

Annual Registration Statement/ Annual Report 2022





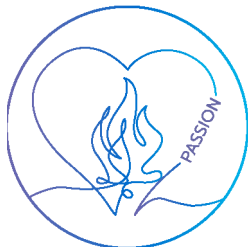
Vision

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 Values



PASSION

We are dedicated and focused on our work,
as well as being a driving force for
ourselves and those around us.



PROFESSIONAL

We are experts
who elevate every delivery for our customers
and are also supportive partners, leading every
change to provide the best possible guidance.



TEAMWORK

We have strength in unity.
In addition to collaborating within the
organization, we also see our customers as
part of the same team, growing together
in a sustainable way.



GIVER

We are givers.
We are a part of making society better
through creating technology and innovation.

CONTENT

Message from Chairman	04
Part 1 Business Operations and Performances	05
1. Business Structure and Operation	06
2. Risk Management	34
3. Driving Business for Sustainability	49
4. Management Discussion and Analysis (MD&A)	65
5. General information and Other important information	80
Part 2 Corporate Governance	82
6. Corporate Governance Policy	83
7. Corporate Governance Structure and Important Information about the Board of Directors, Sub-committees, Employees and others	100
8. Significant Corporate Governance Report	116
9. Internal Control and Connected Transactions	125
Part 3 Financial Statements	133
Part 4 Correctness Certification of Information	202
Attachment	
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	204
Attachment 2 Details of Subsidiaries' directors	215
Attachment 3 Details of Internal Audit Supervisory	222
Attachment 4 Assets used in business operations and details about Property Appraisal Items	224
Attachment 5 The complete policies and guidelines for Corporate governance and the complete business ethics that the Company prepared	228
Attachment 6 Audit Committee Report	349

Message from Chairman

The MFEC Group is committed to conducting business with dedication towards the development of high-quality, efficient, and internationally standardized products and services. The organization places great importance on the development of its employees and encourages learning beyond theory, benefiting students in various universities, in order to enhance the resources of the new generation of “quality people”. This is the foundation for the economic and social growth of the country, contributing to the sustainable business growth of the organization, consistent with the mission of the company’s business operations, “To be a driving force in improving your Digital Life” by pushing and promoting learning and skill development of its employees, coupled with the strengthening of the educational foundation for the future of Thailand.

The MFEC Group is aware of, and places great importance on, conducting business with transparency and fairness, under good corporate governance practices, adhering to moral principles, being socially responsible, while creating good business performance that links to the goal of sustainable growth and development of the organization. During the past year of 2022, the overall economy of the country has begun to recover, although many industries have turned to technology to drive their business during the COVID-19 crisis, leading to a highly competitive market for information technology businesses. As a leader in IT, MFEC has adapted to this crisis for more than three years, undergoing Business and Digital Transformation, and thus has gained a better understanding and appreciation of the changes that are taking place in the current business landscape.

We place importance on conducting business in conjunction with sustainable development, by aligning business operations with sustainable development goals and frameworks, with the idea of ‘empowering a better digital life’ across all dimensions. These include 1) actively taking care of and preserving the environment, 2) empowering the limitless potential of our employees, and 3) guiding, nurturing, and driving sustainable economic growth. The sustainable development framework in all three dimensions will serve as a key foundation in creating driving force, allowing everyone in Thai society to have a digital life coupled with environmental preservation.

Finally, on behalf of Board of Directors, we would like to express our gratitude to all the supporting groups, including customers, partners, shareholders, as well as all employees and executives in the company’s group who have contributed to the company’s success and supported it continuously. The Board of Directors certifies that it will firmly adhere to and guide the company’s operations towards continuous and sustainable growth, and play a role in creating a society that develops individuals, driving digital life as a fundamental force towards strong and continuous future prosperity.



(Mr. Sirisak Tirawattanangkul)
Chairman

Part 1

Business Operations and Performances

1. Business Structure and Operation

1.1 Policies and Business Overview

MFEC Public Company Limited provides consulting, development, computer system and information technology network solutions as a System Integrator (SI) for large organizations ranging from private sector corporations to government agencies. The company focuses on large enterprise customers who are leaders in each industry, such as telecommunication companies, financial institutions, government agencies and state enterprises, energy, manufacturing industries, and others who have high demand for information technology services.

Currently, MFEC is emphasizing the development of its current and future employees' potential, as the company believes that the potential of every employee is the backbone of the technology that will help improve the quality of life for everyone.

1.1.1 Visions, Objectives, Goals, and Strategies

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

Strategies and Goals of the Company's Business Operations

Entering the year 2023, the overall economy in the country is beginning to recover. Despite the COVID-19 crisis, many industries have turned to using technology to drive their businesses, leading to high competition among information technology and communication businesses such as MFEC, which is a leader in both business and digital transformations. Adapting to this crisis for over three years has allowed us to understand and witness the changes in technology well. Therefore, we are committed to developing infrastructure and designing solutions to handle various issues related to managing large amounts of data within organizations while also ensuring the highest level of system security in the context of each organization.

This year, the company has continued and expanded its focus on developing information technology systems for large organizations in MFEC's

core products and services, namely Security, Data and Analytics, and Applications. Especially in the area of data security, MFEC is committed to developing and designing solutions that can respond to every crisis situation that customers may face in the future.

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 5 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 Major Changes and Developments

History and Background of MFEC PCL.

MFEC Company (Public Company Limited) was founded at the beginning of 1997 by a joint venture between Modernform Group (Public Company Limited) and a group of professional executives who have computer and communication technology experience. The organization's purpose is conducting business in consulting and implementing a network communication technology system for both government and private sectors. The organization 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 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 year 2016-2017, there was an important internal organizational reformation, which was the rearrangement of the new office environment that is the second branch of the Company and the product development center. The concept reflects the image of the organization that is full of creative power, along with work enhancement under the concept of “New Office – New Culture” consisting of 1. Collaboration 2. Communication 3. Concentration 4. Chill Out. MFEC’s new office is located at SJ Infinite One Business Complex 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 Praln FinTech Company Limited, for the benefit of managing the subsidiary before proceeding with the sale of some investment to J Ventures Company Limited in “JMART” group, with the objective of business expansion, building business strengths. Currently, the Company had the remaining shares 71.62% of the registered capital, and also bought the shares of Advanced Intelligence Modernity Company Limited from minority shareholders, 38.2%, resulting in the increase in the Company’s shareholding 98.2% of the registered capital for the benefit of subsidiary management and driving the organization to grow in the future. From the important changes of the Company, MFEC focused on the creation of people and increased business opportunities, including internal and external reinvestment by increasing investment in Fanster Media, purchasing common shares in MISO and AIM, distributing and consolidating businesses of the Soft Square Group companies. The joint venture of Praln Fintech Company Limited “Subsidiary” with companies in the JMART Group would enable the subsidiary to expand the business base more widely, which would strengthen the MFEC Group to be a strong information technology business leader.

Thailand had entered the era of Digital Disruption, which is full of challenges to business changes and the environment of the competitions whether it was an adaptation to the new competition, the rapid changes of technology and new innovations. Being able to quickly respond to the competitive environment, MFEC transformation focused on two (2) important parts in the organization;

1) People Transformation: People are significant resources, and they are transformers to create changes within an organization, specifically, building an environment that suits next-generation newcomers, and enhancing internal workflow to have more efficiency. Consequently, it will be an effective method to train human resources and acquire new skills to prepare for new emerging technology and support the latest innovation creation.

2) Business Transformation: The result of the unexpected change in technology and innovation has an impact on customer behaviors, including suppliers. MFEC oversees that if we conduct business in a traditional approach, it will not correspond with employees’ development growth. It is essential to find a new business model to step into the uncharted business territory. MFEC will motivate talented employees who have big ideas to start a new actual business to respond to changing consumer needs and behaviors. The new company will be invested through Corporate Venture Capital. Additionally, suppliers will do Venture Building, which will co-invest in available technologies, capabilities, and workforce to achieve faster Time to Market.

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

Important changes and developments in the past three (3) years (2020-2022)

2020, The 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 competition and opportunities that will strengthen clients' businesses despite critical situations. This year, TIS Inc. has entered into a business alliance with MFEC due to its confidence in its potential as a leading provider of information technology services. TIS Inc. has made a partial tender offer (PTO) for 24.10 percent. After the completion of the tender offer, TIS Inc. holds 49.00 percent of the total ordinary shares. The transaction was a turnaround, with TIS Inc. being the second largest provider of information technology revenues in Japan.

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. Since 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's Meeting to approve the incorporation of the subsidiary: Venture Lab Company Limited to support the research and development of new products and services.

In the year 2022, the economy began to recover and many businesses bounced back once again. MFEC continues to be conscious of our work efficiency, in order to deliver the best possible experience to our customers. We have adjusted our processes and work methods to make each task more efficient, while also increasing our competitiveness in the global market through the synergy of selling our Digital Delivery business unit and transferring approximately 300 software development and related personnel to Bluebik Group Public Company Limited.

Awards and Achievements for 2022



- Awarded Intelligent Data Platform – Data & AI at Microsoft Thailand Partner Award 2021
- Awarded Customer Acquisition at Microsoft Thailand Partner Award 2021
- Awarded Cisco Software Excellent Reward at Cisco Thailand Partner Appreciation Event 2021
- Awarded Industry Solution Partner of the Year from IBM
- Awarded Partner of the Year Award 2021 at UiPath TH Partner Gathering and Large Deal Enablement
- Awarded Partner appreciate awards from Paloalto
- The 2022 Annual General Meeting of Shareholders' Assessment received a full score of 100.

- Awarded Top Security Contribution Award 2022 from F5
- Awarded Veeam Best Partner of the Year 2022 "Rising Star"
- Awarded Veeam Value-Added Reseller "Gold Partner"
- Awarded Partner of the Year 2022 at Kong Summit 2022
- Awarded Veritas Platinum Partner Award FY23
- Awarded Purestorage FY22 Partner Technology Excellence
- Awarded Software Excellence at Cisco Thailand Partner Appreciation Event 2022
- Awarded Cisco Architecture Excellence AppDynamics at Cisco Thailand Partner Appreciation Event 2022

2021

- Received Thailand Growth Partner 2020 from F5
- Received AppDynamics Presales Stage 3 Certification from Cisco
- Became Google Cloud Premier Partner
- Has been evaluated "98%" for Corporate Governance Report of Thai Listed Companies : Excellent CG Scoring for the Year 2021
- Received Authorized Gold Partner and awarded the Best Automation Program Management Partner 2020 from UiPath
- Received IBM Partner Awards & Recognitions 2020

2020

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

1.2 Nature of Business

1.2.1 Income Structure

During 2020 – 2022 as of 31 December 2022, the company and its subsidiaries' income structure was classified by type of products and services in the following table:

Products	Y2022		Y2021		Y2020	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Business Development and System Implementation	1,164	19.69	1,851	35.56	2,153	45.42
Maintenance Service	2,628	44.45	1,784	34.27	1,288	27.17
IT Professional Service	1,160	19.62	939	18.04	856	18.06
Cloud Service	818	13.84	559	10.74	345	7.28
Others	77	1.30	41	0.78	29	0.61
Income from sales and services	5,846	98.88	5,174	99.39	4,671	98.54
Profit from changing type of investment	33	0.56	-	-	-	-
Other income /1	32	0.54	32	0.61	69	1.46
Total income	5,912	100.00	5,206	100.00	4,740	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 83.76% and 87.87% of the total revenue for the year 2022 and 2021, respectively.

The company is also a cloud computing service provider, accounting for 13.84% and 10.74% of the total revenue for the year 2022 and 2021, 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 46% from the year 2021 (the 2021 growth rate is 62%).

1.2.2 Product Information

1) Features of our Products and Services

MFEC Public Company Limited provides information technology and communication services, ranging from consulting to developing IT solutions. They specialize in comprehensive computer system and information network installation services for leading customers in various business sectors. Their goal is to be a trusted partner through innovation and excellent service, providing efficient and effective services that meet their customers' needs (Solution Delivery). They offer five (5) main solutions, which include Cyber Security, System Integration as a Service, Big Data & Analytics, Cloud Platform, and IoT & Smart Innovation.

The Company has implemented a policy for each business unit to develop full-cycle information technology work through team collaboration, resulting in solutions that specifically meet customers' needs and focus on enhancing digital transformation for large-scale organizations. With expertise in application development and collaboration with the security department, the company recognizes the importance of addressing and anticipating potential security vulnerabilities, contributing to a competitive advantage. However, the products and services that result from all business units of the company can still provide a comprehensive one-stop service for technology and solution development while strategically responding to customer business needs. This is all under the umbrella of the company's Three (3) main business units, including:

1. Enterprise Solution

1.1 Digital Information Services

MFEC Digital Information Service has expertise and experience in managing data in all aspects, from designing, planning, storing, processing, analyzing, and reporting data. They specialize in Data Analytics technology that meets the needs of using data from the past to predict future events. The data that you have can be managed effectively and efficiently to add value. They are confident and ready to provide a comprehensive data management service, including training and policy consultation, ensuring that customers can benefit from organizational data.

The Digital Information Services team has applied business concepts and divided solutions to help develop digital businesses with partners and traders for sustainable stability. There are four (4) solutions as follows:

1) Database Solution Services is the application of solutions in the database field, both On-Premise and Cloud, to meet the needs of customers who want to develop systems or applications that store data in various formats, both RDBMS and NoSQL.

2) Big Data Solution Services is the process of collecting, analyzing, and finding value in data from various sources within an organization, not just from the RDBMS database system, in order to improve business performance. Partners can benefit from data that was previously unavailable within the organization.

3) Analytic and Business Intelligence is the result of having sufficient data that is useful and relevant. Digital Information Services has a team of data scientists who are capable of analyzing data at various levels, such as data mining, machine learning, sentiment analysis, and social listening to extract insights or to predict future trends. They provide customized reports that are easy to understand, in order to create a competitive advantage in business.

4) Application Infrastructure Services involve bringing Middleware solutions, both On-Premise or Cloud, to meet the needs of customers who want to develop systems or applications. Services are provided in various areas, such as Web Application, Message Services, Integration Services, or Service Oriented Architecture. The capabilities of these services are combined to support the requirements of the Application effectively.

1.2 Business Service Management

Nowadays, large organizations need to enhance their business competitiveness by utilizing Enterprise IT Solutions. MFEC has an experienced team that provides guidance, development, and customer support for IT-related matters. This has resulted in a large customer base in various business sectors such as Banking, Telecom, Insurance, Enterprise, and Government. The BSM team offers solutions in both On-premise and Cloud formats, which consist of four (4) main components:

1) Monitoring Solution is a solution that checks and alerts the performance of a large organization's systems or applications. The solution covers monitoring in both the application and infrastructure areas from the customer's perspective, such as mobile iOS, Android, various websites, to minimize problems and increase the speed of detecting and resolving issues with minimal impact on customers. This leads to revenue and business advantages from providing services and creating customer satisfaction.

2) IT Service Management Solution is a solution designed and developed to manage IT tasks to comply with ITIL standards, which consist of various processes. It provides support to both internal and external customers of the organization to ensure maximum efficiency.

3) IT Automation and Robotic Solution is the use of automation solutions to develop and manage various IT tasks to be more efficient and responsive to the rapidly advancing and complex world of IT. The solution includes the use of robots to perform tasks, the use of AI to analyze text, and the automation of batch job management. The solution aims to improve productivity for employees, reduce costs from errors, and create faster response times for new business demands in IT.

4) Customer Engagement Solution is a new solution that helps track and support customers through various channels, known as Omnichannel Customer Engagement, in order to truly understand their needs and respond quickly. The channels that the solution can work with are diverse and lead to customer satisfaction and follow-up to increase business value significantly.

1.3 Business Solution

We are a professional service team that focuses on technology to provide high-level business solutions in financial solutions, digital process automation, enterprise content management, and CRM, using world-class products. With our knowledgeable and experienced business solution team in both the business domain and solution development, we provide excellent support and create long-term value for our customers.

1) Financial Solution

- **Capital Market Solution** is a financial market solution that comprises products for foreign exchange transactions, interest rate risk management, and commodity price risk management. It supports End-to-End operations from Front-Office, Middle, Back-Office to Accounting, with a foundation of Process Automation and Straight Through Processing (STP) to enhance efficiency and Time-to-Market.

- **Lending Solution** is a system for loan origination and core loan management. It supports secured and unsecured loan products for retail customers and institutions, such as term loans, mortgage loans, auto loans, hire purchase/leasing, and others. The system covers functions including apply loan request, loan approval and credit analysis, customer management, receivable management, and debt collection.

2) Digital Process Automation (DPA) is a technology that enables end-to-end business process automation to drive digital transformation. DPA drives workflow automation among humans, systems, and robotics, from individual processes to integrated business management. This helps to visualize, understand, and improve business processes efficiently.

3) Enterprise Content Management (ECM) is a solution for managing content and documents within an organization in a complete digital format. It covers content import (check-in), scan and indexing, search and view, editing, and version control (check-out), document security according to specified conditions, and automatic archiving and content destruction according to retention policy. Organizations can reduce paper usage, eliminate data redundancy, and increase efficiency in data usage and distribution both internally and externally.

4) Customer Service Solution (CRM) is a solution for managing customer relationships to create a good long-term relationship with customers using technology for managing and responding to customer interactions. It involves learning the different needs of customers and responding to those needs with the most suitable products or services for each individual customer. For example, a customer service management system utilizes CRM tools in a business or organization to help improve the components of customer service processes.

1.4 Internet of Things

The Internet of Things (IoT) technology for industrial factories is used to upgrade the control system of traditional machinery used in factories. Data obtained from machinery in the factory is sent to a central hub and displayed to relevant personnel through mobile devices, computers, and monitors in real-time. This process integrates multiple systems to work seamlessly together, including sensor hardware platforms and mobile applications. MFEC is a business operator with the full potential and capabilities required for these tasks. The services provided are designed to be suitable for industrial factories in Thailand. The company is confident that it can assist its customers in managing IT operations in the long term, making them ready to adapt to rapid changes in the digital world.

1. Sensors: IoT technology is about collecting data from various sensors, which have small but numerous amounts of data and high frequency of data transmission. There are various types and qualities of sensors, and it is crucial to choose the appropriate sensors for the intended purpose. The team has conducted research and developed sensors of different types and suitability in terms of both quality and price to meet the needs of customers.

2. Communication: Communication from Sensors devices to the data storage source is also crucial because in real working environments, there are often limitations in communication and energy. The IoT modules from MFEC support various communication formats including NB-IoT, LoRa, Wi-Fi, BLE, RS-232, RS-484, Dry Contact, and Modbus to ensure seamless communication between devices and data storage sources.

3. Platform: The data storage system for IoT sensors must be designed to accommodate a large amount of data, but with a small data size. Therefore, a specialized data storage system that is suitable for IoT data storage and can be expanded into the realm of BIG DATA is necessary. This will allow for the integration of AI technology into the system to enhance its capabilities, such as event prediction and future machine maintenance (Predictive Maintenance or PdM).

