

Annual Registration Statement/
Annual Report >>>

2021

IMPACT
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Vision

To become the best technology company
that unleashes employees' full potential
to create 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.

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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 engage in consulting, developing, setting up computer systems and information technology networks for the clients in both public and private sectors. Our businesses focus on large enterprises that are the leaders of each industry, whether they are in telecommunications, financial institutions, government agencies, state enterprises, energy sector, manufacturing or any other sectors that have high demands for services in information technology. Our scope of services covers from consulting for solving problems or extending the customer needs, developing and implementing information network systems, including computer hardware, system software, application software, and equipment for computer networks. Moreover, the services also include installation, system testing, training, as well as maintenance services

1.1.1 Vision, Mission, Strategy and Goal

Vision:

To become the best technology company that unleashes employees' full potential to create 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

The year 2021 is another year of resilience for challenges in many areas which arose from the COVID-19 pandemic that continued from the year 2020. In terms of the staff and management adapting to the New Normal working pattern, the work continued more smoothly with the challenge to maintain the standards for delivery of the assignments and to increase the work efficiency according to the measures for Business Continuity Plan. So that the business operations continued smoothly. With the availability of technology, the staff could work with a digital lifestyle and could communicate with each other anytime.

The Company has changed its business model to meet the clients' needs with MFEC's products and main services, namely Security, Data and Analytics, Application. The Company found that there were

needs in developing information technology networks for large organizations in the business sector, especially in the field of information security. MFEC therefore focused on developing and designing the solutions to meet all situations and crises that the clients might encounter.

In the area of human resource activities in the midst of 'Work From Anywhere', the Company has organized online learning programs: The Meet Up project, Knowledge Sharing project which has continued for 4 years, and the annual Townhall with the Next Tech. It was another channel for the staff to share and publish their knowledge to the public to gain their knowledge about new technology trends. This was in line with the Company's visions to be the IT company that people want to work with the most, so that the Company can create technologies and innovations that elevate the quality of everyone's life.

1.1.2 MFEC History of major changes and developments

History and Background of MFEC PCL.

MFEC 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's focus 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 (1996) 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 Modernform 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 Building, 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.

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 PrIn 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 PrIn 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.

Important changes and developments in the past three (3) years (2019-2021)

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, Adaptation during the Crisis of Coronavirus Pandemic. Since the end of 2019, the start of the Coronavirus pandemic was the great crisis 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 competitions 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.

In 2021, amidst the ongoing COVID-19 outbreak, the Company continued to focus on key clients in banking and financial industry, and telecommunication industry, especially services regarding data and security managements which ensure the clients of the Company's ability to deliver results with the highest efficiency. In the year 2020, many organizations including the clients in banking and financial industry were focusing on transforming the organizations in order to disrupt themselves, MFEC benefited directly from the transformation, especially Cloud and Data Center services that have grown exponentially.

At the beginning of the year, MFEC had a resolution to the Board of Director Meeting to approve the incorporation of the subsidiary company: Venture Lab Company Limited to support the research and development of new products and services.

Award of MFEC Group's Success during 2020-2021

2021

- Received the quality Assessment of the Annual General Meeting of Shareholders (AGM Checklist) for the year 2021 from the Thai Investors Association, which has been assigned by the Office of the Securities and Exchange Commission (SEC), **with a score of 98%** from the 2021 Annual General Meeting of Shareholders held via electronic media (E-Meeting)



- Received the Corporate Governance Report of Thai Listed Companies: **Excellent** CG Scoring for the year 2021



- Received the **Google Cloud Premier Partner Award** from Google Cloud

- Received the **Authorized Gold Partner Award** and the **Best Automation Program Management Partner 2020 Award** from Gold Partner

- Received the **IBM Partner Awards & Recognitions 2020 Award** from Data & AI Solution Partner of the Year

- Received the **Thailand Growth Partner 2020 Award** from F5



- Received the **AppDynamics Presales Stage 3 Certification Award** from Cisco Black Belt

2020

- Received **FY19 Architectural Excellence: Security** from Cisco Thailand
- Received **FY19 Enterprise Partner of the Year** from Cisco Thailand



- Received the **2020 Silver Partner Award** from Aruba Network



- Received the **UiPath Strategic Partner in Thailand Award** from UiPath



- Received the **Asia Pacific and Japan (APJ) Partner of the Year Award** from TIBCO NOW 2020



- Received the **Cybersecurity Excellence Award 2020** from Dataone Asia



- Received the **Azure Customer Success Partner of The Year 2020 - Data & AI** from Microsoft
- Received the **Microsoft Licensing Solution Partner of The Year 2020** from Microsoft

- Received the Corporate Governance Report of Thai Listed Companies: **Excellent** CG Scoring for the year 2020
- Received the **Customer experience (CX) Strategic Partner Award** from Cisco
- Received the **Marketing Excellence Partner of the Year Award** from Cisco



1.2 Nature of Business

1.2.1 Income Structure

During 2019 - 2021 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	Y2021		Y2020		Y2019	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Business Development and System Implementation	1,851	35.56	2,153	45.42	1,501	40.25
Maintenance Service	1,784	34.27	1,288	27.17	1,176	31.54
IT Professional Service	939	18.04	856	18.06	740	19.84
Cloud Service	559	10.74	345	7.28	261	7.00
Others	41	0.78	29	0.61	10	0.27
Income from sales and services	5,174	99.39	4,671	98.54	3,688	98.90
Other income /1	32	0.61	69	1.46	41	1.10
Total income	5,206	100.00	4,740	100.00	3,729	100.00

Remark:

/1. Other income consists of marketing promotion income from product sellers, interest income, profits from fair value adjustments of derivatives, foreign exchange profit and other miscellaneous income.

The company group operates the main business of providing development and system installation services, maintenance services and business development in information technology. The revenue from the three (3) core business segments accounted for 87.87% and 90.65% of the total revenue for the year 2021 and 2020, respectively.

The company is also a cloud computing service provider, accounting for 10.74% and 7.28% of the total revenue for the year 2021 and 2020, respectively. The revenue from cloud services is from the Group's core business segment, which has the revenue growth in this segment as high as 62% from the year 2020 (the 2020 growth rate is 32%).

1.2.2 Product Information

1) Features of our Products and Services

MFEC Public Co., Ltd. operates the business of providing services in information and communication technology, from consultation to development of IT solutions. The Company specializes in implementation of computer systems and IT networks for clients who are the leaders in various business sectors. Our goal is to be a reliable partner with innovation and excellence services, so that we can provide services efficiently and effectively and meet clients' needs (Solution Delivery). There are 6 main solutions: Cyber Security, System Integration as a Service, Big Data & Analytics, Cloud Platform, IoT & Smart Innovation, and Software Development.

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 divide solutions. To help develop digital businesses with partners and partners for sustainable stability by dividing the solution into 4 solutions as follows

- o **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.

- o **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.

- o **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, Sense Analysis. In 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.

- o **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

MFEC has a large corporate client base including Banking, Telecom, Insurance, Enterprise, Government with over 20 years of experience and highly qualified work team. Now a day, the IT Administration and Management has never been more complex and complicated caused the technological advancements creating new standards such as Big data, Container, Mobile, IoT, that make large organization become a strong in competitive advantage in such industry by using Enterprise IT Solution tools to increase the business driving efficiency. MFEC has a large corporate client base including Banking, Telecom, Insurance, Enterprise, Government. Our team providing great support both On-premise and Cloud. There are 4 solutions as follows.

- o **Monitoring Solution** is a solution to monitor and alert the efficiency of system or application for large organization and covering Application Monitoring section such as Java, doNet, Python, NodeJS or in the section of Infrastructure for example Server, Virtualization, Network, Database, Storage or in scheme of customize of the customer, such as Mobile iOS, Android, Web etc. At lease, in order to reduce problems and speed up the detection and resolution of problems to customers and make the organization earn incomes and business advantage by availability of customer satisfaction.

- o **IT Service Management Solution** is the design and enhancement of IT management solution following ITIL standards which consists of many processes such as Incident, problem, change, service request, CMDB, asset management including Contract Center or Service Desk system to customers for efficiency supporting internal and external organization.

- o **IT Automation and Robotic Solution** Automatic IT management solution conduction or AI robot using to enhance and manage tasks increasingly and efficiency to respond all demands in globalization which moving fast and complicated. There are many solutions; RPA Solution, analyzing text by AI using (OCR), managing automatic batch job (Workload automatic) by supporting productive for employees, reducing cost from zero human errors, and speed up IT in business responsiveness like never been before.

- o **Customer Engagement Solution** is the new solution for track and support various channels which called "Omnichannel Customer Engagement" in order to understand actual desires and able to respond all at once. Such as Chat, Web, Email, Call, Line, Social Media; Facebook, Twitter and also Voice Authentication Solution, Thai Chatbot using 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 focusing 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:

- o **Financial Solution**

- **Capital Market Solution:** A solution for financial markets consisting of Products for foreign exchange transactions Products for interest rate risk management and products to manage commodity price risk support 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

- **Lending Solution:** Loan Origination System and Core Loan System by supporting 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

- o **Digital Process Automation (DPA):** Technology for automate business processes to end-to-end automation to support drive change in the digital age by Drive 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.

- o **Enterprise Content Management (ECM):** A Solution for managing contents and documents in the organization by using a unified digital format. This solution covers the importation 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.

- o **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.

o **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.

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

o **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).

o **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 four (4) solutions:

o **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.

o **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.

o **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.

o **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 a diverse IT body of knowledge personals. 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 the solution into seven (7) solutions:

o **Network Security** 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.

o **Data Security** - Data 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.

o **End Point Security User**. Our information security team has developed a safety solution that directly involves user actions or also known as endpoint security. Our solution is included with antivirus, antimalware, and multi-factor authentication.

- o **Security Assessment** is the executive service only provided by the leading IT service providers. There are two main types of services: Technical Assessment service consists of Vulnerability Assessment, Penetration Testing, and Compliance Assessment service includes ISO27001 Assessment, CSA Assessment.

- o **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 technology 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.

- o **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. Our areas of information security experts are including DevOps platform, security for DevOps, and Container Security solution.

- o **SOC** - Cybersecurity surveillance center is established with expertise from the defense of large data networks covering the country. It is an external threat protection solution by bringing world-class technologies to choose. This enhances the cyber defense capabilities required by the Cybersecurity Act. Cybersecurity surveillance center is established with expertise from the defense of large data networks covering the country. It is an external threat protection solution by bringing world-class technologies to choose. This enhances the cyber defense capabilities required by the Cybersecurity Act.

2.3 System Infrastructure

System Infrastructure team is able to meet the changing needs in various businesses while also support to reduce the cost of IT system development as well as increasing the ability to expand the infrastructure quickly, able to maintain 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 four (4) parts as follows:

- o **System Infrastructure Services** are service 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

- o **Modernize Data Center Services** are a service 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.

- o **Intelligent Data Protection Services:** 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.

- o **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 Cisco 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 and it is divided into seven (7) sub-solutions as follows:

- o **Enterprise Networking:** Networking Solutions, Software-Defined Networking, Switch, Router, Wireless, Network Management, and Optical Networking

- o **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.

- o **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.

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

- o **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

- o **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.

- o **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

As 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 four (4) service as following:

- o **Outsource and Managed Services** providing 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

- o **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.

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

- o **Other Product Support** are consulting services, design, installations and maintenance of other products in the line of IT infrastructure 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) which divided 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:

- o **Strategy Assessment:** A service that the company will send a business consultant team to work with customers in business planning and make Gap Analysis and make sure that the customers want the solution that meets the objectives and the needs of the target group precisely.

- o **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.

- o **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

- o **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.

- o **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).

- o **Blockchain Procure-to-Pay built on Corda** increase efficiency in an end-to-end procurement process by B2P or Blockchain Solution for Procure-to-Pay, making the tracking of procurement and delivery process transparent, reliable, and secure.

4. Transformation

4.1 Marketing Technology Innovation

All organizations and service providers, including government agencies and all private sectors, which provide services to the customers or the public need various data in order to understand their customers. The Company uses its business tool called MarTech Innovation or Marketing Technology to study business plans, organizational restructuring plans, production plans, distribution plans, and any other plans. MFEC's MarTech Innovation team consists of the team members with diverse experiences, who understand and have access to various businesses. The team therefore is ready to be a part of the long-term planning of using tools and technology as the parts of development and elevation of customer services. MFEC's current

clients are in various sectors: government, banking, insurance, enterprise, and media. Following are the solutions provided by the MarTech Innovation team.

- o **Business Consulting:** Providing consulting and planning services for various solutions, from business planning for new products, strategic planning, development of services or products. Including using tools in Design Thinking Process and Business Model Canvas so that the clients understand root-cause problems and later find innovations to replace such problems. There are also consulting services for comprehensive marketing strategies by using Technology Market Stack until the clients are able to use such tools appropriately and effectively. The Company also provides services of test-running for technology improvements to increase the performance of such tools.

- o **Customer Data Platform (CDP):** A tool that is used for collecting clients' data in various social media platforms, such as Facebook, Twitter, LINE, Instagram, Tiktok. The data will be analyzed for Customer Segmentation, Customer Behavior, Product Trend, Purchasing spends, Predict Customer Profiling, and Customer Journey. This tool includes management of analytical data, product data, marketing plans, and customer satisfaction.

- o **Growth Marketing Platform (Marketing Automation):** A tool installed on clients' website or mobile application for the purpose of data analyzing for customers' origins, and later presents the customers with Marketing Personalization. Marketing Personalization arises from AI Engine that learns the customers' behaviors on using websites or mobile applications or clicking links. The AI Engine later matches the customer profiles, which the engine previously learnt, to products or services that the customers might interest. This makes deal-closing easier, faster, and increases the sales. The tool includes a notification system so that the customers will not miss new products or promotions. Therefore it is called Marketing Personalization.

- o **Chatbot:** tool that helps answering questions and significantly substituting the works of the staff. Chatbot will integrate with clients' back-end systems, whether it is CRM or ERP, making it easier to work, register, and answer questions. Chatbot will work with other Chat Messaging programs, such as Facebook messenger, LINE API, LINE Lift. Therefore, the potential of the work that MFEC delivers to the clients has truly created disruption flow, creating better work experience and better data for analysis.

- o **Social Listening:** A tool that is used for studying and for better understanding of clients' behavior. However, it requires some experience in creating a set of keywords that need to be studied in order to get to use the tool for various benefits. As a result, the clients' businesses can manage crisis situations in a timely manner.

4.2 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 two (2) forms as follows.

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

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

4.3 M-Lab

Now a day in world where every industry is disrupted by a new business model even in the IT industry itself causing us to have a development team that is capable of developing new applications up to catch up with the changes and responding to the business model of the organization and customers promptly use to solve problems or improve the original work system Including creating a new working system accurately and quickly which is divided into 2 forms as follows.

- o **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

2) Marketing and Competition

Overall industry conditions and market trends

Vichai Krungsri 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 cycles and world trade volume, which are results from the alleviation of epidemic control measures combined with economic stimulus measures, both monetary and fiscal of many countries 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, include measures to stimulate consumption and reduce the cost of living for people, the acceleration of disbursement of annual expenditure budgets and loan decree of 1 trillion baht, state enterprise investment budget, especially infrastructure investment projects, other financial measures, including low-interest loans to assist entrepreneurs and providing financial assistance to business affected from the outbreak by the Bank of Thailand (BOT) including the special term credit guarantee scheme by the Small Industry Credit Guarantee Corporation (TCG).

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 Policies

After 3 years of organizational transformation, the Company sees a way to reduce and remove processes that cause waste. The Company is ready to be a partner with the clients in creating the New S-Curve. The strategy that the Company focuses on is promoting the growth of its subsidiaries (BU Growth Strategy) as the speed of each business is not the same. Therefore, the Company sees more potential of products and services for various industries.

The Company's main businesses is to build End-to-End IT Infrastructure, from consulting, system design and implementation, setting up networks, servers, and software. The Company's services include Cloud Computing services, service maintenance, services related to cyber security through the Company's main products and services. The Company still values existing clients and aims to expand to a larger client base to strengthen its Customer Centric aspect and stably expand its client bases. The Company also focuses on developing its personnel and new-blood leaders, and is ready to support the works that create value-added to the existing works, to further develop such works to High Value Products that can keep up with market needs.

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 2021, 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 six (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 organization and enterprise, both private and government. In 2021, the Group will recognize 90% of revenue from projects with private sector customers as end user customers, while recognizing revenue from government customers and government sectors, accounted for approximately 10%. (For the year 2020, the proportion of revenue is 73:27 percent, private sector customers: government customers and agencies). By taking care and offering various services to customers as well as increasing the capability of providing services to meet customer's needs, most of the company's revenue still comes from the existing customer base. This is a result of the strategy of building good relationships with customers in the form of "Customers as Partners" with experience and expertise. By designing solutions that meet the needs of customers to increase competitiveness, the company continues to gain trust from customers with increasing work value.

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 two (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 2021,
the main fixed assets used by
the Group in business operation



Net residual value after
deducting accumulated
depreciation of
93,974,000 baht.



Building and equipment
renovations in the amount
of **71,023,000** baht and
Intangible assets in the
amount of **22,951,000** 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 31 December 31, 2021, totaling 6,384 million baht, which increased 1,272 million baht from the end of 2020 with the value of work that had not been yet delivered (Backlog) totaling 5,112 million baht.

Backlog had been significantly higher compared to the value at the end of 2020. As during the year 2019-2020, the company received large projects with a value of 100-1,000 million baht, which were system integration and system maintenance as a continuous service contract after the completion of the development and system installation work. The duration of the project is 3-5 years. The project with the longest duration at the end of 2021 is scheduled for completion in 2026.

(Unit : Million Baht)

	31 December 2021	31 December 2020	Increase (Decrease)
Company	6,198	4,995	1,203
Subsidiary	186	117	69
Total	6,384	5,112	1,272

1.3 Shareholding Structure of the Company Group

1.3.1 Shareholding Structure of the Company 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 2018 - 2021 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 needs.

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

During 2018 - 2021, the Company invested in the following, new companies:

- 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 ordinary 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).

In this regard, the Extraordinary Meeting of Shareholders No. 1/2019 on December 26, 2019 has resolved to liquidate the business, since the company's original business plan is not consistent with the future economic trends.

• 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 PLC. "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).

In this regard, the Extraordinary General Meeting of Shareholders No. 2/2019, Advance Intelligence Modernity Company Limited "AIM" has resolved to liquidate since there is a tendency for growth not in accordance with the business 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).

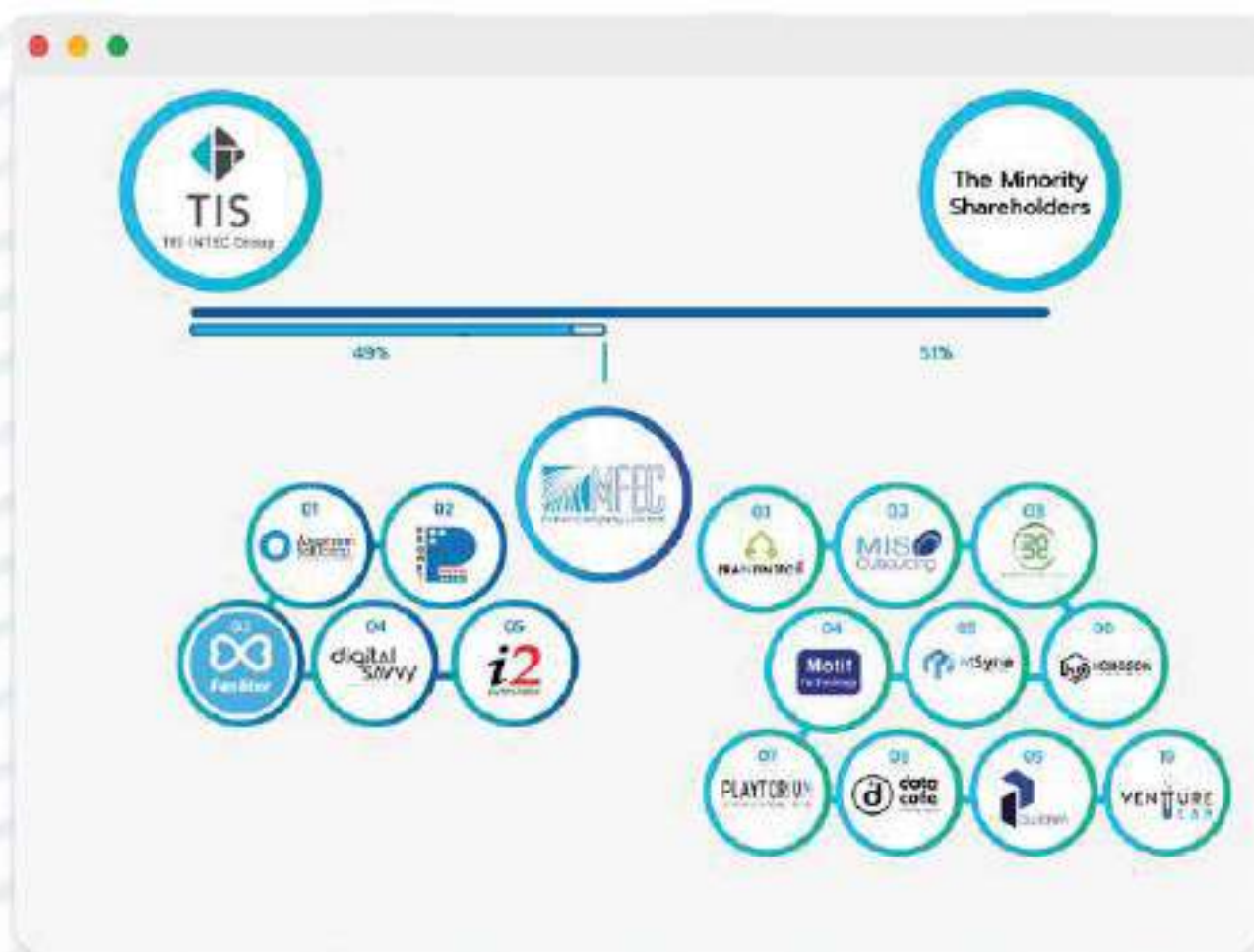
• October 2020: MFEC purchased new ordinary shares of I Two Enterprise Company Limited "I Two" for the benefit of the business operation especially the expansion of the customer base to the government and state enterprises. MFEC invested 15% of the registered capital after the issuance and offering of new ordinary shares (70,588,200 baht).

• January 2021: MFEC registered to establish a new company in the name of "Venture Lab Company Limited" with the objective of doing business related to research and development of products and services. MFEC invested in 99.99% of the registered capital (5,000,000 baht)

• May 2021: MFEC increased the investment in the ordinary shares of Data Café Company Limited "DC" from a shareholder in the said subsidiary. MFEC held 73% of the registered capital (8,000,000 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 2021, consisted of five (5) associated companies and ten (10) subsidiaries:

Company structure and its Subsidiaries



Proportion of MFEC Group MFEC Public Company Limited

Associated Companies 01

Angstrom Solution Co., Ltd.
40.00%

Associated Companies 02

Promptnow Co., Ltd.
20.00%

Associated Companies 03

Fanster Media Co., Ltd.
34.00%

Associated Companies 04

Digital Savvy Co., Ltd.
42.00%

Associated Companies 05

I Two Enterprise Co., Ltd.
15.00%

Subsidiary Companies 01

Praln FinTech Co., Ltd.
71.62%

Subsidiary Companies 02

MIS Outsourcing Co., Ltd.
75.00%

Subsidiary Companies 03

Business Application Co., Ltd.
99.99%

Subsidiary Companies 04

Motif Technology PCL.
99.99%

Subsidiary Companies 05

Msyne Innovations Co., Ltd.
99.99%

Subsidiary Companies 06

Hongson Co., Ltd.
99.99%

Subsidiary Companies 07

Playtorium Solutions Co., Ltd.
70.00%

Subsidiary Companies 08

Data Cafe Co., Ltd.
72.90%

Subsidiary Companies 09

Joint Venture: Power M
100.00%

Subsidiary Companies 10

Venture Lab Co., Ltd.
99.99%

Note: Information as of December 31, 2021

Associate Company's Products and Services

Presently, MFEC Public Company Limited has ten (10) subsidiaries and five (5) associated companies with products and services in the following details:

Products and Services of MFEC Group

Associated Company	Main Product/Service	Customer Type
1. Angstrom Solution Co., Ltd. (Angstrom)	<ul style="list-style-type: none"> Securities trading 	<ul style="list-style-type: none"> finance/securities companies
2. Promptnow Co., Ltd. (PN)	<ul style="list-style-type: none"> Mobile Financial Service Gamification Managed Service 	<ul style="list-style-type: none"> Financial institutions Telecom
3. Fanster Media Co., Ltd. (FM)	<ul style="list-style-type: none"> Information service on mobile/tablet applications Advertisement/PR/Marketing 	<ul style="list-style-type: none"> Entertainment Retail
4. Digital Savvy Co., Ltd. (DS)	<ul style="list-style-type: none"> Service for platform management system about the exhibition Ticketing system for all play types 	<ul style="list-style-type: none"> Entertainment Sports
5. I Two Enterprise Co., Ltd. (I Two)	<ul style="list-style-type: none"> Consulting, design, procurement, installation and distribution of telecommunication equipment, information technology and energy system 	<ul style="list-style-type: none"> Government State Enterprise Private Sector
Subsidiary	Main Product/Service	Customer Type
1. Prain FinTech Co., Ltd. (Prain) Former: Modernform In-tegration Services Co., Ltd. (MIS)	<ul style="list-style-type: none"> Payment Gateway Financial Technology Consulting service and computer system development 	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Tourism Financial institutions Transportation Manufacturing Retail Food State agencies/State enterprises

Subsidiary	Main Product/Service	Customer Type
3. Business Application Co., Ltd. (BAC)	<ul style="list-style-type: none"> • Business Analytics <ul style="list-style-type: none"> - Cognos BI - Cognos TM1 - SPSS Software - Tableau - Datawatch 	<ul style="list-style-type: none"> • State agencies/private enterprises in all industries
4. Motif Technology PCL. (Motif)	<ul style="list-style-type: none"> • Agent Management (iAM) • Agent Compensation (iCOM) • Agent Leader (iAL) • Smart Quotation (iSQ) • eApplication (eAPP) • iClaim • Legal Tracking System (iLegal) • iCollection • Appraisal Collateral (iAppraisal) 	<ul style="list-style-type: none"> • Financial institutions • Insurance/Life insurance
5. MSyne Innovations Co., Ltd. Former: Soft Plus Tech-nology Co., Ltd. (SPT)	<ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> - Data Integration - Data Preparation - Data Governance - Data Science • Selling Big Data Maintenance Services to various organizations, providing 24*7 service. 	<ul style="list-style-type: none"> • Healthcare • Energy • Financial Institution • Telecommunication
6. Hong Son Co., Ltd. (HS) Former: Hong Son Soft-ware Co., Ltd. (HS)	<ul style="list-style-type: none"> • Advisory service for work process • Customized Software • System maintenance & support 	<ul style="list-style-type: none"> • Energy • Financial institutions • Auction
7. Playtorium Solutions Co., Ltd. (PTS)	<ul style="list-style-type: none"> • IT professional services and system integration in new technology groups and startups • Recruitment service 	<ul style="list-style-type: none"> • Financial institutions • Insurance/life insurance • Telecom • SMEs/startups
8. Data Cafe Co., Ltd. (DC)	<ul style="list-style-type: none"> • Business advisory and analytics • Accreditation for IT people 	<ul style="list-style-type: none"> • Telecom • Financial institutions • Enterprises • Energy

Subsidiary	Main Product/Service	Customer Type
9. Joint Venture PowerM (PowerM)	<ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> - Data Integration - Data Preparation - Data Governance - Data Science • Selling Big Data Maintenance Services to various organizations, providing 24*7 service. 	• Enterprise Group
10. Venture Lab Company Limited (VentureLab)	<ul style="list-style-type: none"> • To provide research and development for new products and services related information technology. 	• Public and Private sectors in all industries.

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

In 2020, TIS Inc. received a partial tender offer (PTO) from all the Company's shareholders. The number of the Company's ordinary shares offered for purchase is not more than 106.39 million shares, accounting for 24.10% of the Company's paid-up capital. After the completion of the partial tender offer in September 2020, TIS Inc.'s shareholding in the Company increased from 24.90 to a new percentage of shareholding at 49.00 percent of the Company's paid-up capital. Therefore, the Company has become a subsidiary of TIS Inc. since the fourth quarter in 2020 onwards. In 2021, TIS Inc. Group consists of 54 subsidiaries and 79 affiliated companies with details of the structure as follows:

■ TIS INTEC Group

(As of March 31, 2021)

TIS Inc., and 54 consolidated subsidiaries (As of March 31, 2021)

Main consolidated subsidiaries

Domestic subsidiaries

TIS and main group companies	Shareholding ratio	Description of Business	Fiscal 2021, ended March 31, 2021 (Millions of yen, non-consolidated basis)	
			Net sales	Operating income (operating margin)
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)	199,355	22,199 (11.1%)
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)	110,205	8,708 (7.9%)
AGREX INC.	TIS 100%	Leading company in BPO sector, with emphasis on insurance industry needs. Turned into a wholly owned subsidiary in March 2015, becoming core company for BPO business within the Group. (Established September 1965)	35,135	3,010 (8.6%)
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)	20,146	1,759 (8.7%)
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)	16,501	946 (5.7%)

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 Hokkaido Inc.
Registration Network, Ltd.
NEOAXIS Co., Ltd.*
Nexway Co., Ltd.
HOKKOKU INTEC SERVICE Inc.
MicroMates Corp.

* Merged into AGREX Inc. in April 2021.

Overseas Subsidiaries

● China

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

● Singapore

QUALICA Asia Pacific Pte. Ltd.

● Thailand

I AM Consulting Co., Ltd.
(Six subsidiaries under the company)
MFEC Public Company Limited
(11 subsidiaries under the company)
PromptNow Co., Ltd.
TISI (Thailand) Co., Ltd.
QUALICA (Thailand) Co., Ltd.

● Vietnam

AGREX DNP Vietnam Co., Ltd.

● United States

Sequent Software Inc.
TIS Ventures, Inc.

79 Equity Method Affiliates (As of March 31, 2021)

Main equity method affiliates

● China

Shanghai CardInfoLink Data Service Co., Ltd. (CardInfoLink)
(Voting rights ownership ratio 18.2%, 11 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)

1.3.4 Shareholders

List of Shareholders and their Holding, as of 30 December 2021:

Major Shareholder	No. of Shares	% of Total Shares
1. TIS Inc. ¹	216,285,199	49.0
2. Thai NDVR Company Limited	23,779,128	5.4
3. Mr. Siriwat Vongjarukorn	17,313,700	3.5
4. Mr. Sirisak Thirawattanangkul	10,538,800	2.3
5. Modernform Group PCL. ²	7,100,000	1.6
6. Group of Mr. Sittichai Wongpatarakul ³	5,347,300	1.2
7. Group of Mr. Naiyapong Kongboonma ⁴	5,268,700	1.2
8. Group of Ms. Chorfah Poonphol ⁵	5,199,300	1.2
9. Group of Mr. Sompong Cholkadeedamrongkul ⁶	4,860,000	1.1
10. Group of Mr. Suwat Inthana ⁷	3,661,800	0.8
11. The Minority of Shareholders	112,099,628	32.7
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.

¹TIS Inc. provides IT professional services and system integration. As of 5 April 2021, the company had the following directors and executives:

1) Toru Kuwano	Chairman	14) Akiko Yamakawa*	External/ Independent Audit & Supervisory Board Member
2) Yasushi Okamoto	Representative Director, President	*Designated for Independent Director/Auditor as specified by the Tokyo Stock Exchange in Japan.	
3) Masahiko Adachi	Representative Director, Executive Vice President	15) Jun Ikimune	Senior Managing Executive Officer
4) Josaku Yanai	Representative Director, Executive Vice President	16) Masahiro Hosokawa	Senior Managing Executive Officer
5) Takayuki Kitaoka	Director	17) Shinichi Horiguchi	Senior Managing Executive Officer
6) Akira Shinkai	Director	18) Kiyotaka Nakamura	Senior Managing Executive Officer
7) Koichi Sano*	External/ Independent Director	19) Masahiro Ueda	Managing Executive Officer
8) Fumio Tsuchiya*	External/ Independent Director	20) Tsuyoshi Fukuda	Managing Executive Officer
9) Naoko Mizukoshi*	External/ Independent Director	21) Kei Ando	Managing Executive Officer
10) Tetsuya Asano	Standing Audit & Supervisory Board Member	22) Naoto Kita	Managing Executive Officer
11) Tatsufumi Matsuoka	Standing Audit & Supervisory Board Member	23) Hirashi Shimizu	Managing Executive Officer
12) Sadahei Funakoshi*	External/ Independent Audit & Supervisory Board Member	24) Akira Ogane	Managing Executive Officer
13) Yukio Ono*	External/ Independent Audit & Supervisory Board Member	25) Hirofumi Akashi	Executive Officer
		26) Masahiro Mikami	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) Ikuo Shimizu	Executive Officer
35) Isao Otokita	Executive Officer
36) Yoshiyuki Hayashi	Executive Officer
37) Masakazu Kawamura	Executive Officer
38) Kensaku Furusho	Executive Officer
39) Reiko Oka	Executive Officer

*The executive in No. 18 Mr. Kiyotaka Nakamura was appointed as MFEC's director by the company's Annual General Meeting of Shareholders No. 1/2019 held on 25 April 2019.

*The executive in No. 37 Mr. Masakazu Kawamura was appointed as MFEC's director by the company's Annual General Meeting of Shareholders No. 1/2021 held on 26 April 2021.

¹List of Major Shareholders of TIS Inc., as of 30 September 2021, consists of:

1) The Master Trust Bank of Japan, Ltd. (Trust Account)	26,642,000 shares	or 10.61%
2) ICHIGO Trust Pte. Ltd.	22,914,000 shares	or 9.12%
3) Custody Bank of Japan, Ltd. (Trust Account)	11,442,000 shares	or 4.56%
4) Employees' Shareholding Association of TIS INTEC Group	6,657,000 shares	or 2.65%
5) Nippon Life Insurance Company	6,219,000 shares	or 2.48%
6) SSBTC CLIENT OMNIBUS ACCOUNT	4,893,000 shares	or 1.95%
7) The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account, Mitsubishi Electric Corporation Account)	4,796,000 shares	or 1.91%
8) MACQUARIE Bank Limited DBU AC	4,171,000 shares	or 1.66%
9) STATE STREET BANK WEST CLIENT - TREATY 505234	3,715,000 shares	or 1.48%
10) NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	3,629,000 shares	or 1.45%

²List of Major Shareholders of Modernform Group PCL., as of 5 October 2021, consists of:

1) Mr. Taweechat Chulangkul	55,293,500 shares	or 7.37%
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	26,989,420 shares	or 3.60%
5) Mr. Taksa Busayaphoka	24,384,000 shares	or 3.25%
6) Mr. Chatchai Thammarungrueng	22,950,070 shares	or 3.06%
7) Mr. Chaiyot Paporn	20,719,063 shares	or 2.76%
8) Mr. Aphirum Panyapol	20,506,900 shares	or 2.73%
9) Dhipaya Insurance Public Company Limited	19,511,600 shares	or 2.60%
10) Mr. Ongart Damrongsakul	15,068,700 shares	or 2.01%

³Wongpatarakul Group:

1) Mr. Sittichai Wongpatarakul	5,342,300 shares
2) Mrs. Malairath Wongpatarakul	5,000 shares

⁴Kongboonma Group:

1) Mr. Naiyapong Kongboonma	4,970,100 shares
2) Mr. Thanapol Kongboonma	149,900 shares
3) Mr. Ronnachai Kongboonma	148,700 shares

⁵Poonphol Group:

1) Mrs. Chorfah Poonphol	5,001,000 shares
2) Mrs. Sasithorn Poonphol	131,500 shares
3) Ms. Ramida Poonphol	51,800 shares
4) Mrs. Poonpattr Poonphol	15,000 shares

⁶Cholkadeedamrongkul Group:

1) Mr. Sompong Cholkadeedamrongkul	4,160,000 shares
2) Mrs. Warunee Cholkadeedamrongkul	70,000 shares

⁷Inthana Group:

1) Mr. Suwat Inthana	4,160,000 shares
2) Mrs. Sidaporn Inthana	705,000 shares
3) Ms. Jidapa Inthana	536,800 shares
4) Mrs. Saiyood Inthana	20,000 shares

Limitation of Foreign Holding

Foreign shareholders are allowed to hold no more than 49% of total shares issued and paid up. As of 31 December 2021, 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 has none of other types of issued 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 of paying a dividend of not less than 50% of net profit after tax and legal provision. The company's Board of Directors is authorized to declare no dividend payment or alter the policy occasionally to maximize the shareholders' benefits. For example, the earnings are used as reserve for debt payment, investment of business expansion or the case of changes in market conditions that may affect the company's future cash flow.

In 2021, 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 2021 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 divided 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 2017 - 2021

	Year				
	2021	2020	2019	2018	2017
No. of common shares, 31 Dec. (share)	441,453,555	441,453,555	441,453,555	441,453,555	441,453,555
Non-allocated re-tained earnings, 31 Dec. (Mil.Bt)	452.28	402.12	334.22	209.68	407.21
Net profit (Mil.Bt)	226.27	234.63	223.60	(83.00)	141.34
EPS (Bt/share)	0.51	0.53	0.51	(0.19)	0.32
Dividends paid (Mil.Bt)	176.58	176.58	154.51	88.29	110.36
Dividend per Share (Bt/share)	0.40	0.40	0.35	0.20	0.25
Dividend Payout Ra-tio (%): Dividend for the year relative to net profit	78.04	75.26	69.10	-	78.08
Dividend Ratio (%): Dividend for the year relative to retained earnings	39.04	43.91	46.23	42.11	27.10

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 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, Operational Risks, Human Resource Risks, Financial Risks. The Risk Committee has identified objectives, environment, event identification, risk assessment, risk response, and control activities which are communicated and followed up regularly.

Risk Management Operation of the year 2021

In 2021, Risk Management and Corporate Governance Committee has considered to improve the risk indicators to be suitable for the current business operations and more comprehensive, standardizing the risk management policy to be as equal as the respective policy of TIS Inc, the majority shareholder. The key risks can be categorized as of the following:

1. Strategic Risk
2. Operational Risk
3. Human Resource Risk
4. Financial Risk
5. Financial Reporting Risk
6. Fraud Risk
7. Compliance Risk
8. Corruption Risk
9. IT Risk

1. Strategic Risk

In respect of the Strategic Risk, Two (2) indicators shall be applied for the Strategic Risk as follows:

1. The Investment Risk, concerning investment in SME/start-up subsidiaries, shall be assessed based on overall operations of the affiliated companies.
2. For the Sustainability Risk of the Company, the indicator is the proportion of the profit derived from the expected projects of the recurring projects in the pipeline, such as cloud computing, maintenance service agreement (MA), and IT outsource service, compared with the non-recurring projects.

The outbreak of COVID-19 pandemic has caused a downturn in the economy resulting in decreasing purchasing power of the SME clients, the Company's main clients. The purchasing power has decreased and caused the subsidiaries' overall performance cannot reach the goals, as a result of that, the Company's income from such subsidiaries has decreased accordingly. Consequently, the Company has added more indicator - the Strategic Risk, widening proportion of the recurring projects for long-term sustainability of the Company. In the year 2021, the Company has sequentially gained a greater proportion of the recurring projects.

A significant change occurred in the year 2021 is that some major clients have transformed their business operation models into system integrators (SI) and tech companies. Such change has directly affected the Company in respect of risks on sales drop and more difficult recruitment. However, the Company has accordingly adapted the operations. To handle the risks on sales drop, the Company has endeavored to establish cooperation by partnering with the clients, particularly in the early stage of the clients' transformation where the clients lacked personnel, cooperating in personnel to co-provide products and services to the market. To handle the risks on more difficult recruitment, the People Excellence Division (PE) has increased more platforms of recruitment, improved the welfare, and flexed fashions of working to meet lifestyles of young generations, in order to increase more opportunities to acquire and retain staff, as explained in the section of the Human Resources Risk hereunder.

2. Operational Risk

The outbreak of COVID-19 pandemic has widely affected the clients, the service providers and the vendors. Some clients have initiated working from home and consequently were unready to accept and approve deliverables delivered by the Company to such clients. To prevent any delay of the projects, the Quality Control Unit of the Company is responsible for regular inspections of projects' implementation and shall report any project which has not implemented as planned to the relevant persons according to levels of occurred issues to seek for timely solutions in order to reduce operational risks.

Considering operational risks on any project with any fine incurred, the sole respective project remained in the year 2021 is the project titled "Centralized Service Support System (CAT-CSS)". Such project was expected to complete within the year 2022 as well as the settlement of the respective fine.

3. 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 four (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 lower than 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%

Policy on the Company's personnel development

Changes throughout the year 2021, including the continuous outbreak of the COVID-19 pandemic, which has led to fully working from home for a period of time, and changes in business, have triggered personnel development planning for the New Normal so that the employees can smoothly adapt to the changing working approaches and maintain and continuously increase effective and productive performance.

