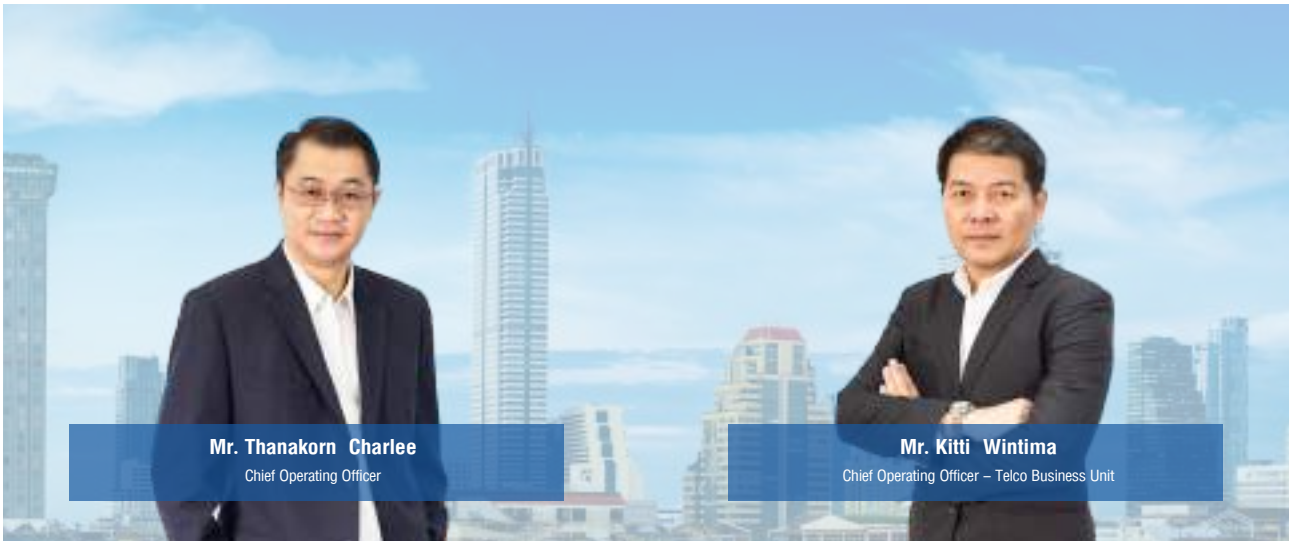
Mr. Suchart Thammapitagkul
Independent Director

Prof.Dr. Uthai Tanlamai
Independent Director

Assoc.Prof.Dr. Kamales Santivejkul
Independent Director

Dr. Charn Tharawas
Independent Director

Executive Board and Management



7.2 Board of Directors/ Committees of the Company

The Company has five (5) committees: Board of Directors, Audit Comittee, Executive Committee, Risk Management and Corporate Governance Committee, and Nomination and Remuneration Committee.

7.2.1 Board of Directors

According to the Company's Regulations, the Board has the following elements;

- The Board shall consist at least five (5) members, no less than half of which have domiciles in the Kingdom of Thailand
- No less than three (3) Board members shall be independent directors. (Based on the good corporate governance, no less than half of the Board members shall be independent. The Board has totally nine (9) members)

As of 31st December 2020 ,the Board of Directors, according to the Ministry of Commerce's certificate, consisted of nine (9) members. Of total, two (2) members were executives and the remaining seven (7) members were non-executives. Among all non-executive positions, five (5) were independent directors.

Name	Position	Appointment Date by AGM
1. Mr. Sirisak Tirawattanangkul	Chairman	25 April 2019
2. Mr. Kiyotaka Nakamura	Vice Chairman/ Member of the Nomination and Remuneration Comittee	25 April 2019
3. Mr. Siriwat Vongjarukorn	Director/ Cheif Executive Officer/ Member of the Nomination and Remuneration Committee	27 April 2020
4. Mr. Thanakorn Charlee	Director/ Cheif Operating Officer/ Risk Management and Corporate Governance Committee	27 April 2020
5. Mr. Anan Leetrakul	Independent Director/ Chairman of the Nomination and Remuneration Committee	23 April 2018
6. Mr. Suchart Thammapitakkul	Independent Director/ Chairman of the Audit Committee	23 April 2018
7. Prof. Dr. Uthai Tanlamai	Independent Director/ Member of the Audit Committee/ Chairman of the Risk Management and Corporate Governance Committee	23 April 2018
8. Assoc. Prof. Dr. Kamales Santivejkul	Independent Director/ Member of the Audit Committee/ Member of the Risk Management and Corporate Governance Committee/ Member of the Nomination and Remuneration Committee	25 April 2019
9. Dr. Charn Tharawas	Independent Director/ Member of the Nomination and Remuneration Committee/ Member of the Risk Management and Corporate Governance Committee	27 April 2020

In this regard, Ms. Siriporn Detnithirat has resigned since July 17th, 2020 thus the Board of Directors Meeting No. 5/2020 has resolved to appoint Mr. Pitch Manakijpairoj acted as Chief Financial Officer to the Board of Directors since 20 July 2020 onwards.

Remark: The Annual General Meeting of Shareholders 2020, dated 27th April 2020, resolved to appoint Mr. Siriwat Vongjarukorn, Mr. Thanakorn Charlee, and Dr. Charn Tharawas in replacement to the Board of Directors once again.

Information on holding Securities of Directors in 2020 and 2019 as follows;

Name	Number of Shares (Shares)		Number of Shares increasing (decresing) during the year (Shares)
	31 December 2020	31 December 2019	
1. Mr. Sirisak Tirawattanangkul	12,926,013	12,926,013	-
2. Mr. Kiyotaka Nakamura	-	-	-
3. Mr. Siriwat Vongjarukorn	16,495,559	15,408,059	1,087,500
4. Mr. Thanakorn Charlee	-	-	-
5. Mr. Anan Leetrakul	-	-	-
6. Mr. Suchart Thammapitagkul	60,961	60,961	-
7. Prof. Dr. Uthai Tanlamai	-	-	-
8. Assoc. Prof. Dr. Kamales Santivejkul	-	-	-
9. Dr. Charn Tharawas	-	-	-

Remark: Shareholding includes spouses and underage children according to Section 258. The information on holding of securities of the above directors shows that each director does not have a spouse or children who are not sui juris, hold MFEC shares in any way.

7.2.2 Authorized Directors

Two of three directors – Mr. Sirisak Tirawattanangkul, Mr. Siriwat Vongjarukorn, and Mr. Thanakorn Charlee, co-sign with a corporate seal.

7.2.3 Scope of Authority of the Board of Directors

• Authority

1. The Board is authorized to supervise and manage the Company to abide by the laws, objectives, regulations, and the shareholders' meeting resolutions.
2. The Board is authorized to appoint a director as Chairman and another one as Vice Chairman.
3. The Board is authorized to appoint a director as Cheif Executive Officer, President, and Company Secretary.

• Duties and Responsibilities

1. The Board shall have duties to follow the Articles of the Company's Regulations, while supervising and managing the Company to abide by the laws, objectives, regulations, and the shareholders' meeting resolutions.
2. The Board shall set the Company's visions, directions, strategies, policies, and key plans, and consider risks that may arise for executives who will follow them with efficiency.
3. The Board shall control and monitor work implementations, based on the Company's strategies, policies, objectives, targets, work plans, and approved budget.
4. The Board shall manage an accounting system, financial reporting and auditing, while administering efficient internal control and internal auditing.
5. The Board shall oversee and supervise solutions to conflicts of interest that may arise and interconnected transactions.
6. The Board shall set a direction for overall risk management with proper risk management processes.
7. The Board shall make performance assessment of Chief Executive Officer/ President, oversee and supervise proper determination of remuneration that should be in line with performance results for short- and long-term motivation.
8. The Board shall manage proper communication channels for each of shareholder groups and stakeholders.
9. The Board shall manage information disclosure with clarity and transparency.

7.3 Committees

Executive Board

The Board of Directors appoints the Executive Board to perform tasks, as assigned under its authority and duties in order to attain goals and plans. The Executive Board consists of four (3) members; Chief Executive Officer and two (2) executives.

List of the Executive Board	Position in the Executive Board	Position in the Board of Directors
1. Mr. Siriwat Vongjarukorn	Chief Executive Officer	Director
2. Mr. Thanakorn Charlee	Director	Director
3. Mr. Arm Sivadith	Director	-

Scope of Authority of Executive Board

1. Screening

• Policies, directions, business strategies, management structures and principles of business operation to be in accordance with economic situations and competitions

• Business plans and annual budgets of the Company

• Priciples and policies for investment and management of subsidiaries and associated companies in the core business or other business groups

• All investment projects, searching for new businesses and business operations with allies

• Annual workforce plan

• Appointment, removal, disemployment, work extension of employees or management employees at positions below Cheif Executive officer, employment or disemployment of persons whose ages reach or surpass requirements for retirement according to the Company's Regulations, and the consideration of copensation according to the salary structure

2. Approval or Disapproval

• Investment projects worth no more than 20 million baht and involving the Company's business

• Bidding via cooperation with allies in the forms of consortiums or joint ventures

• Opening and closing the Company's accounts in financial institutions

• Write-off for deteriorating assets/ sales of assets unused for operations

• Improving, changing the organizational structure at the departmental level, and reporting to the Board of Directors for acknowledgement

3. Monitoring and Supervising of Operations

• Strategic plans, work plans, and projects in an annual business plan approved by the Board of Directors

• Financial performance

• Supervising and oversighting on practices following the corporate governance

4. Report to the Board of Directors

• Financial performance on a quarterly basis

• Other reports as delegated by the Board of Directors

Audit Committee

The Audit Committee has a two (2) – year term. At least one (1) independent director has knowledge in accounting or finance. The meeting has scheduled at least four (4) meetings per year. As of 31 December 2020, the Audit Committee consists of three (3) independent directors.

List of the Audit Committee	Position in the Audit Committee	Position in the Board of Directors
1. Mr. Suchart Thammapitagkul	Chairman	Independent Director
2. Prof. Dr. Uthai Tanlamai	Director	Independent Director
3. Assoc. Prof. Kamales Santivejkul	Director	Independent Director

Scope of Authority of the Audit Committee

1. To verify and ensure that the accuracy of the Company's financial reporting in accordance with the general accepted accounting principle and standard, sufficient quarter and annual financial statements are disclosed to be consistent with fact, completeness, adequacy and creditability prior the presentation to the Board of Directors review

2. To validate that the Company has appropriate and effective internal control and internal audit systems, and reviews the independence of the internal audit, which directly reports to the Audit Committee as well as approval on appointment, removal, or employment termination of the internal audit executives, and assess adequacy of the Company's internal control system on an annual basis

3. To make sure the Company's operation is in line with the law of Securities and Stock Exchange, Thailand, requirement of the Stock Exchange of Thailnad and other laws related to the Company's businesses

4. To consider, select, and propose the appointment of the Company's auditor who is independent to be the Company's auditor, and determine annual remuneration for the auditor, as well as attend the meeting with the Company's auditor without attendance of the management for at least once a year

5. To streamline understanding among the auditor, the Board of Directors, and the Internal Audit Department into the same direction

6. To consider on verification and disclosure of connected transactions or transactions possibly with conflict of interests to follow related rules and regulations so as to ensure that such transactions are reasonable and provide maximum benefits to the Company

7. To prepare the report of the Audit Committee with the minimum information as required by the Stock Exchange of Thailand to be disclosed in the annual report of the Company

8. To regularly verify mand amend its charter of the Audit Committee to be proper and consistent with the Securities and Exchange Act and the stock Exchange of Thailand criteria

9. To consider and approve the annual audit plan of Internal Audit Department

10. To govern the Internal Audit Department to comprehensively in major issues for all units, to propose and suggest the corrective guideline for solving by the Management Team, and to monitor the correction in accordance with the suggestions with in specified period

11. To consider and approve budget and manpower of Internal Audit Department

12. To report the performance of the Audit Committee to the Board of Directors for acknowledgement at least four (4) times a year

13. To provide the authority to invite the Executive, the Management or the employees of the Company related to express the opinions, attend a meeting, or give document deemed as related and necessary

14. The Audit Committee may search for independent opinion from the advisors in other professions when deemed as necessary at the Company's expense

15. To undertake other matters, including the financial management policy review, asassigned by the Board of Directors and the Audit Committee

16. To annually assess the performance of the Audit Committee for consideration on further improvement

Risk Management and Corporate Governance Committee

The Risk Management and Corporate Governance Committee shall have at least four (4) independent directors and executives. An independent director is the Chairman, while executives and an accounting/ financial expert assist in systematic risk management for all significant work processes at activity and organizational levels. As of 31 December 2020, the Risk Management and Corporate Governance Committee comprises of four (4) members, each of which serves a two-year term of office for another term. There is the list of the member as follows:

List of the Risk Management and Corporate Governance Committee	Position in the Risk Management and Corporate Governance Committee	Position in the Board of Directors
1. Prof. Dr. Uthai Tanlamai	Chairman	Independent Director
2. Assoc. Prof. Kamales Santivejkul	Director	Independent Director
3. Mr. Thanakorn Charlee	Director	Director
4. Dr. Charn Tharawas	Director	Independent Director

Scope of Authority of the Risk Management and Corporate Governance Committee (Risk Management Part)

1. To consider and propose risk management policy and framework for approval to the Board of Directors
2. To consider, review, and approve acceptable risk appetites
3. To oversee and supervise development and implementation, following the risk management policy and framework consistently
4. To review risk management reports for monitoring significant risks and further implementation
5. To coordinate with the Audit Committee on major risks with the internal audit unit as a reviewer for confidence
6. To report risks and risk managements on a regular basis to the Board of Directors
7. To provide Risk Management Team advice and recommendations, and to consider proper directions in solving information relevant to risk management system development
8. To consider and appoint additional persons or persons in replacement in the Risk Management Team as appropriate, and to set their roles, duties, and responsibilities to the objectives
9. To perform any other risk management tasks as assigned by the Board of Directors
10. To communicate, exchange information and to coordinate with the Internal Audit Department in respect to risks and internal control at least once (1) a year

Scope of Authority of the Risk Management and Corporate Governance Committee (Corporate Governance Part)

1. To consider policies and guidelines for Good Corporate Governance to the Board of Directors for consideration and approval
2. To provide the Board of Directors advice to Good Corporate Governance principles
3. To consider, review, and approve Good Corporate Governance principles, compared with international standards and the Stock Exchange of Thailand and proposed to the Board of Directors to consider and approve to update regularly
4. To appoint a working group to assist with the appropriate work and consider the good Corporate Governance of the Company by reporting the results of corporate governance that are periodic
5. To report the operational results to the Board of Directors
6. To perform other duties as assigned by the Board of Directors

Risk Management and Corporate Governance Team consists of executives and heads of business units of the Company. In 2020, the Risk management and Corporate Governance Team had four (4) meetings with the following members;

List of Risk management and Corporate Governance Team	Position
1. Mr. Thanakorn Charlee	Chief Operating Officer
2. Mr. Arm Sivadith	Chief Transformation Officer
3. Mr. Pitch Manakijpairoj	Chief Financial Officer
4. Mrs. Thunkamol Pinthong	Financial & Budget Control Director
5. Mr. Surachai Khumitti	Senior Sales Director (Non-Telco)
6. Mr. Paiboon Pattanasaksiri	Project Director
7. Ms. Uraporn Aiedkarn	People Excellent Director
8. Mr. Montri Seemasiri	Director of Managed Solution Center
9. Ms. Thitirat Thanathitikankun	Internal Audit Manager
10. Ms. Chulee Werawittayanukoon	Secretary of the Risk Management and Corporate Governance Team
11. Ms. Orawan Hnuntaku	Secretary for minutes of a meeting

Scope of Authority of the Risk Management and Corporate Governance Team

1. To assess risks and supervise units following the risk management plan
2. To convene reviewing operational performance following the risk management plan and reporting the Risk Management and Corporate Governance Committee for acknowledgement on a regular basis or a quarterly basis
3. To comply policies and guidelines for good corporate governance
4. To guide supervisor/employee for acknowledging the practices of Good Corporate Governance and Anti-Corruption Policies, such as IT Governance
5. To review performance according to Good Corporate Governance and to report the Risk Management and Corporate Governance Committee on a regular basis or continuously

Business Ethics Working Team (Executive Level) consists of Chief Operating Officer, People Excellence Director, and Company Secretary

List of Business Ethics Working Team	Position
1. Mr. Thanakorn Charlee	Chief Operating Officer
2. Mrs. Uraporn Aiedkarn	People Excellence Director
3. Ms. Orawan Hnuntaku	Company Secretary

Scope of Authority of Business Ethics Working Team

To drive a good understanding about their duties in conducting business in an ethical, honest and transparent way towards everybody, it is consistent with the organization's policy. Therefore, in August 2019, the Company has become a member of Anti-Corruption which exists for three (3) years from the date of approval.

IT Supervisory Working Team consists of information technology director of each department and Director of Quality Inspection Department

List of IT Supervisory Working Team	Position
1. Mr. Montri Seemasiri	Director of Managed Solution Center
2. Mr. Sermsak Sriphotong	Senior System Consultant/Team Leader
3. Mr. Manutchai Rojanavivhian	Assistant Solution Delivery Manager
4. Mr. Pituphong Yavirach	Information Security Consultant
5. Mr. Panusak Eakareesak	QA Director
6. Mr. Wason Liwlompaisan	Chief Technology Officer
7. Mr. Pongsatorn Paolanwat	Senior Solution Consultant

Scope of Authority of IT Supervisory Working Team is giving advice, setting directions, and finding solutions to information technology issues (IT) to provide the system with good service, efficiency, good governance, and reducing the risk of IT threats from both internal and external factors.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall be involved at least three (3) members; one (1) independent member of which shall be the Chairman. It assists in nominating persons with proper knowledge, capabilities and experience to be members of the Board of Directors and committees, Chief Executive Officer and President, while establishing appropriate remuneration policy. As of 31 December 2020, the Nomination and Remuneration Committee consisted five (5) members, one of which served a two-year term of office. Mr. Kiyotaka Nakamura was appointed by the Board of Directors Meeting No. 3/2019. The Board of Directors' Meeting No. 7/2020 dated 11 August 2020, has considered the extension of the four (4) Risk Management and Corporate Governance Committee or another term, namely Mr. Anan Leetrakul, Mr. Siriwat Vongjarukorn, Assoc. Prof. Kamales Santivejkul, Dr. Charn Tharawas

List of the Nomination and Remuneration Committee	Position in the Nomination and Remuneration Committee	Position in the Board of Directors
1. Mr. Anan Leetrakul	Chairman	Independent Director
2. Mr. Siriwat Vongjarukorn	Director	Director
3. Assoc. Prof. Kamales Santivejkul	Director	Independent Director
4. Dr. Charn Tharawas	Director	Independent Director
5. Mr. Kiyotaka Nakamura	Director	Vice Chairman

Scope of Authority of the Nomination and Remuneration Committee

1. To establish policies and principles before forwarding them to the Board of Directors for consideration

1.1 Policies, principles, and procedures for nomination of Board members, committee members, Chief Executive Officer, and President

1.2 Policies, principles, and procedures for remuneration and other fringe benefits for Board members, committee members, Chief Executive Officer, and President

2. To select and nominate qualified candidates for Board members, committee members, Chief Executive Officer, and President before forwarding them to the Board for consideration

3. To oversee the Board containing an appropriate size and necessary elements for the environment and having the Board members, committee members, Chief Executive Officer, and President to receive reasonable remuneration for their duties and responsibilities

4. To assess and determine, with the Company's Chief Executive Officer (CEO), the successors of CEO and top executives who directly report to CEO, and to report the Board of Directors for acknowledgement with respect to the succession plans of top executives on an annual basis

5. To review and assess the adequacy of the Nomination and Remuneration Charter and, if appropriate, recommend changes to the Charter to the Board of Directors for approval

6. To perform any other tasks or to have such authority and responsibilities, as may be delegated to the Committee by the Board of Directors on a case-by-case basis

7.4 Executives

7.4.1 List of Executives, as of 31 December 2020

Based on the Organization Structure in "Internal Organization Chart", there were five (5) executives below;

List of Executives	Position
1. Mr. Siriwat Vongjarukorn	Chief Executive Officer/ President
2. Mr. Thanakorn Charlee	Chief Operating Officer
3. Mr. Kitti Wintima	Chief Operating Officer – Telco Business Unit
4. Mr. Arm Sivadith	Chief Transformation Officer
5. Mr. Pitch Manakijpairoj	Chief Financial Officer

Details of the current executives are elaborated in the article "Details of Executives and Controlling Persons", Attachment 1.

Scope of Authority of Cheif Executive Officer

1. To control, supervise, and oversee execution of the Executive Committee and calling for its meetings for consideration on any issues as appropriate

2. To make authorization on the Company's cheques or payment document, accounting and financial document in an amount assigned by the Board of Directors

3. In case of emergency that an Executive Committee meeting cannot be held or its members cannot convene, Cheif Executive Officer is authorized to make decision on establishing the Comapny's mission, objectives, directions, and policies.

4. To appoint, remove, or disemployment executive officers

5. To perform duties with integrity and caution on the Company's benefits

In any proceedings that Chief Executive Officer or his/her sub-attorney that may have conflicts, stakes, or conflicts of interests (according to the Articles of Association and the securitiesand exchange Commission's requirements) with the Company or its subsidiaries (if any), Chief executive Officer or his/her sub-attorney has none of the authority to approve any proceedings of such matters. Exception can be made for approval of transactions according to the Company's policies and principles approved by the Board of Directors, and the Stock exchange of Thailand's requirement on interconnected transactions and acquisition or disposition of key assets of the Company or its subsidiaries.

Scope of Authority of President

1. To manage and control operations relevent to the Company's general management

2. To proceed with operations as delegated by the Board of Directors or the Executive Board

3. To appoint, transfer, dismiss, lay off, set wage rates and rewards, increase salary, determine renumeration, provide bonuses for all employees in positions lower than the executive level, and for appointment of a representative of the employer in the provident fund

4. To approve and appoint a sub-attorney to approve disbursement for procurement of assets and services for the Company's benefits, and to approve financial transactions within an amount limit authorized by the Board of Directors or the Executive Board

5. To introduce orders, rules, announcements and records for work implementation following the Company's policy and benefits and for internal disciplines

6. To take actions and express himself/herself as the Company's benefits

7. To approve any appointment of advisors in the fields necessary to operations

8. To perform any other tasks as delegated by the board of Directors or the Executive Board on a case-by-case basis

"In any proceedings that President or his/her sub-attorney that may have conflicts, stakes, or conflicts of interests (according to the Articles of Association and the securities and exchange Commission's requirements) with the Company or its subsidiaries (if any), Chief executive Officer or his/her sub-attorney has none of the authority to approve any proceedings of such matters. Exception can be made for approval of transactions according to the Company's policies and principles approved by the Board of Directors, and the Stock exchange of Thailand's requirement on interconnected transactions and acquisition or disposition of key assets of the Company or its subsidiaries."

7.4.2 Remuneration

The Company determines the remuneration policy clearly and transparently based on the principles before forwarding it toward a meeting of the shareholders for consideration and approval.

Since 2020, the Nomination and Remuneration Committee has reviewed the remuneration according to the principles and has presented it to a meeting of the Board of Directors and a meeting of the shareholders for consideration and approval.

• Policy and principles for remuneration for the Board of Directors. The remuneration is set to be paid on an annual basis, with respect to mission, responsibility, and work performance of the Board, in comparison with other companies at a similar size in the similar industry.

The directors who are assigned to hold any positions in the committees will receive additional remuneration as per his/her additional responsibility.

• PoliciesB and principles for remuneration to the Executives

The Board considers remuneration to the executives in the forms of salary, bonus, contribution to a provident fund and other beneficial obligations, based on the following factors:

1) Survey data on remuneration provided by institutions or units in the same industry and similar level

2) Inflation

3) Past record of net profit growth and work performance in accordance with assigned responsibility and work performance as targeted earlier

Financial Remuneration

(1) Remuneration to the Board of Directors/Committees

• **Remuneration/Travel Allowance:** The remuneration to the Board was presented to 2020 Annual General Meeting of the Shareholders held on 27th April 2020 which decided to keep the renumeration unchanged during 2014-2019 in the following decisions. The shareholders' meeting has resolved to remain the remuneration of the directors as follows:

Position	Remuneration to the Board (Annual Basis)				
	Board of Directors	Audit Committee	Risk Management & Corporate Governance Committeee		Nomination & Remuneration Committee
			Remuneration	Travel Allowance	
1. Chairman	264,000	264,000	264,000	60,000	264,000
2. Director	192,000	264,000	264,000	60,000	264,000

Remark

1) Mr. Kiyotaka Nakamura, Vice Chairman who represents TIS Inc. of Japan, waived renumeration throughout his term following the good corporate governance of Japan's Stock Exchange.

2) Mr. Thanakorn Charlee, who held the positions of both Executive director and a member of Risk Management & Corporate Governance Committee, did not received annual renumeration and travel allowance.

Mr. Siriwat Vongjarukorn, who held the positions of both Executive director and a member of the Nomination and Remuneration Committee, did not receive annual remuneration.

3) The AGM 2020 received on renumeration for the Board of Directors and committees at no more than 3,840,000 baht.

• **Other renumerations:** None of other benefits aside from annual meeting/ travel allowance

(2) Executive Remuneration

• **Remuneration for executives of the Company and its subsidiaries:** Salary and bonus

Unit: Baht	Number of Persons	Y 2020	Number of Persons	Y 2019
Financial renumeration	24	78,020,588	23	66,495,028
Total	**24**	**78,020,588**	**23**	**66,495,028**

• **Other remuneration for executives of the Company and its subsidiaries:** Social security contributions, Provident fund contribution, employee benefit obligations

Unit: Baht	Number of Persons	Y 2020	Number of Persons	Y 2019
Other renumeration	24	2,409,603	23	1,902,096
Total	**24**	**2,409,603**	**23**	**1,902,096**

7.5 Employees of the Company and its Subsidiaries

The employees are the organization's essential resources for business operations. The organizational growth depends on the quality employees who possess skills, knowledge, and expertise. Therefore, MFEC Group has the policy for Skill Set development, improvement of internal management process to be in line with changed technology, service standards and sustainable growth. The employees are encouraged to be aware of ethics and good corporate governance.

• **Number of Employees** As of December 31st, 2020, and December 31st, 2019, the Company and its subsidiaries had the employees by main business line in the following details;

MFEC & its Subsidiaries	No. of Employees (person)			
	31st December 2020		31st December 2019	
	Permanent Employees	Contract Employees	Permanent Employees	Contract Employees
1. MFEC Public Company Limited	976	92	916	116
2. Subsidiaries: 9	295	33	291	25
Total	**1,271**	**125**	**1,207**	**141**

Remark: The lists of 9 subsidiaries are described in Part 1: Shareholding structure of MFEC Group.

The number of the employees, as of 31st December 2020 and 31st December 2019, of the Company and its subsidiaries can be grouped by the following, main business lines;

Main Business Line	No. of Employees (Person)	
	31st December 2020	31st December 2019
1. Sales & marketing	83	75
2. Technical Support & Product Development	1,177	1,150
3. Administration	136	123
Total	**1,396**	1,348

Remark: The Company and its subsidiaries have no labor unions and any labor disputes in the past five (5) years.

• **Remuneration to the employees of the Company and its subsidiaries**

1. Financial remuneration: salary, bonus, allowance, overtime payment, travel allowance, and welfare

Unit: Baht	No. of Persons	2020	No. of Persons	ปี 2019
Financial remuneration	1,396	1,054,982,445	1,323	844,335,788
Total	**1,396**	**1,054,982,445**	**1,323**	**844,335,788**

2. Other remuneration: social security fund, provident fund, and employee benefit obligations

Unit: Baht	No. of Persons	2020	No. of Persons	ปี 2019
Other remuneration	1,396	41,054,853	1,323	44,705,079
Total	**1,396**	**41,054,853**	**1,323**	**44,705,079**

7.6 Other Important Information

7.6.1 Company Secretary

The Board of Directors' Meeting No. 3/2019, dated 13 August 2019, resolved to appoint Ms. Orawan Hnuntaku, as the Company Secretary onward. She was given training in the course relevant to duties of Company Secretary from the Institute of Directors (IOD). Her qualification in described in Attachment 1.

In the event that Company Secretary leaves the position or cannot perform the duties, the Board of Directors shall appoint new Company Secretary with 90 days from the date the previous one leaves the position or cannot perform duties.

Brief Profile of Company Secretary

Ms. Orawan Hnuntaku

Education: Bachelor Degree, Faculty of Archaeology, Silpakorn University

Qualification: Having knowledge of relevent laws, possessing coordination skills and flexibility to perform tasks, gaining capabilities to summarize any issues and preparing minutes of meeetings with good relationship, leadership, and communication skills. Being given training on duties of Company Secretary from the Institute of Directors (IOD)

Duties and Responsibilities of Company Secretary

- To stay as the center for document preparation/storage
- To coordinate with the shareholders and facilitate organization, meeting invitation letter, and minutes of the meeting
- To report stockholding of directors and executives
- To coordinate on implementation following the Board resolutions
- To support the Board perform its duties following the laws, the Public Company Act, the Securities and exchange Act, and rules and regulations of the Securities and Exchange Commission, Thailand, and the Stock Exchange of Thailand, and to provide advice on laws and announcements
- To do any other issues as delegated by the Board

7.6.2 Investor Relations Supervisor and Contact Information (If any)

- None -

7.6.3 Auditing Firm and Affiliated Company

The Remuneration of the Auditor

The 2020 Annual General Meeting of Shareholders on 26th April 2020 had a resolution to appoint Mrs. Poonnard Paochareoen, a Certified Public Accountant No. 5238 and/or Ms. Manee Rattanabunnakit, a Certified Public Accountant No. 5313 and/or Mr. Khitsada Lerdwana, a Certified Public Accountant No. 4958 from EY Company Limited to be the auditors of the Company and its subsidiaries, and to audit the 2020 financial statements and review the quarterly financial statements for the year 2020. The Meeting had the resolution to approve the appointment of the nominated auditors to be the auditors of MFEC Public Company Limited. The approved auditor's remuneration for auditing and reviewing the 2020 financial statements was 1,430,000 Baht.

The Group of companies, which consists of the Company and its 9 subsidiaries, had the remuneration of the auditor amounted to 3.17 million Baht. Details are as follows:

Description	Amount (Mil. Baht)
Auditor's remuneration of the Company	1.43
Auditor's remuneration of the Company's subsidiaries (9 companies)	1.74
Total	**3.17**

8. Significant Corporate Governance Report

8.1 Performance of the Board of Directors in the Previous Year

8.1.1 Nomination, Development

1) Independent Director

Qualification of Independent Directors (according to requirements of the Securities and Exchange Commission and The Stock Exchange of Thailand)

1) An independent director shall hold no more than 1% of total shares, eligible for voting, of the Company, its subsidiaries and associated companies or juristic persons that may have conflicts. Shares owned by related persons are included.

2) The independent director shall neither have been an executive director, an employee, an officer, a consultant with regular salary, nor a person with controlling power of the Company, its subsidiaries and associated companies or juristic persons that may have conflicts. An exception is made for a person who has left the said-positions for no less than two (2) years.

3) The independent director shall not have blood relationship or legal registration as parents, spouses, brothers or sisters, and daughters or sons. A spouse of daughter or son of an executive, a major shareholder, a person with controlling power or a candidate for an executive position or that with controlling power of the Company and its subsidiaries are not qualified.

4) The independent director shall have no business relationship with the Company, its subsidiaries, and associated companies or juristic persons that may have conflicts possibly hinder independent consideration.

5) The independent director shall not be the one appointed as a representative of the Board, a major shareholder or a shareholder related to the Company's major shareholder.

6) The independent director shall not have any other characteristics that hinder independent opinions involving the Company's operations.

2) Directors and Senior Executives

Appointment and Removal of the Board of Directors

• Appointment

1. The Company Secretary informs the shareholders of regulations that permit them to nominate qualified candidates to hold the position of directors through the Stock Exchange of Thailand's channels and the Company's website; www.mfec.co.th, and propose the qualified candidates to the Nomination and Remuneration Committee's Meeting, the Board of Directors Meeting, the Annual General Meeting of Shareholders (AGM) Meeting for consideration.

2. There shall be no less than five (5) Board members and no less than three (3) independent directors. At least one (1) of the Board members shall have knowledge and expertise in accounting and finance. No less than half of total Board members shall have domicile in the Kingdom of Thailand. The Board of Directors' Meeting No. 1/2020 resolved to nominate the Annual General Meeting of Shareholders to elect Mr. Siriwat Vongjarukorn, Mr. Thanakorn Charlee, and Dr. Charn Tharawas to resume their positions as the Board members.

3. The Annual General Meeting of Shareholders shall elect a director with a majority vote of the shareholders. The Nomination and Remuneration Committee shall nominate a qualified person to the Board of Directors select and nominate a qualified person to the Annual General Meeting with the following criteria;

(1) Shareholders typically have one vote per share.

(2) Shareholder shall be voting on an individual.

(3) Candidates, who rank in order descending from the highest number of votes received, shall be elected as the Board members. The number of the Board members' vacancies shall be equal to the number of vacancies determined or elected at that time. In the event of a tie, Chairman shall cast the final vote to break the tie.

As of 31st December 2020, the Board of Directors consisted of nine (9) members. (Eight (8) of which had their domiciles in the Kingdom of Thailand. Five (5), or 55.5% of total, were independent directors. Four (4) of total were those with knowledge in accounting and finance. They were Mr. Anan Leetrakul, Prof. Dr. Uthai Tanlamai, Assoc. Prof. Dr. Kamales Santivejkul, and Dr. Charn Tharawas.)

• Removal

1. One-third of the Board members shall be removed in each Annual General Meeting of Shareholders. In the case that the number of directors cannot be divided into One-third of the board members, it shall be removed in the number of director closet to one- third. The directors, who shall retire from the office in the first two years after the Company registration, will be selected through drawing lotteries. In the later years, the directors who hold the longest period in the office shall retire. The directors who retired by rotation may be re-elected to hold the office for another team.

2. Apart from vacating by rotation, the director vacates his or her office when he or she dies, resigns, disqualified or possesses legal prohibited characteristics, or dismissed by a resolution of the shareholders or a court order.

3. To resign from the position, a director shall submit a resignation letter to the Company. The resignation takes effect from the date of the resignation letter arrives at the Company.

4. In the case of vacancy in the Board due to reasons other than the end of the term of duty, the Board shall select a qualified person without legal prohibited characteristics in replacement as the director in the next meeting of the Board. In the case that such director's term is less than two months, the person who replaces the director will hold the position for remaining term. The resolution of the Board shall consist at least three-fourths of the Votes of the remaining directors.

5. The Shareholders' Meeting may resolve to remove any director from the position before the end of the term of duty with not less than three-fourths of the votes of shareholders who attend the Meeting and is eligible for voting, which is not less than half of total shares of the shareholders who attend the Meeting and is eligible for voting.

8.1.2 The Board of Directors Meeting

The Company's Regulations prescribe the meeting regulations as follows;

- In the case of Chairman's resignation, Vice Chairman or a director shall perform the duty.
- No less than half of total directors constitutes a quorum.
- The minimum quorum amount at the time, when the Board of Directors will at the Board Meeting, must contain at least two (2) in three (3) of the total number of directors.
- At least three (3) meetings shall be held per year. Hence, the Board of Directors Meeting resolved to hold at least six (6) meetings per year according to the good corporate governance. This is to provide sufficient time for consideration, supervision, and oversight in compliance with the Board's roles, duties, and responsibilities.
- Director, who has a conflict-of-interest matter, should left the meeting during the consideration of the meeting and allow the meeting to express their ideas freely.

The Company Secretary is assigned to arrange annual meeting schedules of the Board of Directors and committees, and to notify them for acknowledgement and the benefits of meeting attendance. The meeting document shall be delivered to all Board and committee members no less than seven (7) days in advance to allow sufficient time for detail consideration in each agenda. In 2020, the Board of Directors held ten (10) meetings with the following attendance details of each member;

List of Board Members	1/2020	2/2020	3/2020	4/2020	5/2020	6/2020	7/2020	8/2020	9/2020	10/2020	Meeting Attendance (%)
1. Mr. Sirisak Tirawattanangkul	√	√	√	√	√	√	√	√	√	√	100.0
2. Mr. Kiyotaka Nakamura1	√	√	√	√	√	X	√	√	√	√	90.0
3. Mr. Siriwat Vongjarukorn	√	√	√	√	√	√	√	√	√	√	100.0
4. Mr. Thanakorn Charlee	√	√	√	√	√	√	√	√	√	√	100.0
5. Mr. Anan Leetrakul	√	√	√	√	√	√	√	√	√	√	100.0
6. Mr. Suchart Thammaoitagkul2	X	√	√	√	√	√	√	√	√	√	90.0
7. Prof. Dr. Uthai Tanlamai	√	√	√	√	√	√	√	√	√	√	100.0
8. Assoc. Prof. Dr. Kamales Santivejkul	√	√	√	√	√	√	√	√	√	√	100.0
9. Dr. Charn Tharawas	√	√	√	√	√	√	√	√	√	√	100.0
Total Directors in each Meeting	8/9	9/9	9/9	9/9	9/9	8/9	9/9	9/9	9/9	9/9	

Remark:
[1]Mr. Kiyotaka Nakamura, Vice Chairman who holds the position of Managing Director and executive Officer of TIS Inc. ("Tender Offeror"), is the director with interests. Therefore, he could not attend the meeting for voting and giving opinions of the Company on the Tender Offer in the Board of Directors Meeting No. 6/2020.
[2]Mr. Suchart Thammapitagkul, Independent Director, was unable to attend the Board of Directors Meeting No. 1/2020 due to his mission by informing the Chairman of the Board for acknowledgement in advance.

8.2 Performance of the Audit Committee in the Previous Year

The Audit Committee has a two (2) – year term. At least four (4) meetings shall be organized per year. As of 31 December 2020, the Audit Committee had three (3) directors who convened five (5) times this year. It had one (1) meeting with the Risk Management and Corporate Governance Committee along with the external auditors, and the Management. All were reported to the Board on a quarterly basis. Details were described below;

List of the Audit Committee	1/2020	2/2020	3/2020	4/2020	5/2020	1/2020 Meeting Joint with Risk & Auditors &Executives	Meeting Attendance (%)
1. Mr. Suchart Thammapitagkul[1] Chairman of the Audit Committee Independent Director, Knowledge in Law	X	√	√	√	√	√	83.3
2. Prof. Dr. Uthai Tanlamai Member of the Audit Committee Independent Director, Knowledge in Accounting and Finance	√	√	√	√	√	√	100.0
3. Assoc. Prof. Kamales Santivejkul Member of the Audit Committee Independent Director, Knowlegde in Accounting and Finance	√	√	√	√	√	√	100.0
Total Directors in each Meeting	2/3	3/3	3/3	3/3	3/3	3/3	

Remark: [1]Mr. Suchart Thammapitagkul, Independent Director, was unable to attend the Audit Committee Meeting No. 1/2020 due to his mission by informing the Chairman of the Board for acknowledgement in advance.

Ms. Thitirat Thanathitikankun acted as Internal Audit Manager instead of Mrs. Renuka Buntongdee who resigned, and Ms. Orawan Hnuntaku acted as Secretary to the Audit Committee

Performance of the Audit Committee

1. To review the quarterly and annual financial reports together with the management and auditors, giving approval to financial reports in the preparation of the correctness as seen in the essence of the generally accepted accounting principles, accounting standards and significant changes in accounting policies, including reviewing related transactions between shareholders and subsidiaries or related companies

2. To ensure a systematic, efficient and effective risk management process, being informed the risk management report in the previous year and giving suggestions for improvement

3. To supervise internal audits to comply with professional standards using the risk assessment method and internal control system in accordance with the COSO standard, as well as to consider and approve the annual audit plan which was prepared by considering various business risk factors, including the manpower plan and the internal audit personnel development plan, and to consider the audit plan and give recommendations to the Internal Audit Department and the management for the benefit of improving performance

4. The Audit Committee has regularly reviewed the company to comply with the law on securities and exchange, the Stock Exchange of Thailand's requirements and related laws, with the opinion that company's transaction has to comply with the law on securities and exchange, the Stock Exchange of Thailand's requirements and related sufficient laws.

5. To follow the anti-corruption measures, the Internal Audit Department sets an audit plan according to the business cycle which covers the investigation of anti-corruption measures in accordance with Thai Private Sector Collective Action against Corruption (CAC), as well as reviews the compliance with the anti-corruption policy in accordance with the company's certification, a member of Thai Private Sector Collective Action against Corruption (CAC) on 5 August 2019, the Audit Committee has the opinion that the company has implemented strict, careful and adequate measures.

6. To consider and review for approval and information disclosure, also practices in related transactions, related items and related transactions between the company and its subsidiaries and stakeholders, this may cause a conflict of interest with the company before presenting to the Board of Directors for consideration.

7. To consider, select and nominate an auditor

8. To follow up the progress of the good corporate governance development process, social responsibility and preventing corruption continuously

9. To perform duties in accordance with the Audit Committee's Charter

8.3 Summary of the Performance of Other Committees' Duties

Executive Board

The Board of Directors appoints the Executive Board to perform tasks, as assigned under its authority and duties in order to attain goals and plans. The Executive Board consists of four (4) members; Chief Executive Officer and three (3) executives. The Executive Board is required to hold at least one (1) meeting per quarter. As of 31 December 2020, the Executive Board had three (3) members who convened ten (10) times as depicted below;

List of the Executive Board	1/2020	2/2020	3/2020	4/2020	5/2020	6/2020	7/2020	8/2020	9/2020	10/2020	Meeting Attendance (%)
1. Mr. Siriwat Vongjarukorn Chief Executive Officer	√	√	√	√	√	√	√	√	√	√	100.0
2. Chief Executive Officer Executive Director	√	√	√	√	√	√	√	√	√	√	100.0
3. Mr. Arm Sivadith Executive Director	√	√	√	√	√	√	√	√	√	√	100.0
Total Directors in each Meeting	3/3	3/3	3/3	3/3	3/3	3/3	3/3	3/3	3/3	3/3	

Mr. Pitch Manakijpairoj, Chief Financial Officer, attended the meetings and Ms. Orawan Hnuntaku acted as Secretary to record the minutes.

Performance of the Executive Board

1. To represent a clear vision in anticipating business trends, opportunities and priorities that affect the prosperity and operation of the company properly.

2. To develop a clear mission, policy and strategic plan that respond to the needs of shareholders, customers, employees and other stakeholders correspondingly in accordance with economic and competitive conditions

3. To manage and assign work correctly, including performing duties within the scope of responsibilities and assigning various duties to others responsible professionally

4. To implement strategies according to priorities and measures set by the Board of Directors within an appropriate and effective period of time

5. To enable the company achieving its financial goals and market shares

6. To develop and implement appropriate human processes and practices, including an assessment and reward system for management and employees that will result in everyone working well for the same objective.

Risk Management and Corporate Governance Committee

The Risk management and Corporate Governance Committee shall include at least four (4) independent directors and executives. An independent director is the Chairman, while executives and an accounting/financial expert assist in systematic risk management for all significant work processes at activity and organizational levels. As of 31 December 2020, the Risk Management and Corporate Governance committee comprises of four (4) members, each of which serves a two-year term of office. The Board of Directors' Meeting No. 7/2020 dated 11 August 2020, has considered the extension of the four (4) Risk Management and Corporate Governance Committee. Regular meetings are required. In 2020, the Risk Management and Corporate Governance Committee had four (4) meetings, including one (1) meeting with the Audit Committee, together with external auditors, and the management. All were reported to the Board on a quarterly basis with the following details;

List of Risk Management and Corporate Governance Committee	1/2563	2/2563	3/2563	4/2563	1/2020 Joint Meeting with Risk & Auditors &Executives	Meeting Attendance (%)
1. Prof. Dr. Uthai Tanlamai Chairman of the Risk Management and Corporate Governance Committee/ Independent Director	√	√	√	√	√	100.0
2. Assoc. Prof. Dr. Kamales Santivejkul Member of the Risk Management and Corporate Governance Committee/ Independent Director	√	√	√	√	√	100.0
3. Mr. Thanakorn Charlee Member of the Risk Management and Corporate Governance Committee/ Executive Director	√	√	√	√	√	100.0
4. Dr. Charn Tharawas Member of the Risk Management and Corporate Governance Committee/ ndependent Director	√	√	√	√	√	100.0
Total Directors in each meeting	4/4	4/4	4/4	4/4	4/4	

Ms. Chulee Werawittayanukoon acted as Secretary to Risk Management and Corporate Governance Committee and Ms. Orawan Hnuntaku was in charge of recording the minutes to the Risk Management and Corporate Governance Committee.

Performance of Risk Management and Corporate Governance Committee

Risk Management Part

1. To consider and evaluate various risk factors and reflect on the risks that may affect the achievement of the objectives for the benefit of management and business expansion, along with furthering the marketing for the benefit of MFEC Group, before presenting to the Board of Directors for consideration and approval of the above transactions, and notifying investors to acknowledge the transaction

2. To consider the framework of risk management and scrutinize the risk factors affecting the achievement of the organization and affiliates' strategic objectives by carefully considering the organization's risks in both external and internal, while allying the risk indicators that look like warning signs and prepare to provide useful suggestions for prevention and surveillance

3. To acknowledge the risk management report in all dimensions by the Risk Management and Corporate Governance Team and Managing Director of each affiliate, following up on the progress of the risk managements in order to manage the risks' impact occurring at an acceptable level and to build confidence to shareholders that MFEC Group's risk management has been carried out continuously and effectively, supporting MFEC Group to achieve its objectives

4. To advise management of all companies in MFEC Group to focus on hedging and prioritizing risks in order to expedite amendments and establish guidelines reducing the risk level to an acceptable level and considering the risks in the future, including risk prevention plan

Corporate Governance Part

1. To review and improve the charter of each committee according to the recommendation of the Securities and Exchange Commission, and to present to the Board of Directors

2. After the company was certified as a member of Thai Private Sector in Anti-Corruption, the company has pushed its affiliates to formulate anti-corruption policies.