4. Application: After having the data, it is necessary to present such information appropriately and quickly. Developing programs on smartphones, including notifying information when there are errors in the factory or machinery immediately through various channels, such as Line, Messenger, Email, SMS, and App Notification, is crucial.

2. Hybrid Infrastructure Services

2.1 Cloud Solution Services

MFEC Cloud Services is a comprehensive cloud service provider that offers consulting, design, construction, and management of cloud systems to meet the needs of businesses of all types. Cloud technology is designed to meet the needs of businesses in all forms, and MFEC Cloud Solution Services has experts in cloud technology on all platforms and formats to provide comprehensive service immediately. As a leader in the System Integrator business, our design is based on "Design for Operation" to ensure that our customers' businesses designed by us are efficient and meet their needs.

The Cloud Solution Services team has therefore applied business ideas by dividing solutions into four (4) areas, including:

1) Cloud Platform Services: It is a service that provides design and development of cloud technology on various platforms for customers who require convenience and speed in establishing a cloud infrastructure. It offers a basic foundation for creating innovations for organizations, with services that include pricing assessment and cost management, notifications, monthly reporting, and billing services that comply with domestic and international tax regulations.

2) Professional Services: They are services that provide consultation, design, and development of complex systems, both in terms of infrastructure and system and data operations, to ensure that the designed system meets various requirements while still supporting business needs that require flexibility, speed, stability, security, and the ability to handle all workloads.

3) Technical Operation Services: It is a post-sales service that customers need assistance in creating, designing, and continuously maintaining their systems. We take care of the complex system maintenance tasks so that customers can focus on creating and developing new innovative services in their business independently.

4) Service Package: A service package is a set of services with clear boundaries and defined timeframes to meet the quantitative demands of customers. The service package includes the following sets of services:

- Migration Services: a service set for migrating a system from one system to another
- Hybrid Gateway: a service set for connecting systems between On-Premise and Public Cloud
- Optimization: a service set for conducting a current system audit and proposing appropriate models for greater efficiency

2.2 Information Security

The Information Security team focuses on comprehensive Information Technology system security checks and protection, in addition to having complete Information Security certification. MFEC is an organization with a diverse team of knowledgeable professionals who work collaboratively to provide complex solutions to meet the business needs of its customers. The Information Security team has divided its solutions into seven (7) categories:

1. Network Security: It consists of network security systems that protect against threats from both external and internal networks, such as Firewall, Intrusion Prevention System, Email Security, and Proxy.

2) Data Security: Data is considered one of the most important things that an organization needs to protect. In the Data Security Solution, the Information Security team will supervise, control and ensure the highest level of security for the storage, use, and transmission of data.

3) End Point Security User: It is considered the weakest link in terms of security in an organization. Therefore, the Information Security team has developed a security solution that directly relates to user usage, or also known as Endpoint Security. This solution consists of antivirus systems, anti-malware, multi-factor authentication, and more.

4) Security Assessment: It is a service provided only by leading IT service providers. It consists of two main parts: Technical Assessment such as Vulnerability Assessment, Penetration Testing, and Compliance Assessment such as ISO27001 Assessment, CSA Assessment.

5) Cloud Security: In today's IT system, it cannot be denied that Cloud has become an integral part of organizations. Many organizations use Cloud in their main business operations, and as the demand for its use increases, security becomes a concern for every organization. The Information Security team recognizes the need to protect the organization's systems that are being used on Cloud, whether in Public Cloud, Private Cloud, or Hybrid Cloud. We have solutions for both Compliance Verification and Cloud Security Protection to ensure that the organization's valuable data remains secure even when used in the Cloud system.

6) DevSecOps: The Digital era has fully arrived. In the past few years, the Software Development team has become a crucial part of leading organizations to success. Releasing applications and services to consumers is not only a matter of competition in usage, but also in accessing new services quickly. Applications or services with vulnerabilities can cause damage to both consumers and organizations. Therefore, creating security for application development is essential in the Digital world. The solutions provided by the Information Security team include DevOps Platforms, Security for DevOps, and Container Security.

7) SOC: The cybersecurity monitoring center established with expertise in protecting large-scale data networks nationwide is a solution for preventing threats from outside the organization. It offers a range of leading global technologies for enhancing cybersecurity capabilities as required by the Cybersecurity Act.

2.3 System Infrastructure

The System Infrastructure team is able to respond to changing business needs while reducing costs in IT system development, as well as increasing the ability to rapidly expand infrastructure. They can fully manage the infrastructure with personnel who have expertise and experience in technology development for applications. Additionally, they can provide customers with confidence that we can deliver work efficiently. The team offers services in four areas :

1) System Infrastructure Services: It provide services ranging from consultation and solution design of infrastructure to be used in both legacy and modern systems, including developing DR (Disaster Recovery) solutions to create backup sites in case of emergencies and migrating data from old systems to new ones.

2) Modernize Data Center Services: It is a service that helps organizations to manage their data centers to be up-to-date and support modern applications and rapidly changing business needs, using technologies such as Hyper Converged, Virtualization, Automation, Hybrid-Cloud, and Private-Cloud.

3) Intelligent Data Protection Services: They are backup and recovery services that prevent data loss at both the server and desktop levels. In addition, these services include data management of backed-up data to increase efficiency and reduce preparation time, such as using the data for testing/UAT. These services also reduce costs by allocating space and allowing developers to access and manage the data themselves for faster application development.

4) Digital Workspace Services: They are services related to managing end-users' use of applications and data across various devices, including the use of personal data within the organization.

2.4 Network

MFEC has a team of quality personnel who are Cisco Certified Engineers, capable of providing comprehensive services to customers, including consulting, design assistance, installation planning, technology training, sales support, and 24-hour customer service. With extensive experience and continuous development, we have a customized team that provides solutions that are appropriate for each customer's organization. We are also a Cisco Advanced Architecture Specialization in five main technologies, including Enterprise Networks, Security, Collaboration, Data Center, and Service Provider, which are capable and ready in every aspect for all organizations. Our sub-solutions are divided into seven (7) categories, including:

1) Enterprise Networking: Solution for Network Systems, Software-Defined Networking, Switch, Router, Wireless, Network Management, and Optical Networking

2) Wireless and Mobility: Wireless and Mobility Solution, Software-Defined Access, Wireless Controllers, Indoor Access Points, Outdoor and Industrial Access Points, and Cloud-Managed Access Points

3) Security: Network security solution, Next-Generation Firewalls, Advanced Malware Protection, Cloud Security, Network Visibility and Segmentation, Email Security, and Web Security

4) Collaboration: Unified Communication Solutions, IP-Telephony Systems, Contact Center Systems, Voice & Video Conference and Collaboration Endpoints

5) Data Center: Data Center Solutions - Unified Computing, Data Center Management and Automation, Data Center Switches, Data Center Security, Hyperconverged Infrastructure, Storage Networking and Virtual Networking

6) Hybrid-IT: Innovative solutions that improve work efficiency and convenience in both Cloud Services and Managed Services, such as Cisco Meraki, Cisco Webex, and Cisco Umbrella

7) Network Programming: Cisco's product APIs are leveraged to meet customer needs by providing services in various areas such as web applications, integration services, IoT platforms, and automation to reduce redundant work.

2.5 IT Operation Managed Services

As an SI company with comprehensive IT infrastructure services, MFEC supports outsourcing and managed services, as well as installation and maintenance of IT infrastructure equipment. Currently, customers still require an IT team with skills that keep up with changing technologies, in order to enable their businesses to compete with their rivals. Therefore, the ITOMS team has divided its services into four (4) areas:

1) Outsource and Managed Services: They provide engineer teams to work onsite with customers. There are various types of engineers available, including Network Engineers, System Engineers, and IT Support. In addition, services are also available that do not require an engineer to work onsite with the customer. This is done through a team of professionals who provide monitoring and remote support to customers.

2) Installation and Maintenance Service: It offers consultation, design, installation, and maintenance of Network, System, CCTV, Access Point, Beacon, signal cables, electrical systems, and air conditioning systems in Data Centers. Additionally, IT equipment transportation services are provided to customers in Bangkok and other provinces with service centers nationwide.

3) Microsoft Service: It provides consultation, design, installation, and maintenance of Microsoft products such as Windows Server, Hyper-V Management, Exchange Server, Office365, Microsoft EMS (AIP/RMS/Intune), SCCM, SharePoint. Additionally, training services are also provided to customers.

4) Other Product Support: It offers consultation, design, installation, and maintenance of other IT infrastructure products supported by the team, such as HPE Aruba, SolarWinds, Zabbix.

3. Transformation

3.1 Marketing Technology Innovation

Organizations of all sizes and business service providers, including government agencies and private sectors, providing services to consumers or the public, require diverse information for various purposes such as understanding consumer behavior, business planning, product development, distribution planning, and many others. MarTech innovation, or Marketing Technology, is a business tool that is used to achieve these purposes. The MarTech innovation team at MFEC consists of experienced professionals who have a deep understanding of a variety of businesses, making them capable of being part of long-term planning and utilizing various technological tools to enhance and upgrade customer service. The current customer base includes government, banking, insurance, enterprise, and media sectors. The solutions provided by the MarTech team are as follows:

1) Business Consulting: Our consulting and planning services offer a variety of options, from business planning for new products to strategic planning for service or product development. This includes utilizing tools such as the Design Thinking Process and Business Model Canvas to help customers understand problems and find true innovations. We also offer comprehensive marketing planning consulting services, including the development of a Technology Market Stack, to help customers use tools that are more appropriate and effective. Additionally, we provide services for inspecting and improving the efficiency of currently used technologies to increase their potential.

2) Customer Data Platform (CDP): Tools are used for collecting customer data in various social media platforms such as Facebook, Twitter, LINE, IG, TikTok. After the contact has been established, the tools are used to analyze customer segmentation, behavior, product trends, purchasing spends, predict customer profiling, and customer journey. They also help in managing data analysis, product and marketing plan information, and customer satisfaction management.

3) Growth Marketing Platform (Marketing Automation): The tool is installed on the website or mobile application of customers, used for analyzing customer data such as customer origin, then presenting Marketing Personalization. This is created through the AI Engine that learns customer behavior when accessing the website or mobile application, or clicking on links. Then, it matches with the customer profile previously learned and presents products or services that customers are interested in. This makes it easier to close sales, quickly increase sales, and also provides notifications to customers to not miss new products or new promotions consistently. Therefore, it is called Emotional Marketing.

4) Chatbot: The tool that helps answer questions and replace the work of employees greatly is Chatbot. Chatbots will integrate with the customer's backend system, whether it is CRM or ERP, making tasks, registrations, and chatbot Q&A work with various chat messaging platforms such as Facebook Messenger, LINE API, and LINE Lift. This creates a truly disruptive flow that enhances the work experience and provides better data for analysis for MFEC's customers.

5) Social Listening: The tool is used to study and understand customer behavior better, but requires experience in creating the desired keyword set to be studied. This will enable more beneficial use and help the customer's business manage crisis situations in a timely manner.

3.2 M-Lab

In today's world where every industry is disrupted by new business models, even in the IT industry, we need a development team that is capable of developing new applications to keep up with the changes and respond to the business models of organizations and customers promptly. This is to use in problem-solving or improving the old working system, as well as creating new working systems accurately and quickly. Therefore, the M-Lab team has solutions that support customer needs, such as

- **Application Development**

With the technology stack that we have chosen to use, the limitations in application development have been expanded to another level. This includes accuracy, speed in development, testing, and delivering the work.

2) Marketing and Competition

Overall industry conditions and market trends

Krungsri Research reports on business and industry trends of Thailand from 2022-2024 that over the next 3 years, the world economy is expected to expand at an average rate of 4% per year, slowing to this more moderate rate having hit 5.9% in 2021 on the combined effects of large-scale stimulus spending and the reopening of the major economies. Tailwinds lifting the global economy in the coming period will stem from more vigorous activity in the private-sector, boosted by recovery in services and ongoing growth in manufacturing, which will itself be the beneficiary of the progress of vaccination

programs, the relaxation of pandemic control measures, the gradual reopening of many countries, and the effects of accommodative fiscal and monetary policy, although this is being scaled back as the pandemic recedes. However, risks and uncertainty persist, most notably from the possible emergence of new COVID-19 strains, worries over the efficacy of vaccines, and supply chain bottlenecks that may persist until 2022. In addition, the need to combat stronger inflationary pressures through policy normalization and the raising of central bank interest rates may result in higher operating costs for businesses in the period ahead.

Modern technology is transforming the structure of the manufacturing and service sectors broadly and rapidly. This wave of the digital revolution, which is now carrying the whole world along, is helping to generate value creation for manufacturing and service sectors to increase the sustainability of growth and adding to the security of supply chains. Over the next 3 years, some of the more important technological developments to affect the economy will include the following:

- **The Internet of Things (IoT):** IoT will have a greater role to play in gathering data related to everyday activities from sensors placed in devices including medical equipment, electrical appliances, and auto equipment. Nowadays, the number of IoT applications is steadily increasing, for example, smart hotel rooms that allow occupants to control the room's electrical devices through their own mobile phone, and companies that use IoT technology to track and manage goods deliveries.

- **Robotics:** The use of robots or other machines that are able to carry out precision work and to operate autonomously is reducing losses in manufacturing and increasing work safety. These machines are equipped with onboard software, microprocessors and sensors, and are particularly suitable for use in repetitive tasks, such as transporting dangerous loads in the electronics or construction industries, welcoming guests to hotels, planting crops, and feeding livestock.

- **Artificial intelligence (AI):** When AI is used in industry, it is often combined with other technologies such as cloud computing and IoT for use in big data analytics or to develop "Cobots" (robotic systems that work alongside humans) that are deployed in. For example, the auto and electronics industries use cases AI for controlling production processes to reduce waste and predicting optimum maintenance schedules for equipment. AI is also used in medicine to help with diagnosis and pattern recognition, for example in tracking COVID-19 infections, while real estate developers use AI to design buildings.

- **5G technology:** This is used to develop networks that allow the work of different machines to be integrated efficiently, cutting labor costs, reducing work times, and slashing manufacturing waste. For example, the Japanese HIROTEC Corp. is using 5G networks to manage the remote control of machines producing auto parts, while the German company MTU Aero Engines is using the technology to help with the design of airplane engines, and in the process it has cut costs by 75%.

- **Drone:** pilotless aircraft controlled from a distance are reducing companies' dependency on labor and cutting the time taken to survey land, especially in agricultural contexts, where they are being used at all stages, from planning planting schedules through to the harvest. Agricultural drones are also being used to find and track livestock and to spray chemicals, while in the real estate sector, developers are using drones to measure or survey land, especially when doing so in person would be dangerous.

- **Blockchain:** They are a means of storing data on distributed ledgers that are accessible to those within a network but with access to this network potentially restricted by the use of passwords. This is a secure way of storing information, and is being used in finance to develop digital assets, in agriculture to maintain supply chain and provenance transparency, and in logistics where, combined with cloud computing, blockchains are used to track deliveries.

- **Edge computing:** This involves making real time adjustments to manufacturing processes through the application of big data analytics and live information on consumer demand, thus allowing companies to make extremely rapid responses to changes in consumer behavior. Applications of edge computing are currently most often found in health, recreation and transport industries, though it is also used in logistics planning to evaluate climatic conditions and to assess the likelihood of accidents occurring.

- **Quantum computing:** The switch from binary digital computing to computing systems that take advantage of quantum indeterminacy will potentially lead to an enormous expansion in computational power and speed, adding enormously to the abilities of AI systems. Commercial applications of quantum computing are beginning to emerge, especially in the area of smart devices (e.g., robots and self-driving vehicles).

- **3D printing:** Advances in 3D printing technology now allow for the rapid, low-cost design and production of a huge range of products. 3D printing is increasingly being used in manufacturing supply chains connected to the development of auto parts and in 'recycle bots' (recycling old 3D printed objects into new products), such as in the production of auto and aircraft parts, electronics equipment, medical devices and dental implants. 3D printing is

also being used in the construction sector for the rapid design and building of new structures.

- **Synthetic biology:** The most common application of synthetic biology is in the production of synthetic meat such as 'cultured meat', which is grown from stem cells from the target animal (i.e., from cows, chickens, pigs and tuna), and 'plant-based meat', made from plant products that has the taste and texture of real meat. These products reduce exposure to some of the health risks related to meat consumption and provide an alternative source of meat in the event of outbreaks of livestock disease. They also provide a way of meeting demand from the growing number of older consumers.

- **Data analytics:** This entails the systematic analysis of big data to help companies offer goods and services that better meet customer demand. For example, data analytics is used in the tourism sector to analyze historic data to make better predictions about demand growth or to recommend personalized packages to potential travelers.

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 2022, 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 2022, the Group will recognize 85% of revenue from projects with private sector customers as end-

user customers, while recognizing revenue from government customers and government sectors, accounted for approximately 15%. (For the year 2022, the proportion of revenue is 90:10 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 alliances 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 five (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 2022, MFEC Co., Ltd. had a direct and distributor purchase ratio of 48.82% for foreign products and 51.18% for the total sales volume. The highest purchased product was Microsoft, accounting for 26.15% of total sales, purchased from Microsoft Regional Sales Pte. Ltd.

For Professional Services, the company employs staff in two (2) categories, namely: 1. In-House employees (In-Houses) and 2. Temporary Contract employees (Outsource). When hiring Outsourcing employees, the company considers selecting companies or personnel with knowledge, ability, and expertise in various matters to work on specific tasks. The criteria for selecting Outsourcing include: 1. The ability to reduce the burden of work on the organization or how much risk is involved 2. Experience and expertise in managing specific work professionally 3. The ability to solve specific problems faced by staff at all levels related to that work 4. Results of past and present work performance, and so on.

Following the company's commitment to always operate its business alliances in a good manner, the company has developed to become a cloud distributor. It has utilized cloud technology products under the Microsoft brand (License/Cloud) as a partner in the Gold Partner level, resulting in the highest sales ranking for the past two years. Additionally, the company has partnered with AWS at the Advanced Tier Services Partner level and with Google as a Premier Partner, continuously expanding its market and becoming a leader in the service provider market. The combined sales of all three (3) cloud products have resulted in increased total sales for the company.

From the achievement of being the first winner of the "Insider Best Partner of the Year" award in the Asia-Pacific region, the Company has created confidence that it is a leading provider in the "Growth Marketing Platform" from Insider. The "Partner of the Year" award is a recognition that shows that the Company is a partner with expertise

in Marketing Technology (MarTech) and has made its partners successful in using software. The Company in Marketing Technology (MarTech) and has made its partners successful in using software. The Company is committed to elevating the quality of MarTech services in Thailand through collaboration in providing comprehensive marketing technology services, including consultation and strategy development, as well as IT system management, to ensure that customers, both present and future, achieve their desired results and maximize operational efficiency. As a company that excels in service and customer satisfaction, the company has no dependence on any particular distributor.