Considering the current changes, in order for the employees to develop themselves, both of their job responsibilities and career path, for more opportunities related to work dedicating to both of the employees and the Company, the Company has formulated the policy on the Company's personnel development as of the following:

1. Entrepreneurship: to increase business opportunities and foster the employees' skills and guidelines or ability to start a new business themselves. Development models have come in the form of building the ecosystem which encourages the employees to present new business ideas and create new innovations for the Company and the clients. The respective activities are categorized into the following:

1.1 Project M Ground: opportunities open for any employee on duty in any office of the clients to create ideas to serve solutions or innovation development to the clients in order to grow innovation mindset and culture in the employees

1.2 Project YAMANO: cooperative opportunities open for any employee with ideas to create new knowledge in the organization by advancing systematic analysis of the employees and ability to easily plan appropriate information by preparing complete essential information

2. Leadership: vital for driving the organization to overcome any crisis, therefore, to develop the potential of the supervisors in all aspects, including communication, teamwork support, understanding the differences between his/herself and others, fostering relationships, leadership development based on situations, and the team members' potential enhancement, by personality psychology program "Myers-Briggs Type Indicator: MBTI" from MBTI Champions, who provide comprehensive supports and consultation

3. Knowledge Management Tools Development:

The organization is aware of the importance of knowledge existing in many different sources - the internal individuals and working teams. Hence, more opportunities and platforms for regular self-improvement of skills, knowledge, and proficiency are open for the employees, and the employee can improve themselves to support the organizational operations through development of internal knowledge management tools and Communication via M Ready.

4. Self-Development: Due to the outbreak of COVID-19 pandemic, the employees cannot meet up or work together, where is difficult to transfer knowledge or work to the employees. As a result of that, approaches to effectively working from home have been considered, leading to self-development and self-learning support for the employees through studying information with practice, techniques, and guidelines collected. This will enable work to be accomplished and transferred into guidelines which approachable for the employees and enable the employees' self-learning for whenever they wish.

5. Operation Standard Development in All Functional Roles: beginning with three focus groups consisting of sales, pre-sales, and project managers. Such three focus groups are considered as the frontline of the Company, therefore, the Company has been aware of the initiation of development of organizational operation standards, including revisiting the working processes of such three focus groups, in order to reduce unnecessary working processes, and enhancing the working processes to the highest efficiency, and it has been transferred into On-Boarding Guideline Book made thereafter.

Due to severe and rapid changes, continuous internal personnel development has been considered important, even the employees cannot meet up and work together, in order for every employee to seek for knowledge anytime and apply such knowledge to their duties and responsibilities as well as conformity among all operation processes of each duty working in perfect unison, and achieve the organizational operations in accordance with the goals.

4. Financial Risks

4.1 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.

4.2 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. For the year 2021, the Group has not recorded any significant expected credit losses.

4.3 Liquidity Risk

The company has been monitoring the liquidity risk by using overdrafts (bank's monetary loans). The company assesses the concentration of risks associated with borrowing of money to pay off debts and conclude that the risk was low as of December 31, 2021. The group has a net interest-bearing debt rate of 0.2 times of shareholder's equity, which is still relatively low due to credit efficiency. The company also has sufficient access to a wide range of capital's sources. In addition, the company still retains its ability to maintain careful and concise liquidity management, by focusing on effectively managing the financial structure and maintaining flexibility to financial and capital markets conditions' fluctuation, in order to maintain financial costs at suitable levels for continuous business operations.

5. Financial Reporting Risk

5.1 Investment Risks in Subsidiaries and Associated Companies

As of December 31, 2021, the company has investments in subsidiaries associated companies by the cost method totaling 428.7 million baht and 121.7 million baht, or 8.1% and 2.3 % 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 2021, hired a specialist to make the value appraisal of all subsidiaries. The consultant used the Discount Cash Flow (DCF) method 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 2021, 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 8.3 million baht. And the company also recorded the impairment of investment in Digital Savvy Company Limited and Fanster Media Company Limited, an associated company in which the company holds 42% and 34% of the shares, amounting to 3.8 million baht and 4 million baht. Due to the valuation of such investment, its recoverable value is lower than 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.

5.2 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 4.6% of total assets as of December 31, 2021. 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 from the assets of 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	9-10 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.

6. Fraud Risk Management

The Group has policies to treat its partners equally and fairly with integrity, to comply with commitments to the Company's stakeholders and to realize the prevention of corruption from both inside and outside the organization, by setting the Company's "Code of Conduct" manual on "Gifting and Hospitality Policy" to be used as a guideline for all directors, executives and employees. There are also processes in place to prevent fraud by establishing an Internal Audit department to monitor the performance of all departments based on risk issues, which include corruption risks. However, if Internal Audit department finds that any department has an inadequate internal control system or has risk of fraud, the audit's result will be reported to the Audit Committee and senior management, along with proposed measures to prevent and improve the internal control system. In addition, there are internal policies that cultivate a committed consciousness to avoid causing corruption.

Details	Year 2021	
Number of fraud offenses or ethics offenses	0	Cases/time
Number of directors resigned due to corporate governance issues	0	Cases/time

7. Compliance Risks

Risks arising from non-compliance or incomplete compliance due to changes of regulations, laws, and procedures that may affect the Company's reputation, punishments, fines, and loss of business opportunities. The Company has determined the risk control measures as follows:

- Set the Corporate Governance Policies which cover relevant laws and regulations related to the Company, such as Labor Laws, Laws/Regulations prescribed by the Securities and Exchange Commission, including communicating with all staff of awareness and compliance
- Monitor changes in government policies, laws, rules and regulations related to the Company, such as the Personal Data Protection Act BE. 2562 (PDPA), so that the business operations may appropriately and consistently comply with rules and regulations.
- Compile and review the Code of Conduct to be in accordance with laws and regulations that are constantly changing
- Communicate with all staff to ensure that the staff are aware of and comply with rules and regulations, such as trainings, tests relating to corporate governance policy, anti-corruption policy, business code of conduct, etc.

The Company is highly aware of risks related to personal data. The Company therefore ensures that its business operations are in accordance with the Personal Data Protection Act BE. 2562. The Company has taken actions as follows:

- Appoint a Data Protection Officer (DPO)
- Compile the Standard Operational Procedure for PDPA Compliance (SOP) in preparation for the PDPA
- Provide trainings by the experts in the Personal Data Protection Act BE. 2562

8. Corruption Risks

The Company focuses on empowering the staff all over the organization to perform their duties with honesty and without an abuse of power for the benefits of their own or the others, including anti-corruption that may arise from business operations.

The Company has established the Anti-Corruption Policy so that the staff may be aware of the conduct of business operations in accordance with laws and regulations, and according to the Corporate Governance Policy and the Code of Conduct, which are the guidelines that cover various kinds of sponsorships, such as Gifting Policy, Entertainment Policy, Donations and Sponsorship, Facilitation Payments, and Policy regarding Hiring Government Employees.

In the year 2019, the Company has expressed its intention against all forms of corruption with the Thai Private Sector collective Action Coalition Against Corruption (CAC). On the 5th of August 2019, MFEC Public Co., Ltd. was acknowledged as a member of the Thai Private Sector collective Action Coalition Against Corruption (CAC). Such acknowledgement shall be valid for 3 years from the date of the acknowledgement.

In the year 2021, the Company has always abided by the Anti-Corruption Policy and the Code of Conduct. The Company also considers its business partners. The business partners would receive the letters regarding expectations from the partners and the determination of business Code of Conduct in order to communicate with the business partners about the standards of business operations, managements, and the Company's rules and regulations so that the business operations would continue effectively. Both shall comply with the Good Governance Policy.

9. IT Risk

9.1 Data Security and Data Privacy

Should the Company commit negligence on cyber security and data privacy, it will negatively affect the trust of those stakeholders involved in many sectors, which may affect the reliability and destroy the trust in business. This includes violations of laws that may affect Company's financial situation and eventually the results of operations.

The Company has the standard and effective security and privacy system, which creates credibility and trust of the relevant parties in various sectors. Moreover, it helps reduce operational risks both internally and externally, leading to an increase in competitive opportunities and sustainable business growth in the future.

MFEC Public Company Limited foresees building trusts with clients, business partners, and staff in terms of security, along with organizational development according to a goal of being the leader in IT, which will result in a long-term business growth. The Company therefore sets 'Cyber Security' as a goal that the Company's IT Governance Team needs to achieve. At the same time, the Company has included various issues regarding cyber security and data privacy to be the parts of risk management. There is a committee to consider and approve the strategies and any related policies, such as Information Technology and Information Security Policies, and Personal Data Policies. The safety of personnel in the organization, clients, and security of various systems in the Company are considered. Measures have been implemented to control and balance the use of various types of information, especially clients' information, through the preparation of development plans and improvements of various systems to control cyber risks. Moreover, the Company also aims to control the risks in prevention, detection, and response tactics across all systems.

9.2 Management Structure of Information Technology and Information Security

The Company is very much aware of the importance in data security and data privacy. Therefore, the Company has approved the Risk Appetite & Risk Limit Policies and assigned the duties to various working groups, as follows:

1. Risk Management Committee: Responsible for managing risks to be in accordance with the Risks Management Policies and Strategies and in line with the risk appetite. There are reviews and audits of sufficiency and efficiency of the policies, including overall risk management strategies to achieve systematic management.

2. IT Governance Working Group: Responsible for overseeing and managing digital risks, cyber security, IT risk management, determining strategies and overview policies on information technology, reviewing, approving, and overseeing the operations to be in accordance with strategies, as well as standards on the architectural structure of IT system and the control of technology security system. There is a meeting to analyze and specify the risks, monitor, examine, and formulate guidelines to develop risk control and prevent any damages that may happen. The meeting is held monthly and will be reported to the Risk Management Committee quarterly, which will be reported to the C-Level management later.

3. Operating Level: The Company's Risk Management Department is responsible for risk management regarding technology and information, as well as following up results through the risk assessment, providing advice to relevant departments and support teams on appropriate measures before reporting such risks to the management and relevant committee.

4. Cyber Security Administration Unit: A unit responsible for overseeing and controlling cyber security by following up to ensure proper management in order to monitor and prepare for cyber risks. At the same time, the Unit also provides advice to other business units on security measures. The Unit will report the risks to IT Governance, including the managements who are responsible for organizational risks and relevant committees. This unit is comprised of 4 main focuses:

1) Division which is responsible for determining policies, monitoring, and overseeing the compliance of security policies.

2) Division which provides advice and determines the architectural structure and security standards.

3) Division which is a monitoring and surveillance center for cyber threats.

4) Division which operates in relation to cyber security.

Since the Personal Data Protection Act will be effective in 2022, MFEC Public Company Limited has prepared for this by establishing a working group and providing knowledge regarding personal data to the staff and the data controllers in the organization regularly to ensure that all personal information will be properly handled without contravening the said Act. Moreover, in 2021, the Company has hired a consulting company specializing in personal data protection to strengthen the collection, processing, and transmission of personal information correctly in order to reduce the risks of personal data management before the enforcement of this act.

9.3 Digital and Cyber Risk Management Frameworks

Due to the situation regarding digital threats and risks in cyber world is becoming more and more severe, and there may cause negative effects to the clients in the future, the Company has prepared and provided advice to all clients through the determination of digital and cyber risks with strategies that are in line with being the leader in information technology, as follows:

Vision	We will be an organization that uses an information technology system that is effective, stable, and secure.					
Strategy	Efficiency		Stability and Sustainability		Security	
Tactics	Develop Automation Self Service, Replace repetitive works to be automatic.	Prepare API Standard for all Company's systems to reduce mistakes during data interface across the system	Monitoring system and fully tracking reports on problems	Backup information in DR Site for critical systems for emergency recovery	Develop the systems and set guidelines for data governance, especially the personal data access control to be systematic, efficient, and secure	Have regular Penetration Test and Vulnerability Assessment Test for critical systems
	Arrange the assessment of the valuation of IT equipment in use, Replace expired and energy-consuming equipment	Create standards for all design systems regarding the use of data in the business intelligence aspect besides the data for usual operation	Create standards for documentation for System Design Structure and thorough explanation to increase the abilities of the staff		Organize trainings on security for the staff	

9.4 Information Technology and Data Security Operations

Potential development of the personnel and development of operating systems for technology and innovation, including increasing preventive measures for cyber threats, are always priorities of the Company. Having clear operating guidelines are important. Therefore, the Company has set up guidelines for operations, as follows:

1. Implementation of Measures on Prevention of Data Privacy according to Good Governance

1.1 Establish the Sub-Committee for Information Management which consists of the Company's senior management to control and oversee data management, as well as finding the ways to protect the organization and clients' information to reach maximum efficiency and safety.

1.2 Determine policies regarding Data and Data Security, including Personal Data Protection Policy and Guidance for Access of Personal Data. These policies apply to all relevant departments, from full-time staff to contract staff and to business partners, which need to comply with the said regulations and policies to reduce the risks of unfavorable events.

1.3 Set up a team to study and prepare for the Personal Data Protection Act that will be effective in 2022, in the aspects of policy, work process, and the operations of work. Following are the processes:

- Determine policies and operational guidelines to be in line with the requirements of the laws
- Set standards and channels for customers' consent
- Appoint 'Data Protection Officer: DPO' to be responsible for providing advice on compliance with the Personal Data Protection Act, and examining the operations regarding collection, use, or disclosure of clients' personal data to be in accordance with the provisions of the laws
- Set the standards for Disclosure of Information to external parties or other organizations, including receiving and disclosing information externally. The consideration criteria, which are standards for data life cycle, are as follows:
 - o Third Party Assessment: Evaluate external parties who are partners or having any business operations with the Company.
 - o Consideration of the acquisition of information and disclosure of information to be in accordance with the laws.
 - o Delivery, access, and storage of information to be in accordance with the organization's standards on technology security.
 - o Deletion and Destroying of Information.

- o Determine the level of authorization prior to the operations and report such authorizations to the Sub-Committee of Information Management quarterly.

1.4 Publicize through internal channels to enhance knowledge and understanding regarding the Personal Data Protection Act, including operational guidelines for relevant staff in the organization

1.5 Organize the review and amendment of the policies and operational regulations regularly to be in line with rules and operations that may change in the future

1.6 Determine operational guidelines in the case of unfavorable events by collecting data, arrange the chronological orders, evaluate the situations by internal and external experts, and update the progress to the clients or relevant stakeholders. The Company is willing to cooperate in legal processes.

2. Operations on Information's Security System

2.1 Install an Anti-Breach of Information system for all departments within the organization to have a stronger protection, especially the information generated from the transmission on the network. This Anti-Breach of Information system is a standard system, can catch and prevent the breach of information effectively. Also, the anti-breach of information tools has been installed on personal computer devices and mobile phones of the staff to ensure that the transmission of information within the organization can be checked and is more secure.

2.2 Set up the team for monitoring and proactively catching cyber threats. Improve the working process to be more effective, as well as establish the Cyber Threat Surveillance Center and a team to manage the cyber threats to act quickly, able to keep up with the situation, to reduce the impact that may happen to the clients in a timely manner

2.3 Prepare for the ISO 27001 certification within the beginning of 2022 in order to build confidence in the field of security for clients, business partners, and staff by raising the security level to the highest efficiency

In addition to the aforementioned, MFEC Public Company Limited recognizes the importance of a proper system design in critical processes. The Company has specified the security requirements in every step of the system development process since the selection of service providers, solution designs, work process developments, security tests, as well as practicality of the system. Therefore, in the year 2021, the Company didn't receive any significant complaints regarding the violation of clients' personal information.

3. Operations on Building Organizational Cultures on Cyber Risks

As the Company must manage the cyber risks for the risks to be minimum, which is considered the main responsibility of all staff. Therefore, the Company is driving the organizational cultures with the following purposes:

3.1 To raise awareness among the employees: Security starts from the staff. The staff therefore need to learn and understand the situation through learning materials created by the Company. Security is the main goal of the operations. As a result, everyone can maintain the highest level of security for the clients, business partners, and the organization overall.

3.2 To prepare for the upcoming PDPA (Personal Data Protection Act): All staff must have knowledge about personal data and duties of various departments in properly keeping data of external parties, as well as inform employees about employees' information that is kept and used by the Company.

3.3 To create an international security standard of ISO 27001: The Company wants to build credibility through the accreditation of international security standards (ISO 27001). So that the clients and business partners can rest assured that the Company is able to manage the data with maximum efficiency. The Company will prepare all departments to be ready for the evaluation in the beginning of 2022.

3.4 Data Usage for Secondary Purpose

MFEC Public Company Limited uses clients' personal data for other purposes under the operational frameworks, as follows:

1. Use of personal data for the purpose of products and/or services development.
2. Use of personal data for marketing purposes. The use of personal data according to the two purposes mentioned above, the Company must receive consent prior to using the information.
3. Use of personal data for any other purposes where necessary under the Company legitimate interests and not beyond the scope that the clients can reasonably expect, such as data processing for risk management, overseeing, investigation, organizational management, fraud prevention, etc.

3.5 Monitoring Process of Breaches/Incidents: Cyber Security Incident Escalation Flow

MFEC Public Company Limited has established a process for responding and reporting the breach of information, covering the lost, access, usage, changes, unauthorized or illegitimate disclosure. In the event that the Company is notified or found of a breach of information, the Company will conduct an investigation of the facts, analyzation and evaluation of the incident, as well as evaluate the risks and consequences according to the regulations set by the Company. Such as a number of affected persons, volume and sensitivity of personal data. After that, the incident will be reported to the responsible committee, as well as notification of the risk evaluation results. So that the solutions, response, relief measures, and notification to the authorities in accordance with the requirements of the laws can be made.

MFEC Public Company Limited has classified the levels of IT Security Incident into 4 levels:

- Severity 1 – the level that has the most severe impact
- Severity 2 – the level that has very severe impact
- Severity 3 – the level that has moderate impact
- Severity 4 – the level that has the least impact.

Management of incidents with Severity 2 – 4 will be taken care of by Cyber Security Operation Center (CSOC). However, incidents with Severity 1 will be managed by the team lead of the IT Department, which will be reported and transfer the management of the incident to Cyber Security Executive War Room with the Company's COO as the chairman and the senior management of relevant business units to handle the incidents. If the incidents with Severity 1 happens and escalates to significantly affect the Company, the Chairman of Cyber Security Executive War Room will report to the Company's C-Level managements to transfer the incident management to the Executive Crisis Management Team (ECMT) to take actions and make decisions according to relevant rules and regulations.

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

01 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. Furthermore, 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.

02 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.

03 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;

- 1) 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)
- 2) New business investment
- 3) Modification of existing business

04 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	Internal Framework	Reported Topics	Sustainable Development Goals
Corporate Governance	MFEC Group	Partner, Employee	Social Corporate Governance	
Business Ethics <ul style="list-style-type: none"> • Code of Business Ethics • Code of Conduct for Executives • Communication about Code of Conduct and the anti-Exploitation Policy • Supporting and Promoting the Internal Control System and Internal Audit • Anti-Corruption Prevention 	MFEC Group	Partner, Employee	Economic Issues in Business Ethics	
Risk Management <ul style="list-style-type: none"> • Risk Management Structure • Risk management Process • Integrated Risk 	MFEC Group	Partner, Employee	Economic Risk Management	
Risk Prevention Management during the COVID-19	MFEC Group	Partner, Customer, Employee	Risk Prevention Management during the COVID-19 in Social Dimension	
Human Resources Management <ul style="list-style-type: none"> • Promoting Diversity and Equal Practices • Human Resources development 	MFEC Group	Partner, Employee	Human Resources Management in Social Dimension	    
Sharing for the Sustainable Society	IT Business and Educational Institution	Community, Customer, Society	Sharing for the Sustainable Society in Social Dimension	   
Sustainability Management in Environmental Aspect	MFEC Group	Employee, Community, Society	Sustainability Management in Environmental Aspect in Social Dimension	  

Sustainable Development Goals

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



Principle description

Sustainable Development 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



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.	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The Company has a policy to promote the potential of its personnel through many important activities such as MORE Appreciation. Organizing The Meet Up program encourages employees to share knowledge and provides opportunities for employees with ideas to present and lead to new innovations with YAMANO Project. Aiming to communicate within the organization for employees to understand the policy and business administration proceeds in the direction that lead to the same goal through the MPY application and various activities within the organization.
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.	<ul style="list-style-type: none"> 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 Navision system in the procurement process for sales

Primary Activities	Support Activities
<p>4. Joining force with suppliers, having guidelines for screening suppliers and evaluation of suppliers' tasks</p>	<ul style="list-style-type: none"> Screening activities for partners and suppliers are held before signing contracts with business partners. Five (5) steps are taken; <ol style="list-style-type: none"> Accounting Department screens tax and registration document to inspect and approve operations. Partner Alliance Department examines contractual conditions such as regulations or possible infringement against the laws and the company's regulatory framework or trade disadvantages. Legal Department examines contracts and legal conditions before joining as "Business Partner." Sales Department reviews the framework of cooperation in an agreement to offer/purchase of products and services in achieving co-objectives between the organization and customer. 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.










Participation with the Stakeholders



Participation with the stakeholders is a key component for MFEC's sustainability strategy which helps in prioritization and formulation of action plans and activities. Such participating activities are based on the corporate governance policy for good management system. The board and executives have vision and are responsible for their duties to boost competitiveness and gain confidence of the shareholders, investors and all related parties. In addition, the company manages to have transparent operating procedures for traceability, while respecting the equal rights of the shareholders and responsibility toward the stakeholders. The company had confidence that good corporate governance will lead itself to business operations with stability, value added, competitiveness and management efficiency which will affect confidence of the shareholders, investors and all related parties in the long term. The details and activities are disclosed in Annual Registration Statement/Annual Report (Form 56-1 One Report) and the company's website for investors' acknowledgment. The stakeholders are categorized into five (5) groups.

Stakeholder Group	Participation Method	Expectation	Execution
Community and Society 	<ul style="list-style-type: none"> • As leader to encourage the country's human resources development. • Support activities for public interests. • Never support harmful activities to the society. • Conduct activities to create intellectual capital for expansion of knowledge toward communities and creation of high value-added jobs at the local level. 	<ul style="list-style-type: none"> • Introduce innovations to give impacts to the society. • Make advancements for the organization. • Facilitate the way of living and improve the living. 	<ul style="list-style-type: none"> • Part : Social Responsibility
Shareholders, Directors, Executives 	<ul style="list-style-type: none"> • Hold AGM as required by the AGM Checklist. • Prepare Annual Registration Statement/ Annual Report (Form 56-1 One Report) • Prepare Sustainability Report. 	<ul style="list-style-type: none"> • Take part in setting direction of operations. • Gain high and sustainable rates of return on investment. • Have Good Corporate Governance and Risk Management. • Disclose related information transparently. 	<ul style="list-style-type: none"> • As stated in the Sustainability Policy. • As stated in the framework of corporate governance.

Stakeholder Group	Participation Method	Expectation	Execution
Customers 	<ul style="list-style-type: none"> • Communicate as stated in plans. • Serve flexible services. • Meet customers regularly. • Conduct a customer satisfaction survey after project completion. 	<ul style="list-style-type: none"> • Provide quality products/service. • Disclose complete, correct information of products/services without distortion. • Keep customers' confidentiality. • Abide by conditions to customers strictly. 	<ul style="list-style-type: none"> • Part : Responsibility to Customers.
Suppliers and Creditors 	<ul style="list-style-type: none"> • In a case of being unable to follow conditions, advance notification must be made to mutually find solutions and preventive measures against possible damages. • Never ask, never receive and never give any dishonest benefits in trade with suppliers, debtors or creditors in any case. • Communicate consistently through electronics media and telephone calls. 	<ul style="list-style-type: none"> • Abide by the framework of trade with integrity and support fair competition among suppliers. • Acceptable period of payment. • Creation of value added and long-term cooperation. 	<ul style="list-style-type: none"> • Part: Responsibility to Suppliers or Creditors.
Employees 	<ul style="list-style-type: none"> • Promote employees to understand Code of Conduct, roles and duties. • Promote development of professional capabilities continuously. • Bring the work environment for life safety. • Encourage the employees to take part in setting work direction. 	<ul style="list-style-type: none"> • Happy living together. • Fair returns. • Fair treatment to the employees. 	<ul style="list-style-type: none"> • Part: Responsibility to Employees. • Policy and guidelines involving knowledge improvement.

3.3 Environmental Dimension in Sustainability

3.3.1 Environmental Policies and Practices

The year 2021 was the year that COVID-19 situation continued and has become severe as the pandemic was widespread. The Company has implemented preventive measures and strictly monitored the spread of COVID-19. As A Result, the staff in the organization needed to work from home, with a relief measure for the staff who needed to work at the office as considered as appropriate. The Company still reckoned a good working environment and safety of the staff who were required to be in the office. The Company therefore adjusted the working environment in the organization to be safe against the spread of COVID-19

3.3.2 Environmental Performance

Environmental Performance is presented in the heading. “Environment Dimension” of the Sustainability Report 2021

3.4 Sustainability Management in the Social Dimension

3.4.1 Social Policy and Practice

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.
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.
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.
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.
5. **Responsibility to Consumers:** 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.
6. **Conservation of the Environment:** MFEC Group regards efficiency use of resources to reduce energy consumption for conservation of the environment and business operations.
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.
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. 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. MFEC Group conducts activities to create value in the organization, society and surrounding environment in a systematic way following an international CSR framework.

3.4.2 Social Performance

Social Performance is presented in the heading. “Social Dimension” of the Sustainability Report 2021

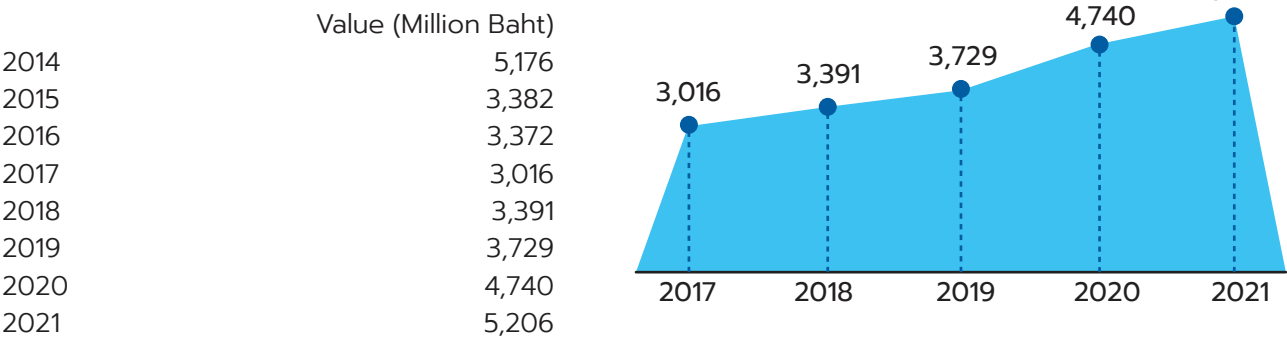
4. Management Discussion and Analysis: MD&A

Significant financial information

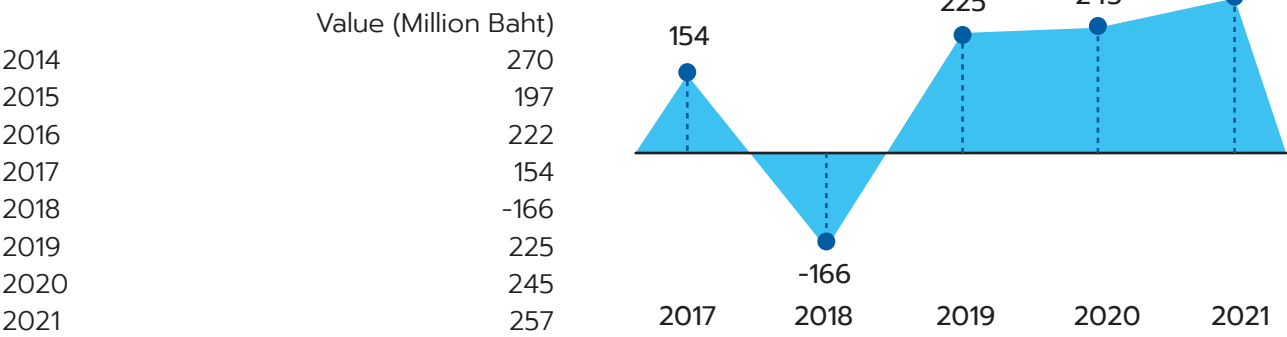
Item Description	Consolidated Financial Statement		
	2021	2020	2019
Total Revenues (Mil. Baht)	5,206.50	4,740.32	3,729.31
Revenues from Sales and Services (Mil. Baht)	5,174.36	4,670.82	3,688.09
Gross Profit (Mil. Baht)	910.28	857.96	794.46
Net Profit (Loss) (Mil. Baht)	256.99	244.62	225.42
Total Assets (Mil. Baht)	5,656.58	5,124.00	3,670.06
Total Liabilities (Mil. Baht)	3,642.84	3,191.49	1,812.90
Shareholders equity of the Company (Mil. Baht)	1,988.35	1,904.73	1,828.89
Minority shareholders of subsidiaries (Mil. Baht)	25.39	27.79	28.27
Profitability:			
Gross Profit Margin (%)	17.59%	18.37%	21.54%
Net Profit (Loss) Margin (%)	4.94%	5.16%	6.04%
Return on investment:			
Return on assets (%)	4.54%	4.77%	6.14%
Return on equity (%)	12.92%	12.84%	12.33%
Liquidity & Stability of the service:			
Current ratio (Times)	1.40	1.48	1.83
Debt to equity ratio (Times)	1.30	1.33	1.65
Asset Turnover			
Inventory turnover ratio	2.97	3.78	4.65
Average product sales period	121	95	77
Accounts receivable turnover ratio	3.00	2.78	2.79
Average collection period	120	129	129
Trade payable turnover ratio	4.26	4.79	5.88
Average repayment period	85	75	61
Cash Cycle	156	149	145
Capital Structure Ratio:			
Debt to equity ratio (Times)	1.83	1.68	0.99
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)	4.50	4.31	4.14
Net Profit (Loss) (Baht/Share)	0.58	0.55	0.51
Dividends(Baht/Share) *	0.40	0.40	0.35

Remark: The Board of Directors' Meeting No.1/2022 held on 23 February 2022 passed a resolution to pay dividends for the year 2021 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 2022 on 25 April 2022 for further approval.

Total Revenues



Net Profit & Loss



Financial Status and Performance

Performance

Thailand continues to being affected, significantly, from the surging of new wave of COVID-19, which have seen people infected at an increasing rate, all of which cause significant impact on the economy and affects business operation of private sectors. Although the economic situation began to improve in the second half of the year, as domestic vaccination campaign is progressed rapidly, the group still has been affected from COVID-19 endemic situation, in term of the slowdowns, as well as reduction of customer's IT budgets. However, the company is still able to adjust its business model and strategy, in a timely manner, to combat the ongoing strong competition within IT service provider market. The group also generated revenue from several projects undertaken from the previous year and is able to deliver the projects on schedule. In addition, recognition of revenue from several newly acquired large-scale projects during the current year help to increase company's revenue from last year.

In 2021, the Company received several large-scale projects with project value of more than 100 million baht. In addition, the Group has begun to have a greater proportion of public sector procurement projects. These large-scale projects have an average implementation period of 3-5 years, along with the delivery of the project-on-hand (backlog), received at the end of last year, on schedule. As a result, the Group recognized total revenue in 2021 for total of 5,174.4 million baht. This is the highest revenue since the company's inception. The large-scale projects that the Group has received over the last two years (between 2020 and 2021) have an average project duration of 3-5 years, allowing the Group to create long-term plans to manage the use of internal resources more efficiently. Although gross margins are slightly lower compared to the previous year, however the increase in sales affected the realized gross margin in 2021, which initially amounted to 910.3 million baht, increased by 52.3 million baht from the previous year. These factors therefore contribute significantly to the direct impact on the Group's net profit growth in 2021.

The group continues to focus on maintaining revenue share in the IT development and deployment service provider market (SYSTEM Integration "SI") for clients who are leading corporates in many businesses, by contributing in supporting customers' business to manage the most efficient use of technology information resources, and by engaging in designing and developing systems to respond to utilization of IT within the budget of customers in many organizations, which have been decreased due to the impact of COVID-19. The timely adaptation to competitive conditions within the IT service providers industry could be count as achievement in terms of revenue growth and created added value for shareholders in terms of continued earnings growth in 2021. Thus, adapting the operational strategy for the next year is a great challenge in maintaining revenue share and excellence in customer service, to reflect in continuity and sustainability of revenue and profit growth.

Performance Overview for the Operations in 2021 and Comparison to the Performance in 2020 and 2019

Description	Y2021		Y2020		Change		Y2019	
	Mil THB	%	Mil THB	%	Mil THB	%	Mil THB	%
Revenue from Sales and Services	5,174.4	100.0%	4,670.8	100.0%	503.6	10.8%	3,688.1	100.0%
Cost of Sales and Services	(4,264.1)	-82.4%	(3,812.9)	-81.6%	(451.2)	11.8%	(2,893.6)	-78.5%
Gross Profit, before Operating Expenses	910.3	17.6%	857.9	18.4%	52.4	6.1%	794.5	21.5%
Other Income	32.2	0.6%	69.5	1.5%	(37.3)	-53.7%	41.2	1.1%
Selling and Administrative Expenses	(611.5)	-11.8%	(607.3)	-13.0%	(4.2)	0.7%	(552.9)	-15.0%
Profit from Operating, before interest and Tax	331.0	6.4%	320.1	6.9%	10.9	3.4%	282.8	7.7%
Share of Profit from Associates	8.7	0.2%	1.7	0.0%	7.0	411.8%	2.4	0.1%
Financial Costs	(11.5)	-0.2%	(11.1)	-0.2%	(0.4)	3.6%	(4.0)	-0.1%
Net Profit, Before Corporate Tax	328.2	6.3%	310.7	6.7%	17.5	5.6%	281.2	7.6%
Corporate Income Tax	(70.2)	-1.4%	(63.0)	-1.3%	(7.2)	11.4%	(53.1)	-1.4%
Net Profit (Loss)	258.0	5.0%	247.7	5.3%	10.3	4.2%	228.1	6.2%
Profit Attributed to Non-Controlling Interests	(1.0)	0.0%	(3.1)	-0.1%	2.1	-67.7%	(2.7)	-0.1%
Net Profit (Loss), Parent portion	257.0	5.0%	244.6	5.2%	12.4	5.1%	225.4	6.1%

Revenues

Revenues from Sales and Services

Revenue by Segment	Y2021		Y2020		Increase (Decrease)		Y2019	
	Mil THB	Income Ratio	Mil THB	Income Ratio	Mil THB	%	Mil THB	Income Ratio
Revenue from system development and system integration	1,851.6	35.8%	2,153.3	46.1%	(301.7)	(14.0%)	1,500.9	40.7%
Revenue from system maintenance	1,783.6	34.5%	1,288.1	27.6%	495.5	38.5%	1,175.8	31.9%
Revenue from IT system development	938.5	18.1%	855.5	18.3%	83.0	9.7%	740.5	20.1%
Total revenue from main businesses	4,573.7	88.4%	4,296.9	92.0%	276.8	6.4%	3,417.2	92.7%
Revenue from Cloud services	559.3	10.8%	345.3	7.4%	214.0	62.0%	260.6	7.0%
Revenue from other businesses	41.4	0.8%	28.7	0.6%	12.7	44.3%	10.3	0.3%
Total revenue from sales and services	5,174.4	100.0%	4,670.9	100.0%	503.5	10.8%	3,688.1	100.0%

The Group generated 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 2021 from the 3 segments is 88.4 percent of the total revenue from sales and services. (was 92 percent of the 2020 of the revenue from sales and services) The revenues from the 3 main business segments have increased to 876.8 million Baht, which is 6.4% of revenue growth compared to the previous year.

- Revenue from System Development and System Integration (SI) amounted to 1,851.6 million Baht, 2,153.3 million Baht, and 1,500.9 million Baht in the year 2021, 2020, and 2019 respectively. Such revenues accounted for 35.8%, 46.1% and 40.7% of the total revenue of the year 2021, 2020, and 2019 respectively. The SI projects can be considered as the business segment that has been continuously generating main revenue to the Company. Even though the revenue recognized from SI project in 2021 decreased from previous year. The Company still has acquired several large-scale projects during 2020. Such projects valued higher than 100 million. 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 1,783.6 million Baht, 1,288.1 million Baht, and 1,175.8 million Baht in the year 2021, 2020, and 2019 respectively. Such revenues accounted for 34.5, 27.6% and 31.9% of the total revenue of the year 2021, 2020, and 2019 respectively. The Group had higher revenue from the Maintenance Agreement Service (MA) segment compared to the year 2020 due to the revenue recognition from the handover of several large-scale SI projects in succession between 2020 and 2021. As a result, the proportion of income from MA to total income tends to be higher in 2021. As a result, the proportion of MA income to total income is likely to rise in 2021. The Group was still able to maintain Maintenance Agreement Service (MA) revenue growth steadily. The revenue growth for this segment is 38.5 and 9.6% of each year for the year 2021 and 2020 respectively.

- Revenue from IT Professional Service (PS) amounted to 938.5 million Baht, 855.5 million Baht and 740.5 million Baht in the year 2021, 2020, and 2019 respectively. The revenue from this segment has increased by 9.7% compared to last year's revenue. The proportion of the revenue from IT Professional Service (PS) is 18.1% of this year total income. 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.

- Revenue from Cloud Solution Service which was recognized in 2021 for the amount of 559.3 million Baht. Such revenue accounted for 10.8% of the total revenue of the year 2021, which has grown 62% from last year. Compared to the revenues recognized by the Group, revenue from Cloud Solution Service has a growth rate of 115% since 2019. 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	Y2021	Y2020	Increase (Decrease)		Y2019
	Mil THB	Mil THB	Mil THB	%	Mil THB
Profit from measuring of fair value of derivatives	21.5	9.6	11.9	124%	-
Other income from sales promotion	-	35.2	(35.2)	(100%)	31.8
Profit from exchange rate	-	6.3	(6.3)	(100%)	-
Share of profit from Power M Joint Venture	-	2.3	(2.3)	(100%)	-
Other income	10.7	16.1	(5.4)	(34%)	9.4
Total	32.2	69.5	(37.3)	(54%)	41.2

Other incomes in 2021 are amounted to 32.2 million baht, which decreased from the previous year by 37.3 million baht or 54%, primarily due to a decrease in other incomes from the targeted promotional funds of the rebate income, during 2021 the Group had modified the listing of such rebate income by reducing the cost of sales and services instead.

Costs and Expenses

Costs of Sales and Costs of Rendering Services

Description	Y2021	Y2020	Increase (Decrease)		Y2019
	Mil THB	Mil THB	Mil THB	%	Mil THB
Profit from sales and services	5,174.4	4,670.8	503.6	10.8%	3,688.1
Costs of sales and services	4,264.1	3,812.9	451.2	11.8%	2,893.6
Gross profit	910.3	857.9	52.4	6.1%	794.5
Gross profit margin (%)	17.6%	18.4%	(0.8%)		21.6%

Costs of sales and services in 2021 amounted to 4,264.1 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 since 2020, the company still reports net profit margins of the current year at 17.6%, a slightly decrease of 10.8% from the previous year. However the recognition of revenue from sales and services has increased by 10.8% during the year 2021, resulting in the Group's gross profit increased by 52.4 million Baht or 6.1% increase. The Group was very aware of the rising costs tendency, therefore the group focused on cost management and controlling costs to the appropriate level, to ensure the business remain capable to continuously compete and increase its growth potential.

Selling and Administrative Expenses

Description	Y2021	Y2020	Increase (Decrease)		Y2019
	Mil THB	Mil THB	Mil THB	%	Mil THB
Selling and distribution expenses	116.9	100.9	16.0	15.9%	111.7
Administrative expenses	480.2	480.8	(0.6)	(0.1%)	481.1
Loss from exchange rates	14.4	25.6	(11.2)	(43.8%)	-
Loss from impairment of investment (Reversal)	-	-	-	-	(40.0)
Total of selling and administrative expenses	611.5	607.3	4.2	0.7%	552.8

Administrative expenses have increased by 4.2 million Baht or 0.7% due to

The Company has measures to save operating expenses and to cut unnecessary costs. The reduction of such operating costs does not affect the efficiency of group's business performance in any way. Although the Group has some operating expenses that are fixed expenses, which still needs to be incurred to support business operations and business expansion, the Group remain focuses on managing expenses for maximum efficiency. As a result, the overall operating expenses were at a similar level to the previous year.

In 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.

Share of profit from investment in associates

Description	Y2021	Y2020	Increase (Decrease)		Y2019
	Mil THB	Mil THB	Mil THB	%	Mil THB
Share of profit from investment in associates	8.7	1.7	7.0	412%	2.4

Share of profit from investment in associates in 2021 amounted to 8.7 million bath, increased from the previous year 7 million bath or 412% due to the company purchasing of investment in 'I Two Enterprise Company Limited' (I2), which had an investment proportion of 15% of the paid-up capital in the aforementioned associated company, and had started to recognize profit share from "I Two" since the 4th quarter of 2020. For 2021, the company recorded profit share from "I Two" at total of 11.5 million baht (Year 2020: 3.3 million baht), which was the main reason that the company had increase profit share from investments in associated companies.