3. To provide advices on principles of good corporate governance

• Disclosure of information and transparency through the channels of the Stock Exchange and the website of the company: www.mfec.co.th for the benefit of accessing information in all aspects of the company such as the Annual Registration Statement/ Annual Report (Form 56-1 One Report), as well as quarterly operational disclosure and important information for shareholders, investors and general public which contains all important, sufficient, and reliable material

Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall have at least two (2) meetings per year. In 2020, the committee had three (3) meetings with the following details;

List of the Nomination and Remuneration Committee	1/2020	2/2020	3/2020	Meeting Attendance (%)
1. Mr. Anan Leetrakul Chairman of the Nomination and Remuneration Committee/ Independent Director	√	√	√	100.0
2. Mr. Siriwat Vongjarukorn Member of the Nomination and Remuneration Committee/ Chief Executive Officer	√	√	√	100.0
3. Assoc. Prof. Dr. Kamales Santivejkul Member of the Nomination and Remuneration Committee/ Independent Director	√	√	√	100.0
4. Dr. Charn Tharawas Member of the Nomination and Remuneration Committee/ Independent Director	√	√	√	100.0
5. Mr. Kiyotaka Nakamura Member of the Nomination and Remuneration Committee/ Independent Director	√	√	√	100.0
Total Directors in each meeting	5/5	5/5	5/5	

Mrs. Uraporn Aiedkarn acted as Secretary to the Nomination and Remuneration Committee and Ms. Orawan Hnuntaku, acted as Secretary for minutes of the meeting.

Performance of Nomination and Remuneration Committee

1. To consider the performance assessment of the committees, sub-committees and Chief Executive Officer determining the 2020 remuneration based on various factors such as the operational results according to the objectives, manageability, number of meetings, performances of Board of Directors, sub-committees and Chief Executive Officer's self-assessment comparing with the remuneration rate in the industry group as an information for considering the 2020 remuneration before proposing to the Board of Directors for consideration and further to the shareholders' meeting for approval

2. To promote, support and allow small shareholders taking part in corporate governance and giving opinions on the business operation, agenda proposals and nomination for directors to replace those whose term expires in advance for the year 2020 (between 16 December 2019 – 21 February 2020) through the channels of the Stock Exchange of Thailand and the company's website: www.mfec.co.th

3. To recruit people from a wide variety of career fields qualified by law and relevant regulations such as Public Company Act, Securities and Exchange Act and etc., as well as MFEC Articles of Association and MFEC's Good Corporate Governance Principles based on the lack of essential skills, which analyzes from suitable qualifications in line with the company's business strategy and appropriate knowledge and competency (Board Skill Matrix) to help support the Board's performance achieving the organization's objectives by allowing minority shareholders to nominate persons they deem appropriate in order to be selected as a director, it turns out that there was no shareholders nominating persons to enter the selection process in the 2020 Annual General Meeting of Shareholders. Therefore, the Board considered proposing the retiring directors to resume their positions for another term.

4. To recruit persons with appropriate skills, knowledge, capabilities, experience and qualifications consistent with the criteria for director's qualification to take the position of the Risk Management and Corporate Governance Committee who retired by rotation on 11 August 2020 (the Risk Management and Corporate Governance Committee has a term of 2 years), therefore, proposing to renew the position of the former Risk Management and Corporate Governance Committee for another term

9. Internal Control and Connected Transactions

9.1 Internal Control

The Company is required to have proper corporate governance by overseeing, monitoring, and supervising the authorized persons to perform their managerial tasks in order to effectively and efficiently utilize the available resources for the best interests of the stakeholders. Moreover, the Company has established the risk management by identifying, evaluating, and managing potential risks that may affect the achievement of the Company's objectives to be in an acceptable level, including implementation of the internal control in order to minimize impacts and/or likelihood of risks.

In 2020, the Audit Committee has assigned the Internal Audit Department to evaluate the Organization's internal control systems according to the Office of the Securities and Exchange Commission's "Assessment of Adequacy of Internal Control Systems" and present the assessment results to the Audit Committee. The results of the assessment of the adequacy of Internal Control Systems for the year 2020 is that "the Company has an adequate internal control system" and the preparation of financial statements was in accordance with the accounting standards. To improve the internal control system, the Audit Committee assigned the Internal Audit Department to audit and provide consultations to ensure that the Company is able to achieve its objectives and to constantly improve the efficiency of internal control system. The Audit Committee also reported the results of the Assessment of Adequacy of Internal Control Systems to the Company's Board of Directors.

In addition, the Company also pays attention to risk management. MFEC has established the Risk Management & Corporate Governance Committee to be in charge of managing risks in acceptable level and to ensure that the Company can achieve its objectives. The Risk Management & Corporate Governance Committee has assigned the Risk Management and Corporate Governance Team to perform daily tasks of monitoring, overseeing, and providing advice regarding the process of operational risk management to each department. The Risk Management and Corporate Governance Team is required to report the results of risk management to the Risk Management & Corporate Governance Committee so that they summarize the risk management reports and submit the reports to the Board of Directors for acknowledgement every quarter. The Organization's risk management is based on the principles of COSO (Committee of Sponsoring Organizations of the Treadway Commission) Enterprise Risk Management Framework as following:

1. Control Environment

MFEC has clear and measurable business goals through having annual budget plans and setting measurement criteria in to create values and return for the shareholders. The Company also aims to raise consciousness, morality, and ethics in the organization. Therefore, it has complied the Code of Conduct and provided staff training to perform the right understanding so that they meet customers' satisfaction in term of products and services, and at the same time having social responsibility for the sustainable growth of MFEC Group. The Company has policies regarding development and retention of Managements with good qualities, measurement of success in works, and appealing incentives.

The Board of Directors has responsibilities to determine the clear and measurable objectives of the business operations, and discreetly review the goals of the business operations. The Company's administrative structure consists of 5 committees: The Board of Directors, the Board of Executive Directors, the Audit Committee, the Risk Management & Corporate Governance Committee, and the Nomination and Remuneration Committee. Each committee administers the shareholders within the concept of good business ethics and social responsibility. The Company has established company structure to support the business administration of the Management and to ensure the effectiveness of internal control. There is an allocation of works and responsibilities. creating the check and balance system between each department, The Internal Audit Department is in charge of going through the business operations of all departments and report the findings to the Audit Committee.

Regarding the Anti-Corruption aspect, the Private Sector Collective Action against Corruption (CAC) on 5th August 2019, had the resolution to recognize MFEC Public Company Limited as a member of the Private Sector Collective Action against Corruption with 3 years recognition.

2. Risk Assessment

The Company has assigned the Risk Management & Corporate Governance Committee to oversee the risk management of the Company and the subsidiaries. The Board of Directors, the Management Executives, and the Risk Management and Corporate Governance Team have jointly defined the risk management policies and frameworks, assigned the responsible persons in each unit of the organization to perform the assessment of risks that may affect the Company's goals and business operations.

There should be the risk assessment in various aspects, such as Strategic Risks, Human Resource Risks, Operational Risks, Financial Risks, Fraud Risks, Financial Reporting Risks, and Compliance Risks. The assessment should consider the likelihood and impacts of risks and later establish the risk management plan to be within acceptable risk level to reasonably assure that the Company will achieve its determined goals.

In this regard, the results of the Company's risk assessment shall be submitted and reported to the Risk Management & Corporate Governance Committee and the Board of Directors respectively.

3. Control Activities

The Board of Directors has appointed four sub-committees, consisting of the Board of Executive Directors, the Audit Committee, the Risk Management & Corporate Governance Committee, and the Nomination and Remuneration Committee. The Committees shall perform under the scopes of works and responsibilities as assigned to oversee the performance of the Executive Management, as follows:

• Determine scopes of authority and limit of approval of Management Executives of all departments and all levels. The determination of such shall be clear and in writing. The determination of the authorized persons and limits of approval must be in writing. There shall also be the review of the suitability.

• Establish the policies, manuals, procedures, regulations. which are clear in writing and include all departments.

• Set performance and evaluation criteria.

The Audit Committee has reviewed and approved the annual audit plan, which should cover the risky operational processes to ensure the stakeholders that all departments have been adequately supervised and overseen the business operations in respects of financing, operations, and compliance of rules and regulations. The Audit Committee will consider important matters and problems occurring from the inspection, and propose suggestions for improvement to the Management so that the Management can determine the administrative guidelines. There should be a follow up on the cases regarding business transactions between the Company and the juristic persons or any other persons related to the Company, and such relations may cause the conflict of interests. All business transactions shall be in accordance with the Company's policies, such as the Anti-Corruption Policy and Business Ethics to ensure that the activities for business operation are successful and effective, and in line with the principles of good governance.

4. Information and Communication

The Company has prepared adequate information on important matters and proposed such matters to the Board of Directors for consideration of each agenda of the Board of Directors Meeting. The analytical report, along with supporting documents such as fact sheets, rules and regulations, has been prepared and submitted to the Board of Directors for consideration 7 days in advance prior to the meeting date. The Secretary of will act as a coordinator and the center keeping important documents, such as meeting invitations of the Board of Directors Meetings, minutes of the Board of Directors Meetings, meeting invitations and minutes of the Shareholders Meetings. So that the shareholders can verify the suitability of the directors' performances.

The Company provides the programs as a tool for managing document storage systems for each department, including the security system for important databases. The Company has determined the right to access information on the databases, such as supporting documents in relation to account records, which are completely kept and categorized for transparency and usage as a supporting document for the business operations. Every quarter, the Audit Committee will jointly review the information with the auditors, the Internal Audit Department, and those involved in the preparation of the Company's financial statements. This is to ensure that the Company has complied with the accounting standards by disclosing complete and appropriate information.

5. Monitoring

The Company monitors its performance to certify that the performance is in accordance with the planned business plans. In 2020, there were 10 Board of Directors Meetings, 10 Board of Executive Directors Meetings, and monthly sub-management meetings to oversee and monitor the performance of the Company and its subsidiaries to be in harmony with the planned policies, strategies, and work plans. The objectives of the meetings are also to solve any problems that may arise, and to adjust the operating plans following current situations once the performance differs from the planned goals.

Moreover, the Internal Audit Department has planned an audit on the basis of the risks that are consistent with the Company's objectives, monitored the performance of the Company and its subsidiaries to guarantee that the performances meet the objectives and common goals efficiently and effectively. In 2020, the Company has prepared reports on performance and submitted reports to the Audit Committee in writing immediately after the works are completed. The Company is also required to summarize the operation performances quarterly.

Opinions of the Audit Committee

According to the examination and the Assessment of Adequacy of Internal Control Systems, the Company did not find any concerning issues that could affect the reliability of the financial statements. The Board of Directors, the Audit Committee, and the auditors had a consensus on the internal control system according to the Appendix "Annual Registration Statement/ Annual Report (Form 56-1 One Report)"

Internal Audit Department

In 2020, as assigned and in accordance with professional standards, the Internal Audit Department has served and provided the confidence and advice to the Company with the consideration of corporate governance, risk management, and internal control so that the Company can achieve its objective. The operation of the Internal Audit Department in 2020 has been independent and just with expertise and due professional care. The operation of the Internal Audit Department is systematic and according to the procedures, which consists of planning the engagement, performing the engagement, communicating the engagement for the acknowledgement of the relevant parties. The reports of the operations and suggestions will be submitted to the Audit Committee in a timely and regular manner.

The Internal Audit Department has submitted the "Summary of the Internal Audit Performance for the Year 2020" to the Audit Committee. The Audit Committee has considered and agreed that the performance of the Internal Audit Department was efficient according to plans and benefits to the corporate governance. In 2020, the internal audit officers have undergone trainings according to skill development plans approved by the Audit Committee. This is to assure that the performance of the Internal Audit Department is more efficient. Details of the trainings are as follows:

- Training on audit operations for new auditors, held by the Institute of Internal Auditors of Thailand.
- Training on Personal Data Protection Act B.E. 2562, held by MFEC Public Company Limited.
- Training on Certified Personal Internal Audit of Thailand (CPIAT), held by the Institute of Internal Auditors of Thailand.

9.2 Interrelated Transactions

9.2.1 Normal Business Transaction: MFEC PLC. had business transaction which was purchased and sold transaction of goods and services interrelated with its subsidiaries and associated companies in connection with the conditions of trading and the principle of the mutually agreement between the Company and its subsidiaries and associated companies in accordance with normal business.

Related Person/ Juristic Person	Relationship	Transaction	Value (million Baht)		Necessity and Reasonableness
			Year 2020	Year 2019	
PFT	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 71.62%	Sell Goods and Services (Computers)	-	-	MFEC provides the computers and maintenance services. The mentioned price is nearly the market price.
		Provide office services	0.36	0.36	MFEC provides accounting-finance and general management services. The mentioned price is agreed by considering the appropriateness of working quantity.
		Purchase Goods and Services	-	0.03	Purchase of assets at mutually agreed price
MISO	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 75%	Sell Goods and Services (Professional Service)	-	-	MFEC purchases program development service. The mentioned price is nearly the market price.
		Purchase Goods and Services	3.77	3.78	MFEC purchase outsourcing service-Outsource. The mentioned price is nearly the market price.
MOTIF	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 99.99%	Sell Goods and Services (Professional Service)	0.68	0.75	MFEC provides systems, including hardware, software, and maintenance services. The mentioned price is nearly the market price.
		Purchase Goods and Services (Professional Service)	-	-	MFEC purchases the MA service. The mentioned price is nearly the market price.
BAC	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 99.99%	Sell Goods and Services (Professional Service)	-	-	MFEC provides technical consulting services and other services. The mentioned price is nearly the market price.
		Purchase Goods and Services (Professional Service)	1.49	2.11	MFEC purchases program development service. The mentioned price is nearly the market price.
HS	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 99.99%	Provide office services	-	-	MFEC provides accounting-finance and general management services. The mentioned price is agreed by considering the appropriateness of working quantity.
		Purchase Goods and Services (Professional Service)	0.65	-	MFEC purchases the services. The mentioned price is nearly the market price.

Related Person/ Juristic Person	Relationship	Transaction	Value (million Baht)		Necessity and Reasonableness
			Year 2020	Year 2019	
PTS	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 70%	Provide office services	2.01	1.15	MFEC provides accounting-finance and general management services. The mentioned price is agreed by considering the appropriateness of working quantity.
		Purchase Goods and Services	38.20	45.71	MFEC purchases program development service. The mentioned price is nearly the market price.
DATA CAFÉ	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 59.90%	Sell Goods and Services	-	-	MFEC provides the software and assets. The mentioned price is nearly the market price.
		Provide office services	0.62	0.28	MFEC provides accounting-finance and general management services. The mentioned price is agreed by considering the appropriateness of working quantity.
		Purchase Goods and Services	5.05	4.13	MFEC purchases service, training, and program development work. The mentioned price is nearly the market price.
MSYNE	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 99.99% (Former: Softplus Technology Company Limited)	Sell Goods and Services	-	0.11	MFEC provides software and hardware. The mentioned price is nearly the market price.
		Provide office services	1.21	0.33	MFEC provides accounting-finance and general management services. The mentioned price is agreed by considering the appropriateness of working quantity.
		Purchase Goods and Services	128.04	40.32	MFEC purchases program development service, Goods and other services. The mentioned price is nearly the market price.
Joint Venture: PowerM	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 100%	Sell Goods and Services	0.12	1.85	MFEC provides software and hardware. The mentioned price is nearly the market price.
		Provide office service	0.02	0.01	MFEC provides space rental services. The mentioned price is nearly the market price.
ANGSTROM	MFEC's associated company, in which MFEC holds the share at the aggregate rate of 40%	Professional Service	-	-	MFEC provides the professional service to develop computer program and maintenance service using software as the investment in the part of sale. The mentioned price is nearly the market price.
TIS	Holding MFEC's shares at the aggregate rate of 49%, and Mr. Kiyotaka Nakamura is the director/executive.	Sell Goods and Services	0.90	-	MFEC provides consulting services. The mentioned price is nearly the market price.
		Purchase Goods and Services	-	-	MFEC purchases software maintenance services. The mentioned price is nearly the market price.

Related Person/ Juristic Person	Relationship	Transaction	Value (million Baht)		Necessity and Reasonableness
			Year 2020	Year 2019	
AJS Inc.	TIS's subsidiary, in which TIS holds the shares at the aggregate rate of 51%	Sell Goods and Services	2.07	-	MFEC purchases outsourcing service and rental works. The mentioned price is nearly the market price.
I Two	MFEC's associated company, in which MFEC holds the shares at the aggregate rate of 15%	Purchase Goods and Services	9.50	-	MFEC purchases outsourcing service and rental works. The mentioned price is nearly the market price.
Digital Savvy	MFEC's associated company, in which MFEC holds the share at the aggregate rate of 36%	Sell Goods and Services (Professional Service)	-	0.98	MFEC sells software ownership transferring and provides Cloud and Outsource services. The mentioned price is nearly the market price.
		Provide office service	0.59	0.67	MFEC provides accounting-finance and general management services. The mentioned price is agreed by considering the appropriateness of working quantity.
		Purchase Goods and Services	0.09	4.49	MFEC purchases services, maintenance services and PANDAPASS system services. The mentioned price is nearly the market price.
Promptnow	MFEC's associated company, in which MFEC holds the share at the aggregate rate of 20%	Provide office service	-	0.05	MFEC provides services for sending and receiving documents. The mentioned price is nearly the market price
		Purchase Goods and Services	5.98	1.58	MFEC purchases goods and services. The mentioned price is nearly the market price.
Fanster Media	MFEC's associated company, in which MFEC holds the share at the aggregate rate of 34%	Sell Goods and Services (Professional Service)	-	0.11	MFEC sells software ownership transferring and provides Cloud and Outsource services. The mentioned price is nearly the market price.
		Provide office service	0.02	0.03	MFEC provides accounting-finance and general management services. The mentioned price is agreed by considering the appropriateness of working quantity.
		Purchase Goods and Services	2.00	-	MFEC purchases assets. The mentioned price is nearly the market price.

9.2.2 Financial Assistance

Related Person/ Juristic Person	Relationship	Transaction	Value (million Baht)		Necessity and Reasonableness
			Year 2020	Year 2019	
DATA CAFE	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 59.90%	Receivable interest	0.03	-	MFEC loans Data Cafe for investment in relation with project management at the aggregate interest rate of 5.87 - 6.87%, which is the rate that Commercial Bank loans offer the customer with good profile.
Digital Savvy	MFEC's associated company, in which MFEC holds the share at the aggregate rate of 36%	Receivable interest	0.01	-	MFEC loans Digital Savvy for investment in relation with project management at the aggregate interest rate of 5.87%, which is the rate that Commercial Bank loans offer the customer with good profile.
Fanster Media	MFEC's associated company, in which MFEC holds the share at the aggregate rate of 34%	Receivable interest	0.01	0.01	MFEC loans Fanster for investment in relation with project management at the aggregate interest rate of 5 - 6 %, which is the rate that Commercial Bank loans offer the customer with good profile.
ANGSTROM	MFEC's associated company, in which MFEC holds the share at the aggregate rate of 40%	Receivable interest	0.50	0.08	MFEC loans Angstrom for investment in relation with project management at the aggregate interest rate of 4 - 5 %, which is the rate that Commercial Bank loans offer the customer with good profile.

Reference to remark attached with Financial Statement - Item 7 for the end as of the ending year as of 31st December 2020

Approval measure or procedure for an interrelated transaction

An interrelated transaction shall be submitted at the Board of Directors' meeting attended by the Audit Committee. While transaction shall be complied with the Securities and Exchange laws, regulations, announcement, notification or requirements of the Stock Exchange of Thailand. Any particular person who might have conflict of interest or stakes in the interrelated transactions will have no voting rights in the interrelated transactions.

Guidelines or trends in making an interrelated transaction with a person who may have conflict of interests in the future

Guidelines on interrelated transaction

Interrelated transactions likely occur in the future can be grouped into two (2) categories; normal and continuous transactions and special and occasional transactions. The process of approving the two types of transactions is as follows:

1. Normal and continuous transactions

The company will determine the principles and guidelines for the normal and continuous transactions with general trade conditions, fair, reasonable and traceable prices. The principles and guidelines will be proposed to the Audit Committee for approval. The committee will consider the compliance with the criteria and comment on rational of each transaction occurring during the committee deems appropriate.

2. Special and occasional transactions

The Audit Committee will be assigned to comments on appropriateness of each transaction. If the Audit Committee does not have expertise in an interrelated transaction, the company will assign an expert such as an auditor or an asset evaluator or a law office, etc. who is independent from the company and a person who may have conflict of interests to make comments on such transaction. The comments will be used as information for the committee or the shareholders as the case may be.

Interrelated transactions/future trend

1. As of an interrelated transaction on rental office and parking space with MTC, the transactions will continue in the future. If the rental fee, and/or conditions of rent is changed, the company would consider the appropriateness and implement according to the rules and guidelines that the Audit Committee has considered and approved. Whether to do an interrelated transaction with a company that may have conflicts with depends on appropriateness and necessity of each transaction. If such interrelated transaction occurs, the company will abide by the guideline the Audit Committee has considered and approved.

2. As for an interrelated transaction on guarantee, if the company puts up collaterals against credits requested by its subsidiary, the company has a policy to put up the amount of collateral in accordance with its stake in the subsidiary. In the case that the company cannot comply with such guideline, the company will proceed in accordance with the Securities and Exchange Commission in the information disclosure and interrelated transactions of the listed companies

Part 3:
Financial Statements

Certified Public Accountant's Report

To the Shareholders of MFEC Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of MFEC Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. The separate financial statements of MFEC Public Company Limited for the same period was also reviewed accordingly.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MFEC Public Company Limited and its subsidiaries and of MFEC Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am an independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Revenue recognition regarding the system integration and IT professional services

Revenue recognized from system integration and IT professional services in each period is significant to total revenues and directly impacts the Group's operating performance. In addition, the process of identifying performance obligations to customers, and the measurement and recognition of revenue are areas requiring management to exercise significant judgement to consider the terms and conditions in the contracts and assess the percentage of completion. I therefore focused my audit on the Group's recognition of revenue from system integration and IT professional services.

I assessed the Group's policies on recognition of revenue from system integration and IT professional services, assessed and tested the internal controls put in place by the Group over the process of identifying performance obligations, estimating project costs and estimating percentage of completion by making enquiry of responsible executives and selecting representative samples to test the operation of the designed controls. I also selected major contracts and randomly selected additional samples and performed the following procedures to ensure the correctness of revenue recognised from system integration and IT professional services:

- Read the contracts and inquired the Group's project managers of the terms associated with these contracts relevant to revenue recognition and the identification of performance obligations.
- Examined the assessment of the percentage of completion by making enquiries of the Group's project managers about the percentage of completion up to the end of the reporting period, examining the information used to evaluate the disaggregated tasks and assess the stage of completion in comparison to all work that is required to be delivered to the customer. In addition, I compared the estimated stage of completion to the percentage of completion derived from the actual costs incurred.
- Evaluated the appropriateness of the project cost estimates by assessing the actual costs incurred to date and future costs required to fulfil the obligations to the customer and checking actual costs to supporting documents.
- Examined the accounting transactions related to revenue recognition that were recorded through journal vouchers, in order to detect any irregularities.

Goodwill

My concentration went through the consideration of the impairment of goodwill, as discussed in Note 17 and 20 to the financial statements. The assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill.

I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Company and its subsidiaries and of the industry and tested the calculation of the realisable values of the assets using the selected financial model. Moreover, the disclosures made with respect to the impairment assessment for goodwill was reviewed.

Other Matters

The Consolidated financial statements of MFEC Public Company Limited and its subsidiaries (the Group) and the separate financial statements of MFEC Public Company Limited for the year ended 31 December 2019 were audited by another auditor under her report dated 27 February 2020, expressed an unmodified opinion on those financial statements.

Other Information

Management is responsible for the other information included in annual report of the Group, while the financial statements and my auditor's report were not included. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion there on. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

In preparing the financial statements, management is responsible for assessing the Group'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 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 Financial Statements

My objectives are to obtain reasonable assurance whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. My jobs are also described below:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's 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 ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

I take responsibilities for the audit resulting in this independent auditor's report.

Poonnard Paocharoen
Certified Public Accountant (Thailand) No. 5238
EY Office Limited
Bangkok: 23 February 2021

MFEC Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2020	31 December 2019	1 January 2019	31 December 2020	31 December 2019	1 January 2019
Assets							
Current assets							
Cash and cash equivalents	8	174,019,261	165,643,642	305,956,838	69,641,880	89,651,877	237,113,611
Restricted bank deposits	9	36,867,966	19,553,302	20,047,316	-	-	-
Current investments	4, 13	-	24,332,630	69,519,587	-	-	-
Trade and other receivables	10	1,950,572,251	1,570,950,192	1,229,619,526	1,869,879,487	1,439,625,113	1,133,937,316
Current portion of receivable under financial lease agreements		-	-	2,329,403	-	-	2,329,403
Amounts due from related parties	7	9,601,147	7,631,909	25,794,220	10,517,631	8,572,695	26,079,928
Unbilled receivables	11	725,570,505	469,171,971	566,520,400	704,252,649	457,200,337	541,330,372
Short-term loans to related companies	7	10,500,000	500,000	-	10,500,000	1,000,000	-
Costs of work in process	12	433,454,541	293,474,359	244,526,146	396,424,856	275,093,897	219,521,009
Prepayment for cost of services		864,675,704	413,592,624	292,869,941	844,890,489	381,082,019	226,675,638
Other current financial assets	13	54,256,069	-	-	-	-	-
Other current assets		25,826,221	27,193,298	30,065,233	13,245,294	15,340,288	16,644,710
Total current assets		**4,285,343,665**	**2,992,043,927**	**2,787,248,610**	**3,919,352,286**	**2,667,566,226**	**2,403,631,987**

MFEC Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2020	31 December 2019	1 January 2019	31 December 2020	31 December 2019	1 January 2019
Non-current assets							
Pledged bank deposits	14	-	1,259,164	3,300,000	-	-	-
Long-term loans to related companies	7	5,300,000	5,300,000	-	5,300,000	5,300,000	1,500,000
Other long-term investment	4, 15	-	10,396,712	-	-	10,396,712	-
Investments in subsidiaries	16	-	-	-	431,148,306	439,669,006	476,147,271
Investments in associates	17	171,209,501	122,393,515	75,122,865	129,545,190	87,945,355	37,329,500
Receivable under financial lease agreements		-	-	5,548,574	-	-	5,548,574
Building improvements and equipment	18	76,552,392	84,914,587	74,682,948	54,998,311	63,743,252	65,752,040
Right-of-use assets	4, 19	101,594,621	-	-	75,788,197	-	-
Goodwill	20	257,973,155	257,973,155	257,973,155	-	-	-
Other intangible assets	21	24,091,118	22,520,048	18,424,641	16,660,207	17,971,948	14,913,967
Prepayment for cost of services		142,834,904	122,770,076	64,252,190	142,688,512	111,781,787	64,252,190
Deferred tax assets	29	56,319,571	37,990,324	32,572,954	51,607,939	34,954,844	30,284,799
Other non-current assets		2,789,704	12,498,163	11,150,218	1,762,993	9,553,946	7,754,865
Total non-current assets		**838,664,966**	**678,015,744**	**543,027,545**	**909,499,655**	**781,316,850**	**703,483,206**
Total assets		**5,124,008,631**	**3,670,059,671**	**3,330,276,155**	**4,828,851,941**	**3,448,883,076**	**3,107,115,193**

The accompanying notes are an integral part of the financial statements.

MFEC Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2020	31 December 2019	1 January 2019	31 December 2020	31 December 2019	1 January 2019
Liabilities and shareholders' equity							
Current liabilities							
Bank overdrafts and short-term loans from financial institutions	22	20,000,000	13,668,601	-	-	-	-
Trade and other payables	23	1,223,393,505	538,733,593	635,514,248	1,143,471,865	487,302,043	545,107,469
Amounts due to related parties	7	6,303,969	5,371,502	3,608,355	19,739,304	23,175,677	31,004,522
Accrued expenses		215,137,841	187,216,902	156,153,043	191,809,682	162,982,122	125,977,365
Current portion of lease liabilities	4, 19	26,114,641	-	-	20,227,873	-	-
Current portion of liabilities under financial arrangement agreements	24	25,766,016	32,185,099	-	25,766,016	32,185,099	-
Income tax payable		2,241,524	1,346,041	754,387	-	-	-
Deferred income		1,019,318,979	528,414,094	429,070,273	972,484,505	475,162,631	382,795,775
Unbilled payables		257,724,729	212,085,814	198,829,231	249,173,910	215,974,482	197,348,043
Provision for penalties of project delay and project loss	25	35,536,922	33,555,627	42,787,631	25,011,258	16,879,928	33,308,110
Derivative liabilities	4, 38	21,472,821	-	-	21,472,821	-	-
Other current liabilities		48,473,305	84,129,307	32,390,275	40,260,730	71,825,074	24,601,263
Total current liabilities		**2,901,484,252**	**1,636,706,580**	**1,499,107,443**	**2,709,417,964**	**1,485,487,056**	**1,340,142,547**
Non-current liabilities							
Lease liabilities, net of current portion	4, 19	71,667,406	-	-	53,228,495	-	-
Liabilities under financial arrangement agreements, net of current portion	24	53,793,088	46,671,919	-	53,793,088	46,671,919	-
Provision for long-term employee benefits	26	164,542,114	129,524,324	99,322,093	137,942,293	110,153,669	84,950,122
Total non-current liabilities		290,002,608	176,196,243	99,322,093	244,963,876	156,825,588	84,950,122
Total liabilities		**3,191,486,860**	**1,812,902,823**	**1,598,429,536**	**2,954,381,840**	**1,642,312,644**	**1,425,092,669**

MFEC Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2020	31 December 2019	1 January 2019	31 December 2020	31 December 2019	1 January 2019
Shareholders' equity							
Share capital							
Registered							
441,453,555 ordinary shares of Baht 1 each		441,453,555	441,453,555	441,453,555	441,453,555	441,453,555	441,453,555
Issued and fully paid up							
441,453,555 ordinary shares of Baht 1 each		441,453,555	441,453,555	441,453,555	441,453,555	441,453,555	441,453,555
Share premium		986,741,840	986,741,840	986,741,840	986,741,840	986,741,840	986,741,840
Difference from change in shareholding interests in subsidiaries		5,732,596	5,732,596	5,732,596	-	-	-
Retained earnings							
Appropriated - statutory reserve	27	44,150,055	44,150,055	44,150,055	44,150,055	44,150,055	44,150,055
Inappropriated		426,036,211	350,555,366	226,431,369	402,124,651	334,224,982	209,677,074
Other components of shareholders' equity		617,606	251,856	431,646	-	-	-
Equity attributable to owners of the Company		1,904,731,863	1,828,885,268	1,704,941,061	1,874,470,101	1,806,570,432	1,682,022,524
Non-controlling interests of the subsidiaries		27,789,908	28,271,580	26,905,558	-	-	-
Total shareholders' equity		1,932,521,771	1,857,156,848	1,731,846,619	1,874,470,101	1,806,570,432	1,682,022,524
Total liabilities and shareholders' equity		**5,124,008,631**	**3,670,059,671**	**3,330,276,155**	**4,828,851,941**	**3,448,883,076**	**3,107,115,193**

The accompanying notes are an integral part of the financial statements.

MFEC Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Sales and services income		4,670,815,327	3,688,085,090	4,297,413,241	3,311,879,697
Gain on derivative at fair value		9,618,272	-	9,618,272	-
Dividend income	16.2, 17.2	-	-	24,151,552	10,788,959
Other income		59,881,679	41,227,517	55,096,151	37,825,327
Total revenues		**4,740,315,278**	**3,729,312,607**	**4,386,279,216**	**3,360,493,983**
Expenses					
Cost of sales and services		3,812,855,742	2,893,626,712	3,588,025,798	2,656,762,190
Selling and distribution expenses		100,916,351	111,740,766	89,739,475	97,746,168
Administrative expenses		506,406,402	441,120,588	412,038,535	337,074,745
Total expenses		**4,420,178,495**	**3,446,488,066**	**4,089,803,808**	**3,091,583,103**
Operating profit		320,136,783	282,824,541	296,475,408	268,910,880
Share of profit from investments in associates	17.2	1,726,356	2,396,789	-	-
Financial cost		(11,130,594)	(3,986,925)	(9,411,722)	(3,280,764)
Profit before income tax expenses		310,732,545	281,234,405	287,063,686	265,630,116
Income tax expenses	29	(63,034,008)	(53,101,036)	(52,430,234)	(42,031,050)
Profit for the year		**247,698,537**	**228,133,369**	**234,633,452**	**223,599,066**

MFEC Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Other comprehensive income:					
Other comprehensive income reclassified to profit or loss in subsequent periods:					
Loss on change in value of available-for-sale investments - net of income tax		-	(179,790)	-	-
Other comprehensive income reclassified to profit or loss in subsequent periods - net of income tax		-	(179,790)	-	-
Other comprehensive income not reclassified to profit or loss in subsequent periods:					
Actuarial loss - net of income tax		(16,934,416)	(13,220,639)	(13,700,913)	(10,760,447)
Share of other comprehensive income from investment in associate - net of income tax		617,606	-	-	-
Other comprehensive income not reclassified to profit or loss in subsequent periods - net of income tax		(16,316,810)	(13,220,639)	(13,700,913)	(10,760,447)
Other comprehensive income for the year		(16,316,810)	(13,400,429)	(13,700,913)	(10,760,447)
Total comprehensive income for the year		**231,381,727**	**214,732,940**	**220,932,539**	**212,838,619**

The accompanying notes are an integral part of the financial statements.

MFEC Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit attributable to:					
Equity holders of the Company		244,622,433	225,416,022	234,633,452	223,599,066
Non-controlling interests of the subsidiaries		3,076,104	2,717,347		
		247,698,537	228,133,369		
Total comprehensive income attributable to:					
Equity holders of the Company		228,879,465	212,234,918	220,932,539	212,838,619
Non-controlling interests of the subsidiary		2,502,262	2,498,022		
		231,381,727	214,732,940		
Earnings per share	32				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.55	0.51	0.53	0.51

The accompanying notes are an integral part of the financial statements.

MFEC Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements										
	Equity attributable to owners of the Company										
						Other components of equity					
						Other comprehensive income					
	Issued and paid-up share capital	Share premium	Difference from change in shareholding interests in subsidiaries	Retained earnings		Surplus (deficit) on changes in value of available -for-sale investments	Share of other comprehensive income from associates	Total other components of shareholders' equity	Total equity attributable to owner of the Company	Non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated - legal reserve	Inappropriated						
Balance as of 1 January 2019 - as previous reported	**441,453,555**	**986,741,840**	**8,878,704**	**44,150,055**	**226,431,369**	**431,646**	**-**	**431,646**	**1,708,087,169**	**23,759,450**	**1,731,846,619**
Cumulative effect of prior's year reclassification (Note 41)	-	-	(3,146,108)	-	-	-	-	-	(3,146,108)	3,146,108	-
Balance as of 1 January 2019 - as restated	**441,453,555**	**986,741,840**	**5,732,596**	**44,150,055**	**226,431,369**	**431,646**	**-**	**431,646**	**1,704,941,061**	**26,905,558**	**1,731,846,619**
Profit for the year	-	-	-	-	225,416,022	-	-	-	225,416,022	2,717,347	228,133,369
Other comprehensive income for the year	-	-	-	-	(13,001,314)	(179,790)	-	(179,790)	(13,181,104)	(219,325)	(13,400,429)
Total comprehensive income for the year	-	-	-	-	212,414,708	(179,790)	-	(179,790)	212,234,918	2,498,022	214,732,940
Dividend paid (Note 35)	-	-	-	-	(88,290,711)	-	-	-	(88,290,711)	-	(88,290,711)
Subsidiaries paid dividends to their non-controlling interests (Note 16.2)	-	-	-	-	-	-	-	-	-	(1,500,000)	(1,500,000)
Transfer surplus on share-based payment (Note 31)	-	-	-	-	-	-	-	-	-	368,000	368,000
Balance as of 31 December 2019 - as restated	**441,453,555**	**986,741,840**	**5,732,596**	**44,150,055**	**350,555,366**	**251,856**	**-**	**251,856**	**1,828,885,268**	**28,271,580**	**1,857,156,848**

MFEC Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements										
	Equity attributable to owners of the Company										
						Other components of equity					
						Other comprehensive income					
	Issued and paid-up share capital	Share premium	Difference from change in shareholding interests in subsidiaries	Retained earnings		Surplus (deficit) on changes in value of available -for-sale investments	Share of other comprehensive income from associates	Total other components of shareholders' equity	Total equity attributable to owner of the Company	Non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated - legal reserve	Inappropriated						
Balance as of 1 January 2020	**441,453,555**	**986,741,840**	**5,732,596**	**44,150,055**	**350,555,366**	**251,856**	**-**	**251,856**	**1,828,885,268**	**28,271,580**	**1,857,156,848**
Cumulative effect of change in accounting policy (Note 4)	-	-	-	-	1,727,730	(251,856)	-	(251,856)	1,475,874	-	1,475,874
Balance as of 1 January 2020 - as restated	**441,453,555**	**986,741,840**	**5,732,596**	**44,150,055**	**352,283,096**	**-**	**-**	**-**	**1,830,361,142**	**28,271,580**	**1,858,632,722**
Profit for the year	-	-	-	-	244,622,433	-	-	-	244,622,433	3,076,104	247,698,537
Other comprehensive income for the year	-	-	-	-	(16,360,574)	-	617,606	617,606	(15,742,968)	(573,842)	(16,316,810)
Total comprehensive income for the year	-	-	-	-	228,261,859	-	617,606	617,606	228,879,465	2,502,262	231,381,727
Dividend paid (Note 35)	-	-	-	-	(154,508,744)	-	-	-	(154,508,744)	-	(154,508,744)
Subsidiaries paid dividends to their non-controlling interests (Note 16.2)	-	-	-	-	-	-	-	-	-	(3,351,934)	(3,351,934)
Transfer surplus on share-based payment (Note 31)	-	-	-	-	-	-	-	-	-	368,000	368,000
Balance as of 31 December 2020	**441,453,555**	**986,741,840**	**5,732,596**	**44,150,055**	**426,036,211**	**-**	**617,606**	**617,606**	**1,904,731,863**	**27,789,908**	**1,932,521,771**

The accompanying notes are an integral part of the financial statements.

MFEC Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2020

(Unit: Baht)

	Separate financial statements				
			Separate financial statements		
	Issued and paid-up share capital	Share premium	Appropriated - legal reserve	Inappropriated	Total shareholders' equity
Balance as of 1 January 2019	**441,453,555**	**986,741,840**	**44,150,055**	**209,677,074**	**1,682,022,524**
Profit for the year	-	-	-	223,599,066	223,599,066
Other comprehensive income for the year	-	-	-	(10,760,447)	(10,760,447)
Total comprehensive income for the year	-	-	-	212,838,619	212,838,619
Dividend paid (Note 35)	-	-	-	(88,290,711)	(88,290,711)
Balance as of 31 December 2019	**441,453,555**	**986,741,840**	**44,150,055**	**334,224,982**	**1,806,570,432**
Balance as of 1 January 2020	**441,453,555**	**986,741,840**	**44,150,055**	**334,224,982**	**1,806,570,432**
Cumulative effect of change in accounting policy (Note 4)	-	-	-	1,475,874	1,475,874
Balance as of 1 January 2020 - as restated	**441,453,555**	**986,741,840**	**44,150,055**	**335,700,856**	**1,808,046,306**
Profit for the year	-	-	-	234,633,452	234,633,452
Other comprehensive income for the year	-	-	-	(13,700,913)	(13,700,913)
Total comprehensive income for the year	-	-	-	220,932,539	220,932,539
Dividend paid (Note 35)	-	-	-	(154,508,744)	(154,508,744)
Balance as of 31 December 2020	**441,453,555**	**986,741,840**	**44,150,055**	**402,124,651**	**1,874,470,101**

The accompanying notes are an integral part of the financial statements.

MFEC Public Company Limited and its subsidiaries
Cash flow statement
For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax	310,732,545	281,234,405	287,063,686	265,630,116
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	74,221,351	45,384,414	61,077,612	39,975,479
(Gain) loss on sales and written-off from equipment and intangible assets	(943,142)	935,295	(717,133)	1,052,883
Unrealised (Gain) loss on exchange rate	(576,753)	27,715,262	(566,277)	27,713,574
Gain on revaluation of investments in debt mutual funds	(121,506)	-	-	-
Gain on sales of investments in debt mutual funds	(249,360)	(955,683)	(210,896)	(350,453)
Gain on measurement of derivatives at fair value	(2,310,277)	-	(2,310,277)	-
Gain on termination of lease agreement and reduction in lease payments	(1,076,539)	-	(600,415)	-
Loss on provision for rental deposit	1,310,100	-	1,310,100	-
Bad debt and allowance for doubtful accounts/ Allowance for expected credit losses (reversal)	26,252,283	14,574,853	22,391,042	14,574,853
Reversal of inventory to net realisable value	-	(14,400)	-	-
Loss on written-off of withholding tax deducted at source	466,546	235,747	-	-
Provision for penalties of project delay and project loss (reversal)	10,335,795	(9,231,999)	8,131,330	(16,428,177)
Allowance from impairment of investment in subsidiary and associates (reversal)	-	(39,809,494)	11,900,000	(44,000,000)

MFEC Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Gain from written-off of liabilities				
Provision for long-term employee benefits	-	(187,572)	-	-
Expense arising from share-based payment	15,284,386	14,062,798	12,245,483	11,752,988
Dividend Income	368,000	276,000	-	-
Interest income	-	-	(24,151,552)	(10,788,959)
Financial cost	(1,821,163)	(1,486,802)	(1,692,372)	(1,262,100)
Share of profit from investments in associates	11,189,028	984,164	9,411,722	715,273
Share of profit from investment in joint venture	(1,726,356)	(2,396,789)	-	-
Profit from operating activities before				
changes in operating	-	-	(527,958)	-
assets and liabilities	441,334,938	331,320,199	382,754,095	288,585,477

The accompanying notes are an integral part of the financial statements.

MFEC Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Decrease (increase) in operating assets				
Restricted bank deposits	(17,314,664)	494,014	-	-
Trade and other receivables	(384,316,685)	(277,476,713)	(423,337,034)	(284,508,062)
Receivable under financial lease agreements	-	7,877,977	-	7,877,977
Amounts due from related parties	(1,482,225)	3,462,458	(1,457,923)	2,808,471
Unbilled receivables	(262,144,440)	97,348,429	(252,261,152)	84,130,035
Costs of work in process and prepayment for cost of services	(611,128,090)	(228,097,234)	(616,046,154)	(257,436,244)
Other current assets	(880,103)	(43,145,207)	1,525,547	1,304,422
Other non-current assets	1,490,161	(1,348,745)	1,267,770	(1,799,081)
Increase (decrease) in operating liabilities				
Trade and other payables	685,415,763	(96,991,416)	656,915,197	(58,014,908)
Amounts due to related parties	932,467	1,763,147	(3,436,373)	(7,828,845)
Accrued expenses	27,889,749	31,252,231	28,827,560	37,004,757
Deferred income	490,904,885	99,343,821	497,321,874	92,366,856
Unbilled payables	45,638,915	29,684,760	33,199,428	35,054,616
Other current liabilities	(9,827,583)	10,288,366	(5,735,925)	5,681,145
Cash flows from (used in) operating activities	406,513,088	(34,223,913)	299,536,910	(54,773,384)
Cash paid for project penalties	(3,424,500)	-	-	-
Cash paid for long-term employee benefits	(1,583,000)	-	(1,583,000)	-
Cash paid for corporate income tax	(95,799,631)	(92,479,254)	(89,936,741)	(80,444,816)
Withholding tax received	-	18,469,865	-	14,362,214
Net cash flows from (used in) operating activities	305,705,957	(108,233,302)	208,017,169	(120,855,986)

The accompanying notes are an integral part of the financial statements.

MFEC Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Decrease in pledged deposits at financial institutions	1,259,164	2,040,836	-	-
Cash paid for purchase of investments in debt mutual funds	(518,000,000)	(400,000,000)	(470,000,000)	(370,000,000)
Cash received from sales of investments in debt mutual funds	488,447,427	445,993,582	470,210,896	370,350,453
Cash paid for investment in other non-current financial assets	-	(10,000,000)	-	(10,000,000)
Cash received from investment in other non-current financial assets	10,635,770	-	10,635,770	-
Cash received from investment returned and share of profit from investment in joint venture	-	-	4,048,658	-
Cash paid for purchase of investment in subsidiaries	-	-	-	(3,521,735)
Cash received from decrease in capital of subsidiaries	-	-	-	40,000,000
Cash received from investment in associates	990,563	-	1,000,000	-
Cash paid for purchase of investment in associates	(49,499,835)	(6,615,855)	(49,499,835)	(6,615,855)
Cash paid for short-term loans to related companies	(10,500,000)	(500,000)	(10,500,000)	(1,500,000)
Cash received from short-term loans to related companies	500,000	-	1,000,000	500,000
Cash received from long-term loans to related companies	-	-	-	1,500,000
Cash paid for long-term loans to related companies	-	(5,300,000)	-	(5,300,000)
Cash received from loans to related persons	-	110,000	-	110,000
Cash received from sales of equipments	2,925,851	768,535	2,690,122	412,713
Cash paid for purchase of building improvements and equipments	(29,478,841)	(49,998,980)	(24,114,719)	(33,578,679)
Cash paid for purchase of intangible assets	(11,044,653)	(11,493,458)	(5,612,149)	(8,984,211)
Cash received from interest income	1,099,272	1,095,938	966,301	864,297
Cash received from dividend	2,037,248	1,551,488	24,151,552	10,788,959
Net cash flows used in investing activities	(110,628,034)	(32,347,914)	(45,023,404)	(14,974,058)

MFEC Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from financial activities				
Increase in bank overdrafts and short-term loans from financial institutions	6,331,399	13,668,601	-	-
Payment of lease agreements	(34,286,791)	-	(28,678,304)	-
Payments of liabilities under financial arrangement agreements	(48,863,373)	(47,153,207)	(48,863,373)	(47,153,207)
Cash received from financial arrangement agreements	49,565,459	124,527,501	49,565,459	124,527,501
Cash paid for interest expenses	(1,588,320)	(984,164)	(518,800)	(715,273)
Dividend paid	(154,508,744)	(88,290,711)	(154,508,744)	(88,290,711)
Repayment of dividend from subsidiaries to non-controlling	(3,351,934)	(1,500,000)	-	-
Net cash flows from (used in) financing activities	(186,702,304)	268,020	(183,003,762)	(11,631,690)
Net increase (decrease) in cash and cash equivalents	8,375,619	(140,313,196)	(20,009,997)	(147,461,734)
Cash and cash equivalents at the beginning of year	165,643,642	305,956,838	89,651,877	237,113,611
Cash and cash equivalents at end of year	174,019,261	165,643,642	69,641,880	89,651,877
	-		-	
Non-cash items				
Lease liabilities	4,613,356	-	-	-

The accompanying notes are an integral part of the financial statements.