The Company reaffirms its leadership in software with the Cisco Software Excellence award for the second consecutive year as the partner with the highest Cisco software sales. The company has experts who provide Cisco software solutions to customers, ranking among the top in various industries. Additionally, the company received another award, the Architecture Excellence AppDynamics, as a partner with knowledge, experience, and expertise in consulting and providing services in AppDynamics, a leading platform in the country.

The company also reaffirmed its leadership in the API field as the "Champion" Partner and the only Thai company in the APAC group. The company won the Kong Partner of the Year 2022 award at the Kong Summit 2022 event, which is another confirmation of its comprehensive Kong API Gateway services. The company's professional team has knowledge and experience in developing API Gateways for many large organizations. The company focuses on creating and developing efficient API Gateways to promote business growth and elevate people's digital lives beyond expectations.

In addition, the Company also won 2 awards from Veeam, including the Best Partner of the Year 2022 "Rising Star" and Value-Added Reseller "Gold Partner". This reaffirmed the ability to select technology that meets customer needs with efficient products and services that are globally recognized. This is guaranteed by the Gold Partner status.

Customer Relationship Management

MFEC gave important services with hastiness, convenience, personal information security, including services that meet each customer's needs, by emphasizing on creating a different experience and enhancing potential service with technology. The objectives of MFEC's Customers Relationship Management are as follows:

- Implementing the service work to meet business needs and being in line with the user's service level agreement
- Developing the efficient process, improving continuously, and complying with the standard
- Operating in line with the organization's directions, policies, regulations, and related laws
- Developing personnel to have the knowledge and ability to respond the company's service work and service users' needs
- Bringing innovations to help develop services to be efficient and suitable for the needs of the organization and service users

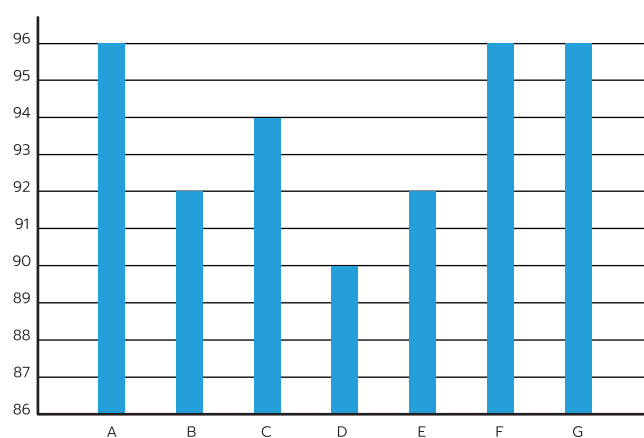
Customer service satisfaction assessment

Sales department will contact the customer and send a link to the evaluation via email and collect scores from the assessment form, telephone interview, including suggestions from customers. After that, the assessment results are summarized and forwarded to the Management Review in order to bring information back to continuously improve the service quality. As a result, MFEC achieved its goal, the average customer satisfaction, at 92% for 2022.

Customer Satisfaction Survey

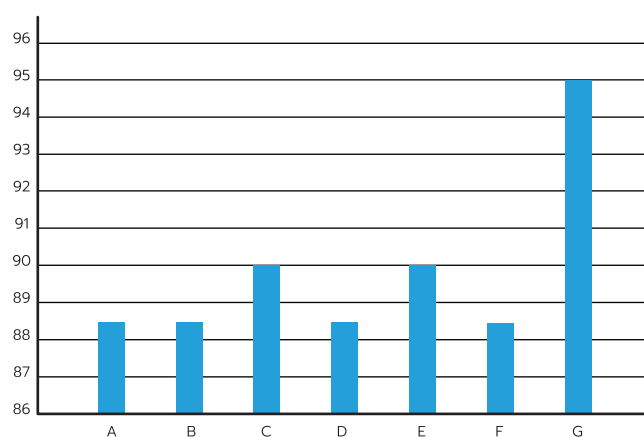
Overview of System Infrastructure services

No	Question set topics	Total Satisfaction Score (%)
A	Overview of services	96
B	(Sales) The frequency of coming in to collect needs and help	92
C	(Sales) Assistance or contact	94
D	(Sales) Quickness in helping and solving issues	90
E	(Sales) Knowledge and competence of project managers	92
F	(Sales) Knowledge and skills of the installation team	96
G	You are pleased to use the MFEC services.	96



Overview of Infosec services

No	Question set topics	Total Satisfaction Score (%)
A	Overview of services	88.3
B	(Sales) The frequency of coming in to collect needs and help	88.3
C	(Sales) Assistance or contact	90.0
D	(Sales) Quickness in helping and solving issues	88.3
E	(Sales) Knowledge and competence of project managers	90.0
F	(Sales) Knowledge and skills of the installation team	88.3
G	You are pleased to use the MFEC services.	95.0



4) assets used in business operations

As of 31 December 2022
the main fixed assets used by
the Group business operation



Net residual value after
deducting accumulated
depreciation of
72.9 million baht



Building and equipment
renovations in the amount
of 61.3 million baht and
Intangible assets in the
amount of 11.6 million baht



Additional details in Attachment 4

Assets used for business and Details of property appraisal items

5) Backlog

The Company and its subsidiaries had product and service contracts with customers which had not been delivered or provided (Backlog) as of December 31, 2022, totaling 7,527 MB., which increased 1,143 MB. from the end of 2021 with the value of work that had not yet been delivered (Backlog) totaling 6,384MB.

Backlog had been significantly higher compared to the value t the end of 2021. Due to the increase in project value received during the year 2022, mostly from continuous system maintenance services, which have a recurring income recognition based on service contracts, the majority of the company's projects have a long-term duration of 3-5 years. At the end of the year 2022, the longest-running project is scheduled to be completed in 2027.

(Unit : Million Baht)

	31 December 2022	31 December 2021	Increase (Decrease)
Company	7,116	6,198	918
Subsidiary	411	186	225
Total	7,527	6,384	1,143

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 (3) 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 2019 - 2022 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 2019 - 2022, the Company invested in the following, new companies:

- 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).

- June 2022: MFEC jointly invested with Bangchak Corporation Public Company Limited ("BCP") in Data Café Company Limited ("DC"), which is currently a subsidiary in which the Company holds 64.90% of the registered capital (8,000,000 baht).

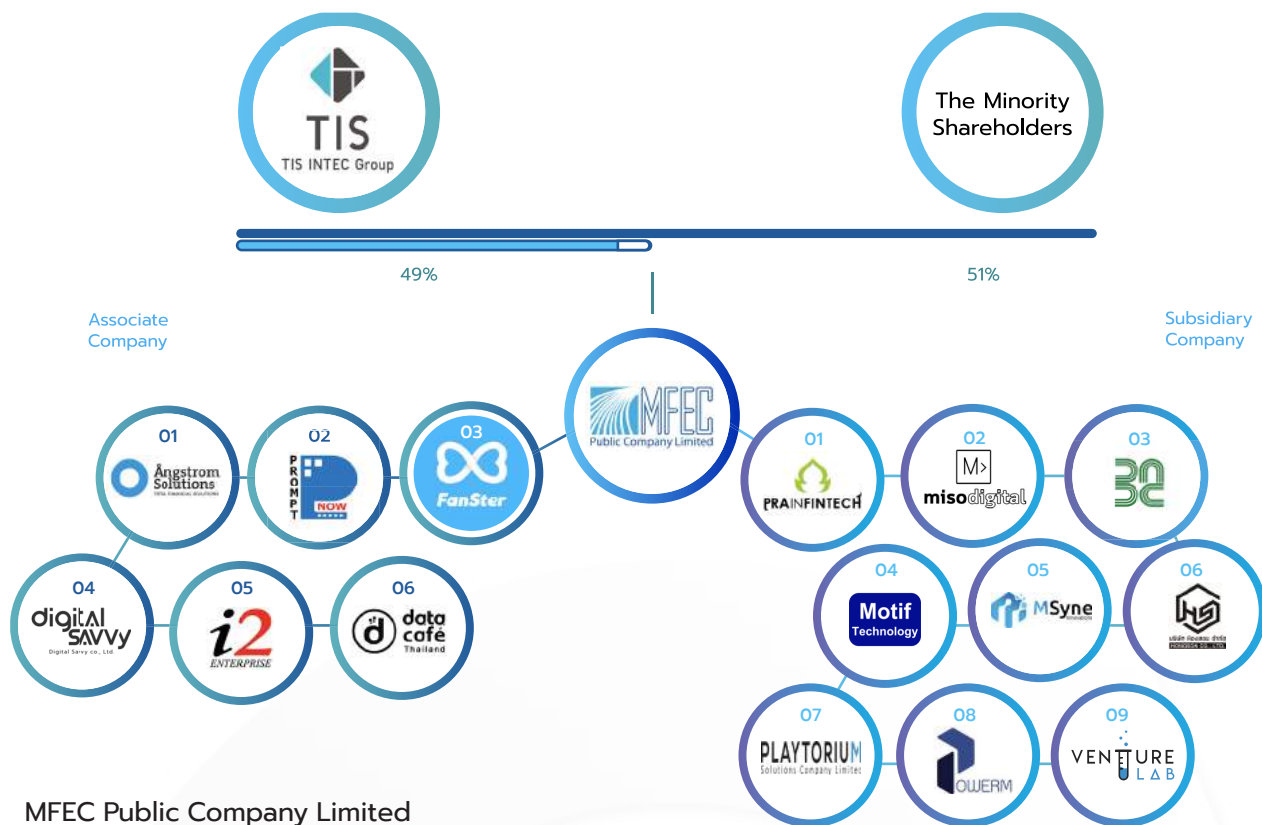
MFEC increased the registered capital from 8,000,000 to 12,307,700 baht by issuing additional ordinary shares and offering new shares to BCP in order to help strengthen competitiveness and drive DC to grow and be profitable in the future. As a result, the Company's investment in DC decreased from the original to only 42.185% of the registered capital (12,307,700 baht), which the Company changed DC's shareholding status from a subsidiary to an associated company.

- December 2022: MFEC established two (2) new subsidiaries for the purpose of restructuring business in the Group, namely Eastwind Holding Company Limited ("EWH") in which the Company holds 94.21% of the registered capital (51,000,000 baht) and Vulcan Digital Delivery Company Limited ("VDD") in which Eastwind Holding Company Limited holds 100% of shares.

MFEC sold assets used in the Digital Delivery business unit, such as computers and related equipment, to Vulcan Digital Delivery Company Limited ("VDD"), an indirect subsidiary of the Company. Also, MFEC transferred approximately 300 software development employees and all other relevant staff in the Digital Delivery business unit to VDD in order to restructure the Company's business.

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 2022, consisted of six (6) associated companies and nine (9) subsidiaries:

โครงสร้างของบริษัท เอ็ม เอฟ ซี จำกัด (มหาชน) และบริษัทย่อย



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.
41.50%

Associated Companies 05
I2 Enterprise Co., Ltd.
15.00%

Associated Companies 06
Data Cafe Co., Ltd.
42.00%

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
Motif Technology PCL.
99.99%

Subsidiary Companies 06
Hongson Co., Ltd.
99.99%

Subsidiary Companies 07
Playtorium Solutions Co., Ltd.
70.00%

Subsidiary Companies 08
Joint Venture: PowerM
100%

Subsidiary Companies 09
Venture Lab Co., Ltd.
99.99%

Associated Company's Products and Services

Presently, MFEC Public Company Limited has six (6) associated companies and nine (9) subsidiaries 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)	• Securities trading	• Finance/securities companies
2. PromptNow Co., Ltd. (PN)	• Mobile Financial Service • Gamification • Managed Service	• Financial institutions • Telecom
3. Fanster Media Co., Ltd. (FM)	• Information service on mobile/tablet applications • Advertisement/PR/Marketing	• Entertainment • Retail
4. Digital Savvy Co., Ltd. (DS)	• Service for platform management system about the exhibition • Ticketing system for all play types	• Entertainment • Sports
5. I2 Enterprise PCL. (I2)	• Consulting, design, procurement, installation and distribution of telecommunication equipment, information technology and energy system	• Government • State Enterprise • Private Sector
6. Data Café Co., Ltd. (DC)	• Business advisory and analytics • Accreditation for IT people	• Telecom • Financial institutions • Enterprises • Energy
Subsidiary	Main Product/Service	Customer Type
1. PralN FinTech Co., Ltd. (PralN) Former: Modernform Integration Services Co., Ltd. (MIS)	• Payment Gateway • Financial Technology • Consulting service and computer system development	• E-Commerce • Business groups with demand for Alternative Payment Channel • Middle market • Insurance • Manufacturing/petrochemical • Service and Transportation • Retail • Consumers
2. MISO Digital Co., Ltd. (MISO Digital) Former: M.I.S. Outsourcing Co., Ltd. (MISO)	• Audit, warranty management, and maintenance of IT infrastructure • IT project management and equipment management • Outsourcing IT outsiders • Professional services and system integration for Cloud and office work • IT professional services and system integration involving IT infrastructure – hardware & software	• Tourism • Financial institutions • Transportation • Manufacturing • Retail • Food • State agencies/State enterprises

Subsidiary	Main Product/Service	Customer Type
3. Business Application Co., Ltd. (BAC)	<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. (MSYNE) Former: Soft Plus Technology 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 Software 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. Venture Lab Company Limited (VentureLab)	<ul style="list-style-type: none"> • Research and development services for new products and services related to information technology 	<ul style="list-style-type: none"> • Public and private sectors in all industries

Subsidiary	Main Product/Service	Customer Type
9. Joint Venture PowerM (PowerM)	<ul style="list-style-type: none">• Selling mainly data-related products, including Big Data, Data Lake and Data Governance, with a focus on Cloudera, Hortonworks or Informatica	<ul style="list-style-type: none">• State-owned enterprises

1.3.2 Conflict of Interest

The Company does not have persons who may have conflict of interest holding shares in subsidiaries or associated companies more than 10% of the shares with the voting right 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. TIS Inc. Group consists of 53 subsidiaries and 76 affiliated companies with details of the structure as follows:

TIS INTEC Group

(As of March 31, 2022)

TIS Inc., and 53 consolidated subsidiaries (domestic 25, overseas 28) (As of March 31, 2022)

Main consolidated subsidiaries

TIS and main group companies	Shareholding ratio	Description of Business	Fiscal 2022, ended March 31, 2022 (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)	222,986	25,298 (11.3%)
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)	106,593	10,579 (9.9%)
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)	38,215	4,193 (11.0%)
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)	19,973	2,074 (10.4%)
AJS Inc.	TIS 51% Asahi Kasei 49%	Formerly, information systems subsidiary of Asahi Kasei. Focuses on companies under the Asahi Kasei Group umbrella. (Established March 1987)	17,436	2,422 (13.9%)
MFEC Public Company Limited	TIS (based on control criteria) 49%	Thai-listed, leading provider of enterprise IT solutions, which has strength in banking, communication, and governments. 11 subsidiaries under the company. (Established March 1997)	17,858 ^{*1}	1,135 ^{*1} (6.4%)

Domestic subsidiaries

IUK Inc.	TIS System Service Inc.	TIS Hokkaido Inc.
INTEC Solution Power Inc.	TIS Solution Link Inc.	Registration Network, Ltd.
ULTRA Inc.	TIS Tohoku Inc.	Nexway Co., Ltd.
KOUSHI INTEC Inc.	TIS Total Service Inc. ^{*2}	HOKKOKU INTEC SERVICE Inc.
SKY INTEC INC.	TIS Nagano Inc.	MicroMates Corp.
SorunPure Inc.	TIS West Japan Inc.	Miotsukushi Analytics Inc.

^{*1} MFEC Group, consolidated basis (fiscal year ended December 31, 2021). Numerical values based on accounting standards in home country of Thailand using rate prevailing at end of fiscal year.

^{*2} Changed company name to TIS Business Service Inc. on April 1, 2022.

99 TIS INTEC Group

Overseas Subsidiaries

● China	● Thailand	● Vietnam
QUALICA (SHANGHAI) Inc.	I AM Consulting Co., Ltd.	AGREX DNP Vietnam Co., Ltd.
TISI (Shanghai) Co., Ltd.	(Six subsidiaries under the company)	
	PromptNow Co., Ltd.	
● Singapore	TISI (Thailand) Co., Ltd.	● United States
QUALICA Asia Pacific Pte. Ltd.	QUALICA (Thailand) Co., Ltd.	Sequent Software Inc.
		TIS Ventures, Inc.

76 Equity Method Affiliates (domestic Five, overseas 71) (As of March 31, 2022)

Main equity method affiliates

● China	● Indonesia
Shanghai CardInfoLink Data Service Co., Ltd. (CardInfoLink)	PT Anabatic Technologies Tbk
(Voting rights ownership ratio 18.1%, 11 subsidiaries under the company)	(Voting rights ownership ratio 37.3%, acquired convertible bonds with stock acquisition rights, 53 subsidiaries under the company)

For more information: https://www.tis.com/documents/en/ir/finance/annual_report/ar2021.pdf

1.3.4 Shareholders

List of Shareholders and their Holding, as of 30 December 2022:

Major Shareholder	No. of Shares	% of Total Shares
1. TIS Inc. ¹	216,285,199	49.0
2. Mr. Siriwat Vongjarukorn	18,405,659	4.2
3. Thai NDVR Company Limited	17,430,821	3.9
4. Mr. Sirisak Tirawattanangkul	10,026,013	2.3
5. Modernform Group PCL. ²	7,100,000	1.6
6. Group of Mr. Sittichai Wongpatarakul ³	6,168,600	1.4
7. Group of Mr. Worrapot Anuaekchit ⁴	5,058,429	1.2
8. Group of Ms. Sompong Cholkadeedamrongkul ⁵	4,093,000	0.9
9. Group of Mr. Suwat Inthana ⁶	3,244,000	0.7
10. Group of Mr. Thanakit Wethpathom ⁷	2,675,000	0.6
11. The Minority of Shareholders	153,641,834	34.2
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.