Financial Costs

Description	Y2021	Y2020	Increase (Decrease)		Y2019
	Mil THB	Mil THB	Mil THB	%	Mil THB
Financial cost from monetary loans	2.3	1.3	1.0	76.9%	4.0
Financial cost from lease agreements with rights of used of assets	9.2	9.8	(0.6)	(6.1%)	-
Total of financial costs	11.5	11.1	0.4	3.6%	4.0

The finance costs have increased due to an increase in financial costs from monetary loans at the end of the year 2021, the Company had interest-bearing debts amounted to 405 million baht. (2020: 20 million baht), mainly due to an increase in short-term loans from financial institutions in the form of promissory notes with maturity up to 90 days due to investments in the continuing implementation of projects that received new purchase orders during the year. In addition, in 2021, the Group has also expanded the acceptance of public sector projects in proportion increase from the previous year, which requires an increase in working capitals for project management compared to the previous year. The Group has an average interest rate of 1.028% per annum throughout 2021 due to its credit ability to access low-interest loan sources. However, the Group has a net interest-bearing debt rate of 0.2 times to stakeholder's proportion, which is still a relatively low rate. The company also maintains its ability to maintain prudent and concise liquidity management, by focusing on efficient financial structure management and flexibility to capital market conditions fluctuation. In addition, the financial cost will be maintained at a suitable level for future business operations.

Net Profit (Loss)

Description	Y2021	Y2020	Increase (Decrease)		Y2019
	Mil THB	Mil THB	Mil THB	%	Mil THB
Revenue from the sale of goods and the rendering of service	5,174.4	4,670.8	503.6	10.8%	3,688.1
Net Profit attributable to equity holder of the Company	257.0	244.6	12.4	5.1%	225.4
The net profit margin (%)	5.0%	5.2%	(0.2%)		6.1%

The Company has the net profit amounted to 257 million Baht, the net profit margins were 5%. Although the net profit margin for the year 2021 has slightly decreased when compared to the year 2020, the 2021 performance result showed higher net profit. Although the Group was affected by the COVID-19 pandemic since the beginning of 2020, which resulted in customers reducing their IT budgets and postponing purchase orders. However, The Group was still able to adapt to the situation in a timely manner, coupled with the success of formulating business strategy, resulting in the Group receiving several large-scale projects which, in addition to having a high project value, also having a long period of project implementation. All of this allows the Company to recognize recurring income in the subsequent accounting periods in accordance with the project management duration. The management capabilities of the Project Operations Department enabled the Company to carry out large-scale project deliveries within specified timeframe, thus reflecting income recognition for the year 2021 of 5,174.4 million baht, which is the highest income recognition since the company's inception, making it critical to the increase of net profit in 2021.

Statement of Financial Position

(Unit : Million Baht)	Y2021		Y2020		Change		Y2019	
	Mil THB	%	Mil THB	%	Mil THB	%	Mil THB	%
สินทรัพย์								
Cash and Cash Equivalents	141.8	2.5%	174.0	3.4%	(32.2)	-18.5%	165.6	4.5%
Current Investment	57.8	1.0%	54.3	1.1%	3.5	6.4%	24.3	0.7%
Trade and Other Receivables	1,753.9	31.0%	1,950.6	38.1%	(196.7)	-10.1%	1,571.0	42.8%
Unbilled Receivables	1,060.6	18.8%	725.6	14.2%	335.0	46.2%	469.2	12.8%
Cost of Work in Progress	324.9	5.7%	433.5	8.5%	(108.6)	-25.1%	293.5	8.0%
Prepayment for Cost of Services	1,238.8	21.9%	864.7	16.9%	374.1	43.3%	413.6	11.3%
Other Current Assets	118.2	2.1%	82.6	1.6%	35.6	43.1%	54.8	1.5%
Total Current Assets	4,696.0	83.0%	4,285.3	83.6%	410.7	9.6%	2,992.0	81.5%
Investment in Associates	179.4	3.2%	171.2	3.3%	8.2	4.8%	122.4	3.3%
Building improvements and equipment	71.0	1.3%	76.5	1.5%	(5.5)	-7.2%	84.9	2.3%
Right of Use of Assets	90.2	1.6%	101.6	2.0%	(11.4)	-11.2%	-	0.0%
Goodwill	258.0	4.6%	258.0	5.0%	-	0.0%	258.0	7.0%
Other intangible assets	22.9	0.4%	24.1	0.5%	(1.2)	-5.0%	22.5	0.6%
Prepayment for Cost of Services	280.6	5.0%	142.8	2.8%	137.8	96.5%	122.8	3.3%
Other Non-Current Assets	58.4	1.0%	64.5	1.3%	(6.1)	-9.5%	67.4	1.8%
Total Non-Current Assets	960.5	17.0%	838.7	16.4%	121.8	14.5%	678.0	18.5%
Total Assets	5,656.5	100.0%	5,124.0	100.0%	532.5	10.4%	3,670.0	100.0%

Assets

As of 31st December 2021, the Group had total assets of 5,656.5 million Baht, which increased by 532.5 million Baht or 10.4% from 31st December 2020, of which the total assets of 5,124 million Baht. Such increase of assets was due to significant changes of assets as follows:

- Accounts receivable and other receivable have increased by 196.7 million Baht or 10%. The main reason was the handover of large-scale projects with high values during the 4th of the year. Some of the projects were paid before the end of 2021, as a result, there was an decrease of accounts receivable at the end of the year. The Company recognized the revenues from handing over of large-scale projects with value from 100-500 million Baht in the last quarter of each year for the year 2020 and 2021. The large-scale projects at the end of 2020 were the development and system installation which requires a period of time to verify the customer's delivery before making a payment. At the end of 2020, the Group has accounts receivable that were not yet due in the amount of 1,064 million Baht, increasing from the end of 2020 by 32 million Baht. (At the end of 2020, the accounts receivable that were not yet due amounted to 1,096 million Baht) 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.

- The unbilled amount has increased by 335 million Baht or 46.2%. The unbilled amount was directly related to the handover of large-scale projects at the end of the year, which the invoices haven't been issued to the clients yet. The handover of large-scale projects at the end of the last quarter of 2021 were public infrastructure projects that are procured by the government.

- Work-in-progress costs have been increased by 108.6 million Baht or 25.1%. The main reason was derived from the acquisition of large-scale projects, especially many System Integration (SI) at the end of 2021, the projects which were under development and system installation phases and were not yet completed at the end of the year, reduced in value compare to value of on-hand projects at the end of 2020. 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 1,519.4 million Baht at the end of 2021, which increased by 511.9 million Baht or 50.8 %. (Costs of services paid in advance at the end of 2020 was 1,007.5 million Baht) The main reasons were according to the recognition and handover of many large-scale 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.

(Unit : Million Baht)	Y2021		Y2020		Change		Y2019	
	Mil THB	%	Mil THB	%	Mil THB	%	Mil THB	%
LIABILITIES								
Overdrafts and short-term loans from financial institutions	405.0	7.2%	20.0	0.4%	385.0	1925.0%	13.7	0.4%
Trade and Other Payables	971.0	17.2%	1,223.3	23.9%	(252.3)	-20.6%	538.7	14.7%
Deferred Income	1,374.4	24.3%	1,019.3	19.9%	355.1	34.8%	528.4	14.4%
Accrued Expenses	273.7	4.8%	215.1	4.2%	58.6	27.2%	187.2	5.1%
Liabilities under Lease Contract (ROU lease)	83.6	1.5%	97.8	1.9%	(14.2)	-14.5%	-	0.0%
Liabilities under Financial Lease Arrangement	67.6	1.2%	79.6	1.6%	(12.0)	-15.1%	78.9	2.1%
Unbilled Payable	150.6	2.7%	257.7	5.0%	(107.1)	-41.6%	212.1	5.8%
Provision for Employee Benefits	181.0	3.2%	164.5	3.2%	16.5	10.0%	129.5	3.5%
Other Liabilities	135.9	2.4%	114.2	2.2%	21.7	19.0%	124.4	3.4%
Total Liabilities	3,642.8	64.4%	3,191.5	62.3%	451.3	14.1%	1,812.9	49.4%
SHAREHOLDER'S EQUITY								
Share Capital - Issued and Fully paid-up	441.5	7.8%	441.5	8.6%	-	0.0%	441.5	12.0%
Premium on Ordinary Shares	986.7	17.4%	986.7	19.3%	-	0.0%	986.7	26.9%
Other Component of Shareholders	9.1	0.2%	6.4	0.1%	2.7	42.2%	5.9	0.2%
Legal Reserve	44.1	0.8%	44.1	0.9%	-	0.0%	44.1	1.2%
Unappropriated Retained Earnings	506.9	9.0%	426.0	8.3%	80.9	19.0%	350.6	9.6%
Total Shareholders' Equity, Parent Portion	1,988.3	35.2%	1,904.7	37.2%	83.6	4.4%	1,828.8	49.8%
Non-Controlling Interests in Subsidiaries	25.4	0.4%	27.8	0.5%	(2.4)	-8.6%	28.3	0.8%
Total Shareholders' Equity	2,013.7	35.6%	1,932.5	37.7%	81.2	4.2%	1,857.1	50.6%
Total Liabilities and Shareholders' Equity	5,656.5	100.0%	5,124.0	100.0%	532.5	10.4%	3,670.0	100.0%

Liabilities

As of 31st December 2021, the Group had total liabilities of 3,642.8 million Baht, which increased by 451.3 million Baht or 14.1% from total liabilities as of 31st December 2020, which was 3,191.5 million Baht. An increase of the total liabilities was due to significant changes of assets as follows:

- Short-term loans from financial institutions increased by Baht 385 million, or 1,925%, due to acquiring several large-scale projects with continuous project management timeframe of 3-5 years, which requires high value working capitals in managing the projects. In addition, during year 2021, the Company have received projects from public sector in an increased proportion since year 2020, these public sector projects have longer average project deliveries and payments than private sector. As a result, the Company requires additional sources of working capitals. Such short-term loans are unsecured loans with a loan term of up to 90 days.

- Accounts payable and other payables were decreased by 258.6 million baht or 21%, because in the last quarter of 2020, the company have ordered and received goods and services for installation in many large-scale projects, especially in SI projects, which at the end of the year were not yet due for payment, resulted in high amount of accounts payable at the end of the year. Compared to projects at the end of 2021, the proportion of SI projects delivered in the last quarter was lower than in 2020.

- Advance income was increased by 355.1 million baht, or 34.8 percent, mainly due to projects with "Maintenance Agreement" (MA), of which some projects had terms and conditions under maintenance contracts that require customers to pay for the first year's maintenance fee, accounted since the beginning of the system maintenance period. Therefore, the aforementioned MA service fee received in advance cannot be recognized as revenue for the year.

- Unbilled costs have been increased by 107.1 million Baht or 41% due to the handover of large-scale SI projects at the end of the last quarter of 2021 decrease in value compare to the handover's projects at the end of 2020, resulting in the higher unbilled costs compared to the end of 2019.

Equity of the Company

There were changes of equity in the year 2021 and 2020 as follows:

	Y2021	Y2020
	Mil THB	Mil THB
Equity of the Company		
Amount at the beginning of the year (as of 1 st January)	1,904.7	1,828.8
Impacts from changes of accounting policies	-	1.5
Net profit for the year	257.0	244.6
Comprehensive profit (loss) for the year	8.8	(15.7)
Transfer reserves for cash flow hedges to work in process	(5.6)	-
Dividend	(176.6)	(154.5)
Amount as of 31 st December 2021	1,988.3	1,904.7

As of 31st December 2021, the Company had total equity amounted to 1,988.3 million Baht, increased by 83.6 million Baht from 31st December 2020 which amounted to 1,904.7 million Baht, representing an increase of 4.4%. The increase in equity was resulted from the net profit of 257 million Baht in 2021. Net from the amount of dividend payments announced and paid during the year 2021 was 176.6 million Baht.

Cash Flow Analysis

	Y2021	Y2020	Y2019
	Mil THB	Mil THB	Mil THB
Profit before income tax	328	311	281
Adjustments to reconcile profit to cash received from (paid to) operating activities	113	130	50
Changes in assets and liabilities for operating activities	(452)	(40)	(365)
Cash paid for income tax / Net of tax returned	(122)	(96)	(74)
Net cash received from (used for) the operating activities	(133)	305	(108)
Net cash received from (used for) the investing activities	(54)	(110)	(32)
Net cash received from (used for) the financing activities	155	(187)	-
Increase (decreased) of net cash and cash equivalent	(32)	8	(140)

Cash Flow for Operating Activities

In 2021, the Company had net cash flow from paying income tax and changes in working capital deficit of 133 million Baht, which had decreased compared to the year 2020. The significant reasons of such changes were as follows:

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

In 2021, the Company had the earnings before tax (EBT) amounted to 328 million Baht, which increased by 17 million Baht from last year. (in 2020, the EBT was 311 million Baht.) The total net profit for the year 2021 was 258 million Baht, which increased by 10 million Baht from previous year. (in 2020, the total net profit was 248 million Baht.)

2. Adjustments to reconcile profit to cash received from (paid to) operating activities have increased from 2020 in the amount of 17 million Baht. The reasons of such changes were as follows:

	Y2021 Mil THB	Y2020 Mil THB	Y2019 Mil THB
Depreciation and amortization	73	74	45
(Profit) Loss from unrealized exchange rate	1	(1)	28
Doubtful accounts and allowances for credit loss	(1)	26	15
Revenue from fair valuation of derivatives	(21)	(2)	-
Reserves for late penalties and possible loss from the projects	34	10	(9)
Loss from impairment of investment (Reversal)	-	-	(40)
Reserves for employees' long-term benefits	20	15	14
Any other transactions	7	8	(3)
Adjustments to reconcile profit to cash received from (paid to) operating activities	113	130	50

In 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. In 2021, there is no record on significant credit loss causing the decrease in the adjustments.

Changes in assets and liabilities for operating activities

In 2021, the capability in managing Company's financial liquidity has reduced compared to the previous year. Due to an increase in the proportion of public sector projects acquired, which have longer project duration than private sector projects. In addition, continuing investment in several high-value projects requires the company to use working capital in increasing amounts. As a result, the average cash cycle for year 2021 has increased to 156 days, resulting in the group's use of cash flows as working capital up to 452 million baht.

Cash Flow in Operating Activities

	Y2021 Mil THB	Y2020 Mil THB	Y2019 Mil THB
Purchase of investment in joint venture companies	-	(50)	(7)
Invest in other long-term investment	-	-	(10)
Cash returned from other long-term investments	-	11	-
Loan to affiliated company	(10)	(11)	(1)
Purchase of building improvements and equipment	(33)	(29)	(50)
Purchase of intangible assets	(9)	(11)	(11)
Cash received from sales of equipment and intangible assets	-	3	1
Dividend received from joint venture companies	1	2	2
Net cash received from (paid to) investment in fixed income funds	(4)	(30)	46
Any other transactions	1	5	(2)
Net cash received from (used for) the investing activities	(54)	(110)	(32)

The Group's cash flow for investing activities has decreased from the previous year. Due to, 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. In this regard, the company has not invested in any significant investments in 2021.

Cash Flow in Financing Activities

	Y2021	Y2020	Y2019
	Mil THB	Mil THB	Mil THB
Liabilities according to lease agreements	(36)	(34)	-
Net cash received from financial management agreements	(12)	1	77
Overdrafts and short-term loans from financial institutions	385	6	14
Dividend payment	(177)	(155)	(88)
Interest payment	(3)	(2)	(1)
Any other transactions	(2)	(3)	(2)
Net cash received from (used for) the financing activities	155	(187)	-

In 2021, the Company had more cash flow in financing activities from the important transactions incurred during 2021, such as dividend payment amounted to 177 million Baht and payments for the liabilities according to the lease agreements amounted to 36 million Baht and financial management agreements amounted to 12 million Baht. The cash generated from important financing activities such as short-term loans from financial institutions which the amount increased to 385 million Baht during the year.

Important Financial Ratio

Description	งบการเงินรวม		
	Y2021	Y2020	Y2019
Profitability :			
Gross profit margin (%)	17.59%	18.37%	21.54%
Net profit margin (Net loss margin) (%)	4.94%	5.16%	6.04%
Return on Investment :			
Return on Assets (%)	4.54%	4.77%	6.14%
Return on equity (%)	12.92%	12.84%	12.33%
Liquidity Ratio:			
Working capital ratio (times)	1.40	1.48	1.83
Quick ratio (times)	1.30	1.33	1.65
Assets Turnover			
Inventory turnover	2.97	3.78	4.65
Average holding period	121.00	95.00	77.00
Account receivable turnover	3.00	2.78	2.79
Average collection period	120.00	129.00	129.00
Account payable turnover	4.26	4.79	5.88
Average payment period	85.00	75.00	61.00
Cash Cycle	156.00	149.00	145.00
Ratio of Capital Structure:			
Debt to equity ratio (times)	1.83	1.68	0.99

Liquidity Ratio

The Company's liquidity ratio for the year 2021 have the liquidity ratio of 1.40 and quick ratio of 1.30, which were lower than 2020 due to the large-scale projects that have been completed. As a result, the Company recognized the revenues and costs of the projects in 2021 financial statements. Many large-scale 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 26 days from 95 days of the previous year to 121 days of average holding period in 2021. The average of sales period increased due to the higher proportion of acquiring the public sector's project with longer duration of project implementation before delivery compared to private sector's project, while repayment period has increased to 10 days affected a slightly increase in cash cycle to 156 days for the year 2021, which was 149 days for the year 2020. The cash liquidity management for 2021 in the real situation is still in regular level, 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 2021 was 1.83:1 (2020 was 1.68:1). The debt to equity ratio at the end of 2021 was higher due to the increase of short-term loans from financial institutions at the end of the year. This was because the handover of many large-scale projects during the end of the year, resulting in significantly higher accrued transactions on assets and liabilities compared to the end of 2020.

The debt-to-equity ratio at the end of year 2021 has highly increased following the investment in the ongoing projects, which received new orders during the year. In addition, in 2021, the Group also expanded its acquiring of public sector projects with higher proportion compared to the previous year, by requiring an increase in working capitals to manage projects compared to the previous year. The Group has an average interest rate of 1.028% per annum throughout the year 2021 due to its credit ability to access low-interest loan sources. However, the Group has a net interest-bearing debt rate of 0.2 times to stakeholder's proportion, which is still a relatively low rate. The company also maintains its ability to maintain prudent and concise liquidity management, by focusing on efficient financial structure management and flexibility to capital market conditions fluctuation. In addition, the financial cost will be maintained at a level suitable for future business operations.

Profitability and Return on Investment

Although the Group's gross margin and net profit margin in year 2021 have decreased slightly compared to year 2020, however, in 2021 the Company continued to achieve another successful year as a result of adapting to the impact of the COVID-19 pandemic in a timely manner and formulating a business strategy that can be properly implemented in accordance with the ever-changing market conditions and severe price competition. The company has also been similarly affected by industry sectors in many customers' business sectors, resulting in a slightly decrease in the Group's gross margins due to intense and ongoing price competition over the last two years.

Due to the acquisition of large-scale 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 2021 was 12.92%, a slightly increase from 12.84% in the year 2020. 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 in 2021. Details are as follows:

Description	Amount (Baht)
Auditor's remuneration of the Company	1,430,000
Auditor's remuneration of the Company's subsidiaries (9 companies)	1,740,000
Total	3,170,000

Non-Audit Fee

- None -

Dividend Payment of the Company

The Performance of the year 2021 according to the separate financial statements, the Company has net profit of 226.3 million Baht. The Board of Directors Meeting No. 1/2022 held on the 23rd February 2022 has the resolution to propose to the 2022 Annual General Meeting of Shareholders, which is scheduled on 25th April 2022, to consider and approve the dividend payment at a ratio of 0.40 Baht per share. The dividend payment in 2022 will be the amount of 176.6 million Baht.

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

- None -

General Information and Other important information

5.1 General information

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-Rungsit Road, Chompol, Chatuchuk, Bangkok 10900 Tel. 0-2821-7999	
Branch 1	333 Lao Peng Nguan Tower, Vibhavadi-Rungsit Road, Chompol, Chatuchuk, Bangkok 10900 Tel. 0-2821-7888	
Registration No.	0107546000156	
Website	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 Website www.set.or.th/tsd	
Auditors	Mr. Khitsada Lerdwana Ms. Ponnard Paochareon Ms. Manee Rattanabunnakit EY Company Limited 193/136-137 33rd Floor, Lake Ratchada Office Complex, Ratchadapisek Road, Klong Toei, Khlong Toei, Bangkok 10110 Tel. 0-2264-0777 Website www.ey.com/th/en/home	Certified Public Accountant No. 4958 Certified Public Accountant No. 5238 Certified Public Accountant No. 5313



Head Office

349 SJ Infinite One Business Complex 11,12,23 Floor,
Vibhavadi-Rangsit Road, Chomphon Subdistrict,
Chatuchak District, Bangkok 10900



Product and Service Development Center

333 Lao Peng Nguan Tower, Soi Cheuyuang,
Vibhavadi-Rangsit Road, Chomphon Subdistrict,
Chatuchak District, Bangkok 10900

5.2 Other Important Information

-None-

5.3 Legal Dispute:

As of 31 December 2021, the company's subsidiaries is the litigant 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.

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.

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.

During the year 2020, the above government agency lodged an appeal.

As at 31 December 2021, no progress or developments relating to such case have occurred, which is currently being considered by the Supreme Administrative 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 state enterprise customer filed a 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.

As at 31 December 2021, no progress or developments relating to such case have occurred, which is under consideration of the Civil Court. The Civil Court set a date for a witness hearing of the plaintiff and defendant to be held in August 2022.

The management considered and estimated the penalty loss at Baht 3 million or 10 percent of the contract value which is in accordance with the regulation of Prime Minister's Office on Procurement, B.E. 2535.

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.

On 23 March 2021, the subsidiary filed a counterclaim against the plaintiff in the above lawsuit on the grounds that the counterparty breached and terminated the agreements unlawfully and contrary to the law without grounds for the termination. The subsidiary did not breach the purchase and computer software license agreements as claimed in the indictment of the counterparty. The subsidiary filed a claim for damages incurred from the delivery of completed work under the agreements, together with damages for the additional scope of work, with interest at the penalty rate of 7.5 percent per annum, accumulated up until the counterclaim filing date, or a total amount of Baht 9.1 million.

On 5 July 2021, the Civil Court of Southern Bangkok ordered the consolidation of the trial of litigation.

As at 31 December 2021, no progress or developments relating to such case have occurred, which is currently being considered of the Civil Court. The Civil Court set a date for hearing the judgement to be held on 8 April 2022.

The management considered and estimated the penalty loss at 10 percent of the contract value or amounting to Baht 0.75 million as stipulated in the contract.



Part 2

Corporate Governance



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6. Corporate Governance Policy

6.1 Overview of Policies and Practices of Corporate Governance

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 the sustainable development are described below:

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

The Risk Management and Corporate Governance Committee 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 organization's corporate governance, improving the company's business operations and encourage 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/corporate-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 ten (10) 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 two (2) non-executive directors. The list of the 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	10
Mr. Kiyotaka Nakamura	Non-Executive Director	2014	2019	7
Mr. Siriwat Vongjarukorn	Executive Director	2003	2020	18
Mr. Thanakorn Charlee	Executive Director	2015	2020	6
Mr. Anant Leetrakul	Independent Director	2012	2021	9
Mr. Suchart Thammapitagkul	Independent Director	2003	2021	18
Prof. Dr. Uthai Tanlamai	Independent Director	2016	2021	5
Ass. Prof. Dr. Kamales Santivejkul	Independent Director	2016	2019	5
Dr. Charn Tharawas	Independent Director	2016	2020	5
Mr. Masakazu Kawamura	Non-Executive Director	2021	2021	1

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 the business operation, following up, evaluating the operational results as planned, and supervising investment expenses items during mergers and acquisitions, including investment in new businesses.

In 2021, 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, 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 for each director to hold 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 having 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, having an Internal Audit Department under the supervision of Internal Audit Manager, named Ms. Thitirat Thanathitikankun, which is 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 determines to have the performance appraisal of the president with proper remuneration for the organization structure.

Guideline 2

To determine Objectives and Main Goals for Sustainability

The Board pays attention to lead the organization to a sustainable growth. MFEC Board of Directors' Meeting No.1/2022 held on February 23, 2022 considered and approved the improvement of Vision and Corporate Governance Policy.

Vision: To become the best technology that unleashes employees' full potential to create and innovate solutions that uplift your digital life

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

MFEC aims to be become the best technology company that unleashes employees' full potential to create and innovate solutions that uplift your digital life committed to conduct business with transparency and fairness under the framework of good corporate governance, adhere Corporate Governance Policy and Code of Conduct having responsibility to society, environment and all stakeholders. 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 for 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 human resources to match the market demand.

Corporate Values:

1. **PASSION** We are dedicated and committed to work and ready to be a driving force for yourself and pass on to those around you.

2. **PROFESSIONAL** We are experts and ready to enhance every delivery of work to customers and to be your best friend and partner in front of every change to give you the best advice.

3. **TEAMWORK** We have strength together. In addition to the cooperation of the whole organization, we also view our customers as one team for sustainable growth together.

4. **GIVER** We are the givers and a part of helping to make society better through technology and innovation.

Guideline 3

To promote 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 ten (10) 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 with the directors to encourage their 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;

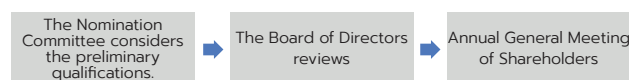
- o Practice in nominating qualified candidates for the position of directors

Nomination of candidates for directors/independent directors

In 2021, the Nomination and Remuneration Committee nominated the candidates to assume the positions of the directors and independent directors who had a diversity of qualifications, experience, 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.

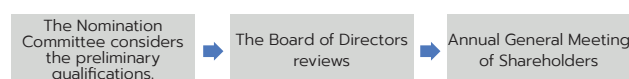
The Company provided the opportunity for the minority shareholders to propose qualified candidates and present them to the Nomination and Remuneration Committee's meeting before forwarding the list to the Board of Directors meeting, and to appoint them according to the Articles of

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.)



- o Practice to determine remuneration for the Board of Directors and sub-committees

This is in line with the Company's long-term strategy and goals, experience, duties, scope of accountability and responsibility which the committee members, who are assigned duties and responsibilities as members of the sub-committee, should receive appropriate additional remuneration 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 10 (ten) subsidiaries and 5 (five) 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 participate 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 supervise for having 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 supervise 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 have 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

• To have a newly appointed director 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, and none of new directors was appointed in 2021.

• To have the directors taking necessary training and knowledge development, understanding legal and regulatory requirements, standards, risks, business environment, and updated information regularly

In 2021, the Board members, executives and related employees have taken the following additional trainings:

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
Directors Accreditation Program – DAP 183/2021 (English Program) by Thai Institute of Directors Association (IOD)	1. Mr. Masakazu Kawamura	Director
Business English Course by Ms. Ratchanee Wongprachasuk	1. Ms. Saowaluck Nachiangtai	Senior Legal Officer
Advanced Intellectual Property and International Trade Law and Arbitration by the Lawyers Council	1. Ms. Saowaluck Nachiangtai	Senior Legal Officer
Investment Law and Laws relating to real estate business and property market Course by the Lawyers Council	1. Ms. Saowaluck Nachiangtai	Senior Legal Officer
Continuous Performance Management Course by TAS Consulting Partner Limited	1. Ms. Praewa Santhitipong	People Strategy and Growth Manager
"PDPA Virtual Forum 2021" by the Personnel Management Association of Thailand (PMAT)	1. Ms. Phanchitar Wipatchwatee 2. Ms. Ubonrath Keawkeamsri	People Business Partner-Subsidiary Company People Benefits and Engagement Manager
The Art of Interviewing People with DNA and Organizational Culture by Excellence People	1. Mr. Kittikun Moondern	Senior People Business Partner
MBTI TRAIN THE TRAINER WORKSHOP Course by BENJAMAJ JAILUCK	1. Mr. Kittikun Moondern 2. Ms. Uraporn Aiedkarn 3. Ms. Phanchitar Wipatchwatee 4. Ms. Praewa Santhitipong 5. Ms. Sarunya Mungraksathum 6. Ms. Sirikanya Kaewprick 7. Ms. Pimjai Tayathi	Senior People Business Partner People Excellence Director People Business Partner-Subsidiary Company People Strategy and Growth Manager Organization Development Manager People Benefits and Engagement Partner People Business Partner Manager
Total Rewards Forum 2021 course by Total Rewards Forum	1. Ms. Phichamon Chaipoca	Organization Development Specialist
THE STANDARD ECONOMIC FORUM 2021	1. Ms. Uraporn Aiedkarn	People Excellence Director
Thailand HR Day 2021 course	1. Ms. Uraporn Aiedkarn	People Excellence Director

Course	Trainee	Position
IT Audit for Non-IT Auditor course by the Federation of Accounting Professions	1. Ms. Nareerat Wongwitthayanan	Internal Audit Officer
Corruption Risk & Control Workshop by the Institute of Directors	1. Ms. Napapat Pradabjai	Internal Audit Officer
Professional Internal Auditor Program (CPIAT) by the Association of Internal Auditors of Thailand	1. Ms. Thitirath Thanathitikankun	Internal Audit Manager
Internal Audit Practice Course on ISO/IEC 27001:2013 by Mr. Kajorn Sinapiromsaran (ISO Consultant)	1. Ms. Thitirath Thanathitikankun 2. Ms. Nareerat Wongwitthayanan 3. Ms. Napapat Pradabjai 4. Ms. Atitaya Ongpisut	Internal Audit Manager Internal Audit Officer Internal Audit Officer Internal Audit Officer
PDPA in Action Online Course (Personal Data Protection Act: PDPA) by EasyPDPA Company (PDPA Consultant)	1. Ms. Thitirath Thanathitikankun 2. Ms. Nareerat Wongwitthayanan 3. Ms. Napapat Pradabjai 4. Ms. Atitaya Ongpisut	Internal Audit Manager Internal Audit Officer Internal Audit Officer Internal Audit Officer
Course on Presentation of electronic general meeting arrangement (e-AGM) via e-Service Platform of the Stock Exchange of Thailand group by the Stock Exchange of Thailand (SET)	1. Ms. Orawan Hnuntaku 2. Ms. Dollaporn Nijssathorn	Company Secretary Assistant to Company Secretary
Seminar Course "Guidelines for holding shareholder meeting via electronic media (e-AGM)" by the Stock Exchange of Thailand (SET)	1. Ms. Orawan Hnuntaku 2. Ms. Dollaporn Nijssathorn	Company Secretary Assistant to Company Secretary
CGR Project Survey Criteria 2023	1. Ms. Orawan Hnuntaku 2. Ms. Dollaporn Nijssathorn	Company Secretary Assistant to Company Secretary
RE01: Preparing to prepare Sustainability Disclosure according to One Report	1. Ms. Orawan Hnuntaku 2. Ms. Dollaporn Nijssathorn 3. Ms. Rada Tachawit	Company Secretary Assistant to Company Secretary Foundation Coordinator
RE02: Sustainability Reporting Course by Industry	1. Ms. Orawan Hnuntaku 2. Ms. Dollaporn Nijssathorn 3. Ms. Rada Tachawit	Company Secretary Assistant to Company Secretary Foundation Coordinator
Law for Business By Chulalongkorn University	1. Ms. Orawan Hnuntaku	Company Secretary
S01: Setting business sustainable development goals by the Stock Exchange of Thailand (SET)	1. Ms. Dollaporn Nijssathorn	Assistant to Company Secretary

Course	Trainee	Position
S02: Value Chain and Stakeholders Analysis by the Stock Exchange of Thailand (SET)	1. Ms. Dollaporn Nijsthorn	Assistant to Company Secretary
Caution course in financial statement preparation, account closing and presentation of financial statements in accordance with financial reporting standards before submission of financial statements by Dharmniti Training and Seminar Company Limited	1. Ms. Arkornkit Wongtaweesup	Assistant Accounting Manager
Online course "Joint venture/Joint venture tax planning" by Krungthep Turakij Media Co., Ltd.	1. Ms. Netnapha Chaoun	Accounting Manager
Course on accounting record rules and transaction recognition practice according to current accounting standards by Dharmniti Training and Seminar Company Limited	1. Ms. Netnapha Chaoun 2. Ms. Arkornkit Wongtaweesup 3. Ms. Malinee Siriwatanachot 4. Ms. Orathai Srimongkol	Accounting Manager Assistant Accounting Manager Assistant Accounting Manager Assistant Accounting Manager
Accounting course on the impact that the business has received from the economic situation in 2021 by Dharmniti Training and Seminar Company Limited	1. Ms. Malinee Siriwatanachot	Assistant Accounting Manager
Course of Income and Expense Accounting and Impact on Net Profit calculation by Dharmniti Training and Seminar Company Limited	1. Ms. Orathai Srimongkol	Assistant Accounting Manager
CCC Live Forum Course #1, titled "Unlearn-Relearn-Reskill...skills for the future of communicators" by SET Corporate Communications	1. Ms. Rada Tachawit	Foundation Coordinator
Better Business for Children (Basic and/or Advanced Course) titled Sustainability Reporting on Children's Rights Class 6 by the Stock Exchange of Thailand (SET)	1. Ms. Rada Tachawit	Foundation Coordinator
CCC Live Forum Course #6 topic "Which Social Media Platform that fits your organization?" by SET Corporate Communications	1. Ms. Rada Tachawit	Foundation Coordinator
Sustainability Reporting Course by Industry Group (Workshop), Class 2, Technology Group by the Stock Exchange of Thailand (SET)	1. Ms. Orawan Hnuntaku 2. Ms. Dollaporn Nijsthorn 3. Ms. Rada Tachawit	Company Secretary Assistant to Company Secretary Foundation Coordinator

Course	Trainee	Position
CCC Live Forum Course #7 "Understanding Google Tools to Increase Productivity for Communicators" by SET Corporate Communications	1. Ms. Rada Tachawit	Foundation Coordinator
CCC Live Forum Course #8 on the topic "How to adjust content and PR strategy.... to be ready during the Covid-19" by SET Corporate Communications	1. Ms. Rada Tachawit	Foundation Coordinator
Course "How to design environmental media to be (not) attractive" by Department of Environmental Quality Promotion	1. Ms. Rada Tachawit	Foundation Coordinator
SD Professional Sharing Course 2/2021: Topic "How to Make Sustainability into Business" by Sustainability Knowledge Department, the Stock Exchange of Thailand (SET)	1. Ms. Rada Tachawit	Foundation Coordinator
Business and human rights course and guidelines for filling out human rights information form in 56-1 One Report under the Business and Human Rights Program for the business sector in the Thai capital market (Phase 1), a collaboration between the SEC and the Faculty of Law, Chulalongkorn University	1. Ms. Orawan Hnuntaku 2. Ms. Dollaporn Nijsthorn 3. Ms. Rada Tachawit	Company Secretary Assistant to Company Secretary Foundation Coordinator
CCC Live Forum Course #11 "Think Visually, communicated as a Story" by SET Corporate Communications	1. Ms. Rada Tachawit	Foundation Coordinator
CCC Live Forum Course #12, titled "Drilling Future Marketing Trends armed Communications" by SET Corporate Communications	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 having 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;

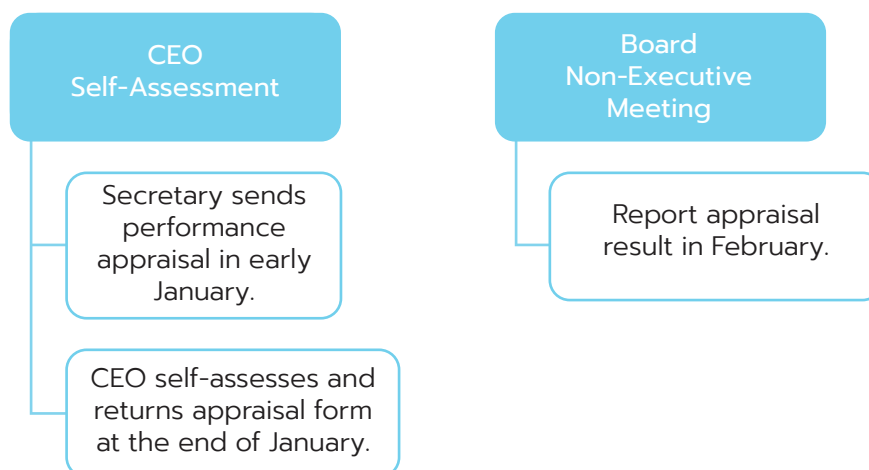
4.1 To consider and determine the nomination criteria and procedures of qualified candidates for the position of the President and the succession plan, reporting the Board about the results at least once (1) a year, and setting the policy and procedures for the president and high-level executives who 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 remuneration 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	Position 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-level executives, and follows up the appraisals to comply with the criteria.



Guideline 5

To promote innovation and business operations with responsibility

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 having 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
- Operational Risk
- Human Resource Risk
- Financial Risk
- Financial Reporting Risk
- Fraud Risk
- Compliance risk
- Corruption Risk
- IT 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 Werawattayanukoon 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 to have a data security system, practices for data confidentiality and manage sensitive information which may affect the 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 for the employees.

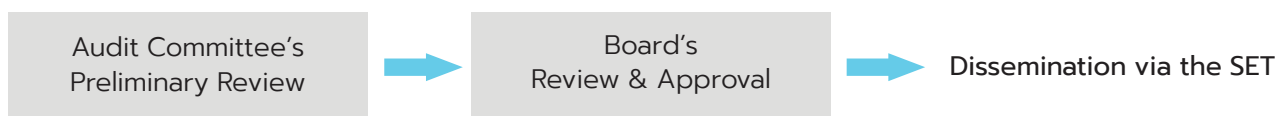
6.5 The Board determines measures to manage a conflict of interest that may arise.

o 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.

o 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



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



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 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, 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 to have 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 to have 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 promote 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 Company opened the opportunity for the shareholders to participate in governing the business operations and giving opinions. In 2021, 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 continuing situation of the Corona virus epidemic in Thailand last year, the Annual General Meeting of Shareholders was held via electronic media on Monday 26th April 2021 at the headquarter, No. 349, SJ Infinite One Business Complex Building, Vibhavadi-Rungsit Road, Chompol, Chatuchak, Bangkok 10900. None of Extraordinary General Meeting of Shareholders was called.

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 languages) beforehand. The Board of Directors' Meeting No. 1/2021 held on February 23rd, 2021 resolved to organize the AGM on April 26th, 2021. 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 2020, annual report with meeting document, proxy document and practices were disseminated on the company's website from March 31st, 2021, prior to the AGM date.

5) The invitation letter was delivered by the registrar of Thailand Securities Depository Co., Ltd. on April 2nd, 2021, twenty-one (21) days in advance, with three (3) consecutive days of newspaper announcement before the AGM (April 2nd, 5th, and 7th, 2021) 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 2021, 100% of the total 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 2021, 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 26th, 2021 (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 1st, 2020 – January 31st, 2021. 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 shareholders and stakeholders to acknowledge the organization's ethics.

In 2021, there were the following, additional good practices;

(1) Being 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 2021, 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 for not more 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 2021, there were three (3) independent directors, consisting of Mr. Anan Leetrakul, Mr. Suchart Thammapitagkul and Assoc. Prof. Dr. Uthai Tanlamai, 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 three (3) independent directors are qualified persons with independence by being able to give independent opinions in accordance with relevant rules including being an experienced director, bringing knowledge and expertise to give opinions and suggestions to the organization in business operations. In this regard, Mr. Masakazu Kawamura was appointed as a new director, which is a qualified person with independence by being able to give independent opinions in accordance with relevant rules including being a director who brings knowledge and expertise to give opinions and suggestions to the organization in business operations. This was nominated by the Nomination and Remuneration Committee Meeting and approved by the Board of Directors Meeting and disclosed to shareholders before considering the election of directors.

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, Executive Team, Board of Directors, Independent Directors, Chief Operating Office, Chief Executive Officer and Chairman.

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 2021



1. The company has been certified as a member of the Thai Private Sector Collective Action Coalition against Corruption (CAC)

The Company was certified as a member of the Thai Private Sector Collective Action Coalition against Corruption (CAC) on August 5, 2019 by the Thai Institute of Directors Association (IOD). With the intention to promote knowledge and the understanding of the corporate governance and code of conduct, the Company, therefore, pushed for affiliated companies to join the Anti-Corruption policy and review the charter of each committee.

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

The Company has prepared and continuously reviewed the Corporate Governance Policy and the Code of Conduct in order to obtain up-to-date information. It is a practice that is consistent and equal to the development of relevant regulations including receiving international standards for corporate governance, code of conduct and anti-corruption.