Notes to Financial Statements

MFEC Public Company Limited and its subsidiaries
For the year ended 31 December 2020

1. General information

1.1 General information of the Company

MFEC Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the sale of computers, computer systems, system implementation, provision of maintenance services, program development and provision of related services.

On 14 September 2020, the Company changed its registered office from No. 699 Modernform Tower, Srinakarind Road, Patthanakan, Suan Luang, Bangkok to 349 SJ Infinite One Business Complex, Vibhavadi-Rangsit Road, Chompol, Chatujak, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and impacts on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation evolved.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company, while the English statement have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of MFEC Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (collectively as "the Group"):

Company name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
			Percent	Percent
Advance Intelligence Modernity Company Limited	Development and sale of computer software, particularly entertainment media	Thai	98.20	98.20
PraIn FinTech Company Limited	Providing electronic payment gateway services	Thai	71.62	71.62
Business Applications Company Limited	Selling and developing computer programs, including relevant services.	Thai	99.99	99.99
Motif Technology Public Company Limited	Being a consultant for designing network systems and developing computer programs.	Thai	99.99	99.99
Hongson Company Limited	Providing consulting services, designing working systems and developing computer programs.	Thai	99.99	99.99

Company name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
			Percent	Percent
Msyne Innovations Company Limited	Providing consulting services, designing working systems and consulting service to analyze data.	Thai	99.99	99.99
Playtorium Solutions Company Limited	Consulting, system design and development of information system and personnel recruiting to work in the projects.	Thai	70.00	70.00
Data Café Company Limited	Providing consulting sevices to analyze all types of business information.	Thai	59.90	59.90
M.I.S. Outsourcing Company Limited	Personnel recruitment and IT system maintenance	Thai	75.00	75.00
Joint venture Power M (Msyne Innovations Company Limited hold 81.47%)	Consulting services, developing computer systems and maintenance.	Thai	100.00	100.00

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated, as of the date on which the Company obtains control, and continue to be consolidated until the date of such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

a) Financial reporting standards that became effective in the current year: During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. They also include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these standards has the impact on the Group's financial statements to result in the following adjustments.

- Recognition of derivatives : The Group initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

- Classification and measurement of investments in debt mutual funds : The Group has investments in debt mutual funds which are measured at fair value through other comprehensive income. The Group has decided to classify these investments as financial assets to be measured at fair value through profit or loss. The cumulative surplus (deficit) from changes in the value of reclassified investments that were previously presented in other comprehensive income is to be reclassified to retained earnings.

The Group recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases. The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated. The cumulative effect of the change is described in Note 4.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are 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.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach and impairment of assets.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.

b) Financial reporting standards that become effective for fiscal years beginning on or after 1 January 2021 : The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
		The impacts of		
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Current investments			-	-
Other current financial assets	24,333	(24,333)	-	24,333
Other current assets	-	24,333	-	26,624
Non-current assets	27,193	(569)		
Other non-current financial assets			-	10,397
Other long-term investments	-	10,397	-	-
Right-of-use assets	10,397	(10,397)	133,483	133,483
Other non-current assets	-	-	(8,218)	4,280
Liabilities and shareholders' equity	12,498	-		
Current liabilities				
Current portion of lease liabilities			26,894	26,894
Derivative liabilities	-	-	-	23,783
Other current liabilities	-	23,783	-	91,857
Non-current liabilities	117,685	(25,828)		
Lease liabilities, net of current portion			98,371	98,371
Shareholders' equity	-	-		
Retained earnings - inappropriated			-	352,283
Other components of shareholders' equity	350,555	1,728	-	-
Statement of financial position	252	(252)		
Assets				
Current assets				
Other current assets			-	14,771
Non-current assets	15,340	(569)		
Other non-current financial assets			-	10,397
Other long-term investments	-	10,397	-	-
Right-of-use assets	10,397	(10,397)	106,938	106,938
Other non-current assets	-	-	(6,523)	3,031
Liabilities and shareholders' equity	9,554	-		
Current liabilities				
Current portion of lease liabilities			21,808	21,808
Derivative liabilities	-	-	-	23,783
Other current liabilities	-	23,783	-	62,876
Non-current liabilities	88,704	(25,828)		
Lease liabilities, net of current portion			78,607	78,607
Shareholders' equity	-	-		
Retained earnings - inappropriated	334,225	1,476	-	335,701

4.1 Financial instruments

Details of impact on retained earnings as of 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Recognition of derivatives at fair value through profit or loss	1,476	1,476
Classification of investments in debt mutual funds as financial assets at fair value through profit or loss	252	-
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	1,728	1,476

As of 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	The former carrying amount	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets as of 1 January 2020				
Cash and cash equivalents	165,644	-	165,644	165,644
Restricted bank deposits	19,553	-	19,553	19,553
Trade and other receivables	1,570,950	-	1,570,950	1,570,950
Amount due from related parties	7,632	-	7,632	7,632
Short-term loans to related companies	500	-	500	500
Other current financial assets				
- Investments in debt mutual funds	24,333	24,333	-	24,333
Pledged bank deposits	1,259	-	1,259	1,259
Other non-current financial assets				
- Convertible loan	10,397	-	10,397	10,397
Long-term loans to related companies	5,300	-	5,300	5,300
Total financial assets	1,805,568	24,333	1,781,235	1,805,568

(Unit: Thousand Baht)

	Separate financial statements		
	The former carrying amount	Classification and measurement in accordance with TFRS 9	
		Amortised cost	Total
Financial assets as of 1 January 2020			
Cash and cash equivalents	89,652	89,652	89,652
Trade and other receivables	1,439,625	1,439,625	1,439,625
Amount due from related parties	8,573	8,573	8,573
Short-term loans to related companies	1,000	1,000	1,000
Other non-current financial assets			
- Convertible loan	10,397	10,397	10,397
Long-term loans to related companies	5,300	5,300	5,300
Total financial assets	1,554,547	1,554,547	1,554,547

As of 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss except derivative liabilities of which fair value is Baht 24 million (the Company only: Baht 24 million).

4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Operating lease commitments as of 31 December 2019	81,916	69,670
Less: Short-term leases and leases of low-value assets	(2,769)	(1,469)
Add: Option to extend lease term	75,453	58,027
Less: Contracts reassessed as service agreements	(813)	-
Less: Deferred interest expenses	(28,522)	(25,813)
Lease liabilities as of 1 January 2020 due to TFRS 16 adoption		
Weighted average incremental borrowing rate	125,265	100,415
(percent per annum)	4.25 - 5.00	5.00
Comprise of:		
Current lease liabilities	26,894	21,808
Non-current lease liabilities	98,371	78,607
	125,265	100,415

5. Significant accounting policies

5.1 Revenue and expense recognition

Revenues from contracts with customers

The Group accounts for a contract with a customer when it has entered into an agreement between counter parties that creates enforceable rights and obligations. The Group has to identify its performance obligations and allocate a transaction price to each obligation on an appropriate basis.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, net of value added tax ("VAT"). Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time. Revenues from contracts with customers mainly comprise as follows:

a) Revenue from sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or expected to receive, excluding value added tax, from goods supplied after deducting returns and discounts.

For revenue from warranty offered together with the goods sold, which is considered customer service in addition to provision of assurance that the product complies with agree-upon specifications, the Group recognised revenue from warranty over.

b) Revenue from system integration and IT professional services

Revenue from system integration and IT professional services is recognised over the period in which the services have been rendered, taking into account the stage of completion, which is determined using the information provided by the Group's engineers or the project managers. When the outcome of the services rendered cannot be estimated reliably, the revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

c) Revenue from other services

Revenue from rendering maintenance services for IT system and equipment is recognised over the period of maintenance using a straight-line basis over the contractual term.

Revenue from cloud computing services is recognised over the period in which the services are rendered, based on actual usage.

Revenue from other services is recognised at a point in time upon completion of the service.

Other income and expense

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Financial cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 Costs to fulfil contracts with customers

The Group recognises costs to fulfil a customer contract as an asset provided that the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future and the costs are expected to be recovered. The asset recognised is amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs.

5.3 Balances of contracts with customers

Contract assets

A contract asset is the excess of cumulative revenue earned over the billings to date, presents as "Unbilled receivables" in the statement of financial position. Contract assets are transferred to receivables when the rights become unconditional (i.e. services are completed and delivered to customer). Allowance for impairment loss is provided for the estimated losses that may be incurred in customer collection.

Contract liabilities

A contract liability is recognised when the consideration received (or an amount of consideration is due) exceed the cumulative revenue earned and the Group has an obligation to transfer goods or services to a customer presents as "Deferred income" in the statement of financial position. Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contracts.

5.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.5 Costs of work in process

Costs of work in process and finished goods are valued at the lower of cost (under the specific method) and net realisable value.

5.6 Investments in subsidiaries and associates

Investments associates are accounted for in the consolidated financial statements using the equity method.

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

5.7 Building maintenance and Depreciation

Building maintenance are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building maintenance is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Building maintenance	5 years
Office furnitures	3 - 5 years
Tools and office equipments	3 - 5 years
Equipments and software projects	3 - 5 years
Motor vehicles	5 years

Depreciation is included in determining income.

An item of building improvements and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.8 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any). Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

Computer software	2 - 5 years
Deferred system software of the project	3 - 10 years
Cost of research and development	3 - 5 years
Software games download	3 - 6 years

5.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. If the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.10 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets referred to office buildings are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term with in 2 - 6 years.

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies enforced before 1 January 2020

Leases of buildings and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Financial leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of financial charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under financial leases is depreciated over the useful life of the asset.

Leases of buildings and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

5.11 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

5.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency.

Transactions in foreign currencies are convertad into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.13 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the building improvements and equipment, right-of-use asset and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

5.14 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

5.15 Provisions

Provisions are recognised 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.

5.16 Share-based payment transactions

The Group recognises the share-based payment transactions on the date which the options are granted, based on the fair value of the share options. They are recorded as expenses over the expected life of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

Estimating fair value for share-based payment transactions requires judgment relating to the valuation and appropriate assumptions.

5.17 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.18 Financial instruments

Accounting policies enforced since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held 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.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL. It is presented in the statement of financial position at fair value. The net change in fair value is recognized in profit or lost.

Such financial assets include derivatives, investments in securities held for trading equity investments which the Group does not elect to classify, are measured at fair value through other comprehensive income and financial assets having cash flows that are not paid, only the principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL). For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies applied before 1 January 2020

Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Investments

Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income and will be recorded in profit or loss when the securities are sold.

The fair value of unit trust is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.19 Derivatives

The Group uses derivatives, forward currency contracts, to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

5.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. In case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value. All assets and liabilities for which fair value is measured or

disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an active market for such assets or liabilities

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognises revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs

- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

In the case of not meeting the criteria, revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation, measuring based on information provided by the Group's project managers.

Provision for penalties for project delays and possible project losses

The Group estimates liabilities that may arise from damages claimed for late submission of work under contracts and contingent liabilities from related litigation. The management used judgment in estimating the penalties for late submission of work under agreements and considered the period of work delay, assessed the results from the penalties for late submission of work and believed that the damages would be equal to the estimated liabilities recognised as at the date of the financial statements. However, the actual result may differ from the estimate.

The Group estimates the loss that may arise from each project taking into consideration the progress of work with actual costs incurred and costs expected to be incurred until completion of work in accordance with the agreements.

Allowance for expected credit losses of trade receivables and contract assets

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for each customer. The Company's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Goodwill

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

7. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2020	2019	2020	2019	
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
Sales of goods and services	-	-	1	5	Close to market price
Purchase of goods and services	-	-	177	96	Close to market price
Dividend income	-	-	22	9	As declared by subsidiaries
Transactions with associates					
Sales of goods and services	-	2	-	2	Close to market price
Purchase of goods and services	10	6	10	6	Close to market price
Dividend income	-	-	2	2	As declared by associates
Transactions with related parties					
Sales of goods and services	2	12	2	12	Close to market price

As of 31 December 2020 and 2019, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Amounts due from related parties				
Subsidiaries	-	-	917	941
Associates	8,859	7,632	8,859	7,632
Related parties	742	20,000	742	20,000
Total	9,601	27,632	10,518	28,573
Less: Allowance for expected credit losses/ Allowance for doubtful accounts	-	(20,000)	-	(20,000)
Total amounts due from related parties - net	9,601	7,632	10,518	8,573

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Amounts due to related parties				
Subsidiaries	-	-	13,435	17,804
Associates	6,304	5,372	6,304	5,372
Total amounts due to related parties	6,304	5,372	19,739	23,176

Short-term and long-term loans to related parties

As of 31 December 2020 and 2019, the balances of loans between the Company and those related companies and the movement in loans are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Balance as of 31 December 2019	Increase (decrease) during the year	Balance as of 31 December 2020
Short-term loans to related companies			
Associates			
Fanster Media Company Limited	500	(500)	-
Angstrom Solutions Company Limited	-	10,000	10,000
Digital Savvy Company Limited	-	500	500
Total	500	10,000	10,500
Long-term loans to related companies			
Associate			
Angstrom Solutions Company Limited	5,300	-	5,300
Total	5,300	-	5,300

(Unit: Thousand Baht)

	Separate financial statements		
	Balance as of 31 December 2019	Increase (decrease) during the year	Balance as of 31 December 2020
Short-term loans to related companies			
Subsidiary			
Data Café Company Limited	500	(500)	-
Associates			
Fanster Media Company Limited	500	(500)	-
Angstrom Solutions Company Limited	-	10,000	10,000
Digital Savvy Company Limited	-	500	500
Total	1,000	9,500	10,500
Long-term loans to related companies			
Associate			
Angstrom Solutions Company Limited	5,300	-	5,300
Total	5,300	-	5,300

Directors and management's benefits

During the year ended on 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	78,021	66,495	49,675	42,810
Post-employment benefits	2,410	1,902	1,344	1,334
Total	80,431	68,397	51,019	44,144

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash	426	229	165	40
Bank deposits	173,593	165,415	69,477	89,612
Total	174,019	165,644	69,642	89,652

As of 31 December 2020, bank deposits in saving accounts and fixed deposits carried interests between 0.05 and 0.25 percent per annum (2019: between 0.10 and 0.625 percent per annum).

9. Restricted bank deposits

Restricted bank deposits represent advance receipts from service users of a subsidiary which are restricted in accordance with regulations relevant to the subsidiary's business.

10. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	1,096,436	729,702	1,059,103	654,698
Past due				
Up to 3 months	456,390	395,342	446,422	385,970
3 - 6 months	22,842	72,055	22,818	65,602
6 - 12 months	22,914	28,118	21,752	26,011
Over 12 months	267,204	260,180	242,288	230,340
Back to back basis				
Total	2,073	6,219	2,073	6,219
Less: Allowance for expected credit losses	1,867,859	1,491,616	1,794,456	1,368,840
(2019: Allowance for doubtful accounts)				
Total trade receivables - unrelated	(33,273)	(15,694)	(32,973)	(15,681)
parties, net	1,834,586	1,475,922	1,761,483	1,353,159
Other receivables - unrelated parties				
Receivable from Revenue Department	109,137	86,062	101,817	77,539
Accrued rebate	-	1,881	-	1,881
Other receivables	34,828	7,154	31,452	7,046
Total	143,965	95,097	133,269	86,466
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(27,979)	(69)	(24,873)	-
Total other receivables - unrelated parties, net	115,986	95,028	108,396	86,466
Total trade and other receivables - unrelated parties	1,950,572	1,570,950	1,869,879	1,439,625

For the year ended on 31 December 2020, the Group recorded the allowance for expected credit losses with respect to trade receivables amounting to Baht 18 million and Baht 17 million in the consolidated and separate statements of comprehensive income, respectively. The primary reason for the increases was that the Central Bankruptcy Court ordered one of the Group's large corporate client to enter into business rehabilitation process.

11. Unbilled receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Unbilled receivables	742,680	480,535	709,462	457,200
Less: Allowance for expected credit losses/ Allowance for doubtful accounts	(17,109)	(11,363)	(5,209)	-
Total unbilled receivables, net	725,571	469,172	704,253	457,200

As of 31 December 2020, the balance of unbilled receivables of the Group of Baht 731 million (2019: Baht 470 million) is expected to be billed within one year and Baht 11 million of the Group (2019: Baht 11 million) is expected to be billed after one year.

For the year ended on 31 December 2020, the Group recorded the allowance for expected credit losses of unbilled receivables in the consolidated and separate statement of comprehensive income of Baht 6 million and Baht 5 million, respectively. The significant increase was mainly due to a customer of the Group which is large corporation gets the Central Bankruptcy Court approval for debt restructuring plan.

12. Costs of work in process

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	20,176	12,007	(7,056)	(7,056)	13,120	4,951
Work in process	417,992	286,648	-	-	417,992	286,648
Goods in transit	2,343	1,875	-	-	2,343	1,875
Total	440,511	300,530	(7,056)	(7,056)	433,455	293,474

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	11,572	11,572	(7,056)	(7,056)	4,516	4,516
Work in process	389,566	268,703	-	-	389,566	268,703
Goods in transit	2,343	1,875	-	-	2,343	1,875
Total	403,481	282,150	(7,056)	(7,056)	396,425	275,094

13. Other current financial assets

(Unit: Thousand Baht)

	31 December 2020
	Consolidated financial statements
Financial assets at FVTPL	
Investments in debt mutual funds	54,256
Total	54,256

(Unit: Thousand Baht)

	31 December 2019
	Consolidated financial statements
Unit trusts	24,035
Add: Unrealised gain from valuation of investment	298
Total short-term investments	24,333

14. Restricted bank deposits

As of 31 December 2019, fixed deposits of a subsidiary amounting to Baht 1 million, are pledged with the banks to secure bank guarantees issued by the banks (2020: None).

15. Other non-current financial assets

On 11 December 2018, the Board of Directors Meeting No. 11/2018 resolved to approve an investment of Baht 10 million in Deeple Company Limited ("Borrower") in the form of a convertible loan. The Company made such investment on 4 January 2019. The convertible loan is to be fully repaid in a lump sum after three years (due on 3 January 2022) and carries interest at the rate 4 percent per annum. The Company recognises interest income on the accrual basis in the financial statements.

Subsequently, in August 2020, the Company and the Borrower executed a loan settlement agreement whereby both the Company and the Borrower agree with the condition with respect to early loan repayment, and agree that the Borrower is to repay the loan principal plus interest accrued to date totaling Baht 11 million. The Company received full repayment from the Borrower in August 2020. Thus, its right to convert the loan shall be revoked.

16. Investments in subsidiaries

16.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit : Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss on investments		Net book value under cost method - net	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
			(Percent)	(Percent)						
Advance Intelligence Modernity Company Limited	10,000	10,000	98.20	98.20	6,000	6,000	(6,000)	(6,000)	-	-
Prain Fintech Company Limited	37,000	37,000	71.62	71.62	58,084	58,084	(29,050)	(29,050)	29,034	29,034
Business Applications Company Limited	10,000	10,000	99.99	99.99	200,828	200,828	-	-	200,828	200,828
Motif Technology Public Company Limited	40,000	40,000	99.99	99.99	251,927	251,927	(203,953)	(198,953)	47,974	52,974
Hongson Company Limited	5,000	5,000	99.99	99.99	80,441	80,441	(11,441)	(11,441)	69,000	69,000
Msyne Innovations Company Limited	18,000	18,000	99.99	99.99	68,739	68,739	(7,143)	(7,143)	61,596	61,596
Playtorium Solutions Company Limited	5,000	5,000	70.00	70.00	3,500	3,500	-	-	3,500	3,500
Data Café Company Limited	8,000	8,000	59.90	59.90	4,792	4,792	-	-	4,792	4,792
M.I.S. Outsourcing Company Limited	5,000	5,000	75.00	75.00	14,424	14,424	-	-	14,424	14,424
Joint Venture Business Power M	-	19,000	-	100.00	-	3,521	-	-	-	3,521
Total investments in subsidiaries - net					688,735	692,256	(257,587)	(252,587)	431,148	439,669

For the year ended on 31 December 2020, the Company determined impairment of investment in Motif Technology Public Company Limited based on business valuation using discounted cash flows method, based on the subsidiary's financial and operation plans prepared by management. The subsidiary's recoverable amount was lower than the book value, and thus the Company recorded an allowance for impairment of the investment in the subsidiary amounting to Baht 5 million in the separate statement of comprehensive income for the year ended on 31 December 2020.

Advance Intelligence Modernity Company Limited

On 14 January 2020, the Extraordinary Shareholders' Meeting No. 2/2019 of Advance Intelligence Modernity Company Limited (subsidiary), has a special resolution to dissolve the company and registered its dissolution with the Department of Business Development, the Ministry of Commerce on 22 January 2020. It is currently under liquidation process.

Joint Venture Business Power M

The Company and Msyne Innovations Company Limited (subsidiary) jointly established Joint Venture Business Power M to undertake a project for a customer, with a term of approximately 5 years. The investments by the Company and Msyne Innovations Company Limited represented 18.53 percent and 81.47 percent interests in the joint venture. After the establishment, the Joint Venture Business Power M will hold the status of a subsidiary of the Company.

On 20 March 2020, the General Shareholders' Meeting No. 1/2020 of the Joint Venture Business Power M resolved to approve the return of capital and payment of its share of profit as follows:

(Unit: Thousand Baht)

Investors	Investment amount	Share of profit
MFEC Public Company Limited	3,521	528
Msyne Innovations Company Limited	15,479	2,321
Total	19,000	2,849

(Unit: Thousand Baht)

Investors	Investment amount	Share of profit
Playtorium Solutions Company Limited	4,900	3,500
Msyne Innovations Company Limited	7,964	-
M.I.S Outsourcing Company Limited	3,750	-
Business Applications Company Limited	5,000	5,000
Hongson Company Limited	500	737
	22,114	9,237

17. Investments in associates

17.1 Details of associates:

(Unit: Thousand Baht)

Company name	Nature of business	Country of incorporation	Shareholding percentage		Carrying amounts based on equity method		Cost of investment		Allowance for impairment loss on investments		Net book value under cost method - net	
			2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
			(Percent)	(Percent)								
Angstrom Solutions Company Limited	Information & Communication Technology	Thai	40	40	41,476	41,231	44,000	44,000	-	-	44,000	44,000
Promptnow Company Limited	Entertainment media for electronics devices	Thai	20	20	63,093	63,416	3,680	3,680	-	-	3,680	3,680
Fanster Media Company Limited	Publicize news related well know people through applications	Thai	34	34	4,259	4,671	22,800	22,800	-	-	22,800	22,800
Digital Savvy Company Limited	Provides sale of tickets and advertising services	Thai	42	42	9,540	12,085	16,465	16,465	(6,900)	-	9,565	16,465
Undefined Company Limited	Provides design consultants develop application or application software with cloud computing technology	Thai	-	40	-	991	-	1,000	-	-	-	1,000
I Two Enterprise Co., Ltd.	Provides sale and installation of telecommunication systems and implementation of various communication systems	Thai	15	-	52,842	-	49,500	-	-	-	49,500	-
Total					171,210	122,394	136,445	87,945	(6,900)	-	129,545	87,945

Angstrom Solutions Company Limited

For the year ended on 31 December 2019, the Company has fully reversed the allowance for impairment of investment in Angstrom Solutions Company Limited as the Company has assessed the business value calculated from 5-year cash flow estimation before the current growth rate and the terminal value, it has found that the such company is able to operate its business and has a profit that can return capital to the Company.

Digital Savvy Company Limited

For the year ended on 31 December 2020, the Company recorded allowance for impairment of investment in Digital Savvy Company Limited amounting to Baht 6.9 million. The company did not have a plan for future operation, its management expected that the business operation would not generate enough profit to return the capital back to the Company in full.

Undefined Company Limited

On 26 December 2019, the Extraordinary Shareholders' Meeting No. 1/2019 of the associate company resolved to approve the company dissolution as its business plan did not reflect the future economic trends. The associate company registered its dissolution with the Department of Business Development, the Ministry of Commerce on 26 December 2019, and completed the liquidation process on 9 April 2020.

I Two Enterprise Co., Ltd.

On 29 September 2020, the Board of Directors Meeting No. 8/2020 resolved to invest in the newly issued shares of I Two Enterprise Co., Ltd. ("I Two") which is engaged in the sale and installation of telecommunication systems and implementation of various communication systems. The Company subscribed to 105,882 newly issued ordinary shares of I Two, at the price of Baht 467.5 per share, totaling Baht 49.5 million, representing 15% of the registered capital of I Two after the capital increase. The Company made payment according to the Share Subscription Agreement on 15 October 2020.

The fair value of the acquired assets and liabilities of I Two Enterprise Co., Ltd. as at the acquisition date are summarised below.

(Unit: Thousand Baht)

Assets	
Cash and cash equivalents	32,714
Other current financial assets	42
Trade and other receivables	62,084
Receivable under financial lease agreements	18,735
Unbilled receivables	29,923
Other current assets	21,992
Pledged bank deposits	15,756
Building improvements and equipment	5,876
Other intangible assets	71
Other non-current assets	27
Deferred tax assets	1,218
Total assets	188,438

(Unit: Thousand Baht)

Liabilities	
Trade and other payables	74,119
Short-term loan from related parties	19,078
Accrued expenses	13,913
Deferred income	6,393
Other current liabilities	3,584
Provision for long-term employee benefits	5,832
Deferred tax liabilities	146
Total liabilities	123,065
Net assets from business acquisition	65,373
Shareholder percentage (%)	15%
Net assets in proportion of the Company	9,806
Cash paid for business acquisition	49,500
Goodwill from business acquisition	39,694

Currently, the Company is in the process of completing the measurement of fair value of the identifiable assets acquired and liabilities assumed as at the acquisition date, mainly with respect to the identification and measurement of intangible assets and certain tangible assets. The measurement is to be completed within a period of 1 year from the acquisition date in accordance with the Thai Financial Reporting Standard No. 3 (revised 2018) Business Combinations. However, the Company has used its best estimates to perform valuation of assets and liabilities based on the facts and circumstances as at the acquisition date in order to initially allocate costs of the business acquisition to such identifiable items. This assessment may be significantly different from the final outcome, and the Company may need to retrospectively adjust the provisional amounts previously recognised as at the acquisition date.

17.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of profit (loss) from investments in associates and dividend received as follows:

(Unit: Thousand Baht)

Company name	Consolidated financial statements					
	Share of profit/loss from investments in associates during the year		Share of other comprehensive income from investments in associates during the year		Dividend received during the year	
	2020	2019	2020	2019	2020	2019
Angstrom Solutions Company Limited	245	1,422	-	-	-	-
Promptnow Company Limited	1,096	3,752	618	-	2,038	1,552
Fanster Media Company Limited	(412)	(1,119)	-	-	-	-
Digital Savvy Company Limited	(2,545)	(1,649)	-	-	-	-
Undefined Company Limited	-	(9)	-	-	-	-
I Two Enterprise Company Limited	3,342	-	-	-	-	-
	1,726	2,397	618	-	2,038	1,552

17.3 Significant financial information

Summarised information of financial position

(Unit: Thousand Baht)

	Angstrom Solutions Company Limited		Promptnow Company Limited	
	2020	2019	2020	2019
Current assets	99	55	153,586	142,309
Non-current assets	158,703	139,736	25,402	25,874
Current liabilities	(31,311)	(28,182)	(46,477)	(29,024)
Non-current liabilities	(23,809)	(8,539)	(5,408)	(7,003)
Net assets	103,682	103,070	127,103	132,156
Shareholding percentage (%)	40	40	20	20
Share of net assets	41,473	41,228	25,421	26,431
Goodwill	-	-	37,514	37,514
Others	3	3	158	(529)
Carrying amounts of associates based on equity method	41,476	41,231	63,093	63,416

Summarised information of comprehensive income

(Unit: Thousand Baht)

	For the year ended on 31 December			
	Angstrom Solutions Company Limited		Promptnow Company Limited	
	2020	2019	2020	2019
Revenue	11,369	14,314	101,691	104,949
Profit	612	3,555	5,481	18,757
Other comprehensive income	-	-	3,088	-
Total comprehensive income	612	3,555	8,569	18,757

The Company determined the recoverable amounts of cash-generating units of PromptNow Company Limited based on the value-in-use, using 5-year cash flow projections approved by management.

Key assumptions used in value in use calculations are as follows:

	(Unit: percent per annum)
Growth rate	3
Pre-tax discount rate	9

Management has considered growth rate based on past business performance, forecasted market growth and GDP growth rates, and discount rate as a pre-tax rate to reflect the risks specific to each cash-generating unit, and believes that there is no impairment of goodwill.

18. Building improvements and equipment

Movements of building improvements and equipment for the years ended on 31 December 2020 and 2019 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements						
	Building maintenance	Office furniture	Tools and office equipment	Equipment and software system	Motor vehicles	Assets under installation and under construction	Total
Cost:							
1 January 2019	33,483	150,454	239,855	26,185	9,169	1,039	460,185
Additions	6,430	9,604	17,313	-	4,690	11,962	49,999
Disposals/write-off	(6,285)	(6,389)	(6,904)	(649)	(2,029)	-	(22,256)
Transfers in (out)	779	5	169	-	-	(1,039)	(86)
31 December 2019	34,407	153,674	250,433	25,536	11,830	11,962	487,842
Additions	3,299	8,298	11,919	1	5,885	108	29,510
Disposals/write-off	(2,464)	(12,415)	(7,031)	(67)	(4,968)	-	(26,945)
Transfers in (out)	12,059	5,953	(5,953)	-	-	(12,059)	-
31 December 2020	47,301	155,510	249,368	25,470	12,747	11	490,407
Accumulated depreciation:							
1 January 2019	19,294	106,129	215,569	19,552	8,207	-	368,751
Depreciation for the year	3,846	15,656	17,490	11	989	-	37,992
Depreciation on disposals/ write-off	(6,285)	(6,280)	(5,434)	(636)	(1,922)	-	(20,557)
Transfers in (out)	-	(9)	-	-	-	-	(9)
31 December 2019	16,855	115,496	227,625	18,927	7,274	-	386,177
Depreciation for the year	5,363	16,917	11,919	-	1,696	-	35,895
Depreciation on disposals/ write-off	(2,427)	(12,092)	(5,413)	(67)	(4,968)	-	(24,967)
Transfers in (out)	-	3,245	(3,245)	-	-	-	-
31 December 2020	19,791	123,566	230,886	18,860	4,002	-	397,105
Allowance for impairment loss:							
1 January 2019	-	10,150	-	6,600	-	-	16,750
31 December 2019	-	10,150	-	6,600	-	-	16,750
31 December 2020	-	10,150	-	6,600	-	-	16,750
Net book value:							
31 December 2019	17,552	28,028	22,808	9	4,556	11,962	84,915
31 December 2020	27,510	21,794	18,482	10	8,745	11	76,552
Depreciation for the year							
2019 (Baht 21 million included in cost of sales and services, and the balance in selling and administrative expenses)							37,992
2020 (Baht 14 million included in cost of sales and services, and the balance in selling and administrative expenses)							35,895

(Unit: Thousand Baht)

	Separate financial statements						
	Building maintenance	Office furniture	Tools and office equipment	Equipment and software system	Motor vehicles	Assets under installation and under construction	Total
Cost:							
1 January 2019	22,628	138,533	218,756	26,059	6,778	207	412,961
Additions	125	7,612	13,880	-	-	11,962	33,579
Disposals/write-off	-	(5,576)	(2,306)	(527)	(1,876)	-	(10,285)
Transfers in (out)	-	-	134	-	-	(207)	(73)
31 December 2019	22,753	140,569	230,464	25,532	4,902	11,962	436,182
Additions	2,177	7,015	11,053	-	3,762	108	24,115
Disposals/write-off	(2,457)	(7,386)	(6,353)	(67)	(3,361)	-	(19,624)
Transfers in (out)	12,059	5,945	(5,945)	-	-	(12,059)	-
31 December 2020	34,532	146,143	229,219	25,465	5,303	11	440,673
Accumulated depreciation:							
1 January 2019	12,412	95,625	197,152	19,450	5,821	-	330,460
Depreciation for the year	2,846	15,060	15,712	-	436	-	34,054
Transfers in (out)	-	(5,491)	(1,038)	(527)	(1,769)	-	(8,825)
31 December 2019	15,258	105,194	211,826	18,923	4,488	-	355,689
Depreciation for the year	4,173	15,964	10,107	-	642	-	30,886
Depreciation on disposals/ write-off	(2,422)	(7,066)	(4,734)	(67)	(3,361)	-	(17,650)
Transfers in (out)	-	3,236	(3,236)	-	-	-	-
31 December 2020	17,009	117,328	213,963	18,856	1,769	-	368,925
Allowance for impairment loss:							
1 January 2019	-	10,150	-	6,600	-	-	16,750
31 December 2019	-	10,150	-	6,600	-	-	16,750
31 December 2020	-	10,150	-	6,600	-	-	16,750
Net book value:							
31 December 2019	7,495	25,225	18,638	9	414	11,962	63,743
31 December 2020	17,523	18,665	15,256	9	3,534	11	54,998
Depreciation for the year							
2019 (Baht 21 million included in cost of sales and services, and the balance in selling and administrative expenses)							34,054
2020 (Baht 13 million included in cost of sales and services, and the balance in selling and administrative expenses)							30,886

As of 31 December 2020, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 346 million (2019: Baht 341 million) (the Company only: Baht 329 million, 2019: Baht 321 million).

19. Leases

19.1 The Group as a lessee

The Group entered lease contracts for office building to be used in its operations. The lease contracts have a term of 2-3 years, with an option to extend the lease term for a period equal to the original term. The Group therefore expressed its intention to extend the lease term and recognised the depreciation of the right-of-use assets for a period of 2 - 6 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended on 31 December 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
As of 1 January 2020	133,483	106,938
Increase	4,852	-
Decrease	(7,883)	(7,883)
Depreciation for the year	(28,857)	(23,267)
As of 31 December 2020	101,595	75,788

b) Lease liabilities

(Unit: Thousand Baht)

	As of 31 December 2020	
	Consolidated financial statements	Separate financial statements
Lease payments	115,486	88,295
Less: Deferred interest expenses	(17,704)	(14,839)
Total	97,782	73,456
Less: Portion due within one year	(26,115)	(20,228)
Lease liabilities - net of current portion	71,667	53,228

A maturity analysis of lease payments is disclosed in Note 38.2 under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	For the year ended 31 December 2020	
	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	28,857	23,267
Interest expense on lease liabilities	9,839	8,893
Expense relating to short-term leases	5,050	2,358
Expense relating to leases of low-value assets	1,150	1,120

d) Others

The Group had total cash outflows for leases for the year ended on 31 December 2020 of Baht 34 million, including the cash outflow related to short-term lease and leases of low-value assets. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 5 million.

20. Goodwill

The Company allocates goodwill acquired through business combination to an asset's cash-generating unit for annual impairment testing as follows:

(Unit: Thousand Baht)

	CGU 1	CGU 2	CGU 3	
	Business Applications Company Limited and Hongson Company Limited	Motif Technology Public Company Limited	Msyne Innovations Company Limited	Total
Net goodwill	215,022	16,072	26,879	257,973

The Company has determined the recoverable amounts of its cash-generating units based on value in use using cash flow projections from financial estimation approved by management covering 5 years.

Key assumptions used in value in use calculations are as follows:

	(Unit: percent per annum)
Growth rate	3
Pre-tax discount rate	9

Management has considered growth rate from the growth rate based on the past performance, forecast for market growth and GDP growth rate, and discount rate as a pre-tax rate to reflect the risks specific to each cash-generating unit.

Management has considered the above and believes that there is no occurrence of impairment of goodwill.

21. Other intangible assets

The net book value of intangible assets as of 31 December 2020 and 2019 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Computer software	Deferred of project system software	Games for download	Cost of research and development	Program under development	Total
Cost:						
1 January 2019	47,880	32,023	9,857	10,152	3,876	103,788
Acquisitions/internal cost	5,001	1,165	-	3,456	1,872	11,494
Disposals/write-off	(2,775)	-	(9,857)	-	-	(12,632)
Transfer in (out)	3,885	9,517	-	(9,517)	(3,876)	9
31 December 2019	53,991	42,705	-	4,091	1,872	102,659
Acquisitions/internal cost	4,218	3,041	-	3,607	178	11,044
Disposals/write-off	(3,700)	-	-	-	-	(3,700)
Transfer in (out)	1,872	-	-	-	(1,872)	-
31 December 2020	56,381	45,746	-	7,698	178	110,003

(Unit: Thousand Baht)

	Consolidated financial statements					
	Computer software	Deferred of project system software	Games for download	Cost of research and development	Program under development	Total
Accumulated amortisation:						
1 January 2019	36,741	20,245	8,357	1,971	-	67,314
Amortisation for the year	4,789	2,112	-	492	-	7,393
Amortisation on disposals/ write-off	(2,770)	-	(8,357)	-	-	(11,127)
Transfer in (out)	9	(860)	-	860	-	9
31 December 2019	38,769	21,497	-	3,323	-	63,589
Amortisation for the year	5,369	4,037	-	63	-	9,469
Amortisation on disposals/ write-off	(3,696)	-	-	-	-	(3,696)
31 December 2020	40,442	25,534	-	3,386	-	69,362
Allowance for impairment loss:						
1 January 2019	3,357	11,763	1,500	1,430	-	18,050
Increase (decrease) during the year	-	1,430	(1,500)	(1,430)	-	(1,500)
31 December 2019	3,357	13,193	-	-	-	16,550
31 December 2020	3,357	13,193	-	-	-	16,550
Net book value:						
31 December 2019	11,865	8,015	-	768	1,872	22,520
31 December 2020	12,582	7,019	-	4,312	178	24,091
Amortisation for the year						
2019 (Baht 1 million included in cost of sales and services, and the balance in selling and administrative expenses)						7,393
2020 (Baht 6 million included in cost of sales and services, and the balance in selling and administrative expenses)						9,469

(Unit: Thousand Baht)

	Separate financial statements				
	Computer software	Deferred of project system software	Cost of research and development	Program under development	Total
Cost:					
1 January 2019	40,761	29,113	3,668	3,876	77,418
Acquisitions/internal cost	4,808	-	2,304	1,872	8,984
Disposals/write-off	(6)	-	-	-	(6)
Transfer in (out)	3,876	3,668	(3,668)	(3,876)	-
31 December 2019	49,439	32,781	2,304	1,872	86,396
Acquisitions/internal cost	4,144	-	1,290	178	5,612
Transfer in (out)	1,872	-	-	(1,872)	-
31 December 2020	55,455	32,781	3,594	178	92,008

(Unit: Thousand Baht)

	Separate financial statements				
	Computer software	Deferred of project system software	Cost of research and development	Program under development	Total
Accumulated amortisation:					
1 January 2019	30,055	18,978	-	-	49,033
Amortisation for the year	4,533	1,388	-	-	5,921
Amortisation on disposals/write-off	(1)	-	-	-	(1)
31 December 2019	34,587	20,366	-	-	54,953
Amortisation for the year	5,084	1,840	-	-	6,924
31 December 2020	39,671	22,206	-	-	61,877
Allowance for impairment loss:					
1 January 2019	3,357	10,114	-	-	13,471
31 December 2019	3,357	10,114	-	-	13,471
31 December 2020	3,357	10,114	-	-	13,471
Net book value:					
31 December 2019	11,495	2,301	2,304	1,872	17,972
31 December 2020	12,427	461	3,594	178	16,660
Amortisation for the year					
2019 (the balance in selling and administrative expenses)					5,921
2020 (the balance in selling and administrative expenses)					6,924

As of 31 December 2020, certain items of intangible assets were fully depreciated but are still in use. The gross carrying amount before deducting accumulated amortization and allowance for impairment loss of those assets amounted to approximately Baht 34 million (2019: Baht 27 million) (the Company only: Baht 34 million, 2019: Baht 27 million).

22. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum) MOR	Consolidated financial statements	
		2020	2019
Bank overdrafts	4.25 - 5.25	-	3,669
Short-term loans from financial institutions		20,000	10,000
Total		20,000	13,669

The short-term loans from financial institutions were unsecured loans.

The Group has to comply with the covenants and adhere to the terms under the financial institutions' overdrafts and short-term loan agreements.

As of 31 December 2020, the bank overdrafts and short-term loans from banks credit facilities of the Group which have not yet been drawn down amounted to Baht 1,909 million (31 December 2019: Baht 1,915 million).

23. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade and other payables	1,109,841	481,407	1,069,454	452,114
Escrow payables	36,868	19,553	-	-
Revenue Department payable	76,685	37,774	74,018	35,188
Total trade and other payables	1,223,394	538,734	1,143,472	487,302

24. Liabilities under financial arrangement agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Liabilities under financial arrangement agreements	79,559	78,857	79,559	78,857
Less: Current portion	(25,766)	(32,185)	(25,766)	(32,185)
Net of current portion	53,793	46,672	53,793	46,672

Liabilities under financial arrangement agreements without interest and has 4 - 6 repayment periods, approximately 12 - 55 months.

25. Provision for penalties for project delays and possible project losses

(Unit: Thousand Baht)

	Consolidated financial statement		
	Penalties for project delays	Possible project losses	Total
1 January 2019	8,941	33,847	42,788
Increase during the year	3,201	3,995	7,196
Decrease (including actual incurred) during the year	-	(16,428)	(16,428)
31 December 2019	12,142	21,414	33,556
Increase during the year	16,690	6,514	23,204
Decrease (including actual incurred) during the year	(4,930)	(16,293)	(21,223)
31 December 2020	23,902	11,635	35,537

(Unit: Thousand Baht)

	Separate financial statement		
	Penalties for project delays	Possible project losses	Total
1 January 2019	4,011	29,297	33,308
Decrease (including actual incurred) during the year	-	(16,428)	(16,428)
31 December 2019	4,011	12,869	16,880
Increase during the year	16,000	5,000	21,000
Decrease (including actual incurred) during the year	-	(12,869)	(12,869)
31 December 2020	20,011	5,000	25,011

26. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was detailed as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Provision for long-term employee benefits at the beginning of year	129,524	99,322	110,154	84,950
Included in profit or loss:				
Current service cost	11,889	11,061	9,369	9,188
Interest cost	3,396	3,002	2,876	2,565
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	49	-	46	-
Financial assumptions changes	22,683	16,139	19,279	13,451
Experience adjustments	(1,416)	-	(2,199)	-
Benefits paid during the year	(1,583)	-	(1,583)	-
Provision for long-term employee benefits at end of year	164,542	129,524	137,942	110,154

The Group expects to pay Baht 1 million as long-term employee benefits the next coming year (2019: None) (the Company only: Baht 1 million) (2019: None)

As of 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 12 - 21 years (2019: 12 - 21 years) (the Company only: 14 years, 2019: 14 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2563	2562	2563	2562
Discount rate	1.49 - 1.82	1.69 - 2.04	1.49	1.71
Salary increase rate	5.00 - 6.00	5.00 - 6.00	6.00	6.00
Turnover rate	1.91 - 34.38	1.91 - 34.38	2.87 - 25.79	2.87 - 25.79

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as of 31 December 2020 and 2019 are summarised below:

(Unit: million Baht)

	2020			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (change 1%)	(16.2)	18.9	(13.5)	15.7
Salary increase rate (change 1%)	17.0	(15.0)	14.0	(12.4)
Turnover rate (change 20%)	(18.9)	23.7	(16.3)	20.5

(Unit: million Baht)

	2019			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (change 1%)	(11.4)	13.1	(9.1)	10.4
Salary increase rate (change 1%)	13.1	(11.6)	10.4	(9.2)
Turnover rate (change 20%)	(13.8)	17.2	(12.0)	15.1

27. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

According to the Thai Civil and Commercial Code, a subsidiary is required to set aside a statutory reserve equal to at least 5% of its profit each time the company pays out a dividend, until such reserve reaches 10% of its registered share capital. The statutory reserve can neither be offset against deficit nor used for dividend payment.

28. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Salaries, wages and other employee benefits	1,176,467	1,023,294	923,657	834,323
Depreciation and amortisation	74,221	48,799	61,077	39,975
Purchase of inventories and services	3,778,658	2,558,063	3,634,211	2,325,878
Changes in inventories of finished goods and work in progress	577,714	(228,189)	583,160	(257,509)
Loss on exchange rate	25,628	(19,760)	24,264	(20,091)
Impairment loss on investment in subsidiaries	-	-	5,000	-
Impairment loss on investments in associates (reversal)	-	(44,000)	6,900	(44,000)
Doubtful accounts/Expected credit losses	26,252	14,575	22,391	14,575

29. Income tax

Income tax expenses for the years ended on 31 December 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current income tax:				
Current income tax charge	76,986	55,630	65,658	44,011
Deferred tax:				
Relating to origination and reversal of temporary differences	(13,957)	(2,525)	(13,228)	(1,980)
Effect of the change in tax rate	5	(4)	-	-
Income tax expenses reported in profit or loss	63,034	53,101	52,430	42,031

The amounts of income tax relating to each component of other comprehensive income for the years ended on 31 December 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax on gain from the change in value of available-for-sale investments	-	28	-	-
Deferred tax on actuarial losses	(4,382)	(2,909)	(3,425)	(2,690)
Effect of the change in tax rate	-	(7)	-	-
	(4,382)	(2,888)	(3,425)	(2,690)

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profit before tax	310,733	281,234	287,064	265,630
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by	62,147	56,247	57,413	53,126
income tax rate	3,317	2,963	-	-
Effects of eliminated transactions				
Effects of changes in the tax rates	(56)	(162)	-	-
Temporary differences and tax losses for the year for which				
deferred tax assets were not recognised	5,302	(8,800)	2,380	(8,800)
Temporary differences of previous year which were recognised				
as deferred tax assets during the year	(4,295)	-	(4,295)	-
Reversal of temporary differences which were recognised as				
deferred tax assets of previous year	2,574	-	2,574	-
Tax losses utilised during the year for which deferred tax				
assets were not previously recognised	(729)	(225)	-	-
Effects of:				
Non-deductible expenses	1,485	3,766	780	1,363
Exempt revenues	(4,830)	-	(4,830)	(2,158)
Additional expense deductions allowed	(1,726)	-	(1,592)	(1,500)
Others	(155)	(688)	-	-
Total	(5,226)	3,078	(5,642)	(2,295)
Income tax expense reported in profit or loss	63,034	53,101	52,430	42,031

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets				
Allowance for expected credit losses (2019: Allowance for doubtful accounts)	12,776	8,149	12,611	8,133
Allowance for diminution in value of costs of work in process	1,411	1,411	1,411	1,411
Allowance for impairment of building improvements and equipment	4	4	4	4
Provision for long-term employee benefits	32,061	25,096	27,589	22,031
Provision for penalties of project delay and project loss	5,002	3,376	5,002	3,376
Derivative liabilities	4,295	-	4,295	-
Lease	792	-	696	-
Total	56,341	38,036	51,608	34,955
Deferred tax liabilities				
Unrealised gain from change in value of available-for-sale investments		46	-	-
Unrealised gain on derivative at fair value	21	-	-	-
Total	21	46	-	-

As of 31 December 2020, the Group has deductible temporary differences and unused tax losses totaling Baht 88 million (2019: Baht 57 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 62 million will expire by 2025 (2019: Baht 25 million will expire by 2024).

30. Promotional privileges

One subsidiary receive tax privileges for the software business. The privileges are corporate income tax exemption for a period of eight years, import duty on machinery, tax exemption on dividend income from the promoted business, etc.

As a promoted business, the subsidiary has to comply with the terms and conditions as specified in the promotion certificate.

As of 31 December 2020 and 2019, the subsidiary has not exercised such promotional privileges.

31. Share-based payment

M.I.S. Outsourcing Company Limited (subsidiary)

On 13 July 2018, the Extraordinary Shareholders' Meeting No.2/2018 of Prain Fintech Company Limited (former parent company) resolved to approve the disposal of investment in M.I.S. Outsourcing Company Limited to the employees of M.I.S. Outsourcing Company Limited in the amount equal to 5 percent of the registered capital, or 25,000 ordinary shares, at the selling price of Baht 20 per share, in order to motivate employees and improve their engagement in the business, and in turn encourage them to drive the business towards future growth. The criteria and conditions are as follows:

1. The employees agree to be bound by and perform their work in accordance with their respective employment contracts for a period of three years, from 21 July 2018 until 20 July 2021 ("Commitment Period").

2. The employees agree and acknowledge that they have the right to sell, distribute or transfer their shares at the mutually agreed and appropriate price. The employees agree to offer part or all of the shares to the parties as follows: (1) MFEC Public Company Limited, (2) other shareholders as per the list of shareholders as of the date of this record (3) if MFEC Public Company Limited and other shareholders reject the share offer, the employees will have the right to offer the shares to other parties, except persons or juristic persons who are business competitors of the Company.

3. If the employees resign from M.I.S. Outsourcing Company Limited, or are terminated because of their wrongdoings and failure to perform their work for M.I.S. Outsourcing Company Limited before the end of the commitment period, the employees are required to offer all of their shares back to MFEC Public Company Limited at a reasonable price and agreed upon by both parties.

Information on fair value measurement method

The fair value of ordinary shares of M.I.S. Outsourcing Company Limited is calculated using the discounted cash flow approach by an independent appraiser. The fair value as at the grant date was Baht 64 per share, which was higher than the exercise price to buy the shares at Baht 44 per share. Therefore, the Company recognised the difference as expense from the share-based payment according to the average of the commitment period under employment contracts in profit or loss for the year 2020 in the amount of Baht 0.4 million (2019: Baht 0.4 million), and recognised the surplus from share-based payment in shareholder's equity.

32. Earnings per share

Basic earnings per share is calculated by dividing profit for year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

33. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The Group is principally engaged in the systems integration, maintenance service, IT professional service and cloud computing service with the main operation in the single geographic area in Thailand. Segment performance is considered by revenue and gross profit and is also measured based on the Group's operating profit or loss, on a basis consistent with used to measure operating profit or loss in the financial statements.

The following tables present revenue and profit (loss) information regarding the Group's operating segments for the year ended on 31 December 2020 and 2019:

(Unit: Million Baht)

	Consolidated financial statements													
	Systems integration		Maintenance service		IT professional service		Cloud computing service		Others		Eliminations		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from external customers	2,153	1,501	1,288	1,176	856	740	345	261	29	10	-	-	4,671	3,688
Inter-segment revenues	16	6	52	25	128	91	-	-	-	-	(196)	(122)	-	-
Total revenues	2,169	1,507	1,340	1,201	984	831	345	261	29	10	(196)	(122)	4,671	3,688
Segment gross profit (loss)	197	230	327	314	276	225	50	28	8	(3)	-	-	858	794

33.1 Timing of revenue recognition

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Revenue recognised at a point in time	813,659	377,885	639,255	219,102
Revenue recognised over time	3,857,156	3,310,200	3,658,158	3,092,778
Total revenue from contracts with customers	4,670,815	3,688,085	4,297,413	3,311,880

33.2 Major customers

For the year 2020, the Group has revenue from two major customers in totaling of Baht 1,194 million (2019: Baht 425 million derived from one major customer), arising mostly from systems integration and IT professional service segments.

34. Provident fund

The Company, the subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 - 7 percent of basic salary. The fund, which is managed by a licensed Fund Manager, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to approximately Baht 31 million (2019: Baht 27 million) (The Company only: Baht 27 million and 2019: Baht 25 million) were recognised as expenses.

35. Dividends

Dividends	Approved by	Dividends paid	Dividend per share
		(Thousand Baht)	(Baht)
Final dividends of 2018	Annual General Meeting of the shareholders on 25 April 2019	88,291	0.20
Total dividends of 2019		88,291	
Final dividends of 2019	Annual General Meeting of the shareholders on 27 April 2020	154,508	0.35
Total dividends of 2020		154,508	

36. Commitments and contingent liabilities

36.1 Guarantees

As of 31 December 2020, the Company had outstanding bank guarantees of Baht 367 million and USD 1 million (2019: Baht 292 million) and on behalf of the subsidiaries of Baht 28 million (2019: Baht 36 million) in respect of certain performance obligations required in the normal course of business of the Group.

36.2 Obligations relating to undelivered or unrendered contracts

As of 31 December 2020, the Group has contracts related to selling goods or rendering services that are undelivered or unrendered to its customers of approximately Baht 5,112 million (2019: Baht 3,089 million) and of approximately Baht 4,995 million for the Company only (2019: Baht 2,877 million).

36.3 Contingent liabilities on lawsuit

36.3.1 Contingent liabilities on the lawsuit of the subsidiary

Case 1

A subsidiary may incur contingent liabilities from penalties associated with a service agreement made with a government agency. Under the term of the agreement, in case of late work delivery, the other party has the right to charge a penalty fee for such delay at the rate specified in the agreement. Although the subsidiary completed and delivered and the, the delivery indeed occurred after the period specified in the agreement.

In response to this, the management of the subsidiary provided clarification and documentary evidences to prove that the subsidiary was not at fault in the late delivery of work and set aside a provision for possible penalties amounting to Baht 5 million. The management is confident that the amount is. adequate for settlement of the actual contingent liabilities.

On 30 August 2016, the subsidiary filed a lawsuit with the Central Administration Court to claim damages of Baht 94 million from the above customer, together with interest thereon at the rate of 7.5% per annum. The other parties filed a statement to the court on 20 April 2017.

Subsequently, on 14 July 2017, the above government agency filed a suit against the subsidiary with the Administrative Court for the late delivery of work, claiming damages amounting to Baht 39 million. The subsidiary filled a counterclaim on 24 August 2017 and submitted additional testimony to the court on 18 May 2018.

Subsequently on, 17 February 2020, the court scheduled 18 February 2020 as the last day for the fact-finding hearing. The subsidiary then submitted additional testimony to the court.

On 31 July 2020, the Central Administrative Court delivered a ruling in favour of the subsidiary, resulting in it winning the lawsuit. The court's ruling required the government agency to pay a last installment of the payment of Baht 30 million to the subsidiary and required the subsidiary to pay penalties from delays in submitting deliverables of Baht 5 million. Finally, the net payment amount that the government agency has to pay the last installment net of the penalties is Baht 25 million.

Subsequently, on the third quarter the above government agency lodged an appeal, it is currently is under consideration by the court.

Case 2

On 13 May 2016, the contracting party, i.e., a state enterprise, terminated the agreement for system purchase/sale and installation/development with the contract value of Baht 34 million. The subsidiary filed a law-suit with the Civil Court on 16 August 2016 for the breach of contract, claimed for damages for early contract termination (the contract was to expire on 31 May 2016) and claimed for payment in accordance with the letter of guarantee which the misuse of rights.

On 27 July 2017, the court ruled the customer was not to be held responsible for such damages as the contract was legally terminated and the customer had the right to confiscate the collateral under the contract amounting to Baht 3 million. Subsequently, on 2 August 2017, the court protection was sought for the letter of guarantee. On 13 December 2017, the subsidiary has lodged another appeal, which was accepted by the court. Subsequently, on 21 February 2018, the customer filed an appeal against the court's decision. On 12 September 2018 the court upheld the ruling of the Court of First Instance, and the legal representative of the subsidiary submitted a request to the court for further issue temporary protection. The subsidiary filed a petition on 11 December 2018.

On 5 November 2019, the Supreme Court dismissed the claim and rejected the petition and rejected the petition based on the fact that the essence of the judgment of the Appeal Court could not be changed. The subsidiary is to be responsible the damages of 3 million according to the guarantee made with a bank. The subsidiary has settled the payment on 26 Mach 2020.

On 7 September 2018, the state enterprise customer filed lawsuit against the subsidiary with the Civil Court for the late delivery of work, claiming damages of Baht 141 million. The subsidiary filed a counterclaim on 18 January 2019. Subsequently, on 19 August 2019, the Civil Court ordered the postponement of the case hearing to 18 November 2019. Subsequently, on 27 October 2020, the Civil Court ordered the postponement the witness hearing to 27-30 April 2021. Currently, the case is under consideration by the court.

The management considered and estimated the penalty loss at Baht 3 million.

Case 3

On 17 June 2020, a private company, as a hiring party under purchase and computer software license agreements, filed a lawsuit against the subsidiary with the Southern Bangkok Civil Court on the grounds that the subsidiary failed to fulfill contractual obligations and submit deliverables within the due date agreed under the terms of the agreements. The private company demanded the subsidiary to return the earlier payment of Baht 5 million.

The subsidiary's management is in the process of preparing documentation for lodging of a defense and a counterclaim against the plaintiff, claiming the termination of the agreements by the hiring party to be illegitimate since they had yet to reach the agreed date for submission of deliverables. In addition, the management assessed that the subsidiary was able to ensure the timely submission of deliverables as agreed under the terms of the agreements. Subsequently, the court scheduled the mediation on 19 November 2020. Subsequently, the Civil Court ordered postponement of this case to 22 March 2021.

The management did not consider setting aside a provision for contingent liabilities in respect of the repayment claimed by the plaintiff in the current year since the subsidiary is still in the process of filing a request with the Civil court to consider the counterclaim. As at 31 December 2020, this case has not yet been finalised.

37. Fair value hierarchy

As of 31 December 2020 and 2019, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As of 31 December 2020			
	Level 1	Level 2	Level 3	Level 4
Asset measured at fair value				
Investments in debt mutual funds	-	54	-	54
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	21	-	21

(Unit: Million Baht)

	Consolidated financial statements			
	As of 31 December 2019			
	Level 1	Level 2	Level 3	Level 4
Asset measured at fair value				
Current investments	-	24	-	24

(Unit: Million Baht)

	Separate financial statements			
	As of 31 December 2020			
	Level 1	Level 2	Level 3	Level 4
Liability measured at fair value				
Derivatives Foreign currency forward contracts	-	21	-	21

38. Financial instruments

38.1 Derivatives

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	21,473	25,828	21,473	25,828
Total derivative liabilities	21,473	25,828	21,473	25,828

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 to 12 months.

38.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, restricted bank deposits, trade and other receivable, loans to, investments, and short-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables and contract assets

The Group manages the risk by adopting appropriate credit control policies and procedures and most customers are large enterprises. Thus, the Group does not have high concentrations of credit risk since it has a large customer base in various industries. Therefore, the management does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. In addition, the Group does not hold collateral as security.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are significant market risk comprising foreign currency risk arising on the import of goods and services.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its importing goods and services that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As of 31 December 2020, the Group has outstanding balance of trade receivables and trade payables denominated in foreign currency of USD 2 million and USD 17 million, respectively (2019: USD 2 million and USD 5 million, respectively).

As of 31 December 2020 and 2019, foreign exchange contracts outstanding are summarised below.

Foreign currency	2020			
			Contractual exchange rate	
	Bought amount	Sold amount	Bought	Sold
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	16	-	30.91 - 32.66	-

Foreign currency	2019			
			Contractual exchange rate	
	Bought amount	Sold amount	Bought	Sold
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	24	2	30.17 - 31.67	29.89 - 30.02

Foreign currency sensitivity

The impact on the Group's profit before tax from the changes in the fair value of monetary assets and liabilities including foreign currency derivatives is not material since the management of the Group entered into derivatives with the similar amount of monetary liabilities

Interest rate risk

Most of the Group's financial assets and liabilities are non-interest bearing. Thus, the interest rate risk is expected to be minimal.

Liquidity risk

The Group monitors the risk of a shortage of liquidity by maintaining adequate level of cash and cash equivalents to support the Group's operations including seeking the short-term credit facilities from financial institutions for reserve as necessary and to manage its cash flow.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	20,000	-	-	20,000
Trade and other payables	1,223,394	-	-	1,223,394
Amounts due to related parties	6,304	-	-	6,304
Lease liabilities	33,322	81,291	873	115,486
Liabilities under financial arrangement agreements	25,766	53,793	-	79,559
Total non-derivatives	1,308,786	135,084	873	1,444,743
Derivatives				
Derivative liabilities: net settled	21,473	-	-	21,473
Total	21,473	-	-	21,473

(Unit: Thousand Baht)

	Separate financial statements		
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Trade and other payables	1,143,472	-	1,143,472
Amounts due to related parties	19,739	-	19,739
Lease liabilities	26,376	61,919	88,295
Liabilities under financial arrangement agreements	25,766	53,793	79,559
Total non-derivatives	1,215,353	115,712	1,331,065
Derivatives			
Derivative liabilities: net settled	21,473	-	21,473
Total derivatives	21,473	-	21,473

38.3 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

39. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 1.65:1 (2019: 0.98:1) and the Company's was 1.58:1 (2019: 0.91:1).

40. Events after reporting period

40.1 The Board of Directors Meeting No. 10/2020 on 15 December 2020, has resolved the establishment of a new subsidiary namely Venture Lab Co., Ltd. for the purpose to engage in research and development of new products and services with the registered and paid-up capital of Baht 5,000,000, consisted of 50,000 ordinary shares with a par value of Baht 100 per share. The Company will be invested in 99.99% of registered shares capital in such new subsidiary value of Baht 4,999,700.

Venture Lab Co., Ltd. is established of its company on 11 January 2021.

40.2 On 23 February 2021, the Board of Directors' meeting of the Company passed a resolution to propose the payment of a dividend in respect of the operating results of 2020 of Baht 0.4 per share, representing dividend payment being proposed to approve of Baht 176.6 million. The Company will propose to the Annual General Meeting of the Shareholders to resolve approval on such dividend payment.

41. Reclassification

The Group has reclassified line item in statement of financial position as of 31 December 2019 to conform with the current year's classification. The reclassifications are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	As of 31 December 2019		As of 1 January 2019	
	As reclassified	As previously reported	As reclassified	As previously reported
Current assets				
Cash and cash equivalents	165,644	185,197	305,957	326,004
Restricted bank deposits	19,553	-	20,047	-
Costs of work in process	293,474	829,837	244,526	601,648
Prepayment for cost of services	413,593	-	292,870	-
Non-current assets				
Prepayment for cost of services	122,770	-	64,242	-
Current liabilities				
Trade and other payables	538,734	540,216	635,514	635,514
Current portion of liabilities under financial lease agreements	-	32,185	-	-
Current portion of liabilities under financial arrangement agreements	32,185	-	-	-
Non-current liabilities				
Liabilities under financial lease agreements, net of current portion	-	45,189	-	-
Liabilities under financial arrangement agreements, net of current portion	46,672	-	-	-
Shareholders' equity				
Difference from change in shareholding interests	5,733	9,155	5,733	8,879
Non-controlling interests of the subsidiaries	28,271	24,849	26,905	23,759

(Unit: Thousand Baht)

	Consolidated financial statements			
	As of 31 December 2019		As of 1 January 2019	
	As reclassified	As previously reported	As reclassified	As previously reported
Current assets				
Costs of work in process	275,094	767,958	219,521	510,449
Prepayment for cost of services	381,082	-	226,676	-
Non-current assets				
Prepayment for cost of services	111,782	-	64,252	-
Current liabilities				
Trade and other payables	487,302	488,785	545,107	545,107
Current portion of liabilities under financial lease agreements	-	32,185	-	-
Current portion of liabilities under financial arrangement agreements	32,185	-	-	-
Non-current liabilities				
Liabilities under financial lease agreements, net of current portion	-	45,189	-	-
Liabilities under financial arrangement agreements, net of current portion	46,672	-	-	-

The reclassifications had no effect to previously reported net profit or shareholders' equity.

42. Approval of interim financial information

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2021.

Part 4:

Correctness Certification of Information

Confirmation of Information Accuracy

The Company has reviewed all the information disclosed in this Annual Information Disclosure Report/ Annual Report with due care. The Company confirms that the information disclosed herein is accurate and complete without any false or missing material information. Furthermore, the Company would like to confirm that:

(1) The financial statements and the financial information summarized in the Annual Information Disclosure Report/ Annual Report accurately and completely present material information concerning the financial position, performance, and cash flow of the Company and its subsidiaries.

(2) It is the company's responsibility to arrange a sound information disclosure system, so as to ensure that the company has accurately and completely disclosed material information of the Company and its subsidiaries, and supervised system compliance accordingly.

(3) It is the company's responsibility to arrange a sound internal control system, and supervise system compliance accordingly. The Company have reported the internal control assessment as at 23 February 2021 to the Company's auditor and the Audit Committee. The report covers deficiencies and significant changes in the internal control system, as well as any misconduct that may affect the financial reporting of the Company and its subsidiaries.

As evidence that this documentation is the same as that confirmed by the Company, the Company has assigned Mr. Thanakorn Charlee, to sign every page of the documentation. If any page is not signed by Mr. Thanakorn Charlee, it will be deemed unconfirmed information.

Name	Positions	Signature
1. Mr. Siriwat Vongjarukorn	Director/ Chief Executive Officer	
2. Mr. Thanakorn Charlee	Director/Executive Director	

Name	Positions	Signature
Proxy Mr. Thanakorn Charlee	Director/Executive Director	

Attachment 1:

Details of Directors, Executives, Controlling Persons, Persons who are assigned to the highest responsibility in accounting and finance, Persons who are assigned to take direct responsibility for accounting supervision, Company Secretary, and Representatives who can contact and coordinate in case of being a foreign company

Details of Directors, Executives, Authorized Person, and Company Secretary of MFEC Public Company Limited as of 31st December 2020

No.	Name/ Position/ The Appointment Date	Age (Years)	Education	Shareholding (%)	Family Relationship with Executives	Working Experience in Past 5 Years			
						Period	Position	Organization/ Company	Type of Business
1	Mr. Sirisak Tirawattanangkul Chairman The Authorized Person Appointed by AGM 1/2019	60	• Bachelor's Degree in Physics, Chulalongkorn University • DAP, RCP Programs of IOD	2.9	-	2016 - Present 2011 - 2013	Chairman Director	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						*Directorial position in Listed Company: One (1) Listed Companies Director in MFEC PLC. *Directorial position in Non-Listed Company: None (-) Company			
2	Mr. Kiyotaka Nakamura Vice Chairman/ Member of the Nomination and Remuneration Committee The Non-Authorized Person Appointed by AGM 1/2019	52	• Bachelor of Engineering, Osaka University, Japan • DAP Program of IOD	-	-	2014 - Present 2018 – Present 2016 - Present 2013 - 2018	Director Managing Executive Officer Chairman Executive Officer	MFEC Public Company Limited TIS Inc. Promptnow Company Limited TIS Inc.	Provide advisory services, development and system integration for computer system and information technology network Provide advisory services and development services for information technology Provide sales, leasing, rental of software, hardware, products and services on computer systems Provide advisory services and development services for information technology
						*Directorial position in Listed Company: Two (2) Listed Companies Director in TIS Inc. and one (1) company in the group Director in MFEC PLC. *Non-Listed Company: None (-) Company			

No.	Name/ Position/ The Appointment Date	Age (Years)	Education	Shareholding (%)	Family Relationship with Executives	Working Experience in Past 5 Years			
						Period	Position	Organization/ Company	Type of Business
3	Mr. Siriwat Vongjarukorn Director/ Chief Executive Officer/ Member of the Nomination and Remuneration Committee The Authorized Person Appointed by AGM 1/2020	52	• Honorary Doctorate Degree of Information Technology, Sripatum Unversity • Bachelor of Engineering, Chulalongkorn University • DAP, DCP Programs of IOD	3.7	-	2003 - Present	Director/ Chief Executive Officer	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2017 - Present	Director	Angstrom Solutions Company Limited	Provide consulting, development and training on software, hardware and computer systems
						2017 - Present	Director	Veranda Resort Public Company Limited	Hotel business
						2016 - Present	Chairman	M.I.S. Outsourcing Company Limited	Provide technology consultancy services, integration, maintenance
						2016 - Present	Director	Matichon Public Company Limited	Provide advertisement, training and typing services
						2016 - 2019	Director	Digital Ventures Company Limited	Invest and develop financial business
						2013 - Present	Director	Promptnow Company Limited	Provide advisory services and development services for information technology and create entertainment media
						2005 - Present	Chairman	PraIn FinTech Company Limited	Providing electronic payment services and providing payment services
						* Directorial position in Listed Company: Three (3) Listed Companies Director in MFEC PLC. and four (4) companies in the group Director in Matichon PLC. Director in Veranda Resort PLC. * Directorial position in Non-Listed Company: One (1) Non-Listed Company			

No.	Name/ Position/ The Appointment Date	Age (Years)	Education	Shareholding (%)	Family Relationship with Executives	Working Experience in Past 5 Years			
						Period	Position	Organization/ Company	Type of Business
4	Mr. Thanakorn Charlee Director/ Executive Director/ and Member of the Risk Management and Corporate Governance Committee The Authorized Person Appointed by AGM 1/2020	52	• Bachelor of Engineer, Chulalongkorn University • DAP, HRP Programs of IOD	-	-	2015 - Present	Director/ Executive Director	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2019 - Present	Director	A-Brand Intertrade Company Limited	Export-Import the basis of food and beverage
						2018 - Present	Director	MSyne Innovations Company Limited	Design computer programming, develop software system, and website design service
						2017 - Present	Director	Digital Savvy Company Limited	Provide ticket selling system and organizer services in events or other performances
						2015 - Present	Director	Praln FinTech Company Limited	Provide electronic payment services and instead payment service
						2013 - Present	Director	Coach Marketing Company Limited	Organize conference
						2011 - Present	Director	Motif Technology Public Company Limited	Provide consulting services and advice regarding computer systems, network, computer programs
						*Directorial position in Listed Company: One (1) Listed Company Director in MFEC PLC. and four (4) companies in the group *Directorial position in Non-Listed Company: Two (2) Non-Listed Companies			
5	Mr. Anan Leetrakul Independent Director/ Chairman of Nomination and Remuneration Committee Appointed by AGM 1/2018	80	• Ph.D. Faculty of Information Technology, Rajamangala University of Technology Suvarnabhumi (Honorary Degree)	-	-	2016 - Present	Independent Director/ Chairman of the Nomination and Remuneration Committee	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network

No.	Name/ Position/ The Appointment Date	Age (Years)	Education	Shareholding (%)	Family Relationship with Executives	Working Experience in Past 5 Years			
						Period	Position	Organization/ Company	Type of Business
			• Bachelor of Accountancy, Chulalongkorn University • DCP, RCC Programs of IOD			2016 - Present	Director	A-Host Company Limited	Provide information and computer technology services
						2012 - 2016	Independent Director, Member of the Audit Committee	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2008 - Present	Director	D2 Systems Company Limited	Wholesale network security system
						*Directorial Position in Listed Company: One (1) Listed Company Independent Director in MFEC PLC. *Directorial Position in Non-Listed Company: Two (2) Non-Listed companies			
6	Mr. Suchart Thammapitagkul Independent Director/ Chairman of the Audit Committee Appointed by AGM 1/2018	72	• Master of Law, Harvard Law School, U.S.A. • Bachelor of Law, Chulalongkorn University • DAP, DCP, RCC Programs of IOD • Barrister of the Thai Bar Association	-	-	2003 - Present	Independent Director/ Chairman of the Audit Committee	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2006 - 2020	Director	Charmchuri Innovation Company Limited	Provide intellectual property products and similar products, excluding copyrighted work, for rent
						2005 - Present	Independent Director/ Member of the Audit Committee	Unimit Engineering Public Company Limited	Provide manufacturing equipment in the energy and petrochemical industries
						2004 - Present	Independent Director/ and Chairman of the Audit Committee	T.C. Union Global Public Company Limited	Provide and distribute the food supplements
						1999 - Present	Independent Director/ member of the Audit Committee	Modernform Group Public Company Limited	Provide and sell furniture
						1989 - Present	Director	Bann Sathorn Company Limited	Rental of building space
						1986 - Present	Director	Somnuk Sutee & Associate Company Limited	Provide litigation and legal consulting services
						1970 - Present	Director	On-Nik Company Limited	Distribute chemical
						* Directorial Position in Listed Company: Four (4) Listed Companies Independent Director in MFEC PLC. Independent Director in Modernform Group PLC. Independent Director in T.C. Union Global PLC. Independent Director in Unimit Engineering PLC. * Directorial Position in Non-Listed Company: Four (4) Non-Listed Companies			

No.	Name/ Position/ The Appointment Date	Age (Years)	Education	Shareholding (%)	Family Relationship with Executives	Working Experience in Past 5 Years			
						Period	Position	Organization/ Company	Type of Business
7	Prof. Uthai Tanlamai Independent Director/ Chairman of the Risk Management Committee/ and Member of the Audit Committee Appointed by AGM 1/2018	68	• Ph. D. (MIS Major), University of Illinois at Urbana Champaign • MS B.A. (MIS Major), University of Illinois at Urbana Champaign • B.A. in Accounting (Cost Accounting Major), Chulalongkorn University • DAP, DCP, FSD Programs of IOD	-	-	2016 - Present	Independent Director/ Chairman of the Risk Management Committee/ Member of the Audit Committee	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2020 - Present	Director/ Member of the Audit Committee/ Chairman of the Risk Management and Corporate Governance Committee	Nonthavej Hospital Public Company Limited	Provide medical services
						2016 - Present	Director	Thai Shellac (1980) Company Limited	Produce shellac
						1995 - Present	Professor for Accounting Major	Chulalongkorn University	University
						*Directorial Position in Listed Company: Two (2) Listed Company Independent Director in MFEC PLC. Director in Nonthavej Hospital PLC. * Directorial Position in Non-Listed Company: One (1) Non-Listed Companies * Professor in the institution: One (1) Institution			
8	Ass. Prof. Kamales Santivejkul Independent Director/ Member of the Risk Management and Corporate Governance Committee/ Member of the Audit Committee/ Member of the Nomination and Remuneration Committee Appointed by AGM 1/2019	69	• Ph.D. Business Administration, Oklahoma State University, U.S.A • Master's Degree, Major of Monetary and Fiscal, National Institute of Development Administration	-	-	2016 - Present	Independent Director/ Member of the Risk Management and Corporate Governance Committee/ Member of the Nomination and Remuneration Committee	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2015 - Present	Advisor	Computer Center, Faculty of Commerce and Accountancy, Chulalongkorn University	University

No.	Name/ Position/ The Appointment Date	Age (Years)	Education	Shareholding (%)	Family Relationship with Executives	Working Experience in Past 5 Years			
						Period	Position	Organization/ Company	Type of Business
			• BA, Civil Engineering, Songklha Nakarin University • DCP Program of IOD			2008 - Present	Chairman/ Chief Executive Officer/ Member of the Risk Management and Corporate Governance Committee	Nonthavej Hospital Public Company Limited	Provide medical services
						2006 - Present	Director	Jamjuree Innovations Company Limited	Distributor, brokerage house and sales representative for products with intellectual property's contents
						2004 - Present	Director	C & C International Venture Company Limited	Advisor for administration and techniques
						1994 - Present	Independent Director/ Chairman of the Audit Committee	Sea Fresh Industry Public Company Limited	Produce and sell frozen shrimp, value-added shrimp, and frozen processed ready-to-eat shrimp
						* Directorial Position in Listed Company: Three (3) Listed Companies Independent Director in MFEC PLC. Independent Director in Sea Fresh Industry PLC. Director in Nonthavej Hospital PLC. * Non-Listed Company: Two (2) Non-Listed Companies * Advisor in Institution: One (1) Institution			
9	Dr. Charn Tharawas Independent Director/ Member of the Nomination and Remuneration Committee/ Member of the Risk Management and Corporate Governance Committee Appointed by AGM 1/2020	69	• Ph. D., Finance, Western American University, U.S.A. • Master's Degree, Business Administration, Kasetsart University	-	-	2016 - Present	Independent Director/ Member of the Nomination and Remuneration Committee/ Member of the Risk Management and Corporate Governance Committee	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2019 - Present	Independent Director/ Chairman of the Audit Committee	EFIN X Company Limited	Digital Property Exchange

No.	Name/ Position/ The Appointment Date	Age (Years)	Education	Shareholding (%)	Family Relationship with Executives	Working Experience in Past 5 Years			
						Period	Position	Organization/ Company	Type of Business
			• Bachelor's Degree, Economics, Thammasat University • DAP, DCP Programs of IOD			2018 - Present	Independent Director/ Chairman of the Audit Committee/ Chairman of the Nomination/ Remuneration Committee	Thai Appliance Industry Public Company Limited	Operations on electrical appliances generating electricity from renewable energy, solar, and biomass
						2006 - Present	Advisory to the Board of Directors	Jubilee Enterprise Public Company Limited	Manufacturing and selling diamond jewelry
						1999 - Present	Director	Inter Capital Leasing Company Limited	Give advice on financial and business management
						1995 - Present	Chairman of the Board	C. Am Creation Company Limited	Financial Advisor
						*Directorial Position in Listed Company: Two (2) Listed Company Independent Director in MFEC PLC. Independent Director in Thai Appliance Industry PLC. * Directorial Position in Non-Listed Company: Three (3) Non-Listed Companies * Advisory for the Board of Directors: One (1) Company			
10	Mr. Kitti Wintima Chief Operating Officer – Telco BU	48	• Master's Degree of Information Technology, Kasetsart University • Bachelor's Degree of Computer Engineering, Khonkaen University	-	-	2018 - Present	Chief Operating Officer – Telco BU	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2003 - 2018	Sales Director – Telco BU		
						2018 - Present	Director	MSyne Innovations Company Limited	Design computer programming, develop software system, and website design service
						* Directorial Position in Listed Companies: One (1) Listed Company Executive Director in MFEC Public Company Limited and Director in one (1) company of the Group * Directorial Position in Non-Listed Companies: None (-) Company			

No.	Name/ Position/ The Appointment Date	Age (Years)	Education	Shareholding (%)	Family Relationship with Executives	Working Experience in Past 5 Years			
						Period	Position	Organization/ Company	Type of Business
11	Mr. Arm Sivadith Executive Director/ Chief Transformation Officer	46	• MBA, University of Houston • Bachelor's Degree in Computer Engineering, King Mongkut's Institute of Technology Ladkrabang • HRP Program of IOD	0.04	-	2018 - Present	Executive Director/ Chief Transformation Officer/ Business Development Director	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2017 - Present	Director	Playtorium Solutions Company Limited	Managing activities of computer facilities
						2017 - Present	Director	Fanster Media Company Limited	Provide news dissemination of activities of famous people through the application
						2017 - Present	Director	Data Café Company Limited	Serve as consultants for research, analysis of all types of business data of all forms
						2017 - Present	Director	Digital Savvy Company Limited	Provide ticket selling services for various shows and public relations services
						2016 - 2018	Executive Director/ Chief Adviser and Personnel Development	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2014 - 2016	Assistant Director of Product Development and Consulting		
						2011 - 2014	Business Development Director		
						* Directorial Position in Listed Companies: One (1) Listed Company Executive Director in MFEC PLC. and Director in four (4) companies of the group * Directorial Position in Non-Listed Companies: None (-) Company			

No.	Name/ Position/ The Appointment Date	Age (Years)	Education	Shareholding (%)	Family Relationship with Executives	Working Experience in Past 5 Years			
						Period	Position	Organization/ Company	Type of Business
12	Mr. Pitch Manakijpairoj Chief Financial Officer Appointed in the Executive Board Meeting No. 5/2020 Dated: July 20, 2020	41	• Master of Finance, Chulalongkorn University • Bachelor of Accounting, Bangkok University • DCP of IOD • Certified Public Accountant (Thailand) No. 8182	-	-	2020 - Present	Chief Financial Officer	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2020 - Present	Director	Praln FinTech Company Limited	Provide electronic payment services and instead payment service
						2018 - 2020	Chief Financial Officer and Company Secretary	B-52 Capital Public Company Limited	Distribution of consumer products through retailers and wholesaler network
						2009 - 2018	Senior Vice President of Finance	Food Capital Public Company Limited	Retail trading of food and beverage business
						* Directorial Position in Listed Companies: One (1) Listed Company Chief Financial Officer in MFEC PLC. and Director in one (1) company of the group * Directorial Position in Non-Listed Companies: None (-) Company			
14	Ms. Orawan Hnuntaku Company Secretary Appointed by Board of Directors No. 3/2019 Dated: August 13, 2019	33	• Bachelor's Degree of Arts, Silpakorn University • Company Secretary Program of IOD • Corporate Sustainability Stategy (P01, S01 - 03)	-	-	2019 - Present	Company Secretary	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2016 – 2019	Personal Assistant to CEO		
						2015 – 2016	Cabin Crew	Citi Airways	Aviation Business
						2015 - 2012	Secretary to Assistant to Group Chairman	King Power International Company Limited	Duty Free shops
15	Mrs. Netnapha Chaoun Accountant	38	• Bachelor's Degree of Business Administration in Accountancy, the University of Central Thailand	-	-	2003 - Present	Accountant	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2003 - 2007	Chief Accounts Receivable		

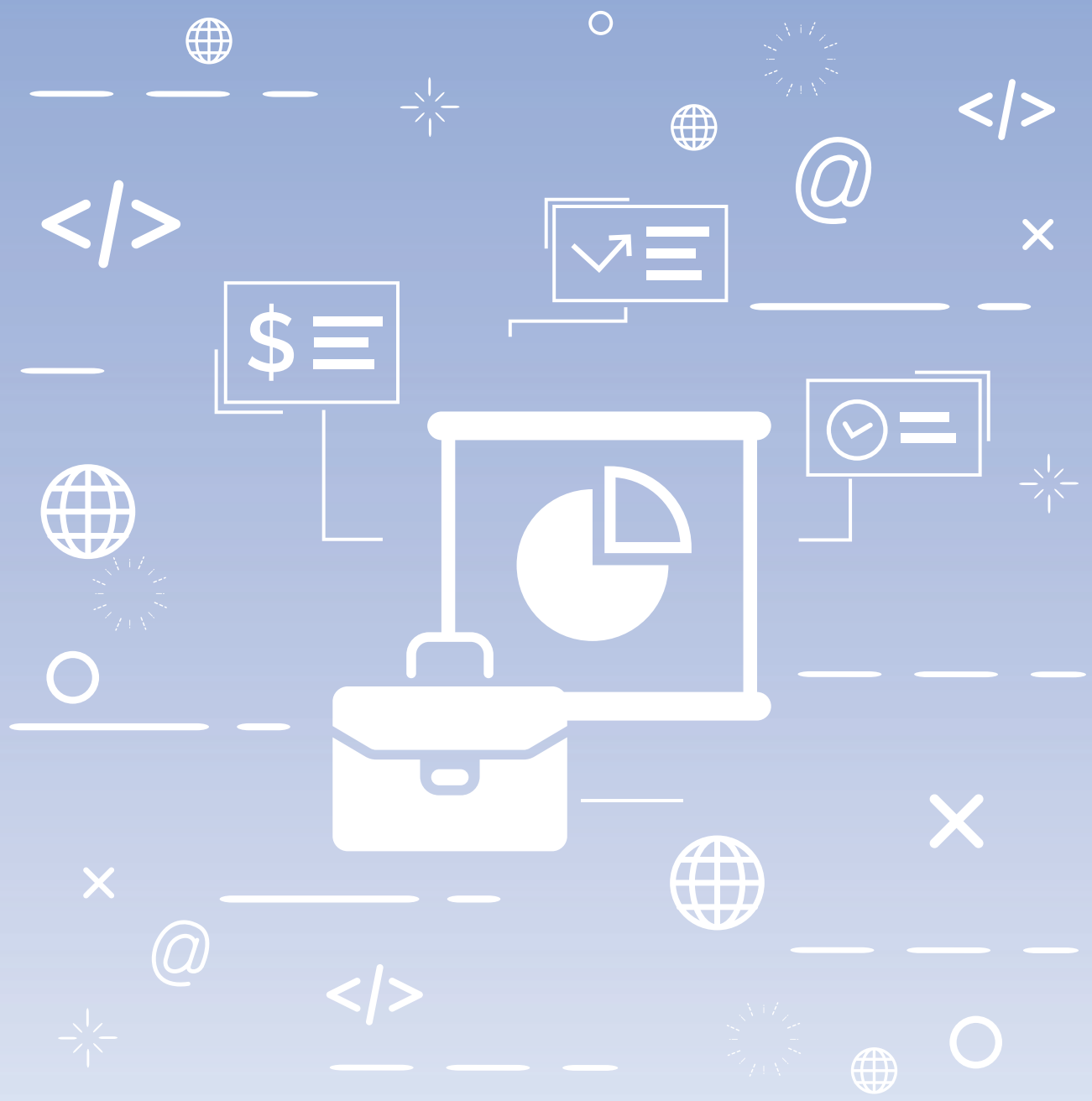
Noted:
1. Executive Director means a director with authority to sign binding the company as specified in the certificate.
2. Number of Shares as of 31 December 2020
3. Proportion of Shares included spouse, children who are underage under Section 258 (All directors hold shares in their own names)

Details of Directors, Executives and Company Secretary of MFEC Public Company Limited, and subsidiaries, associated companies and other related companies

Company's Name	MFEC	Subsidiaries									Associated Companies				Related Companies
List of Directors	Plc.	PFT	MISO	BAC	MOTIF	MS	HS	HS	PS	DC	ANG	PN	FM	DS	TIS
1. Mr. Sirisak Tirawattanangkul	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Mr. Kiyotaka Nakamura	I	-	-	-	-	-	-	-	-	-	-	I and II	-	-	II
3. Mr. Siriwat Vongjarukorn	I and II	I and II	I and II	-	-	-	-	-	-	-	I	I and II	-	-	-
4. Mr. Thanakorn Charlee	I and II	I and II	-	-	I and II	I and II	-	-	-	-	-	-	-	I and II	-
5. Mr. Anan Leetrakul	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Mr. Suchart Thammapitagkul	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Prof. Uthai Tanlamai	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Assoc. Prof. Kamales Santivejkul	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9. Dr. Charn Tharawas	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10. Mr.Kitti Wintima	III	-	-	-	-	I and II	-	-	-	-	-	-	-	-	-
11. Mr. Arm Sivadith	III	-	-	-	-	-	-	-	I and II	I and II	-	-	I and II	I and II	-
12. Mr. Pitch Manakijpairoj	III	I	-	-	-	-	-	-	-	-	-	-	-	-	-

Remark: 1. X = Chairman, I = Director, II = Executive Director, III = Executive

2. The list of subsidiaries and associated companies follows Part 1, 1.3: Shareholding Structure



Attachment 2:

Details of Subsidiaries' directors

Information about directors of subsidiaries and associated companies as of 31 December 2020

List of companies	Subsidiaries								Associated companies			
List of directors	PFT	MISO	BAC	MOTIF	MS	HS	PTS	DC	ANGSTROM	PN	FT	DS
1. Mr. Nathjira Honda	-	-	-	-	-	-	-	-	-	I and II	-	-
2. Mr. Naohide Maruyama	-	-	-	-	-	-	-	-	-	I and II	-	-
3. Mr. Shuhei Ikamoto	-	-	-	-	-	-	-	-	-	I and II	-	-
4. Mr. Prasert Foongvanich	-	-	I and II	-	-	-	-	-	-	-	-	-
5. Mr. Worapol Santadkolkarn	-	-	I and II	-	-	I and II	-	-	-	-	-	-
6. Mrs. Phansiri Amatayakun	-	-	I and II	-	-	I and II	-	-	-	-	-	-
7. Ms. Suwilai Phuttiyingyongkul	-	-	I and II	-	-	-	-	-	-	-	-	-
8. Mr. Charoen Karunsamith	-	-	I and II	-	-	-	-	-	-	-	-	-
9. Mr. Teerachai Keeratitechakorn	-	-	-	II and II	-	-	-	-	-	-	-	-
10. Mr. Worapoj Chumtong	-	-	-	I and II	-	-	-	-	-	-	-	-
11. Mr. Panusak Eakareesak	-	-	-	I and II	-	I and II	-	-	-	-	-	-
12. Mrs. Nudee Nhupairoj	-	-	-	I	-	-	-	-	-	-	-	-
13. Ms. Darawadee Semrat	-	-	-	-	-	I and II	-	-	-	-	-	-
14. Mr. Kriangsak Ariyamakkagul	-	I and II	-	-	-	-	-	-	-	-	-	-
15. Mr. Praphan Teerawanwilai	-	-	-	-	-	-	-	-	I and II	-	-	-
16. Ms. Nattaya Saephun	-	-	-	-	-	-	-	-	I and II	-	-	-
17. Mr. Viriya Anuchari	-	-	-	-	-	-	-	-	I and II	-	-	-
18. Mrs. Mallika Teerawanwilai	-	-	-	-	-	-	-	-	I and II	-	-	-
19. Mr. Witoon Jedsadanukul	-	-	-	-	-	-	-	-	I and II	-	-	-
20. Mr. Ratanapol Bubphachart	-	-	-	-	-	-	I and II	-	-	-	-	-
21. Mr. Chewin Kosiyapong	-	-	-	-	-	-	-	-	-	-	I and II	-
22. Mr. Thana Kosiyapong	-	-	-	-	-	-	-	-	-	-	I	-
23. Mr. Arpakorn Bunkongcheun	-	-	-	-	-	-	-	-	-	-	I and II	-
24. Mr. Chatri Sabado Srivijit	-	-	-	-	-	-	-	-	-	-	I	-
25. Mr. Viroj Jiraphattanakul	-	-	-	-	-	-	-	I	-	-	-	-

Information about directors of subsidiaries and associated companies as of 31 December 2020 (Continued)

List of companies	Subsidiaries								Associated companies			
List of directors	PFT	MISO	BAC	MOTIF	MS	HS	PTS	DC	ANGSTROM	PN	FT	DS
26. Mr. Thanachart Ritbumroong	-	-	-	-	-	-	-	I	-	-	-	-
27. Mr. Thanasak Rattanahirunporn	-	-	-	-	-	-	-	I and II	-	-	-	-
28. Mr. Vaksorn Lohthong	-	-	-	-	-	-	-	-	-	-	-	I and II
29. Mr. Sarayuth Mahawaleerat	-	-	-	-	-	-	-	-	-	-	-	I and II
30. Mr. Sakolporn Sornkul	-	-	-	-	-	-	-	-	-	-	-	I and II
31. Mr. Panya Pornkajornkitkul	-	-	-	-	-	-	-	-	-	-	-	I and II
32. Mr. Kenny Nawani	I	-	-	-	-	-	-	-	-	-	-	-

Note: 1. Meaning of the symbol X = Chairman I = Director II = Executive Director

2. List of subsidiaries and associated companies refers to the information in Part 1, Section 1.3: The shareholding structure of the company.