TIS Inc. provides IT professional services and system integration. As of 24 June 2022, the company had the following directors and executives:

1) Toru Kuwano	Chairman	13) Masahiro Hosokawa	Senior Managing Executive Officer
2) Yasushi Okamoto	Representative Director, President	14) Shinichi Horiguchi	Senior Managing Executive Officer
3) Masahiko Adachi	Representative Director, Executive Vice President	15) Kiyotaka Nakamura	Senior Managing Executive Officer
4) Josaku Yanai	Representative Director, Executive Vice President	16) Masahiro Ueda	Senior Managing Executive Officer
5) Koichi Sano*	External/ Independent Director	17) Kei Ando	Managing Executive Officer
6) Fumio Tsuchiya*	External/ Independent Director	18) Naoto Kita	Managing Executive Officer
7) Naoka Mizukoshi*	External/ Independent Director	19) Akira Ogane	Managing Executive Officer
8) Tetsuya Asano	Standing Audit & Supervisory Board Member	20) Satoru Tayasu	Managing Executive Officer
9) Tatsufumi Matsuoka	Standing Audit & Supervisory Board Member	21) Hidehiko Shimoyama	Managing Executive Officer
10) Yukio Ono*	External/ Independent Audit & Supervisory Board Member	22) Tsuneyoshi Ito	Managing Executive Officer
11) Akiko Yamakawa*	External/ Independent Audit & Supervisory Board Member	23) Hirofumi Akashi	Executive Officer
12) Hiroko Kudo*	External/ Independent Audit & Supervisory Board Member	24) Masahiro Mikami	Executive Officer
		25) Thanawat Lertwattanarak	Executive Officer
		26) Hiroto Ito	Executive Officer
		27) Manabu Yano	Executive Officer
		28) Kyoko Takayanagi	Executive Officer
		29) Ikuo Shimizu	Executive Officer
		30) Isao Otokita	Executive Officer
		31) Yoshiyuki Hayashi	Executive Officer
		32) Masakazu Kawamura	Executive Officer

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

- 33) Kensaku Furusho Executive Officer
- 34) Reiko Oka Executive Officer
- 35) Tetsuya Yuzuri Executive Officer
- 36) Hiroyuki Kawai Executive Officer
- 37) Takuma Tanaka Executive Officer

*The executive in No. 15 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. 32 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 31 March 2022, consists of:

- 1) The Master Trust Bank of Japan, Ltd. (Trust Account)
29,973,000 shares or 11.93%
- 2) ICHIGO Trust Pte. Ltd.
23,171,000 shares or 9.23%
- 3) Custody Bank of Japan, Ltd. (Trust Account)
11,712,000 shares or 4.66%
- 4) Employees' Shareholding Association of TIS INTEC Group
6,656,000 shares or 2.65%
- 5) Nippon Life Insurance Company
6,219,000 shares or 2.48%
- 6) MACQUARIE Bank Limited DBU AC
6,011,000 shares or 2.39%
- 7) NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS
5,410,000 shares or 2.15%
- 8) SSBTC CLIENT OMNIBUS ACCOUNT
5,194,000 shares or 2.07%
- 9) The Master Trust Bank of Japan, Ltd.
(Retirement Benefit Trust Account, Mitsubishi Electric Corporation Account)
4,796,000 shares or 1.91%
- 10) BNYM AS AGT/CLTS NON TREATY JASDEC
4,007,000 shares or 1.60%

²List of Major Shareholders of Modernform Group PCL., as of 6 May 2022, consists of:

- 1) Mr. Taweechat Chulangkul
55,529,800 shares or 7.40%
- 2) Mr. Nuttapol Chulangkul
35,245,400 shares or 4.70%
- 3) Mrs. Chuleewan Wiwattanakasem
34,101,840 shares or 4.55%
- 4) Mr. Kawiwut Nueangchamrong
27,504,000 shares or 3.67%

- 5) Mr. Yothin Nueangchamrong
26,989,420 shares or 3.60%
- 6) Mr. Chatchai Thammarungueang
24,600,070 shares or 3.28%
- 7) Mr. Taksa Busayaphoka
24,384,300 shares or 3.25%
- 8) Mr. Ongart Damrongsakul
22,000,000 shares or 2.93%
- 9) Mr. Aphirum Panyapol
20,506,900 shares or 2.73%
- 10) Dhipaya Insurance Public Company Limited
19,511,600 shares or 2.60%

³Wongpatarakul Group:

- 1) Mr. Sittichai Wongpatarakul 6,157,000 shares
- 2) Mrs. Malairath Wongpatarakul 11,500 shares

⁴Anuaekchit Group:

- 1) Mr. Worrapot Anuaekchit 3,048,429 shares
- 2) Mr. Unan Anueakchit 10,000 shares

⁵Cholkadeedamrongkul Group:

- 1) Mr. Sompong Cholkadeedamrongkul 4,093,000 shares
- 2) Mrs. Warunee Cholkadeedamrongkul 2,000,000 shares

⁶Inthana 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

⁷Wethpathom Group:

- 1) Mr. Thanakit Wethpathom 2,655,000 shares
- 2) Ms. Nitsana Wethpathom 20,000 shares

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 2022, 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 2022 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 2018 - 2022

	Year				
	2022	2021	2020	2019	2018
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)	442.65	452.28	402.12	334.22	209.68
Net profit (Mil.Bt)	167.59	226.27	234.63	223.60	(83.00)
EPS (Bt/share)	0.38	0.51	0.53	0.51	(0.19)
Dividends paid (Mil.Bt)	176.58	176.58	176.58	154.51	88.29
Dividend per Share (Bt/share)	0.40	0.40	0.40	0.35	0.20
Dividend Payout Ra-tio (%): Dividend for the year relative to net profit	105.26	78.04	75.26	69.10	-
Dividend Ratio (%): Dividend for the year relative to retained earnings	39.89	39.04	43.91	46.23	42.11

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

The Company's risk management structure consists of the Board of Directors, the Audit Committee, the Risk Management, Corporate Governance and Sustainability Committee, and the Risk Management and Corporate Governance Working Team, which are independent and not affiliated with any business unit.



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 Risk Management Committee has identified objectives, environment, event indication, risk assessment, risk response and activities for control, which are communicated and followed up regularly.

Risk Management Operation of the year 2022

In 2022, the company has adopted the ISO 27001 standard to improve the information security management system process to be more international. In addition to improving the work process to be more efficient, documents are also prepared to help make the work process clearer, more convenient, and faster for communication and transfer of work to new employees. Proper documentation can also help in transferring knowledge and lessons learned for future work development as well.

Risk Factors for the Company's business operations

The Company analyzed both internal and external environment, including trends in economy, society, politics, technology, industry, competitors and other related. To define corporate risk factors in 2022, the Risk Management, Corporate Governance and Sustainability Committee emphasized the consideration of risk factors based on the concept of sustainable business operations (ESG), considering both ongoing risks and emerging risks. Risk management can be classified in various areas 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

1. Strategic Risk

The company uses two (2) indicators:

1.1 The risk of investing in a subsidiary, which is a SME/ Start Up business, is measured from the subsidiary's performance.

1.2 The risks that related to the company's sustainability can be divided into:

1) The indicator for Profit Sustainability Risk is the proportion of the Backlog project's Gross Profit (GP) in the next one (1) year compared to the Gross Profit (GP) target of that year.

2) The indicator for risks related to sustainability in terms of sales is the proportion of the Backlog project's sales in the next one (1) year compared to the sales target for that year.

2. Operational Risk

In 2022, the projects with the fines risk are as follows:

2.1 The Centralized Service Support System (CAT-CSS) project: During the customer was reviewing the fines waiver document, it is expected that the project closure and fine payment will be completed in mid-2023.

2.2 Kconnect LG Project: Since the team did not have sufficient business knowledge, this causes problems in communicating about software development methodology with business customers. The company, therefore, has a risk that the project cost will be higher than expected and may not be able to collect money from customers because the customers have high expectations of this project. However, the team has reduced the risk by trying to define the customers' requirements in order to reduce the project cost as much as possible.

3. Human Resources Risk

With the changing competitive environment and changing working style, the Company realizes the importance of personnel, which is the heart of driving business. Therefore, we placed the importance on continuous personnel development to support competition and changes in technology. The People Excellence Department has established two (2) risk assessment criteria as follows:

Topic	Metric	Level of Risks				
		1 Very Low	2 Low	3 Medium	4 High	5 Critical
The risk that employees of Star Group resigned beyond the plan	Measurement: The turnover rate of talent and successor employees compared to the number of successor employees specified by BU Head.	< 5%	5% - 9%	10% - 14%	15% - 19%	20% and over
The risk of recruiting new employees as planned	Measurement: The rate of new hires compared to the planned workforce.	80% and over	70% - 79%	60% - 69%	50% - 59%	<50%

The results of risk management in both topics are as follows:

1. The risk that employees of Star Group resigned beyond the plan: Talented employees (Star) have a resignation rate of 7%, which is a low-risk criteria.

By setting tools to reduce the risk as follows:

- Manpower Management Strategic Plan (People Strategy) is required for both business units and People Excellence department. As a result, there is a business unit-level roadmap that aligns with the company's goals. Employees are supervised on an efficient development path.
- A reward policy is established for talented employees (Star Rewards) as a tool to retain employees and reduce turnover.
- A mentor program is organized from the executive group (Exec Mentor) where senior executives are consultants or mentors to a group of talented employees, resulting in a leap forward potential development. It also effectively develops the next generation of leaders.

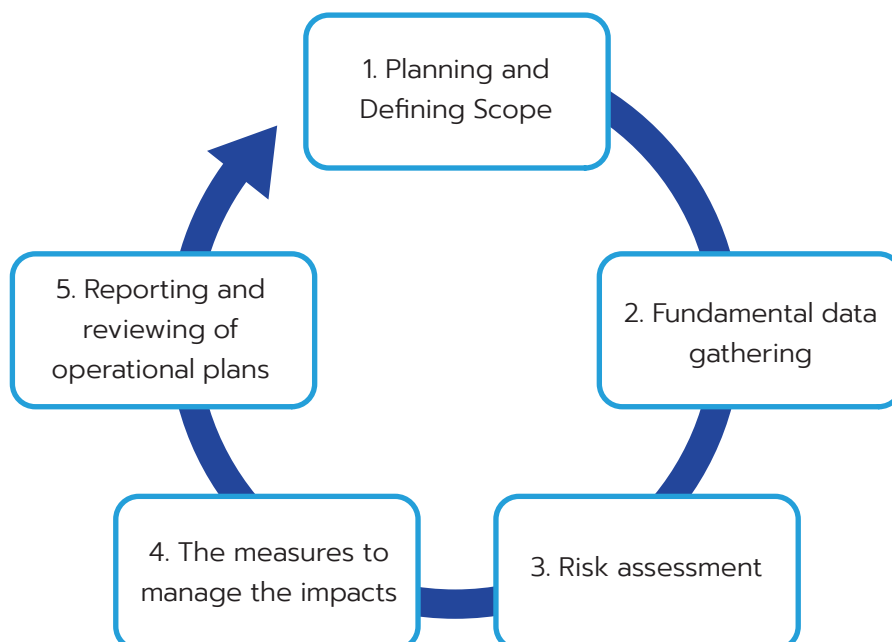
2. The risk of recruiting new employees according to the manpower plan laid out in 2022: The number of new employees starting work with the company is 443 persons, which is in a very low risk.

By setting tools to reduce the risk as follows:

- Promoting the corporate image through social media channels is the collaboration with the Corporate Communication department to continually reach the target group of new employees.
- The organizational culture is driven inviting talented friends to join through the MBASS and Friends program. It is the second main channel for the performance 2022, resulting in recruiting new employees related to the manpower plan.
- The Cooperative Education Program is collaborated with universities across the country, accepting more than 200 interns per year to increase opportunities for a development into a new employee.
- The Trainee program is organized for short-term training programs in important fields for new graduates and candidates, who want to change their careers, to train and be able to develop into new quality employees.
- Hiring talents abroad is collaborated with a consulting firm to have a group of workers, who need specific skills, to reduce the risk of labor shortages in key projects.
- Encouraging freelancer employment is to reduce the risk of labor shortage in short-term projects.

Human Rights risk Assessment

MFEC Public Company Limited recognizes the importance of human rights in conducting its business, as evidenced by its commitment to human rights policies. The Company has started implementing a comprehensive human rights audit process, starting with the assessment of human rights risks. This method of assessing risks and their impacts on human rights has been developed to help the Company understand the potential impact on stakeholders both inside and outside the organization. It also helps the Company to identify and prioritize human rights risks at the organizational level. This allows the Company to plan for managing the impacts of high-risk human rights issues by conducting effective impact assessments. The process of assessing risks and impacts related to human rights



The evaluation of impact and risk levels related to human rights is determined by using a set of criteria that includes severity and likelihood. The level of risk is then scored according to these criteria, with a total of 5 levels ranging from very high, high, medium, low, and very low. The criteria used to assess the level of risk are as follows:

The criteria for assessing the severity of risk and impact include:

	Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
The scale of impact level	Impact that does not affect the health, hygiene, and safety of workers and/or stakeholders to the extent that first aid is required	The impact that does not affect the health, hygiene, and safety of the workers and/or affected parties to the extent that basic first aid can alleviate the injury	The impact results in minor injuries that require medical treatment, but do not require work to stop	The impact results in a cessation of work and poses a threat to health and safety	The impact resulting in severe health effects and life-threatening danger

Criteria for assessing the likelihood of occurrence

	Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Likelihood of risk occurring	Not occurring (0%) (It has not occurred in the past 10 years.)	Almost never occurs (<10%) Human rights violations in the company's business have almost never occurred (unlikely to occur in 10 years).	Occasionally ($\geq 10\%$ - $\leq 50\%$) An instance of human rights violation has occurred in the past and may occur occasionally in some organizations (It has occurred/ May occur 1-4 times in 10 years).	Occurs frequently ($\geq 50\%$ - $\leq 90\%$) A human rights violation has occurred in the past and may occur at present, happening quite frequently. (It has occurred/ may occur 5-8 times in 10 years).	The occurrence of human rights violations is continuous and persistent, happening frequently every year from the past until the present. ($\geq 90\%$)

Details on human rights risk management

Risk Level	Action Plan
Very Low	The company has implemented risk control and mitigation measures that are in place and continually monitors and reviews the situation to identify any potential risks.
Low	The Company implements measures to control and mitigate the impacts of existing risks, and consistently monitors and assesses situations with potential risks.
Medium	The company pays attention to managing and finding measures to reduce the level of risk, as well as continuously monitoring and checking the situation with risks on a regular basis.
High	High risk level is unacceptable. The Company must take action to find measures to immediately reduce the level of risk to an acceptable level.
Very high	When the risk level is extremely high, it is unacceptable and the company must immediately stop any activities related to that risk.

The acceptance of risk can be evaluated based on a five-level scale that assesses the level of risk.

- Very high risk: 16 and above
- High risk: 13 to 15
- Medium risk: 7 to 12
- Low Risk: 4 to 6
- Very Low Risk: below 4

The unacceptable level of risk for an organization is at the “high-highly likely” level. A risk management plan must be presented to manage the risk to an acceptable level.

Results of the human rights risk management issue

The Company has established guidelines for risk reduction, prevention, monitoring, and remediation, as follows:

Human rights issues with potential risks	Prevention and Mitigation measures	Results of implementation
1. Employee health and safety, such as infectious diseases that pose a serious health risk to employees who provide customer service and are in contact with employees/ customers	<ul style="list-style-type: none"> • Conducting a survey on COVID-19 vaccination • Wearing a mask in crowded areas or in places with poor ventilation, washing hands frequently, and getting an antigen test kit when experiencing symptoms are recommended measures to prevent the spread of COVID-19 • It is recommended to take an Antigen Test Kit (ATK) when attending meetings with others or participating in activities where large groups of people are gathered, or consider according to suitability. In case of needing to procure ATK, the department head can fill out the form prepared by the PE department. • For external individuals who come to work in the company, such as vendors, outsourcers, and consultants, the supervising unit must inform them of the measures announced for them to be aware of and to implement the same practices towards their partners. 	<ul style="list-style-type: none"> • No employees have died from the pandemic. • All employees have been vaccinated against COVID-19. • 100% of employees have undergone an antigen test kit (ATK) prior to participating in activities that involve large gatherings. • No external personnel who came to perform duties within the company have died from work-related causes

Human rights issues with potential risks	Prevention and Mitigation measures	Results of implementation
2. Health and safety of business partners	<ul style="list-style-type: none"> The company sends an assessment form to its business partners which includes questions related to social aspects such as health and safety in the workplace. There are guidelines for business ethics that the partners must follow. 	<ul style="list-style-type: none"> 100% of our business partners have measures in place to ensure health and safety in their workplaces.
3. Approaches in dealing with partners	<ul style="list-style-type: none"> The company has established criteria for selecting vendors, and a process for conducting procurement according to the company's procurement procedures. This includes announcing the vendor selection criteria and following the procurement process steps in the company's procurement guidelines. 	<ul style="list-style-type: none"> 100% of procurement processes are conducted in accordance with the company's procurement procedures.
4. Customer data privacy	<ul style="list-style-type: none"> To comply with the Personal Data Protection Act (PDPA) 2562 to protect customers' personal data and have processes in place to ensure the security of their data 	<ul style="list-style-type: none"> There have been no complaints regarding the disclosure of customer's private information.

In 2022, there was no high to very high level of risk. The company continues to follow the policies and practices related to human rights to ensure that the business operations do not violate human rights and actively participate in preventing human rights violations in all areas continuously.

Policy on the Company's personnel development

Changes, which occur continuously, resulted in hybrid operations, including business changes that affects the rapid development of employees' potential, so that employees can adapt to work with the ways of the changing world and still work in harmony with the organization's culture and practices. Strategy to promote and develop the employees' potential in 2022 has been carried out as follows:

1. Developing soft skill potential in line with MFEC culture: Organizing training and workshops that convey skills development and concepts to employees is the basis for further thinking, self-improvement, and driving success in work. The courses that take place are as follows:

1.1 Mine! The Ownership course: To realize the ownership mindset, employees has learned principles and guidelines for developing their own mindset, reflecting for the participants to see and understand yourself clearly. Seeing the benefits received from change or self-improvement gains confidence in one's own potential, which leads to development and further work.

1.2 Open! For Better Communication course: Employees understand the importance of effective communication and apply it to their works, improving their communication skills and building relationships with others. They also open to comments and dare to express opinions in persuading others to conform, reducing issues caused by communication or lack of communication to achieve the same understanding.

1.3 Myers-Briggs Type Indicator: MBTI, personality psychology course: From MBTI Champions group, employees develop all aspects of supporting teamwork, understanding differences between yourself and others, supporting other relationships, developing situational leadership, including under standing and supporting the development of team members' potential.

2. Supporting Entrepreneurship Skill: To increase business opportunities, employees encourage to have the skills, guidelines or abilities to start their own new business. The development model takes place in the form of creating an ecosystem that encourages employees to have the opportunity presenting their business ideas and creating new innovations for MFEC. The activities that occur can be divided as follows:

2.1 Project M Ground: The opportunities are given to employees creating ideas that can solve issues or develop innovation in society by supporting knowledge in doing business through classes and workshop activities to increase the mindset of innovation culture for employees. And the company is ready to support investments for employees who are interested in developing product ideas.

2.2 Project YAMANO: It is an opportunity for employees, having the ideas to create knowledge, participate in the organization by impelling employees to systematically analyze and easily plan information from the preparation of all necessary information.