To comply with Anti-Corruption Policy and Guidelines for Anti-Corruption Policy about Gift and Hospitality, the Company has asked for cooperation from partners and suppliers to refrain from giving or receiving all kinds of gifts to Directors, Executives and Employees during the New Year's festival or any other occasion. The Company has communication and public relations through various channels both internal and external of the organization such as Facebook Fanpage MFEC Society, MPY and internal e-mail of the company.



3. Supporting and Promoting the Internal Control System and Internal Audit

The company 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



MFEC Public Company Limited pays great attention to Anti-Corruption that may occur in business operations. Therefore, the Anti-Corruption Policy has been established to supervise the operation abide by the laws and regulations in accordance with the Corporate Governance Policy and Code of Conduct.

The Company prohibits personnel at all levels, including the company directors, not to demand, take action, or accept corruption for organizational benefits, personal benefits or related person's benefits covering businesses in every country and related agency. The company has established anti-corruption guidelines in accordance with the policy, as well as reviewing such practices to be consistent with changes in business, rules, regulations and legal requirements by requiring personnel at all levels, including company directors, regarded as a general practice.

5. Corporate Social Responsibility

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.



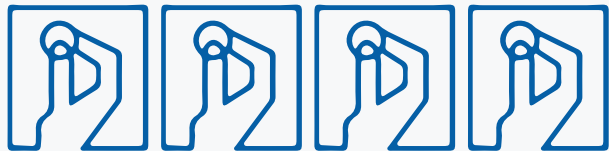
6. Corporate Governance

For the results of the Corporate Governance Report of 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 2021.



7. Holding a shareholder meeting

In organizing every Annual General Meeting of Shareholders, the Company has complied with guidelines of the AGM Checklist project by the Thai Investors Association, Thai Listed Companies Association and the Securities and Exchange Commission (SEC) with a score of 98.



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 have been affected or are 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 or Send a Letter to :

Business Ethics Committee, MFEC Public Company Limited

No. 333 Lao Peng Nguan Tower 1, 21st Floor, Vibhavadi-Rangsit Road, Chompol Sub-District, Chatujak District, Bangkok 10900.

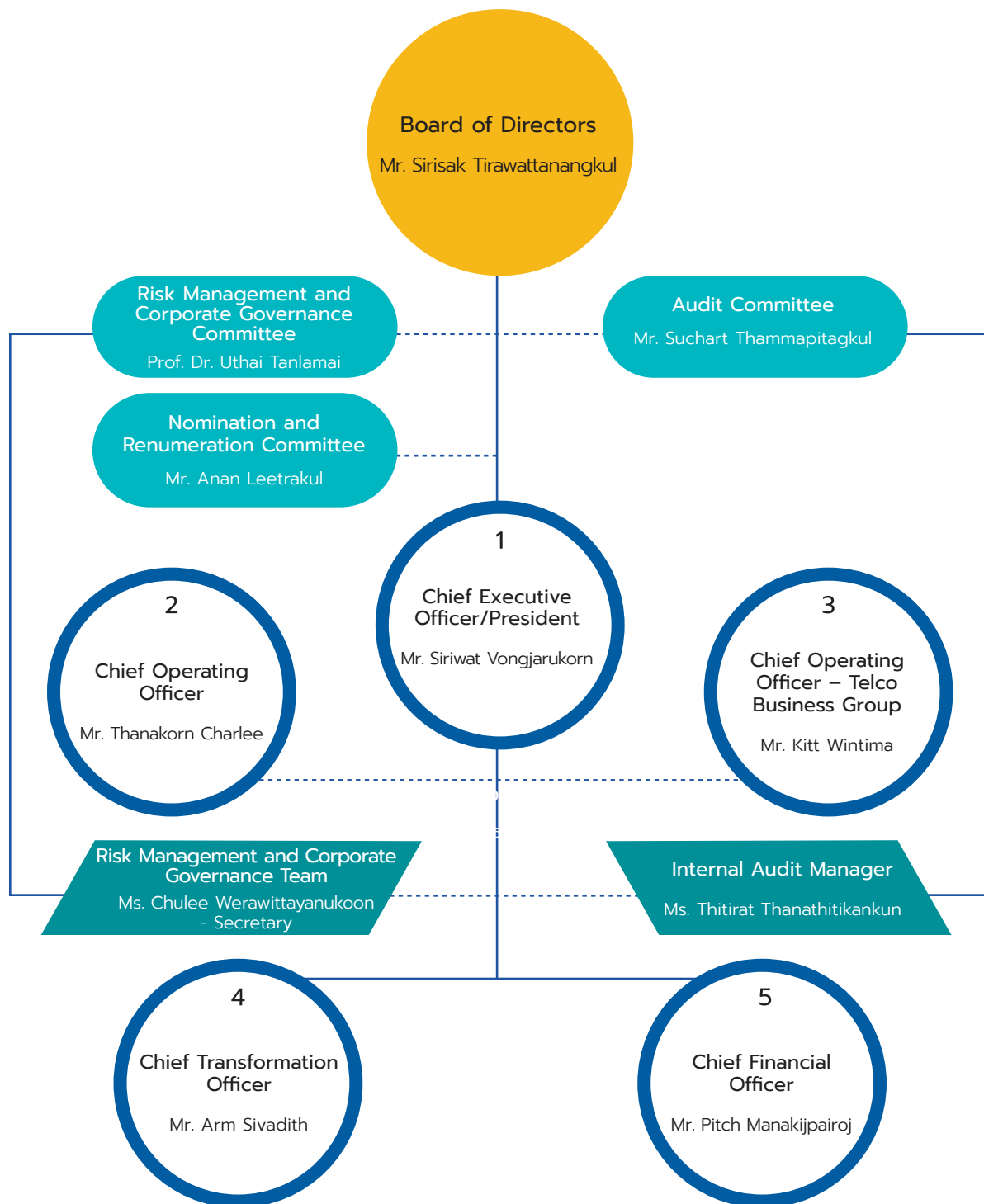
☎ 02-821-7999

✉ E-mail anticorruption@mfec.co.th : Anti-Corruption Working Group
tis_tmi_hotline@tmi.gr.jp : Hotline for whistleblower

✍ Fill out the form via the website: Title IR > Corporate Governance > Whistleblowing Channel
(<https://ir.mfec.co.th/en/whistleblowing-channel/>)

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. Masakazu Kawamura
Director



Mr. Sirisak Tirawattanangkul
Director



Mr. Thanakorn Charlee
Director



Mr. Anan Leetrakul
Independent Director



Mr. Suchart Thammapiatagkul
Independent Director



Prof. Dr. Uthai Tanlamai
Independent Director



Assoc. Prof. Dr. Kamales Santivejkul
Independent Director



Dr. Charn Tharawas
Independent Director

Executive Board and Management



Executive

1. Mr. Siriwat Vongjarukorn
2. Mr. Thanakorn Charlee
3. Mr. Kitti Wintima
4. Mr. Arm Sivadith
5. Mr. Pitch Manakijpairoj

Position

- Chief Executive Officer
Chief Operating Officer
Chief Operating Officer – Telco Business Unit
Chief Transformation Officer
Chief Financial Officer

7.2 Board of Directors/ Committees of the Company

The Company has five (5) committees: Board of Directors, Audit Committee, 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 ten (10) members)

As of 31st December 2021, the Board of Directors, according to the Ministry of Commerce's certificate, consisted of ten (10) members. Of total, two (2) members were executives and the remaining eight (8) 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 Committee	25 April 2019
3. Mr. Siriwat Vongjarukorn	Director/ Chief Executive Officer/ Member of the Nomination and Remuneration Committee	27 April 2020
4. Mr. Thanakorn Charlee	Director/ Chief Operating Officer/ Member of the Risk Management and Corporate Governance Committee	27 April 2020
5. Mr. Suchart Thammakitakul	Independent Director/ Chairman of the Audit Committee	26 April 2021
6. Mr. Anan Leetrakul	Independent Director/ Chairman of the Nomination and Remuneration Committee	26 April 2021
7. Prof. Dr. Uthai Tanlamai	Independent Director/ Member of the Audit Committee/ Chairman of the Risk Management and Corporate Governance Committee	26 April 2021
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
10. Mr. Masakazu Kawamura	Director	26 April 2021

Remark: The Annual General Meeting of Shareholders 2021, dated 26th April 2021, resolved to appoint Mr. Suchart Thammakitakul, Mr. Anan Leetrakul, and Prof. Dr. Uthai Tanlamai in replacement to the Board of Directors once again and to appoint Mr. Masakazu Kawamura, an executive and representative from TIS Inc. (as a major shareholder), as the new director of the company for the benefit of the company's management.

Information on holding Securities of Directors in 2021 and 2020 as follows;

Name	Number of Shares (Shares)		Number of Shares increasing (decreasing) during the year (Shares)
	31 December 2021	31 December 2020	
1. Mr. Sirisak Tirawattanangkul	10,026,013	12,926,013	(2,900,000)
2. Mr. Kiyotaka Nakamura	-	-	-
3. Mr. Siriwat Vongjarukorn	17,313,700	16,495,559	818,141
4. Mr. Thanakorn Charlee	-	-	-
5. Mr. Suchart Thammapiatagkul	-	60,961	(60,961)
6. Mr. Anan Leetrakul	-	-	-
7. Prof. Dr. Uthai Tanlamai	-	-	-
8. Assoc. Prof. Dr. Kamales Santivejkul	-	-	-
9. Dr. Charn Tharawas	-	-	-
10. Mr. Masakazu Kawamura	-	-	-

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 Chief 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 to have an accounting system, financial reporting and auditing, while administering to have 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 to gain proper communication channels for each of shareholder groups and stakeholders.
9. The Board shall manage to have information disclosure with clarity and transparency.

7.3 Sub-Committees and Working Team

7.3.1 Sub-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 (4) 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
- Principles 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 Chief 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 compensation 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
- Bonus payment and the amount that used for annual salary raising within a budget

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 Board of Directors Meeting No. 3/2021 dated 10 August 2021, has considered the extension of the three (3) Audit Committee for another term. As of 31 December 2021, 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 Thammapiatagkul	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 in order to ensure about 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 verify in order to ensure 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 verify the Company's operation to be in line with the law of Securities and Stock Exchange, Thailand, requirement of the Stock Exchange of Thailand 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 and 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 within 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 have 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, as assigned by the Board of Directors and the Audit Committee
16. To annually assess the performance of the Audit Committee for consideration on further improvement

Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall have 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. The Board of Directors Meeting No. 3/2021 dated 10 August 2021, has considered the extension of the Nomination and Remuneration Committee for another term, namely, Mr. Kiyotaka Nakamura. As of 31 December 2021, the Nomination and Remuneration Committee consisted five (5) members, one of which served a two-year term of office.

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

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 2021, the Risk Management and Corporate Governance Committee comprises of four (4) members, each of which serves a two-year term of office.

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 the Board of Directors about the risk management policy and framework for approval
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 on 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 the Board of Directors about risks and risk managements on a regular basis
7. To provide the Risk Management Team about 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, achieving the objectives
9. To perform any other risk management tasks as assigned by the Board of Directors
10. To communicate and 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 Government 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

7.3.2 Working Team

Risk Management and Corporate Governance Team

Risk Management and Corporate Governance Team consists of executives and heads of business units of the Company. In 2021, 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 adapt policies and guidelines for good corporate governance
4. To train supervisor/employee 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 Committee

From the meeting of the Risk Management and Corporate Governance Working Group No. 4/2021, held on July 23rd, 2021, it was resolved to appoint the Business Ethics Committee for Corruption consisting of:

List of Business Ethics Working Team	Position
1. Mr. Thanakorn Charlee	Chief Operating Officer
2. Mrs. Uraporn Aiedkarn	People Excellence Director
3. Ms. Thitirat Thanathitikankun	Internal Audit Manager

List of Business Ethics Working Team	Position
4. Ms. Chulee Weerawittayanukul	Secretary of the Risk Management and Corporate Governance Committee
5. Ms. Saowaluck Nachiangtai	Senior Legal Officer
6. Ms. Orawan Hnuntaku	Company Secretary

Scope of Authority of Business Ethics Working Team

In order to push everyone to understand their duties in conducting business in an ethical, honest and transparent way that 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.

Supervisory Working Team

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. Serm Sak 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 Liwlopaisan	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 about information technology issues (IT) to provide the system with good service, efficiency, good corporate, and reducing the risk of IT threats from both internal and external factors.

7.4 Executives

7.4.1 List of Executives, as of 31 December 2021

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. Kitt 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 Chief 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 have authority to sign 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, Chief Executive Officer is authorized to make decision on establishing the Company's mission, objectives, directions, and policies.
4. To have authority 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 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.

Scope of Authority of President

1. To manage and control operations relevant to the Company's general management
2. To proceed with operations as delegated by the Board of Directors or the Executive Board
3. To have authority to appoint, transfer, dismiss, lay off, set wage rates and rewards, increase salary, determine remuneration, 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 have authority 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 have authority to introduce orders, rules, announcements and records for work implementation following the Company's policy and benefits and for internal disciplines
6. To have authority 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 to a meeting of the shareholders for consideration and approval.

Since 2021, 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.

- Policy 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 2021 Annual General Meeting of the Shareholders held on 26th April 2021 which decided to keep the remuneration unchanged during 2014-2021 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 Committee		Nomination & Remuneration Committee
			Remuneration	Travel Allowance	
1. Chairman	264,000	264,000	264,000	60,000	264,000
2. Directors	192,000	264,000	264,000	60,000	264,000

Remark

- 1) Mr. Kiyotaka Nakamura, Vice Chairman, and Mr. Masakazu Kawamaru, Director who represent TIS Inc. of Japan, waived remuneration throughout their terms 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 remuneration 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 2021 received on remuneration for the Board of Directors and committees at no more than 3,840,000 baht.

- Other remunerations: 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 2021	Number of Persons	Y 2020
Financial remuneration	24	84,984,208	24	78,020,588
Total	24	84,984,208	24	78,020,588

- 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 2021	Number of Persons	Y 2020
Other remuneration	24	2,478,055	24	2,409,603
Total	24	2,478,055	24	2,409,603

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, 2021, and December 31st, 2020, the Company and its subsidiaries had the employees by main business line in the following details;

MFEC & its subsidiaries	No. of Employees (person)			
	31 st December 2021		31 st December 2020	
	Permanent	Contract	Permanent	Contract
1. MFEC Public Company Limited	1,164	68	976	92
2. Subsidiaries: 10	345	37	295	33
Total	1,509	105	1,271	125

Remark: The lists of 10 subsidiaries are described in Part 1: Shareholding structure of MFEC Group.

The number of the employees, as of 31st December 2021 and 31st December 2020, of the Company and its subsidiaries can be grouped by the following, main business lines;

Main Business Line	No. of Employees (person)	
	31 st December 2021	31 st December 2020
1. Sales & marketing	88	83
2. Technical Support & Product Development	1,385	1,177
3. Administration	141	136
Total	1,614	1,396

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

- Financial remuneration: Salary, Bonus, Allowance, overtime payment, travel allowance, and welfare

Unit: Baht	Number of Persons	Y 2021	Number of Persons	Y 2020
Financial remuneration	1,614	1,228,602,896	1,396	1,054,982,445
Total	1,614	1,228,602,896	1,396	1,054,982,445

- Other remuneration: Social security fund, provident fund, and employee benefit obligations

Unit: Baht	Number of Persons	Y 2021	Number of Persons	Y 2020
Other remuneration	1,614	47,983,934	1,396	41,054,853
Total	1,614	47,983,934	1,396	41,054,853

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 is 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

Bachelor: Faculty of Archaeology - Silpakorn University
Faculty of Law - Sukhothai Thammathirat Open University

Qualification: Having knowledge in relevant laws, possessing coordination skills and flexibility to perform tasks, gaining capabilities to summarize any issues and preparing minutes of meetings 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 have 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 2021 Annual General Meeting of Shareholders on 26th April 2021 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 2021 financial statements and review the quarterly financial statements for the year 2021. 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 2021 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 (Baht)
Auditor's remuneration of the Company	1,430,000
Auditor's remuneration of the Company's subsidiaries (9 companies)	1,740,000
Total	3,170,000

8. Significant Corporate Governance Report

8.1 Performance of the Board of Directors in the previous year

8.1.1 Nomination, Development and Evaluation of the Board's Performance

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.

(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.

Directors and Senior Executives

Appointment and Removal of the Board of Directors

• Appointment

1. The Company Secretary informs the shareholders about 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) 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. 1/2021 resolved to nominate the Annual General Meeting of Shareholders to elect Mr. Suchart Thammapiatgkul, Mr. Anan Leetrakul and Prof. Dr. Uthai Tanlamai to resume their positions as the Board members. In addition, there was a resolution to nominate Mr. Masakazu Kawamura as the Company's director for the benefit of organization's management.

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) Each share of a shareholder is eligible for one vote.

(2) Shareholders' voting shall be on an individual basis.

(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 2021, the Board of Directors consisted of ten (10) members. (Eight (8) of which had their domiciles in the Kingdom of Thailand. Five (5), or 50% 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 vote at the Board Meeting, must have 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 2021, the Board of Directors held six (6) meetings with the following attendance details of each member;

List of Board Members	1/2021	2/2021	3/2021	4/2021	5/2021	6/2021	Meeting Attendance (%)
1. Mr. Sirisak Tirawattanangkul	✓	✓	✓	✓	✓	✓	100.0
2. Mr. Kiyotaka Nakamura	✓	✓	✓	✓	✓	✓	100.0
3. Mr. Siriwat Vongjarukorn	✓	✓	✓	✓	✓	✓	100.0
4. Mr. Thanakorn Charlee	✓	✓	✓	✓	✓	✓	100.0
5. Mr. Anan Leetrakul	✓	✓	✓	✓	✓	✓	100.0
6. Mr. Suchart Thammasoitagkul	✓	✓	✓	✓	✓	✓	100.0
7. Prof. Dr. Uthai Tanlamai	✓	✓	✓	✓	✓	✓	100.0
8. Assoc. Prof. Dr. Kamales Santivejikul	✓	✓	✓	✓	✓	✓	100.0
9. Dr. Charn Tharawas	✓	✓	✓	✓	✓	✓	100.0
10. Mr. Masakazu Kawamura	-	✓	✓	✓	✓	✓	100.0
Total Directors in each Meeting	9/9	10/10	10/10	10/10	10/10	10/10	100.0

Remark: Mr. Masakazu Kawamura, who is an executive and representative from TIS Inc. (as a major shareholder), has been appointed as the Company's director for the benefit of the organization's management since 26 April 2021.

8.2 Performance of the Audit Committee in the previous year

As of 31 December 2021, the Audit Committee convened four (4) times. 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	1/2021	2/2021	3/2021	4/2021	No. 1/2021 Meeting Joint with Risk Management & Audit	Meeting Attendance (%)
1. Mr. Suchart Thammapitagkul Chairman of the Audit Committee Independent Director, Knowledge in Law	√	√	√	√	√	100.0
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, Knowledge in Accounting and Finance	√	√	√	√	√	100.0
Total Directors in each Meeting	3/3	3/3	3/3	3/3	3/3	100.0

Ms. Thitirat Thanathitikankun acted as Internal Audit Manager and Ms. Orawan Hnuntaku acted as Secretary to the Audit Committee

Performance of the Audit Committee

1. To review the quarterly and annual financial company's 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 that there is a risk management system in order to have 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 by using the risk assessment method and the 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 laws to be sufficient.

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

On the Board of Directors Meeting No. 1/2021, there was a meeting to discuss the agenda to consider the Chief Executive Officer's performance and compensation that none of executive directors participated in the meeting. It was the meeting between non-executive directors and independent directors only.

The Executive Board is required to hold at least one (1) meeting per quarter. In 2021, the Executive Board convened ten (10) times as depicted below;

List of the Executive Board	1/2021	2/2021	3/2021	4/2021	5/2021	6/2021	7/2021	8/2021	9/2021	10/2021	Meeting Attendance (%)
1. Mr. Siriwat Vongjarukorn Chief Executive Officer	√	√	√	√	√	√	√	√	√	√	100.0
2. Mr. Thanakorn Charlee 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	100.0

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, business opportunities and business 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

Regular meetings are required. In 2021, the Risk Management and Corporate Governance Committee had six (6) 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	1/2021	2/2021	3/2021	4/2021	5/2021	6/2021	No. 1/2021 Meeting Joint with Risk Management & Audit	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/ Independent Director	√	√	√	√	√	√	√	100.0
Total Directors in each meeting	4/4	4/4	4/4	4/4	4/4	4/4	4/4	100.0

Ms. Chulee Werawittayanukoon acted as Secretary to Risk Management and Corporate Governance Committee and Ms. Orawan Hnuntaku acted as 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 comment 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

Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall convene at least two (2) meetings per year. In 2021, the committee had four (4) meetings with the following details;

List of the Nomination and Remuneration Committee	1/2021	2/2021	3/2021	4/2021	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	5/5	100.0

Ms. 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 2021 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 2021 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 2021 (between 1 December 2020 – 31 January 2021) 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 2021 Annual General Meeting of Shareholders. Therefore, the Board considered proposing the retiring directors to resume their positions for another term. In this regard, a representative director from TIS Inc. has been nominated as a new director, which is not an executive director for the benefit of corporate management.

4. To recruit persons with appropriate skills, knowledge, capabilities, experience and qualifications consistent with the criteria for a director's qualification to take the position of the Audit Committee (the Audit Committee has a term of 2 years) and the director of the Nomination and Remuneration Committee who retired by rotation on 10 August 2021, therefore, proposing to renew the position of the former Audit Committee and the former director of the Nomination and Remuneration 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 in order to minimize impacts and/or likelihood of risks.

The Audit Committee has assigned the Internal Audit Department to evaluate the Company's internal control systems in accordance with "the assessment form of Internal Control System Sufficiency" of the Securities and Exchange Commission (SEC) for submission to the Audit Committee and the Board of Directors, respectively. The results of the internal control system assessment in 2021 were the Company had sufficient internal control system assessment and appropriate according to the criteria set by the Securities and Exchange Commission and The Stock Exchange of Thailand. The Audit Committee also assigned the Internal Audit Department to audit and provide consultations in order to ensure that the Company is able to achieve its objectives and to constantly improve the efficiency of the internal control system.

In addition, the Company also paid attention to risk management. The Company has established the Risk Management and Corporate Governance Committee to be in charge of managing risks to be in acceptable level. The Risk Management and Corporate Governance Team was established to perform tasks of monitoring, supervising, and providing advice on the risk management process 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 and Corporate Governance Committee and the Board of Directors, respectively, for further acknowledgement every quarter. For corporate risk management, it is based on the principles of COSO Enterprise Risk Management Framework as follows:

1. Control Environment

The Company has clear and measurable business goals by having annual budget plans and setting measurement criteria in order to create values and return for the shareholders. The Company also aims to raise consciousness, morality, and ethics in the organization. Therefore, the Company has complied the Code of Conduct and provided training to staff to ensure the understanding of the Code of Conduct, so that the staff can meet the customers' satisfaction regarding products and services and have 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 Executive Committee, the Audit Committee, the Risk Management and Corporate Governance Committee, and the Nomination and Remuneration Committee. Each committee is responsible to the shareholders within the concept of good business ethics and social responsibility. The Company has established an organizational structure to support the business administration of the Management and to ensure the effectiveness of internal control. There is a separation of important works, creating the check and balance system between each department. The Internal Audit Department is to audit the business operations of all departments and report the findings to the Audit Committee.

Regarding the Anti-Corruption aspect, on 5th August 2019, the Private Sector Collective Action against Corruption (CAC) had the resolution to recognize MFEC Public Company Limited as the member of the Private Sector Collective Action against Corruption. Such recognition is valid for 3 years from the date of the recognition.

2. Risk Assessment

The Company has assigned the Risk Management and 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 and Corporate Governance Committee and the Board of Directors respectively.

3. Control Activities

The Board of Directors has appointed four (4) sub-committees, consisting of the Executive Committee, the Audit Committee, the Risk Management and 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:

- The determination of scopes of authority and limit of approval of Management Executives of all departments and all levels shall be clear and in writing. The determination of the authorized persons and limits of approval must be in writing and shall also be the review of the suitability.
- The establishment of policies, manuals, procedures and regulations shall be clear and in writing covering all departments.
- The criteria of performance and evaluation shall be determined.

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 Code of Conducts in order to ensure that the activities for business operation are successful and effective, and in accordance 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's 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 will act as a coordinator and the center of 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 meetings 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. 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 every quarter. This is to ensure that the Company has complied with the accounting standards by disclosing complete and appropriate information.

5. Monitoring Activities

The Company has monitored its performance to ensure that the performance is in accordance with the planned business plans. In 2021, there were six (6) Board of Directors Meetings, ten (10) Board of Executive Directors Meetings, and monthly sub-management meetings in order to oversee and monitor the performance of the Company and its subsidiaries to be in accordance 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 to be in line with 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 ensure that the performances meet the objectives and common goals efficiently and effectively. In 2021, 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 every quarter.

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".

Internal Audit Department

In 2021, 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 for the year 2021 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 2021" 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 2021, the internal audit officers have undergone trainings according to the skill development plans approved by the Audit Committee. This is to ensure that the performance of the Internal Audit Department is more efficient. Details of the trainings are as follows:

- IT Audit for Non-IT Auditor Course from the Federation of Accounting Professions
- Corruption Risk & Control Workshop Course from Thai Institute of Directors Association
- Certificate Program in Professional Internal Auditors (CPIAT) from the Association of Internal Auditors of Thailand
- ISO/IEC 27001:2013 Course for Internal Audit from Ajarn Kajorn Sinapiromsaran (Consultant of ISO 27001)
- Course on Personal Data Protection Act B.E. 2562 from EasyPDPA Company (PDPA Consultant)

9.2 Interrelated Transactions

9.2.1 Normal Business Transaction: The Company has business transactions which were purchase and sales 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 the normal business.

Related Person/ Juristic Person	Relationship	Transaction	Value (million Baht)		Necessity and Reasonableness
			Year 2021	Year 2020	
PFT	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 71.62%	Sell Goods and Services Provide office services	0.33 0.46	- 0.36	MFEC provides the computers and maintenance services for the computer. The mentioned price is nearly the market price. MFEC provides accounting-finance and general management services. The mentioned price is the price which is agreed by considering the appropriateness of working quantity.
MISO	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 75%	Purchase Goods and Services	3.89	3.77	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)	0.89	0.68	MFEC provides systems, including hardware, software, and maintenance services. 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) Purchase Goods and Services (Professional Service)	0.08 3.01	- 1.49	MFEC provides consulting technical services and other services. The mentioned price is nearly the market price. 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%	Purchase Goods and Services (Professional Service)	0.66	0.65	MFEC purchases the services. The mentioned price is nearly the market price.
PTS	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 70%	Provide office services Purchase Goods and Services	2.11 41.59	2.01 38.20	MFEC provides accounting-finance and general management services. The mentioned price is the price which is agreed by considering the appropriateness of working quantity. MFEC purchases program development service. The mentioned price is nearly the market price.

Related Person/ Juristic Person	Relationship	Transaction	Value (million Baht)		Necessity and Reasonableness
			Year 2021	Year 2020	
DATA CAFÉ	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 72.90%	Provide office services	0.57	0.62	MFEC provides accounting-finance and general management services. The mentioned price is the price which is agreed by considering the appropriateness of working quantity.
		Purchase Goods and Services	1.70	5.05	MFEC purchase 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%	Sell Goods and Services	0.90	-	MFEC provides software and hardware. The mentioned price is nearly the market price.
		Provide office services	1.04	1.21	MFEC provides accounting-finance and general management services. The mentioned price is the price which is agreed by considering the appropriateness of working quantity.
		Purchase Goods and Services	137.46	128.04	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	0.09	0.12	MFEC provides software and hardware. The mentioned price is nearly the market price.
		Provide office service	0.02	0.02	MFEC provides space rental services. The mentioned price is nearly the market price.
Venture Lab	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 99.99%	Purchase Goods and Services	0.52	-	MFEC purchases subcontracting services for system work and other services. The mentioned price is nearly the market price.
TIS	Holding MFEC's shares at the aggregate rate of 49% and having directors jointly	Sell Goods and Services	0.24	0.90	MFEC provides consulting and other services. The mentioned price is nearly the market price.
AJS Inc.	TIS's subsidiary, in which TIS holds the shares at the aggregate rate of 51%	Sell Goods and Services	2.32	2.07	MFEC purchase outsourcing service and rental works. The mentioned price is nearly the market price.

Related Person/ Juristic Person	Relationship	Transaction	Value (million Baht)		Necessity and Reasonableness
			Year 2021	Year 2020	
I Two	MFEC's associated company, in which MFEC holds the shares at the aggregate rate of 15%	Sell Goods and Services	101.84	-	MFEC sells hardware systems and other services. The mentioned price is nearly the market price.
		Purchase Goods and Services	44.70	9.50	MFEC purchases software and services. 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 42%	Provide office service	0.17	0.59	MFEC provides accounting-finance and general management services. The mentioned price is the price which is agreed by considering the appropriateness of working quantity.
		Purchase Goods and Services	0.17	0.09	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%	Purchase Goods and Services	6.69	5.98	MFEC purchases Goods and Services. The mentioned price is nearly the market price.
		Provide office service	0.02	0.02	MFEC provides accounting-finance and general management services. The mentioned price is the price which is agreed by considering the appropriateness of working quantity.
Fanster Media	MFEC's associated company, in which MFEC holds the share at the aggregate rate of 34%	Purchase Goods and Services	0.40	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 2021	Year 2020	
DATA CAFE	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 72.90%	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 to the customer with good profile.
Digital Savvy	MFEC's associated company, in which MFEC holds the share at the aggregate rate of 42%	Receivable interest	0.03	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 to 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	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 to the customer with good profile.
ANGSTROM	MFEC's associated company, in which MFEC holds the share at the aggregate rate of 40%	Receivable interest	0.95	0.50	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 to the customer with good profile.
I Two	MFEC's associated company, in which MFEC holds the share at the aggregate rate of 15%	Receivable interest	0.28	-	MFEC loans I Two for investment in relation with project management at the aggregate interest rate of 3.75%, which is the rate that Commercial Bank loans to the customer with good profile.

Reference to remark attached with Financial Statement – Item 6 for the end as of the ending year as of 31st December 2021

Approval measure or procedure for an interrelated transaction

An interrelated transaction shall be submitted at the Board of Directors' meeting for approval. The Audit Committee shall attend the meeting to consider and approve such transaction. Such transaction shall be complied with the Securities and Exchange laws, regulations, announcement, notification or requirements of the Stock Exchange of Thailand. Those who might have conflict of interest or stakes in the interrelated transactions have no voting rights in the interrelated transactions.

Policies or trends in making an interrelated transaction with a person who may have conflict of interests in the future

Policies on interrelated transaction

Interrelated transactions that will likely occur in the future can be grouped into two (2) categories; normal and continuous transactions and special and occasional transactions. The processes of approving the two types of transactions are 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 according to fair, reasonable and verifiable 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 rental rate is changed, the company would consider the appropriateness and implement according to the rules and guidelines that the Audit Committee has considered and approved. Considering an interrelated transaction with a company in the future that may have conflicts of interest will depend on the suitability and necessity of each item. 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 Board of Directors' announcement of the Stock Exchange of Thailand Re: the disclosure of information and acts of listed companies in interrelated transactions.

Part 3

Financial Statements



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Independent Auditor'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 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of MFEC Public Company Limited for the same period.

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 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on 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 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. Key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition regarding the system integration and IT professional services

Revenue recognised 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 with the Group's project managers about 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

I have focused my audit on the consideration of the impairment of goodwill, as discussed in Note 17 to the financial statements, because 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, I reviewed the disclosures made with respect to the impairment assessment for goodwill.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. 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 thereon.

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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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. I also:

- 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.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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 am responsible for the audit resulting in this independent auditor's report.



Khitsada Lerdwana
Certified Public Accountant (Thailand) No. 4958
EY Office Limited
Bangkok: 23 February 2022

MFEC Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	7	141,839,202	174,019,261	56,328,193	69,641,880
Restricted bank deposits	8	37,689,020	36,867,966	-	-
Trade and other receivables	9	1,753,882,561	1,950,572,251	1,637,088,172	1,869,879,487
Amounts due from related parties	6	8,858,580	9,601,147	10,803,777	10,517,631
Unbilled receivables	10	1,060,634,216	725,570,505	1,018,992,780	704,252,649
Short-term loans to related companies	6	25,800,000	10,500,000	25,800,000	10,500,000
Costs of work in process	11	324,937,473	433,454,541	278,157,247	396,424,856
Prepayment for cost of services		1,238,804,225	864,675,704	1,218,842,037	844,890,489
Other current financial assets	12	57,848,327	54,256,069	-	-
Derivative assets	33.1	5,853,189	-	5,853,189	-
Other current assets		39,900,666	25,826,221	33,938,374	13,245,294
Total current assets		4,696,047,459	4,285,343,665	4,285,803,769	3,919,352,286

MFEC Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Non-current assets					
Long-term loans to related company	6	-	5,300,000	-	5,300,000
Investments in subsidiaries	13	-	-	428,696,646	431,148,306
Investments in associates	14	179,367,871	171,209,501	121,745,190	129,545,190
Building improvements and equipment	15	71,022,974	76,552,392	51,780,362	54,998,311
Right-of-use assets	16	90,166,191	101,594,621	72,511,011	75,788,197
Goodwill	17	257,973,155	257,973,155	-	-
Other intangible assets	18	22,950,706	24,091,118	12,600,648	16,660,207
Prepayment for cost of services		280,638,167	142,834,904	267,974,825	142,688,512
Deferred tax assets	26	55,562,223	56,319,571	50,692,761	51,607,939
Other non-current assets		2,849,427	2,789,704	1,673,375	1,762,993
Total non-current assets		960,530,714	838,664,966	1,007,674,818	909,499,655
Total assets		5,656,578,173	5,124,008,631	5,293,478,587	4,828,851,941

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	19	405,000,000	20,000,000	390,000,000	-
Trade and other payables	20	971,039,426	1,223,393,505	831,130,107	1,143,471,865
Amounts due to related parties	6	24,194,145	6,303,969	99,348,555	19,739,304
Accrued expenses		273,723,442	215,137,841	230,697,952	191,809,682
Current portion of lease liabilities	16	21,841,642	26,114,641	16,651,098	20,227,873
Current portion of installment payables	21	21,861,313	25,766,016	21,861,313	25,766,016
Income tax payable		1,832,262	2,241,524	-	-
Deferred income		1,374,398,178	1,019,318,979	1,296,834,064	972,484,505
Unbilled payables		150,560,164	257,724,729	140,281,480	249,173,910
Provision for penalties of project delay and project loss	22	39,246,731	35,536,922	30,370,476	25,011,258
Derivative liabilities	33.1	262,575	21,472,821	259,165	21,472,821
Other current liabilities		65,557,133	48,473,305	55,802,475	40,260,730
Total current liabilities		3,349,517,011	2,901,484,252	3,113,236,685	2,709,417,964
Non-current liabilities					
Lease liabilities, net of current portion	16	61,806,627	71,667,406	49,890,742	53,228,495
Installment payables net of current portion	21	45,675,912	53,793,088	45,675,912	53,793,088
Provision for decommissioning		4,824,350	-	4,824,350	-
Provision for long-term employee benefits	23	181,013,461	164,542,114	152,521,525	137,942,293
Total non-current liabilities		293,320,350	290,002,608	252,912,529	244,963,876
Total liabilities		3,642,837,361	3,191,486,860	3,366,149,214	2,954,381,840

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
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
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
Share premium		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	-	-
Retained earnings					
Appropriated - statutory reserve	24	44,150,055	44,150,055	44,150,055	44,150,055
Unappropriated		506,910,408	426,036,211	452,283,737	402,124,651
Other components of shareholders' equity		3,358,420	617,606	2,700,186	-
Equity attributable to owners of the Company		1,988,346,874	1,904,731,863	1,927,329,373	1,874,470,101
Non-controlling interests of the subsidiaries		25,393,938	27,789,908	-	-
Total shareholders' equity		2,013,740,812	1,932,521,771	1,927,329,373	1,874,470,101
Total shareholders' equity		5,656,578,173	5,124,008,631	5,293,478,587	4,828,851,941

The accompanying notes are an integral part of the financial statements.