Information about Directors of related companies as of 31 December 2020

List of directors / List of related companies	Mr. Naohide Maruyama	Mr. Suhei Kamoto	Mr. Worapoj Chumtong	Mr. Praphan Teerawanwilai	Mr. Viriya Anuchari	Mrs. Mallika Teerawanwilai	Mr. Chewin Kosiyapong	Mr. Thana Kosiyapong	Mr. Chatri Sabado Srivijit	Mr. Viroj Jiraphattanakul	Mr. Thanachart Ritbumroong	Mr. Vaksorn Lohthong	Mr. Sarayuth Mahawaleerat	Mr. Sakolporn Sornkul	Mr. Kenny Nawani
TISI	I and II										I and II	I and II	I and II	I and II	I and II
I AM CONSULTING	I and II										I and II	I and II	I and II	I and II	I and II
CIL TECHNOLOGIES		I and II													
GD 4 Plus			I and II												
LANDOMETER										I and II					
SKOOL DIO										I and II					
X-SIDEKICK				I and II											
NEWKRU				I and II	I and II	I and II									
RIVER NET					I and II										
ANAN JINDA						I and II									
LOVE IS ENTERTAINMENT							I and II								
ALOHA INTER							I and II	I and II							
TOMORROW COMIX								I and II							
LETSPACE									I and II						
CLARIS									I and II						
THE FODDSOURCE									I and II						
LOVE IS							I and II		I and II						
THE FLYING TOMATO MUSIC							I and II								
LIFEIS GROUP							I and II								
SIAMSAMUT WARIN									I and II						
THE MOVEMENT PLAYGROUND									I and II						

Information about Directors of related companies as of 31 December 2020 (Continued)

List of directors / List of related companies	Mr. Naohide Maruyama	Mr. Suhei Kamoto	Mr. Worapoj Chumtong	Mr. Praphan Teerawanwilai	Mr. Viriya Anuchari	Mrs. Mallika Teerawanwilai	Mr. Chewin Kosiyapong	Mr. Thana Kosiyapong	Mr. Chatri Sabado Srivijit	Mr. Viroj Jiraphattanakul	Mr. Thanachart Ritbumroong	Mr. Vaksorn Lohthong	Mr. Sarayuth Mahawaleerat	Mr. Sakolporn Sornkul	Mr. Kenny Nawani
REVONIZE CONSULTING									I and II		I and II	I and II	I and II		
SIAM SPORT SYNDICATE Plc.												I and II	I and II		
SIAM SPORT DIGITAL MEDIA															
SPORT & LEISURE												I and II	I and II		
PROMOTION															
SIAM SPORT BOOKS												I and II			
TMF												I and II			
SHOOT SPORTS												I and II			
JYI BEAUTY												I and II			
GEN M DEVELOPMENT												I and II			
INSTINCT (THAILAND)												I and II		I and I	
LOHTONG HOLDING												I and II			
MUANG THONG UNITED												I and II			
KILEN PRINTING												I and II			
TALENT TEAM												I and II			
SIAMSPORTMEDIA MANAGEMENT													I and II		
I-SPORT													I and II		

Information about Directors of related companies as of 31 December 2020 (Continued)

List of directors / List of related companies	Mr. Naohide Maruyama	Mr. Suhei Kamoto	Mr. Worapoj Chumtong	Mr. Praphan Teerawanwilai	Mr. Viriya Anuchari	Mrs. Mallika Teerawanwilai	Mr. Chewin Kosiyapong	Mr. Thana Kosiyapong	Mr. Chatri Sabado Srivijit	Mr. Viroj Jiraphattanakul	Mr. Thanachart Ritbumroong	Mr. Vaksorn Lohthong	Mr. Sarayuth Mahawaleerat	Mr. Sakolporn Sornkul	Mr. Kenny Nawani
NAWANI															I and II
BANGKOK MSP															I and II
NCL INTERTRADE															I and II
BANGKOK SYSTEMS AND SOFTWARE															I and II
THAI CAPRICORN															I and II
BANGKOK SYSTEMS															
BUSINESS SOLUTION															I and II

Note: 1. Meaning of the symbol X = Chairman I = Director II = Executive Director

2. List of subsidiaries and associated companies refers to the information in Part 1, Section 1.3: The shareholding structure of the company.

Attachment 3:

Details of Internal Audit Supervisory and Supervisors who supervise the compliance of the Company

Biography of Internal Audit Supervisor

Miss Thitirat Thanathitikankun

42 years old
Internal Audit Manager
Appointed by the Audit Committee Meeting
No. 4/2019 on November 11, 2019

Educational Qualifications and License

- Bachelor's Degree, Faculty of Science Information Technology, Ubon Ratchathani Rajabhat University

Training History:

- Fundamentals for New Auditor, the Association of Internal Auditors of Thailand
- Internal Audit Management, Federation of Accounting Professions under the Royal Patronage
- Good Governance of Information Technology: Risk Management and Information Responsibility, Office of the Securities and Exchange Commission
- Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance, Thai Institute of Directors Association
- Capability Maturity Model Integration (CMMI) CMMI Institute

Diplomas

- Fundamentals for New Auditor
- CMMI Certifications Version 1.2

Work Experience

October 2019 – Present	Internal Audit Manager, MFEC Public Company Limited
2018 – October 2019	Quality Control Manager/ Secretary of the Risk Management Working Group, MFEC Public Company Limited
2017	Quality Control Manager/ Assistant Secretary of the Risk Management Working Group, MFEC Public Company Limited
2016	Quality Control Manager MFEC Public Company Limited
2011 – 2015	Senior Software Quality Assurance, MFEC Public Company Limited
2006 – 2010	Software Quality Assurance MFEC Public Company Limited

Member of Institution/ Organization

- The Association of Internal Auditors of Thailand

Attachment 4:

Assets used in business operations and details about Property Appraisal Items

Assets used in business operation

1. Main fixed assets of the company and subsidiaries

As of December 31, 2020, the main fixed assets used by the company's group in the business operations consist of:

(Unit: Thousand Bt.)

List of Net Assets	Property	Net residual value after deducting accumulated depreciation
Leasehold improvements	Owner	27,510
Office decoration	Owner	21,794
Tools and equipment	Owner	18,482
Deferred project work equipment	Owner	10
Vehicle	Owner	8,745
Assets under installation	Owner	11
Intangible assets	Owner	24,091
		100,643

The intangible assets of the company and subsidiaries are such as computer softwre, which is used in the development of the system, improves storage efficiency, and helps in designing for customer service.

The company and subsidiaries have significant lease agreements for use in business operations. Details could be summarized as follows:

Office	Contract Details	
MFEC Public Company Limited Rental purpose: Head Office	Contract Party: Relevance: Rental Location: Duration: Rental Location: Duration: Rental Location: Duration:	Real Estate Investment Trust and Leasehold WHA Businesss Coplex -Not related- 11th Floor, Room no. 1101-7, SJ Infinite One Business Complex Building 16 October 2019 – 15 October 2022 12th Floor, Room no. 1204-6, SJ Infinite One Business Complex Building 1 August 2018 – 31 July 2021 23rd Floor, Room no. 2301-7, SJ Infinite One Business Complex Building 1 November 2019 – 31 October 2022
MFEC Public Company Limited Rental purpose: Research and Development Center	Contract Party: Relevance: Rental Location: Duration: Rental Location: Duration:	Thanapat Property Company Development Public Company Limited -Not related- 27th Floor, Zone B2, LPN Tower 1 January 2020 – 31 December 2022 21st Floor, Zone A1-A2 B and D, LPN Tower 1 April 2019 – 31 March 2021

Office	Contract Details
MFEC Public Company Limited Rental purpose: Warehouse and Distribution Center	Contract Party: Moderform Tower Company Limited Relevance: -Not related- Rental Location: 27th Floor, Modernform Tower Duration: 1 January 2019 – 31 December 2020 Rental Location: 17th Floor, Room 1706, 08, 10, Modernform Tower Duration: 1 January 2018 – 31 December 2021
Playtorium Solutions Company Limited Rental purpose: Head Office	Contract Party: MFEC Public Company Limited Relevance: Major shareholder and Joint director Rental Location: 11th-12th Floor, SJ Infinite One Business Complex Building Duration: 1 February 2021 – 31 December 2022
PraIn FinTech Comapny Limited Rental purpose: Head Office	Contract Party: Real Estate Investment Trust and Leasehold WHA Businesss Coplex Relevance: -Not related- Rental Location: 21st Floor, SJ Infinite One Business Complex Building Duration: 1 December 2020 – 30 November 2023
M.I.S. Outsourcing Company Limited Rental purpose: Head Office	Contract Party: Moderform Tower Company Limited Relevance: -Not related- Rental Location: 17th Floor, Modernform Tower Duration: 1 September 2020 – 31 August 2023
Motif Technology Public Company Limited Rental purpose: Head Office	Contract Party: C.T. Land Company Limited Relevance: -Not related- Rental Location: 14th Floor, Time Square Building Duration: 16 April 2018 – 15 April 2021
Business Application CompanyLimited Rental purpose: Head Office	Contract Party: Thai Samut Asset Company Limited Relevance: -Not related- Rental Location: 2nd Floor, Ocean Insurance Building Duration: 1 August 2019 – 30 September 2021
Hongson Company Limited Rental purpose: Head Office	Contract Party: Business Application Company Limited Relevance: Joint shareholders and director Rental Location: 2nd Floor, Ocean Insurance Building Duration: 1 October 2018 – 30 September 2021
Data Café Company Limited Rental purpose: Head Office	Contract Party: MFEC Public Company Limited Relevance: Major shareholder and Joint director Rental Location: 11th Floor, SJ Infinite One Business Complex Building Duration: 1 January 2021 – 31 December 2021

Office	Contract Details
MSyne Innovations Company Limited Rental purpose: Head Office	Contract Party: MFEC Public Company Limited Relevance: Joint director Rental Location: 23rd Floor, SJ Infinite One Business Complex Building Duration: 1 January 2021 – 31 December 2021
Joint Venture: Power M (MSyne Innovations Company Limited and MFEC Public Company Limited invested 81.47% and 18.53% respectively.) Rental purpose: Head Office	Contract Party: MFEC Public Company Limited Relevance: Joint shareholders and director Rental Location: 23rd Floor, SJ Infinite One Business Complex Building Duration: 1 January 2021 – 31 December 2021

2. Investment policy in subsidiaries and associated companies

The company has a policy to invest only in business that conduct in a manner related to the company's main business to strengthen the stability and competitiveness of the company. If there is an investment, the company has a policy to hold shares in such business in the proportion of not less than 25% of the business's total shares. Or in the case of a shareholding less than 25%, the company must have management power in the company that invests by sending a representative to be the director in the said business to participate in administration and formulate importamt operational policies.

Shareholding proportion in various subsidiaries is as follows:

Subsidiary	Investment proportion (Percentage of registered capital)
1. Praln FinTech Company Limited	71.62
2. M.I.S. Outsourcing Company Limited	75.00
3. Motif Technology Public Company Limited	99.99
4. Business Application Company Limited	99.99
5. MSyne Innovations Company Limited	99.99
6. Joint Venture: Power M (MSyne Innovations Company Limited holds 81.47% and the company holds 18.53%)	100.00
7. Hongson Company Limited	99.99
8. Playtorium Solutions Company Limited	70.00
9. Data Café Company Limited	59.90
Associated Company	**Investment proportion (Percentage of registered capital)**
1. Angstrom Solution Company Limited	40.00
2. Promptnow Company Limited	20.00
3. Fanster Media Company Limited	34.00
4. Digital Savvy Company Limited	42.00
5. I Two Enterprise Company Limited	15.00

Details about the Property Appraisal

Appraisal: Business valuation of I Two Enterprise Company Limited ("I2")

Financial Advisor who is an appraisal person: Siam Alpha Capital Company Limited ("Financial Advisor")

Appraisal Objectives:

To know the business value of I Two proposed to the Board of Directors for approval of investment in the said business.

MFEC Public Company Limited ("MFEC") has acquired the newly issued ordinary shares of I Two Enterprise Company Limited ("I2"), representing of 15% of the r

Nature of company's business that the Company considers investing

I Two Enterprise Company Limited was established in 2014 and operated as a service provider of integrated information technology systems by offering services to government agencies, state enterprises and the private sectors.

The company provides a full range of design and installation services, basic computer network system, cloud system, application system, and the application of internet technology in daily life to help from medium organizations to large organizations achieving their goals.

The company has long experience and expertise, including understanding of the customer's business. Therefore, the company is able to provide assistance and support to a group of customers with the information technology system that meets the various operations in the customer's business effectively. The company could offer a full range of consulting, design, development and after-sale service.

Vision: To provide information technology system services to achieve our customers' business goals and competitiveness based on strategies and customer needs.

Date, Month, Year of the Transaction

Within October 2020 after the approval from MFEC Board of Directors' Meeting

Related parties and their relationship

Seller: I Two Enterprise Company Limited

Buyer: MFEC Public Company Limited

Relationship: Buyer and Seller have no relationship.

Source of funds used

MFEC uses the company's internal working capital to invest in I Two.

Transaction Overview

MFEC invests in 105,882 shares of I Two's shares or equal to 15% of the registered capital after the capital increase at the price of 467.50 baht per share, or a total value of 49.50 million baht.

Total value of compensation

The determination of value is negotiated by both companies, including considering the value of I Two by appraising the value of the financial advisor. In this regard, the Financial Advisor has a valuation of the company at between 264.39 – 318.54 million baht or 440.66 – 530.90 baht per share. The appropriate method used in the valuation of businesses is Discounted Cash Flow method (DCF).

Calculation of the transaction size (based on MFEC's financial statement as of June 30, 2020)

Asset Type	Size (%)
Net tangible assets criteria	0.46%
Operating profit criteria	1.51%
Total value of compensation criteria	1.42%
Value of equity shares issued for the payment ofassets	n/a

The transaction size (including those occurred in the past six months) is 2.01%. MFEC is not required to present the transactions for shareholder approval or public announcement through SET, including dissemination of transaction information to shareholders.

Summary of I Two's business valuation results

From the consideration of the Financial Advisor, The Discounted Cash Flow Method (DCF) is an appropriate method for valuing the business based on objectives and assumptions because the Discounted Cash Flow Method (DCF) will primarily reflect the operational potential in the future. The Financial Advisor summarizes the business value of I two using various assessment methods as follows:

Valuation	Enterprise value (Mil Bt.)	Fair price per share (Bt. per share)	Opinion of Financial Advisor
1. Book Value Approach	65.38	108.97	Inappropriate
2. Market comparable Approach			
a. P/BV Ratio	53.61 – 66.03	89.35 – 110.05	Inappropriate
b. P/E Ratio	291.69 – 345.24	486.15 – 575.40	Inappropriate
3. Discounted cash flow	264.39 – 318.54	440.66 – 530.90	Appropriate

I Two's Financial Information

(Unit: Mil Bt.)	2017[1/]	%	2018[1/]	%	2019[1/]	%	June 20202[2/]	%
Current assets								
Cash and cash equivalents	3.39	5%	11.91	11%	20.19	14%		
Short term investment	20.65	28%	0.31	0%	2.04	1%		
Trade accounts receivable and other unrelated receivables	2.13	3%	11.10	10%	53.99	38%		
Income not yet due	0.00	0%	2.62	2%	29.87	21%		
Inventory	32.75	44%	45.18	42%	0.63	0%		
Other current assets	0.00	0%	0.27	0%	3.48	2%		
Total current assets	58.92	79%	71.39	67%	110.20	78%	400.27	82%
Non – current assets								
Deposit with guarantee obligation	8.23	11%	8.23	8%	6.50	5%		
Trade accounts receivable – the portion exceeding 1 year	0.00	0%	19.31	18%	15.48	11%		
Building improvements and equipment	5.75	8%	5.46	5%	5.62	4%		
Deferred tax assets	0.29	0%	0.30	0%	0.87	1%		
Other non-current assets	1.41	2%	1.89	2%	2.68	2%		
Total non-current assets	15.67	21%	35.19	33%	31.15	22%	88.01	18%
Total assets	74.59	100%	106.57	100%	141.35	100%	488.29	100%
Current liabilities								
Bank overdrafts and short-term loans from financial institutions	0.00	0%	20.00	19%	0.71	0%		
Trade payables and other payables	18.41	25%	42.52	40%	58.24	41%		
Short-term loans from directors	0.00	0%	6.08	6%	11.78	8%		
Advance received from customers	0.00	0%	0.00	0%	3.40	2%		
Short-term loans from other parties	0.00	0%	0.00	0%	4.97	4%		
Dividend payable	11.10	15%	11.10	10%	11.10	8%		
Total current liabilities	29.51	40%	79.70	75%	90.20	64%	336.50	69%
Non-current liabilities								
Employee benefit obligations	1.44	2%	1.85	2%	5.06	4%		
Total non-current liabilities	1.44	2%	1.85	2%	5.06	4%	86.41	18%
Total liabilities	30.95	41%	81.55	77%	95.26	67%	422.91	87%
Equity								
Registered capital 600,000 shares @ 100 baht	60.00	80%	60.00	56%	60.00	42%		
Legal reserve	6.00	8%	6.00	6%	6.00	4%		
Retained earnings (not allocated)	(22.36)	-30%	(40.97)	-38%	(19.90)	-14%		
Total equity	43.64	59%	25.03	23%	46.10	33%	65.38	13%
Total liabilities and equity	74.59	100%	106.57	100%	141.35	100%	488.29	100%

[1/] Audited by Certified Public Accountant

[2/] Prepared by the management / unaudited

Performance: Income Statement

(Unit: Mil Bt.)	2017[1/]	%	2018[1/]	%	2019[1/]	%	6M 2019[2/]	%	6M 2020[2/]	%
Revenue from sales and services	28.11	99%	70.51	99%	204.05	99%	74.81	97%	325.48	100%
Other income	0.36	1%	0.72	1%	2.74	1%	1.97	3%	0.04	0%
Total income	28.48	100%	71.23	100%	206.78	100%	76.78	100%	325.52	100%
Selling & Admin. expenses	29.16	104%	73.70	105%	162.55	80%	64.98	87%	295.95	91%
Selling expenses	4.24	15%	3.71	5%	5.27	3%	1.72	2%	2.36	1%
Administrative expense	11.63	41%	12.36	17%	15.39	7%	5.15	7%	7.41	2%
Financial cost	0.05	0%	0.08	0%	0.19	0%	0.19	0%	0.00	0%
Total expense	45.07	158%	89.86	126%	183.40	89%	72.04	94%	305.71	94%
Profit (loss) before tax	(16.60)	(58%)	(18.63)	(26%)	23.38	11%	4.74	6%	19.81	6%
Income (Expense) tax	0.07	0%	0.01	0%	0.20	0%	0.00	0%	(0.53)	0%
Net profit (loss)	(16.53)	(58%)	(18.62)	(26%)	23.59	11%	4.74	6%	19.28	6%

[1/] Audited by Certified Public Accountant

[2/] Prepared by the management / unaudited

Cash Flow

(Unit: Mil Bt.)	2017	2018	2019
Operating cash flow	(28.02)	(37.61)	17.58
Cash flow from investments	(5.02)	20.12	(0.68)
Cash flow from financing	(0.85)	26.00	(8.62)
Increased (decreased) cash flow	(33.88)	8.51	8.29
Cash and cash equivalents – beginning of period	37.28	3.39	11.91
Cash and cash equivalents – end of period	3.39	11.91	20.19

Attachment 5:

The complete policies and guidelines for Corporate governance and the complete business ethics that the Company prepared

Attachment to the Board of Directors Meeting No. 1/2018

Agenda 16 To consider and approve the improvement

of the corporate governance policy #2

Corporate Governance Policy

Amended by Risk Management & Corporate Governance Team

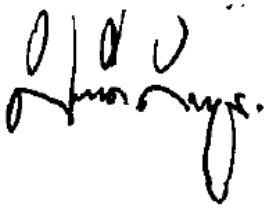
3 May 2018

Corporate Governance Policy

Provided MFEC Board of Directors' awareness of and commitment on its management with good corporate governance, it performs its duties and responsibilities to enrich transparency, cultivate healthy relationship with clients, traders, rivals, communities and the society as a whole. The policies and strategies are altered to cope with business transformation and promote innovation for business values as well as deliver benefits to clients and the society. Our businesses are properly operated with responsibility which makes the company stay competitive and grow with sustainability in the long term for confidence of MFEC's shareholders, investors and stakeholders.

The Guidelines on the "Corporate Governance Policy" is reviewed and determined by the Board of Directors of MFEC Public Company Limited. These become good practices for the Board, executives, employees who perform their duties and supervise performance to achieve the company's stability and sustainable growth.

(Prof. Dr. Uthai Tanlamai)
Chairman, Risk Management
& Corporate Governance Committee



(Mr. Sirisak Tirawattanangkul)
Chairman, Board of Directors

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Corporate Governance Policy

With its awareness of corporate governance, MFEC Public Company Limited (MFEC) establishes the Corporate Governance Policy for efficient work implementation system and fundamentals for sustainable growth. The company adheres to ethics and morale through its partnership policy extended to its customers, traders, shareholders, investors and the society for business competitiveness and expansion as well as MFEC Group's business operations.

Therefore, Board of Directors considered, reviewed and amended the corporate governance policy for the listed companies in 2017 in order to keep pace with changes in economic and social situations.

Guidelines for the Corporate Governance Policy

To have its businesses comply with the said corporate governance policy, MFEC determines eight practices as follows:

1. Establish certain leadership roles and responsibility of the Board which acts as the leader for value creation with sustainability;
2. Define objectives and goals which promote sustainability;
3. Strengthen the Board's effectiveness;
4. Nominate and develop top management executives and human resources management;
5. Promote innovation and operate businesses with responsibilities;
6. Strengthen effective risk management and internal control;
7. Ensure information disclosure and financial integrity;
8. Ensure engagement and communication with the shareholders.

Practice1: Establish certain leadership roles and responsibility of the Board which acts as the leader for value creation with sustainability.

- The Board perceives its roles and is aware of its responsibility as the leader for supervision of the company's efficient management spanning from determination of objectives, goals, strategies, operational policy, allocation of major resources for objective and goal attainment, and operational performance monitoring, assessment and reporting.
- The Board supervises business operations for competitiveness and satisfactory performance results in regard to long-term impacts, business morale, respect to rights of the shareholders and stakeholders and responsibility for them, benefits to the society and adjustment to surrounding changes as a means to gain value for sustainable growth.
- All directors/executives are required to perform their duties with responsibilities, duty of care and duty of loyalty, while having businesses abide by the required laws and regulations, and shareholders' meeting resolutions.
- The Board perceives the scope of its authority, duty and responsibility, defines and assigns the scope, duty and responsibility to the management (President), and monitors the performance results as delegated.

Practice

1) The Board makes the following appointments.
   1.1 Committees for specific issues assigned.
   - Audit Committee
   - Risk Management and Corporate Governance Committee
   - Nomination and Remuneration Committee
   - Executive Committee

   1.2 Executive Committee which takes responsibility for business operations following the objectives, strategic goals and business policies.

1.3 The following related persons will be appointed and working groups/units below will be established to assist the Board and committees' works.

- Auditor
- Chief Financial Officer (CFO)
- Company Secretary
- Risk & CG Management Team o Internal Audit Office

2) The Board determines the scope, authority and duty of the following committees and persons, and arranges charters/corporate governance policy.

2.1 Determine the scope, authority and duty

- Board of Directors
- Audit Committee
- Risk Management and Corporate Governance Committee
- Nomination and Remuneration Committee
- Executive Committee
- President and administration

2.2 Consider each committee's charter and review charters at least once a year.

- Board of Directors Charter
- Audit Committee Charter
- Internal Audit Office Charter
- Risk Management and Corporate Governance Committee Charter
- Nomination and Remuneration Committee Charter
- Executive Committee Charter

2.3 Define the Corporate Governance Policy

3) Issues for consideration and supervision for implementation and abstention from implementation

3.1 Issues for consideration and supervision for implementation

Issues supervised by the Board for implementation	Issues implemented together with the Administration
1. Set objectives & business goals.	1. Set & review strategies, goals & work plan on an annual basis.
2. Foster corporate culture & adhere to morale	2. Take care of appropriateness and adequacy of risk management system & internal control
3. Manage the Board's proper structure & mplementation to efficiently achieve objectives & major goals for businesses.	3. Define the authority as appropriate for responsibility of the administration.
4. Nominate President, develop him/her & set his/her remuneration.	4. Define a framework for allocation of resources/ development & budget.
5. Set a remuneration structure as incentives for staff to perform works which conform with corporate objectives & major goals.	5. Monitor & appraise work performance
	6. Manage to have disclosure of financial information & others for accountability.

3.2 Issues for the Board's abstention from implementation.

Issues for the Board's abstention from implementation

1. No interference in decision-making of the administration which is responsible for business operations, procurement & employment according to the strategic framework, policy and work plan as approved by the Board (approval for implementation by the management.
2. Approval for transactions in which a director has a stake.

Board of Directors

1. Membership

- The Board shall be comprised of at least five (5) members and half of them shall have residence in the Kingdom of Thailand.
- No less than three (3) of the Board's members shall satisfy independence requirements.

Qualifications of Independent Directors

- Persons who hold no more than 1% of total shares, eligible for voting, of the company, its subsidiaries, associate companies or juristic persons who may have a conflict of interest. Shares held by related persons shall be included.
- Persons who are not or are not used to be executive directors, workers, employees, advisors with regular salary or entities with controlling authority of the company, its subsidiaries, associate companies or juristic persons who may have a conflict of interest, in exception for leaving the said positions no less than two (2) years.
- Persons who do not have connection by blood or legal registration as father, mother, spouse, brother/sister, daughter/son, and spouses of daughter/son of management executives, major shareholders, entities with controlling authority, or do not be candidates for management executives or entities with controlling authority of the company and its subsidiaries.
- Persons who do not have business relationship with the company, its subsidiaries, associate companies or juristic persons who may have a conflict of interest in a manner that may hinder them from exercising their independent discretion.
- Persons who are not directors appointed as representatives of the Board, major shareholders or other shareholders relevant to the major shareholders.
- Persons who do not contain other characteristics that may prevent them from expression of their independent opinions regarding the company's operations.

Chairman of Board of Directors, Executive Chairman and President

Chairman of the Board shall not be the same person of Executive Chairman and President, and shall not have any relationship with the management with the following clearly separated roles, authority and duty.

- Consider and determine agenda of a Board of Directors' meeting together with all of other directors, and manage to have al directors gain clear, complete and correct information for their proper decision-making before the meeting.
- Lead the Board and chair its meeting.
  1) Proceed a Board meeting by order of agendas, Articles of Association and laws.
  2) Allow a sufficient meeting period, and encourage all directors to make discussion, exchange opinions independently and exercise prudent consideration in regard to all stakeholders.
  3) Finalize meeting resolutions and next actions clearly.
- Lead a shareholders' meeting by order of agendas, Articles of Association and laws, allow a sufficient meeting period, open an opportunity for the shareholders to equally express their opinions, and properly answer the shareholders' questions with transparency.
- Promote and become a good example for good corporate governance and business ethics.
- Foster good relationship between the Board and administration, and support Executive Chairman/President and administration in their duties to follow the company's policies.
- Manage, with supervision and oversight, to have information disclosure and transparent administration in a case of a conflict of interest.
- Manage, with supervision and oversight, to have the Board's proper structure and elements.
- Manage, with supervision and oversight, to have effective and efficient implementation of the Board, committees and each board directors in the overall with objective achievement as described in the work plan.
- Abide by duties designated by the laws.

Executive Chairman

- Oversee and supervise work implementation of Executive Committee, call for an Executive Committee meeting for consideration of matters as deem appropriate.
- Be authorized to sign on cheques or financial document for payment of the company, financial and accounting document in an amount designated by the Board.
- Be authorized to appoint, move, remove or terminate employment of executive officers.
- Perform duties with integrity and care of the company's benefits.

President

- Manage, supervise and oversee operations pertinent to the company's general administration.
- Execute works as delegated by the Board or Executive Committee.
- Be authorized to employ, move, dismiss, terminate employment of, determine wages of, give financial rewards to, raise salary/remuneration/bonus for all employees in positions below the executive level, as well as make appointment for the employer side of the company's provident fund.
- Be authorized and vest in a person the authority to approve disbursement for procurement of assets and services for the company's benefit and approve its financial transactions within the amount authorized by the Board or Executive Committee.
- Be authorized to issue orders, regulations, announcements and notifications which results in operations to follow the company's policy, achieve its benefits and maintain its disciplines.
- Be authorized to act on behalf and represent the company toward other persons in related businesses and beneficial to the company.
- Approve appointments of advisors necessary to the operations.
- Perform other duties as delegated by the Board or Executive Committee on a periodic basis. President will be under and directly report to Executive Chairman. President shall abide by the direction and policies designated by the Executive Committee.

2. Approval Authorization of Board of Directors

- Be authorized to supervise and manage the company to follow the laws, objectives, regulations and shareholders' meeting resolutions.
- Be authorized to appoint a director as Chairman and another as Vice Chairman.
- Be authorized to appoint a director as Executive Chairman, and make appointments of President and Company Secretary.

Duty and Responsibility of Board of Directors

- Abide by Articles of Association as well as supervise and manage the company to follow the laws, objectives, regulations and shareholders' meeting resolutions.
- Set vision, direction, strategies, policies and major work plans of the company as consider risks that may arise for executives' efficient management.
- Control and monitor work implementation to be in compliance with the company's strategies, policies, objectives and work plans as laid out in an approved budget plan.
- Manage to have accounting system, financial reporting and accounting audit as well as efficient internal control and internal audit.
- Supervise and oversee solutions to a conflict of interest that may arise and connected transactions.
- Appraise work performance of Executive Chairman/President and supervise/oversee determination of proper remuneration which shall be in line with work performance and encourage motivation in the short and long term.
- Manage to have proper channels of communication with each group of the shareholders and stakeholders.
- Manage to have disclosure of information with accuracy, clarity and transparency.
- Prohibit a director (s) to operate a similar business (es) which could compete with the company's businesses with an exception for notification of his/her business (es) prior to an appointment.
- A director shall report the company without a delay in the following cases.
  (1) Being at stake either directly or indirectly on his/her own or related persons. Such stake involves the company or its subsidiary (s)'s administration.
  (2) Shareholding of the company or its associate company (s) with reporting of its increase or decrease.
- Connected transaction between a director and the company or its subsidiary significant to the company shall gain approval from the company's shareholders in exception that such transaction is waived by the Securities and Exchange Act.

3. Appointment and Removal of Directors

3.1 Appointment

- Company Secretary informs regulations that allow the shareholders to nominate a candidate (s) to hold a position of a director through the Stock Exchange of Thailand and the company's website www.mfec.co.th. Qualified candidates will be nominated in the Nomination and Remuneration Committee's meeting, the Board of Directors' meeting and the shareholders' meeting, respectively, for consideration.
- The shareholders' meeting elects, by a majority of votes, a qualified candidate (s) the Board screens and nominates in principles as a director (s).
    - One shareholder has the number of votes as one share for one vote.
    - The shareholder casts his/her vote on an individual basis.
    - Candidates who gain the highest votes in respective orders will be elected as directors in the number equal to that required in an election. In a case of a tie, Chairman shall cast a final vote.

3.2 Removal

- One-third or the proportion closest to one-third of all directors shall vacate the office at each of annual general meeting of shareholders. Any directors vacating the office on due term can be re-elected.
- Aside from due-term vacancy, a director shall leave the position when he/she dies, resigns, lacks qualifications or contains prohibited characteristics as designated by laws, and a shareholders' meeting has a resolution to dismiss him/her or a court has a ruling to dismiss him/her.
- A director who will vacate the office shall tender a resignation letter. The resignation shall take effect on the date the resignation letter arrives the company.
- In a case of a directorship vacancy due to other causes aside from due-term vacancy, the Board shall elect, with votes by three-fourths of the remaining directors, a qualified candidate without prohibited legal characteristics as the director in replacement in the next Board meeting, with an exception for the remaining term of less than two (2) months. The new member shall hold the remaining term. The
- A shareholders' meeting may decide to dismiss a director before his/her due term with votes by no less than three-fourths of all shareholders in attendance and eligible for votes and their shares combined of no less than half of total shares held then.

4. Board of Directors' Meeting

- In the event that Chairman resigns, Vice Chairman or a Board member shall chair the meeting.
- At least half of all Board members shall constitute a quorum.
- The Board share hold its meetings at least six (6) times a year and there may be an extraordinary (s) as deem necessary and appropriate as to allow sufficient time for consideration, supervision and oversight of businesses. The Board members shall convene without the management in attendance once a year.
- All Board members shall participate in the Board meetings at least 80% of total attendance or five (5) times a year with sufficient time for meeting attendance.

5. Remuneration

The Board of Directors' remuneration shall be determined by the Nomination and Remuneration Committee's meeting with consideration of the Board of Directors' meeting and shareholders' meeting, respectively.

6. Performance Appraisal of the Board of Directors

- Manage to have self-appraisal for Board of Directors on an individual basis and a group basis.
    - Self-appraisal on an individual basis. Company Secretary will deliver the Board members the self-appraisal form to appraise their performance and the deadline will be set for them to return the form to Company Secretary who will gather and interpret data. The self-appraisal results will be forwarded to the Nomination and Remuneration Committee and the Board of Directors for acknowledgement in February of a following year.
    - Self-appraisal on a group basis. Company Secretary will deliver the Board as a whole group to appraise itself in a Board meeting for consideration and review of its own performance in every December.
- Manage to have all Board members to jointly assess adequacy of internal control and business supervision and oversight every December with a summarized report in Annual Report for the shareholders' acknowledgement.

7. Supplementary Meeting Document and Minutes of Board of Directors' Meeting

- Company Secretary proposes an annual meeting schedule in advance and deliver supplementary meeting document at least seven (7) days in advance in order to allow the Board members sufficient time for consideration of each agenda.
- Company Secretary shall prepare minutes of Board of Directors' meeting.

8. Financial Reporting

- Board of Directors is responsible for reporting financial data and general information to investors and the shareholders with accuracy, completeness, transparency, reasonable explanation and information backups.
- Board of Directors shall understand financial data and shall not intervene the company's auditor in terms of objectives and professional standard.
- Board of Directors shall have a report responsible for its preparation and disclosure of the company's financial report in Annual Report. The Board's report shall be together with audited financial statements.
- Board of Directors shall disclose its principles for corporate governance according to requirements of the Stock Exchange of Thailand.

9. Orientation and Knowledge Improvement for New Director

- When a new director takes office, Company Secretary will coordinate to hold a meeting between the new member and the management as to have the former acknowledge the company's information including background, business characteristics, shareholding structure and administration, and others as necessary.
- The company pays attention on essential training which will benefit members of the Board and committees. Training courses are usually organized by Institute of Thai Directors, Stock Exchange of Thailand, and Securities and Exchange Commission. Company Secretary regularly notifies the directors to ask their intention for training and registration.

10. Directors and President's Directorship Positions in Other Companies

Board of Directors is aware of efficient duty performance of directors and President. Therefore, the policy is set for them for their directorship positions in other companies as to be in line with the good practices required.

- President will be permitted to hold a directorship position or President in other companies aside from the company's subsidiaries, associate companies or other companies held by the company if President receives approval from Board of Directors.

Audit Committee

1. Membership & Qualification of Audit Committee

- **Membership**
  - Audit Committee shall be comprised of at least three (3) Board members who shall satisfy the independence requirements for directors.
  - Audit Committee shall be comprised of at least one (1) member who shall be financially literate with accounting and related financial management knowledge and experience for review of financial statements.
- **Qualification**
  - Each Audit Director shall hold no more than 1% of paid-up capital of the company's subsidiaries, associate companies and other related companies.
  - Each Audit Director shall not be a related person with, gain benefit or a stake, or close relatives of the company's executives or major shareholders.
  - Each Audit Director shall perform his/her duty, express opinions or report results of tasks delegated by Board of Directors, with complete independence from the company's executives or major shareholders.

2. Term of Office

- Audit Director's term shall run for two (2) years from the date of appointment.
- Audit Director completing a term may be reappointed for another term as the Board deems appropriate. However, such term continuation should not be made automatically.
- Aside from the term completion, Audit Director will be dismissed when:
  - he/she resigns;

- he/she is dismissed by the Board's resolution;
- he/she lacks qualifications of holding the position following the Audit Committee Charter or regulatory requirements of the Capital Market Supervisory Board, Stock Exchange of Thailand and other supervisory units.
- he/she completes a term or, with any reasons, is not able to complete the term in office and, as a result, the number of Audit Directors is less than three (3) required by the charter, Board of Directors shall appoint a new Audit Director immediately or, at the longest, within three (3) months from the date the number of Audit Directors is less than that required. This is to ensure continuation of Audit Committee's work execution. Newly-appointed member (s) shall stay for the remaining term only.

3. Scope of Authority, Duty and Responsibility

- Review the integrity and accurateness of the company's financial statements with sufficient disclosure of information.
- Review the adequacy, appropriateness and effectiveness of the company's internal control, risk management and internal audit systems.
- Review practices in accordance with the good corporate governance and business ethics for appropriateness and effectiveness.
- Review the company's compliance with Securities and Exchange Act, the Stock Exchange of Thailand's regulatory requirements and other legal requirements pertinent to the company's businesses.
- Screen and nominate the company's auditor and propose his/her remuneration.
- Consider connected transactions in respect to the company's compliance with legal and regulatory requirements of the Stock Exchange of Thailand as to ensure validity and benefits of the company.
- Oversee and supervise performance of the internal audit office and approve the charter, its independence as well as scope and plan of audit of the internal audit office.
- Consider and approve budget and workforce of the internal audit office.
- Consider, appoint and move chief of the internal audit office, and participate in appraisal of his/her performance.
- Consider and review audit results and recommendations made by the auditor and internal audit office. Monitoring shall be made to ensure the management's efficient solutions within proper periods after the recommendations.
- Have direct access to, and complete and open communication with, the company's executives or employees related through their reporting, presentation, meeting attendance or delivery of document, as necessary.
- Review and update Audit Committee Charter, as necessary, to cope with the company's surrounding environment, and propose the charter's amendment to Board of Directors for approval.
- Prepare Audit Committee's report consisting of information and its opinions for disclosure in the company's Annual Report. The Audit Committee's report shall be signed by its chair.
- Perform any others, as delegated by Board of Directors and approved by Audit Committee. The management shall report or present pertinent information and document to Audit Committee as to support it to achieve its tasks delegated.
- Obtain independent advice from other professional advisors, as deem appropriate and necessary, in respect to the company's expenses.

4. Meeting

- Audit Committee shall hold or call for a regular meeting, as deem appropriate, at least four (4) times a year and such additional meetings, as deem necessary, with no less than half of its members.
- All Audit Directors shall attend all meetings. In the case of absence, an absent Audit Director shall notify Chair no less than three (3) days beforehand.
- Chairman of Audit Committee shall chair a meeting. In the event that Chairman is not present in the meeting or as other necessary business, the members present shall elect a member to chair the meeting.
- Audit Committee shall meet with the management or internal auditor or auditor in a separate executive session at least once a year.
- A motion shall be passed by a majority of votes cast in favor by Audit Directors present. Any member who is at stake in a matter shall not be eligible to make comments and vote. In the event of a tie, Chairman shall cast a final vote.
- An invitation letter for a meeting shall be delivered no less than seven (7) days beforehand. In the vent of necessity or urgency, a meeting shall be called for by other means or be scheduled faster. Audit Committee's secretary shall record minutes of meeting.

5. Remuneration for Audit Committee

Audit Committee's remuneration shall be determined by a Nomination and Remuneration Committee's meeting with consideration of a Board of Directors' meeting and a shareholders' meeting, respectively.

6. Reporting

6.1 Reporting to Board of Directors

- Report its activities to the Board for acknowledgement consistently.
- Report to the Board with respect to its notes to the company's financial information and internal audit results
- Report instantly to the Board with respect to any issues found or acknowledged for preparation of proper measures or direction for immediate improvement. Such issues extend from a conflict of interest, suspicion on corruption, fraud or any irregularities to the internal control system.

6.2 Reporting to State Agencies

When Audit Committee reports to the Board any significant issues that arise with respect to the company's financial status and operational performance, and discusses with the Board and management for improvement, if no continuation is found, without a proper reason, for such improvement, Audit Committee may report to the Securities and Exchange Commission and Stock Exchange of Thailand its findings.

6.3 Reporting to the shareholders and general investors

Audit Committee shall provide its report, signed by its Chair and disclosed in the company's Annual Report, of its annual activities.

7. Performance Appraisal

Audit Committee shall prepare a self-appraisal form to ensure its work efficiency and success in the objective, assess its performance in a written document at least once a year, and report the result to the Board for acknowledgement. Any recommendations shall be followed for improvement and enhancement of Audit Committee's work effectiveness.

- Manage to have self-appraisal for Audit Committee on an individual basis and a group basis.
  - Self-appraisal on an individual basis. Company Secretary will deliver Audit Directors the self-appraisal form to appraise their performance and the deadline will be set for them to return the form to Company Secretary who will gather and interpret data. The self- appraisal results will be forwarded to Nomination and Remuneration Committee and Board of Directors for acknowledgement in February of a following year.
  - Self-appraisal on a group basis. Company Secretary will deliver Audit Committee as a whole group to appraise itself in its meeting for consideration and review of its own performance in every December.
- Manage to have all Audit Directors, Chief Financial Officer and chief of internal audit office to jointly assess performance and independence of the auditor.

8. Supplementary Meeting Document and Minutes of Audit Committee's Meeting

- Company Secretary proposes an annual meeting schedule in advance and deliver supplementary meeting document at least seven (7) days in advance in order to allow all Audit Directors sufficient time for consideration of each agenda.
- Company Secretary shall prepare minutes of Audit Committee's meeting.

Risk Management and Corporate Governance Committee

1. Membership

- Risk Management and Corporate Governance Committee is appointed by Board of Directors to supervise and oversee risk management within the company in order to ensure that the management which is responsible for risk management efficiently devises the risk management system to cover all types of risks. The committee also supervises practices following the good corporate governance guidelines as to help the company operate its businesses in according to the corporate governance.
- Risk Management and Corporate Governance Committee shall be comprised of at least three (3) directors and executives and no less than half of them shall be independence directors. Chairman shall be an independent director.

2. Position Held/Dismissed

- Each Risk Management and Corporate Governance Director's term shall run for two (2) years. The director who completes a term in office can be re-appointed if the Board's approval is given.
- Aside from retirement on due term, Risk Management and Corporate Governance Director will leave the office in the case of:
  - Retirement on due term;
  - Resignation. A resignation letter shall be delivered to Chairman no less than 30 days in advance with an exception for necessary businesses;
  - Leave of the position before due term. Nomination and Remuneration Committee shall propose a Board of Directors' meeting to appoint a director with full qualifications in replacement for the remaining term;
  - Death.
- Upon Board of Directors' resolution.

3. Scope of Authority, Duty and Responsibility

- Risk Management
  - Consider and propose risk management policy and framework to Board of Directors for approval.
  - Review and agree on risk appetites and propose them to the Board for acknowledgement.
  - Supervise and oversee development and compliance following the risk management policy and framework consistently so that MFEC Group exercises the efficient risk management system across the organization and complies with the system continuously.
  - Review risk management reports to monitor significant risks with actions as to ensure that the company devises adequate and proper risk management.
  - Coordinate with Audit Committee to handle significant risks and the internal audit unit acts to review them in order to assure that the company employs proper internal control system for risk management, properly applies the risk management system, and complies with it across the organization.
  - Report the Board risks and management of significant risks regularly.
  - Provide recommendations, advice and solutions involving improvement of the risk management system to the Risk Management Working Group.
  - Appoint members of the Risk Management Working Group in addition or replacement as appropriate, and define its roles, duty and responsibility to achieve the objectives.
  - Perform any other duties pertinent to risk management as delegated by the Board.
  - Communicate, exchange information and coordinate with the internal audit unit in regard to risks and internal control at least once a year.

Executives/Risk Management Working Group/Internal Auditor/Auditor shall report or present information and pertinent document to the Board in order to support Risk Management and Corporate Governance Committee to achieve its objectives as delegated.

- Corporate Governance
  - Set the policy and guidelines for good corporate governance and propose them to the Board for consideration and approval.
  - Make recommendations on good corporate governance to the Board.
  - Prepare a manual for good corporate governance, review the practices on good corporate governance, and make comparative results among the company's principles of good corporate governance with the Stock Exchange of Thailand's and the international ones' for consideration and further improvement on a regular basis.
  - Appoint a working group to assist in work implementation as appropriate, and set the corporate governance policy for the working group on good corporate governance which reports the committee its supervision and oversight on a periodic basis.
  - Report its performance to the Board for acknowledgement.
  - Perform any other duties as delegated by the Board.

4. Meeting

- Risk Management and Corporate Governance Committee shall hold its meeting at least once a quarter, while being able to invite any persons to attend the meeting.
- Executive Director shall present in each meeting and no less than half of all Risk Management and Corporate Governance Directors shall constitute a meeting quorum.
- In the event that Chairman of Risk Management and Corporate Governance Committee is not present in a meeting and acting Chairman is not appointed, the members present shall elect a member to chair the meeting.
- Chairman of Risk Management and Corporate Governance Committee may call for an extraordinary meeting upon a request for discussion of additional key issues.
- Any Director who is at stake in a matter shall not be eligible to make comments and vote.
- Secretary to Risk Management and Corporate Governance is responsible for inviting all members for a meeting, preparing agendas, delivering supplementary meeting document and record minutes. Invitation letters and supplementary document shall be delivered in advance.
- In a motion, Chairman and Risk Management and Corporate Governance Directors have one vote each and a majority of votes shall be adopted. In the event of a tie, Chairman shall cast a final vote and Secretary is not eligible for voting.

5. Remuneration

Remuneration for Chairman and other non-executive directors shall be determined by a Nomination and Remuneration Committee's meeting with consideration of a Board of Directors' meeting and a shareholders' meeting, respectively.

6. Reporting

6.1 Reporting to Board of Directors

- Report, on a quarterly basis, organizational risk management to the Board for acknowledgement and awareness of key risks the company faces and impact factors to organizational risks in the future.
- Report to the Board with respect to corporate governance within a proper period for improvement, in the case that any doings may provide significant impacts on the company's operations and may not follow the corporate governance, morale and business ethics.

6.2 Reporting to the shareholders and general investors

Risk Management and Corporate Governance Committee shall provide its report, signed by its Chair and disclosed in the company's Annual Report, of its annual activities.

7. Performance Appraisal

Risk Management and Corporate Governance Committee makes self-appraisal and report Board of Directors its result for acknowledgement once a year.

- Manage to have self-appraisal for Risk Management and Corporate Governance Committee on an individual basis and a group basis.
  - Self-appraisal on an individual basis. Company Secretary will deliver Risk Management and Corporate Governance Directors the self-appraisal form to appraise their performance and the deadline will be set for them to return the form to Company Secretary who will gather and interpret data. The self-appraisal results will be forwarded to Nomination and Remuneration Committee and Board of Directors for acknowledgement in February of a following year.
  - Self-appraisal on a group basis. Company Secretary will deliver Risk Management and Corporate Governance Committee as a whole group to appraise itself in its meeting for consideration and review of its own performance in every December.