3. Developing Leadership Skill: It is important that the organization should pay attention because it needs to rely on the leaders' abilities for driving the organization through the crisis. Therefore, Myers-Briggs Type Indicator: MBTI, personality psychology course from MBTI Champions group provides a comprehensive advisory support in order to develop the potential of supervisors in all aspects both in terms of communication, supporting teamwork, understanding differences between yourself and other relationships, fostering relationships, developing leadership based on situations, including supporting the team members' potential enhancement.

4. Raising the awareness of the Code of Conduct: All employees, including new employees who enter during the year, are communicated to raise the awareness of the Code of Conduct standards and measure the awareness of various issues, such as Anti-Corruption Policies, Security Awareness, and operational standards according to various organizational requirements, etc.

5. Standards for all functional roles are developed starting with 2 focus group: Sales and Project Manager. Both groups of employees are like the frontline of the company. Therefore, it foresaw the importance of being a starting point for the development of the organization's work standards by re-visiting the work process of all 3 focus groups to reduce the unnecessary work process and improve the work processes with maximum efficiency. Then it conveyed in the form of an On-Boarding Guideline Book.

6. Developing a Learning Management System (LMS) tool: The organization recognized the importance of managing knowledge that is scattered from different sources by people or teams within the organization. Therefore, employees are increased opportunities and channels to develop their skills, knowledge, and abilities on a regular basis and be able to support the organization's operations by developing knowledge management tools that are built within the Company and communicated through M.Ready channel.

The organization placed the importance on the continuous development of personnel within the company, considering various factors both in terms of necessary skills, various work standards, and an employees' hybrid work styles. So, employees could find knowledge, self-improvement at any time and apply that knowledge to their personalities, along with having skills that are consistent with the organizational culture and able to work in perfect harmony, resulting making the organization's operation to achieve the planned objectives.

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.

For the year 2022, the Group had a credit loss of approximately 3 million baht caused by a trade receivable with an outstanding balance of more than 12 months.

4.3 Liquidity Risk

The Company has been monitoring the lack of liquidity risk by using overdrafts and bank loans. The Company has assessed the concentration of risks associated with borrowing of money to pay off debts and conclude that the risk was low as of December 31, 2022. The group has a net interest-bearing debt rate to equity ratio at 0.31 times, which was 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 retained 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 Company

As of December 31, 2021, the company has investments in subsidiaries and investments in associated companies and joint ventures by the cost method totaling 459.7 million baht and 127 million baht, or 7.9% and 2.2 % of the total assets in the separate financial statements, respectively. The Group has risks related to the investment values presentation that may not reflect the true business image in the financial statements. For the year 2022, the company has evaluated the business value of the invested company with the Discounted Cash Flow (DCM) method, which considered the net future operating cash flows of each company, by comparing with the investment value according to the Net Asset Value method. As a result, the company has adjusted the investment value to be in line with the appraisal results in the separate financial statements.

For the year 2022, 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 13.4 million baht. And the company also recorded the impairment of investment in Digital Savvy Company Limited and Fanster Media Company Limited, the associated companies in which the company holds 42% and 34% of the shares, amounting to 0.1 million baht and 11.6 million baht. Due to the valuation of such investment, its recoverable value is lower than its book value according to the account.

The company continued its monitoring on its subsidiaries and associated companies' performances. The subsidiaries and associated companies' management might prepare operational plans presenting to the Executive Board for consideration every year. The performance is tracked every quarter. If any subsidiary's performance does not go as planned, the subsidiary is required to prepare reports and present the operational improvement plans to the Executive Board. In addition, there is a requirement for subsidiaries to conduct the business risk assessments for the Risk Management 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 4.1% of total assets as of December 31, 2022. 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 determined 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	11 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 Group considered and believed that goodwill does not cause any impairment.

6. Fraud Risk Management

The Group had a policy to treat the business partners equally and fairly with integrity, complying with the commitments to the Company's stakeholders and realizing the prevention of corruption from both inside and outside the organization, by setting "Code of Conduct" for all directors, executives, and employees to use as a guideline for their practice, including the corruption risk. In this regard, the Audit department will report to the Audit Committee and high-level executives if the Internal Audit department finds that any department has insufficient internal control systems or may be exposed to fraud risks, proposing preventive measures and improving the internal control system.

Details	Year 2022	
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.

In this regard, the Company was highly aware of the risks associated with the personal data, establishing a policy to protect the processing of personal data, defining personal data policies of data subject groups (such as customers, employees, partners, etc.), preparing the Standard Operational

Procedure for PDPA Compliance (SOP), preparing the Record of Processing Activities (RoPA), appointing a personal data protection working group. There was also an internal audit department to conduct assessments both in terms of design and operation to improve work processes in accordance with the Act.

8. Corruption Risk

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 2022, the Company has expressed its attention to "Thai Private Sector Collective Action Coalition against Corruption: CAC" against all forms of corruption on September 30, 2022. The renewal certification is valid for 3 years from the date of approval.

In the year 2022, the Company has adhered to and implemented its Anti-Corruption Policy and Code of Conduct consistently. Business partners will receive a letter of partnership that specifies the expectations for business partnerships, including clear ethical standards for conducting business. This is to communicate the company's standards for conducting business, management, as well as regulations that will ensure efficient and successful business operations. Both parties are expected to practice good governance principles together.

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. 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 an Automation Self-Service system to replace repetitive tasks and make them automatic	Establish an API Standard to be implemented across all systems in the company, in order to reduce errors in cross-system data interface	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 systems to be designed with consideration for the use of data in Business Intelligence, in addition to regular operational data.	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:

- กำหนดนโยบายและระเบียบปฏิบัติงานให้สอดคล้องกับข้อกำหนดของกฎหมาย

- 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 Obtain ISO/IEC 27001:2013 certification by 2022 and ISO/IEC 20000-1:2018 by early 2023 to build confidence in the safety of customers, partners and employees by enhancing security for maximum 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 2022, 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/IEC 27001:2013

The Company wants to build credibility through the accreditation of international security standards (ISO/IEC 27001:2013). 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.

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.

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 four (4) levels:

- 1) Severity Level 1 is a level that affects critical - the system provides the main service in the scope of implementation for ISO/IEC 27001:2013 standard and the main system support equipment which is unable to respond to users.
- 2) Severity Level 2 is a level that results in high - score service systems outside the scope of implementation in ISO/IEC 27001:2013 standard which is unable to respond to users.
- 3) Severity Level 3 is a level that affects in moderate - support system that does not affect the main system and work systems used within the organization. It affects only the departments, not directly to the customers.
- 4) Severity Level 4 is an event that affects low - backup system, internal system. The organization has no impact on business.

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.

Emerging risk

Information security

With a variety of business activities from system development to operation, MFEC Public Company Limited (MFEC) handled various types of confidential information, including personal information held by the customer and information about the customer's system technology, etc. If such confidential information is leaked or manipulated due to a computer virus, an unauthorized access or other reasons, MFEC's business and operational results may be affected by claims from client's companies and loss of trust in its service. As the internet becomes a part of the social infrastructure, data formats are easily spread instantly. As a result, the scope of users has expanded and their convenience has increased. However, the risk of data leakage due to cyber-attacks and unauthorized external access is also increasing. And if information is leaked, MFEC's business and operational results may be affected by claims from customers and loss of trust in MFEC's services.

MFEC has established a data management system according to the data security policy. This system contributes to proper data management, raising awareness through employee education and training. It is also used as a way to support the security of information groups, guiding the audit and assess the level of information security management throughout the company, as well as supporting improvement measures later when a data security breach occurs. MFEC will take responsibility and set up an investigation committee to examine the cause, taking countermeasures and preventing recurrence. We also provide education programs and training for employees, raising awareness of the important comprehensive protection. These efforts contribute to the proper handling of personal information, including more robust customer data management.

The impact of emerging risks in information security can be frequent because it involves new technologies, threats, and vulnerabilities that organizations have never encountered before. These risks could pose significant harm to an organization's reputation, finances, and operations if not handled properly.

The most common emerging risks in terms of data security includes:

1. Cloud Security: As the number of enterprises increases migrating data and applications to the Cloud. Therefore, there is a need for more and more security measures to protect against Cloud-based threats.

2. Internet of Things (IoT) Security: The proliferation of connected devices brings new security challenges because these devices are not designed with the security in mind and can easily be hacked.

3. Artificial Intelligence (AI) Security: As AI becomes more widespread, therefore, there is a risk that malicious actors may use automated attacks, intrusions into the system or data management.

4. Blockchain Security: Although blockchain technology has its security, but there is a risk that blockchain implementations may have vulnerabilities that attacks can exploit.

5. Social engineering attacks: Social engineering attacks are becoming more sophisticated and harder to detect. This is because attackers use psychological manipulation to trick individuals into revealing sensitive information.

The organization needs to proactively identify and mitigate emerging risks by keeping up with the latest security technologies and best practices, conducting regular risk assessments, and investing in employees training and awareness programs. The organization can also work with security experts and consult industry standards and regulations to help mitigate the impact of data security risks.

An effective mitigation plan for information security risks should involve the following steps:

1. Risk Assessment: The first step in mitigating information security risks is a thorough risk assessment to identify the specific risks facing the organization. This should include an analysis of potential threats, vulnerabilities, and impacts, as well as an assessment of the likelihood and impact of each risk.

2. Prioritization: Once the risks have been identified, the next step is to prioritize opportunities and potential impacts. This will help the organization focus on resources and labor at the most significant risk.

3. Risk Mitigation: Based on the results of the risk assessment, the organization can take various risk mitigation measures, including technical control, policies, and regulations, as well as organizing training for employees.

4. Monitoring and Review: Regular monitoring and review of risk mitigation measures are essential to ensure that they remain effective and to identify new risks that may arise. This can be achieved through regular security audits, vulnerability scans, and penetration testing.

5. Response and Recovery: In the event of a security breach, the organization should have a well-defined incident response plan to minimize the impact of violations and to ensure a quick and effective response. This should include procedures for incident investigation, communication, and recovery.

6. Continuous Improvement: The final step in mitigating information security risks is to continually assess and improve your risk management processes. This should include a regular review of risk assessments and risk mitigation measures, as well as regular training and awareness programs for employees.

It is important to acknowledge the prevention plan to mitigate the risk. It should be reviewed and updated regularly to ensure it remains effective in light of changing technologies, threats, and business requirements.

Process of Creating a Risk Culture in an Organization

MFEC promotes awareness and knowledge among employees in risk management, good internal control processes, business continuity management, and crisis management. All managers and employees establish relevant risk indicators for their departments to prevent and control potential risks that may affect the company's business operations. In addition, the company provides continuous training and development to its employees through online and interactive channels.

The company's activities that promote the development of a risk culture throughout the organization include:

- Promoting open communication and transparency about potential risks and their impacts
- Providing training to help employees understand and effectively manage risks
- Integrating risk management into performance evaluations and goal-setting processes
- Establishing clear policies and procedures for reporting and managing risks
- Regularly reviewing and improving risk management strategies to align with changes in the business environment

Overview of operations according to the Business Continuity Management

Due to the crisis situation that may occur in the future, operations can be interrupted by human actions such as rallies, protests, riots, terrorisms, network attacks, or natural disaster such as fires, floods, earthquakes, or serious epidemics like the Coronavirus (Covid-19) disease situation. It may affect the company's stakeholders (customers, partners, employees, etc.) which may cause the Company inability to achieve the objectives as planned. The company, therefore, has established policies, measures, procedures for service management, business continuity plan, and the Business Continuity Management Committee (BCM Committee), whose duties are as follows:

- 1) To determine the scope of business continuity
- 2) To consider actions and incidents in the preparation of business continuity plans
- 3) To analyze business impacts
- 4) To determine the business continuity strategies
- 5) To delegate the authority and resources
- 6) To write a recovery action plan
- 7) To test system/ service
- 8) To bring back the main system
- 9) To report the performance
- 10) To improve the continuity plan

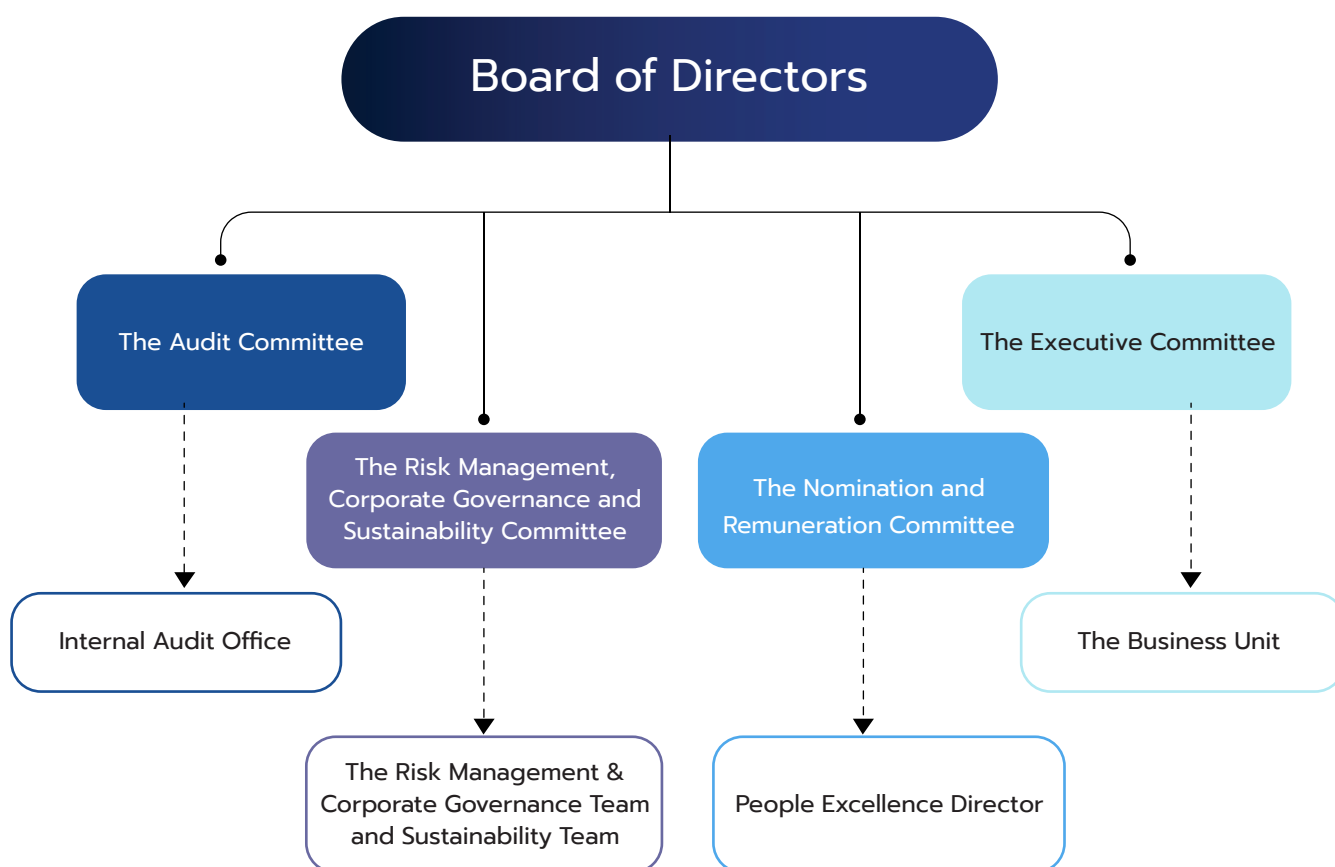
The Company has prepared the Business Continuity Plan (BCP) to prepare relevant personnel to effectively cope with potential crises and to continually operate for the company.

During the COVID-19 outbreak situation, the Company has established the BCP Team formulating a business continuity plan (BCP) in relation to the epidemic, as well as to control and supervise measures, assist employees, communicate and publicize necessary information so that employees can work continuously.

3. Driving Business for Sustainability

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 toward sustainable development. Additionally, the Board of Directors has assigned the Nomination and Remuneration Committee, the Risk Management, Corporate Governance and Sustainability Committee, the Audit Committee, and the Executive Committee to advocate, achieve goals, and meet the needs of stakeholders.



Sustainability Material Issue

MFEC conducts an evaluation of key sustainability issues that affect the organization's three dimensions: Economics, Social, and Environment, according to the interests of all stakeholders. The evaluation aims to identify and prioritize important sustainability issues for improvement and expansion of operations, as well as to communicate the results to all stakeholders, including reviewing the strategy and objectives of MFEC. The report presents the management and operational results of MFEC's sustainability issues in accordance with the annual plan for 2022. The reporting period covers from January 1 to December 31, 2022. The company applies the principle of evaluating the importance of sustainability issues based on the global standard reporting framework of GRI STANDARDS. This includes sustainability context, materiality, completeness, and stakeholder inclusiveness.

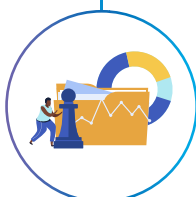
Process of Sustainability Materiality Assessment Issues

01 Identify important and relevant issues.



Consider the risks and opportunities for the Company's businesses, global business, and industry trends, as well as the expectations of internal and external stakeholders by collecting information from the Company's various departments that are responsible for relevant issues, including index and sustainability standards (SDG, GRI, THSI).

02 Prioritize the issues that are important for formulating strategies.



Survey and inquire about internal and external stakeholders. Hold interviews with representatives of each stakeholder group. Collect the evaluation results to analyze and evaluate the results of key issues prioritization through the Matrix table. Identify the responsible department for such a task by dividing key issues into 3 main topics – 1) Human Resources 2) New Business Investment 3) Existing Business Transformation.

03 Examine and approve important issues.



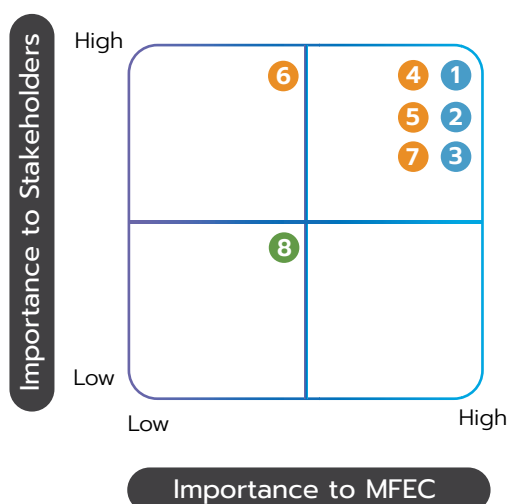
Approved by the Board of Executive Directors and reviewed by the independent audits.

04 Develop, adjust, follow-up, and evaluate.



Gather the issues to develop strategies and continuous operations. Review the evaluation of key issues, including following up and controlling the operations regularly in order to achieve strategies on sustainable knowledge and communicate to the stakeholders and the public.