MFECC Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Sales and services income		5,174,363,003	4,670,815,327	4,766,771,259	4,297,413,241
Gain on derivative at fair value		21,469,411	9,618,272	21,472,821	9,618,272
Dividend income	13.2, 14.2	-	-	30,930,611	24,151,552
Other income		10,684,167	59,881,679	7,745,124	55,096,151
Total revenues		5,206,516,581	4,740,315,278	4,826,919,815	4,386,279,216
Expenses					
Cost of sales and services		4,264,078,756	3,812,855,742	4,022,720,216	3,588,025,798
Selling and distribution expenses		116,878,081	100,916,351	104,678,672	89,739,475
Administrative expenses		494,573,891	506,406,402	406,772,273	412,038,535
Total expenses		4,875,530,728	4,420,178,495	4,534,171,161	4,089,803,808
Operating profit		330,985,853	320,136,783	292,748,654	296,475,408
Share of profit from investments in associates		8,700,093	1,726,356	-	-
Finance cost	14.2	(11,530,344)	(11,130,594)	(8,321,567)	(9,411,722)
Profit before income tax expenses		328,155,602	310,732,545	284,427,087	287,063,686
Income tax expenses		(70,196,206)	(63,034,008)	(58,154,082)	(52,430,234)
Profit for the year	26	257,959,396	247,698,537	226,273,005	234,633,452

MFEC Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Actuarial gain (loss) - net of income tax		467,423	(16,934,416)	467,423	(13,700,913)
Gain on cash flow hedges					
- net of income tax		8,307,843	-	8,307,843	-
Share of other comprehensive income from investment in associate					
- net of income tax	14.2	40,628	617,606	-	-
Other comprehensive income not to be reclassified to					
profit or loss in subsequent periods					
- net of income tax		8,815,894	(16,316,810)	8,775,266	(13,700,913)
Other comprehensive income for the year		8,815,894	(16,316,810)	8,775,266	(13,700,913)
Total comprehensive income for the year		266,775,290	231,381,727	235,048,271	220,932,539

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit attributable to:					
Equity holders of the Company		256,988,116	244,622,433	226,273,005	234,633,452
Non-controlling interests of the subsidiaries		971,280	3,076,104		
		257,959,396	247,698,537		
Total comprehensive income attributable to:					
Equity holders of the Company		265,804,010	228,879,465	235,048,271	220,932,539
Non-controlling interests of the subsidiary	27	971,280	2,502,262		
		266,775,290	231,381,727		
Earnings per share					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.58	0.55	0.51	0.53

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 2021

(Unit: Baht)

	Consolidated financial statements										
	Equity attributable to owners of the Company										
	Issued and paid-up share capital	Share premium	Difference from change in shareholding interests in subsidiaries	Retained earnings		Other components of equity			Total equity attributable to owner of the Company	Non-controlling interests of the subsidiaries	Total shareholders' equity
						Other comprehensive income					
Cash flow hedge reserve						Share of other comprehensive income from associates	Total other components of shareholders' equity				
Balance as at 1 January 2020	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 30)	-	-	-	-	(154,508,744)	-	-	-	(154,508,744)	-	(154,508,744)
Subsidiaries paid dividends to their non-controlling interests (Note 13.2)	-	-	-	-	-	-	-	-	-	(3,351,934)	(3,351,934)
Transfer surplus on share-based payment	-	-	-	-	-	-	-	-	-	368,000	368,000
Balance as at 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

MFEC Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2021

(Unit: Baht)

Consolidated financial statements											
	Equity attributable to owners of the Company										
	Issued and paid-up share capital	Share premium	Difference from change in shareholding interests in subsidiaries	Retained earnings		Other components of equity			Non-controlling interests of the subsidiaries	Total shareholders' equity	
						Other comprehensive income		Total equity attributable to owner of the Company			
						Cash flow hedge reserve	Share of other comprehensive income from associates				Total other components of shareholders' equity
				Appropriated - legal reserve	Unappropriated						
Balance as at 1 January 2021	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
Profit for the year	-	-	-	-	256,988,116	-	-	-	256,988,116	971,280	257,959,396
Other comprehensive income for the year	-	-	-	-	467,423	8,307,843	40,628	8,348,471	8,815,894	-	8,815,894
Total comprehensive income for the year	-	-	-	-	257,455,539	8,307,843	40,628	8,348,471	265,804,010	971,280	266,775,290
Dividend paid (Note 30)	-	-	-	-	(176,581,342)	-	-	-	(176,581,342)	-	(176,581,342)
Subsidiaries paid dividends to their non-controlling interests (Note 13.2)	-	-	-	-	-	-	-	-	-	(2,650,940)	(2,650,940)
Buy more non-controlling interests' shares of subsidiaries (Note 13.1)	-	-	-	-	-	-	-	-	-	(896,310)	(896,310)
Transfer surplus on share-based payment	-	-	-	-	-	-	-	-	-	180,000	180,000
Transfer of cash flow hedge reserve to costs of work in process (Note 33.1)	-	-	-	-	-	(5,607,657)	-	(5,607,657)	(5,607,657)	-	-
Balance as at 31 December 2021	441,453,555	986,741,840	5,732,596	44,150,055	506,910,408	2,700,186	658,234	3,358,420	1,988,346,874	25,393,938	2,013,740,812

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 2021

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up sharecapital	Share premium	Retained earnings		Other comprehensive income	Total shareholders' equity
			Appropriated - legal reserve	Unappropriated		
Balance as at 1 January 2020	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 30)	-	-	-	(154,508,744)	-	(154,508,744)
Balance as at 31 December 2020	441,453,555	986,741,840	44,150,055	402,124,651	-	1,874,470,101
Balance as at 1 January 2021	441,453,555	986,741,840	44,150,055	402,124,651	-	1,874,470,101
Profit for the year	-	-	-	226,273,005	-	226,273,005
Other comprehensive income for the year	-	-	-	467,423	8,307,843	8,775,266
Total comprehensive income for the year	-	-	-	226,740,428	8,307,843	235,048,271
Dividend paid (Note 30)	-	-	-	(176,581,342)	-	(176,581,342)
Transfer of cash flow hedge reserve to costs of work in process (Note 33.1)	-	-	-	-	(5,607,657)	(5,607,657)
Balance as at 31 December 2021	441,453,555	986,741,840	44,150,055	452,283,737	2,700,186	1,927,329,373

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 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before tax	328,155,602	310,732,545	284,427,087	287,063,686
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	72,741,607	74,221,351	57,278,049	61,077,612
(Gain) loss on sales and written-off from equipment and intangible assets	2,832,094	(943,142)	2,014,493	(717,133)
Unrealised (Gain) loss on exchange rate	1,320,645	(576,753)	570,772	(566,277)
Gain on revaluation of investments in debt mutual funds	(57,939)	(121,506)	-	-
Gain on sales of investments in debt mutual funds	(34,319)	(249,360)	-	(210,896)
Gain on measurement of derivatives at fair value	(21,469,411)	(2,310,277)	(21,472,821)	(2,310,277)
(Gain) loss on termination of lease agreement and reduction in lease payments	2,366,069	(1,076,539)	-	(600,415)
Loss on provision for rental deposit	-	1,310,100	-	1,310,100
Bad debt and allowance for expected credit losses (reversal)	(1,311,666)	26,252,283	(46,000)	22,391,042
Loss on written-off of withholding tax deducted at source	-	466,546	-	-
Provision for penalties of project delay and project loss	34,297,728	10,335,795	35,448,517	8,131,330
Allowance from impairment of investment in subsidiary and associates	-	-	16,100,000	11,900,000
Allowance for impairment loss on intangible assets	186,725	-	-	-
Provision for long-term employee benefits	20,414,096	15,284,386	16,245,011	12,245,483
Expense arising from share-based payment	180,000	368,000	-	-

MFEC Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Dividend Income	-	-	(30,930,611)	(24,151,552)
Interest income	(1,512,454)	(1,821,163)	(1,423,040)	(1,692,372)
Finance cost	11,530,344	11,189,028	8,321,567	9,411,722
Share of profit from investments in associates	(8,700,093)	(1,726,356)	-	-
Share of profit from investment in joint venture	-	-	-	(527,958)
Profit from operating activities before changes in operating assets and liabilities	440,939,028	441,334,938	366,533,024	382,754,095
Decrease (increase) in operating assets				
Restricted bank deposits	(821,054)	(17,314,664)	-	-
Trade and other receivables	264,546,761	(384,316,685)	300,354,121	(423,337,034)
Amounts due from related parties	742,567	(1,482,225)	(286,146)	(1,457,923)
Unbilled receivables	(335,063,711)	(262,144,440)	(314,740,131)	(252,261,152)
Costs of work in process and prepayment for cost of services	(405,633,508)	(611,128,090)	(383,189,044)	(616,046,154)
Other current assets	(29,442,912)	(880,103)	(20,693,080)	1,525,547
Other non-current assets	(841,403)	1,490,161	(635,062)	1,267,770
Increase (decrease) in operating liabilities				
Trade and other payables	(253,643,267)	685,415,763	(312,881,073)	656,915,197
Amounts due to related parties	17,890,176	932,467	79,609,251	(3,436,373)
Accrued expenses	58,585,601	27,889,749	38,888,270	28,827,560
Deferred income	355,079,199	490,904,885	324,349,559	497,321,874
Unbilled payables	(107,164,565)	45,638,915	(108,892,430)	33,199,428
Other current liabilities	17,083,828	(9,827,583)	15,541,745	(5,735,925)

MFEC Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from (used in) operating activities	22,256,740	406,513,088	(16,040,996)	299,536,910
Cash paid for project penalties	(30,587,919)	(3,424,500)	(30,089,299)	-
Cash paid for long-term employee benefits	(3,358,470)	(1,583,000)	(1,081,500)	(1,583,000)
Cash paid for corporate income tax	(129,667,753)	(95,799,631)	(125,579,069)	(89,936,741)
Withholding tax received	7,819,336	-	-	-
Net cash flows from (used in) operating activities	(133,538,066)	305,705,957	(172,790,864)	208,017,169
Cash flows from investing activities				
Decrease in pledged deposits at financial institutions	-	1,259,164	-	-
Cash paid for purchase of investments in debt mutual funds	(32,000,000)	(518,000,000)	-	(470,000,000)
Cash received from sales of investments in debt mutual funds	28,500,000	488,447,427	-	470,210,896
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 subsidiary	-	-	(5,848,340)	-
Cash received from decrease in capital of subsidiary	(896,310)	-	-	-
Cash received from investment in associate	-	990,563	-	1,000,000
Cash paid for purchase of investment in associates	-	(49,499,835)	-	(49,499,835)
Cash paid for short-term loans to related companies	(40,000,000)	(10,500,000)	(40,000,000)	(10,500,000)
Cash received from short-term loans to related companies	30,000,000	500,000	30,000,000	1,000,000
Cash received from sales of equipment	-	2,925,851	-	2,690,122
Cash paid for purchase of building improvement and equipment	(32,726,021)	(29,478,841)	(28,358,016)	(24,114,719)
Cash paid for purchase of intangible assets	(8,580,866)	(11,044,653)	(883,604)	(5,612,149)
Cash received from interest income	1,512,454	1,099,272	1,423,040	966,301

MFEC Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash received from dividend	582,351	2,037,248	30,930,611	24,151,552
Net cash flows used in investing activities	(53,608,392)	(110,628,034)	(12,736,309)	(45,023,404)
Cash flows from financing activities				
Increase in short-term loans from financial institutions	385,000,000	6,331,399	390,000,000	-
Payment of lease agreements	(35,701,164)	(34,286,791)	(27,030,404)	(28,678,304)
Payments of liabilities under installment payables	(29,201,925)	(48,863,373)	(29,201,926)	(48,863,373)
Cash received from installment payables	17,180,047	49,565,459	17,180,047	49,565,459
Cash paid for interest expenses	(3,078,277)	(1,588,320)	(2,152,889)	(518,800)
Dividend paid	(176,581,342)	(154,508,744)	(176,581,342)	(154,508,744)
Repayment of dividend from subsidiaries to non-controlling	(2,650,940)	(3,351,934)	-	-
Net cash flows from (used in) financing activities	154,966,399	(186,702,304)	172,213,486	(183,003,762)
Net increase (decrease) in cash and cash equivalents	(32,180,059)	8,375,619	(13,313,687)	(20,009,997)
Cash and cash equivalents at the beginning of year	174,019,261	165,643,642	69,641,880	89,651,877
Cash and cash equivalents at end of year	141,839,202	174,019,261	56,328,193	69,641,880
Non-cash items				
Lease liabilities	22,833,158	4,613,356	14,038,831	-

The accompanying notes are an integral part of the financial statements.

Notes to consolidated financial statements

MFEC Public Company Limited and its subsidiaries
For the year ended 31 December 2021

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. The registered address of the Company is at 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 have an impact 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 has 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. The financial statements in English language 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's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2021 Percent	2020 Percent
Advance Intelligence Modernity Company Limited	Development and sale of computer software, particularly entertainment media	Thai	98.20	98.20
Praln FinTech Company Limited	Providing the electronic payment gateway services	Thai	71.62	71.62
Business Applications Company Limited	Selling and developing computer programs, including the relevant services.	Thai	99.99	99.99
Motif Technology Public Company Limited	Being a consultant for designing the network systems and developing computer programs.	Thai	99.99	99.99

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2021 Percent	2020 Percent
Hongson Company Limited	Providing the consulting services, designing the working systems and developing computer programs.	Thai	99.99	99.99
Msyne Innovations Company Limited	Providing the consulting services, designing the 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 the consulting services to analyze all types of business information.	Thai	72.90	59.90
MISO Digital Co., Ltd. (Formerly known as "M.I.S. Outsourcing Company Limited")	Personnel recruitment and IT system maintenance	Thai	75.00	75.00
Venture Lab Company Limited	Providing research and experimental development on other engineering and technology	Thai	99.99	-

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, being the date on which the Company obtains control, and continue to be consolidated until the date when 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 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 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 the period in which the service is provided.

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.

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).

Finance 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.

4.2 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.

4.3 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 expected credit losses 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.

4.4 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.

4.5 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.

4.6 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.

4.7 Building improvements and equipment and Depreciation

Building improvements and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation of building improvements and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Building improvements	5 - 10 years
Office furniture	3 - 5 years
Tools and office equipment	3 - 5 years
Equipment and software project	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.

4.8 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 - 10 years
Deferred system software of the project	2 - 5 years
Cost of research and development	3 - 5 years

4.9 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. Where 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.

4.10 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

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, and an estimate of costs to dismantle and remove the underlying assets less any lease incentives received.

Depreciation of right-of-use assets which are 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 within 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.

The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying

assets and recognised as an expense over the lease term on the same basis as the lease income.

4.11 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

4.12 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 translated 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.

4.13 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 assets 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.

4.14 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.

4.15 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.

4.16 Share-based payment transactions

The Group recognises the share-based payment transactions at the date on 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.

4.17 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.

4.18 Financial instruments

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 are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of 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 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.

ECLs are 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.

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.

4.19 Derivatives and hedge accounting

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.

Hedge accounting

For the purpose of hedge accounting, hedge is classified as Cash flow hedges when hedging the exposure to a variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

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

Hedges that meet all of the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower (in absolute amounts) of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The way cash flow hedge reserve accumulated in other comprehensive income are subsequently accounted for, depends on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition

of a non-financial item, the reserve accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and is not recognised in other comprehensive income for the period. For any other cash flow hedges, the reserve accumulated in other comprehensive income is subsequently reclassified to profit or loss as a reclassification adjustment in the same period which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the cash flow hedge reserve accumulated in other comprehensive income must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the reserve will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, the way the reserve remaining in equity is accounted for depends on the nature of the underlying transaction as described above.

4.20 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. Except 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.

5. 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

Where the above criteria are not met, revenue is recognised at a point in time. Where 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 to be 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.

Litigation

The Group has contingent liabilities as a result of litigation. The Group's management has used judgement to assess of the results of the litigation and considers recording contingent liabilities as at the end of reporting period.

6. 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 Group and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2021	2020	2021	2020	
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
Sales of goods and services	-	-	7	1	Close to market price
Purchase of goods and services	-	-	189	177	Close to market price
Dividend income	-	-	30	22	As declared by subsidiaries
Transactions with associates					
Sales of goods and services	103	-	103	-	Close to market price
Purchase of goods and services	52	10	52	10	Close to market price
Dividend income	-	-	1	2	As declared by associates
Transactions with related parties					
Sales of goods and services	3	2	3	2	Close to market price

As at 31 December 2021 and 2020, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Amounts due from related parties				
Subsidiaries	-	-	1,945	917
Associates	8,790	8,859	8,790	8,859
Related parties	69	742	69	742
Total amounts due from related parties	8,859	9,601	10,804	10,518
Amounts due to related parties				
Subsidiaries	-	-	75,155	13,435
Associates	24,194	6,304	24,194	6,304
Total amounts due to related parties	24,194	6,304	99,349	19,739

Short-term and long-term loans to related parties

As at 31 December 2021 and 2020, the balances of loans between the Company and those related companies and the movement in loans are as follows:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	Balance as at 31 December 2020	Increase (decrease) during the year	Balance as at 31 December 2021
Short-term loans to related companies			
Associates			
Angstrom Solutions Company Limited	10,000	15,300	25,300
Digital Savvy Company Limited	500	-	500
Total	10,500	15,300	25,800
Long-term loans to related company			
Associate			
Angstrom Solutions Company Limited	5,300	(5,300)	-
Total	5,300	(5,300)	-

Loan to Angstrom Solution Company Limited, a subsidiary, is scheduled for full repayment within 30 December 2022, where loan principal of Baht 25.3 million, together with accrued interest thereon must be paid. At the end of the repayment period, the Company may opt to receive loan repayment with interest thereon or convert the loan into equity securities in such associate only once. In case of conversion, exercise price will be determined as mutually agreed under conversion agreement at the loan repayment due date.

Directors and management's benefits

During the year ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term employee benefits	84,984	78,021	56,352	49,675
Post-employment benefits	2,478	2,410	1,426	1,344
Total	87,462	80,431	57,778	51,019

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash	467	426	135	165
Bank deposits	141,372	173,593	56,193	69,477
Total	141,839	174,019	56,328	69,642

As at 31 December 2021, bank deposits in saving accounts and fixed deposits carried interests between 0.05 and 0.25 percent per annum (2020: between 0.05 and 0.25 percent per annum).

8. 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.

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade receivables				
Aged on the basis of due dates				
Not yet due	1,064,304	1,096,436	1,001,207	1,059,103
Past due				
Up to 3 months	177,854	456,390	156,372	446,422
3 - 6 months	29,506	22,842	29,487	22,818
6 - 12 months	17,032	22,914	16,879	21,752
Over 12 months	295,201	267,204	269,759	242,288
Back to back basis	-	2,073	-	2,073
Total	1,583,897	1,867,859	1,473,704	1,794,456
Less: Allowance for expected credit losses	(33,274)	(33,273)	(32,986)	(32,973)
Total trade receivables, net	1,550,623	1,834,586	1,440,718	1,761,483
Other receivables				
Receivable from Revenue Department	174,390	109,137	169,366	101,817
Other receivables	52,889	34,828	49,171	31,452
Total	227,279	143,965	218,537	133,269
Less: Allowance for expected credit losses	(24,019)	(27,979)	(22,167)	(24,873)
Total other receivables, net	203,260	115,986	196,370	108,396
Total trade and other receivables	1,753,883	1,950,572	1,637,088	1,869,879

As at 31 December 2021, the allowance for expected credit losses with respect to trade receivables amounting to Baht 17 million (2020: Baht 17 million) (the Company only: Baht 16 million, 2020: Baht 16 million) as the Central Bankruptcy Court ordered one of the Group's large corporate clients to enter into business rehabilitation process.

10. Unbilled receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Unbilled receivables	1,077,743	742,680	1,024,202	709,462
Less: Allowance for expected credit losses	(17,109)	(17,109)	(5,209)	(5,209)
Total unbilled receivables, net	1,060,634	725,571	1,018,993	704,253

As at 31 December 2021, the balance of unbilled receivables of the Group of Baht 1,067 million (2020: Baht 731 million) is expected to be billed within one year and Baht 11 million of the Group (2020: Baht 11 million) is expected to be billed after one year.

As at 31 December 2021, the allowance for expected credit losses of unbilled receivables amounting to Baht 6 million (2020: Baht 6 million) (the Company only: Baht 5 million, 2020: Baht 5 million) due to the Central Bankruptcy Court ordered one of the Group's large corporate client to into business rehabilitation process.

11. Costs of work in process

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	26,331	20,176	(7,056)	(7,056)	19,275	13,120
Work in process	302,399	417,992	-	-	302,399	417,992
Goods in transit	3,263	2,343	-	-	3,263	2,343
Total	331,993	440,511	(7,056)	(7,056)	324,937	433,455

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	10,100	11,572	(7,056)	(7,056)	3,044	4,516
Work in process	271,850	389,566	-	-	271,850	389,566
Goods in transit	3,263	2,343	-	-	3,263	2,343
Total	285,213	403,481	(7,056)	(7,056)	278,157	396,425

12. Other current financial assets

(Unit: Thousand Baht)

	Consolidated financial statements	
	2564	2563
Financial assets at FVTPL		
Investments in debt mutual funds	57,848	54,256
Total	57,848	54,256

13. Investments in subsidiaries

13.1 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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
			(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	(212,253)	(203,953)	39,674	47,974
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	72.90	59.90	5,641	4,792	-	-	5,641	4,792
MISO Digital Co., Ltd. (Formerly known as "M.I.S Outsourcing Company Limited")	5,000	5,000	75.00	75.00	14,424	14,424	-	-	14,424	14,424
Venture Lab Company Limited	5,000	-	99.99	-	5,000	-	-	-	5,000	-
Total investments in subsidiaries - net					694,584	688,735	(265,887)	(257,587)	428,697	431,148

For the year ended 31 December 2021, 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 8.3 million (2563: Baht 5 million) in the separate statement of comprehensive income for the year ended 31 December 2021.

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.

Venture Lab Co., Ltd.

During the year, the Company invested in Venture Lab Co., Ltd. (Subsidiary) which was incorporated on 11 January 2021 to engage in research and development of new products and services, with the registered capital of Baht 5 million, consisted of 50,000 ordinary shares with a par value of Baht 100 per share. The Company has invested in 99.99% of registered share capital of the new subsidiary amounting to Baht 5 million, and the Company made full payment for the shares.

Data Café Company Limited

On 13 May 2021, the Board of Directors Meeting No. 2/2021 resolved to approve an additional investment in Data Café Company Limited (Subsidiary), consisting of 52,000 shares at the price of Baht 16.32 per share, with investment value totaling Baht 0.8 million. The purchase of such investment increased the Company's investment proportion in Data Café Company Limited from 59.9% to 72.9% of the registered capital of such company.

13.2 During the years ended 31 December 2021 and 2020, the Company received dividend from its subsidiaries as below.

(Unit: Thousand Baht)

Company's name	2021	2020
Playtorium Solutions Company Limited	2,100	4,900
Msyne Innovations Company Limited	7,999	7,964
MISO Digital Co., Ltd. (Formerly known as "M.I.S Outsourcing Company Limited")	5,250	3,750
Business Applications Company Limited	10,000	5,000
Hongson Company Limited	5,000	500
	30,349	22,114

14. Investments in associates

14.1 Details of associates:

(Unit: Thousand Baht)

Company's 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	
			2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Angstrom Solutions Company Limited	Information & Communication Technology	Thai	40	(Percent) 40	41,688	41,476	44,000	44,000	-	-	44,000	44,000
Promptnow Company Limited	Creates entertainment media for electronics devices	Thai	20	20	64,747	63,093	3,680	3,680	-	-	3,680	3,680
Fanster Media Company Limited	Provides news dissemination of the activities of well known persons through application	Thai	34	34	3,330	4,259	22,800	22,800	(4,000)	-	18,800	22,800
Digital Savvy Company Limited	Provides sale of tickets and advertising services	Thai	42	42	5,730	9,540	16,465	16,465	(10,700)	(6,900)	5,765	9,565
I Two Enterprise Co., Ltd.	Provides sale and installation of telecommunication systems and implementation of various communication systems	Thai	15	15	63,873	52,842	49,500	49,500	-	-	49,500	49,500
Total					179,368	171,210	136,445	136,445	(14,700)	(6,900)	121,745	129,545

Fanster Media Company Limited

For the year ended 31 December 2021, the Company recorded allowance for impairment of investment in Fanster Media Company Limited from company's value evaluation using Discounted Cash Flows to calculate. With reference to the financial and operating plans of the subsidiaries prepared by the management, the associate has the recoverable value lower than the book value. The company recorded an allowance for impairment of investment in the associate amounting to Baht 4 million.

Digital Savvy Company Limited

For the year ended 31 December 2021, the Company recorded allowance for impairment of investment in Digital Savvy Company Limited amounting to Baht 3.8 million (2020: Baht 6.9 million) because the COVID-19 pandemic has a severe impact on the business of this associate company, which is in the process of improving its operational plan.

However, based on the assessment made by the Company's management, the associate company's business operation would not generate enough profit to return the capital to the Company in full.

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 Company measured the fair value of the identifiable assets acquired and liabilities assumed as at the acquisition date. The measurement was completed in October 2021 and within a period of 1 year from the acquisition date in accordance with the Thai Financial Reporting Standard No. 3 Business Combinations. The fair value of the identifiable assets acquired and liabilities assumed as at the acquisition date as follows:

(Unit: Thousand Baht)	
Net assets as at the date business acquisition - book value	114,873
Fair value adjustment transactions:	
Decrease in building improvements and equipment	(618)
Increase in customer relationship	25,815
Increase in deferred tax liabilities	(5,039)
Net assets from business acquisition - fair value	135,031
Shareholding percentage (%)	15
Net assets in proportion of the Company	20,255
Cash paid for business acquisition	49,500
Goodwill from business acquisition	29,245

The Group recognised the amortisation of customer relationship using a straight-line method based on the estimated useful lives according to the period of a customer relationship of seven (7) years in proportion to the Company's shareholding.

However, the effect of depreciations and customer relationship amortisations does not have any significant impact on the Group's consolidated financial statements. Therefore, the Group decided not to restate the prior consolidated financial statements.

14.2 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's name	Consolidated financial statements				Separate 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	
	2021	2020	2021	2020	2021	2020
Angstrom Solutions Company Limited	212	245	-	-	-	-
Promptnow Company Limited	1,679	1,096	(24)	618	-	2,038
Fanster Media Company Limited	(929)	(412)	-	-	-	-
Digital Savvy Company Limited	(3,810)	(2,545)	-	-	-	-
I Two Enterprise Company Limited	11,548	3,342	65	-	582	-
Total	8,700	1,726	41	618	582	2,038

14.3 Summarised financial information about material associates

Summarised information about financial position

(Unit: Thousand Baht)

	Angstrom Solutions Company Limited		Promptnow Company Limited		I Two Enterprise Company Limited	
	2021	2020	2021	2020	2021	2020
Current assets	439	99	158,516	153,586	441,239	409,762
Non-current assets	179,324	158,703	26,471	25,402	180,116	71,855
Current liabilities	(64,826)	(31,311)	(40,047)	(46,477)	(277,477)	(306,238)
Non-current liabilities	(10,622)	(23,809)	(9,564)	(5,408)	(113,018)	(18,053)
Net assets	104,315	103,682	135,376	127,103	230,860	157,326
Shareholding percentage (%)	40	40	20	20	15	15
Share of net assets	41,726	41,473	27,075	25,421	34,629	23,599
Goodwill	-	-	37,514	37,514	29,245	29,245
Others	(38)	3	158	158	(1)	(2)
Carrying amounts of associates based on equity method	41,688	41,476	64,747	63,093	63,873	52,842

Summarised information about comprehensive income

(Unit: Thousand Baht)

	Angstrom Solutions Company Limited		Promptnow Company Limited		I Two Enterprise Company Limited	
	2021	2020	2021	2020	2021	2020
Revenue	12,113	11,369	96,814	101,691	1,366,402	646,545
Profit	529	612	8,394	5,481	76,986	41,560
Other comprehensive income	-	-	(120)	3,088	432	-
Total comprehensive income	529	612	8,274	8,569	77,418	41,560

The Company determined the recoverable amounts of cash-generating units of associates 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	3.0
Pre-tax discount rate	9.4

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.

15. Building improvements and equipment

Movements of building improvements and equipment for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements						
	Building improvement	Office furniture	Tools and office equipment	Equipment and software system	Motor vehicles	Assets under installation and under construction	Total
Cost:							
1 January 2020	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
Additions	3,671	17,125	9,471	304	2,050	105	32,726
Disposals/write-off	(365)	(8,255)	(41,700)	(22)	(1,227)	-	(51,569)
Transfers in (out)	48	4	64	-	-	(116)	-
31 December 2021	50,655	164,384	217,203	25,752	13,570	-	471,564
Accumulated depreciation:							
1 January 2020	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	-	35,443
Depreciation for the year	7,169	14,458	11,319	34	2,463	-	(48,757)
Depreciation on disposals/write-off	(362)	(8,235)	(39,712)	(22)	(426)	-	(383,791)
31 December 2021	26,598	129,789	202,493	18,872	6,039	-	
Allowance for impairment loss:							16,750
1 January 2020	-	10,150	-	6,600	-	-	16,750
31 December 2020	-	10,150	-	6,600	-	-	16,750
31 December 2021	-	10,150	-	6,600	-	-	
Net book value:							
31 December 2020	27,510	21,794	18,482	10	8,745	11	76,552
31 December 2021	24,057	24,445	14,710	280	7,531	-	71,023
Depreciation for the year							
2020 (Baht 14 million included in cost of sales and services, and the balance in selling and administrative expenses)							35,895
2021 (Baht 15 million included in cost of sales and services, and the balance in selling and administrative expenses)							35,443

(Unit: Thousand Baht)

	Separate financial statements						
	Building improvement	Office furniture	Tools and office equipment	Equipment and software system	Motor vehicles	Assets under installation and under construction	Total
Cost:							
1 January 2020	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
Additions	3,672	16,724	7,857	-	-	105	28,358
Disposals/write-off	(365)	(7,019)	(38,437)	(22)	-	-	(45,843)
Transfers in (out)	48	4	64	-	-	(116)	-
31 December 2021	37,887	155,852	198,703	25,443	5,303	-	423,188
Accumulated depreciation:							
1 January 2020	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
Depreciation for the year	5,763	13,370	9,588	-	861	-	29,582
Depreciation on disposals/write-off	(362)	(6,999)	(36,466)	(22)	-	-	(43,849)
31 December 2021	22,410	123,699	187,085	18,834	2,630	-	354,658
Allowance for impairment loss:							
1 January 2020	-	10,150	-	6,600	-	-	16,750
31 December 2020	-	10,150	-	6,600	-	-	16,750
31 December 2021	-	10,150	-	6,600	-	-	16,750
Net book value:							
31 December 2020	17,523	18,665	15,256	9	3,534	11	54,998
31 December 2021	15,477	22,003	11,618	9	2,673	-	51,780
Depreciation for the year							
2020 (Baht 13 million included in cost of sales and services, and the balance in selling and administrative expenses)							30,886
2021 (Baht 14 million included in cost of sales and services, and the balance in selling and administrative expenses)							29,582

As at 31 December 2021, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 168 million (2020: Baht 148 million) (the Company only: Baht 154 million, 2020: Baht 131 million).

16. Leases

16.1 The Group as a lessee

The Group entered into 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 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
1 January 2020	133,483	106,938
Additions	4,852	-
Decrease	(7,883)	(7,883)
Depreciation for the year	(28,857)	(23,267)
31 December 2020	101,595	75,788
Additions	29,297	19,496
Decrease	(12,941)	-
Depreciation for the year	(27,785)	(22,773)
31 December 2021	90,166	72,511

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Lease payments	99,792	115,486	78,657	88,295
Less: Deferred interest expenses	(16,143)	(17,704)	(12,115)	(14,839)
Total	83,649	97,782	66,542	73,456
Less: Portion due within one year	(21,842)	(26,115)	(16,651)	(20,228)
Lease liabilities - net of current portion	61,807	71,667	49,891	53,228

A maturity analysis of lease payments is disclosed in Note 33.2 under the liquidity risk.

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Depreciation expense of right-of-use assets	27,785	28,857	22,773	23,267
Interest expense on lease liabilities	8,452	9,601	6,169	8,893
Expense relating to short-term leases	1,689	5,098	234	2,546

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 37 million (2020: Baht 39 million), including the cash outflow related to short-term leases. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 23 million (2020: Baht 5 million).

17. 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	Total
	Business Applications Company Limited and Hongson Company Limited	Motif Technology Public Company Limited	Msyne Innovations Company Limited	
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 a 5 years.

Key assumptions used in value in use calculations are as follows:

(Unit: Percent per annum)

	CGU 1	CGU 2	CGU 3
	Business Applications Company Limited and Hongson Company Limited	Motif Technology Public Company Limited	Msyne Innovations Company Limited
Growth rate	3.0	3.0	3.0
Pre-tax discount rate	9.4	10.0	9.4

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.

18. Other intangible assets

The net book value of intangible assets as at 31 December 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Computer software	Deferred of project system software	Cost of research and development	Program under development	Other	Total
Cost:						
1 January 2020	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
Acquisitions/internal cost	483	5,030	2,568	-	500	8,581
Disposals/write-off	(410)	-	-	-	-	(410)
Transfer in (out)	178	3,965	(3,965)	(178)	-	-
31 December 2021	56,632	54,741	6,301	-	500	118,174
Accumulated amortisation:						
1 January 2020	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
Amortisation for the year	4,555	4,897	62	-	-	9,514
Amortisation on disposals/write-off	(390)	-	-	-	-	(390)
31 December 2021	44,607	30,431	3,448	-	-	78,486
Allowance for impairment loss:						
1 January 2020	3,357	13,193	-	-	-	16,550
31 December 2020	3,357	13,193	-	-	-	16,550
Increase during the year	-	-	-	-	187	187
31 December 2021	3,357	13,193	-	-	187	16,737
Net book value:						
31 December 2020	12,582	7,019	4,312	178	-	24,091
31 December 2021	8,668	11,117	2,853	-	313	22,951
Amortisation for the year						
2020 (Baht 6 million included in cost of sales and services, and the balance in selling and administrative expenses)						9,469
2021 (Baht 8 million included in cost of sales and services, and the balance in selling and administrative expenses)						9,514

(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 2020	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
Amortisation for the year	4,464	459	-	-	4,923
Amortisation on disposals/write-off	(390)	-	-	-	(390)
31 December 2021	43,745	22,665	-	-	66,410
Allowance for impairment loss:					
1 January 2020	3,357	10,114	-	-	13,471
31 December 2020	3,357	10,114	-	-	13,471
31 December 2021	3,357	10,114	-	-	13,471
Net book value:					
31 December 2020	12,427	461	3,594	178	16,660
31 December 2021	8,600	2	3,999	-	12,601
Amortisation for the year					
2020 (All amortisation included in selling and administrative expenses)					6,924
2021 (All amortisation included in selling and administrative expenses)					4,923

As at 31 December 2021, 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 42 million (2020: Baht 34 million) (the Company only: Baht 41 million, 2020: Baht 34 million).

19. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Short-term loans from financial institutions	0.90 - 4.25	405,000	20,000	390,000	-
Total		405,000	20,000	390,000	-

The short-term loans from financial institutions were unsecured loans.

As at 31 December 2021, the bank overdrafts and short-term loans from banks credit facilities of the Group which have not yet been drawn down amounted to Baht 1,619 million (2020: Baht 1,909 million).

20. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade and other payables	893,503	1,109,841	794,302	1,069,454
Escrow payables	37,674	36,868	-	-
Revenue Department payable	39,862	76,685	36,828	74,018
Total trade and other payables	971,039	1,223,394	831,130	1,143,472

21. Installment payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Installment payables	67,537	79,559	67,537	79,559
Less: Current portion	(21,861)	(25,766)	(21,861)	(25,766)
Net of current portion	45,676	53,793	45,676	53,793

Installment payables are non-interest bearing and has 4 - 6 repayment periods, approximately 12 - 55 months.

22. 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 2020	12,142	21,414	33,556
Increase (decrease) including actual incurred during the year	11,760	(6,354)	5,406
Paid during the year	-	(3,425)	(3,425)
31 December 2020	23,902	11,635	35,537
Increase including actual incurred during the year	7,813	26,485	34,298
Paid during the year	(3,595)	(26,993)	(30,588)
31 December 2021	28,120	11,127	39,247

(Unit: Thousand Baht)

	Separate financial statement		
	Penalties for project delays	Possible project losses	Total
1 January 2020	4,011	12,869	16,880
Increase (decrease) including actual incurred during the year	16,000	(7,869)	8,131
31 December 2020	20,011	5,000	25,011
Increase including actual incurred during the year	6,714	28,734	35,448
Paid during the year	(3,096)	(26,993)	(30,089)
31 December 2021	23,629	6,741	30,370

23. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Provision for long-term employee benefits at beginning of year	164,542	129,524	137,942	110,154
Included in profit or loss:				
Current service cost	17,940	11,889	14,197	9,369
Interest cost	2,474	3,396	2,049	2,876
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	49	-	46
Financial assumptions changes	(15,561)	22,683	(15,561)	19,279
Experience adjustments	14,977	(1,416)	14,977	(2,199)
Benefits paid during the year	(3,359)	(1,583)	(1,082)	(1,583)
Provision for long-term employee benefits at end of year	181,013	164,542	152,522	137,942

The Group expects to pay Baht 3 million of long-term employee benefits during the next year (2020: Baht 1 million) (the Company only: Baht 3 million) (2020: Baht 1 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 12 - 21 years (2020: 12 - 21 years) (the Company only: 13 years, 2020: 14 years).

Significant actuarial assumptions are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	1.49 - 2.50	1.49 - 1.82	2.50	1.49
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 at 31 December 2021 and 2020 are summarised below:

(Unit: Million Baht)

	2021			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (change 1%)	(16.7)	19.1	(13.5)	15.6
Salary increase rate (change 1%)	17.7	(15.8)	14.2	(12.6)
Turnover rate (change 20%)	(19.6)	23.7	(16.1)	20.2

(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

24. 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.

25. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Salaries and wages and other employee benefits	1,364,049	1,081,011	1,162,684	916,965
Depreciation and amortisation	72,742	74,221	57,278	61,077
Purchase of inventories and service	2,900,029	2,731,844	2,860,036	2,671,060
Loss on exchange rate	11,260	25,628	9,425	24,264
Impairment loss on investment in subsidiary	-	-	8,300	5,000
Impairment loss on investments in associates	-	-	7,800	6,900
Expected credit losses	-	26,252	-	22,391

26. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current income tax:				
Current income tax charge	70,231	76,986	58,031	65,658
Deferred tax:				
Relating to origination and reversal of temporary differences	(35)	(13,957)	123	(13,228)
Effect of the change in tax rate	-	5	-	-
Income tax expenses reported in profit or loss	70,196	63,034	58,154	52,430

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax on actuarial gains and losses	117	(4,382)	117	(3,425)
Deferred tax on gain from cash flow hedges	675	-	675	-
	792	(4,382)	792	(3,425)

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Accounting profit before tax	328,156	310,733	284,427	287,064
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	65,631	62,147	56,885	57,413
Effects of eliminated transactions	1,495	3,317	-	-
Effects of changes in the tax rates	(41)	(56)	-	-
Temporary differences and tax losses for the year for which deferred tax assets were not recognised	5,222	5,302	3,220	2,380
Temporary differences of previous year which were recognised as deferred tax assets during the year	(947)	(4,295)	(947)	(4,295)
Reversal of temporary differences which were recognised as deferred tax assets of previous year	5,410	2,574	4,833	2,574
Tax losses utilised during the year for which deferred tax assets were not previously recognised	(491)	(729)	-	-
Effects of:				
Non-deductible expenses	1,636	1,485	1,195	780
Exempt revenues	(1,331)	(4,830)	(846)	(4,830)
Additional expense deductions allowed	(6,388)	(1,726)	(6,186)	(1,592)
Others	-	(155)	-	-
Total	(6,083)	(5,226)	(5,837)	(5,642)
Income tax expense reported in profit or loss	70,196	63,034	58,154	52,430

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax assets				
Allowance for expected credit losses	12,237	12,776	12,073	12,611
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	35,274	32,061	30,504	27,589
Provision for penalties of project delay and project loss	5,350	5,002	5,350	5,002
Provision for decommissioning	965	-	965	-
Derivative liabilities	-	4,295	-	4,295
Lease	1,034	792	1,061	696
Total	56,275	56,341	51,368	51,608
Deferred tax liabilities				
Unrealised gain on derivative at fair value	675	-	675	-
Unrealised gain from change in value of investments in debt mutual fund	38	21	-	-
Total	713	21	675	-

As at 31 December 2021, the Group has deductible temporary differences and unused tax losses totaling Baht 77 million (2020: Baht 71 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 53 million will expire by 2026 (2020: Baht 44 million will expire by 2025).

27. 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.

28. 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 information regarding the Group's operating segments for the year ended 31 December 2021 and 2020:

(Unit: Million Baht)

Consolidated financial statements														
	Systems integration		Maintenance service		IT professional service		Cloud computing service		Others		Eliminations		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues from external customers	1,851	2,153	1,784	1,288	939	856	559	345	41	29	-	-	5,174	4,671
Inter-segment revenues	8	16	64	52	149	128	-	-	1	-	(222)	(196)	-	-
Total revenues	1,859	2,169	1,848	1,340	1,088	984	559	345	42	29	(222)	(196)	5,174	4,671
Segment gross profit	208	197	285	327	376	276	35	50	6	8	-	-	910	858

28.1 Timing of revenue recognition

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Revenue recognised at a point in time	404,313	813,659	247,709	639,255
Revenue recognised over time	4,770,050	3,857,156	4,519,062	3,658,158
Total revenue from contracts with customers	5,174,363	4,670,815	4,766,771	4,297,413

28.2 Major customers

For the year 2021, the Group has revenue from two major customers in totaling of Baht 1,129 million (2020: Baht 1,194 million), arising mostly from systems integration and IT professional service segments.

29. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rate of 3 - 15 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 2021 amounting to approximately Baht 36 million (2020: Baht 31 million) (The Company only: Baht 33 million and 2020: Baht 27 million) were recognised as expenses.

30. Dividends

Dividends	Approved by	Dividends paid (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2019	Annual General Meeting of the shareholders on 27 April 2020	154,508	0.35
Total dividends for 2020		154,508	
Final dividends for 2020	Annual General Meeting of the shareholders on 26 April 2021	176,581	0.40
Total dividends for 2021		176,581	

31. Commitments and contingent liabilities

31.1 Guarantees

As at 31 December 2021, the Company had outstanding bank guarantees of Baht 497 million and USD 1 million (2019: Baht 367 million and USD 1 million) and on behalf of the subsidiaries of Baht 27 million (2020: Baht 28 million) in respect of certain performance obligations required in the normal course of business of the Group.

31.2 Obligations relating to undelivered or unrendered contracts

As at 31 December 2021, the Group has contracts related to selling goods or rendering services that are undelivered or unrendered to its customers of approximately Baht 6,384 million (2020: Baht 5,112 million) and of approximately Baht 6,198 million for the Company only (2020: Baht 4,995 million).

31.3 Contingent liabilities on lawsuit

31.3.1 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.

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.

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. During the year 2020, the above government agency lodged an appeal.

As at 31 December 2021, no progress or developments relating to such case have occurred, which is currently being considered by the Supreme Administrative 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 state enterprise customer filed a 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.

As at 31 December 2021, no progress or developments relating to such case have occurred, which is under consideration of the Civil Court. The Civil Court set a date for a witness hearing of the plaintiff and defendant to be held in August 2022.

The management considered and estimated the penalty loss at Baht 3 million or 10 percent of the contract value which is in accordance with the regulation of Prime Minister's Office on Procurement, B.E. 2535.

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.

On 23 March 2021, the subsidiary filed a counterclaim against the plaintiff in the above lawsuit on the grounds that the counterparty breached and terminated the agreements unlawfully and contrary to the law without grounds for the termination. The subsidiary did not breach the purchase and computer software license agreements as claimed in the indictment of the counterparty. The subsidiary filed a claim for damages incurred from the delivery of completed work under the agreements, together with damages for the additional scope of work, with interest at the penalty rate of 7.5 percent per annum, accumulated up until the counterclaim filing date, or a total amount of Baht 9.1 million.

On 5 July 2021, the Civil Court of Southern Bangkok ordered the consolidation of the trial of litigation.

As at 31 December 2021, no progress or developments relating to such case have occurred, which is currently being considered of the Civil Court. The Civil Court set a date for hearing the judgement to be held on 8 April 2022.

The management considered and estimated the penalty loss at 10 percent of the contract value or amounting to Baht 0.75 million as stipulated in the contract.

32. Fair value hierarchy

As at 31 December 2021 and 2020, 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 at 31 December 2021			
	Level 1	Level 2	Level 3	Level 4
Asset measured at fair value				
Investments in debt mutual funds	-	58	-	58
Derivatives				
Foreign currency forward contracts	-	6	-	6

(Unit: Million Baht)

	Consolidated financial statements			
	As at 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)

	งบการเงินเฉพาะกิจการ			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Level 4
Asset measured at fair value				
Derivatives	-	6	-	6
Foreign currency forward contracts				
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	21	-	21

33. Financial instruments

33.1 Derivatives and hedge accounting

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Derivative assets				
Derivative assets designated as hedging instruments				
Foreign exchange forward contracts	5,853	-	5,853	-
Total derivative assets	5,853	-	5,853	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Derivative liabilities				
Derivative assets designated as hedging instruments				
Foreign exchange forward contracts	4	21,473	-	21,473
Derivative assets designated as hedging instruments				
Foreign exchange forward contracts	259	-	259	-
Total derivative liabilities	263	21,473	259	21,473

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.