8. Supplementary Meeting Document and Minutes of Risk Management and Corporate Governance Committee's Meeting

- Company Secretary proposes an annual meeting schedule in advance and deliver supplementary meeting document at least seven (7) days in advance in order to allow all Risk Management and Corporate Governance Directors sufficient time for consideration of each agenda.
- Company Secretary shall prepare minutes of Risk Management and Corporate Governance Committee's meeting.

Nomination and Remuneration Committee

1. Membership and Qualification

- **Membership**
  - Nomination and Remuneration Committee shall be comprised of at least three (3) Board members. At least one (1) of them shall satisfy the independence requirements. Chairman shall be an independent director.
  - Board of Directors shall select one (1) of non-executive directors and appoint him/her as Chairman of Nomination and Remuneration Committee.
  - If it is necessary for Nomination and Remuneration Committee to contain an executive director (s), at least half of all members shall satisfy the independence requirements and Chairman shall be an independent director.
- **Qualification**
  - Nomination and Remuneration Directors shall be experts with experience and knowledge including that on corporate governance, while understanding their duty and responsibility.
  - Chairman and Nomination and Remuneration Directors shall be independent directors in order to act as the core to push for its independent actions.
  - None of Nomination and Remuneration Directors shall be allocated any securities at more than 5%. If any, he/she shall not be eligible for approval of such allocation.
  - Chairman of the Board shall not act as Chair or members of Nomination and Remuneration Committee.

2. **Position Held/Dismissed**
   - Each Nomination and Remuneration Director's term shall run for two (2) years. The director who completes a term in office can be re-appointed.
   - Nomination and Remuneration Director will leave office in the case of:
     - Retirement on due term;
     - Resignation;
     - Death;
     - Leave of a Board director;
     - Dismissal by the Board.
   - In the event that Nomination and Remuneration Director leaves his office before due term, Board of Directors shall appoint a director with full qualifications in replacement for the remaining term.
3. **Scope of Authority, Duty and Responsibility**
   - Define criteria and policy on nomination of committees, Executive Chairman and President.
   - Identify qualified candidates as Board directors, committee directors, Executive Chairman and President, and nominate them to the Board and/or a shareholders' meeting for approval, as the case may be.
   - Determine necessary and proper financial and non-financial remuneration for the Board directors, committee directors, Executive Chairman and President each year for the benefits of the shareholders as a whole.
   - Prepare criteria and policy on determination of remuneration for Board of Directors, Executive Chairman and President and forward them to the Board and/or a shareholders' meeting for approval, as the case may be.
   - Report the policy on remuneration for directors, its background/rational and objectives as disclosed in Annual Report.
   - Assess and identify, with Chief Executive Officer (CEO), successors of CEO and top executives who report directly to CEO, and report to the Board for acknowledgement with respect to their succession plans every year.
   - Develop, with CEO, the succession plans of CEO and top executives who report directly to CEO.
   - Review and assess adequacy of the Nomination and Remuneration Committee Charter and, if appropriate, recommend changes to the Charter to the Board for approval.
   - Perform any other tasks or have such authority and responsibility, as may be delegated by the Board on a case-by-case basis.
4. **Meeting**
   - Nomination and Remuneration Committee shall hold its meeting two (2) times a year.
   - No less than half of all Nomination and Remuneration Directors shall constitute a meeting quorum.
   - In the event that Chairman is not present in a meeting or unable to perform his/her duty, Nomination and Remuneration Directors present shall select a director to chair the meeting.
   - Any Director who is at stake in a matter shall not be eligible to vote with an exception for determination of remuneration for the whole Board of Directors.
   - A majority of votes shall be adopted. In the event of a tie, Chairman shall cast a final vote.
5. **Remuneration**

Nomination and Remuneration Committee's remuneration shall be determined by a Nomination and Remuneration Committee's meeting with consideration of a Board of Directors' meeting and a shareholders' meeting, respectively.

6. **Reporting**

   6.1 Reporting to Board of Directors
   - Report its performance to the Board for acknowledgement at least once a year.
   - Report its self-appraisal results on an individual basis and a group basis to the Board and forward them to a shareholders' meeting as appeared in Annual Report and annual report form, as appropriate.

6.2 Reporting to the shareholders and general investors

Nomination and Remuneration Committee shall provide its report, signed by its Chair and disclosed in the company's Annual Report, of its annual activities.

7. Performance Appraisal

Nomination and Remuneration Committee makes self-appraisal and reports Board of Directors its result for acknowledgement once a year.

- Manage to have self-appraisal for Nomination and Remuneration on an individual basis and a group basis.
  - Self-appraisal on an individual basis. Company Secretary will deliver Nomination and Remuneration Directors the self-appraisal form to appraise their performance and the deadline will be set for them to return the form to Company Secretary who will gather and interpret data. The self-appraisal results will be forwarded to Nomination and Remuneration Committee and Board of Directors for acknowledgement in February of a following year.
  - Self-appraisal on a group basis. Company Secretary will deliver Nomination and Remuneration Committee as a whole group to appraise itself in its meeting for consideration and review of its own performance in every December.

8. Supplementary Meeting Document and Minutes of Nomination and Remuneration's Meeting

- Company Secretary proposes an annual meeting schedule in advance and deliver supplementary meeting document at l east seven (7) days in advance in order to allow all Nomination and Remuneration Directors sufficient time for consideration of each agenda.
- Company Secretary shall prepare minutes of Nomination and Remuneration Committee's meeting.

Executive Committee

1. Membership and Qualification

- Membership
  - Executive Committee shall be comprised of no less than three (3) directors and executives.
  - Board of Directors shall select an executive director as Executive Chairman. In the event that the Board may deem appropriate, an executive director or more may be selected as Vice Chairman.
  - Executive Chairman may be the same person of President.
  - Executive Chairman shall not be the same person of Chairman of the Board.
- Qualification of Executive Director
  - Executive Directors shall be persons who have useful knowledge, capabilities and experience for the company's business operations with integrity, honesty, business ethics and sufficient time for total dedication to the company.
  - Executive Directors shall be fully qualified with none of legally prohibited characteristics according to laws pertinent to public company limited, securities and exchange and others relevant.

2. Position Held/Dismissed

- Executive Committee shall be appointed by Board of Directors
- Executive Directors shall leave the office in the case of:
  - Death;
  - Resignation;
  - Lack of qualifications with legally prohibited characteristics;
  - Board of Directors' meeting resolution for dismissal.
- An Executive Director who will resign shall tender a resignation letter to the company. The resignation will take effect from the date the resignation letter arrives the company or the date stated in the resignation letter.
- In the event of a vacancy, the Board shall select a qualified candidate to fill the vacant position.

3. Scope of Authority, Duty and Responsibility

- Screen
  - Policies, direction, business strategies and management structure as well as principles for business operations to cope with the economic situations and competition.
  - Business plan and annual budget of the company.

- Principles and policy on investment, work management, subsidiaries and associated companies in the main business groups or other business groups.
- All investment projects, search for opportunities in new businesses and joint businesses with partners.
- Annual workforce plan
- Appointment, removal, termination of employment, extension of employment for employees or executive officers below Executive Chairman, as well as consideration for employment or termination of employment for persons at or beyond the retirement age according to Articles of Association, and consideration of remuneration following the company's salary structure.

- Approval or Disapproval
  - Investment projects with the amount of no more than 20 million baht. Such investment projects relate to the company's businesses.
  - Bids through consortiums or joint ventures with partners.
  - Opening and closure of the company's accounts in financial institutions.
  - Write-offs of deteriorated assets/liquidation of unused assets.
  - Improvement and change of the organizational structure at the departmental level which shall be reported to the Board for acknowledgement.
  - Bonus payment and the amount for annual salary raise within a budget.
- Monitoring and Supervision
  - Strategic plan, work plan and projects in annual business plan as approved by the Board.
  - Financial performance results of the company.
  - Supervision and oversight of the company's compliance with the corporate governance policy.
- Reports to Board of Directors
  - Quarterly financial performance report.
  - Other reports as designated by the Board.

4. Meeting

Executive Committee shall hold its meeting on a monthly basis. If a meeting is canceled or held, notification shall be sent to all related persons via e-mail in advance so that issues shall be considered according to duty assigned by the Board and those shall be screened before being forwarded to the Board for approval.

5. Performance Appraisal

Executive Committee's performance appraisal shall be done every year. Executive Committee shall perform self-appraisal and report its annual result to the Board.

6. Reporting

6.1 Reporting to Board of Directors

Reports of the company and its subsidiaries' performance shall be made in comparison with quarterly budget plan to the Board.

6.2 Reporting to the Shareholders and General Investors

Reports shall be made for activities and key information, as disclosed in the company's Annual Report.

7. Supplementary Meeting Document and Minutes of Meeting

- ecretary at a meeting shall inform a meeting schedule and deliver an invitation letter seven (7) days before a meeting date.
- Secretary at a meeting shall records minutes of a meeting.

Practice2: Determine objectives for sustainability

Rationale

- Board of Directors determines or manage objectives for sustainability and the objectives shall comply with value creation toward businesses, customers, stakeholders and the overall society.
- Board of Directors is responsible for supervision and oversight to ensure the objectives, medium-term business strategies and/or annual business strategies to be in line with their achievement, while innovation and technology are properly and safely employed.

Practice

1) Board of Directors considers and determines vision, mission, objectives which are in line with value creation for the organization's sustainable growth.
2) Board of Directors considers and determines the corporate value and Code of Conduct to raise awareness among all employees with good practices, according to the company's vision, mission and objectives in the same direction across the organization.
3) Board of Directors, in collaboration with the management, considers and determines annual strategies and plans which are in line with the businesses' objectives.

Vision and Mission

Vision

Being committed to develop the organization into "Institution" of the country with greater stability and recognition from investors and the society.

Mission

- Being committed to develop the organization into a leader among integrated information technology service providers in the country and the region.
- Gain competitive advantages continuously with sustainability through dedication in production of quality products and excellent services with internationally-accredited standards and fair prices to all customers.
- Have ideology and commitment stating that we will become the leader to encourage the country's human resources development, create high value-added local jobs and disseminate income, all of which are key factors in upgrading quality of lives for people in the country as a whole.

Corporate Value

1) **Rationale:** Raise awareness for all employees to realize the corporate value determined with the following objectives.
   - To become good practices in accordance with vision, mission and objectives in the same direction across the organization.
   - To build up good relationship among all employees.
   - To establish a foundation for development, improvement and promotion of creativity process in order to increase work efficiency continuously.

2) **Policy**

Corporate value is the appropriate practices set as the policy which directs all employees to abide by for work disciplines and overall achievement.

Passion to Success: perceive the definition of self success and strong desire for work success and future career path jointly planned with the organization.

Teamwork: become a unity, work together with mutual understanding, share a success, suffering and happiness with colleagues.

Professional: Being committed and responsible with disciplines and ownership of duty for everyone and customers.

Below are 15 appropriate practices.

(1) Perform tasks firmly as delegated.
(2) Be willing to perform tasks with others.
(3) Respect, accept and listen to colleagues.
(4) Have a seniority system through Thai culture by raising both hands to pay respect and say hello with modest actions and words.
(5) The elders express their generosity and sincerity.
(6) Trust, cooperate, support and coordinate with other units.
(7) Establish good relationship and unity in order to achieve the organization's goal.
(8) Learn and make self-improvement continuously to ensure efficient work performance, and present creative processes or innovation for benefits of the organization and the society as a whole.
(9) Maintain quality, inspect and review work performance to follow the procedures precisely and perfectly.
(10) Perform duty diligently with honesty, integrity, transparency and fairness.
(11) Gain awareness and professional ethics.
(12) Keep confidentiality, benefits and assets of the company.
(13) Behave and follow practices in morality and corporate regulations.
(14) Being committed and willing to provide services, smile when servicing, build up good relationship with internal customers (colleagues) and external customers (customers),say hello and thank you with hands raised to pay respect to customer's every time of service.
(15) Satisfy demand of, pay attention on and respond to customers with proper technology to enhance their business capability and competitiveness through qualify and differentiated services.

Code of Conduct

MFEC Public Company Limited and its subsidiaries establish Code of Conduct for MFEC Group's directors, executives and employees who shall adhere it to achieve the company and its subsidiaries' business operations. Therefore, Code of Conduct for Business Operations, Code of Conduct for Stakeholders, Code of Conduct for Board Directors and Code of Conduct for Employees are drawn out for all to comply with the regulatory requirements and disciplines.

Code of Conduct is regarded as the disciplines which Board Directors and all employees shall adhere and follow strictly. Any employees who infringe Code of Conduct shall be imposed disciplinary penalty.

• **Code of Conduct for Business Operations:** Executives shall treat the shareholders, employees, customers, trade partners/ creditors, competitors and the overall society in the following manners.

Executives to the Shareholders:

The Company is committed to a good representative of the shareholders in the business operations to satisfaction to the shareholders with regard to the growth of the value of the company in the long term and continuously good return as well as the disclosure of information in a transparent and reliable to shareholders.

(1) Work with integrity is under the framework of the laws and regulations of the company held this Code of Conduct in the action transactions and in every activity the decision so that business is conducted in good faith, transparent and can monitor.

(2) Perform a duty of the profession performance by using the full knowledge and experience.

(3) Never disclose the company's confidential information to outsiders particularly competitors as if to treat the data and information of their own.

(4) Disclosure of information of the Company completely and accurately within the period as specified by the Office of the Securities and Exchange Commission.

Executives to Employees:

(1) Provide appropriate remuneration to each employee, based on his/her knowledge, capability, responsibility and performance.

(2) Maintain work environmental conditions with concerns of safety to the employee's lives, health and assets.

(3) Be fair and equal for the employees' appointment, move, reward and penalty, based on their knowledge, capability, appropriateness, behavior and performance.

(4) Pay attention to the talent development and share knowledge to employees by providing constantly staffing opportunities.

(5) Provide training seminars regularly to develop knowledge, skills and the potential employees.

(6) Listen to all employees' comments and suggestions equally by opening channels for employees to clarify or complaints about offenses, incidents or situations that affect the work or employee decisions.

Executives to Customers:

The company is committed to creating satisfaction and confidence for customers to receive good quality products and services at the reasonable price level as well as maintaining good relationship. The Company has set the guidelines as following;

(1) Treat customers fairly in goods and services.

(2) Disclose complete and accurate information related to products and services with distortion.

(3) Keep customers' information confidential.

(4) Provide information and knowledge of products and service to customer.

(5) Develop quality products and services including fair and reasonable pricing.

(6) Provide channels for customers to complain about products & services.

Executives to Trade Partners or Creditors:

(1) Treat all parties equitably and fairly on the basis of equitable remuneration for both parties;

(2) Follow conditions to trade partners and creditors strictly. In the event that such conditions could not be met, advance notification shall be informed hurriedly so that solutions can be reached jointly with damage prevention.

Executives to Competitors:

(1) Abide by the rules of competition.

(2) Never access to customers' confidential information with dishonest or improper methods.

(3) Never damage the reputation and allege of competitors or their products with dishonesty and lack of truth and backup information.

Executives to the Overall Society:

(1) Never support activities that will affect the damage to the environment and society.

(2) Create conscious of responsibility for society and the environment with employees at all levels.

(3) Support activities for public benefits including reduction of usage of energy and natural resources.

(4) Support the development of social quality with an emphasis on education and the environment. Further details can be read in the MFEC Code of Conduct.

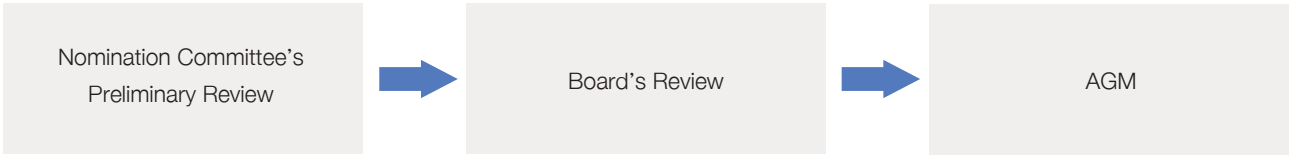
Practice3: Promote efficient Board of Directors

Rationale

- Board of Directors is responsible for determination and review of the Board's structure in terms of its size, membership, proportion of independent directors for the organization's achievement in its objectives.
- Board of Directors selects a qualified person as Chairman and manages to ensure its membership and implementation facilitate consideration for independent decision-making.
- Board of Directors oversees and supervises nomination and selection of directors to be clear and transparent for qualified directors as required.
- In regard to a proposed remuneration to Board of Directors, a shareholders' meeting shall consider and give approval for its proposed remuneration. The Board shall consider a proper structure and rates of remuneration for its own responsibility and motivation in short- and long- term work achievements.
- Board of Directors oversees and supervises all directors to be responsible for their duties and allocate sufficient time.
- Board of Directors manages to have establishment of a framework and a mechanism for supervision and oversight of policies and operations of the company's subsidiaries and significantly-invested enterprises properly with mutual understanding among them.
- Board of Directors manages to have annual performance appraisal of the Board, committees and individual directors. Appraisal results should be used to make further improvement.
- Board of Directors manages the Board itself and each of its members to gain knowledge and understanding of roles, duties, business characteristics and related laws, while supporting all members to enrich skills and knowledge for their performance on a regular basis.
- Board of Directors manages to ensure the Board's perfect execution with accessibility into necessary information. Company Secretary shall have necessary/proper knowledge and experience which supports the Board's execution.

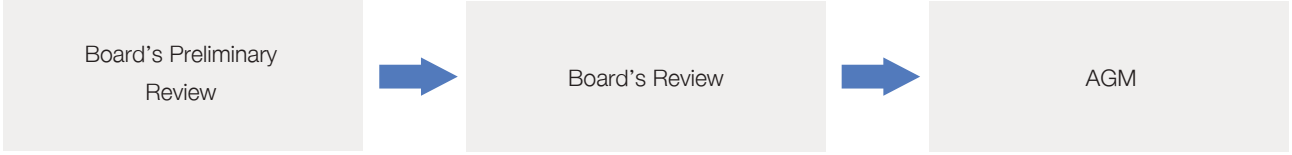
Practice

1) Board of Directors oversees its structure which is comprised of directors with skills matrix. The Board shall be comprised of at least one (1) non-executive director with business experience and no less than five (5) directors and no more than 12 directors in total. Its ratio of executive and non-executive directors shall be in a proper balance. Their qualifications shall follow regulatory requirements of the Securities and Exchange Commission and Stock Exchange of Thailand.
2) Chairman and President play different roles of responsibilities and are different persons. Chairman has his/her duty in full coverage of supervision and oversights to ensure the following issues.
   - Ensure the Board's efficient duty and objective achievements.
   - Promote culture, morality and corporate governance.
   - Determine a Board meeting's agendas through discussion among all directors with President's responsibility to include major issues into meeting agendas.
   - Allocate sufficient time for the management to propose issues and directors to make prudent discussion, and promote directors to consider the issues meticulously with independent opinions.
   - Encourage good relationship among executive and non-executive directors, and that between Board of Directors and the management.
3) Qualifications and compositions of Nomination and Remuneration Committee.
   - Chairman and most members should be independent directors.
   - A meeting should be organized to consider criteria and methods of nomination for qualified directors and, then, the committee members with knowledge, expertise and experience. The procedures for consideration and approval are described below.



Nomination and Remuneration Committee should review its criteria and nomination for directors and make recommendations to Board of Directors before nomination forreplacement of a retired director. In the case that the retired director is proposed, his/her performance should be taken into consideration. Nomination and Remuneration Committee should review its criteria and nomination for directors and make recommendations to Board of Directors before nomination for replacement of a retired director. In the case that the retired director is proposed, his/her performance should be taken into consideration.

- Remuneration for directors should be in line with the company's long-term strategies and goals, experience, duty, roles, accountability and responsibility. A Board member assigned to take responsibility in a committee should earn additional and proper remuneration. The remuneration shall be comparative to that in the industry.



Nomination and Remuneration Committee should unveil the policy and criteria for remuneration which reflects each's duty and responsibility by either types or amount. Additional remuneration for position in other committees should be included.

4) Responsibility for duty and time allocation.

- Have a mechanism which supports each director to understand his/her duty.
- Determine criteria for a director who holds a position in another company in order to ensure his/her dedication of sufficient time for his/her duty. The number of listed companies each director holds position in shall be no more than five (5). The reporting system involving this matter and direct or indirect stakeholding in other enterprises, principles and information shall be disclosed for acknowledgement.

Definition: A listed company means a company whose shares are traded in the Stock Exchange of Thailand.

- Each director shall have no less than 80% of total meeting attendance in a year.

5) Determination of framework and mechanism for supervision and oversight of policies and operations of subsidiaries and significantly-invested enterprises.

- Subsidiaries – Appoint persons as directors, executives or controlling persons with a scope of duty and responsibility as representatives. Internal control shall be established properly and sufficiently for transactions in compliance with the laws, regulatory requirements, subsidiaries' policies and MFEC policies.
- Associated companies – Appoint representatives to perform duty which accords with associated companies' policies and MFEC policy. Board of Directors shall prepare the shareholders' agreement or other agreements for clarity involving management authority, participation in major decision-making and performance monitoring in order to acquire their information for preparation of the company's consolidated financial statements according to standards and schedule.

6) Manage to have performance appraisal for Board of Directors, committees and individual directors at least once a year so that they consider their performance and find solutions together for further improvement.

Board of Directors	> 6 times/year
Audit Committee	> 4 times/year
Risk Management & Corporate Governance Committee	> 4 times/year
Nomination & Remuneration Committee	> 2 times/year

Executive Committee shall meet every month and report its performance to Board of Directors in a non-meeting month.

Group Appraisal (SET Form)

The Board appraises itself together in its December meeting. ➡ Finalizes and plans work improvement.

Individual Appraisal (SET Form)

Appraisal form is delivered in December. ➡ Appraise ➡ Send the form back in January.

Criteria for Performance Appraisal of the Board/Committees (Individual/Group)

Issue	Board (Group)	Committee	Individual
Structure & Qualification	/	/	/
Role, Duty & Responsibility	/	/	/
Meeting	/	/	/
Relationship with Management	/	x	x
Self Development & Mgt. Development	/	x	x

Remark: / = Appraisal , x = No Appraisal

Average appraisal score in each issue

Extremely disagree = 1
Disagree = 2
Agree = 3
Relatively highly agree = 4
Extremely agree = 5

And different opinions will be summarized and forwarded to the Board and committees for acknowledgement and further improvement next year.

7) Enhance skills and knowledge for duty of directors regularly.

- A newly-appointed director will be enriched with useful knowledge for his/her duty in order to understand the objectives, vision, mission, corporate value, business characteristics and business direction.
- Manage to have directors be trained and gain necessary knowledge continuously with understanding of the laws, regulatory requirements, standards, risks and surrounding business environment, and regular information updates.

8) Board of Directors and committees gain access into necessary information with operational support from Company Secretary.

- Set meeting schedules and agenda in advance so that directors can schedule their time to attend meeting throughout a year.
- The Board shall manage to have a mechanism for each director and the administration to independently propose useful issues for the company as meeting agendas.
- Supplementary meeting documents shall be delivered to directors in advance, at least seven (7) days before a meeting.
- The Board shall encourage President to invite top executives to attend the meeting and provide additional information, given their direct involvement with problems, and there will be a chance to know top executives for consideration of the succession plans.
- The Board shall regard the policy which allows non-executive directors to meet each other as necessary in order to make discussion without the executives' involvement. The meeting result shall be delivered to President for acknowledgement.
- The Board shall define qualifications and experience of Company Secretary who provide recommendations involving the laws and regulatory requirements for the Board's acknowledgement, arrange meeting document, important document and the Board's activities, and make coordination for actions following the Board's resolution. Company Secretary shall be trained with continuous knowledge improvement for efficient duty.

Practice4: Nominate and develop top executives and personnel management

Rationale

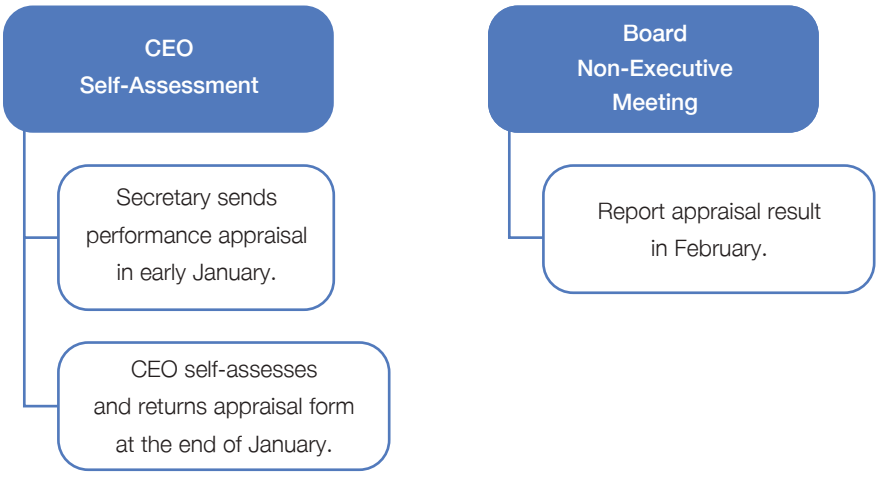
- Board of Directors manages to ensure nomination of President and top executives and their development in knowledge, skills, experience and necessary qualifications that help drive the organization to the goal.
- Board of Directors oversees and supervises determination of remuneration structure and proper performance appraisal.
- Board of Directors understand the structure and relationship of the shareholders which may affect business management and administration.
- Board of Directors monitors human resources management and development in terms of appropriate number, knowledge, skills, experience and incentives.

Practice

1) Nomination and development of President and executives for necessary knowledge, skills, experience and qualifications.
   - Board of Directors assign Nomination and Remuneration Committee to consider criteria and method to nominate a qualified candidate for President, and succession plans for President and top executives. President shall report the succession plans to the Board at least once a year.
   - Board of Directors promotes and supports President and top executives in training and development which will enrich knowledge and experience for their work implementation.
   - Policy and practice shall be establishing for President and top executives to hold other companies' directorship positions, in accordance with the good practices involving types of directors and the limited number of companies they are permitted to engage, and Articles of Association. The matters shall be proposed to a Board meeting for consideration and approval.
2) Determine the structure of remuneration and proper performance appraisal.
   - Board of Directors determines remuneration as incentives for Executive Chairman/President, top executives and other personnel at all level to perform their duties in line with the objectives for long-term corporate benefits. The remuneration structure shall be comparative with that of companies in the similar industry, in regard to the company's business performance.

Remuneration Structure	Executive Chairman/President/Top Executives
Monthly remuneration	Salary
Other monthly remuneration	Office car, fuel allowance, mobile phone allowance, management allowance
Welfare	Provident fund, social security insurance, group health insurance and liability insurance

- Board of Directors determines criteria and factors for performance appraisal, approves the structure of remuneration for directors, Executive Chairman/President/top executives, and makes assessment to be in line with the principles. Self appraisal forms of Board of Directors/committees and CEO of the Stock Exchange of Thailand are used for performance appraisal. The Board supervises to have determination of criteria and factors in performance appraisal for the whole organization.



3) Board of Directors understands the structure and relationship of the shareholders and information will be disclosed in line with agreements which may affect control of businesses.

Practice5: Promote innovation and business operations with responsibility

Rationale

- Board of Directors pays attention and supports innovation which creates value to businesses and brings benefits to customers or related parties with environmental and social responsibility.
- Board of Directors monitors and manages the administration to operate businesses with environmental and social responsibility, reflecting in the operational plan as a means to ensure that all parties of the organization proceed accordingly with the objectives and business strategies.
- Board of Directors monitors and manages the administration to arrange resources with efficiency and effectiveness in regard to benefits and impacts for achievement of the objectives with sustainability.
- Board of Directors manages to have a framework of supervision, oversight and manage of information technology at the organizational level, in accordance with business requirements, while having IT to increase business opportunities, work development and risk management for achievement of the objectives.

Practice

1) Pay attention to and support innovation. Board of Directors manages to have the administration to take it as a part for strategic review and development plan for operations and monitoring as a means to add value for businesses in all business models amid always-changing environment.
2) Board of Directors manages to have supervision and oversights of "Business Code of Conduct," as appeared on Page 28, as a mechanism ensuring business operation follow morality with environmental and social responsibility and no intrusion of rights of the stakeholders. This is the direction for all organizational units to attain the objectives.
3) Board of Directors monitors businesses to ensure achievement in the objectives and the administration's review and development of efficient and effective resources usage.
    - Financial capital
    - Intellectual capital
    - Human capital
    - Social and relationship capital
    - Natural capital

Changes of internal and external factors are always taken into consideration.

4) Framework and policy for supervision and oversight to achieve the objectives (Appendix).
    - Risk Management Policy
    - Quality Policy
    - Policy on Safety, Occupational Health and Work Environment
    - IT Governance Policy
    - Anti-Corruption Policy
    - Energy Conservation and Sustainability

Practice6: Manage to have proper risk management and internal control systems

Rationale

- Board of Directors manages to ensure that the company has risk management and internal control systems in order to achieve the objectives effectively, and abides by the related laws and standards.
- Board of Directors establishes Audit Committee which can perform its duty with independence.
- Board of Directors monitors and manages a conflict of interest that may arise, and prevent misuse of the company's assets, information and opportunities and transactions with persons related to the company in an improper manner.
- Board of Directors oversees and supervises the company to set a certain policy and clear practice on anti-corruption, and communicate it to all organizational levels and outsiders for real implementation.
- Board of Directors oversees and supervises businesses to acquire a mechanism for complaints and solutions when related information is provided.

Practice

1) Supervise and oversee to ensure the company has risk management and internal control systems.
   - Board of Directors understands major risks, assess impacts and probability for corporate risks that may arise, taking internal/external factors into consideration, approve acceptable risks as a framework of common risk management process, and review Risk Management Policy on a yearly basis. Major risks are described below.
     Strategic risk
     Operational risk
     Financial risk
     Human resource risk
     Compliance risk
   - Risk Management Committee is assigned to screen risks before forwarding them to Board of Directors for consideration, and to monitor and evaluate the internal control performance.
   - Subsidiaries or other significantly invested enterprises (a stake with voting right at 20% or more) are required to establish risk management and internal control.

2) Audit Committee which performs its duty with independence shall have qualifications and duty according to regulatory requirements of the Securities and Exchange Commission and Stock Exchange of Thailand (Perform duty as stated in Audit Committee Charter on Page 13).

3) Oversee and supervise to have data security system, determine policy and practice for data confidentiality, integrity and availability, and manage market sensitive information.

4) Manage a conflict of interest that may arise.
   - Require Directors to report their stakes, at least before their involved agenda in a Board meeting and record them in minutes of the meeting. Their participation shall not be permitted in such agenda.
   - Determine direction and practice for a transaction that may cause a conflict of interest according to procedures, and disclose such information.
     - Normal business transactions shall be forwarded to Audit Committee for consideration, approval and acknowledgement.
     - Connected transactions which may cause a conflict of interest in a medium scale.

Audit Committee's preliminary review → Board review & approval → **Dissemination via the SET**

     - Connected transactions which may cause a conflict of interest in a large scale.

Audit Committee's preliminary review → Board review & approval → Shareholders' review & approval → **Dissemination via the SET**

5) Manage to have a mechanism for complaints.
   - Determine protection measures for informers.
   - Manage to have channels for complaint information through website or Independent Directors/Audit Directors.
   - Determine processes for examination, operation and reporting to Board of Directors.
   - Record progress of solutions and report them.

Practice7: Maintain financial accountability and information disclosure

Rationale

- Board of Directors manages to have a system for preparation of financial statements and disclosure of important information with accuracy, adequacy and punctuality, according to related guidelines, regulatory requirements and standards.
- Board of Directors monitors adequacy of financial liquidity and ability to repay.
- In the event that a business faces financial troubles or tends to face financial troubles, Board of Directors has a plan (s) to solve them or set other mechanisms which can solve the financial troubles regarding to rights of the stakeholders.

Practice

1) Board of Directors takes supervision and oversight of related persons who prepare and disclose information to gain knowledge, skills and experience appropriate for their responsibilities and sufficient in number. Financial statements and their notes, and management discussion and analysis (MD&A) shall be disclosed together on a quarterly basis, while information shall be revealed in Annual Report and Form 56-1 for the shareholders and investors' acknowledgement.
2) Board of Directors takes supervision and oversight, and assigns the administration to monitor and evaluate businesses' financial statuses, and report the Board on a regular basis. Fast and prompt solutions shall be made if any signs for liquidity and ability to repay problems arise. Such signs include:
   - Consistent losses;
   - Decline in net profit margin;
   - Low cash flow;
   - Incomplete financial information;
   - Lack of a proper accounting system;
   - Lack of evaluation on cash flow and budget;
   - No business plan;
   - More increased amount of liabilities than increased amount of assets;
   - Problems in liquidation of inventory products and debt collection.
3) Board of Directors manages to have important information being disclosed and reflecting implementation which will lead to value creation for sustainable businesses.
4) Board of Directors assigns Executive Chairman/President to provide information for and communicate with outsiders.
5) Important information is required for disclosure in Thai and English languages through the Stock Exchange of Thailand's channel and the company's website with updates on a regular basis.

Practice8: Promote participation and communication with the shareholders

Rationale

- Board of Directors manages to ensure the shareholders take part in the company's major decision-making.
- Board of Directors manages to have a shareholders' meeting smooth out with transparency, efficiency and convenience for the shareholders' exercise of their rights.
- Board of Directors manages disclosure of meeting resolutions and preparation of minutes of meetings with accurateness and completeness.

Practice

1) The shareholders participate in major decision-making
   - Schedule a shareholders' meeting once a year.
   - Open an opportunity for the shareholders to propose an agenda (s) in advance by informing the shareholders via the Stock Exchange of Thailand's channel and notifying the result of the meeting agenda for the shareholders' acknowledgement.
   - Invite the shareholders for a shareholders' meeting (in Thai and English languages) with important document for consideration and decision-making, Board of Directors' opinions, supplementary meeting document, proxy document and practice. Invitation shall be made through the company's website and the Stock Exchange of Thailand's channel for information dissemination, and invitation letter shall be delivered to the shareholders no less than 28 days prior to the shareholders' meeting.

The shareholders will be given an opportunity to send questions in advance before the shareholders' meeting and such principles shall be disclosed in the company's website.

2) Proceeding of a shareholders' meeting
   - Prior to the shareholders' meeting, Chairman at the meeting introduces directors, auditor, Chief Financial Officers and independent financial advisors, and inform the meeting voting and vote counting procedures, and use of voting cards. Meanwhile, technology is employed for registration, vote counting and results for fast and precise proceeding.
   - During the shareholders' meeting, Chairman at the meeting explains process of resolution in each agenda following Articles of Association, opens an opportunity for the shareholders to question, express comments and give recommendations at a proper period, and answers questions before voting.
   - After the shareholders' meeting, Company Secretary disseminates the meeting resolutions and the number of votes for each agenda, while preparing the minutes for dissemination through the Stock Exchange of Thailand and the company's website within 14 days after the meeting.

Risk Management Policy

The company sets a composition involving risk management and its guidelines, and provide all supports in order to manage risk to be acceptable in all dimensions for the organization's sustainable achievement in vision and mission. The company has the risk management policy in the following manners.

1. Risk Management and Corporate Governance Committee is appointed to oversee and supervise management of the overall risks of the organization as stated in the Charter.
2. Risk Management and Corporate Governance Working Group is appointed to inspect and assess risks according to the risk assessment criteria and solve them to become acceptable without any damages to the organization. Risk assessment results shall be reported to Risk Management and Corporate Governance Committee periodically.
3. Risk assessment criteria shall be established and approved by Risk Management and Corporate Governance Committee for further implementation.
4. All employees shall perform their duties with carefulness and prudence in order to prevent and control risks that may arise.
5. All employees shall support activities for risk management.

Quality Policy

Quality Policy is the core for all sections which develop works for customers or internal use, or conduct activities to support other sections, acting as the main for one self or one's work unit to make implementation with prudence. This policy complies with work requirements, lessens errors that may arise. The company's Quality Policy is described in the following manners.

1. Project development or work implementation shall follow lifecycle & process as required.
    1.1 Proper lifecycle & process for a project or work implementation shall be prepared and accredited before application. Meanwhile, a project is able to use accredited lifecycle & process which suit the project or work implementation without newly- prepared ones.
    1.2 Determination of new lifecycle & process shall be done prudently without risks of requirements, project development, project monitoring, result tests, project delivery and project implementation.
2. Project development or work implementation shall be audited by an independent auditor for lifecycle & process compliance.
3. Work implementation which does not comply with design in lifecycle & process shall be adjusted

Policy on Safety, Occupational Health and Work Environment

The company is well aware of safety, occupational health and work environment of all including all types of employees hired, subcontractors, suppliers, trade partners and outsiders who work with or use services of the company, as well as all workplaces. Its target is “Work with No Accident,” which involves everybody to gain behavior in the same, positive direction. Therefore, Policy on Safety, Occupational health, Safeguard and Work Environment is set in the following manners.

1. Develop the administration system for safety, occupational health and work environment to be in accordance with the laws, international standards and other requirements applied by the company.
2. Control, adjust and prevent dangers from operations which give impacts to employees and/or the company’s assets with risks for continuous improvement of tasks involving safety, occupational health and work environment.
3. Improve performance involving safety, occupational health and work environment continuously.
4. Encourage and promote employees’ participation in any implementation and supervision involving safety, occupational health and work environment.
5. Develop the company’s employees with knowledge and awareness in safety, occupational health and work environment as well as safety for off-site work.
6. Provide resources for implementation according to a system for management of safety, occupational health and work environment as well as safety for lives and assets in the company’s responsible areas. Safety measures shall be reviewed for updates on a regular basis

IT Governance Policy

The company operates technology-related businesses and IT is employed to drive its works in all sections. Efficient IT services with corporate governance will assist the organization to attain its vision and mission, while mitigating risks from IT threats internally and externally. The company sets its policy and arranges compositions relating to internal IT administration with full supports so that all sections gain understanding and adhere to the practice for supervision and oversight of IT in the following manners.

Competency – Work Units and Human Resources

- Work units or working groups shall be appointed to complete the IT composition.
  - IT operation & support performs IT tasks in general and support or solve IT problems of the employees.
  - Technical infrastructure provides maintenance services and solves equipment problems involving IT infrastructure and manages network to stand ready for any tasks.
  - Application infrastructure provides maintenance services and solves application problems in overall.
  - IT Supervisory Committee provides advice, sets direction and settles disputes involving IT issues.
  - IT Inspection Working Group inspects the overall picture of IT extending from hardware, software to infrastructure on a yearly basis.

Competency – Information and Practice

- General employees learn implementation of IT tasks, enhance IT skills and solves immediate problems by themselves.
- IT practices such as implementation and inspection shall be prepared and disseminated in the company's media in which all employees can gain access.
- Responsible persons for IT tasks shall be appointed and their scope of work shall be determined.
- Information involving IT design and maintenance of infrastructure-related equipment shall be prepared for work implementation, references and transition.

Efficiency

- Internal IT shall be utilized in line with the company's benefits and guidelines.
- Related policy, practices, information or document shall be revised every three (3) years or in a period as appropriate in order to cope with changed situations and technology.
- IT-related persons shall manage the efficient IT system, under their supervision, for services and being ready for services.
- Any incidents arisen and given broad impacts shall be solved without delay. Employees who have expertise shall regard these as their duties to join force to solve critical situations without any orders from their supervisors.
- Consider worthiness for selection of open source software.

Safety

- The company's computers shall have licensed software or open source from reliable sources.
- Internal IT usage shall not constitute an infringement of Computer Crime Act and personal rights, and shall not bring damages to the company directly or indirectly.

Risk

- All sections shall cooperate for transition and changes when it is necessary for IT to be changed, given its longevity or technological changes.

Anti-Corruption Policy

MFEC Public Company Limited pays great attention to anti-corruption, promoting and supporting all employees to gain awareness for anti-corruption. Therefore, MFEC Board of Directors set Anti-Corruption Policy which supervises all operations to abide by the laws and regulatory requirements in accordance with the Corporate Governance Policy and Business Code of Conduct. The company is also a member of Private Sector Collective Action Coalition Against Corruption (CAC).

Corruption means a form of dishonest or unethical conduct, either execution or avoidance of execution, by a person entrusted with a position of authority to acquire improper personal benefits, organizational benefits or related persons' benefits, extending from bribery, promise to give, request for assets, money, things, privileges to other private gains which run against morality, business code of conduct, laws, regulatory requirements, policy, state officials or any persons operating businesses with the company.

Anti-Corruption Policy is announced to have all employees to adhere to the following manners.

- Executive Chairman is authorized to oversee and supervise business operations, based on Anti-Corruption Policy.
- In regard to business/procurement relationship with the private or public sectors, all work units shall abide by Code of Conduct on Receiving/Giving Gifts, Assets or Other benefits for all transactions with the private/public sectors as described on Page 30.
- Money donation shall be done in the name of the company for any organizations whose objectives are for social benefits. These organizations must be reliable with document proof. Payment for donation shall follow the company's disbursement procedures with evidence of donation sent to the company's Finance and Accounting Department.

Sustainability Policy

The company is committed to develop itself into the leader among integrated information technology service providers in the country and the region, while gaining competitive advantages continuously with sustainability through dedication in development of quality products and excellent services with internationally-accredited standards and fair prices to all customers according to a framework of management of MFEC Group in the following manners.

1) Operate businesses with a balance of economics, society, communities and environment, based on good corporate governance and in regard to all stakeholders for sustainable business growth.
2) Execute operations throughout value chains, and simultaneously expand businesses, with respect to upstream to downstream businesses, customers' satisfaction, income dissemination to communities, quality, safety and occupational health.
3) Determine strategies for economic growth and simultaneously operate businesses with social responsibility.
4) Promote and create business and social innovation for the benefits of the economy and society.
5) Disclose sustainability information following an internationally-standardized reporting for continuous improvement and disseminate complete and transparent information to the general public.

Reference

Securities and Exchange Act, B.E. 2535 (1992) (As Amended)

Section 89/7. In conducting the business of the company, a director and an executive shall perform his duty with responsibility, due care and loyalty, and shall comply with all laws, the objectives, the articles of association of the company, the resolutions of the board of directors and the resolutions of the shareholders' meeting.

Section 89/8. In performing duty with responsibility and due care, a director and an executive shall act in the similar manner as an ordinary person undertaking the like business under the similar circumstance.

Any matter proven by the director or executive that, at the time of considering such matter, his decision has met the following requirements shall be deemed that the said director and executive has performed his duty with responsibility and due care under the first paragraph:

(1) decision has been made with honest belief and reasonable ground that it is for the best interest of the company;

(2) decision has been made in reliance of information honestly believed to be sufficient; and

(3) decision has been made without his interest, whether directly or indirectly, in such matter.

Section 89/9. In considering whether each director or executive has performed his duty with responsibility and due care, the following factors shall be taken into account:

(1) position in the company held by such person at that time;

(2) scope of responsibility in the position of such person in accordance with the laws or as assigned by the board of directors; and

(3) qualifications, knowledge, capability, and experience including purposes of appointment

Section 89/10. In performing duty with loyalty, a director and an executive shall:

(1) act in good faith for the best interest of the company;

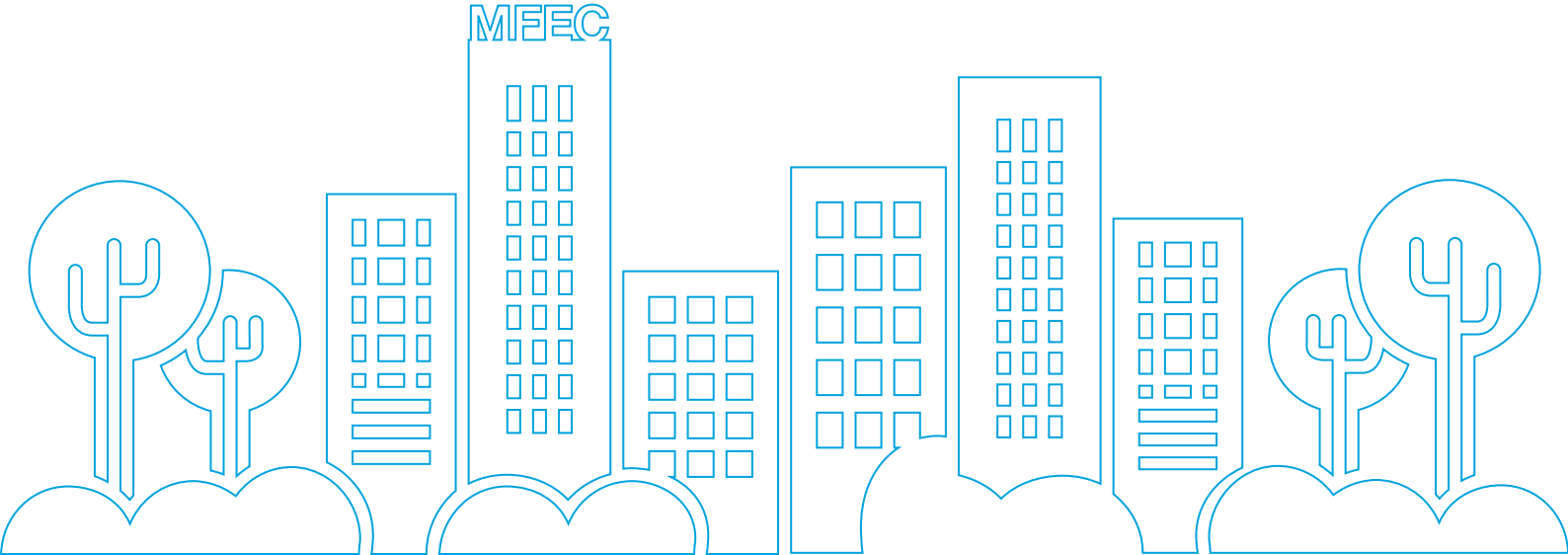
(2) act with proper purpose; and

(3) not act in significant conflicts with the interest of the company.