Sustainable Development Goals



Economics

- 1 Growth Capability
- 2 Corporate Governance
- 3 Risk Management

Social

- 4 Human Capital Development
- 5 Labor Practice and Employee Diversity
- 6 Value of Community and Society
- 7 Developing Products and Services for Society.

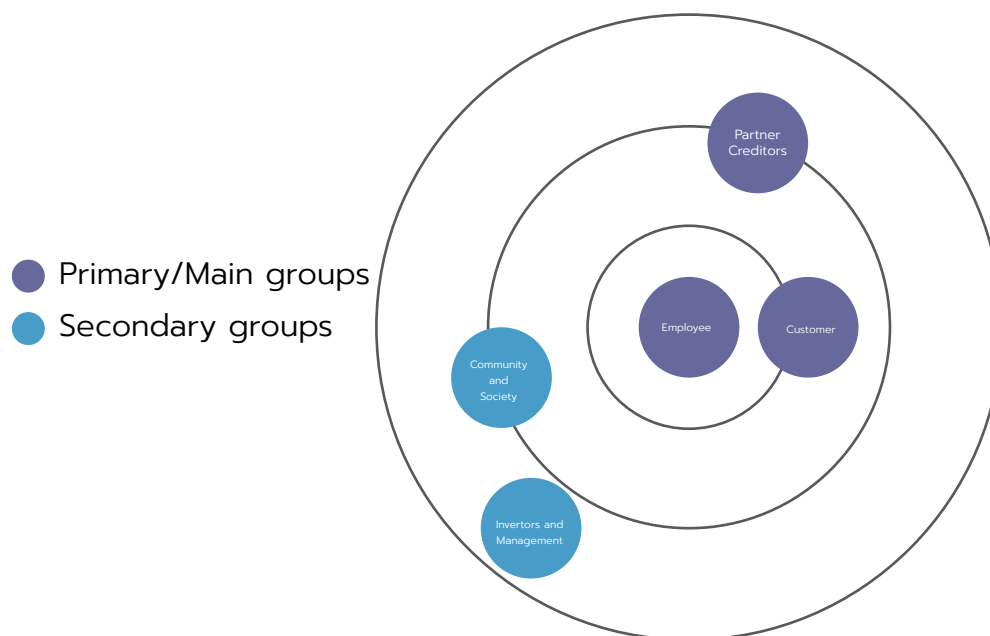
Environment

- 8 Resource Efficiency

Sustainability Material Issue	Stakeholders	MFEC's Sustainability Material Issue			2022 Sustainable Goals
		Economic	Social	Environment	
 3 GOOD HEALTH AND WELL-BEING	<ul style="list-style-type: none"> • Employee • Customer • Partner • Community and Society 	<ul style="list-style-type: none"> • Developing Products and Services for Society 	<ul style="list-style-type: none"> • Human Capital Development • Value of Community and Society • Developing Products and Services for Society 		<ul style="list-style-type: none"> • One million users of the Hospital Application Platform to promote the quality of life of people in society. • 100% of employees have been developed to respond to technological changes. • 80% of employee satisfaction and engagement with the organization in all dimensions, as measured. • 0 severe injuries or deaths from work.
 4 QUALITY EDUCATION	<ul style="list-style-type: none"> • Employee • Customer • Community and Society 		<ul style="list-style-type: none"> • Human Capital Development • Value of Community and Society • Labor Practice and Employee Diversity 		<ul style="list-style-type: none"> • 2,000 students have received organizational knowledge to prepare for the IT job market.
 5 GENDER EQUALITY	<ul style="list-style-type: none"> • Employee 		<ul style="list-style-type: none"> • Human Capital Development • Value of Community and Society • Labor Practice and Employee Diversity 		<ul style="list-style-type: none"> • 100% of all genders are treated equally.
 8 DECENT WORK AND ECONOMIC GROWTH	<ul style="list-style-type: none"> • Employee • Customer • Partner • Community and Society • Investor 	<ul style="list-style-type: none"> • Growth Capability • Developing Products and Services for Society 	<ul style="list-style-type: none"> • Human Capital Development 		<ul style="list-style-type: none"> • 5 projects that utilize the organization's technology to support job creation and promote growth in all industries. • 500 interns have the opportunity to prepare for the job market.
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	<ul style="list-style-type: none"> • Employee • Customer • Community and Society 		<ul style="list-style-type: none"> • Human Capital Development • Developing Products and Services for Society 		<ul style="list-style-type: none"> • 5 projects that promote the development of the country's digital economy
 10 REDUCED INEQUALITIES	<ul style="list-style-type: none"> • Employee • Customer • Partner • Community and Society • Investor 		<ul style="list-style-type: none"> • Labor Practice and Employee Diversity • Human Capital Development • Value of Community and Society 		<ul style="list-style-type: none"> • 0 cases of human rights violations and unequal treatment.
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	<ul style="list-style-type: none"> • Employee • Customer • Partner • Community and Society 		<ul style="list-style-type: none"> • Developing Products and Services for Society 	<ul style="list-style-type: none"> • Resource Efficiency 	<ul style="list-style-type: none"> • Reduce resource consumption. 10% target for reducing electricity consumption in 2570 compared to the baseline year of 2561. • 10% target for reducing water consumption in 2570 compared to the baseline year of 2561. • 100% target for reducing paper usage in 2570 compared to the baseline year of 2561.

Stakeholders Engagement

MFEC has categorized stakeholders into 5 groups and designated responsible units for creating participation, communication, listening, caring, and responding appropriately to the feedback and expectations of each group of stakeholders, including both gain and loss stakeholders. This process is comprehensive, timely, and continuously aligned with the company's operations, incorporating feedback into the ongoing processes.



Stakeholders Engagement Process

01

Plan



Collect information and advice from the stakeholders to analyze and plan to precisely meet their needs.

02

Prepare



Define scopes and activities to suit the needs of stakeholders.

03

Implement



Provide a transparent and verifiable operating process. Respect the rights and equality of stakeholders.

04

Review and Improvement



Follow up, evaluate, and improve to obtain better results and develop further.

Participation with the Stakeholder

By dividing the stakeholders into 5 groups, the Company responds to expectations and presents the means to participate and disclose details and activities in the Annual Registration Statement/Annual Report (56-1 One Report) and the Company's website. So that the investors may acknowledge it comprehensively. The stakeholders are classified into 5 groups as follows:

Stakeholders	Stakeholders Expectations	Company Responses	Company Implementation
Employee	<ul style="list-style-type: none"> • To create a happy coexistence • Fair returns • Treat employees based on fairness • Improved quality of life from work 	<ul style="list-style-type: none"> • Encourage employees to understand ethics and responsibilities • Support the continuous development of professional skills • Ensure a safe working environment for life • Encourage employees to participate in setting the direction of work 	<ul style="list-style-type: none"> • An article on the company's responsibility to employees. • Policies and practices related to knowledge development.
Customer	<ul style="list-style-type: none"> • High-quality products and services • Accurate and non-misleading disclosure of product and service information • Maintain customer confidentiality • Adhere to strict customer conditions 	<ul style="list-style-type: none"> • Communication in accordance with the plan • Flexible service • Continuous customer engagement • Surveying customer satisfaction after project completion 	<ul style="list-style-type: none"> • An article on the company's responsibility to customers
Business Partner and creditors	<ul style="list-style-type: none"> • Adhere to ethical and fair trade frameworks and support fair competition between partners • Acceptable payment terms • Create value-added and long-term cooperation 	<ul style="list-style-type: none"> • In case the conditions cannot be fulfilled, prompt notification should be given in advance in order to cooperate in finding a solution and preventing any damage. • We do not engage in, accept, or provide any benefits resulting from dishonest business practices with partners, debtors, or creditors, under any circumstances. • Continuous communication is maintained through both electronic and telephone media. 	<ul style="list-style-type: none"> • An article on the company's responsibility to business partners or creditors
Community and Society	<ul style="list-style-type: none"> • Create innovations that have a positive impact on society • Drive organizational progress • Help drive the quality of life and well-being of people 	<ul style="list-style-type: none"> • Stimulating the development of the country's human resources as a leader • Providing support for activities that generate public benefits • Not supporting any activities that pose a threat to society • Organizing activities to promote intellectual capital creation, develop knowledge within communities, and create high value-added jobs at the local level 	<ul style="list-style-type: none"> • An article on the company's responsibility to society
Investors and Management	<ul style="list-style-type: none"> • Collaborate to establish the direction of operations • High and sustainable return on investment • Good governance including risk management • Transparent disclosure of relevant information 	<ul style="list-style-type: none"> • Conducting annual shareholder meetings according to the AGM Checklist standard • Preparing the annual information statement/report (Form 56-1 One Report) • Developing sustainability reports 	<ul style="list-style-type: none"> • In accordance with the company's sustainability policy • In accordance with the regulatory framework for business governance

MFEC VALUE CHAIN

UPLIFT YOUR DIGITAL LIFE



Downstream

- Integration of IT Infrastructure for Customers
- Maintenance Service and Consultancy Services in IT System for Customers
- Investment in Start-up

Upstream

- Hardware Products from Manufacturers
- Software Products from Producers
- Software Development
- Development of Tailor-Made Application

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 continuously.

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 MFEC United Tournament . 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 M Ground. 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

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

Sustainable Supply Chain Management (SSCM)

This is about linking social and environmental concepts in the company's supply chain management. The focus is on reducing the impact on the environment and society in conducting business while also increasing economic efficiency. Sustainable supply chain management covers every step of the company's supply chain management process, from selecting sources of raw materials and procurement to production, transportation, and distribution. The goal is to create a sustainable supply chain that balances economic, environmental, and social benefits appropriately.

Key principles of MFEC sustainable supply chain management are:

1. **Environmental Sustainability:** Minimizing the environmental impact of the supply chain by reducing carbon emissions, conservation of natural resources and waste to a minimum
2. **Social Responsibility:** Ensuring suppliers and partners adhere to ethic labor practices, human rights, and fair-trade principles
3. **Economic Viabilities:** Ensuring that supply chains remain profitable and sustainable in the long term
4. **Transparency and Accountability:** Providing clear information about the company's sustainability practices and its supply chain, and be responsible for the negative impacts

MFEC sustainable supply chain management

1. Developing a Supplier Code of Conduct that focuses on operating in 3 areas:
 - 1) Business ethics
 - 2) Social responsibility
 - 3) Environmental responsibility.
2. Development of procurement policy to establish principles and practices in the following directions:
 - 1) Ethical procurement practices
 - 2) Environmentally friendly procurement practices
 - 3) Supplier management
3. Development of policies for procurement and supplier selection to establish practices and conditions for consideration and selection, as follows:
 - 1) Preliminary screening
 - 2) Pre-purchase screening
 - 3) Annual verification and evaluation
4. Defining critical suppliers' group
5. Promoting supplier awareness of business ethics and assessing sustainability risks through self-assessment using the "Supplier Sustainability and Governance Assessment Questionnaire"
6. Conducting annual risk assessment, analysis, and development of suppliers to close the ESG (Environmental, Social, and Governance) risk gap

Sustainable Supply Chain Management approaches can reduce the environmental impact, promoting a good reputation for the company, and creating more sustainable business practices that benefit both the company and society as a whole.

MFEC Public Company Limited would like to be a part of promoting sustainability in the sustainable supply chain management by adopting sustainable development guidelines that take into account environmental, social, and governance (ESG) to be integrated as a part of business operations, reducing risks and enhancing the business competitiveness.

Sustainable supply chain management requires the determination and commitment of everyone in the company, including partners and customers, about the devotedness of sustainability. If all sectors make efforts to improve society and environment, it will enable the company to successfully manage a sustainable supply chain.

Critical supplier

A critical supplier is a supplier who are manufacturers and distributors of goods or services that are extremely essential to the Company's business operations for the business continuity, meeting customer needs and complying with legal or regulatory requirements.

The designation of a critical partner may vary depending on the industry and the specific needs of the company. For example, in the automotive industry, the critical suppliers may provide critical components such as engines or transmissions, while in the healthcare industry, critical suppliers may provide the essential medical equipment or suppliers.

The impact of disruptions in the supply chains can lead to production delays, loss of income, reputation's damage, or even non-compliance with laws or regulations. Therefore, companies often use risk management to mitigate the risks associated with critical suppliers, such as diversifying their supply chains, the development of contingency plans, or investing in partner relationship management.

For MFEC Public Company Limited, critical partners may include partners that provide essential components or services for the products or operations. These may include:

1. Cloud Service Providers: Many technology companies use cloud services for their storage, hosting, and other infrastructure needs. These services' interruptions can lead to downtime or substantial data loss.

2. Logistic and Transport Providers: Technology companies often rely on these suppliers to transport their products to customers or move components between manufacturing plants. Services' delays or interruptions may affect production schedules and customer satisfaction.

3. Software Vendors: Technology companies always use a third party software, which is a product or operation, such as an operating system, a development tool or a security software. These service interruptions may affect the product's functionality or the company's operation.

4. Intellectual Property Providers: For technology companies that rely heavily on patents or other intellectual property, suppliers who provide legal, patent research, other services related to intellectual property, are critical to the company's operations and competitive advantages.

Identifying and managing critical suppliers is essential for the success and sustainability of a company's operations. Efficient supply chain management, risk management, and suppliers' relationship management are strategically important to ensure that the company maintains the business continuity and meets customers' needs in the face of potential disruptions.

MFEC Public Company Limited aims at offering quality products and services. Therefore, we are committed to selecting suppliers who value sustainability and have long-term business relationships by emphasizing on policies and strategies that govern procurement meeting standards. This is considered a business ethics that is clearly communicated and can be verified in every step.

The Company has implemented environmentally friendly procurement requirements and fairness to business suppliers with the following operations:

- To communicate and publicize with business partners via website channels <https://www.mfec.co.th> for acknowledgement the policy of trade ethics
- To determine conditions for selecting partners who must have expertise in products and services that do business together, have stable financial stability, and conduct fair and legal business in both operations and labor employment
- To communicate the processes and procedures involved in registering new partners and trading regulations both in documents, contacts, and available timelines to all partners immediately after the successful partner registration.
- To make an assessment planning to prevent risks that may affect the environment and society periodically

The core business of MFEC Public Company Limited is to provide a full range of information technology products and services to its customers by focusing on offering products in leading global markets, which is widely known, and bringing to install and provide the after-sales service regarding to customers' needs.

The main Company's partners consist of both the product owners and primary distributors in the country. These can be divided into domestic suppliers, accounting for 48.82%, and foreign partners, accounting for 51.18%

The Company has ranked suppliers in Critical Tier 1 by using the criteria of being the top 10 suppliers from the total number of suppliers in 2022, totaling 323 suppliers. The critical suppliers have regular business activities, such as product sales planning, personnel planning to increase knowledge and ability for customer services, participating in solving various technical issues that may occur and affect customers continuously.

Analysis results of critical business partners

Type of business partner	Partners	Purchase Proportion (%)
Total business partners	323	100.00
Critical business partners	10	66.76

List of 10 critical suppliers for the year 2022 as follows:

1. Microsoft Regional Sales Pte Ltd.
2. Google Asia Pacific Pte. Ltd.
3. Oracle Corporation (THAILAND)Co.,Ltd.
4. MSyne Innovations Company Limited
5. VST ECS (Thailand) Co.,Ltd.
6. VRCOMM Co.,Ltd
7. Cisco International Limited
8. M-Solutions Technology (THAILAND) Co.,Ltd.
9. SIS Distribution(THAILAND) Public Co.,Ltd.
10. Vintcom Technology Public Company Limited

Supplier risk assessment

The company has a process for evaluating supplier risk and the potential impacts that may affect the organization's operations, under the evaluation criteria specified by the company covering sustainability issues in terms of environmental, social, and governance dimensions.

- Foreign suppliers with orders of 10 million baht or more, totaling 16 suppliers, are currently being assessed and expected to receive responses by April 30th, 2023.
- Domestic suppliers with purchase orders of 3 million baht or more, totaling 59 suppliers, have responded and participated in the evaluation process. 30 suppliers, accounting for 50.85%, are expected to receive a response by April 30th, 2023.

The evaluation results of the 30 suppliers who responded and participated are as follows

Risk Level	Quantity	(%)
Very Low	5	17
Low	13	43
Medium	9	30
High	2	7
Very High	1	3
Total	30	100

When combining the overall risk scores, the evaluation results for the partners are in the "medium risk" level. For partners with medium risk, high risk, and very high risk, the Company will notify them to improve their operations and find solutions to reduce the risks and severity that may occur. Additionally, there must be a plan for monitoring and implementing sustainable practices for the Company's partners to ensure confidence in managing risks at a level that does not impact the community and environment. The partners will be asked to perform another evaluation.

- Out of 10 key business partners, 4 have responded, which is 40% of all key business partners. For the remaining partners, the company is still following up to evaluate their environmental, social, and governance performance. It is expected that all partners will respond by April 30th, 2023.

The evaluation results of the 4 suppliers who responded and participated are as follows:

Risk Level	Quantity	(%)
Very Low	-	-
Low	2	50
Medium	2	50
High	-	-
Very High	-	-
Total	4	100

From the results of the important business partners' evaluations, it was found that all 4 of them received an average score of 90% in the area of ethics, indicating that the partners have good ethical practices and operate with transparency.

- Regarding the assessment of economic risks for trading partners, the Company has a plan to evaluate in the year 2023.
- For new business partners in 2023, the Company has a policy that new business partners who meet the criteria must undergo an evaluation of their environmental, social, and governance performance. There will be follow-up evaluations to assess their performance in the future.
- Due to the COVID-19 situation in 2022, the company did not have any visits to the business partners' companies, but it still prioritized continuous monitoring and management of business, society, and the environment.

Risk Treatment Plan

1. To enhance knowledge on sustainability, social responsibility, and/or corporate governance that the partners need to develop sustainably
2. To support a collaboration with partners to create sustainable operations in terms of environment, society, and/or corporate governance
3. To encourage partners to expand the impact and apply sustainable practices throughout the supply chain for continuous and effective development support
4. To re-evaluate the Environmental, Social, and Governance (ESG) risks of the business partner

Trade credit policy and duration

MFEC Public Company Limited considers critical factors affecting the liquidity and cash flow management of the business sector. The Company has a policy to set credit terms within 30-90 days. However, the credit period under the payment conditions depends on the Company's business partners and various factors, such as the duration of the joint business operation, the type of product, sales volume, inventory turnover, and the standard quality of products. The Company has established credit terms in accordance with the principles of fairness towards all business partners. The details are as follows:

Credit Term (Day)	Average Credit Term in 2022 (Day)
30-90	45

>> Sustainable business development project for partners



The Company also placed importance on supporting activities to promote the smooth operation of the main activities, for example, the development project to enhance the potential of contractors. MFEC Public Company Limited carried out a project to develop the potential of contractor groups, in order to prepare contractors before commencing work, as well as to raise awareness about occupational health and safety, maintaining safety and the working environment through online orientation for new contractors.