Derivatives designated as hedging instruments

Cash flow hedges

Foreign currency risk

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast purchases in US dollar. These forecast transactions are highly probable, and they comprise about 55% of the Group's total expected purchases in US dollars. The foreign exchange forward contract balances vary with the level of expected foreign currency purchases and changes in foreign exchange forward rates.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange match those of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risks of the foreign exchange are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes and accordingly different curves linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

Details of derivatives, by maturity, held as hedging instruments as at 31 December 2021 are less than 1 year as follows:

Foreign exchange forward contracts (for highly probable forecast purchases)

Notional amount (Thousand Baht)	328,544
Average forward rate (Baht/US dollar)	31.86 - 34.00

The impact of hedged items on the statement of financial position as at 31 December 2021 is, as follows:

(Unit: Thousand Baht)

	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
Highly probable forecast purchases	(10,385)	(3,375)	-

The impact of the hedging instruments on the statement of financial position as at 31 December 2021 and the effect of the cash flow hedge in the statement of comprehensive income for the year ended 31 December 2021 are, as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements					
	Notional amounts	Carrying amount	Line item in statement of financial position	Changes in fair value used for measuring ineffectiveness	Effectiveness recognised in other comprehensive income	Ineffectiveness recognised in profit or loss
Foreign exchange forward contracts - hedge the risk arising from highly probable forecast purchases	328,544	5,594	Derivative assets	13,386	10,385	3,001
						Gain or loss from foreign exchange forward contracts

Cash flow hedge reserve reclassified to cost of work in process.

33.2 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 at 31 December 2021, the Group has outstanding balance trade payables denominated in foreign currency of USD 7 million (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).

As at 31 December 2021 and 2020, the balances of derivative assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated / Separate financial statements					
	Derivative assets		Derivative liabilities		Average exchange rate	
	2021 (Million)	2020 (Million)	2021 (Million)	2020 (Million)	2021	2020
					(Baht per 1 foreign currency unit)	
US dollar	10	-	-	16	31.86 - 34.00	30.91 - 32.66

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted purchases.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to match the terms of the hedged exposure. For hedges of forecast transactions, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting payable that is denominated in the foreign currency.

At 31 December 2021, the Group hedged its expected foreign currency purchases. Those hedged purchases were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

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 2021 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Short-term loans from financial institutions	405,707	-	405,707
Trade and other payables	971,039	-	971,039
Amounts due to related parties	24,194	-	24,194
Lease liabilities	28,748	71,044	99,792
Installment payables	21,861	45,676	67,537
Total non-derivatives	1,451,549	116,720	1,568,269
Derivatives			
Derivative liabilities: net settled	339,756	-	339,756
Total derivatives	339,756	-	339,756

(Unit: Thousand Baht)

	Separate financial statements		
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Short-term loans from financial institutions	390,646	-	390,646
Trade and other payables	831,130	-	831,130
Amounts due to related parties	99,349	-	99,349
Lease liabilities	21,444	57,213	78,657
Installment payables	21,861	45,676	67,537
Total non-derivatives	1,364,430	102,889	1,467,319
Derivatives			
Derivative liabilities: net settled	328,544	-	328,544
Total derivatives	328,544	-	328,544

33.3 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.

34. 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 2021, the Group's debt-to-equity ratio was 1.83:1 (2020: 1.68:1) and the Company's was 1.75:1 (2020: 1.58:1).

35. Events after the reporting period

On 23 February 2022, 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 2021 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.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2022.

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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 2022 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



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Details of Directors, Executives, Authorized Person, and Company Secretary of MFEC Public Company Limited as of 31st December 2021

No.	Name/ Position/ The Appointment Date	Age (Years)	Education	Shareholding (%)	Family Relationship with Executives	Working Experience in Past 5 Years		
						Period	Position	Type of Business
1	Mr. Sirisak Tirawattanangkul Chairman The Authorized Person Appointed by AGM 1/2019	61	<ul style="list-style-type: none"> Bachelor's Degree in Physics, Chulalongkorn University DAP, RCP Programs of IOD 	2.27	-	2016 - Present 2011 - 2013	Chairman Director	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 Public Company Limited						*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	53	<ul style="list-style-type: none"> Bachelor of Engineering, Osaka University, Japan MBA, Graduate School of Business Administration, Keio University, Japan DAP Program of IOD 	-	-	2014 - Present 2021 - Present 2018 - 2021 2016 - Present 2013 - 2018	Director Senior Managing Executive Officer Managing Executive Officer Chairman Executive Officer	Provide advisory services, development and system integration for computer system and information technology network Provide IT solution services including development, data center and cloud services Provide sales, leasing, rental of software, hardware, products and services on computer systems Provide IT solution services including development, data center and cloud services
*Directorial position in Listed Company: One (1) Listed Companies Director in MFEC PLC.						*Non-Listed Company: One (1) 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. Siritwat Vongjarukorn Director/ Chief Executive Officer/ Member of the Nomination and Remuneration Committee The Authorized Person Appointed by AGM 1/2020	53	<ul style="list-style-type: none"> Honorary Doctorate Degree of Information Technology, Sripatum University Bachelor of Engineering, Chulalongkorn University DAP DCP Programs of IOD 	4.0	-	2003- Present	Director / Chief Executive Officer	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2021 - Present	Director	Venture Lab Company Limited	Provide services on research and development of new products about information technology
						2021 - Present	Chairman of the Advisory Board	Rabbit Digital Group Company Limited	Provide advertising services, buying advertising material and creative advertising
						2021 - Present	Director	Omega Grit Company Limited	Provide consulting, design services, procurement and program development
						2021 - Present	Director	I Two Enterprise Company Limited	Provide and distribute engineering services in information technology and communications and telecommunication businesses
						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
						2003 - Present	Subcommittee	National Science Museum Organization	National Science Museum, Ministry of Higher Education, Science Research and Innovation
						* Directorial position in Listed Company: Three (3) Listed Companies Director in MFEC Public Company Limited and six (6) companies in the group Director in Matichon Public Company Limited Director in Veranda Resort Public Company Limited			
						* Directorial position in Non-Listed Company: Two (2) 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/ Member of the Risk Management and Corporate Governance Committee The Authorized Person Appointed by AGM 1/2020	53	<ul style="list-style-type: none"> Bachelor of Engineer, Chulalongkorn University DAP, HRP and FSD 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
						2021 - Present	Director	Venture Lab Company Limited	Provide services on research and development of new products about information technology
						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 Public Company Limited and five (5) 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 1/2021	81	<ul style="list-style-type: none"> Ph.D. Faculty of Information Technology, Rajamangala University of Technology Suvornabhumi (Honorary Degree) Bachelor of Commerce, Chulalongkorn University DCP, RCC Programs of IOD 	-	-	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
						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 Public Company Limited *Directorial Position in Non-Listed Company: Two (2) 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
6	Mr. Suchart Thammapiatgul Independent Director/ Chairman of the Audit Committee Appointed by AGM 1/2018	73	<ul style="list-style-type: none"> • 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 and 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 and 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 and 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
7	Prof. Dr. Uthai Tanlamai Independent Director/ Chairman of the Risk Management Committee/ Member of the Audit Committee Appointed by AGM 1/2021	69	<ul style="list-style-type: none"> • 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 	-	-	* Directorial Position in Listed Company: Four (4) Listed Companies Independent Director in MFEC Public Company Limited Independent Director in Modernform Group Public Company Limited Independent Director in T.C. Union Global Public Company Limited Independent Director in Unimit Engineering Public Company Limited * Directorial Position in Non-Listed Company: Four (4) Non-Listed Companies			
						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
						2021 - Present	Chairman	Nonthavej Hospital Public Company Limited	Provide medical services
						2020 - Present	Independent Director/ Member of the Audit Committee/ Chairman of the Risk Management and Corporate Governance Committee		
						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 Public Company Limited			
						* Directorial Position in Non-Listed Company: One (1) Non-Listed Companies * Professor in the institution: One (1) Institution			

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
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	70	<ul style="list-style-type: none">• Ph. D., Finance, Western American University, U.S.A.• Master's Degree, Business Administration, Kasetsart University• Bachelor's Degree, Economics, Thammasat University• DAP, DCP Programs of IOD	-	-	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
						2021 - Present	Advisor to the Board	Sanko Diecasting (Thailand) Public Company Limited	Manufacture and sale of auto parts (aluminum diecasting)
						2006 - Present	Advisory to the Board of Directors	Jubilee Enterprise Public Company Limited	Operations on electrical appliances generating electricity from renewable energy, solar, and biomass
						1999 - Present	Director	Inter Capital Leasing Company Limited	Providing financial services, factoring, leasing
						1995 - Present	Chairman of the Board	C. Am Creation Company Limited	Give advice on financial and business management
						*Directorial Position in Listed Company: One (1) Listed Company Independent Director in MFEC Public Company Limited * Directorial Position in Non-Listed Company: One (1) Non-Listed Company * Advisory for the Board of Directors: Two (2) Company			
10	Mr. Masakazu Kawamura Director The Non - Authorized Person Appointed by AGM 1/2021	48	<ul style="list-style-type: none">• Master of Business Administration from Yokohama National University, Japan• DAP Program of IOD	-	-	2021 - Present	Director	MFEC Public Company Limited	Provide advisory services, development and system integration for computer system and information technology network
						2021 - Present	Director	AGREX INC.	Provide BPO services, development and system integration for information technology
						2020 - Present	Executive Officer	TIS Inc.	Provide IT solution services including development, data center and cloud services
						2020 - Present	Director	TIS Chiyoda Systems Inc.	Provide IT consulting services, development, integration and operation support service
						2019 - Present	Director	I AM Consulting Company Limited	Provide services include consulting, development, implementation and education
						*Directorial position in Listed Company: One (1) Listed Companies Director in MFEC PLC. *Non-Listed Company: Three (3) 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. Kitti Wintima Chief Operating Officer – Telco BU	49	<ul style="list-style-type: none"> • 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			
12	Mr. Arm Sivadith Executive Director/ Chief Transformation Officer	47	<ul style="list-style-type: none"> • 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
						2021 - Present	Director	Venture Lab Company Limited	Provide services on research and development of new products about information technology
						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 Public Company Limited and Director in five (5) 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
13	Mr. Pitch Manakijpairoj, Chief Financial Officer Appointed in the Executive Board Meeting No. 1/2020 Dated: July 20, 2020	42	<ul style="list-style-type: none">• 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	B-52 Capital Public Company Limited	Distribution of consumer products through retailers and wholesaler network
						2009 - 2018	Senior Vice President	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 Public Company Limited and Director in two (2) 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	34	<ul style="list-style-type: none">• Bachelor's Degree of Arts, Silpakorn University• Bachelor of Laws, Sukhothai Thammathirat Open University• Company Secretary Program of IOD	-	-	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 Chariman	King Power International Company Limited	Duty Free Shops
15	Mrs. Netnapha Chaoun Accountant	39	<ul style="list-style-type: none">• 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 2021

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	PS	DC	VL	ANG	PN	FM	DS	ITwo	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 and II	I	I and II	-	-	I	-
4. Mr. Thanakorn Charlee	I and II	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. Masakazu Kawamura	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	II
11. Mr.Kitti Wintima	III	-	-	-	-	I and II	-	-	-	-	-	-	-	-	-	-
12. Mr. Arm Sivadith	III	-	-	-	-	-	-	I and II	I and II	I and II	-	-	I and II	I and II	-	-
13. Mr. Pitch Manakijairoj	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



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Information about directors of subsidiaries and associated companies as of 31 December 2021

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Information about directors of subsidiaries and associated companies as of 31 December 2021

List of companies	Subsidiaries									Associated companies				
List of directors	PFT	MISO	BAC	MOTIF	MS	HS	PTS	DC	VL	ANGSTROM	PN	FT	DS	I Two
31. Mr. Sakolporn Sornkul	-	-	-	-	-	-	-	-	-	-	-	-	I & II	-
32. Mr. Panya Pornkajornkitkul	-	-	-	-	-	-	-	-	-	-	-	-	I & II	-
33. Mr. Thanawat Lertwattanakul	I & II	-	-	-	-	-	-	-	-	-	-	-	-	-
34. Ms. Chotima Sitthichaisit	-	-	-	-	-	-	-	-	I & II	-	-	-	-	-
35. Mr. Athiporn Limchareon	-	-	-	-	-	-	-	-	-	-	-	-	-	I & II
36. Mr. Yutthachai Toolphun	-	-	-	-	-	-	-	-	-	-	-	-	-	I & II
37. Mr. Paitoon Pramuanachai	-	-	-	-	-	-	-	-	-	-	-	-	-	I & II
38. Mr. Somphot Wunlayasavi	-	-	-	-	-	-	-	-	-	-	-	-	-	I
39. Mr. Chanakun Srirattanabul	-	-	-	-	-	-	-	-	-	-	-	-	-	I
40. Mr. Somchai Wongrussamee	-	-	-	-	-	-	-	-	-	-	-	-	-	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 2021

<div> <div>List of directors</div> <div>List of related companies</div> </div>	Mr. Shuhei Kamoto	Mr. Praphan Teerawanwilai	Mr. Viriya Anuchari	Mrs. Mallika Teerawanwilai	Mr. Chewin Kosiyapong	Mr. Thana Kosiyapong	Mr. Chattri Sabado Srivijit	Mr. Viroj Jiraphattanakul	Mr. Thanachart Ritbumroong	Mr. Vaksorn Lohthong	Mr. Sarayuth Mahawaleerat	Mr. Sakolporn Sornkul	Mr. Thanawat Lertwattanak	Mr. Somphot Wunlayasavi	Mr. Chanakun Srirattanakul	Mr. Somchai Wongrussamee
CIL TECHNOLOGIES	I & II															
SKOOL DIO								I & II								
X-SIDEKICK		I & II														
NEWKRU		I & II		I & II												
RIVER NET			I & II													
ANAN JINDA				I & II												
1970 Co., Ltd.					I & II											
ALOHA INTER					I & II	I & II										
LETSPACE							I & II									
CLARIS							I & II									
THE FLYING TOMATO MUSIC					I & II											
LIFEIS GROUP					I & II		I & II									
SIAMSAMUT WARIN							I & II									
THE MOVEMENT PLAYGROUND							I & II									
THE MOVEMENT PLAYGROUND AT SUKHUMVIT 69							I & II									
THE MOVEMENT PLAYGROUND AT MEGA PARK							I & II									
REVONIZE CONSULTING									I & II							
HEALTH TECHNOLOGY HOLDING									I & II							
SIAM SPORT SYNDICATE Plc.									I & II	I & II						
SIAM SPORT DIGITAL MEDIA									I & II	I & II						
SPORT & LEISURE PROMOTION									I & II	I & II						

Information about Directors of related companies as of 31 December 2021 (Continued)

<div> <div>List of directors</div> <div>List of related companies</div> </div>	Mr. Shuhei Kamoto	Mr. Praphan Teerawanwilai	Mr. Viriya Anuchari	Mrs. Mallika Teerawanwilai	Mr. Chewin Kosiyapong	Mr. Thana Kosiyapong	Mr. Chattri Sabado Srivijit	Mr. Viroj Jiraphattanakul	Mr. Thanachart Ritbumroong	Mr. Vaksorn Lohthong	Mr. Sarayuth Mahawaleerat	Mr. Sakolporn Sornkul	Mr. Thanawat Lertwattanak	Mr. Somphot Wunlayasavi	Mr. Chanakun Srirattanakul	Mr. Somchai Wongrussamee
TMF										I & II						
SHOOT SPORTS										I & II						
P&P ESTATE										I & II						
JYI BEAUTY										I & II						
GEN M DEVELOPMENT										I & II						
INSTINCT (THAILAND)										I & II		I & II				
LOHTONG HOLDING										I & II						
MUANG THONG UNITED										I & II						
PRIME PROPERTY ESTATE										I & II						
TALENT TEAM										I & II						
SIAMSPORTMEDIA MANAGEMENT											I & II					
I-SPORT											I & II					
DEEPPARKS PEER LENDING													I & II			
BLOCKCHAIN WORKING GROUP (THAILAND)													I & II			
BUSINESS ALIGNMENT PCL.													I & II			
MASTER STYLE													I & II			
INFOFABRICA (THAILAND)													I & II			
ECM CONSULTING													I & II			
K INNOVATION													I & II			
J P2P													I & II			
J VENTURES													I & II			
SAFEBCS													I & II			
BASELINE TECHNOLOGY CONSULTANTS													I & II			

Information about Directors of related companies as of 31 December 2021 (Continued)

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Attachment 3

**Details of Internal Audit Supervisory and Supervisors
who supervise the compliance of the Company**



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Biography of Internal Audit Supervisor



Miss Thitirat Thanathitikankun

43 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
- The Certified Professional Internal Auditor of Thailand (CPIAT) Course, The Institute of Internal Auditors Thailand

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

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Attachment 4

**Assets used in business operations and details
about Property Appraisal Items**



4. Assets used in business operation

4.1 Main fixed assets of the company and subsidiaries

As of December 31, 2021, 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	24,057
Office decoration	Owner	24,445
Tools and equipment	Owner	14,710
Deferred project work equipment	Owner	280
Vehicle	Owner	7,531
Assets under installation	Owner	-
Intangible assets	Owner	22,951
		93,974

The intangible assets of the company and subsidiaries are such as computer software, 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: Real Estate Investment Trust and Leasehold WHA Businesss Complex Relevance: -Not related- Rental Location: 11 th Floor, Room no. 1101-7, SJ Infinite One Business Complex Building Duration: 16 October 2019 - 15 October 2022 Rental Location: 12 th Floor, Room no. 1204-6, SJ Infinite One Business Complex Building Duration: 1 August 2021 – 31 July 2024 Rental Location: 23 rd Floor, Room no. 2301-7, SJ Infinite One Business Complex Building Duration: 1 November 2019 – 31 October 2022
MFEC Public Company Limited Rental purpose: Research and Development Center	Contract Party: Thanapat Property Development Public Company Limited Relevance: -Not related- Rental Location: 27 th Floor, Zone A1-A2 B and D, LPN Tower Duration: 1 April 2021 – 31 March 2024 Rental Location: 17 th Floor, Zone C3 and D1, LPN Tower Duration: 1 December 2021 – 31 November 2024

Office	Contract Details	Contract Details
Playtorium Solutions Company Limited Rental purpose: Head Office	Contract Party: MFEC Public Company Limited Relevance: Major shareholder and Joint director Rental Location: 23 rd Floor, SJ Infinite One Business Complex Building Duration: 1 February 2021 – 31 January 2022	
Praln FinTech Comapny Limited Rental purpose: Head Office	Contract Party: Real Estate Investment Trust and Leasehold WHA Businesss Coplex Relevance: -Not related- Rental Location: 21 st 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: 17 th Floor, Modernform Srinakarin Tower Duration: 1 September 2020 - 30 November 2023	
Motif Technology Public Company Limited Rental purpose: Head Office	Contract Party: C.T. Land Company Limited Relevance: -Not related- Rental Location: 14 th Floor, Time Square Building Duration: 16 April 2020 – 15 April 2024	
Business Application Company Limited Rental purpose: Head Office	Contract Party: Thai Samut Asset Company Limited Relevance: -Not related- Rental Location: 2 nd Floor, Ocean Insurance Building, Surawong Road Duration: 1 October 2021 – 30 September 2023	
Hongson Company Limited Rental purpose: Head Office	Contract Party: Business Application Company Limited Relevance: Joint shareholders and director Rental Location: 2 nd Floor, Ocean Insurance Building, Surawong Road Duration: 1 October 2021 – 30 September 2023	
Data Café Company Limited Rental purpose: Head Office	Contract Party: MFEC Public Company Limited Relevance: Major shareholder and Joint director Rental Location: 11 th Floor, SJ Infinite One Business Complex Building Duration: 1 January 2022 – 31 December 2022	
MSyne Innovations Company Limited Rental purpose: Head Office	Contract Party: MFEC Public Company Limited Relevance: Joint director Rental Location: 23 rd Floor, SJ Infinite One Business Complex Building Duration: 1 January 2022 – 31 December 2022	

Office	Contract Details Contract Details
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: 23 rd Floor, SJ Infinite One Business Complex Building Duration: 1 January 2022 – 31 December 2022

4.2 Investment policy in subsidiaries and associate 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 important 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	72.90
10. Venture Lab Company Limited	99.99
Associate 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

No significant property appraisal reports were made during the year 2021.



Attachment 5

The complete policies and guidelines for Corporate governance and the complete business ethics that the Company prepared



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Corporate Governance Policy

MFEC Public Company Limited

No. 8 (7th Edition)

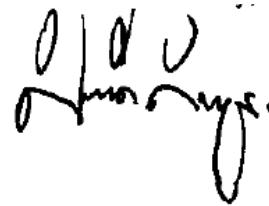
Corporate Governance Policy

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 Board of Directors of MFEC Public Company Limited has considered and formulated a corporate governance policy by covering various practices to uphold it as a good guideline for the Board, Executives and Staff to achieve the goal of creating stability and sustainable growth of the organization.

The Company's Manual "Corporate Governance Policy" No. 8 (7th Edition) was reviewed at the Risk Management and Corporate Governance Committee Meeting No. 1/2022 on February 3, 2022. It was considered and approved by the Board of Directors No. 1/2022, dated February 23, 2022.



(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 regularly 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 Clear Leadership Role and Responsibilities of the Board
2. Define Objectives that Promote Sustainable Value Creation
3. Strengthen Board Effectiveness
4. Ensure Effective CEO and People Management
5. Nurture Innovation and Responsible Business
6. Strengthen Effective Risk Management and Internal Control
7. Ensure Disclosure and Financial Integrity
8. Ensure Engagement and Communication with Shareholders

Guideline 1

Establish Clear Leadership Role and Responsibilities of the Board

Rationale

- o 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.
- o 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.
- o 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.
- o 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.
 - o Audit Committee
 - o Risk Management and Corporate Governance Committee
 - o Nomination and Remuneration Committee
 - o 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.
 - o Auditor
 - o Chief Financial Officer (CFO)
 - o Company Secretary
 - o 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
 - o Board of Directors
 - o Audit Committee
 - o Risk Management and Corporate Governance Committee
 - o Nomination and Remuneration Committee
 - o Executive Committee
 - o President and Administration

2.2 Consider each committee's charter and review charters at least once a year.

- o Board of Directors Charter
- o Audit Committee Charter
- o Internal Audit Office Charter
- o Risk Management and Corporate Governance Committee Charter
- o Nomination and Remuneration Committee Charter
- o 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 & implementation 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 & Qualification of the Board of Directors

1.1 Membership

- o The Board shall be comprised of at least five (5) members and half of them shall have residence in the Kingdom of Thailand.
- o No less than three (3) of the Board's members shall satisfy independence requirements.

1.2 Qualifications

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 the Board shall not be the same person of Chief Executive Officer 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 all 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 Chief Executive Officer/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

Chief Executive Officer

- 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 Chief Executive Officer. President shall abide by the direction and policies designated by the Executive Committee

2. Approval Authorization of the Board of Directors

- o Be authorized to supervise and manage the company to follow the laws, objectives, regulations and shareholders' meeting resolutions
- o Be authorized to appoint a director as Chairman and another as Vice Chairman
- o Be authorized to appoint a director as Chief Executive Officer, and make appointments of President and Company Secretary

Duty and Responsibility of the 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 Chief Executive Officer / 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

- o 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.
- o 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

- o 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.
- o 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.
- o 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.
- o 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.
- o 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. Meeting

- o In the event that Chairman resigns, Vice Chairman or a Board member shall chair the meeting.
- o At least half of all Board members shall constitute a quorum.
- o The Board shall 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.
- o 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

- o 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.
- o Manage to have all Board members to jointly assess the 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

- o 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.
- o Company Secretary shall prepare minutes of Board of Directors' meeting.

8. Reporting

- o 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.
- o Board of Directors shall understand financial data and shall not intervene the company's auditor in terms of objectives and professional standard.
- o 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.
- o 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

- o 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.
- o 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

- o 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.
- o 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 the Audit Committee

1.1 Membership

- o Audit Committee shall be comprised of at least three (3) Board members who shall satisfy the independence requirements for directors.
- o 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.

1.2 Qualification

- o Each Audit Director shall hold no more than 1% of paid-up capital of the company's subsidiaries, associate companies and other related companies.
- o 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.
- o 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

- o Audit Director's term shall run for two (2) years from the date of appointment.
- o 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.
- o 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

- o Review the integrity and accurateness of the company's financial statements with sufficient disclosure of information
- o Review the adequacy, appropriateness and effectiveness of the company's internal control, risk management and internal audit systems
- o Review practices in accordance with the good corporate governance and business ethics for appropriateness and effectiveness
- o 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
- o Screen and nominate the company's auditor and propose his/her remuneration
- o 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
- o 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
- o Consider and approve budget and workforce of the Internal Audit Office
- o Consider, appoint and move Chief of the Internal Audit Office, and participate in appraisal of his/her performance
- o 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.
- o 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
- o 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
- o 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.
- o 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.
- o Obtain independent advice from other professional advisors, as deem appropriate and necessary, in respect to the company's expenses

4. Meeting

- o 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.
- o 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.
- o 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.
- o Audit Committee shall meet with the Internal Auditor or the Auditor in a separate executive session at least once a year.
- o 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.
- o An invitation letter for a meeting shall be delivered no less than seven (7) days beforehand. In the event 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

Audit Committee's Remuneration shall be determined by the Nomination and Remuneration Committee's Meeting with consideration of the Board of Directors' Meeting and the Shareholders' Meeting, respectively.

6. Reporting

6.1 Reporting to the Board of Directors

- o Report its activities to the Board for acknowledgement consistently
- o Report to the Board with respect to its notes to the company's financial information and internal audit results
- o 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.

- o 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.
- o 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

- o 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.
- o Company Secretary shall prepare minutes of Audit Committee's meeting.

Risk Management and Corporate Governance Committee

1. Membership & Qualification of the Risk Management and Corporate Governance Committee

- o 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.
- o 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

- o 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.
- o 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.
- o Upon Board of Directors' resolution.

3. Scope of Authority, Duty and Responsibility

3.1 Risk Management

- o Consider and propose risk management policy and framework to Board of Directors for approval
- o Review and agree on risk appetites and propose them to the Board for acknowledgement
- o 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
- o Review risk management reports to monitor significant risks with actions as to ensure that the company devises adequate and proper risk management
- o 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
- o Report the Board risks and management of significant risks regularly
- o Provide recommendations, advice and solutions involving improvement of the risk management system to the Risk Management Working Group
- o 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
- o Perform any other duties pertinent to risk management as delegated by the Board
- o 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.

3.2 Corporate Governance

- o Set the policy and guidelines for good corporate governance and propose them to the Board for consideration and approval
- o Make recommendations on good corporate governance to the Board
- o 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
- o 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
- o Report its performance to the Board for acknowledgement
- o Perform any other duties as delegated by the Board

4. Meeting

- o 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.
- o 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.
- o 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.
- o Chairman of Risk Management and Corporate Governance Committee may call for an extraordinary meeting upon a request for discussion of additional key issues.
- o Any Director who is at stake in a matter shall not be eligible to make comments and vote.
- o 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.
- o 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

- o 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
- o 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.

- o 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

- o 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.
- o Company Secretary shall prepare minutes of Risk Management and Corporate Governance Committee's meeting.

Nomination and Remuneration Committee

1. Membership & Qualification of the Nomination and Remuneration Committee

1.1 Membership

- o 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.
- o Board of Directors shall select one (1) of Non-Executive Directors and appoint him/her as Chairman of Nomination and Remuneration Committee.
- o 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.

1.2 Qualification

- o Nomination and Remuneration Directors shall be experts with experience and knowledge including that on corporate governance, while understanding their duty and responsibility.
- o Chairman and Nomination and Remuneration Directors shall be Independent Directors in order to act as the core to push for its independent actions.
- o 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.
- o Chairman of the Board shall not act as Chair or members of Nomination and Remuneration Committee.

2. Position Held/Dismissed

- o 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.
- o 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.
- o 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

- o Define criteria and policy on nomination of committees, Chief Executive Officer and President
- o Identify qualified candidates as Board Directors, Committee Directors, Chief Executive Officer and President, and nominate them to the Board and/or a shareholders' meeting for approval, as the case may be
- o Determine necessary and proper financial and non-financial remuneration for the Board Directors, Committee Directors, Chief Executive Officer and President each year for the benefits of the shareholders as a whole
- o Prepare criteria and policy on determination of remuneration for Board of Directors, Chief Executive Officer and President and forward them to the Board and/or a shareholders' meeting for approval, as the case may be
- o Report the policy on remuneration for directors, its background/rational and objectives as disclosed in Annual Report
- o 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
- o Develop, with CEO, the succession plans of CEO and top executives who report directly to CEO
- o Review and assess adequacy of the Nomination and Remuneration Committee Charter and, if appropriate, recommend changes to the Charter to the Board for approval
- o 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

- o Nomination and Remuneration Committee shall hold its meeting two (2) times a year.
- o No less than half of all Nomination and Remuneration Directors shall constitute a meeting quorum.
- o 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.
- o 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.
- o 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

- o Report its performance to the Board for acknowledgement at least once a year
- o 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.

- o 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

- o 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 Nomination and Remuneration Directors sufficient time for consideration of each agenda.
- o Company Secretary shall prepare minutes of Nomination and Remuneration Committee's meeting.

Executive Committee

1. Membership & Qualification of the Executive Committee

1.1 Membership

- o Executive Committee shall be comprised of no less than three (3) Directors and Executives.
- o Board of Directors shall select an Executive Director as Chief Executive Officer. In the event that the Board may deem appropriate, an Executive Director or more may be selected as Vice Chairman.
- o Chief Executive Officer may be the same person of President.
- o Chief Executive Officer shall not be the same person of Chairman of the Board.

1.2 Qualification of Executive Director

- o 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.
- o 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

- o Executive Committee shall be appointed by Board of Directors
- o 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.
- o 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.
- o 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

3.1 Screen

- o Policies, direction, business strategies and management structure as well as principles for business operations to cope with the economic situations and competition
- o Business plan and annual budget of the company
- o Principles and policy on investment, work management, subsidiaries and associated companies in the main business groups or other business groups
- o All investment projects, search for opportunities in new businesses and joint businesses with partners
- o Annual workforce plan
- o Appointment, removal, termination of employment, extension of employment for employees or Executive Officers below Chief Executive Officer, 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

3.2 Approval or Disapproval

- o Investment projects with the amount of no more than 20 million baht, such investment projects relate to the company's businesses
- o Bids through consortiums or joint ventures with partners
- o Opening and closure of the company's accounts in financial institutions
- o Write-offs of deteriorated assets/liquidation of unused assets
- o Improvement and change of the organizational structure at the departmental level which shall be reported to the Board for acknowledgement
- o Bonus payment and the amount for annual salary raise within a budget.

3.3 Monitoring and Supervision

- o Strategic plan, work plan and projects in annual business plan as approved by the Board
- o Financial performance results of the company
- o Supervision and oversight of the company's compliance with the corporate governance policy

3.4 Reports to Board of Directors

- o Quarterly financial performance report
- o 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 Executive Committee's Meeting

- o Secretary at a meeting shall inform a meeting schedule and deliver an invitation letter seven (7) days before a meeting date.
- o Secretary at a meeting shall records minutes of a meeting.

Guideline 2

Define Objectives that Promote Sustainable Value Creation

Rationale

- o Board of Directors determines or manages objectives for sustainability and the objectives shall comply with value creation toward businesses, customers, stakeholders and the overall society.
- o 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

To become the best technology company that *unleashes employees' full potential* to create and innovate solutions that uplift your digital life.

Mission

To *drive innovations* that enhance people's digital life.

Corporate Value

1) Rationale: Raise awareness for all employees to realize the corporate value determined with the following objectives:

- o To become good practices in accordance with vision, mission and objectives in the same direction across the organization
- o To build up good relationship among all employees
- o 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

Corporate Value:

1. PASSION

- o We are dedicated and committed to work and ready to be a driving force for yourself and pass on to those around you.

2. PROFESSIONAL

- o We are experts and ready to enhance every delivery of work to customers and to be your best friend and partner in front of every change to give you the best advice.

3. TEAMWORK

- o We have strength together. In addition to the cooperation of the whole organization, we also view our customers as one team for sustainable growth together.

4. GIVER

- o We are the givers and a part of helping to make society better through technology and innovation.

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, ready to help and share
- (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.

1. **Code of Conduct for Stakeholders:** The Company realizes the rights and equality of all stakeholders group. Therefore, the policy has been established to have guidelines for treating stakeholders as follows:

Responsibility to Shareholders:

- (1) Perform duties with honesty, transparency and fairness to ensure that any decision and action take into account the best interests of the stakeholders as a whole
- (2) Professionally perform duties with knowledge, expertise, determination and with care, as well as applying knowledge and skills in managing the company to the fullest extent
- (3) Report on the status of the organization regularly, completely and truthfully
- (4) Never seek benefits for yourself and those involved by using any information of the organization that has not been disclosed to the public
- (5) Never disclose the corporate confidential information to outsiders, especially competitors
- (6) Executives must not take any action in a manner that may cause a conflict of interest to the organization. For example, executives must avoid using the company's contact channels for personal gain.

Responsibilities to Employees:

- (1) Provide fair and appropriate remuneration to each employee, based on his/her knowledge, capability, responsibility and performance
- (2) Support the development of professional competence continuously and ensure the employee's quality of work equal to that of leading companies
- (3) Be honest and equal for the employees' appointment, move, reward and penalty, based on their knowledge, capability, appropriateness, behavior and performance
- (4) Treat employees on a fair basis and pay attention to the knowledge development share and the competence of employees by providing constantly staffing opportunities
- (5) Maintain work environmental conditions with concerns of safety to the employee's lives, health and assets
- (6) Manage work by avoiding any unfair action, treating equally, no discrimination of birthplace, race, sex, age, color, religion, disability, status, nationality, school or any other status that is not directly related to work performance
- (7) Listen to all employees' comments and suggestions equally and equitably
- (8) Encourage employees to understand the Code of Conduct and their roles and responsibilities, promoting behavior that is within the Code of Conduct's framework throughout the Company
- (9) Encourage employees to participate in setting the direction of work, including solving problems of the agency and the Company as a whole
- (10) Comply with the law and regulations related to employee strictly

Responsibilities to Customers:

- (1) Produce quality products and services as well as maintain the quality to meet the standards all the time
- (2) Disclose complete and accurate information related to products and services with distortion
- (3) Provide warranty service under appropriate conditions and time by providing compensation for the use of goods or services during the specified period as appropriate for each type of product or service

- (4) Never deliver the goods and services to customers in spite of knowing that the products and services are defective or damaged
- (5) Organize a system so that customers can inform about products and services in quick responses
- (6) Keep customers' information confidential including not to use for their own benefit and those involved in wrongful ways
- (7) Strictly comply with various conditions with customers, in the event that the conditions may not be met, must inform customers in advance to jointly consider a solution

Responsibilities to Trade Partners and/or Creditors:

- (1) Choosing a corporate partner considers a good product. Having modern information technology and the ability to provide after-sale service or providing the services of a partner is a criterion for responsiveness and good service to organization's customer. The business partners of the organization must have good business ethics, carry with the framework of honest trade and support the creation of fair competition between trading partners.
- (2) Comply with various conditions with partners and creditors, in the event that the conditions cannot be complied with, must be notified in advance in order to jointly find solution and prevent damage.
- (3) Never solicit or receive or pay any benefits that are dishonest in trading with business partners, debtors or creditors
- (4) Report financial information accurately, completely and truthfully

Responsibilities to Competitors:

- (1) Abide by the good rules of competition
- (2) Never damage the reputation and allege of competitors or their products with dishonesty and lack of truth and backup information
- (3) Never access to customers' confidential information with dishonest or improper methods

Responsibilities to Societies:

- (1) Being a leader in stimulating the country's development of human resources, promoting the creation of intellectual capital, creating jobs to the community, creating high-value-added jobs and distributing income for improving the people's quality of life throughout the country for sustainable society and country development
- (2) Support activities that create public benefits, such as reducing energy use and natural resources, etc.
- (3) Cultivate awareness of social and environmental responsibility in the Company and employees at all levels continuously and never take any action that damages natural resources and the environment
- (4) Never support activities that will affect the damage to society or good morals and/or mischief
- (5) Cooperate and strictly comply with the intent of the law and related regulations

2. Code of Conduct for Employees: It requires employees to act as follows:

- 1) Perform duties with honesty, persistence, patience, loyalty and punctuality
- 2) Take seriously and strictly adheres to all activities that will enhance the quality of life, efficiency and development of the organization towards excellence in with the company's vision
- 3) Never rely on the position to seek benefits for themselves and/or others unlawfully
- 4) Strictly maintain the confidentiality of customers, partners and the organization
- 5) Respect the rights of other employees in the same organization
- 6) Never speak badly of the management or any other employees without the facts
- 7) Maintain and contribute to create unity and solidarity among employees
- 8) Pay attention and help with any action to maintain a clean, safe and pleasant working environment at all times
- 9) Never encourage or conceal any wrongful acts of employees or the company
- 10) Never do anything that will damage the Company's image and reputation

3. Code of Conduct for Giving gifts, assets or any other benefits:

Receiving or giving something as a gift/souvenir according to tradition or getting to know and building good relationships between each other in the appropriate scope is acceptable. However, the Company has a policy not to receive or give gifts/souvenirs that are beyond the norm from business related parties, thus requiring employees to act as follows:

- 1) When dealing with officials of government/private sectors, it must be done accurately, transparently, in accordance with the rules and regulations of government agencies and the relevant laws strictly.
- 2) Before accepting or giving a gift/souvenir, it should ensure compliance with the laws and regulations of the company. The items or gifts given to each other in their work should be less expensive and appropriate for each occasion.
- 3) Never accept or give gifts/souvenirs of cash, cheques, bonds, stocks, golds, jewelries or other items of monetary value
- 4) Never accept or give any gifts/souvenirs that could influence a decision in the performance of duties, if it is necessary to receive gifts/souvenirs of incomparable value from business associates, should report them to the hierarchical supervisor
- 5) In the case of requesting to donate assets for any purpose, this can be done through a valid approval process, transparent and within reasonable limits.
- 6) Keep proof of spending showing the value of the gift/souvenir for later review
- 7) This is to check for potential fraud. The Board, therefore, assigns the internal audit department to perform the audit and follow-up risk assessment. If an abnormality is detected, the incident must be reported to the Audit Committee immediately.

4. Code of Conduct for Investor Relations Officers:

The company realizes the importance of investor relations work. It also wishes that the performance of investor relations will go well. The Company therefore has established guidelines for investor relations. The responsible person must strictly comply with the following details:

- 1) Perform duties in accordance with the guidelines of the relevant regulatory agencies including the company's policies with honesty, avoid any action or exploitation that brings your own benefit by relying on the Company's information
- 2) Must perform duties with knowledge and competence according to professional principles and fairness
- 3) Build confidence, enhance the image and good attitude of the company and maintain good relationship with investors and analysts
- 4) Build a good relationship between the Company and shareholders, institutional investors, individual investors, securities company, as well as general public who are interested in the Company's information
- 5) Disclosures must be accurate, transparent, with complete and reliable disclosure of necessary information.
- 6) Refrain from disclosing inconclusive information or in the process of negotiating which is uncertain or exaggerated guesswork
- 7) Refrain the wording or inappropriate form or may cause misunderstanding of the Company's securities

In the event that employees have questions about the practice, the consultation should be made with People Excellence Department or the hierarchical supervisor.

Guideline 3 Strengthen Board Effectiveness

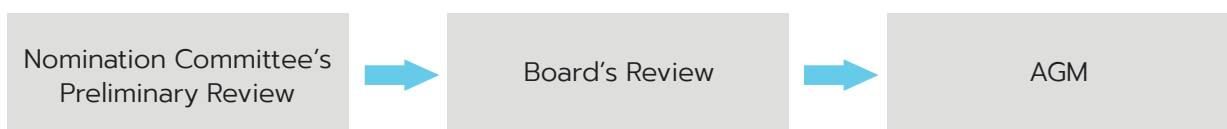
Rationale

- o 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.
- o Board of Directors selects a qualified person as Chairman and manages to ensure its membership and implementation facilitate consideration for independent decision-making.
- o Board of Directors oversees and supervises nomination and selection of directors to be clear and transparent for qualified directors as required.
- o 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.

- o Board of Directors oversees and supervises all directors to be responsible for their duties and allocate sufficient time.
- o 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.
- o 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.
- o 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.
- o 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.

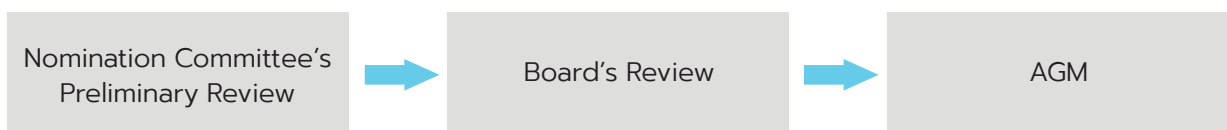
Practice

- 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 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 stakeholder 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.

Guideline 4

Ensure Effective CEO and People Management

Rationale

- o 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.
- o Board of Directors oversees and supervises determination of remuneration structure and proper performance appraisal.
- o Board of Directors understand the structure and relationship of the shareholders which may affect business management and administration.
- o Board of Directors monitors human resources management and development in terms of appropriate number, knowledge, skills, experience and incentives.