CODE OF CONDUCT

MFEC
Public Company Limited

Professional
Organizational Culture
Passion
Teamwork


MFEC

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Message from Chairman and Chief Executive Officer

Over 20 years since its operational commencement in 1997 with expansion and its transformation as a public company in 2003, "MFEC Public Company Limited" has been strongly committed to our business providing professional services and information system integration services for stable and sustainable expansion. Previously, the company confronted drastic changes to its expansion. However, given its high confidence and great dedication to product development, innovations and differentiation of quality and efficient internationally standardized services, MFEC continues its emphasis on transparent and ethical business operations with social responsibility following its ideology and corporate culture. MFEC People are developed for integrity and good ethics in accordance with "MFEC Code of Conduct" focusing on developing MFEC people to gain knowledge and integrity at the same time. We are confident that nurturing and incubating everybody of the organization with integrity and good ethics can be improved to a framework and guideline on living and work practices for all success.

"MFEC Code of Conduct" was revised for the second edition with an approval of MFEC Board of Directors' Meeting No. 1/2018 held on 26 February 2018. The contents were categorized into groups and added to take coverage of related policies, while additional guidelines were placed to be in line with the company's business operations. The code was redesigned to be easier for study and understanding. All of MFEC board members, executives and employees are required to study this manual. Some may find difficulties to perform their tasks. Therefore, they should take consideration for management and work implementation according to the company's principles, rules and regulations, while integrity should be adopted to guide their supervision. If there are any questions, please study details in this code. Adhering and complying with MFEC Code of Conduct essentially heighten the corporate value, which will strengthen the corporate foundations and enhance its business competitiveness. This is the pride of us "MFEC People." with MFEC's reputation and experience for more than 20 years, I would like to ask all to realize, study and understand this code in details for accurate and perfect work performance.

Finally, I, on behalf of MFEC Directors, would like to thank all staff of MFEC Group for their adherence and compliance with the code which will become the foundations of the sustainable growth for us "MFEC People" from now on.

Mr.Sirisak Tirawattanangkul
(Chairman)

Mr. Siriwat Vongjarukorn
(Chief Executive Officer)

Word General Definition

MFEC
MFEC Public Company Limited.

Subsidiary Company/Associated Company
A subsidiary company/an associated company as appeared in MFEC Public Company Limited's consolidated financial statements.

Board of Directors & Subcommittee
Board of Directors performs its duty to consider issues in meeting agenda and set proposals or readings for a meeting's consideration. A subcommittee is a group of persons appointed to perform more specific task than that of the board.

Major Shareholder
A shareholder who directly or indirectly holds shares in a listed company in a total amount exceeding 10% of the paid-up capital of the listed company. Such shareholding shall also include the shares held by related persons.

Customer
A buyer of products or a receiver of services.

Stakeholder
A person or a group of persons who is directly or indirectlyaffected by or gains benefits from MFEC's business operations.

Employee
An employee or a hired person of the company according to the work regulations and a hiring contract.

Partner/Party
A product distributor/a person who is consent to make a commitment and has the rights, duty and responsibility as appeared in a contract with MFEC.

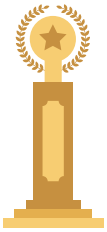
Business Associate
A person or a juristic person who is in business contact and relationship. Examples are private organizations or public agencies.

Transaction
Any kind of actions involved in a legal transaction, a contract or any proceedings with another party in the status of finance, business or assets such as service, sale, purchase, employment, financial assistance, and human or technical support.

MFEC Ideology

MFEC has expanded with stability until now due to its ideology for business operations with integrity. The board, administration and all employees always adopt and pay attention to the following ideology.

"Behave with Integrity, Undertake Good Things, Focus on Excellent Service"



Operate Businesses with Honesty and Behave with Integrity.

MFEC is responsible for having all related parties to receive fair products and services in the following manners.

- Users of products and services obtain the maximum benefits in both quality and prices.
- Shareholders reap a proper rate of return on investment.
- Employees gain benefits and live quality lives.
- All stakeholders receive fair treatment.

Example of Guideline for Employees

- Work honestly with transparency and accountability, and treat all relatedparties with respect, sincerity, friendliness and fairness.
- Work equally without discrimination.

Example of Guideline for Executives and Directors

- Perform duties with caution, prudence for decision making, accountability, focus on transparency, take all parties' benefits into consideration without use of inside information for their own benefits.

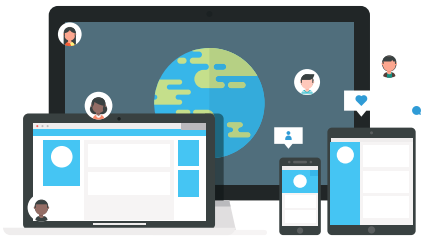
Product Development and Quality Improvement for Excellent

MFEC always puts all of its effort to create and develop products for excellent products and services. All employees and related parties are aware that we must be more dedicated to our tasks with knowledge and capabilities, eager to learn and study new things in order to overcome obstacles and go ahead with stability andsustainability. All of these aims for the best to MFEC and its related parties.

Example of Guideline for Employees

- Join force, with all of efforts, to create new valuable things for benefits to all related parties.
- Be highly committed and dedicated to work with knowledge and capabilities for excellence in regard to mutual benefits and all sides of impacts to related parties.
- Always update and get ready to confront always-changing situations.

Knowledge and Integrity Lead the Organization to the Future



Focus on Human Value

"Human Value Depends on Work Performance"

MFEC regards its employees as the most valuable resource. MFEC has been inprosperity due mainly to its good talents with knowledge, capabilities and integrity. Therefore, MFEC always recruits good talents to join its operations and develop them to be ready to face always-changing situations. Simultaneously, the company has developed its employees' stability and commitment which has led to their confidence to work for their future.

Examples of Guidelines for Employees

- **Honesty & Integrity** No fraud, no lies, trust in sincerity.
- **Diligence** Persevering in carrying out duties.
- **Responsibility** Working with attention for final success.
- **Punctuality** Given the value of time, planning a schedule must be done properly in order to prevent errors.
- **Always set the overall benefit as a priority** Dedicate some of own gains for the overall benefit.

Social Responsibility

Organizational Context

"Produce People, Expand Organization and Sharing for Sustainability"

MFEC employees behave as good civilians in all communities with respect to duties and social responsibility. Sustainable natural resource and environmental management is highly emphasized.

Example of Guideline for Employees

- Work with attention in safety, occupational health and environmental standards.
- Be aware of use of resources, environmental conservation. All start from home, work places to the outside.
- Participate in activities to conserve the environment, take care of communities and join development of the society.

Code of Conduct

Is it important…

What is MFEC Code of Conduct

MFEC Code of Conduct means good guidelines on business operations, based on MFEC ideology, allowing all MFEC employees to follow and use them to perform tasks properly. The code of Conduct is a part of the working regulations.

Whom are Required to Adopt MFEC Code of Conduct?

Employees

All levels spanning from operational level to heads of units.

Directors and Management Team

Directors and Executive Directors,Independent Director, Chief Executive Officer and Management Team

All persons in the organization shall follow the principles and guidelines set in the code.

What Should Be Done?

How to Do with MFEC Code of Conduct?

1. **Study and Understand MFEC Code of Conduct** particularly in the issues related to your duty and responsibility.
2. **Discuss with Consult Supervisors** by questioning them to ensure on whether or not any action which will be done follows the code?
3. **Communicate with other persons** whom work with you or other related parties to make them understand MFEC employees' practices following the code.
4. **Inform clues** through the determined channels when misconduct, based on the code, is witnessed and extend cooperation for a fact-finding process.

What Should Not Be Done?

1. **Not study and try to understand** which will lead to inaccurate performance following the code.
2. **Make a guess** which will make you vague on what should be done to be in line with the code.
3. **Neglect** by not communicating with other persons which will lead to misunderstanding and unknown facts for the organization.

If MFEC Code of Conduct is Not Complied, What will be the Results?

Non-compliance with the principles and guidelines set in MFEC Code of Conduct may lead to the disciplinary or legal wrongdoing, as the case maybe, and may be imposed penalty as set in the regulations.

- Aside from non-compliance with MFEC Code of Conduct as mentioned above, supporting others to a misconduct against the code, neglecting when non-compliance with the code is witnessed, obstructing a fact-finding process and doing unfairly against a fact giver are regarded as non-compliance with MFEC Code of Conduct.

What should be done when a misconduct against the code is witnessed?

MFEC sets the system for complaints and clue informant. In the case that you know or witness any conduct or you are in a trouble involving corruption, non-compliance with laws, regulations, Articles of Association and Code of Conduct, you may provide information pertinent to such conduct in the following manners.

- Make notification to a complaint receiver through the determined channels for complaints. False complaints or bullies must not be made which MFEC regards them as disciplinary offense against the company's work regulations.

- The company has the procedures and proces for practices when receiving a complaint and protective measures will be given to a complaint maker and clue informer for their safety.

Procedures When Receiving the Complaint.

1. Complaint Makers

- MFEC stakeholders
- MFEC employees/executives

2. Channels of Complaints

- Through MFEC website, Whistleblower System for outside stakeholders.
- Or by e-mail address/letter (attention: Committee on Code of Business Conduct)
- By verbal or written document/ e-mail inside the organization.

3. Complaint Receiver

- The Committee on Code of Business Conduct or Audit Committee or Independent Director
- Human Resources Manager or Internal Audit Manager or Company Secretary
- Supervisor or Unit Head

4. The company or the inspector performs the following functions.

- Gathering facts secretly and formally establishing a fact-finding working group.
- The Committee on Code of Business Conduct contemplates the complaint and its traces, and imposes a penalty on a wrongdoer following the company's Penalty Clause.
- Reporting to the Board.

How is the Complaint Maker / Clue Informer Protected?

1. Not disclose name or information of the complaint maker/clue informer.
2. Keep information/complaint issues confidential with respect to the complaint maker, clue informer or impact receiver's safety.
3. In the case that the Audit Committee evaluates a situation and finds impacts to the complaint maker or clue informer, the committee will proceed with fair protection, as the case may be.
4. In the case that the complaint maker or clue informer is unsafe, he/she can request the company to establish proper protective measures.

Penalty Clause

What will you be judged and what penalty will you be imposed?

A wrongdoer or a person who violates this regulation will be imposed the disciplinary penalty according to the work regulations and may involve in a wrongdoing following the Securities and Exchange Act (No. 4) B.E. 2008.

Guideline for the Code of Conduct

Treatment to Stakeholders

Principle

As the company is well aware of the rights and equality of all groups of stakeholders, it sets the policy with the following guidelines for treatment to the stakeholders as stipulated in the laws and the direction for sustainable living.

Treatment to:

Shareholders

Duties are performed with integrity under the legal framework and the company's regulations, while the Code of Conduct is adhered for transactions with honesty, certainty, transparency and accountability. The company's accurate and complete information is publicly disclosed within schedule of the Securities and Exchange Commission.

Customer

Customers are fairly treated for products and services, while confidentiality of their information is strictly kept. Products and services are developed for quality and are priced fairly and properly. Channels for Complaints are provided for customers to be able to make complaints.

Supplier & Creditor

Suppliers are treated equally and fairly, based on fair mutual returns according to agreed contracts or conditions.

Employee

Compensation is provided to employees fairly and properly with adequate welfare which is in line with a situation. Employees' capabilities are developed with regular training. Work environment is also maintained for safety. Their comments and suggestions are accepted through a channel for employees' clarification or complaints.

Competitor

Competitors are treated under a framework of good competition. Confidential information of competitors are not searched by dishonest means, while their reputation is not ruined intently.

Society & Environment

Any actions which will give negative impacts and damage the environment and society is not done. Awareness is raised and supported to all employees to gain responsibility for the environment and society.

Definition

Stakeholder

A person or a group of persons who is directly or indirectly affected by or gains benefits from MFEC's business operations.

Example & Recommendation

If you must provide services to a customer who is a business competitor in the same business group, what should you do?

Recommendation

You should provide service, following your duty assigned, to each corporate customer and keep each corporate customer's data and information confidential. Any confidential information must not be disclosed to outsiders.

If you are authorized to sign for inspecting and receiving a project, being hired to service a supplier/a trade creditor, what should you do?

Recommendation

You should inspect and sign, as detailed in a purchase order, contract for purchase, sale and provide services as set in product and service delivery conditions agreed between the company and a supplier with accurateness and fairness. If any irregularities are found during the inspection of products/services, you should report them to your supervisor immediately.

03

If you are authorized to bid for a public project, what should you do?

Recommendation

You should perform your duties assigned to auction for a public project according to the public regulations, while not seeking confidential information of your competitors or damaging their reputation directly and indirectly.

Conflict of Interest

Principle

Working for an organization may lead to a situation where its director, executive or employee has his/her own benefit in a conflict with the company's benefit in several patterns. Therefore, the company sets the guideline for all.

Guideline

Corruption & Bribery

As the company has an intention and commitment on anti-corruption, while operating its businesses transparently and fairly for a sustainable growth with its responsibility to all groups of stakeholders.

- Prohibit receiving or giving money, gifts and assets convertible into cash worth more than 3,000 baht
- Donation for a charitable purpose shall follow the company's regulations.
- Procurement/hire involving business operations of the public and private sectors must be transparent and in compliance with the Code of Conduct.
- Must be politically neutral with none of support to any political party.

When clues to corruption involving the company are found or known, a finder shall inform the responsible persons for anti-corruption tasks through the determined channels immediately.

Doing Other Businesses

Any personal conduct must not affect the duty and time dedicated to the company and doing any business which competes with the company's businesses is prohibited.

Doing Businesses with MFEC

Doing business with the company on behalf of themselves, their families or juristic persons in which the Directors, executives and employees have stakes is required for disclosure of such stakes to the company before entering into any transactions.

Definition

Conflict of Interest

means a duty undertaken to provide gain or outcome which satisfies the company's objective, but bring benefit to oneself or other related persons. As a result, the company does not fully reap the benefit or may even suffer damages with problems. This is called a conflict of interest.

Corruption

Corruption is dishonest behavior by those in positions of power and influence for their own benefits or others' gain.
Corruption means misconducts as stipulated in the Code of Crime, extending from misconduct in positions and duties in term of fairness or illegal benefit seeking for oneself or another.

Holding Position of Director Outside MFEC

– The company's executives – Level D or higher shall gain an approval from the company's authorized person if they will hold the position of directors in other companies. (The exceptional case is to hold position of directors in non-profit charitable organizations.)

Level	Approved By
C - D	Chief Executive Officer
A - B	Executive Committee
Executive Director	Board of Directors

Receiving Gifts and Business Reception Parties

– Receiving or giving a gift, an asset or any other benefits including a reception party can be done in a proper manner and shall be in compliance with the company's regulations. If an employee receives a gift, in a traditional occasion, worth more than 3,000 baht, the employee shall report his/her supervisor or Human Resources Department and abide by the determined procedures. The employee who must contact the vendor and receive a value test product shall inform a related unit to add that product into the company's system and a disbursement of such test product shall be made for a purpose and return it to the company once the purpose is met.

Travel to Seminars, Visits & Field Trips

– Travel to seminar, visits and field trips shall be ceased with an exception that spending for travel and accommodation is made by a supplier.

Example & Recommendation

01

In the case that an officer of a corporate customer informs an intention asking financial sponsoring for the customer's sport activity such as golf, how will you respond with the officer?

Recommendation

You can provide sponsoring or make donation, asking the corporate customer to prepare and send a letter specifying an objective and other details to the company for a formal approval.

02

If an officer of a project customer asks you about a return if the officer can persuade the project owner to order MFEC products/services, how should you respond with this customer?

Recommendation

You can make this customer to understand the guidelines of MFEC Code of Conduct which requires MFEC employees and executives to adopt and comply with. Under the code, benefit or a return must not be given on any conduct which does not follow the traditional trade and you must report this situation to your line supervisor for acknowledgment.

03

If you are authorized to bid for a government project, what should you do?

Recommendation

You should perform your assigned duty to bid for the government project according to the government regulations, while not seeking any confidential information of competitors or damaging their reputation directly and indirectly.

04

The company places a purchase order, in a project under your management, to a supplier for its products and an overseas tour ticket is awarded. Will you be able to have this award for your own unit?

Recommendation

Given this high-value award and the company's policy, you should consult your supervisor for a proper action.

05

A university sends you an invitation letter asking you to be a special instructor for a class during the normal working hours and a certain amount will be provided to you at the compensation rate set by the university. What should you do? Can you keep this compensation to yourself?

Recommendation

You must ask the university to send a letter to your supervisor for a formal approval as you will give a special lecture during the normal working hours. In addition, you must ask your supervisor for a formal approval to have the compensation, if its amount is not too high and does not exceed the normal rate, to yourself. If you do not ask your supervisor for the formal approval, such compensation shall be sent to Human Resources Department and is counted as the organization's other income as you give a special lecture during the normal working hours.

06

What should you do in the case of giving a gift or a reception party to an officer, a high-ranking officer or an agency or an organization?

Recommendation

You must take caution to do this as giving or receiving a gift and a reception party should be done carefully in compliance with the guidelines, while consideration and a formal approval shall be given by your line supervisor.

07

If a supervisor receives a high-value gift from a subordinate, what should the supervisor do?

Recommendation

The supervisor should explain the subordinate that the supervisor will not accept the gift due to a possible tarnish and plausible motivation for any unfair decision-making.

08

What should you do in the case of giving a gift or a reception party to an officer, a high-ranking officer or an agency or an organization?

Recommendation

You must take caution to do this as giving or receiving a gift and a reception party should be done carefully in compliance with the guidelines, while consideration and a formal approval shall be given by your line supervisor.

09

If a friend of yours persuades you to join the former's business as a partner, what should you do?

Recommendation

You must consider on whether or not the business partnership will affect your working time or lead to a conflict of interest with MFEC? For example, an issue is whether or not the business will compete with the company? And you must comply with the Code of Conduct.

Principle

The company does not have the policy to make donation or offer money, incentives, rewards and special benefits in any forms to its customers, suppliers, external organizations or any persons to gain businesses, aside from traditional business reception parties or the company's sale promotion projects.

Guideline

Such conducts may be used for corruption. Therefore, the company concentrates on the charitable donation for education and the environment. The donation will not be made to gain influence upon decision makers or to give unfair advantages.

1. **Donation & support** must be for the educational and environmental purposes to organizations which are reviewed and proved for their request for donation without return which facilitates personal and family benefits or return which makes the public misunderstand to facilitate the company's businesses and unfair advantages.

2. **Compliance with procedures** and regulations related to donation determined by the company.

3. **Compliance with the policy** in donation of either money or assets of the company.

Example & Recommendation

In the case that a charitable organization which assists in other aspects such as the disabled sends a letter asking for a donation for the society through you, what should you do?

Recommendation

You can send a letter asking for support or donation through the human resources unit for consideration and approval although such charitable organization has a different objective from the company's policy which promotes education.

02

If you receive a letter from a school asking for a donation of computers for education, what should you do?

Recommendation

You can send the letter asking for the donation of computers through Human Resources Department which will check the company's assets before considering the donation to a related agency, taking care of the assets and asking for a formal approval. Proper procedures must be followed before making the donation to the school.

03

If a customer who purchases maintenance service informs an intention asking the company to donate more computers to service a project, what should you do?

Recommendation

Based on the corporate policy, aside from a free gift to a project as a sale promotion, this kind of donation cannot be made, given its purpose as business persuasion.

Human Rights

Principle

Violating the human rights is regard as severe impacts to the society. The company, as the civilian of the society, adheres to the principles of human rights following the international disciplines, treats to the stakeholders with fairness and equality, respects the rights of labor and human.

Guideline

1. **Treat each other with respect and equality,** not discriminate to make a distinction in favor of or against any person on the basis of physical or mental conditions, race, nationality, religion, gender, language, age, color, education, social status or any others.

2. **Take caution to perform duties** in an attempt to prevent risk which may arise from violation of human rights in business operations and related persons in business operations, take care of respect to the human rights, and report a supervisor to prevent any conduct which violates the human rights.

3. **Treat persons with equality** in all processes spanning from recruitment, compensation, working hours and holidays, work assignment, performance appraisal, training and development of career planning, to others.

4. **Not employ forced labor and illegal labor** as well as not make punishment with mental torture ranging from threat, intimidation to violation in any form of violence.

Definition

Human Rights The basic rights for all humans to receive equal protection without discrimination to make a distinction on the basis of physical or mental condition, race, nationality, religion, gender language, age, color, education and social status.

Example & Recommendation

01

A project which is under your work unit's responsibility, requires you to work overtime and your unit head informs you to work overtime, while you are busy with your personal business and cannot follow your line supervisor's order. In this case, what should you do?

Recommendation

You can inform your personal necessity to your line supervisor to find a proper solution.

02

If you, as a supervisor, have a subordinate who is a pregnant woman, what should you do?

Recommendation

You can consider to shift her role, duty and responsibility as a proper welfare for her. A pregnant woman should not work overtime or during holidays.

03

If you, as a supervisor, must make annual performance appraisal of your subordinate who has a personal conflict with you, what should you do?

Recommendation

You must treat all of your subordinates equally without any preference, avoid any improper, unreasonable and unfair actions and make appraisals based on work performance, knowledge and capabilities of your subordinates without personal feelings, biases or influences.

04

If you find that your colleague or supervisor verbally insults another person or does any actions to violate another person's human rights, what should you do?

Recommendation

In the case that a colleague is found to do so, you must report a supervisor to consider the facts with related persons and determine the proceedings, as the case may be. In the case that a supervisor is found to do so, you must report Human Resources Department to consider the facts with Chief of Staff and proceed with the guidelines, as the case may be.

Political Activities

MFEC has an intention to be politically neutral and will not proceed or take any actions to support a political party, given the company's awareness of the democracy and respect to the rights and freedom for exercising the political rights.

1. Avoid any political proceedings or political activities which will make others understand the company as a sponsor of a political party.

2. Avoid providing financial assistance or any assistance which promotes, supports and makes publicity. Examples are money donation, giving items, purchase of products or services for raising capital to a political party or an organization close to a political party, which will make others understand that action as being done by the company.

3. Avoid dressing, during work, to demonstrate a political symbol or avoid dressing with outfits which make others to understand that the company is not politically neutral.

Definition

Political Participation

People's participation in political activities aims to influence the government policy or the government leader, while pressuring the government to follow their intention or their group's intention.

Example & Recommendation

01

A sale unit offers products and services to a political party and the political-party customer asks the company to financially sponsor a charitable golf competition which will donate money for poor patients at a state hospital.

Recommendation

You can proceed with the company's procedures asking for an approval of the donation in such event – the activity held for a charitable purpose of the state hospital. This action can be done as the promotion of the customer's charitable activity. However, if it is possible for the activity to be seen by others as the company's support to a political party, participation in this activity should be avoided or refused.

02

Will an employee be able to ask for approval a leave for political demonstration?

Recommendation

All employees have the rights and freedom as legally stated. The political expression must be done on behalf of yourself, not the company or must not mislead other persons to misunderstand that the company involves or supports a political party.

03

If you intends to donate your tax refund to a political party by specifying this intention in the online tax payment form, will you be able to do so?

Recommendation

All employees have the rights and freedom as legally stated. Donation of tax refund to a non-specific political party can be done legally according to an employee's rights.

Protection of MFEC Assets

The company has the regulations and guidelines on the company's assets under the responsibility of employees or units in order to prevent loss, damage and defect of the assets as a result of misuse or insufficient caution.

Guideline

1. Directors, executives and employees have duty and responsibility to take care of the company's assets for not being damaged and lost, while using them efficiently for the company's maximum benefits. The company's assets must not be used for their own benefits or others' gains.

2. Information technology system and other data which may violate the rights to normal use of other persons in the matters not involving in work or may affect the system's work efficiency must be avoided. Avoid installation of a computerized program by yourself, make modification and change, setting a system which may affect safety. If you find a problem or irregularity in use, please contact IT support to correctly use the system as allowed by an authorization level. Keep and not allow other persons to use your password to enter the system.

Assets

Tangible and intangible assets such as movable property, property, technology, academic knowledge, document of rights, patent, license as well as confidential information not disclosed publicly- business plan, financial forecast and human resource information.

Technology Information System

Tools and systems used for interpretation and transmission of electronics data such as computer, Internet, e-mail or programs.

Example & Recommendation

If an asset under the responsibility of your work unit is dilapidated, what should you do?

Recommendation

You should inform your supervisor and related unit for acknowledgment and examination of the asset for further repair or if Or if the asset reaches its expiration, it shall be returned to the responsible unit for assets to proceed with the company's procedures before writing it off the asset system.

02

If an asset under your responsibility is damaged or lost, what should you do?

Recommendation

In the case of a damaged asset as a result of dilapidation, you should inform your supervisor and responsible units to follow the company's procedures.In the case of a lost asset as a result of inconsideration, you should inform related units to evaluate the value of the loss and remaining period for use of the lost asset and you shall make payment to compensate the loss following the company's regulations.

03

If you want to install a computerized program with license requirement, what should you do?

Recommendation

You should inform and propose your reason and intention to your line supervisor for consideration. If necessary and appropriate, you can inform your intention to purchase the license following the company's principles and procedures for legal program installation.

Use of Inside Information and Trade of MFEC Securities

Principle

All directors, executives and employees shall not use inside information which is significant and not disclosed publicly for their own benefits and others' gains. All directors, executives and employees have the rights and freedom to invest in MFEC securities and other listed companies.

Guideline

1. Report your stake to Company Secretary who will gather the stake reports and report changes of securities holding to Board of Directors on a quarterly basis.

2. Prohibit trade of MFEC securities in a period of 30 business days before the public disclosure of the company's financial statements. If an employee finds it necessary to trade MFEC securities, the employee shall inform and receive an approval from a supervisory unit before trading.

3. Submit a report to the SEC within three (3) business days from the date of buying, selling or receiving MFEC securities according to Section 59 with the purpose to disseminate the changes to the shareholders.

Section 59

A director, executive, auditor of the securities issuing company shall have the duty to prepare and disclose reports to the SEC Office on each person holding securities and the holding of securities by his spouse and minor children in the following manners:

1. Report the holding of securities for the first time in the 59-1 form to the SEC Office within 30 business days from the closing date of the securities offer to people or the date of the appointment made by the company.
2. Report changes in such holdings of the securities in the 59-2 to the SEC Office within three (3) business days from the date of buying, selling, making a transfer or receiving a transfer of the securities.

Example & Recommendation

01

If your close friend asks you about the organization's information which may affect the prices of the company's securities, what should you do?

Recommendation

You should not give your friend in-depth information of any organizations. If your close friend wants information for making investment, you shall inform your friend to study the company's publicly-disclosed information in the company's website.

02

There are rumors saying that MFEC or a company in the group has had a large-sized investment project with another company and, if successful, the former's business operations would have gained greatly, and MFEC stock price increased as a result. Actually, MFEC or the company in the group has a plan to join investment with another company in such project and plans to disclose its details publicly. If you are involved in the preparation of information for the public disclosure, will you be able to buy or sell the company's securities you hold?

Recommendation

You must not buy or sell the securities of the related companies during the period of 30 days before the public disclosure as that will be regarded as use of inside information, which is unfair to other shareholders, a regulatory misconduct and a legal wrongdoing with criminal penalty.

03

If you are assigned to work with inside information which may affect the prices of the securities and a securities company's representative contacts you for an interview for the company's information, what should you do?

Recommendation

You should not provide detailed information, apart from the company's already-disclosed information to investors. In addition, you should report your supervisor that the securities company has contacted you so that a related unit will invite the securities company to meet the company's executives when there is an interview for securities companies on a quarterly basis.

Giving Information or Media/Public Interview

Giving any corporate information must be done on the basis of facts with caution. Those who do not have the duty or are not assigned to give the corporate information are not permitted to give information or give media/public interviews involving or referring the company in any aspects which may affect the company's reputation and business operations.

Guideline

1. Giving and disclosing information which may give any impacts shall be done by persons who are directly authorized in that issue, with an exception that an authorized person assigns a person to disclose information.

2. Disclosing the key information shall be done by an authorized person with caution, accurateness and punctuality, while equal and sufficient knowledge given to the stakeholders shall be ensured.

3. Disclosing other information shall be done on the basis of facts without an intention of factual distortion.

Example & Recommendation

01

What should you do if mass media calls you for an interview involving rumors of the company's performance?

Recommendation

You should transfer the line to Company Secretary or the Office of Company Secretary to make an appointment with the company's executives or assigned persons for an interview with answers and disclosure of key information. They will give the information involving the rumors of the company's performance.

02

If you have a friend working for a securities company and calling you to find corporate information personally, what should you do?

Recommendation

You should explain your friend that you do not have the duty to give the company's key information. If your friend wants the corporate information for the purpose of investment analysis, your friend can check a schedule to make an appointment with the related units or study the corporate information in the company's website and the Stock Exchange of Thailand's website.

03

If a person you know works in a company which is MFEC's competitor and calls to exchange marketing information such as types of products offered and other details, what should you do?

Recommendation

You should explain to the person you know that you cannot give any information, aside from the company's publicly-disclosed information in its Annual Report or newsletters.

Connected Transactions

Principle

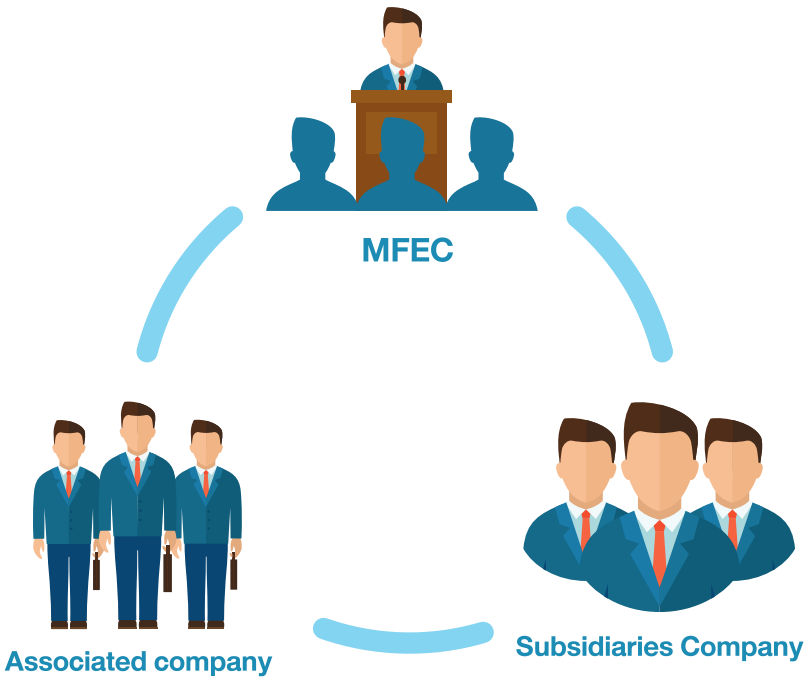
In the case of connected transactions in the group, the company will follow the principles and procedures for consideration and approval of such connected transactions with respect to the company's maximum benefit and on an arm's length basis.

Guideline

1. Study the principles, regulations and power to proceed with the process.

2. Follow the guideline and process for an approval of the connected transactions, related transactions or transactions which may have a conflict of interest for the maximum benefit as set by the legal principles.

3. Proceed with the connected transactions fairly and reasonably without benefit transfer between companies.



Example & Recommendation

01

A subsidiary of MFEC Group – A company outsources another subsidiary of MFEC Group C company. Is this transaction possible and what should be done?

Recommendation

This transaction can be made, given a normal, connected transaction. Both companies' purchasing departments should attach comparative market prices, conclude the transaction through MFEC's purchasing department which will report the transaction to Audit Committee for acknowledgment and approval on a quarterly basis, and follow each subsidiary's purchasing process and procedures.

02

If a company asks to purchase second-handed computers from B company for the former's use and B company prices them below their book value in sum amount as the latter sees the former as a company under the same group, is this transaction possible?

Recommendation

This transaction cannot be done as trade of assets between companies must be made at a proper market price or book value.

03

What should be done for doing a transaction with an outsider?

Recommendation

You must do a transaction following the determined principle and process with an authorized approval. A juristic person will be taken as the first priority for a transaction and an individual will be avoided in exception for individual expertise. Value and price will be taken into consideration to do a transaction, following a market mechanism, quality and service received.

Prevention of Money Laundering

Principle

The company will not receive a transfer of or transform assets or support a transfer of or transformation of assets involving a misconduct. The intention aims to prevent any person to use the company's business channel to pass on, conceal or camouflage sources of illegal assets on whether or not it will bring the company or its stakeholders damages.

Guideline

1. Before processing a transaction with a party to a contract, thorough inspection should be made to ensure legitimacy of the fund source.

2. Money transfer shall not be made to an unknown account or receiving a transfer of irregularly-spent money shall not be done.

3. An irregular transaction, once witnessed, shall be reported to a supervisor instantly.

Definition

Money Laundering

Money laundering is the process to conceal or disguise the true nature of acquisition, source, distribution, transfer and rights received.

Example & Recommendation

01

If a debtor in a contract wants the company to receive a transfer of money for the former's debt payment from another unknown person who is not the contract partner, what should you do?

Recommendation

Avoid receiving money in the contract from a person who is not the contract partner. However, if necessary, you should inspect whether or not the source of origin of the money in every transaction and the relationship between the debtor and the person who transfers the money are legally correct?

02

If a trade creditor wants the company to transfer money for payment of products in the name of an individual who is not the contract partner or transfer money for debt payment to another juristic person instead, what should you do?

Recommendation

Making a money transfer for debt payment in the name of an individual or another juristic person can be done if there is a written evidence for the rights transfer with an inspection of the legal transaction of the person who transfers and the receiver of the transfer.

Intellectual Property

Principle

All directors, executives and employees have the duty to protect, maintain and safeguard the rights the company has to all of its intellectual properties and exercise those rights with responsibility and respect to others' intellectual properties.

Guideline

1. Taking care of intellectual property will help prevent violation, disclosure, repetition, modification or any doings without permission, while respect to others' intellectual properties shall be given without any violation.

2. Making a contract or a legal transaction should be done clearly about the rights in intellectual property.

3. Finding violation to rights In the case that any action which could lead to violation of the rights or any conducts which may lead to a dispute of intellectual property is found, a finder shall report it to a supervisor or a responsible person for intellectual property.

Example & Recommendation

01

If the company's employee finds violation of the company's intellectual property, what should the employee do?

Recommendation

In the case that the company's employee finds violation of the company's intellectual property, it should be reported to the company to proceed with related procedures and process.

02

What should be done for hiring a corporate supplier to undertake a project with which the company is a contract partner?

Recommendation

In the case that the company joins hand with its corporate supplier to undertake a project, the company will require the supplier to make a contract to keep secret information for mutual confidentiality.

Definition

Intellectual Property

A work that is the result of inventions, creativity by human.

Patent

A legal document granted by a state giving the exclusive rights to protect an invention or a product design such as a patent for an invention, a patent for a product design and a petty patent.

Copyright

Literary works, dramatic musical, artistic works, music, figurative works, movies, sound recordings, broadcasting.

Trademark

A symbol or a logo or a brand which uniquely identifies goods or services.

Trade Secrets

Trade information not generally known which derives its commercial value from the secrecy.

Compliance with Laws, Regulations & Articles of Association

Principle

All directors, executives and employees shall perform themselves within the legal framework, regulations and Articles of Association and shall not witness, assist or do any action which violates the laws, regulations and Articles of Associations.

Guideline

1. Abide by the regulations and Articles of Association for punching the clock, holidays and leaves, overtime work, working during the holidays, and follow the procedures for leaves and the code set by the company strictly.

2. Behave with honesty by informing your true personal information required by the company and keep the company's benefits seemingly like your own benefits.

3. Keep the company's secrets by not sending messages and disclosing confidential information, assembly or manufacturing method, figures or internal document of the company's businesses and its customers' secrets which are confidential or concealed to unrelated persons or outsiders.

Definition

Regular Employee

A person who is hired for a position and placed as a regular employee after a probationary period.

Trainee

An employee who is informed by the company as a trainee with a determined probationary period of either more or less than 120 days.

Monthly Employee

An employee which is agreeably hired by the company with a monthly wage rate and has the rights to earn wage for weekends, traditional holidays, vacation leave, sick leave, maternity leave, military service leave, ordination leave as set in the requirements.

Contracted Employee

An employee which is hired by the company with an employment contract clearly stating a start and an end of the employment.

Example & Recommendation

If a colleague asks you to help clock in for the former, what should you do?

Recommendation

Punching the clock for another person or letting another person to punch the clock is regarded as severe disciplinary misconduct which will be imposed termination of an employment without compensation as the penalty. Therefore, you should inform your colleague to follow the correct regulation, not helping your colleague clock in.

Will you be able to take a leave for more than five (5) consecutive working days?

Recommendation

An employee can take a leave for no more than five (5) consecutive working days. The company will not pay compensation for employees who do not take the annual leave voluntarily.

03

If you have an employee who is a pregnant woman working during 22:00–6:00 hours, will that be possible?

Recommendation

The company promotes good living quality and has a policy for its employees to work overtime in normal working days or holidays as necessary. Therefore, the company does not permit an employee who is a pregnant woman to work during 10P.M.– 6A.M. hours. Exception is made for a pregnant employee who works in the field of academics, administration, finance or accounting to be able to work overtime in working days as long as none of any impacts is found for her health with her consent.

Charter of the Board of Directors

MFEC Public Company Limited
(MFEC)

Charter of the Board of Directors

1. Objectives

The Company's Board of Directors has an essential role in supervising the management of the Company, including determining the Company's business directions, policies, and strategies for the best interests of the Company and the shareholders. The Board of Directors also oversees the performance of the Company's sub-committees. The Board of Directors holds authorities and responsibilities as stipulated by laws, Company's objectives, and resolutions of the Shareholders Meeting, of which the Board of Directors must perform its duties with responsibility and ethical standards.

2. Composition

The composition of the Board of Directors consists of the following:

1. The Board of Directors are not required to be the shareholders of the Company.
2. A number of members of the Board of Directors shall be defined by the Shareholders Meeting, of which must be at least five (5) persons but not over fifteen (15) persons. Not less than half of the directors must reside in the Kingdom of Thailand.
3. At least one-third of the Board of Directors must be independent directors, and the independent directors in the Board of Directors must not be less than 3 directors.

The Board of Directors shall elect one director to be the Chairman and may elect a Vice Chairman or any other positions as deemed appropriate.

3. Qualifications of the Board of Directors

The director of the Company shall have the following qualifications:

1. Be a knowledgeable person with honesty, integrity, and business ethics. Be able to provide adequate time to dedicate his knowledge and capability to perform his duty for the benefits of the Company.
2. Be a qualified person without having incompatibilities stipulated by relevant laws. A person shall not have any characteristics indicating a lack of suitability to be liable to perform and manage a public-owned company, according to the Securities and Exchange Commission, the Capital Market Supervisory Board, and/or the Stock Exchange of Thailand (known as "relevant rules').
3. Not be a person who operates the business of the same nature and such business is the competitor of the Company. Or become a partner or director of any juristic persons which operate the same business or are the competitors of the Company, neither for his own benefits nor the others, unless the person has informed such information to the Shareholders Meeting prior to the appointment.
4. Must have the qualifications regarding independency as specified by the Company and according to the relevant rules regarding qualifications of the independent directors. Must be able to equally look after the interests of all shareholders and not cause any conflicts of interests. In addition, the independent director shall be able to attend the Company's Board of Directors Meeting and give his opinions independently.

The Company requests the directors who do not hold management positions be independent from the Management, the controlling shareholders, and those who do not have any business relationship with the Company in such a way that shall create limitations to express his independent opinions. Such directors shall have the following additional qualifications:

(A) Not hold more than one (1) percent of the common shares with voting rights of the Company, parent companies, subsidiaries, joint venture companies. Not be the major shareholder or have a controlling power over the Company. In this regard, the shares held by any persons related to the said independent director shall be included and taken into account.

(B) Not be or has been an executive director who takes or took part in management duties, an employee, an advisor who receives or has received a regular salary, or having a controlling power over the Company, parent companies, subsidiaries, joint venture companies, affiliate companies. Not be or has been the major shareholder, has or has had a controlling power over the Company, unless such person has been retired from the mentioned conditions at least two (2) years prior to the election date. However, such conditions shall not apply to the independent director who has been a government officer or an advisor to the government agency that is a major shareholder or has a controlling power over the Company.

(C) Not be related by blood or by law in the manner of parents, spouses, siblings, descendants and the spouses of the descendants with any other directors, the Management, major shareholders, or persons who have a controlling power or persons who have been nominated to be the Management, or persons who have a controlling power over the Company or the subsidiaries.

(D) Do not have or has had any business relations with the Company, parent companies, subsidiaries, joint venture companies, major shareholders, or persons who have a controlling power over the Company in a manner that may impede his independent exercise of judgement. Not be or has been a significant shareholder or person with a controlling power over the persons who have any business relations with the Company, parent companies, subsidiaries, joint venture companies, major shareholders, or persons who have a controlling power over the Company. Unless the independent director has been acquitted from such conditions at least two (2) years prior to the election date.

Such business relations shall include regular transactions of leasing or renting real estates, transactions relating to assets or services, transactions relating to receiving or providing financial supports by receiving or lending or guaranteeing, transactions relating to collateral loan and any other actions with similar circumstances that create the financial obligation between the Company and other parties from three (3) percent of the Company's net tangible asset or from twenty million (20,000,000) Baht, whichever is lower. In this regard, the calculation of the said debt shall be in accordance with the method of calculating the value of connected transactions and the regulations relating to connected transactions, mutatis mutandis. However, the consideration of such debt shall include the liabilities incurred during one (1) year prior to the date of such business relations with the same person.

(E) Not be or has been an auditor of the Company, parent companies, subsidiaries, joint venture companies, major shareholders, or persons having a controlling power over the Company. Not be or has been a significant shareholder, has or has had a controlling power, or be or has been a partner of the audit office which is the workplace of the auditors of the Company, parent companies, subsidiaries, joint venture companies, major shareholders, or persons who have a controlling power over the Company. Unless the independent director has been acquitted from such conditions at least two (2) years prior to the election date.

(F) Not be or has been a professional service provider of any kind, including being a legal advisor or financial advisor that receives professional service fees of more than two million (2,000,000) Baht from the Company, parent companies, subsidiaries, joint venture companies, major shareholders, or shareholders who have a controlling power over the Company. Not be or has been a significant shareholder, has or has had a controlling power, or be or has been a partner of such professional service provider. Unless the independent director has been acquitted from such conditions at least two (2) years prior to the election date.

(G) Not be a director who is appointed as a representative of the directors of the Company, major shareholders, or any shareholders related to the major shareholders.

(H) Not be a person who has or operates the business of the same nature, and such business is the competitor of the Company or its subsidiaries. Not be a partner in the partnership, or a director who holds a management position, or an employee, or a staff, or an advisor who receives regular salary, or holds more than one (1) percent of the common shares with the voting rights in other companies that operate the business of the same nature and such businesses are the competitors of the Company or its subsidiaries.

(I) Not have any incompatibilities which prevent him from expressing independent opinions regarding the Company's operations.

(J) Must be a person who has gone through the nomination process held by the Board of Directors or the Nomination and Remuneration Committee.

Independent directors may be assigned by the Board of Directors to make decisions regarding business operations of the Company, parent companies, subsidiaries, affiliate companies, major shareholders, or persons having a controlling power over the Company. Such decisions can be made in a form of collective decisions.

In the event that a person has been appointed to be an independent director has or has had any business relations, provides or has provided the professional services in excess of the value as specified in (B), (D), (E), or (F), the Board of Directors may consider a waiver should the appointment of such person does not affect an independency of his performance and opinions. And the Company has disclosed such information in the invitation of the Shareholders Meeting, in the agenda of appointment of such independent director, as follows:

A. A nature of the business or the professional services that makes such person acquitted from the aforementioned criteria.

B. Reasons or necessities for maintaining or appointing such person to be the independent director.

C. Opinions of the Board of Directors regarding the appointment of such person to be the independent director.

4. Election and Term of Service

1. The Nomination Committee is responsible for recruiting and nominating the persons qualified for the Company's director positions to the Shareholders Meeting for further consideration and approval.
2. The Shareholders Meeting shall elect the directors of the Company. In the case that the election of director for replacing the vacant position due to reasons other than retirement by rotation, the Board of Directors may elect the qualified person to take a position as the director of the Company. The elected person from such case shall be in office only for the remaining term of service of the vacated director.
3. One-third of the directors shall retire at every Annual General Meeting of Shareholders. Should the number of the directors cannot be divided into three parts, the number of the retired directors shall be close to one-third. The retired directors may be re-elected to resume the positions. Directors who are required to retire in the first and second year after the registration of the Company may draw lots. In the subsequent years, the directors who have been in office the longest shall retire.

Directors who are retired by rotation may be re-elected to resume their positions for another term. A total term of service of the independent directors shall not exceed 9 years unless the Board of Directors deems that such independent director should continue to serve as an independent director for the best interests of the Company.

5. Remuneration

The remuneration of the Board of Directors shall be determined by the Nomination and Remuneration Committee Meeting, and considered by the Board of Directors Meeting, and approved by the Shareholders Meeting respectively.

6. Board of Directors' Scopes of Duties and Responsibility

1. The Board of Directors has the authority, duties, and responsibilities to manage the Company in accordance with the laws, objectives, and Company's articles of association, including the resolutions of the legitimate Shareholders Meeting. The Board of Directors shall manage and perform with honesty and precaution to protect the interests of the Company.
2. Convene the Annual General Meeting of Shareholders within four (4) months from the end of the Company's accounting period.
3. Convene the Board of Directors Meeting at least once in every three (3) months.
4. Prepare and responsible for the preparation and disclosure of financial report to show the Company's financial situation and performance of the past year. And present such report to the Shareholders Meeting for consideration and approval.
5. Determine Company's goals, directions, policies, business plans, and budget. Monitor and supervise the administration and management of the Management to be in accordance with the established policies, plans, and budget with efficiency and effectiveness.
6. Determine Risk Management Policy. Monitor and supervise the Management to comply with such policy and later report results to the Board of Directors, including arranging the review and evaluation of efficiency of risk management regularly.
7. Review, examine and approve the business expansion plans, large investment projects, including the joint investments proposed by the Company.
8. Prepare the Board of Directors' annual report. Responsible for the execution of the Board of Directors' annual report and disclosure of the financial statement to show the Company's financial situation and performance in the past year in the said annual report. And present such report to the Shareholders Meeting for consideration and approval.
9. Supervise and oversee the business administration and operations of the Company and its subsidiaries to be in accordance with determined policies, laws regarding Securities and Exchange, notifications of the Capital Market Supervisory Board, regulations of the Stock Exchange of Thailand, such as connected transactions, acquisition or disposition of significant asset, consistency and inconsistency with other laws, and ensure that there are adequate and appropriate internal control system.
10. Consider and determine management structure. Hold authority to appoint the Board of Executive Directors, Chief Executive Officer, and any sub-committees as deemed appropriate, such as the Audit Committee and the Nomination and Remuneration Committee. As well as determine the scopes of authority of the Board of Executive Directors, Chief Executive Officer, and appointed sub-committees.