Environmental Dimension in Sustainability

>> Environmental Policies and Practices

MFEC gives an importance to the resource and environmental management along with the organizational development. It mainly focuses on pollution prevention and environmental preservation including the management of the electricity, water, carbon dioxide, waste and surrounding ecosystems to have a good quality. In addition, technology has been brought to help carry out various activities reducing the impact on the environmental sustainably.

>> Management Framework



- **Expression of Intentions by the Managements:** take responsibility for climate change management throughout the supply chain and environmental management.
- **Assessment of Risks, Opportunities, and Impacts:** assess risks and opportunities related to climate change.
- **Goals and Policies Set Up:** Environmental Sustainability Policy
- **Monitoring the Progress:** Compare the goals and analyze them to find a way to improve the operations.
- **Monitoring the Progress:** Compare the goals and analyze them to find a way to improve the operations.
- **Communication with Stakeholders:** Communicate strategies and progress and promote cooperation with external stakeholders.

Company's Environmental Management



2022 Goals

10 %

Target to reduce electricity consumption in 2027 when compared to the year 2018.

10 %

Target to reduce water consumption in 2027 when compared to the year 2018.

100 %

Target to reduce paper usage reduction in 2027 when compared to the year 2018.

0 e-waste

to the landfill.

Result

100 %

Reduce paper usage.

0 e-waste

to the landfill.

>> Environmental Performance

Environmental Performance is presented in the heading "Environment Dimension" of the Sustainability Report 2022.

Sustainability Management in the Social Dimension

» 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.

Human Capital Development

2022 Goals

80%

of employee satisfaction and engagement with the organization in all dimensions

0 people

were seriously injured or died from work.

100%

of employees have developed their potential to prepare for the changes in technology

500

interns got the opportunity to prepare themselves for the labor market.

Achievements

82%

of the employees were satisfied and engaged with the organization in all dimensions

0 people

were seriously injured or died from work.

100%

of employees have developed their potential in order to prepare for the changes in technology

239

interns got the opportunity to prepare themselves for the labor market.

» Social Performance

Social Performance is presented in the heading. "Social Dimension" of the Sustainability Report 2022

Governance and Economic Dimension in Sustainability

>> Governance and Economic Policies and Practices

MFEC is committed to developing the organization for the growth and the sustainability. Therefore, it places on the good corporate governance with the belief that it is a management system creating fairness, building confidence in the investment and creating long-term values for shareholders, building all stakeholders' confidence. MFEC makes the good corporate governance as a part of vision, mission and values with the goal of becoming an IT company that people would like to work with the most by pushing for the limitless employees' potential to innovate technology and improve the quality of everyone's life. It also creates the power to drive every life with the sustainable business and meets the future lifestyles, promoting technology development along with creating business cooperation with good governance. They have the good corporate governance to enhance efficiency, transparency verifiability and taking into account all stakeholders according to the principles of the good corporate governance

Cyber Security and Data Privacy

2022 Goal

100 %

data breach prevention.

Achievement

100 %

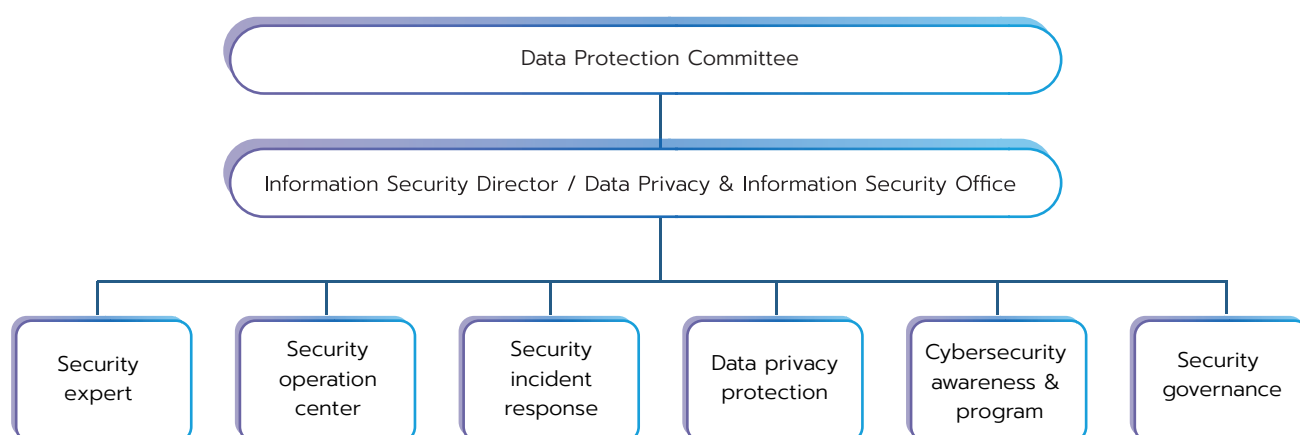
data breach prevention.

Management Approach

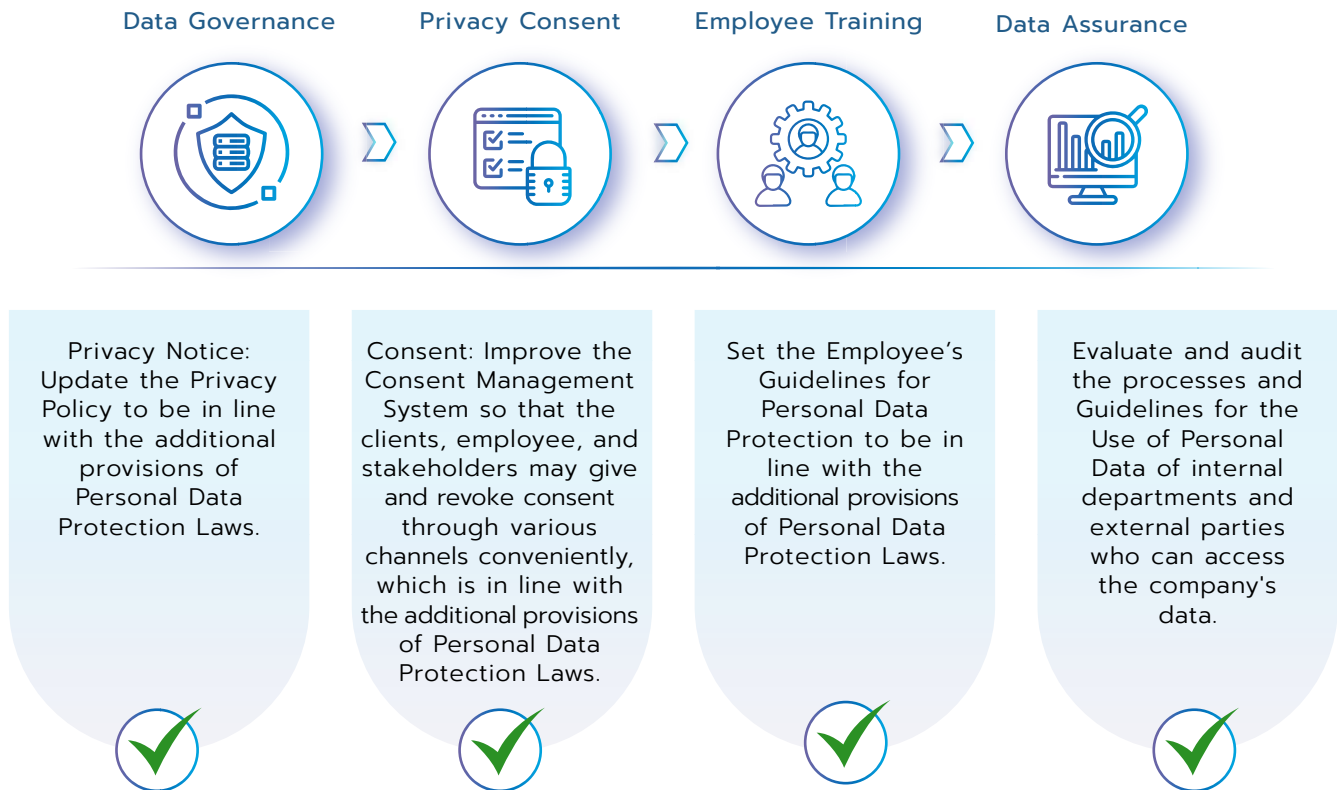
MFEC Public Company Limited has long recognized the importance of maintaining cyber security and information technology. In order to be in line with the company's vision, the company has announced the Policy on the Use of Networks and Computers and continuously updated the content of the policy to be a guideline for the proper use and consistent with the company's intention.

Management Structure

The company has guidelines for Information Security Management and Information Management. The company also oversees cybersecurity strategies and policies and is responsible for the operations and evaluation of the performance of the employees involved as well.



Process of Personal Data Protection



Process for Receiving Complaints, Complaints Management, Reconciliation, and Punishment

The company is open to receiving complaints and suggestions from the clients and stakeholders in relation to cyber security issues and personal data protection through emails or as announced in the company's Personal Data Protection Policy. Once receive the queries or concerns from the stakeholders, the company will take this into consideration and contact such a person within a reasonable time. If there is an offense against the policy committed by any person, such person shall be subject to legal penalties. If the employee violates the policy, such an employee will receive disciplinary action according to the Code of Conduct and may be subject to legal penalties.

Complaints/Data Breach and Loss of Revenue in the year 2022	Amount
1. Number of complaints from clients/external parties in the case of violation of privacy for marketing purposes, which the company has verified and is not considered the violation of privacy	0
2. Number of complaints from clients/external parties that may considered as the violation of privacy	0
3. Number of complaints from government agencies for the violation of privacy	0
4. Number of the breach, loss, destruction, or stealing of data	0
5. Loss of revenue due to the breach, loss, destruction, or stealing of data (Baht)	0

» Governance and Economic Performance

Environmental Performance is presented in the heading. "Governance and Economic Dimension" of the Sustainability Report 2022.

4. Management Discussion and Analysis: MD&A

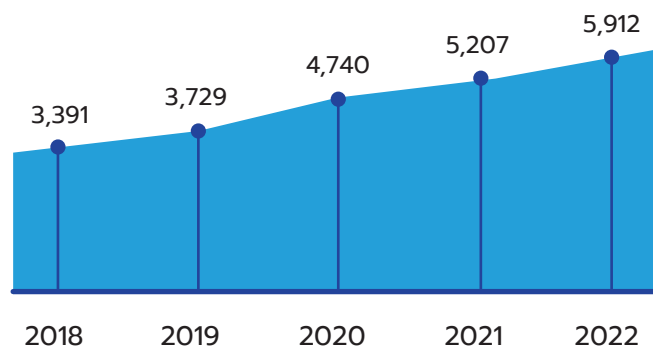
Financial Status for the year 2022

Item Description	Consolidated Financial Statement		
	Y2022	Y2021	Y2020
Total Revenues (Mil. Baht)	5,912.00	5,206.50	4,740.32
Revenues from Sales and Services (Mil. Baht)	5,846.80	5,174.36	4,670.82
Gross Profit (Mil. Baht)	1,034.90	910.28	857.96
Net Profit (Loss) (Mil. Baht)	234.93	256.99	244.62
Total Assets (Mil. Baht)	6,276.04	5,656.58	5,124.00
Total Liabilities (Mil. Baht)	4,218.21	3,642.84	3,191.48
Shareholders equity of the Company (Mil. Baht)	2,057.83	2,013.74	1,904.73
Minority shareholders of subsidiaries (Mil. Baht)	28.17	25.39	27.79
Profitability:			
Gross Profit Margin (%)	17.70%	17.59%	18.37%
Net Profit (Loss) Margin (%)	3.97%	4.94%	5.16%
Return on investment:			
Return on assets (%)	3.74%	4.54%	4.77%
Return on equity (%)	11.42%	19.76%	12.84%
Liquidity & Stability of the service:			
Current ratio (Times)	1.34	1.40	1.48
Debt to equity ratio (Times)	1.24	1.30	1.33
Asset Turnover			
Inventory turnover ratio	2.78	2.97	3.78
Average product sales period	130	121	95
Accounts receivable turnover ratio	3.72	3.00	2.78
Average collection period	97	120	129
Trade payable turnover ratio	5.62	4.26	4.79
Average repayment period	64	85	75
Cash Cycle	163	156	149
Capital Structure Ratio:			
Debt to equity ratio (Times)	2.08	1.83	1.70
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)	4.66	4.56	4.31
Net Profit (Loss) (Baht/Share)	0.53	0.58	0.55
Dividends(Baht/Share) *	0.40	0.40	0.40

Remark: The Board of Directors' Meeting No.1/2023 held on 22nd February 2023 passed a resolution to pay dividends for the year 2022 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 2023 on 24th April 2023 for further approval.

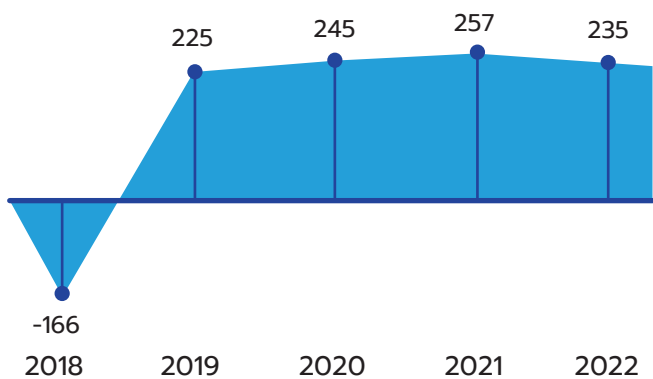
Total Revenues

	Value (Million Baht)
2014	5,176
2015	3,382
2016	3,372
2017	3,016
2018	3,391
2019	3,729
2020	4,740
2021	5,206
2022	5,912



Net Profit & Loss

	Value (Million Baht)
2014	270
2015	197
2016	222
2017	154
2018	-166
2019	225
2020	245
2021	257
2022	235



Financial Status and Performance

Performance

In the year 2022, the situation of the spread of COVID-19 was improving, resulting in the recovery of the Thai economy due to the support from tourism industry as the foreign tourists entering into Thailand. Moreover, the demands for consumer products and labor market have been increasing, in line with the recovery of the economy. However, the business sector continued to be affected by the rising cost due to the war between Russia and Ukraine, resulting in shortage of resources. The business sector had to bear rising production costs of products and services. Including the effect from the increase of inflation, which affected the customer's purchasing power and risks of global recession. The Federal Reserve's (FED) decision to increase the interest rate for several times in the year 2022 to balance the economy resulted in the Bank of Thailand's increment of the policy interest rate, inevitably affecting the business sector's financial cost.

In the year 2022, the Group's revenues from sales and services have increased 13% from the previous year. The increasing revenue was from the system maintenance (Maintenance Agreement "MA"), which is recognized as the recurring income from the service agreement. Moreover, the revenue from cloud services continues to grow at a consistent rate. However, the increase in the cost of goods and services, especially the cost of personnel salary, directly affected the net profit of the Group at an 8.6% decrease from the previous year. The Company focuses on providing products and maintaining quality of services to meet the expansion and demand of the industrial sector, altogether with strict business and strategic planning in preparation for any pressures and risks that may occur.

The Group continues to focus on the strategies to maintain the market share in the IT development and system integration (SI) to the leading corporate clients in various business sectors. In the year 2022, the high-value SI projects that the Company has acquired in the previous years have gradually handed over and could mostly recognize the revenue as scheduled. Although there were some delays in handing over several SI projects due to the shortage of semiconductor chip, the revenue from SI projects is still the main business of the Company with a large backlog at the end of the year. The ability to swiftly adapt to the competitive environment in the industry is considered a success in terms of revenue growth and increasing value to the shareholders in the aspect of maintaining the Company's earnings for the year 2022 with the net profit of 234.9 million Baht amid a fierce and continued competition since the start of COVID-19 pandemic in the early 2020. The strategic adjustments for next year's operations are therefore a great challenge in terms of maintaining the market share and the excellence of customer services, which will reflect the continuous and sustainable revenue and profit growth in the years to come.

Performance Overview for the Operations in 2022 and Comparison to the Performance in 2021 and 2020

Description	Y2022		Y2021		Change		Y2020	
	Mil THB	%	Mil THB	%	Mil THB	%	Mil THB	%
Revenue from Sales and Services	5,846.8	100.0%	5,174.4	100.0%	672.4	13.0%	4,670.8	100.0%
Cost of Sales and Services	(4,811.9)	-82.3%	(4,264.1)	-82.4%	(547.8)	12.8%	(3,812.9)	-81.6%
Gross Profit, before Operating Expenses	1,034.9	17.7%	910.3	17.6%	124.6	13.7%	857.9	18.4%
Profit from change in investment classification	33.4	0.6%	-	0.0%	33.4	100.0%	-	0.0%
Other Income	31.8	0.5%	32.2	0.6%	(0.4)	-1.2%	69.5	1.5%
Selling and Administrative Expenses	(791.3)	-13.5%	(611.5)	-11.8%	(179.8)	29.4%	(607.3)	-13.0%
Profit from Operating, before interest and Tax	308.8	5.3%	331.0	6.4%	(22.2)	-6.7%	320.1	6.9%
Share of Profit from Associates and Joint Venture	8.2	0.1%	8.7	0.2%	(0.5)	-5.7%	1.7	0.0%
Financial Costs	(18.2)	-0.3%	(11.5)	-0.2%	(6.7)	58.3%	(11.1)	-0.2%
Net Profit, Before Corporate Tax	298.8	5.1%	328.2	6.3%	(29.4)	-9.0%	310.7	6.7%
Corporate Income Tax	(58.8)	-1.0%	(70.2)	-1.4%	11.4	-16.2%	(63.0)	-1.3%
Net Profit (Loss)	240.0	4.1%	258.0	5.0%	(18.0)	-7.0%	247.7	5.3%
Profit Attributed to Non-Controlling Interests	(5.1)	-0.1%	(1.0)	0.0%	(4.1)	410.0%	(3.1)	-0.1%
Net Profit (Loss), Parent portion	234.9	4.0%	257.0	5.0%	(22.1)	-8.6%	244.6	5.2%

The performance shown above includes the discontinued operations as per no.13 to the financial statements.