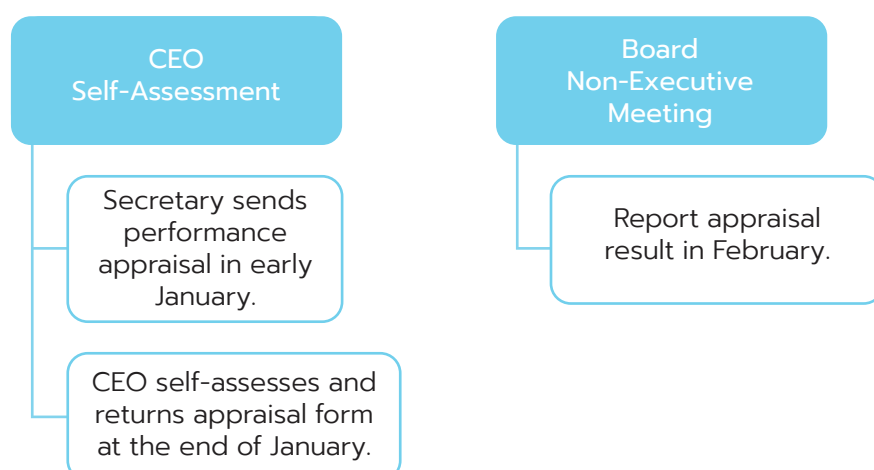
Practice

- 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 Chief Executive Officer/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	Chief Executive Officer/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, Chief Executive Officer/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.

Guideline 5

Nurture Innovation and Responsible Business

Rationale

- o 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.
- o 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.
- o 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.
- o 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 oversight of “Business Code of Conduct,” as appeared on Page 27, 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 and the main goals of the business.
- 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, Security and Work Environment
 - IT Policy
 - Anti-Corruption Policy
 - Sustainability Policy
 - Human Rights Policy
 - Corporate Compliance Policy

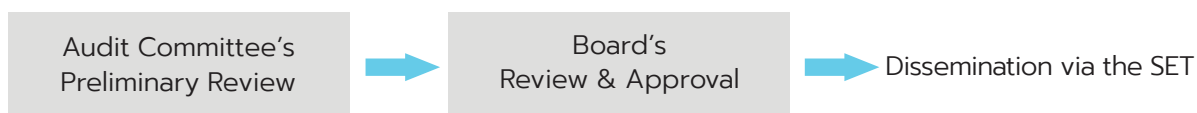
Guideline 6**Strengthen Effective Risk Management and Internal Control****Rationale**

- o 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.
- o Board of Directors establishes Audit Committee which can perform its duty with independence.
- o 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.
- o 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.
- o 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:
 - o 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
 - Human Resource Risk
 - Financial Risk
 - Financial Reporting Risk
 - Fraud Risk
 - Compliance risk
 - Corruption Risk
 - IT Risk

- o 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.
- o 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).
- 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:
 - o 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.
 - o 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



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



- 5) Manage to have a mechanism for complaints
 - o Determine protection measures for informers
 - o Manage to have channels for complaint information through website or Independent Directors/ Audit Directors
 - o Determine processes for examination, operation and reporting to Board of Directors
 - o Record progress of solutions and report them

Guideline 7

Ensure Disclosure and Financial Integrity

Rationale

- o 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.
- o Board of Directors monitors adequacy of financial liquidity and ability to repay.
- o 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.

Guideline 8

Ensure Engagement and Communication with Shareholders

Rationale

- o Board of Directors manages to ensure the shareholders take part in the company's major decision-making.
- o Board of Directors manages to have a shareholders' meeting smooth out with transparency, efficiency and convenience for the shareholders' exercise of their rights.
- o 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 has been established by Risk Management and Corporate Governance Committee. The Committee has also updated, reviewed and approved the criteria yearly 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, Security and Work Environment

The company is well aware of safety, occupational health, security 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, Security and Work Environment is set in the following manners:

1. Develop the administration system for safety, occupational health, security 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, security and work environment
3. Improve performance involving safety, occupational health, security and work environment continuously
4. Encourage and promote employees' participation in any implementation and supervision involving safety, occupational health, security and work environment
5. Develop the company's employees with knowledge and awareness in safety, occupational health, security 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, security 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 Policy

MFEC Public Company Limited recognizes the importance of using information technology to drive the company's business operations for running business more efficiently. This will increase the ability to compete according to the company's vision.

Therefore, the Company considers the network and computer system to be the Company's important assets. The operator must use and maintain it in a condition that is ready to use efficiently at all times. For this reason, the Company has announced a policy on the use of networks and computers and the policy's content has been continually updated as a guideline for proper use and consistent with the Company's intention. The important things are as follows:

Summing the Company's IT Policy

- o **Information technology terminology**
 - Company means MFEC Public Company Limited.
 - Network means a network for communication of the Company's information including all other networks that are not the Company's.
 - Supervisor means the person who has the authority to give orders according to the Company's structure.
 - Personnel means the Company's employees including other persons entrusted with the performance of contracts, agreements or purchase orders.
 - Information means anything that conveys the meaning of a story, fact, information, or anything, regardless of whether the interpretation is made possible by its condition or through any means and any form.
 - Computer means server, desktop computers, notebooks, tablets, smartphones, etc., which can be connected to the company's computer network.
 - Intellectual Property means design data, system data, programs, etc., in various storage formats and on various storage media owned by the Company with its own right.
 - Admin means a person who manages the work system, server or the network.
- o **Requesting permissions, canceling rights**
 - Requesting rights: In requesting rights that are other than the basic rights that the company has given, personnel can request permission to use the network accessing the server, work systems, etc., in writing via e-mail to admin or through the channels as specified by the Company. He/ She must use the network computer or company equipment within the framework of the objectives or the company's business.
 - Changing/Cancellation of Rights: Personnel supervisors must contact the HR and IT Support departments to change or revoke their personnel rights without delay.
- o **Rights of Use and Code of Conduct**

Staff can use computer networks, server access, work system access, information access, etc., for a period of time and entitlement.

Personnel	Period
Company's employees	Throughout the time as an employee
Trainee	Throughout the duration of the intern-ship
Outsider	Throughout the specified time

And throughout the period of eligibility, there will be practices in the following areas:

1) **Network**

- Never use the network for any business other than the Company's business
- Never use the network to damage the company or other persons
- Never make the network, servers, systems, vulnerabilities or weaknesses that are vulnerable to attack
- Bringing non-company devices to connect the network must be identifiable and use in connection with the company's business.
- Never use the network with an amount that exceeds appropriate or affects the ability to provide services to various systems

2) **Information and Intellectual Property**

- Never disseminate company's information or intellectual property to persons unrelated to the company's business without permission from the administer
- Never store copyrighted movies, music, pictures or multimedia materials into the company's machine

3) **Software**

- Never install improperly licensed software on the company's computers
- Use the correct software according to the Copyright Act

4) **Hardware**

- Use computers and equipment of the company that is related to the work of the company only

5) **Corporate Communication**

- Use corporate communication channels such as e-mail, company-owned telephones, web pages, only for company-related tasks
- Never transmit computer or electronic mail to others by concealing or falsifying the source of such transmission, which interferes with the use of other people's computer systems

o **Measures to communicate via social media**

• **Definition of Social Media:**

The forms of social media under this measure are Facebook, Line, Instagram, Twitter or other medias, whether it is a role, a diary or various newsletters in online formats.

- > All employees are considered as a representative of the corporate image, when talking about the company, brand or business operations including disclosing information related to the Company through social media. Whether a person is a representative of the Company or not, as long as it remains related to the organization, he/she should be aware that communicating using images, texts or comments published on social media being assessed by the public is the publisher's responsibility for their actions.
- > Employees must exercise extreme caution when communicating facts through social media that may lead to violent arguments, especially about politics, race and religion, etc. Dissemination of images, information and comments through social media, which violates the law, business ethics and Code of Conduct, may lead to a violation of the discipline in accordance with the Company's ethics working regulations such as providing false information and/or information that should not be disclose that affects any person and/or any organization or causes serious damage to property and/or the Company's reputation.
- > Employees must refer to supporting resources in social media communications to prevent infringement of the intellectual property of others. For using the copyright, he/she must obtain permission from the author or copyright owner first, such as copyrighted content, trademarks including the right to publish, etc.

- > Employees must study the "Privacy Settings" manual well and customize your privacy settings, preventing privacy violations.
- > In social media communication, he/she must clearly separate the account between personal and work matters. In the case of using a personal account, discretion must be exercised and communicate clearly that "Personal opinion is not the Company's opinion."
- > The creation of a page or an account that is a channel for disseminating the Company's official information to the public must be considered and approved by Chief Executive Officer (CEO), and must notify the relevant parties to acknowledge before activation. The Company's official page or account is the Company's right, solely and/or not use the company's name to create a personnel page or personal business for others to understand that it is related to the Company.
- > If you find that commenting on social media requires relevant experts in the matter, employees, admins of the page or account, notify their supervisors or departments responsible for that matter.
- > The review cycle of the measure must be reviewed every year from the effective date. However, it may be reviewed at a reasonable time, if there is a change or a significant cancellation.
- **Safety:**
 - > Never share their account IDs and passwords with others
 - > Never hack into system, access to servers, etc., that are not authorized or have no rights
 - > Never intercept other people's computer information without permission
 - > Never violate the Computer Crime Act
 - > Software must be installed to prevent viruses on company's computers.
- **Standards for setting passwords and their uses:**
 - > The length should not be less than 7 characters and contain a mix of letters and numbers.
 - > Never use common, easy-to-guess words such as first name, nickname, celebrity name
 - > Change the password for a reasonable period of time
 - > Avoid using software that automatically remembers and enters passwords
 - > Never write your password down on a paper or anything that is easy to spot
- **Standards for the stability of various work systems:**
 - > Identity verification: work systems that are open for personnel to use must verify their identity with the Company's Directory Service.
 - > Data backup system must be stored in a safe place regularly (to mitigate the effects of damage).
 - > When any configuration changes have been made a data backup test must be performed to ensure that the data can be restored.
 - > Encrypted with https protocol for web browser based on IT systems
- **Measures to take action against IT policy violations:**
 - > The Company will consider the offense and punish the disciplinary according to the severity of the damage incurred adhering to the rules and regulations of the company and labor laws.
 - > In the event of a civil/criminal litigation resulting from personal misconduct by employees whether it is intentionally or negligently done, employees are responsible for all damages that may occur.
 - > In the event that a juristic person commits an offense, there must be a committee to review and correct.

Anti-Corruption Policy

MFEC Public Company Limited pays great attention to anti-corruption that may occur in business operations. Therefore, the anti-corruption policy has been established to supervise the operation abide by the laws and regulations in accordance with the Corporate Governance Policy and Code of Conduct. In 2019, the Company joined “Thai Private Sector Collective Action Coalition Against Corruption (CAC)” to show its intent and determination to combat all forms of corruption.

The Company prohibits personnel at all levels, including the company directors, not to demand, take action, or accept corruption for organizational benefits, personal benefits or related person’s benefits covering businesses in every country and related agency. The company has established anti-corruption guidelines in accordance with the policy, as well as reviewing such practices to be consistent with changes in business, rules, regulations and legal requirements by requiring personnel at all levels, including company directors, regarded as a general practice.

Definition

Corruption means bribery in any form by offering, promising to give, giving, giving a promise to give, demanding or accepting money, property or any other benefit to a government officer, a government agency, a private agency or those who have duties directly or indirectly, to perform or refrain from performing their duties which is to acquire or maintain business, or recommending a business to a particular company or to obtain or maintain any other improper business interests except in the case of laws, regulations, announcements, local or trade customs that are permitted.

Practice

1. Executive Committee is authorized to oversee and supervise business operations, based on Anti-Corruption Policy of the organization.
2. Personnel at all levels, including the company’s directors, are prohibited in acting or being involved in corruption or accepting all forms of direct and indirect corruption. They must not neglect or ignore when seeing and acknowledging a trace of corruption related to the Company and its subsidiaries by providing notifications through specific channels.
3. The Risk Management and Corporate Governance Committee has an annual corruption risk management. The internal controls are regularly reviewed on events that may cause corruption.
4. Any action in accordance with the Anti-Corruption Policy shall use the guidelines set forth in Corporate Governance Policy, Business Ethics including regulations and related operating manuals as well as any other guidelines that the company will establish in the future.
5. Personnel must act with caution for clarity in operations in matters that are at high risk of corruption. This shall be in accordance with the Business Ethics Manual in the following matters:

5.1 Gift and Hospitality

Gift and Hospitality according to tradition or getting to know for building a good relationship within the appropriate scope is acceptable. This shall be in accordance with the guidelines set forth in the Code of Conduct on gift and hospitality.

5.2 Donations and Sponsorship

Donations and Sponsorship must be an educational and environmental donation to a reviewed organization. It can be proven to be a donation with no return, which is conducive to personal benefit, family’s benefit or a reward that the public understands that it is conducive to the company’s business creating an unfair advantage.

5.3 Political Contributions

Avoiding political activities, financial assistance or other support of political parties, including the dress showing the symbol of political parties during the performance, shall be in accordance with the guidelines set forth in the Code of conduct on political support.

5.4 Conflict of Interest

To avoid actions that cause conflicts of interest, those involved or a stakeholder in the considered transaction must inform the Company to be aware of their relationship or interest in the said transaction, and must not participate in considering, making decisions including not approving such transactions.

5.5 Facilitation Payment

The Company has no policy to pay any form of facilitation fee both directly and indirectly without taking any action, and does not accept any action in exchange for facilitating business operations.

5.6 Revolving Door

The Company has no policy to hire or appoint government officials who are still holding positions with the Company, whether in the position of a director, an advisor, an agent, an employee or any other position. This shall be in accordance with the guidelines set forth in Code of Conduct about revolving door.

Taking the Anti-Corruption Policy into Action

1. Communicating policy, guidelines and other documents related to anti-corruption for the Company's directors, personnel at all levels, including internal and external stakeholders
2. The Company provides personnel recruitment process, promotion, training, performance appraisal reflecting the company's commitment to anti-corruption measures.
3. The company will not demote, punish or adversely affect employees who reject corruption, even if that action will cause the company lost business opportunity.
4. Those who commit corruption are considered a violation of business ethics. Disciplinary action will be considered in accordance with the company's work regulations and may be subject to legal penalties if the act is unlawful.
5. The company has established a mechanism for whistleblowing, receiving complaints and actions relating to illegal activities, Code of Conduct or behaviors that may imply corruption of personnel at all levels, including company's directors. In addition, appropriate protection measures are in place for informers as stipulated in Business Ethics Manual regarding whistleblowing or complaints.

Review and Improvement

This policy will be reviewed and updated as appropriate or when there is a change. This is in line with the Thai Private Sector Collective Action Against Corruption ("CAC") and the risk of corruption that may change every year.

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

Human Rights Policy

The Company is committed to support the compliance with human rights principles and human values because this is the foundation of human resource development, commitment to social responsibility and all stakeholders in accordance with good corporate governance and ethics and create value and sustainability for business and society as a whole. Therefore, the company realizes the importance of respect for human rights consistently. All employees and stakeholders are treated equally, no skin color, racial discrimination, sex, religion, race, nationality, poverty, disability, illness or disease and also respects and accepts the differences of opinion, society, environment, law and culture. Moreover, the company support and compliance with the United Nations Global Compact: UNGC and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work as part of our continued commitment and dedication to business ethics and responsibility.

The Board of Directors announce policy and human rights practices to ensure that the conduct of a business does not violate human rights and participate in the prevention of human rights abuses in every way:

- Conducting business with integrity and transparency in accordance with good Corporate Governance and business ethics including labor laws or laws related to human rights
- Respect for human rights without discrimination against any person
- Avoid human rights abuses and promote human rights activities
- Action without discrimination from the selection of personnel, employment, training, development, participation including dismissal cases. The Company will comply with the rules and regulations on compensation with advance notification process and advice to help employees or employees.
- Two-way communication to promote knowledge and respect for human rights. This includes opportunities for employees and stakeholders to express their opinions, reflect on issues, and report clues or complaints. If there are events or actions related to human rights abuses.

Corporate Compliance Policy

The Board of Directors has set up a policy to supervise the operation. To determine the direction of the company's operation and the criteria for using the decision to practice correctly and promotes good practices in accordance with the laws and regulations relating to business operations for executives and employees that to create on the good corporate governance policy of the company. Therefore, the Company has prepared and announced the policy to supervise the operation in accordance with the laws, regulations to adhere and comply with all applicable laws, rules and regulations governing the business of the Company as follows:

1. Fair Competition Support Policy and does not violate antitrust company and subsidiaries. The company and subsidiaries are committed to comply with anti-monopoly law and competition law and support free trade and fair competition, do not discriminate or exploit others and take action under the antitrust laws or competition law that is a key principle in business operations.

2. Anti-Corruption Policy including giving or taking bribes. The company and subsidiaries are committed to comply with the law on prevention and anti-corruption, giving or taking bribes with employees, government officials, foreign government officials or staff of private sector. Therefore, any act that violates this law is considered to be invalid and does not comply with the policy of supervision of work. All levels of staff must resist and ignore such actions.

3. Policy on human rights and respect for human rights. The company and subsidiaries respect and comply with the human rights by giving priority to respect for human dignity, rights, freedoms, and equality of persons certified or protected both Thai and international law.

4. Intellectual Property Rights Protection Policy. The company and subsidiaries commit to protecting and preserving the company's intellectual property not to be infringing or to be used without permission and respect the intellectual property rights of others.

5. The Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) Policy. The company and subsidiaries to protecting itself from being a tool of money laundering or terrorist financing and set a clear policy to guide the operations of the company. The importance of monitoring and giving clues to the authorities if there is a non-compliance, the financial records and financial records should be maintained or property is being accurate and in accordance with national and international laws.

6. Policy of safeguarding and using the information correctly. The Company and subsidiaries are committed to respecting the confidentiality of information by adhering to the Code of Business Conduct and Ethics, which will not apply to information of the Company, customer / partner information or personal information of others to disclose or use for any other purpose. In addition to being allowed or otherwise to enter into a legally binding relationship by respecting these criteria under Thai law and international law.

7. Compliance policy, other relevant regulations. The company and subsidiaries intend to operate their business in accordance with the law governing the business operation, maintaining social responsibility, environment and hygiene as a principle of sustainable development. It is imperative that management and employees respect and adhere to the laws, rules and regulations relevant to the conduct of their business.

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.

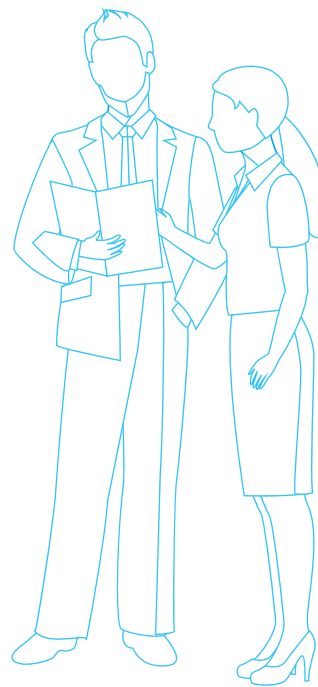
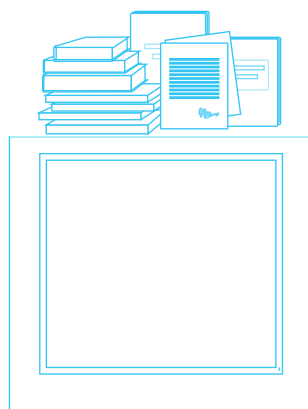
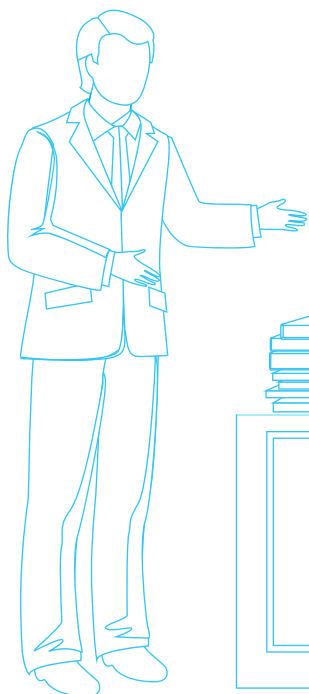
Section 89/10 In performing duty with loyalty, a director and an executive shall:

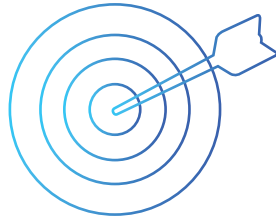
- (1) act in good faith for the best interest of the company;
- (2) act with proper purpose; and
- (3) not act in significant conflicts with the interest of the company.

Information on the preparation of Corporate Governance Policy

No.	Approval	Approval date
No. 1	Board of Directors Meeting No. 4/2004	4 November 2004
No. 2 (1 st Edition)	Board of Directors Meeting No. 3/2007	8 August 2007
No. 3 (2 nd Edition)	Board of Directors Meeting No. 5/2008	10 November 2008
No. 4 (3 rd Edition)	Board of Directors Meeting No. 6/2013	8 November 2013
No. 5 (4 th Edition)	Board of Directors Meeting No. 4/2015	11 August 2015
No. 6 (5 th Edition)	Board of Directors Meeting No. 1/2018	26 February 2018
No. 7 (6 th Edition)	Board of Directors Meeting No. 4/2021	12 October 2021
No. 8 (7 th Edition)	Board of Directors Meeting No. 1/2022	23 February 2022

CODE_{OF} CONDUCT





| VISION

To become the best technology company
that unleashes employees' full potential
to create and innovate solutions that uplift your digital life.



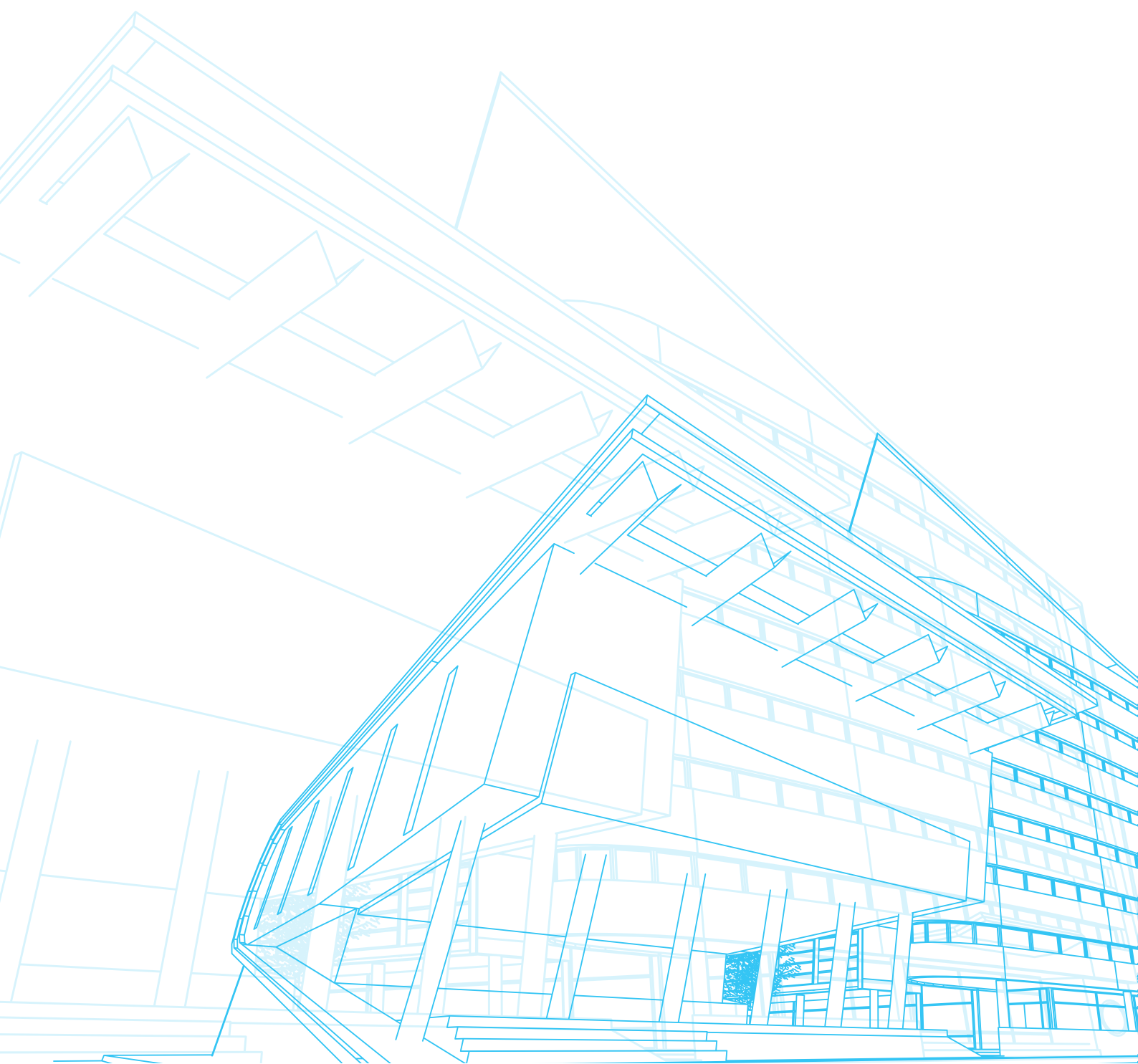
| MISSION

To drive innovations that enhance people's digital life.



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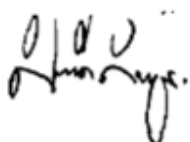


Message from Chairman and Chief Executive Officer

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.

This “MFEC Code of Conduct” was revised for the second edition with an approval of the Risk Management and Corporate Governance Committee Meeting. 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 executives, 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.



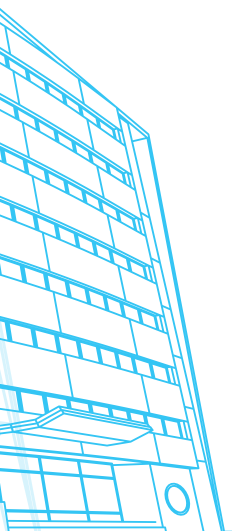
Mr. Sirisak Tirawattanangkul

(Chairman)



Mr. Siritwat 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.

Partners/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 Associates

A person or a juristic person who is in business contact and relationship. Examples are private organizations or public agencies.

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.

Company Personnel

Company directors, executives and employees under work regulations and labor contracts.

Customer

A buyer of products or a receiver of services.

Major Shareholder

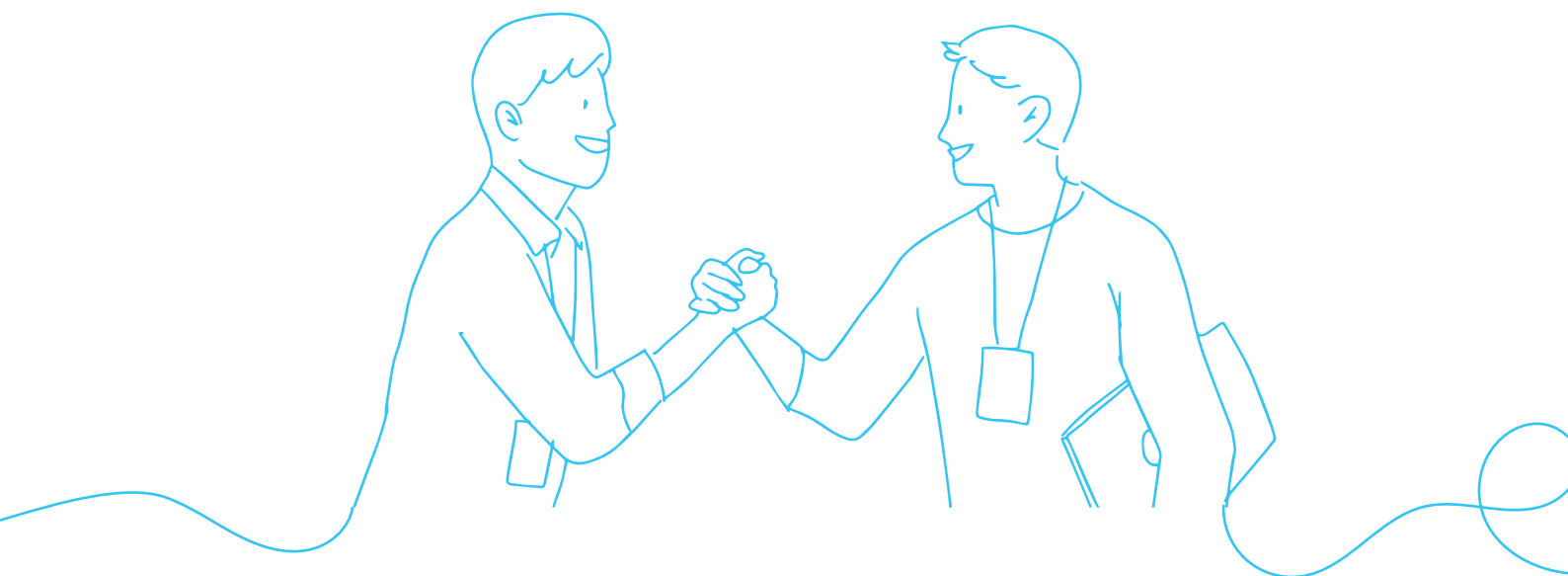
A shareholder who directly or indirectly holds shares in a listed company in a total amount exceeding 10% of the paid-up capital of the listed company. Such shareholding shall also include the shares held by related persons.

Employee

An employee or a hired person of the company according to the work regulations and a hiring contract.

Transaction

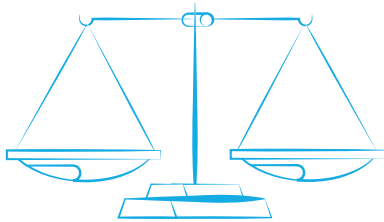
Any kind of actions involved in a legal transaction, a contract or any proceedings with another party in the status of finance, business or assets such as service, sale, purchase, employment, financial assistance, and human or technical support.



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 related parties 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 Excellence

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 and sustainability. All of these aims for the best to MFEC and its related parties.

Example of Guideline for Employees

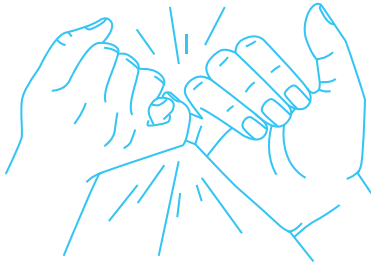
- Join force, with all of efforts, to create new valuable things for benefits to all related parties.
- Be highly committed and dedicated to work with knowledge and capabilities for excellence in regard to mutual benefits and all sides of impacts to related parties.
- Always update and get ready to confront 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 in prosperity 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.



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.



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

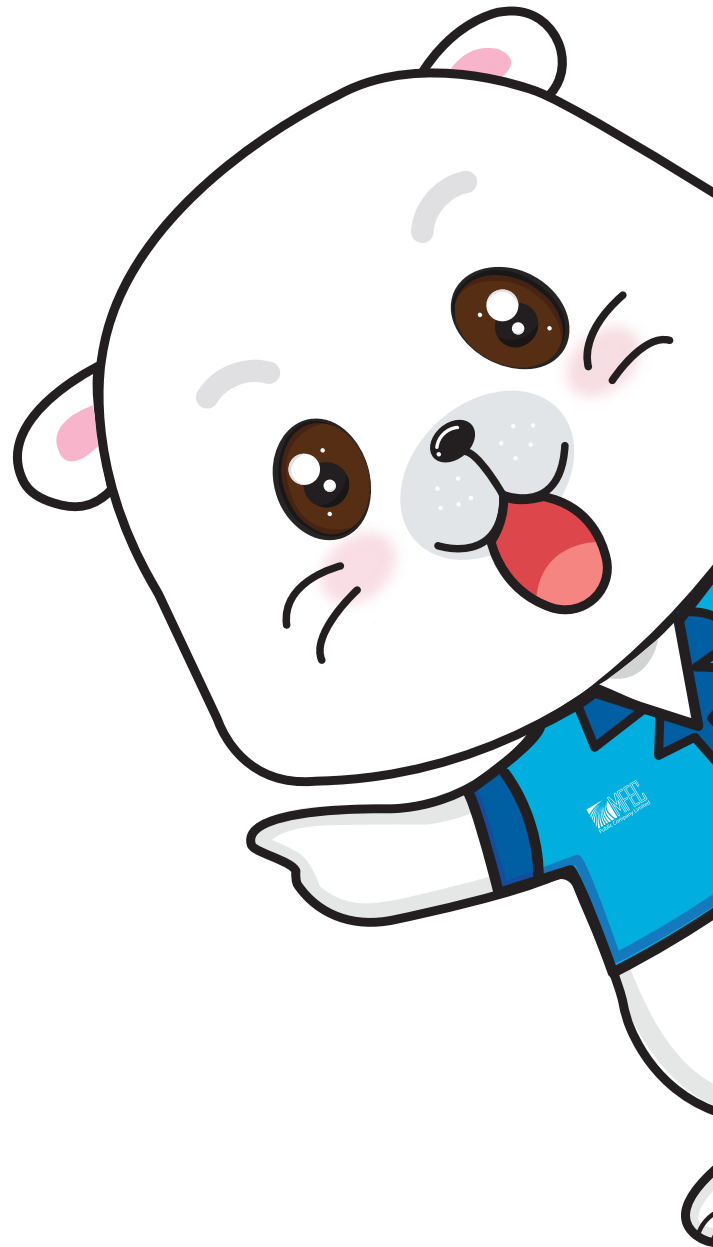
Example of Guideline for Employees

- 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

Guideline on Code of Conduct

Code of Conduct

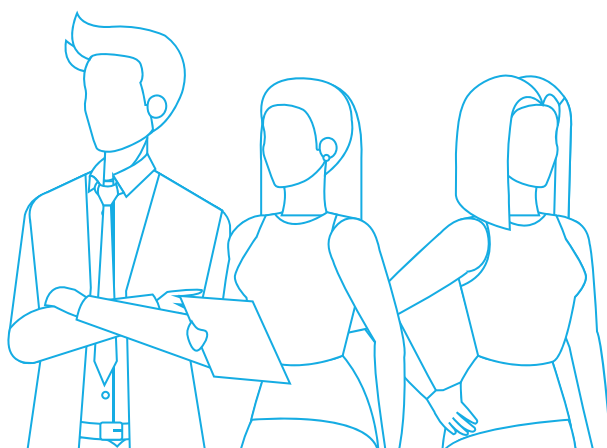
means good guidelines on business operations, based on MFEC ideology, allowing all MFEC employees to follow and use them to perform tasks properly. The code is a part of the working regulations.



Whom are Required to Adopt MFEC Code of Conduct?

Employees – All levels

spanning from Operational Level to Heads of Units, Directors and Executive Committee, Independent Directors, Chief Executive Officer, Chief Operating Officer, Executives. All persons in the organization shall follow the principles and guidelines set in the code.



Do and Don't for MFEC Code of Conduct?

What Should Be Done?

- 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.

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.

Definition

A person or a group of persons who is directly or indirectly affected by or gains benefits from MFEC's business operations.



Guideline

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 is 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.

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/a contract for purchase/sale, or provide services as set in product/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.

- If you are authorized to bid for a public project, what should you do?

Recommendation

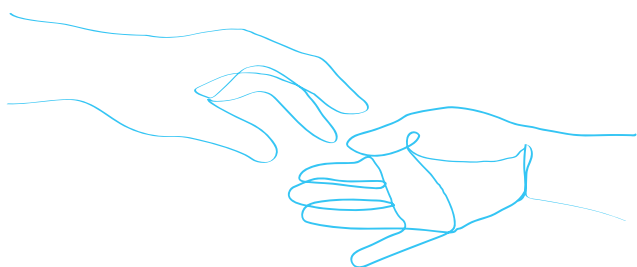
You should perform your duties assigned to auction for a public project according to the public regulations, while not seeking confidential information of your competitors or damaging their reputation directly and indirectly.



Gifting and Hospitality Policy

Principle

The Company acknowledges that receiving or giving gifts, assets, or any other benefits including hospitality are the means that may lead to corruption. Therefore, the Company has established a policy and guidelines for receiving or giving gifts and hospitality to ensure that the operation is done in a transparent manner.



Definition

Hospitality

Hospitality is the cost occurring from activities aiming for building good relations, and on some occasions are considered a social etiquette. This hospitality may include accommodations, travelling fares, costs arising from visiting some establishment, study visits, or food and beverage.

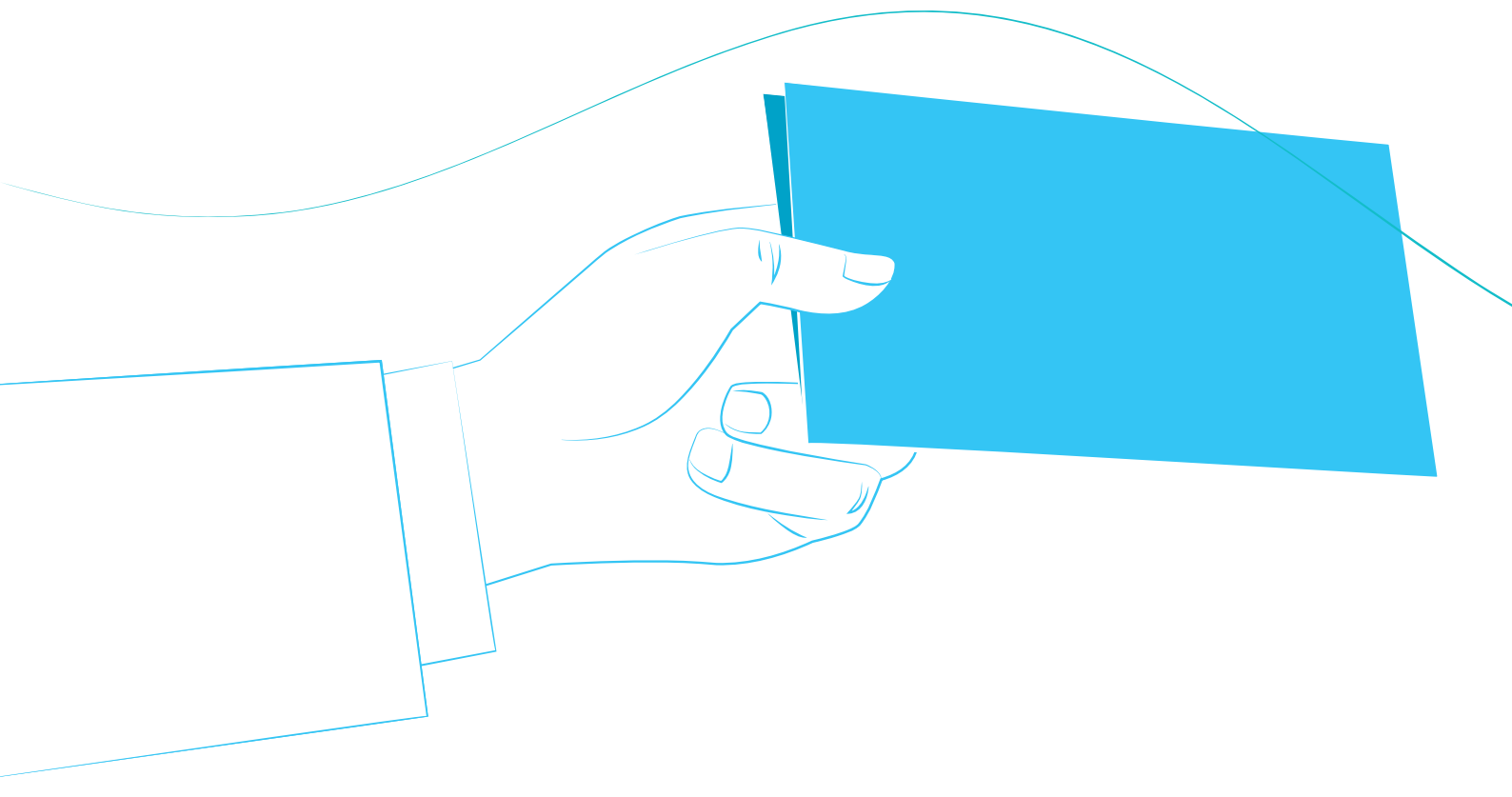
Giving and Receiving Gifts

Giving or receiving gifts, assets, or any other benefits may lead to a risk of corruption or may lead to discomfort and affect decision making in the operations. This may cause the Company to lose some benefits in the end. Gifts may come in various forms, such as money, goods, services, gift certificates, etc.



Guideline

- 1** The Company determines that giving or receiving gifts, hospitality, or reciprocal entertainment according to customs or etiquette, or any other benefits can be done in a reasonable manner and in accordance with Company's regulation. Such action must be done in a transparent manner or in public places or can be disclosed. Such action must not influence the decision-making process of the Company or the receiving party to perform his/her duties, or neglect to perform his/her duties, or agree to be lenient in business agreements. Moreover, such action must be in accordance with procedures specified by the Company.
- 2** Should the staff receive any gifts or any other benefits in customary manner with a value over 3,000 Baht from related business parties, the staff must report to his/her supervisor in accordance with procedures specified by the Company.
- 3** Staff who are engaged with vendors and receive any valuable products that the vendor gave to the staff for trial purpose or any other purposes, the staff must inform the relevant department and report such products to the Company system before requesting to use the products for desired purposes. The staff must return such products to the Company after usage.