    In this regard, the delegation of authority for the specified scopes must not be in a form of granting the power of attorney which allows the Board of Executive Directors, Chief Executive Officer, and any sub-committees to consider and approve transactions that may cause any conflicts of interest with any companies or subsidiaries (if any). Unless it is the approval of transactions in accordance with the policies and regulations that the Board of Directors has considered and approved.

11. Under the Board of Directors' supervision, the Board of Directors may authorize one or more directors or any other person to perform any actions on behalf of the Board of Director, or grant the power of attorney to such person to have authorities and duties as the Board of Directors deems appropriate. The Board of Directors may cancel, revoke, change, or amend such power of attorney as deems fit.
    In this regard, the said power of attorney must not have the nature of allowing the attorney to consider and approve the transactions which the attorney or any persons who has conflicts of interest, or may cause conflicts of interests with the Company or the subsidiaries (if any). (As defined in the Notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or any Notifications made by relevant agencies) Unless it is an approval of the normal business transactions and is in accordance with general commercial terms and conditions, or in accordance with the policies and criteria approved by the Board of Directors, which are subject to the criteria, conditions and methods regarding the connected transactions, acquisition or disposition of significant asset of listed companies according to the Notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or any Notifications made by relevant agencies.
12. Consider and approve Anti-Corruption Policy. Monitor and supervise to ensure that there is an effective anti-corruption system in order to ensure that the executives, the Management, employees, and all stakeholders recognize its importance and take the policy to implementation and become a culture of the organization.

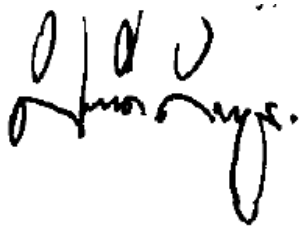
Meetings

1. The Board of Directors Meeting shall be convened at least once in every three (3) months. The meeting dates shall be scheduled in advance for the whole year. There may be additional meetings as needed.
2. In order to call for the Board of Directors Meeting, the Chairman or the assigned person shall send the invitation notice, together with the agendas and supporting documents to all directors at least seven (7) days in advance. So that the directors may have adequate time to review the agendas and supporting documents. In the event of an urgency to maintain the best interests of the Company, the invitation of the Board of Directors Meeting can be made by other means or the meeting date can be scheduled earlier than that.
3. Directors who have any interests in a considering matter shall refrain from voting on such matter, and such directors shall leave the Meeting during the consideration of such matter in order to allow the Meeting to express their opinions independently.

7. Quorum and Voting

1. There shall be at least half of the Board of Directors present to constitute a quorum. In the event that the Chairman is not present in the Meeting or cannot perform the duty, should the Vice Chairman be present in the Meeting, the Vice Chairman shall act as the Chairman of the Meeting. Should there not be the Vice Chairman nor the Vice Chairman not be present in the Meeting nor cannot perform the duty, the present directors shall elect one director to serve as the Chairman of the Meeting.
2. The decision of the meeting shall be made by the majority vote.
3. In voting, each director shall have one vote, except the director who has any interests in a considering matter shall refrain from voting on such matter. In case of a tie, the Chairman of the Meeting shall have an additional vote as the casting vote.

This Charter has been reviewed and approved by the Board of Directors Meeting No. 1/2021 on the 23rd of February 2021.



(Mr. Sirisak Tirawattanangkul)
Chairman

Charter of the Board of Executive Directors

MFEC Public Company Limited
(MFEC)

Charter of the Board of Executive Directors

1. Objectives

The Board of Directors of the Company is responsible for appointing the Board of Executive Directors, which consists of a number of qualified directors and executive managements. The Board of Executive Directors has the duties of managing and overseeing the Company's businesses as assigned by the Board of Directors. This Charter has been established for the Board of Executive Directors to understand its roles, duties, and responsibilities, and use this Charter as the guidelines to perform such duties.

2. Composition

2.1 The Board of Executive Directors shall consist of at least three (3) directors and executive officers.

2.2 The Board of Directors shall select one executive officer to be the Chief Executive Officer. In the event that the Board of Directors deems it appropriate, the Board of Directors may select one or more executive directors to be the Deputy Chief Executive Officers.

2.3 The Chief Executive Officer may be the same person as the Managing Director.

2.4 The Chief Executive Officer must not be the same person as the Chairman of the Company.

3. Qualifications of the Executive Directors.

3.1 A member of the Board of Executive Directors must be a knowledgeable individual with experiences that benefit the business operations of the Company. Such individual shall have honesty, integrity, business ethics, and be able to provide adequate time to dedicate his knowledge and capability to perform his duties for the benefits of the Company.

3.2 A member of the Board of Executive Directors must be qualified and must not have incompatibilities according

4. Election and Term of Service

4.1 The Board of Executive Directors shall be appointed by the Board of Directors.

4.2 A member of the Board of Executive Directors shall be vacated upon:

1) Death;

2) Resignation;

3) Disqualification and incompatibilities as specified by laws;

4) Removal from office by the resolution of the Board of Directors.

4.3 An executive director who wishes to resign must submit the resignation letter to the Company. The resignation shall become effective when the resignation letter arrives at the Company or from the effective date specified in the resignation letter.

4.4 In the event that the position of the Executive Director is vacant, the Board of Directors shall elect a qualified person to serve as the member of the Board of Executive Directors.

5. Scopes of Duties and Responsibilities of the Board of Executive Directors are as follows:

5.1 Provide policies, appoint, determine duties and responsibilities, oversee, and coordinate with the working groups. As well as consider and approve propositions proposed by the working groups.

5.2 Approve propositions proposed by the working groups for the benefits of business administration and operation according to the Company's objectives.

5.3 Study feasibility for new projects and have the authority to approve to take part in tenders, as well as engaging in any projects as deemed appropriate, including entering into any legal activities in relation to such matters until the completion of such projects.

5.4 Study feasibility of investing in new projects and have the authority to approve the Company's investments or joint investments with any other juristic persons or groups of persons in order to operate the business according to the Company's objectives. Such investments shall not exceed twenty million (20,000,000) Baht per project. Including any other means of investment, such as purchasing of shares, exchanging shares with other juristic persons as it deems fit, and entering into any legal activities in relation to such matters until the completion of such projects.

5.5 Determine, consider, approve any regulations, rules, policies relating to business management and operations, or perform any actions which binds the Company to the other parties.

5.6 Provide suggestions, advice, and establish the policies and scope of authorities of the Chief Executive Officer and/or Managing Directors and Working Groups.

5.7 Have the authority to approve the appointment, hiring, dismissal, disciplinary actions, determination regarding salary, wages, employee benefits, bonuses, gratuity, and any other remunerations, including expenses and facilities for the Company's officers and staff with manager positions and higher, including Assistant Managing Directors, Deputy Managing Directors or equivalent, or special working groups for specific subjects.

5.8 Perform any other duties according to the policies assigned by the Board of Directors.

5.9 Have the authority to appoint a person or a group of persons to operate the Company's business under the supervision of the Board of Executive Directors, or granting the power of attorney to a person or a group of persons to perform the duties as the Board of Executive Directors sees fit. The Board of Executive Directors has the authority to change, amend, cancel, or revoke such power of attorneys.

5.10 Have the authority to appoint the Chairman of the Advisors, advisors, or advisory committees of the Board of Executive Directors as deemed appropriate. Have the authority to determine compensation, allowance, benefits, facilities and other expenses of the Chairman of the Advisors and advisory committees as deemed appropriate.

5.11 The Board of Executive Directors or the Chief Executive Officer has the authority to convene the Board of Executive Directors Meeting, and/or prescribe rules and regulations of the Meeting as it deems appropriate.

5.12 In the event that the Chief Executive Officer cannot perform the duties, the Chief Executive Officer shall appoint the Acting Chief Executive Officer to hold office from time to time. The Acting Chief Executive Officer shall have authorities and duties equivalent to the Chief Executive Officer. Or there shall be an appointment of the Deputy Chief Executive Officer. Or the Deputy Chief Executive Officer shall automatically have the authorities and duties equivalent to the Chief Executive Officer.

5.13 Consider and approve the authorities regarding business administration to the executive officers in accordance with the Company's rules and regulations.

5.14 Have the authority to approve and withdraw funds from all accounts of the Company, use the credit granted by banks or financial situations that the Company has, as well as opening bank accounts and/or applying for credits or loans in any form with the banks or financial situations, including using the Company's securities and assets, although they are listed, as the collateral for such debts.

6. Scopes of Duties and Responsibilities of the Chief Executive Officer

6.1 Supervise the business operations and/or day-to-day administration of the Company.

6.2 Prepare policies, directions, strategies, business plans, budgets, investment plans, Company's management structure, and principles of business operation in accordance with economic situations. And present them to the Board of Directors for consideration and approval.

6.3 Operate or manage the business according to policies, business plans, budget as approved by the Board of Directors or the Board of Executive Directors.

6.4 Supervise the operations of the Company according to policies, business plans, and budget as approved by the Board of Directors. Examine and evaluate the Company's performance to be in accordance with specified policies. Report the performance of business management to the Board of Executive Directors, the Audit Committee, and the Board of Directors.

6.5 Consider and approve the operations of Company's normal business transactions according to the investment budget or the budget approved by the Board of Directors, of which the limits of each transaction have been previously specified by the Delegation of Authority which approved by the Board of Directors, but not over the annual budget approved by the Board of Directors, including entering into any agreements related to such matters.

6.6 Have the authority to consider and approve any financial expenditures relating to normal business operations, of which the limits of each transaction have been previously specified by the Delegation of Authority which approved by the Board of Directors, but not over the annual budget approved by the Board of Directors, including entering into any agreements related to such matters.

6.7 Have the authority to consider and approve any expenses relating to normal business operations, according to the budget approved by the Board of Directors and the Company's Delegation of Authority, which the Board of Directors has previously approved its principles.

6.8 Have the authority to consider and approve any expenses relating to normal business operations, according to the budget approved by the Board of Directors and the Delegation of Authority, including entering into any agreements related to such matters.

6.9 Have the authority to execute orders, regulations, announcements in order to ensure the business operations are in accordance with policies and interests of the Company, and to maintain orders and disciplines within the organization.

6.10 Coordinate with the Head of Internal Audit and the Audit Committee to ensure that the business operations, including the Company's risk management, are in accordance with Company's objectives, articles of associations and policies, and are in line with the principles of good governance.

6.11 Have the authority to grant the sub-power of attorney and/or assign any other person to perform any specific tasks by granting the sub-power of attorney. Such assignment shall be under the scopes specified in the power of attorney, and/or be according to the rules, regulations, or orders of the Board of Directors and/or the Company.

6.12 Perform any other duties according to the policies assigned by the Board of Directors or the sub-committees from time to time.

7. Scopes of Duties and Responsibilities of the Managing Director

7.1 Determine missions, objectives, directions, and policies of the Company, including supervising the overall corporate governance to be in line with guidelines or principles approved by the Board of Directors.

7.2 Determine marketing strategies.

7.3 Review the annual budget and present the annual budget to the Chief Executive Officer. Set the budget and authorities of each department of individuals, as well as the working procedures of each department regarding the spending of the annual budget. Supervise the expenditures to be in accordance with the budget approved by the Board of Directors.

7.4 Approve of expenses or payments in relation to projects or investments, acquisition or disposition of Company's assets as approved by the Board of Directors.

7.5 Amendment or termination of the agreements which the essence of the agreements has been approved by the Board of Directors.

7.6 Approve the procurements, entering into agreements, payments, or any legal activities relating to Company's normal business operations or according to the resolutions of the Board of Directors.

7.7 Have the authority to hire, appoint, lay off, dismiss, determine wages, salary increment for the employees below the managing director level.

7.8 Perform duties relating to general business administration of the Company.

7.9 Have the authority to sign and certify true copy of documents, sign on the applications or requests, including permissions or requests for approvals from the government agencies relating to the business operations according to the Company's objectives. And able to grant the power of attorney to any other persons to act on his behalf.

7.10 Have the authority to file complaints, accusations, and/or prosecutions of any persons involved in corruption, fraud, burglary, or any other actions that may cause the loss of interests, or result in serious loss and damages to the Company.

7.11 Have duties and responsibilities to establish the systems, promote, support, and supervise in order to ensure that the employees and relevant parties comply with the Anti-Corruption Policy. As well as review the appropriateness of the systems and measures is in line with changes in business, regulations, and legal provisions.

7.13 Review the agendas of the Meeting before proposing to the Board of Directors for approval.

In this regard, should there be any matters that the Chief Executive Director and/or the Managing Director, or the grantee of the Chief Executive Director and/or the Managing Director, or the person with the conflicts of interest (As defined in the Notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or any relevant agencies) has the conflicts of interest with the Company and/or the subsidiaries and/or the relevant companies, the Chief Executive Director and/or the Managing Director shall not have the authority to approve the execution of the aforementioned matters. Such matters must be presented to the Board of Directors Meeting and/or the Shareholders Meeting (as the case may be) for approval. Unless it is an approval of the normal business transactions and is in accordance with general commercial terms and conditions, which is in accordance with the Notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or any relevant agencies.

8. Meeting

The Board of Executive Directors shall convene the Meeting monthly. Should there be a cancellation or confirmation of the Meeting, an email shall be sent to notify all relevant parties in advance. The Meeting shall convene for consideration matters according to the duties assigned by the Board of Directors and

9. Reports of the Board of Executive Directors

The Board of Executive Directors shall report its performance to the Board of Directors. There shall be a report on the duties of the Board of Executive Directors during the past year to the shareholders in an annual report. The following information shall be disclosed:

9.1 Number of the Meetings

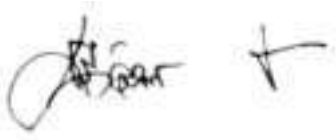
9.2 Number of the attendances of each executive director

9.3 Result of the performance of duties as specified by this Charter.

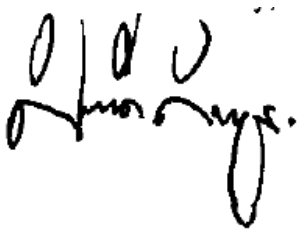
10. Evaluation of the Board of Executive Directors

The evaluation of the performance of the Board of Executive Directors shall be done annually. The Board of Executive Directors shall do a self-evaluation and report the result of annual self-evaluation to the Board of Directors.

This Charter has been reviewed by the Meeting of the Board of Executive Directors No. 1/2021 on the 15th of February 2021. The Charter has been reviewed and approved by the Board of Directors Meeting No. 1/2021 on the 23rd of February 2021.



(Mr. Siriwat Vongjarukorn)
Chief Executive Officer



(Mr. Sirisak Tirawattanangkul)
Chairman

Charter of the Audit Committee

MFEC Public Company Limited
(MFEC)

Charter of the Audit Committee

Charter of the Audit Committee has been established in order to ensure that staff of all levels briefly understand the objectives, scopes of work, responsibilities, as well as the guidelines and practices of the Audit Committee of MFEC Public Company Limited. The Charter of the Audit Committee is in line with the international standards and the Stock Exchange of Thailand (SET) standards of Guidelines for Conducting Audit. Lastly, the Charter has been reviewed by the Board of Directors of MFEC Public Company Limited.

1. Objectives

The Audit Committee has been founded by the resolutions of the Board of Directors in order to promote good governance and enhance operational efficiency. The Audit Committee will encourage and act on behalf of the Company's Board of Directors to ensure trust and credibility of the financial reports submitted to shareholders and relevant parties. The Audit Committee also reviews and evaluates internal control system, risk management system, and internal audit system. The Committee will ensure compliance with the Good Governance Policy according to the business ethics and any relevant laws and as well coordinate with the Company's auditor.

2. Composition and Qualifications

1. Composition

1. The Audit Committee shall consist of at least three (3) directors, and the directors must be the independent directors of the Company.
2. The Audit Committee shall consist of at least one (1) member who has sufficient knowledge and experience in finance and accounting to review the financial statements.

2. Qualifications

1. A member of the Audit Committee shall not hold more than one (1) percent of the paid-up shares of the affiliate companies, joint venture companies, or any relevant companies.
2. A member of the Audit Committee shall not be a related party, the beneficiary, the stakeholder, the close relative of the Management, nor the major shareholder of the Company.
3. A member of the Audit Committee shall be able to perform his duties, provide opinions, or report the performance as assigned by the Company's Board of Directors without being under control of the Management or the major shareholders of the Company.

3. Term of Service

1. The term of service of a member of the Audit Committee shall be two (2) years from the date of the appointment.
2. A member of the Audit Committee may be re-appointed as the Board of Directors deems appropriate. But the re-appointment shall not be automatic.
3. In addition to vacating from the office due to the maturity of prescribed term or service, a member of the Audit Committee shall be vacated upon:
    1. Resignation;
    2. The Board of Directors' resolution to vacate from the office;
    3. Lack of qualifications as the member of the Audit Committee according to Charter of the Audit Committee, or the rules and regulations of Thailand's Securities and Exchange Commission, or the rules and regulations of relevant agencies.
    4. When the member of the Audit Committee completes his term of service or should there be any reasons that the member is unable to complete his term of service, resulting in the number of the Audit Committee less than the specified number of three (3) members. The Board of Directors shall immediately appoint a new member of the Audit Committee, or within three (3) months from the date that the composition of the Audit Committee is incomplete in order to ensure the continuity of the operation of the Audit Committee. A replacement member of the Audit Committee shall hold office for the remaining term of service of the vacated member of the Audit Committee.

4. Remuneration

The remuneration of the Audit Committee shall be determined by the Nomination and Remuneration Committee Meeting, and considered by the Board of Directors Meeting, and approved by the Shareholders Meeting respectively.

5. Scope of Duties and Responsibilities

1. Review the Company's financial report that it is accurate, complete, reliable, and adequately disclosed.
2. Review the Company's internal control system, risk management system, and internal audit system that they are adequate, suitable, and efficient.
3. Review and ensure the appropriate and effective compliance with the Good Governance Policy and business ethics.
4. Review and ensure that the Company complies with the laws in relation to stocks and stock exchange, regulations of stock exchange, or any relevant laws related to the Company's business operation.
5. Be in charge of reviewing and ensuring that the Company has an adequate internal control system. Review the business operations to be in accordance with Anti-Corruption Policy.
6. Select and appoint the Company's auditors and set the Company's audit fee.
7. Review the connected transactions and ensure that such transactions are in compliance with laws and regulations of the Stock Exchange of Thailand, and are reasonable and beneficial to the Company.
8. Oversee the operations of the Internal Audit Department by considering the approval of the Charter and independence, including the Internal Audit Department's scopes and audit plans.
9. Consider and approve the budget and manpower of the Internal Audit Department
10. Consider the appointment and rotation of the Head of Internal Audit, including evaluating performance of the Head of Internal Audit.
11. Consider and review the audit report and recommendations from the auditor and Internal Audit Department. Monitor and ensure that the Management implements such recommendations adequately, efficiently, and in a timely manner.
12. The Audit Committee may invite the Management or related Company's employee to provide reports, or present information to the Meeting, or submit documents as deemed relevant and necessary.
13. Review and revise Charter of the Audit Committee as deemed necessary for the purpose of modernity and appropriateness, and propose to the Board of Directors for consideration and approval.
14. Provide the Audit Committee's report consisting of information and the Audit Committee's opinions in various aspects. The report must be disclosed in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee.
15. Perform any other duties as assigned by the Board of Directors with the agreement of the Audit Committee. The Management shall be responsible for reporting or presenting information and relevant documents to the Audit Committee in order to support the operation of the Audit Committee in achieving such assigned duties.
16. The Audit Committee may seek independent opinions from any other professional counsel when deemed necessary at the expense of the Company.

6. Meetings

1. The Audit Committee shall convene the meeting as it is deemed appropriate at least four (4) times a year. The Audit Committee shall hold power to convene a special meeting as necessary. A quorum of the Meeting is not less than half of the members of the Audit Committee.
2. All members of the Audit Committee shall attend every meeting unless there is a necessity. The member shall inform the Audit Committee of such case at least three (3) days in advance.
3. The Chairman of the Audit Committee shall be the Chairman of the Meeting. In case the Chairman of the Audit Committee is not present in the Meeting or cannot perform the duty, the present members of the Audit Committee shall elect one member to serve as the Chairman of the Meeting.
4. A special meeting with the Management or Internal Audit or Auditor shall be held regularly at least once a year.
5. The resolution of the Audit Committee shall be according to the majority vote. A member of the Audit Committee who has any interests in a considering matter shall refrain from expressing opinions or voting on such matter. In case of a tie, the Chairman of the Meeting shall have an additional vote as the casting vote.
6. The Meeting invitation shall be sent to the member of the Committee not less than seven (7) days prior to the meeting date, unless there is such necessity or urgency where the invitation can be made through other means, or the meeting date can be set earlier. The Secretary of the Audit Committee shall record the minutes of the Meeting.

7. Reporting

1. Reporting to the Board of Directors

1.1 Regularly report the activities of the Audit Committee for the Board of Directors' acknowledgement.

1.2 Report the consideration and provide opinions to reports, financial reports, and internal audit reports.

1.3 Report the following findings or acknowledgement immediately; transactions related to conflict of interest, suspicions of corruption, breaches, or any irregularities affecting internal control system, to present to the Board of Directors to prepare the measures or improve in a timely manner.

2. Reporting to the Government Agencies

Should the Audit Committee report the Board of Directors of such findings that may have significant impact to the Company's financial condition and operations, and the Audit Committee has consulted with the Board of Directors and the Management regarding the necessity of improvements. Should the Audit Committee see that, without any reasonable cause, the Board of Directors refuses to make any improvements, the Audit Committee may report such findings to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

3. Reporting to the Shareholders and Investors

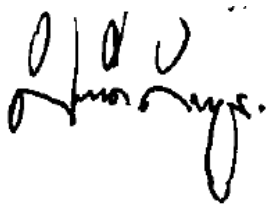
Report the activities occurred during the year. Such reports must be signed by the Chairman of the Audit Committee and disclosed in the Company's annual report.

8. Evaluation

The Audit Committee should prepare a self-assessment of the performance to ensure that the operation is effective and the objectives are achieved at least once a year in writing. Also, the committee reviews the assessment results with the Board of Directors to acknowledge and suggesting for improvement as well as to increase the effectiveness of the committee's performance.

This charter was reviewed at the Audit Committee Meeting No. 1/2021 dated 23 February 2021 through consideration and approval by the Board of Directors Meeting No. 1/2021 on 23 February 2021.

(Mr. Suchart Thammapitagkul)
Chairman of the Audit Committee



(Mr. Sirisak Tirawattanangkul)
Chairman

Charter of the Nomination and Remuneration Committee

MFEC Public Company Limited
(MFEC)

Charter of the Nomination and Remuneration Committee

Charter of the Nomination and Remuneration Committee has been established in order to ensure that staff of all levels briefly understand the objectives, scopes of work, responsibilities, as well as the guidelines and practices of the Nomination and Remuneration Committee of MFEC Public Company Limited. The Charter of the Nomination and Remuneration Committee is in line with the international standards and the Stock Exchange of Thailand (SET) standards of guidelines for conducting Nomination and Remuneration. Lastly, the Charter has been reviewed by the Board of Directors of MFEC Public Company Limited.

1. Objectives

The Board of Directors agrees that it is appropriate to establish the Charter of the Nomination and Remuneration Committee in order to ensure that staff of all levels briefly understand the objectives, scopes of work, responsibilities, as well as the guidelines and practices of the Nomination and Remuneration Committee of MFEC Public Company Limited.

2. Composition and Qualifications

2.1 Composition

1. The Nomination and Remuneration Committee shall consist of at least three (3) directors of the Company. At least one (1) director must be an independent director. The Chairman of the Nomination and Remuneration Committee shall be an independent director.
2. The Board of Directors shall appoint the Chairman of the Nomination and Remuneration Committee by selecting from the directors who are not Company's management executives.
3. Should there be necessary to have a management executive as a member of the Committee, there shall be at least two-thirds of the independent directors in the Committee. The Chairman of the Nomination and Remuneration Committee must be an independent director.

2.2 Qualifications

1. Be a competent and experienced person, including having knowledge and understanding qualifications and responsibilities as the Nomination and Remuneration Committee, as well as having knowledge regarding corporate governance.
2. The Chairman of the Nomination and Remuneration Committee shall be an independent director in order to be the leader in independently driving performance of the Nomination and Remuneration Committee.
3. None of members of the Nomination and Remuneration Committee shall have any allocation more than 5 percent of the Company's shares. Should there be any members receiving the allocation of more than 5 percent of the Company's shares, such member shall not have the right to express his opinion regarding the said allocation of shares.
4. The Chairman of the Company shall not be the Chairman or the member of the Nomination and Remuneration Committee

3. Term of Service

1. The term of service of a member of the Nomination and Remuneration Committee shall be two (2) years. A member of the Nomination and Remuneration Committee who retires by rotation may be re-appointed.
2. A member of the Nomination and Remuneration Committee shall be vacated upon:
    1. Retirement by rotation;
    2. Resignation;
    3. Death;
    4. Retirement from being a director of the Company;
    5. Removal from office by the resolution of the Board of Directors.
3. When a member of the Nomination and Remuneration Committee vacates from office prior to the retirement by rotation, the Board of Directors shall appoint a qualified director to be a member of the Nomination and Remuneration Committee. A replacement member of the Nomination and Remuneration Committee shall hold office for the remaining term of service of the vacated member.

4. Remuneration

The remuneration of the Nomination and Remuneration Committee shall be reviewed by the Board of Directors and approved by the Shareholders Meeting respectively.

5. Scope of Duties and Responsibilities

1. Determine the criteria and policy for the nomination of Company's sub-committees, Chief Executive Officer, and Managing Directors.
2. Consider the recruitment of directors, sub-committees, Chief Executive Director, and Managing Directors by considering the suitable persons to serve as the directors. And propose such persons to the Board of Directors for consideration and approval and/or propose to the Shareholders' Meetings, as the case may be.
3. Determine the necessary and appropriate annual remuneration of all the elements in pay for directors, sub-committees, Chief Executive Director, and Managing Directors, and for the benefits of the shareholders of the Company.
4. Prepare the criteria and policies for determining the remuneration of the Board of Directors, Chief Executive Directors, and Managing Directors, and propose to the Board of Directors for consideration and approval and/or propose to the Shareholders' Meetings, as the case may be.
5. Report directors' remuneration policies, rationales, and objectives of the policies to be disclosed in the annual report.
6. Coordinate with the Company's Chief Executive Officer to determine the successor of the Chief Executive Officer position, including top management positions reporting directly to the Chief Executive Officer. And annually report the top management succession plan to the Board of Directors.
7. Coordinate with the Company's Chief Executive Officer to prepare the succession planning policy for the Chief Executive Officer position, including top management positions reporting directly to the Chief Executive Officer.
8. Review and evaluate the adequacy of the Charter and present the Charter to the Board of Directors for approval of changes.
9. Perform any other duties according to the authorities and responsibilities, and as assigned by the Board of Directors.

6. Meetings

1. The Nomination and Remuneration Committee shall convene the meeting at least twice (2) a year.
2. There shall be at least half of the directors attending the Nomination and Remuneration Committee Meeting to meet the quorum.
3. In the event that the Chairman of the Nomination and Remuneration Committee is not present in the Meeting or cannot perform the duty, the present members of Nomination and Remuneration Committee shall elect one member to serve as the Chairman of the Meeting.
4. Any members of the Nomination and Remuneration Committee who has any interests in a considering matter shall refrain from voting on such matter, unless it is the consideration for the remuneration of the Board of Directors.
5. The decision of the meeting shall be made by the majority vote. In case of a tie, the Chairman of the Meeting shall have an additional vote as the casting vote.

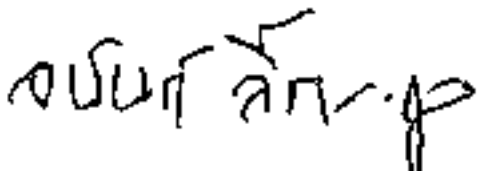
7. Reporting

1. The report of the Nomination and Remuneration Committee which is presented to the Board of Directors Meeting shall be completed within thirty (30) days. Such report must be signed and certified its accuracy by the Chairman of the Nomination and Remuneration Committee.
2. The Nomination and Remuneration Committee shall present the self-assessment report, Board of Directors assessment report, and individual director assessment report to the Shareholders Meeting in the Company's annual report and the annual information report as it is deemed appropriate.

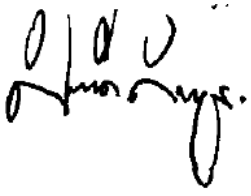
8. Evaluation

The Nomination and Remuneration Committee shall do an assessment of its performance and report the result of the assessment to the Board of Directors.

This Charter has been reviewed by the Meeting of the Nomination and Remuneration Committee No. 2/2021 on the 23rd of February 2021. The Charter has been reviewed and approved by the Board of Directors Meeting No. 1/2021 on the 23rd of February 2021.



(Mr. Anan Leetrakul)
Chairman of the Nomination and Remuneration Committee



(Mr. Sirisak Tirawattanangkul)
Chairman

Charter of the Risk Management and Corporate Governance Committee

MFEC Public Company Limited
(MFEC)

Charter of the Risk Management & Corporate Governance Committee

Risk Management & Corporate Governance Committee has been assigned to oversee the Company's risk management and corporate governance to be in accordance with the guidelines of Good Corporate Governance. The resolution of the Board of Directors Meeting No. 1/2021 on the 23rd February 2021 mentioned that MFEC Group is aware of the importance of the development of systematic risk management systems within the organization and setting a framework for good practice in various areas regarding Good Corporate Governance. The Risk Management & Corporate Governance Committee has its duties to support and act on behalf of the Board of Directors to operate with accuracy, transparency, with the ability to protect the interests of the shareholders and stakeholders. This is based on the Good Corporate Governance connecting to the context of the organization, visions, missions, and Company's objectives. This is to ensure that there is a risk management framework which is in line with the international guidelines, resulting in achieving organization's objectives and goals effectively and efficiently.

The Risk Management & Corporate Governance Committee will perform its duties of supervising and reviewing risks, providing opinions or suggestions, and providing support that benefit MFEC Group's risk management in overall. The Risk Management & Corporate Governance Committee also works on presenting guidelines of the Good Corporate Governance to the Board of Directors, as well as reviewing and improving such guidelines to be in accordance with rules and regulations, and relevant laws which are constantly changing, in order to achieve the good governance according to international standards.

1. Objectives

Charter of the Risk Management & Corporate Governance Committee has been established in order to define an operational framework for risk management and corporate governance to have a proper structure, roles, duties, and responsibilities of those related to the risk management and corporate governance activities, to help MFEC Group achieve its objectives and goals, and to ensure the sustainable business operation according to the principles of Good Governance and Good Corporate Governance.

2. Composition of the Risk Management & Corporate Governance Committee

2.1 The Risk Management & Corporate Governance Committee shall be appointed by the Board of Directors of the Company in order to supervise the risk management matters within the organization, and to ensure that the Management, which is responsible for risk management, have efficiently implemented a risk management system and covered all types of risks. The Risk Management & Corporate Governance Committee will help supervise the implementation of Good Corporate Governance practices in order to operate the business in a sustainable way and in accordance with the Good Governance principles.

2.2 The Risk Management & Corporate Governance Committee shall consist of at least three (3) directors and executive directors. Most of the members of the Risk Management & Corporate Governance Committee shall be independent directors. An independent director must be the Chairman of the Committee.

3. Term of Service / Vacating of Office

3.1 The term of service of a member of the Risk Management & Corporate Governance Committee shall be two (2) years. With approval from the Board of Directors, a member of the Committee who is retired by rotation may be re-elected to serve as the member of the Risk Management & Corporate Governance Committee.

3.2 Besides retirement by rotation, a member of the Risk Management & Corporate Governance Committee shall be vacated upon:

3.2.1 Retirement by rotation;

3.2.2 Resignation. The member must submit the resignation letter to the Board of Directors at least thirty (30) days in advance, unless there is an urgent necessity;

3.2.3 Retirement from being a director of the company prior to completing the term of service. The Nomination and Remuneration Committee shall propose the Board of Directors Meeting to appoint a qualified director to be the replacement director. A replacement member of the Risk Management & Corporate Governance Committee shall hold office for the remaining term of service of the vacated member.

3.2.4 Death;

3.2.5 Resolution of the Board of Directors

4. Remuneration

The remuneration of the Chairman and members of the Risk Management & Corporate Governance Committee who are not the management executives shall be determined by the Nomination and Remuneration Committee Meeting, and considered by the Board of Directors Meeting, and approved by the Shareholders Meeting respectively.

5. Scope of Duties and Responsibilities

5.1 Risk Management

5.1.1 Consider and propose the risk management policies and frameworks to the Board of Directors for consideration and approval.

5.1.2 Review and approve the risk appetite and propose to the Board of Director for acknowledgement.

5.1.3 Supervise the continuity of development and implementation of risk management policies and frameworks. So that the Group of Companies have an effective risk management system throughout the organization and such system has been continuously complied with.

5.1.4 Review the risk management report in order to monitor significant risks and ensure the organization has adequate and appropriate risk management.

5.1.5 Coordinate with the Audit Committee regarding significant risks, with the Internal Audit Department as the reviewer to ensure that the Company has appropriate internal control system for risk management, as well as appropriately implementing the risk management system and complying with such system throughout the organization.

5.1.6 Report the Board of Directors regarding the risks and significant risk management regularly.

5.1.7 Provide advice and suggestions to the Risk Management Working Group, including consider the appropriate methods of improvement regarding the development of risk management system.

5.1.8 Consider the appointment of additional or substituting personnel to the Risk Management Working Group as appropriate, including the determination of roles, duties, and responsibilities for the benefits of the implementation.

5.1.9 Perform any other duties regarding risk management as assigned by the Board of Directors.

5.1.10 Communicate, exchange information, and coordinate with the Internal Audit regarding risk matters and internal control at least once (1) a year.

The executive directors or the Risk Management Working Group or the Internal Audit or the Auditor shall report or present relevant information and documents to the Board of Directors in order to support the performance of the Risk Management Committee so that the Committee may achieve its assigned duties.

5.2 Good Governance

5.2.1 Define policies and guidelines for Good Corporate Governance and propose the policies and guidelines to the Board of Directors for consideration and approval.

5.2.2 Provide advice regarding principles of the Good Corporate Governance to the Board of Directors.

5.2.3 Prepare a Manual of Good Corporate Governance. Review the Company's guidelines for Good Corporate Governance by comparing with international standards of principles of Good Corporate Governance and the Stock Exchange of Thailand's principles of Good Corporate Governance. Propose the manual to the Board of Directors for consideration and approval for regular updates.

5.2.4 Appoint the working group to assist in the operation and implementation as appropriate. Determine the policies for good corporate governance for the Company's Good Corporate Governance Working Group, and provide a report of the corporate governance periodically.

5.2.5 Report the result of the implementation to the Board of Directors for acknowledgement.

5.2.6 Perform any other duties as assigned by the Board of Directors.

6. Meetings

6.1 The Risk Management & Corporate Governance Committee shall regularly convene the meeting at least once (1) every quarter. The Risk Management & Corporate Governance Committee may invite any person to attend the Meeting.

6.2 The executive directors shall attend every meeting. There shall be at least half of the directors attending the Risk Management & Corporate Governance Committee Meeting to meet the quorum.

6.3 In the event that the Chairman of the Risk Management & Corporate Governance Committee is not present in the Meeting and the Acting Chairman of the Risk Management & Corporate Governance Committee has not been appointed, the present members of the Risk Management & Corporate Governance Committee shall elect one member to serve as the Chairman of the Meeting.

6.4 The Chairman of the Risk Management & Corporate Governance Committee may convene the Special Meeting of the Risk Management & Corporate Governance Committee, should there be any requests to consider the additional important matters that need to be discussed.

6.5 A member of the Risk Management & Corporate Governance Committee who has any interests in a considering matter shall refrain from expressing opinions or voting on such matter.

6.6 The Secretary of the Risk Management & Corporate Governance Committee has the following duties: schedule the meeting, prepare agendas of the meeting, deliver the supporting documents regarding the meeting, record the minutes of the meeting. The invitation and the supporting documents shall be delivered prior to the Meeting.

6.7 In the resolution of the Risk Management & Corporate Governance Committee, the Chairman of the sub-committee and the member of the Risk Management & Corporate Governance Committee shall have one vote each. The decision of the Meeting shall be made by the majority vote. In case of a tie, the Chairman of the Meeting shall have an additional vote as the casting vote. The Secretary of the Meeting shall not have the right to vote.

7. Reporting

The Risk Management & Corporate Governance Committee shall submit the report in relation to the organization's risk management to the Board of Directors quarterly. So that the Board of Directors acknowledges and is aware of any significant risks that the organization encounters, including the factors that may affect the organization's risk status in the future.

There shall be a report on matters relating to good governance within a reasonable time for improvement, in case there should be any actions that may cause significant effects to the operations of the Company and do not comply with the principles of good corporate governance, code of conduct, or business ethics.

8. Self-Assessment

The Risk Management & Corporate Governance Committee shall do an assessment of its performance and report the result of the assessment to the Board of Directors once (1) a year.

9. Review of the Charter

The Risk Management & Corporate Governance Committee shall review the appropriateness of the Charter regularly to ensure that the content of the Charter is consistent with the objectives and strategies of MFEC Group's Risk Management & Corporate Governance. The Charter with significant improvements shall be approved by the Board of Directors.

10. Development and Trainings

There shall be the development of knowledge for the Risk Management & Corporate Governance Committee by inviting the experts to provide training, organizing workshops, or having the members of the Risk Management & Corporate Governance Committee join the external training.

This Charter has been reviewed by the Meeting of the Risk Management & Corporate Governance Committee No. 1/2021 on the 2nd of February 2021. The Charter has been reviewed and approved by the Board of Directors Meeting No. 1/2021 on the 23rd of February 2021.

(Prof. Dr. Uthai Tanlamai)
Chairman of the Risk Management &
Corporate Governance Committee

(Mr. Sirisak Tirawattanangkul)
Chairman

Attachment 6:

Audit Committee Report

Audit Committee Report

The Audit Committee comprises of three (3) independent qualified directors who are senior experts with knowledge and experience in the fields of laws, accounting and finance, and organizational management. The scope of its duty and responsibility is assigned by the Board of Directors, following the announcement of Capital Market Supervisory Board and the regulations of Stock Exchange of Thailand.

In 2020, the Audit Committee had five (5) meetings and reported its performance to the Board of Directors every quarter. Each Audit Director had the following meeting attendance;

	Attendance
Mr. Suchart Thammapitagkul Chairman of Audit Committee	4/5 Times
Prof. Dr. Uthai Tanlamai Audit Director	5/5 Times
Assoc. Prof. Dr. Kamales Santivejkul Audit Director	5/5 Times

All of three (3) Audit Directors were independent directors.

In regard to the meeting of annual turnover, the Audit Committee had a discussion with Chief Executive Officer. For the meeting of quarterly performance, the Audit Committee held the meeting with auditors and internal auditors. And the Audit Committee had one (1) meeting with the Risk Management and Corporate Governance Committee. In all meetings, the Audit Committee reported its opinions and provided its recommendation with independence in the following details;

Accuracy, Completeness and Credibility of Financial Reports

The Audit Committee audited quarterly financial reports and annual financial reports together with the management department and auditors for approval, in respect with appropriate preparation with accuracy of essential information in accordance with the general accepted accounting principles, accounting standard, significant accounting policy changes, including the review of related transactions between shareholders and subsidiaries or related companies. This was to ensure that the related transactions were items that follows normal business conditions for the optimal benefits of the Company without taking any irregular advantages, according to the laws and the regulations of the Stock Exchange of Thailand. The Audit Committee also discussed with the auditors to acknowledge issues from the audit, including considering and proposing opinions to the audit plans and the audit results of the auditors before proposing to the Board of Directors for consideration accordingly.

The audit results stated that the 2020 financial reports and related transactions between the shareholders and the subsidiaries or other related companies were accurately prepared and followed the legal requirements, accounting standards, reliability, including sufficient information disclosure for financial-statement users.

Risk Management

Risk management system and process were managed to be standardized for efficiency and effectiveness by acknowledging the risk management report in the previous year and giving recommendations for the improvement.

The Audit Committee audited the risk management process inside the organization, as well as policies, plans, and guidelines of the risk management on a regular basis. It had the annual meeting with the Risk Management Committee to provide details of the internal audit results, to provide recommendations for appropriate improvement, and to acknowledge major risk issues for the purpose of audit planning in the following year. In 2020, the Audit Committee conducted auditing in additional issues regarding the delay in delivering the work of the Company, also to consider increasing costs and preparing the steps of the project for the analysis and the consideration of each project, in order to have an effective and efficient control system and to reduce the risks that will occur within the organization.

Internal Control System and Internal Audit System

Internal audit was supervised to be in compliance with the professional standard through assessment of risks and internal control system of Committee of Sponsoring Organizations of the Treadway Commission (COSO), while an annual audit plan – based on business risks, workforce and internal audit human resources development plans – was reviewed and approved. Audit results were also considered with recommendations to the internal audit office and management department for working improvement.

The Audit Committee considered the audit results, in compliance with the audit plan in major issues following the annual audit plan, gave observations and presented major issues to the Board of Directors as a means to urge the management department to make working improvement in the issues founded by the internal auditors.

Compliance with Relevant Requirements and Related Laws

The Audit Committee reviewed and prompted the Company to abide by the securities and exchange laws, the Stock Exchange of Thailand's requirements and related laws on a regular basis, presenting the opinion that the compliance with audited transactions required by the securities and exchange laws, the Stock Exchange of Thailand's requirements and related laws was adequate.

Compliance with Anti-Corruption Measures

The Internal Audit Office determined the audit plan in conjunction with the business cycle, which covered the examination of anti-corruption measures in accordance with the Thailand's Private Sector Collective Action Against Corruption (CAC), the Internal Audit Office also reviewed compliance with anti-corruption policies as the Company was certified, joining the CAC from Thai CAC Committee on 5th August 2019. The Audit Committee had the opinion that the Company had implemented the adequate measures strict and careful.

Disclosure of Connected Transactions/Related Party Transactions

The Audit Committee considered, reviewed, approved and disclosed information and actions in the connected transactions, related transactions and related party transactions among the Company, its subsidiaries and the shareholders at stakes which could lead to any conflicts of interest before further forwarding them to the Board of Directors for approval correspondingly. Most of the transactions in 2020 are involved in trade – the normal business. The Company abided by the policy and disclosed the information as required by the Stock Exchange of Thailand as to ensure the Company's reasonable compliance with the normal business conditions, good corporate governance and its business operation philosophy.

Selection and Nomination of Auditors

In 2020, the Audit Committee considered to change the audit office as EY Office Company Limited with the trend, direction, and policy for the company's growth. In addition to considering the quality of work in the auditor's performance, including assessing the independence of the auditors as well as qualifications according to the specified criteria, the Audit Committee recommended appropriately to the Board of Directors proposing to the Shareholders' Meeting for approval to nominate Mrs. Poonnard Paochareoen, licensed auditor no. 5238, or Ms. Manee Rattanabunnakit, licensed auditor no. 5313, or Mr. Khitsada Lerdwana, licensed auditor no. 4958 of EY Office Company Limited as the Company's auditors. The audit fee was determined 1,430,000 baht. The rate has been considered comparing with other auditing firms and is appropriate. The auditors did not provide other services to the Company and had no relationship and/or no stake with the Company/its subsidiaries/its executives/ its major shareholders or any other persons related in a person that will affect the performance of their duties independently.

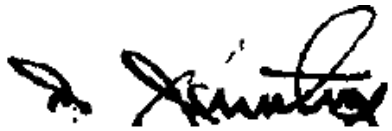
Good Corporate Governance

In respect with the importance recognition of good corporate governance, the Board of Directors had followed up continuously the progress of the good corporate governance development process, corporate social responsibility, and prevention of corruption. And the Board of Directors assigned the Risk Management and Corporate Governance Committee, the Audit Committee (Executive Staff), and the Internal Audit Office, under the supervision of the Audit Committee, were responsible for supervision and continuously evaluating the performance of the corporate governance policy annually. All details were disclosed in this year's report "Corporate Governance".

Opinions to Audit Committee's Performance following the Audit Committee Charter

Based on its self-appraisal in 2020, the Audit Committee performed its duties and took responsibility as designated in the Audit Committee Charter, employing its knowledge, capability, caution, prudence, and independence sufficiently. Moreover, the committee expressed opinion and provided proper recommendations for equal benefits of the stakeholders. In regard to the audit works of financial statements arrangement, internal control, compliance with related laws for the businesses of the Company, selection and nomination of the auditors, consideration of connected transactions or any transaction that may lead to conflicts of interest, audit of Anti-Corruption Principle Compliance, preparation of the audit Committee report, in which the appraisal result appeared that the Audit Committee completely performed all of its duties as designated in the charter.

Audit Committee presented the opinion that, the Company accurately made financial reports following in conformity with the general accepted accounting standard with adequate disclosure of connected transactions or any transactions that may lead to conflicts of interest sufficiently, had sufficient risk management, appropriate and efficient internal control and internal audit system, followed in compliance with the applicable laws, the Stock Exchange of Thailand's requirements and other related laws, for the objective of continuous support for good and sustainable corporate governance of the Company in consequence.



(Mr. Suchart Thammapitagkul)
Chaiman of the Audit Committee
23rd February 2021

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