Example & Recommendation

- 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.

- 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.

-
- 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?

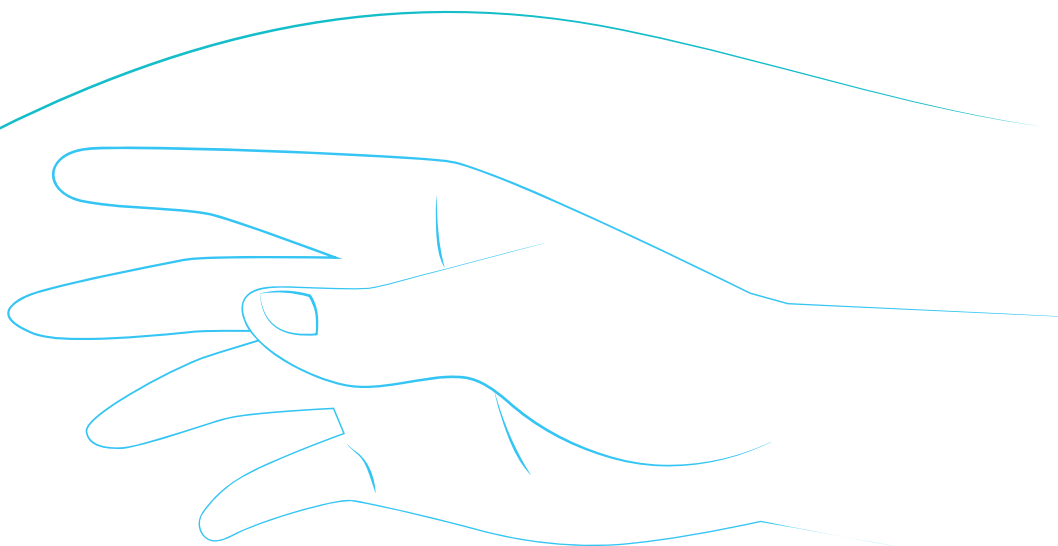
Recommendation

Given this high-value award and the company's policy, you should consult your supervisor for a proper action.

- 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.



Donations and Sponsorship

Principle

The Company acknowledges that donations and sponsorship may cause a risk of corruption. The Company therefore pays attention to the importance of donations and sponsorship, which must not influence decision-makers or cause any unfair advantages.

Definition

Charitable Contributions

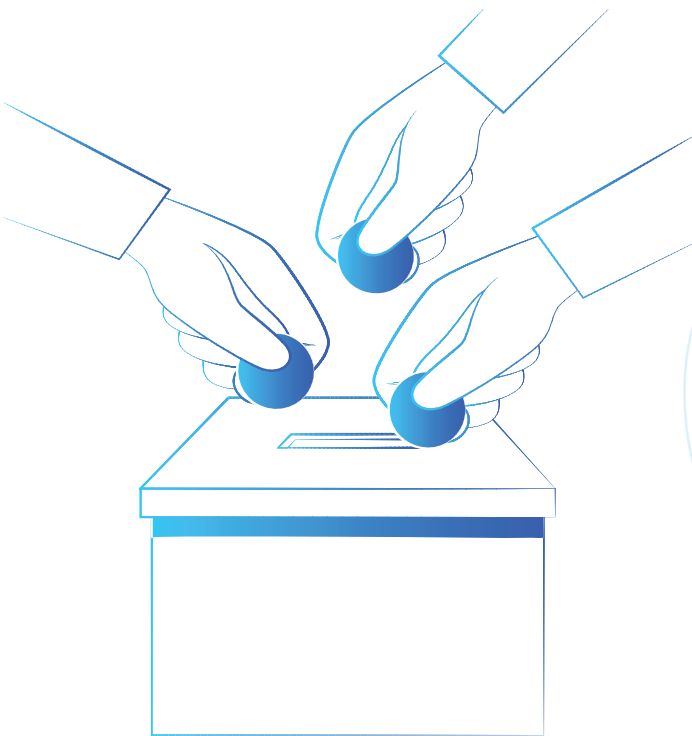
Donation of money, goods, or any other benefits to any persons or juristic persons established with the objectives of public interests and contribution to the society without expecting any returned benefits from such activities.

Sponsorship

Sponsorship, which may be in the form of money, goods, or any other benefits that are given to or receive from customers, business partners, associations, charitable organizations, or non-profit organizations with the purposes of promoting the Company in order to create business credibility or strengthen business relations with appropriateness.

Guideline

- 1 Charitable contributions and sponsorship must comply with procedures, execution authorities, and Company's regulations. Such charitable contributions and sponsorship must be transparent, legitimate, and not for corruption purposes.
- 2 Charitable contribution must be a donation to organizations that have been verified by authorized persons and can be proven that such donation is not a favor for personal, family, friends, or acquaintances' benefits. Such donation must not convey public understanding that it is to favor businesses of the Company which create unfair advantages.
- 3 The objective of sponsorship is to build the Company's reputation and strengthen business relations. The sponsorship must be done on behalf of the Company and have solid proof or evidence.

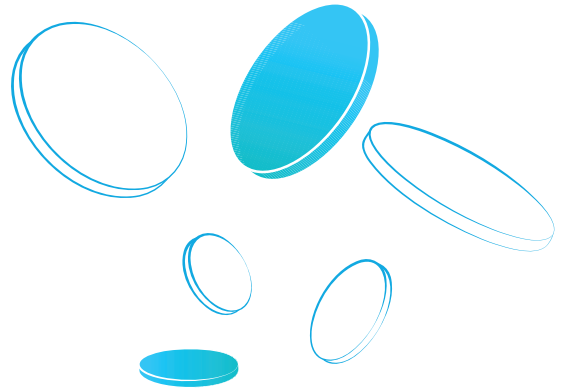


Example & Recommendation

- 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.



- 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.

- 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.

- 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.

Political Contributions

Principle

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.

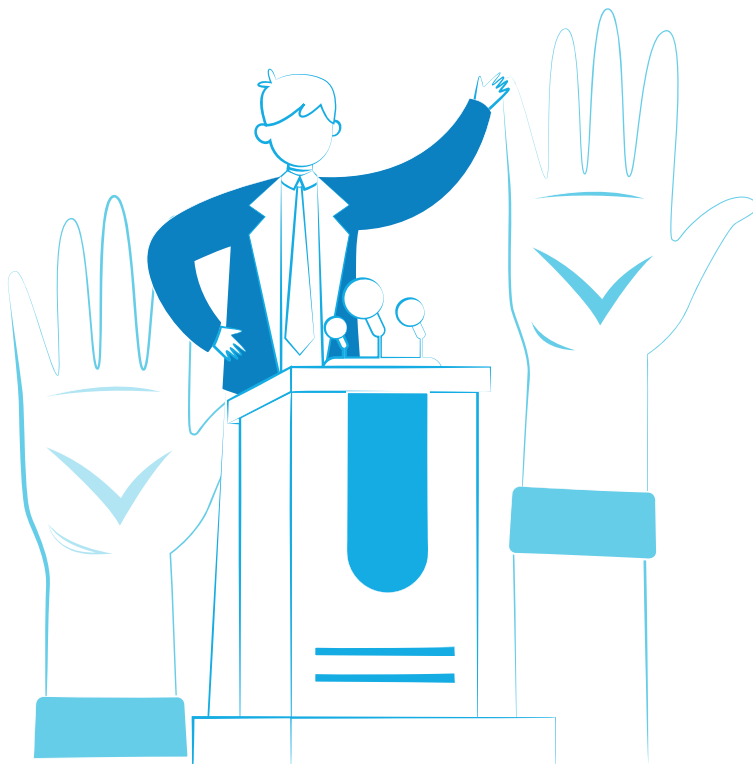
Definition

Political Contributions

Contributions, either in a financial or any other forms, to political parties, politicians, or any other persons related to political activities in order to support political activities, either directly or indirectly, including for the purposes of receiving illegitimate special privileges or benefits, as well as business advantages.

Guideline

- 1 To respect other people's rights and freedom to exercise political rights of all staff under the laws and democratic system, staff may make political contributions as an individual without using Company's position, resources, or assets in doing so.
- 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.



Example & Recommendation

- 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.

- 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.

- If you intend 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.



Conflict of Interests

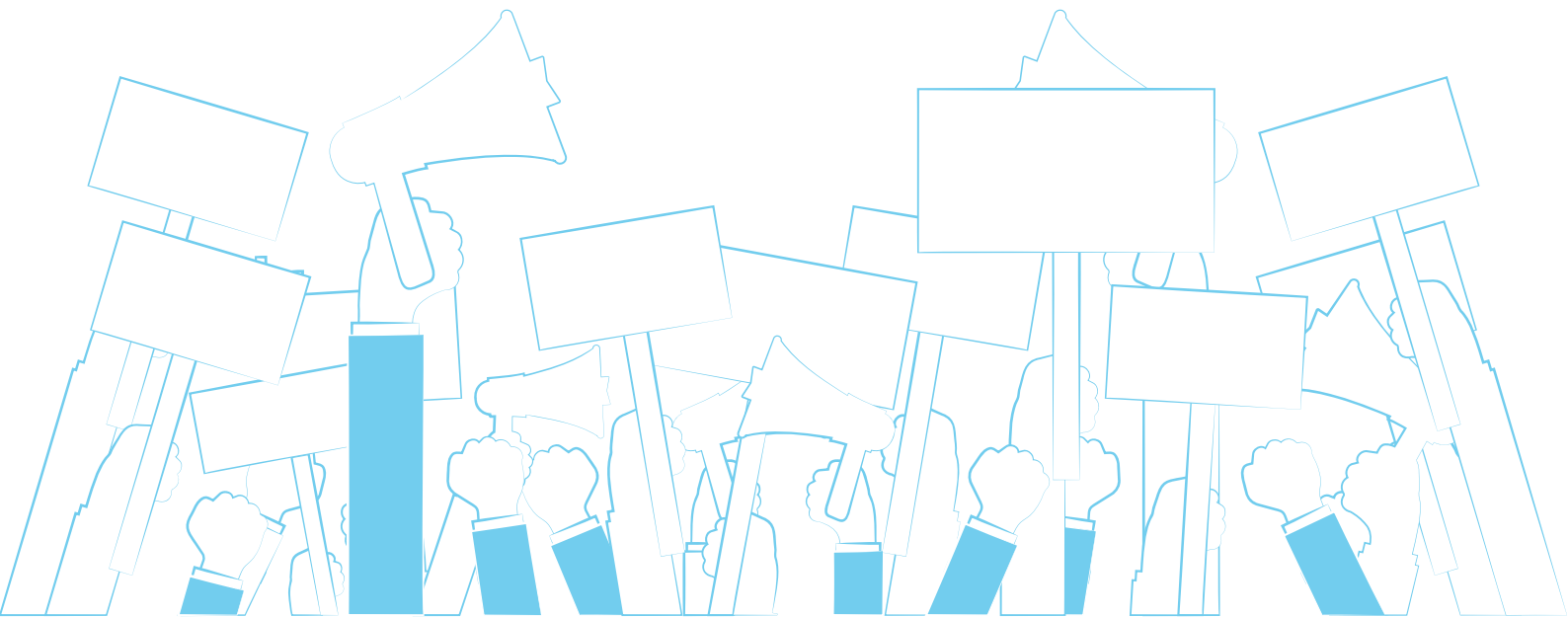
Definition

Conflict of Interests

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.

Principle

The Company acknowledges that business operations may cause conflicts of interest in various forms. Therefore, the Company has established a policy and guidelines to ensure that business operations of the Company are conducted with integrity and transparency according to Good Governance Policy. Company and shareholders' best interest must be taken into account and any behaviors that may cause conflicts of interest must be avoided.



Guideline

- 1 All staff must comply with the guidelines and procedures of transactions that may cause conflicts of interest, which is to be in accordance with approval authority and procedures, including disclosure of connected transactions according to regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.
- 2 All staff must not seek benefits for themselves or other persons by using Company's confidential information, either such actions may or may not cause damages to the Company. All staff must strictly comply with Company's policy on the use of insider information and security trading.
- 3 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.
- 4 The staff must not attend or express opinions or approve the matters that such staff have a conflict of interest, either directly or indirectly, to ensure that the decision of the Board of Directors and Managements is fair and truly for the benefits of the Company.
- 5 Other business operations of all staff must not interfere with his/her ability to perform the Company's duties and working hours. The staff is prohibited to engage in any businesses that compete with Company's business operations.
- 6 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

Example & Recommendation

- 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.

- 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.

- One of the Company's distributors is your close friend, and he/she is asking you, who has the duty to allocate products that are in short supply, to allocate the products for him/her in exchange for higher purchase price. Can you do that?

Recommendation

You can inform him/her that you are not authorized to allocate such products even if the offer is beneficial to the Company. Such matters must be approved by your supervisor, which you are happy to coordinate and inform him/her if there's any progress.

- Your family wants to be a distributor of the Company, what would you do?

Recommendation

You can inform your supervisor and avoid being involved in your family's business operations or providing Company's confidential information to your family.

- A partner of the Company invites you to attend a seminar abroad. The partner is responsible for travelling expenses, airplane tickets, accommodations, meals, and travel allowances to all participants. You are allowed to bring your family members with you. Should you join this seminar?

Recommendation

You must be more cautious about this offer and understand that this seminar is for educational purposes, to increase and exchange your knowledge, or is a reward for the customer. From the example above, you should not join the seminar because the offer seems too persuasive. However, if the seminar is interesting and useful for business operations, you may request approval from your supervisor, case by case. Should you decide to join the seminar, you must not bring your family members with you and must not accept travel allowance as it is considered excessive benefits.

- 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.

- 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.

- 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.

Facilitation Payment

Principle

The Company acknowledges that business operations require regular contacts with government officials, which may lead to facilitation payments. The Company does not have any policies to pay any facilitation payments, either directly or indirectly. The Company will not take any actions and accept any actions committed in exchange for facilitating business operations.

Definition

Facilitation Payment

Informal expenses paid to government officials in order to ensure that the government officials will proceed or expedite the process. Such a process may not require government officials' discretion and it is a legitimate duty of the officials. And it is the entitlement that the juristic person may have under the laws, such as requesting for a permit, requesting certificates, and receiving public services, etc.

Government Agency or Government Official

Any government officials, staff, employees, committees, or any persons working in public administration, tribunals, committees, or any persons who are legitimate to issue any rules, orders, or any resolutions that may affect the individuals.

Guideline

- 1 All staff are prohibited to pay any facilitation payments to government officials under any circumstances. As such action has a high risk of being considered bribery and it increases business operation costs, increasing chances of defamation and violating Company's Anti-Corruption Policy.
- 2 Any contacts with government agencies must be transparent and strictly abide by relevant laws.

Example & Recommendation

- The Company assigned you to coordinate with the government agency and you acknowledge that contacting the government agency may require to pay the government officials the facilitation fee for promptness and convenience.

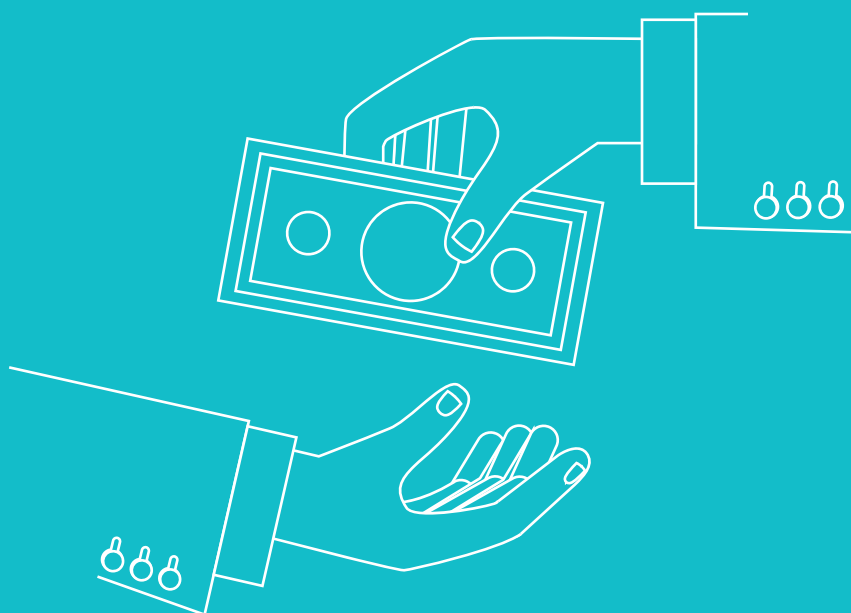
Recommendation

You should not pay any money or give any benefits to the government officials. You are also required to report the facts to your supervisor for consideration and appropriate actions.

- The government agency asks for donations of money or assets for specific causes.

Recommendation

Donations can be done through an accurate and transparent approval process with appropriate budget.



Hiring Government Employees

Principle

The Company does not have a policy to hire or appoint any government officials who are currently in office to work with the Company, either in the position of director, advisor, representative, employee, staff, or any other position. This shall be in accordance with the guidelines set forth in the Code of Conduct Manual regarding employment of government employees.

Definition

Government Agency or Government Official

Any government officials, staff, employees, committees, or any persons working in public administration, tribunals, committees, or any persons who are legitimate to issue any rules, orders, or any resolutions that may affect the individuals.

Guideline

In principle, the Company does not have a policy to hire or appoint any government officials who are currently or used to be in office to work with the Company, either in the position of director, advisor, representative, employee, staff, or any other position. Except in the following cases.

- 1 Used to be a government official and have been retired from being the government official for at least 2 years (cooling-off period) before applying for the position and being hired as the Company's employee.
- 2 In order to hire the former government official to work with the Company in any position, the Company shall proceed with the following measures to examine and ensure transparency.
 - 2.1 The Human Resources Department arranges a due diligence process for hiring a former government official regarding agreements made between such person and the government agency.
 - 2.2 After joining the Company, the former government official must not abuse his/her power, such as disclosing confidential information of the government agencies that was previously affiliated with.
 - 2.3 The selected former government official must disclose such information and certify the accuracy of information provided for the Company according to Clause 2.1.
 - 2.4 The committee must approve the hiring of a former government official.

Example & Recommendation

- In case the applicant is a former government official who is retired from the government agency for more than 2 years, the said applicant is knowledgeable and has abilities that are beneficial to the Company. What would you do?

Recommendation

You may consider accepting the applicant to work with the Company. The Human Resources Department must verify the applicant's work history and inform the committee for approval of the employment contract.

- If you later acknowledge that the applicant is a former government official, and the applicant did not disclose his/her work history to you. What would you do?

Recommendation

You should inform the supervisor or Human Resources Department to proceed with appropriate procedures, because such employment may have a risk of corruption.



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 is 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

- 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.

- 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.

- If you, as a supervisor, must make annual performance appraisal of your subordinate who has a personal conflict with you, what will 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.

- 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.

Protection of MFEC Assets

Principle

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.

Definition

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.

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. Avoiding installation of a computerized program by yourself, making modification and change, setting a system 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.

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 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.

- 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.*

- 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. The 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; and

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

- 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.

- 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?

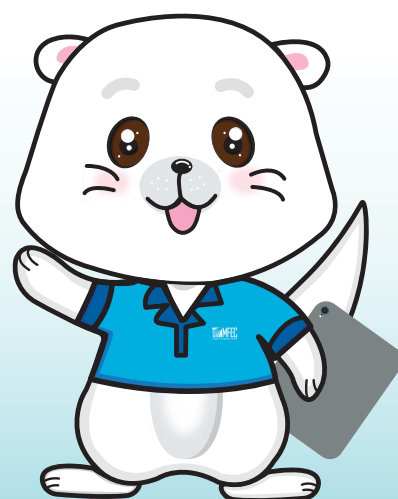
Recommendation

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.

- 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.



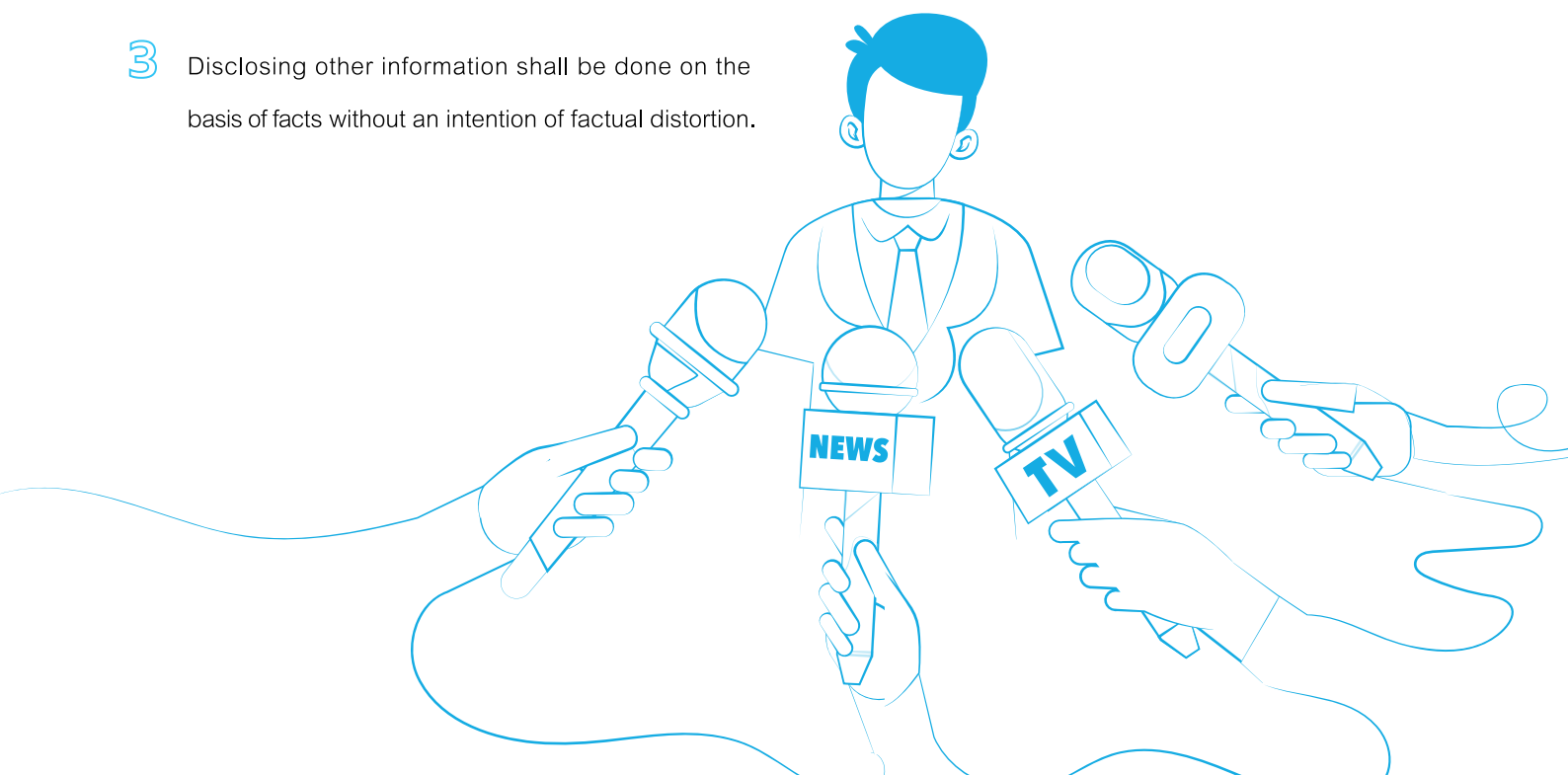
Giving Information or Media/Public Interview

Principle

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

- 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.

- If you have a friend working for a securities company and calling you to find corporate information personally, what should you do?

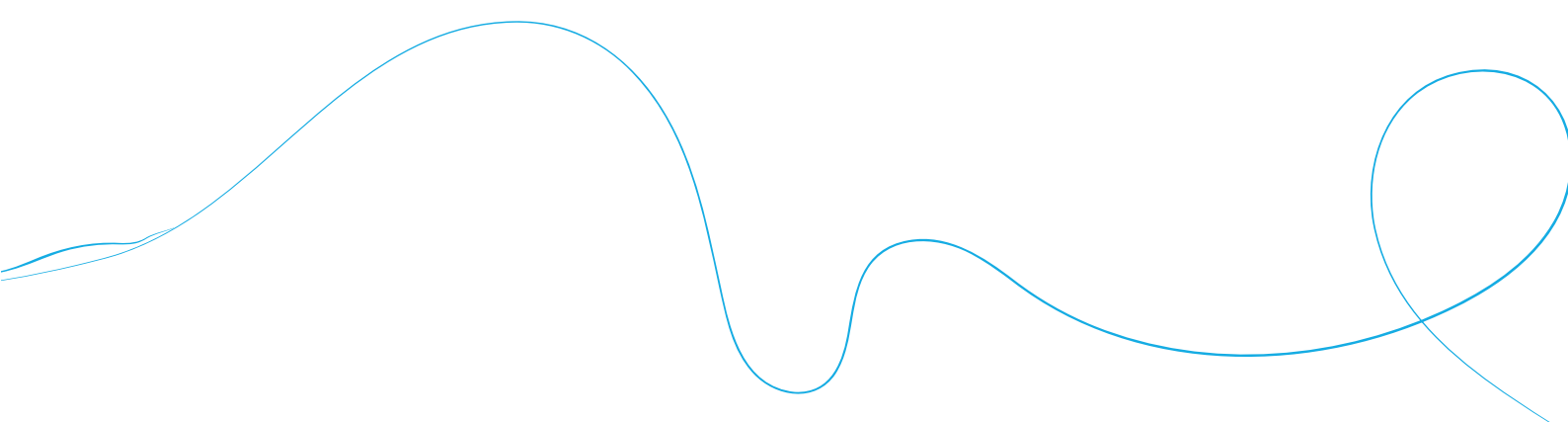
Recommendation

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.

- 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.



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.

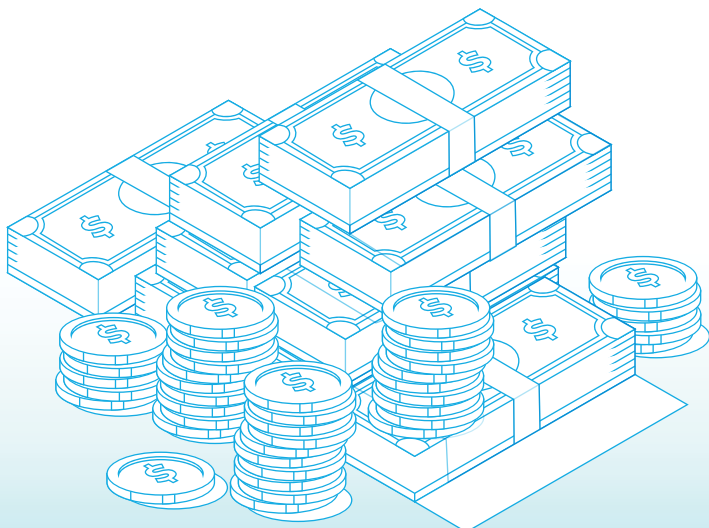
Definition

Money Laundering

Money laundering is the process to conceal or disguise the true nature of acquisition, source, distribution, transfer and rights received.

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.

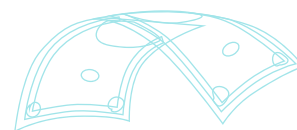


Example & Recommendation

- 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

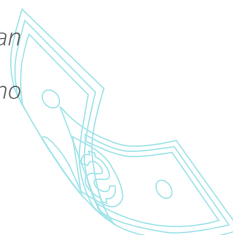
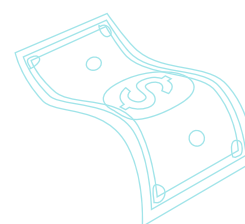
Avoid receiving money in the contract from a person who is not the contract partner. However, if necessary, you should inspect whether or not the source of origin of the money in every transaction and the relationship between the debtor and the person who transfers the money are legally correct.



- 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.

Definition

Intellectual Property

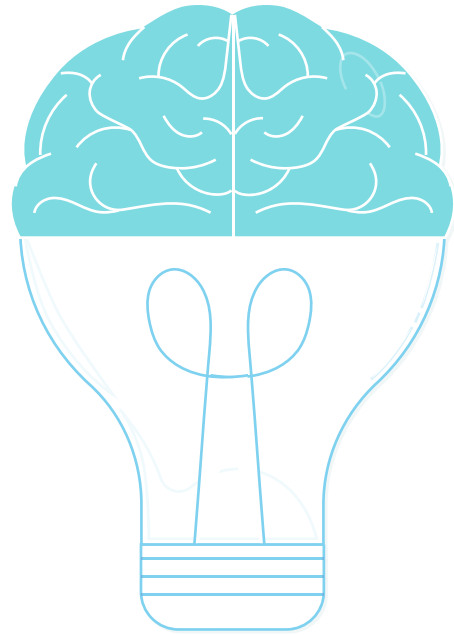
A work that is the result of inventions, creativity by human.

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.

Trademark

A symbol or a logo or a brand which uniquely identifies goods or services.



Copyright

Literary works, dramatic musical, artistic works, music, figurative works, movies, sound recordings, broadcasting.

Trade Secrets

Trade information not generally known which derives its commercial value from the secrecy.

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

- If the company's employee finds violation of the company's intellectual property, what should the employee do?

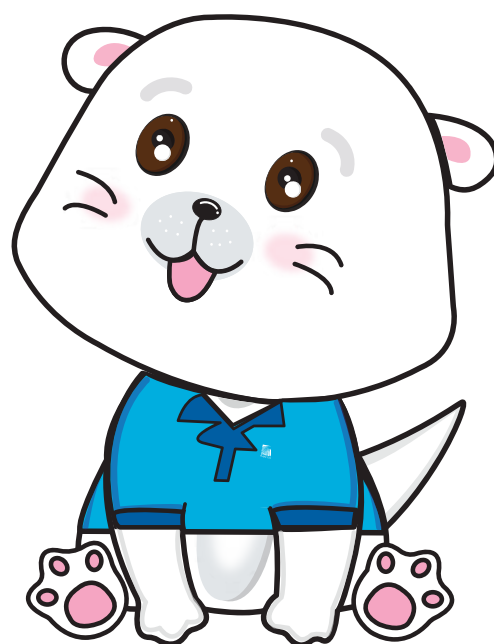
Recommendation

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.

- What should be done for hiring a corporate supplier to undertake a project with which the company is a contract partner?

Recommendation

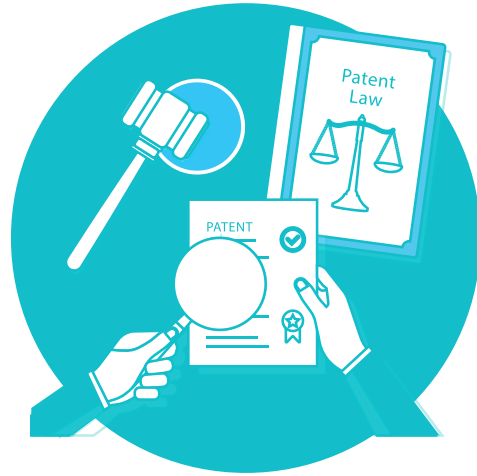
In the case that the company joins hand with its corporate supplier to undertake a project, the company will require the supplier to make a contract to keep secret information for mutual confidentiality.



Compliance with Laws, Regulations and 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.



- 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. t

- 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 22:00-6:00 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.

Management and Business Ethics

- 1 All staff of the Company are obligated to acknowledge, understand, and strictly comply with the Code of Conduct Manual. Should there be any violation or any actions that are against the business ethics, the Company may investigate and proceed with oral or written notice. In the event that such action is considered against the rules and regulations of work, the Company will consider the punishment according to the nature of offenses as appropriate for such case.
- 2 All staff of the Company are obligated to understand the Code of Conduct Manual when joining the Company, including changes of such Code of Conduct, which the Company shall publicize for implementation.
- 3 All staff of the Company must not take any actions that are considered avoiding business ethics, or be involved with the family members, relatives, acquaintances to take any actions that are considered avoiding compliance of Company's Code of Conduct Manual, for indirectly personal benefits.
- 4 Managements and supervisors must be the role models in compliance with the Code of Conduct Manual and have a duty to supervise and promote the subordinates to comply with the Company's Code of Conduct Manual.
- 5 There shall be a Business Ethics Committee, which must have at least 5 directors, consisting of:
 - 5.1 Chief Operating Officer as a Chairman.
 - 5.2 Head of Human Resources Department, Head of Legal Department, Head of Internal Audit Department, Secretary of Risk Management & Corporate Governance Committee, Company Secretary, and any other related Head of Departments as the committee.

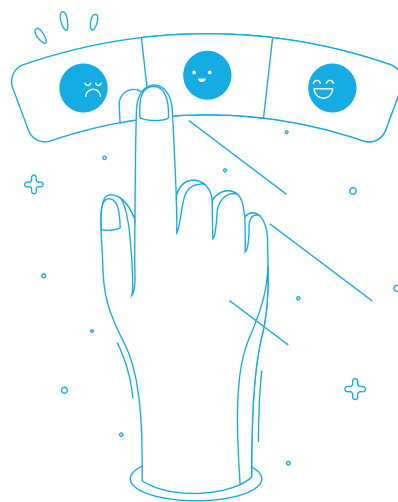
With the following duties and responsibilities:

- 1 Supervise and improve the business ethics to be appropriate and up to date.
- 2 Handle complaints relating to any actions that may violate business ethics, including investigating for fact-finding.
- 3 Answer inquiries and interpret any contexts in case of doubts.
- 4 Prepare a report for the Audit Committee, Board of Executive Directors, and Board of Directors annually.
- 5 Oversee and raise awareness, train the staff to be knowledgeable of business ethics and encourage all staff to practice business ethics.
- 6 Appoint a working group to carry out works as assigned by the Business Ethic Committee.

Whistleblowing or Complaints

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:

- 1 Whistleblowing or complaints must not be a complaint of false information or defamation, which MFEC considers a violation of Company's work regulations.
- 2 Channels for receiving complaints regarding non-compliance with the business ethics, anti-corruption policy, including providing advice related to compliance of business ethic and anti-corruption policy are as follows:



2.1 For external stakeholders

- Business Ethics Committee, MFEC Public Company Limited

No. 333 Lao Peng Nguan Tower 1, 21st Floor,
Vibhavadi-Rangsit Road, Chompol Sub-District,
Chatujak District, Bangkok 10900, Telephone: 02-821-7999

- E-mail

anticorruption@mfec.co.th
: Anti-Corruption Working Group
tis_tmi_helpline@tmi.gr.jp
: Hotline for whistleblower

- or E-mail as announced on the website

Fill out the form via the website: Title IR > Corporate
Governance > Whistleblowing Channel
(<https://ir.mfec.co.th/en/whistleblowing-channel/>)

2.2 For the employees of the Company

- Can file a complaint as per Clause 2.1
- Supervisors, management executives, persons, or department (Human resources, Internal Audit) that the whistleblower trusts.
- Independent directors or any other directors of the Company.

- 3 The Company assigns the Business Ethics Committee to be responsible for considering and handling complaints, non-compliance with Code of Conduct Manual, Anti-Corruption Policy, and any other regulations of the Company. To consider such complaints, the Business Ethics Committee will appoint a working group to handle the clues and complaints case by case. To appoint a working group, independence and suitability shall be taken into account. Process of examination are as follows:
 - 3.1 When the Business Ethics Committee receives a clue or complaint, the Committee will appoint a working group to collect evidence and investigate for fact-finding.
 - 3.2 The working group will present the facts and evidence to the Business Ethics Committee for processing and consideration.
 - 3.3 The Business Ethics Committee makes the final decision and punishes the offender according to the Company's rules and regulations.
- 4 The Business Ethics Committee evaluates and considers the damages happened to those affected and the whistleblower. Thereafter, the Committee proceed to mitigate the damage to the affected according to the Complainant Protection Measures.
- 5 The Business Ethics Committee presents the investigation and offender's punishment report and implementation measures to the Board of Directors.
- 6 The Business Ethics Committee informs the complainant about the result of the investigation, in the event that the complainant reveals his/her identity.

Complainant and Whistleblower Protection Measures

- 1 The Company will not disclose the name or information of the complainant/whistleblower.
- 2 The Company will keep information related to the clues and complaints confidential, or disclose to the extent used for processing, considering clues and complaints. Safety of complainant, whistleblower, or the affected will be taken into account.
- 3 In the event that the Audit Committee has assessed the situation and found that it had an impact on the complainant or whistleblower, the Committee will undertake fair protection, as the case may be.
- 4 In the event that the complainant or whistleblower is in an unsafe situation arising from the complaint or whistleblowing, the complainant or whistleblower may request the Company to provide appropriate protection measures.

Punishment

The Company's Code of Conduct is a discipline that must be strictly abided by. Any staff that violates or does not comply with Company's rules and regulations will be considered a violation of the Company's policies and Code of Conduct. This includes any violations that cause the Company any damages or loss of business opportunities. Persons who violate rules and regulations of this Code of Conduct will be subject to disciplinary action in accordance with Company's regulations regarding disciplinary action. Such violation may also be an offense under the Security and Exchange Act (No. 4) B.E. 2551. The person may be considered a punishment according to relevant rules and regulations.

In addition to non-compliance of MFEC's Code of Conduct, encouraging others to commit unethical behaviors, neglecting to unethical behaviors, obstructing the investigation of fact-finding, and unfair treatment of the informant shall be as well considered a non-compliance to MFEC's Code of Conduct.



Head Office

349 SJ Infinite One Business Complex,
Vibhavadi-Rangsit Road, Chompol,
Chatuchuk, Bangkok 10900
Tel. 0-2821-7999





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.

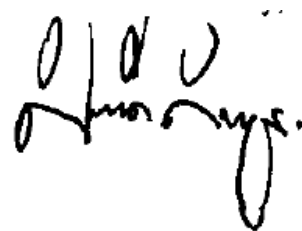
Meetings

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.

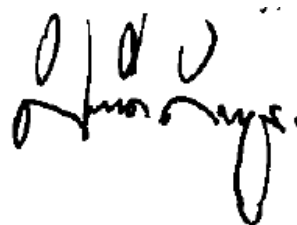
10. Evaluation of the Board of Executive Directors

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.

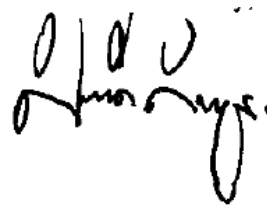
8. Evaluation

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.

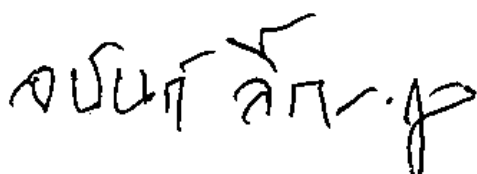
7. Reporting

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.

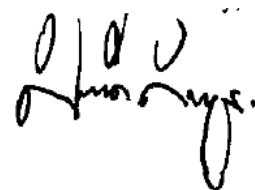
8. Evaluation

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 & 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.

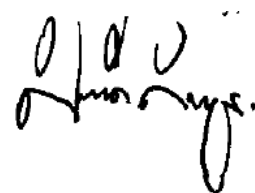
10. Development and Trainings

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



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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 2021, the Audit Committee had four (4) 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	4/4 Times
Prof. Dr. Uthai Tanlamai Audit Director	4/4 Times
Assoc. Prof. Dr. Kamales Santivejkul Audit Director	4/4 Times

All of three (3) Audit Directors were independent directors.

In regard to the meeting of the company's annual performance and 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 2021 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 2021, the Audit Committee added the issues regarding the impairment of account receivable, investment, MFEC's affiliates and future customer guidelines. This may be risks that require the attention, adjust the risk determination criteria and added the risk to 9 dimensions as follows:

1. Strategic Risk
2. Operational Risk
3. Human Resource Risk
4. Financial Risk
5. Financial Reporting Risk
6. Fraud Risk
7. Compliance Risk
8. Corruption Risk
9. IT Risk

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 2021 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 2021, the Audit Committee considered the performance in the previous year of EY Office Company Limited, which acted as an auditor for the Company and its subsidiaries, was satisfied. After the meeting with the auditors, mistake found in the internal control including the guidance for the accounting standard was reported to the Audit Committee. Therefore, the Committee agreed to recommend the Board of Directors proposing to the Shareholders' meeting for approval to nominate Mr. Khitsada Lerdwana, licensed auditor no. 4958, and/or Mrs. Ponnard Paochareoen, licensed auditor no. 5238, and/or Ms. Manee Rattanabunnakit, licensed auditor no. 5313 of EY Office Company Limited as the Company's auditors. The audit fee in 2021 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 2021, 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 Thammapiatagkul
Chairman of the Audit Committee
23rd February 2022