Revenues

Revenues from Sales and Services

Revenue by Segment	Y2022		Y2021		Increase (Decrease)		Y2020	
	Mil THB	Income Ratio	Mil THB	Income Ratio	Mil THB	%	Mil THB	Income Ratio
Revenue from system development and system integration	1,164.9	19.9%	1,851.6	35.8%	(686.7)	(37.1%)	2,153.3	46.1%
Revenue from system maintenance	2,627.5	45.0%	1,783.6	34.5%	843.9	47.3%	1,288.1	27.6%
Revenue from IT system development	1,159.5	19.8%	938.5	18.1%	221.0	23.5%	855.5	18.3%
Total revenue from main businesses	4,951.9	84.7%	4,573.7	88.4%	378.2	8.3%	4,296.9	92.0%
Revenue from Cloud services	817.8	14.0%	559.3	10.8%	258.5	46.2%	345.3	7.4%
Revenue from other businesses	77.1	1.3%	41.4	0.8%	35.7	86.2%	28.7	0.6%
Total revenue from sales and services	5,846.8	100.0%	5,174.4	100.0%	672.4	13.0%	4,670.9	100.0%

The Group has revenues from 3 main business segments: revenue from system development and system integration, revenue from system maintenance, and revenue from development of IT systems. The income ratio in 2022 from the 3 segments is 84.7 percent of the total revenue from sales and services. 2021: the total revenue from sales and services was 88.4 percent. The revenues from the 3 main business segments have increased to 378.2 million Baht, which is 8.3 percent of revenue growth compared to the previous year.

• Revenue from System Development and System Integration (SI) amounted to 1,164.9 million Baht, 1,851.6 million Baht, and 2,153.3 million Baht in the year 2022, 2021, and 2020 respectively. Such revenues accounted for 19.9%, 35.8% and 46.1% of the total revenue of the year 2022, 2021, and 2020 respectively. The SI projects can be considered as the business segment that has been continuously generating main revenue to the Company. Although the recognized revenue from SI projects in the year 2022 decreased from the previous year due to the gradual handover of high-value projects during 2021-2022, the Company still received many large projects in 2022, but they were now under system development stage and have not reached the handover period. 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 2,627.5 million Baht, 1,783.6 million Baht, and 1,288.1 million Baht in the year 2022, 2021, and 2020 respectively. Such revenues accounted for 45%, 34.5%, and 27.6% of the total revenue of the year 2022, 2021, and 2020 respectively. The Group had a continued increasing ratio of the Maintenance Agreement Service (MA) segment since 2020 due to the recognition of revenue from the delivery of several large-scale SI projects during 2020-2022. As a result, the ratio of the Maintenance Agreement Service (MA) segment to the overall revenue tends to increase since the year 2021. The Group was still able to maintain Maintenance Agreement Service (MA) revenue growth. The revenue growth for this segment is 47.3% and 38.5% of each year for the year 2022 and 2021 respectively.

• Revenue from IT Professional Service (PS) amounted to 1,159.5 million Baht, 938.5 million Baht, and 855.5 million Baht in the year 2022, 2021, and 2020 respectively. The revenue from this segment has increased by 23.5% compared to last year's. The proportion of the revenue from IT Professional Service (PS) was 19.8% of total revenue of this year. The Group 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.

• The revenue from Cloud Solution Service for the year 2022 amounted to 817.8 million baht, representing 14% of the total revenue recognized for the year. This is a significant increase of 46.2% compared to the previous year, with a growth rate of over 200% since 2021. This growth is in line with the increasing adoption of technology in managing customer data among leading corporate organizations.

Gains from Change in Investment Classification

In the year 2022, the Group has recognized the gain from change in investment classification, which derived from the investment in Data Café Co., Ltd. by the external investors. The Company has recorded the investment in Data Café and re-categorized it to be the investment in joint venture. The gain on reclassification of investment amounting to 33.4 million Baht was calculated from the difference between the book value and fair value according to the Group's proportion of investment in Data Café at the date of the reclassification of investment on 30 June 2022.

Other Revenues

Description	Y2022	Y2021	Increase (Decrease)		Y2020
	Mil THB	Mil THB	Mil THB	%	Mil THB
Profit from measuring the fair value of derivative instruments	-	21.5	(21.5)	(100%)	9.6
Other income from sales promotion	-	-	-	-	35.2
Profit from exchange rates	21.3	-	21.3	100%	6.3
Other revenue	10.5	10.7	(0.2)	(1.2%)	18.4
Total	31.8	32.2	(0.4)	(1.2%)	69.5

Other revenues for the year 2022 amounted to 31.8 million Baht, a decrease of 0.4 million Baht or 1.2% from last year. The main reason was a decrease of profit from measuring the fair value of derivatives and an increase of profit from exchange rate. In the year 2021, the Group has adjusted the presentation of the rebate income by deducting the cost of sales and services instead.

Costs and Expenses

Costs of Sales and Costs of Rendering Services

Description	Y2022	Y2021	Increase (Decrease)		Y2020
	Mil THB	Mil THB	Mil THB	%	Mil THB
Profit from sales and services	5,846.8	5,174.4	672.4	13.0%	4,670.8
Costs of sales and services	4,811.9	4,264.1	547.8	12.8%	3,812.9
Gross profit	1,034.9	910.3	124.6	13.7%	857.9
Gross profit margin (percent)	17.7%	17.6%	+0.1%		17.4%

Costs of sales and services in 2022 amounted to 4,811.9 million Baht, which was in line with the increasing revenue of the Group. Although the proportion of revenue recognition from System Integration (SI) has decreased compared to 2021 due to the shortage of semiconductor chip, the Company had gross profit from the recognition of IT Professional Service (PS) and Maintenance Agreement Service (MA), which has a high average gross margin. The Company therefore received a gross profit margin for the current year in accounted for 17.7%, which allowed the Group to maintain its profit margin at a rate close to the previous year amidst the continued increase of cost of goods and services.

The recognition of revenue from sales and services has increased by 13%, resulting in the Group's gross profit to increase by 124.6 million Baht or 13.7% increase compared to the last year.

Selling and Administrative Expenses

Description	Y2022	Y2021	Increase (Decrease)		Y2020
	Mil THB	Mil THB	Mil THB	%	Mil THB
Selling and distribution expenses	136.6	116.9	19.7	16.9%	100.9
Administrative expenses	654.7	494.6	160.1	32.4%	506.4
Total of selling and administrative expenses	791.3	611.5	179.8	29.4%	607.3

Administrative expenses have increased by 29.4% due to the personnel expenses with higher rate of new hires to support business expansion from economic recovery, including the return of promotion to support sales activities according to the business plan during the year 2022. Some of the operating expenses were fixed expenses that were necessary to support business operations and business expansion. However, the Group also had non-recurring expenses that have not been paid in recorded for the year 2022, such as legal reserves for the litigation of the subsidiary and loss from the amortization of withholding tax in the amount of 11.6 million Baht and 19.2 million Baht respectively.

The Group had the ratio of selling and administrative expenses to the revenue in the amount of 13.5%, which increased from 11.8% of the last year from recoding of non-recurring expenses that have not been paid in cash in the year 2022.

Profit sharing from Investment in Associated Companies

Description	Y2022	Y2021	Increase (Decrease)		Y2020
	Mil THB	Mil THB	Mil THB	%	Mil THB
Profit sharing from Associated Companies and Joint Venture	8.2	8.7	(0.5)	(5.7%)	1.7

Profit sharing from associated companies and joint ventures in the year 2022 amounted to 8.2 million Baht, decreased from last year 0.5 million Baht or 5.7% due to a slight decrease in Profit sharing investments in associated companies and joint ventures – I2 Enterprise and PromptNow

Financial Costs

Description	Y2022	Y2021	Increase (Decrease)		Y2020
	Mil THB	Mil THB	Mil THB	%	Mil THB
Financial cost from monetary loans	8.7	2.3	6.4	278.3%	1.3
Financial cost from lease agreements with rights of used of assets	9.5	9.2	0.3	3.3%	9.8
Total of financial costs	18.2	11.5	6.7	58.3%	11.1

Increasing financial costs were due to the increase in financial cost from monetary loans. At the end of 2022, the Company had interest-bearing debts in the amount of 510 million Baht, which increased from last year (2021: 405 million Baht). The main reason was an increase of short-term loans from financial institutions in the form of promissory note (maturity 90-150 days). This was because the investment in ongoing projects received during the year would require more working capital for project management compared to the previous year. The Group had an increasing average interest rate due to several of Thailand's increment of policy interest rate during the year 2022. The Group had a net interest-bearing debt-to-equity ratio of 0.25 times, which was still relatively low. The Company still has the ability to maintain prudent and concise liquidity management by emphasizing the importance of efficient financial structure management and flexibility in the volatile financial market environment. In addition, the Company also maintained the financial costs at a level suitable for business operations in the future.

Net Profit (Loss)

Description	Y2022	Y2021	Increase (Decrease)		Y2020
	Mil THB	Mil THB	Mil THB	%	Mil THB
Revenue from Sales and Services	5,846.8	5,174.4	672.4	13.0%	4,670.8
Net Profit, Parent portion	234.9	257.0	(22.1)	(8.6%)	244.6
Net Profit Ratio (Percentage)	4.0%	5.0%		(1.0%)	5.2%

The Company has a 2022 net profit amounting to 234.9 million Baht, representing a net profit margin of 4.0%. the net profit margin for the year 2022 decreased when compared to the year 2021, resulting in the 2022 turnover. The net profit decreased when compared to last year's due to the increase of costs of products and services. Especially the cost of personnel expenses directly affected the Group's decrease in net profit by 8.6 percent. The Company focuses on providing products and maintaining quality of services to meet the expansion and demand of the industrial sector, altogether with strict business and strategic planning in preparation for any pressures and risks that may occur. At the end of 2022, the Group had a higher ratio of projects with longer project duration, which allowed the Company to recognize recurring income in the next accounting period according to the duration of the project management. Although during the year 2022, there were some delays in handing over several SI projects due to the shortage of semiconductor chip, the Company still managed to deliver the handover of important projects within the last quarter of the year. Even though some of the projects weren't able to hand over within 2022. The Group has a realized revenue for the year 2022 in the amount of 5,846.8 million Baht, an increase of 13% from the previous year. It is considered the new high of Company's realized revenue and it was a crucial part to maintain profit levels for 2022.

Financial Statement

(Unit : Million Baht)	Y2022		Y2021		Change		Y2020	
	Mil THB	%	Mil THB	%	Mil THB	%	Mil THB	%
ASSETS								
Cash and Cash Equivalents	282.0	4.5%	141.8	2.5%	140.2	98.9%	174.0	3.4%
Trade and Other Receivables	1,724.3	27.5%	1,753.9	31.0%	(29.6)	-1.7%	1,950.6	38.1%
Unbilled Receivables	1,145.8	18.3%	1,060.6	18.8%	85.2	8.0%	725.6	14.2%
Cost of Work in Progress	392.9	6.3%	324.9	5.7%	68.0	20.9%	433.5	8.5%
Prepayment for Cost of Services	1,511.1	24.1%	1,238.8	21.9%	272.3	22.0%	864.7	16.9%
Other current financial assets	48.4	0.8%	57.8	1.0%	(9.4)	-16.3%	54.3	1.1%
Assets held for sales	51.2	0.8%	-	0.0%	51.2	100.0%	-	0.0%
Other Current Assets	132.4	2.1%	118.2	2.1%	14.2	12.0%	82.6	1.6%
Total Current Assets	5,288.1	84.3%	4,696.0	83.0%	592.1	12.6%	4,285.3	83.6%
Investment in Associates and Joint Venture	226.9	3.6%	179.4	3.2%	47.5	26.5%	171.2	3.3%
Building improvements and equipment	61.3	1.0%	71.0	1.3%	(9.7)	-13.7%	76.5	1.5%
Right of Use of Assets	91.9	1.5%	90.2	1.6%	1.7	1.9%	101.6	2.0%
Goodwill	258.0	4.1%	258.0	4.6%	-	0.0%	258.0	5.0%
Other intangible assets	11.6	0.2%	22.9	0.4%	(11.3)	-49.3%	24.1	0.5%
Prepayment for Cost of Services	270.3	4.3%	280.6	5.0%	(10.3)	-3.7%	142.8	2.8%
Other Non-Current Assets	67.9	1.1%	58.4	1.0%	9.5	16.3%	64.5	1.3%
Total Non-Current Assets	987.9	15.7%	960.5	17.0%	27.4	2.9%	838.7	16.4%
Total Assets	6,276.0	100.0%	5,656.5	100.0%	619.5	11.0%	5,124.0	100.0%

Assets

As of 31st December 2022, the Group had total assets of 6,276 million Baht, which increased by 619.5 million Baht or 11% from 31st December 2021, of which the total assets of 5,656.5 million Baht. Such increase of assets was due to significant changes of assets as follows:

- Accounts receivable and other receivable have decreased by 29.6 million Baht or 1.7%. The main reason was high value of projects delivered in the 4th quarter of the year. Some of the receivables were paid before the end of 2022, resulting in dwindling of account receivables at the end of the year. During the last year (2021), the Company has recognized revenue from the delivery of large projects with a value of 100 - 500 million Baht in the last quarter of 2021. The Group has accounts receivable that were not yet due in the amount of 854 million Baht, decreasing from the end of 2021 by 210 million Baht. (At the end of 2021, the accounts receivable that were not yet due amounted to 1,064 million Baht)

- The deferred income has increased by 85.2 million Baht or 8%. The deferred income was directly related to the handover of several projects at the end of the year, for which the invoices haven't been issued to the clients yet. The some projects that were handed over during the last quarter of 2022 were delayed from the middle of the year due to shortages of semiconductor chip, resulting in the delay of production and delivery of electronic chip.

- Work-in-progress costs have been increased by 68 million Baht or 20.9%. The main reason was derived from the acquisition of large projects, especially System Integration (SI) projects and Professional Service (PS) projects at the end of 2022, which were under development and system installation phases and were not yet completed. This considered an increase in value compared to the projects in hand at the end of 2021. 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 1,781.4 million Baht at the end of 2022, which increased by 262 million Baht or 17.2%. (Costs of services paid in advance at the end of 2021 was 1,519.4 million Baht) The main reasons were according to the recognition and handover of many high-value projects continuously during 2020-2022. 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)	Y2022		Y2021		Change		Y2020	
	Mil THB	%	Mil THB	%	Mil THB	%	Mil THB	%
LIABILITIES								
Short-term loans from financial institutions	510.0	8.1%	405.0	7.2%	105.0	25.9%	20.0	0.4%
Trade and Other Payables	969.6	15.4%	971.0	17.2%	(1.4)	-0.1%	1,229.6	24.0%
Deferred Income	1,699.3	27.1%	1,374.4	24.3%	324.9	23.6%	1,019.3	19.9%
Accrued Expenses	256.6	4.1%	273.7	4.8%	(17.1)	-6.2%	215.1	4.2%
Liabilities under Lease Contract (ROU lease)	86.5	1.4%	83.6	1.5%	2.9	3.5%	97.8	1.9%
Liabilities under Financial Lease Arrangement	45.7	0.7%	67.6	1.2%	(21.9)	-32.4%	79.6	1.6%
Unbilled Payable	190.9	3.0%	150.6	2.7%	40.3	26.8%	257.7	5.0%
Provision for Employee Benefits	179.3	2.9%	181.0	3.2%	(1.7)	-0.9%	164.5	3.2%
Liabilities in relation to assets held for sales	20.2	0.3%	-	0.0%	20.2	100.0%	-	0.0%
Other Liabilities	260.1	4.1%	135.9	2.4%	124.2	91.4%	107.9	2.1%
Total Liabilities	4,218.2	67.2%	3,642.8	64.4%	575.4	15.8%	3,191.5	62.3%
SHAREHOLDER'S EQUITY								
Share Capital - Issued and Fully paid-up	441.5	7.0%	441.5	7.8%	-	0.0%	441.5	8.6%
Premium on Ordinary Shares	986.7	15.7%	986.7	17.4%	-	0.0%	986.7	19.3%
Other Component of Shareholders	(9.6)	-0.2%	9.1	0.2%	(18.7)	-205.5%	6.4	0.1%
Legal Reserve	44.1	0.7%	44.1	0.8%	-	0.0%	44.1	0.9%
Unappropriated Retained Earnings	566.9	9.0%	506.9	9.0%	60.0	11.8%	426.0	8.3%
Total Shareholders' Equity, Parent Portion	2,029.6	32.3%	1,988.3	35.2%	41.3	2.1%	1,904.7	37.2%
Non-Controlling Interests in Subsidiaries	28.2	0.4%	25.4	0.4%	2.8	11.0%	27.8	0.5%
Total Shareholders' Equity	2,057.8	32.8%	2,013.7	35.6%	44.1	2.2%	1,932.5	37.7%
Total Liabilities and Shareholders' Equity	6,276.0	100.0%	5,656.5	100.0%	619.5	11.0%	5,124.0	100.0%

Liabilities

As of 31st December 2022, the Group had total liabilities of 4,218.2 million Baht, which increased by 575.4 million Baht or 15.8% from total liabilities as of 31st December 2021, which was 3,642.8 million Baht. An increase of the total liabilities was due to significant changes of assets as follows:

- Short-term loans from financial institutions have increased by 105 million Baht or 25.9%. The main reason was due to the acquisition of project management with the project period of 3-5 years, which requires high value of working capital. Although in the year 2022, the Company has gradually handed over the high value projects procured by the public sector, the Group had the continued projects acquired during the year. As a result, at the end of 2022, the value of backlog projects was 7,527 million Baht, which significantly increased since the end of 2021. Such short-term loans were unsecured promissory notes with the maturity of 90-150 days.

- Revenues received in advance have increased by 324.9 million Baht or 23.6%. The main reason was due to the projects with the Maintenance Agreements (MA). Several projects have legal liabilities according to the Maintenance Agreement to pay the maintenance service fee for the first year of service from the beginning of the maintenance period. Therefore, the MA service fees received in advance were not fully recognized as the revenues.

- Unbilled costs have increased by 40.3 million Baht or 26.8% due to the handover of large SI projects at the end of 2022 was when compared to the end of 2021. Therefore, the unbilled cost increased compared to the end of 2021.

Equity of the Company

There were changes of equity in the year 2022 and 2021 as follows:

	Y2022	Y2021
	Mil THB	Mil THB
Equity of the Company		
Amount at the beginning of the year (as of 1 st January)	1,988.3	1,904.7
Net profit for the year	234.9	257.0
Comprehensive profit (loss) for the year	(17.0)	3.2
Dividend	(176.6)	(176.6)
Amount as of 31st December	2,029.6	1,988.3

As of 31st December 2022, the Company had total equity amounted to 2,029.6 million Baht, increased by 41.3 million Baht from 31st December 2021 which amounted to 1,988.3 million Baht, representing an increase of 2.1%. The increase in equity resulted from the net profit of 234.9 million Baht in 2022. Net from the amount of dividend payments announced and paid during the year 2022 was 176.6 million Baht.

Cash Flow Analysis

	Y2022	Y2021	Y2020
	Mil THB	Mil THB	Mil THB
Profit before income tax	299	328	311
Adjustments to reconcile profit to cash received from (paid to) operating activities	114	113	130
Changes in assets and liabilities for operating activities	(82)	(452)	(40)
Cash paid for income tax / Net of tax returned	(81)	(122)	(96)
Net cash received from (used for) the operating activities	250	(133)	305
Net cash received from (used for) the investing activities	(38)	(54)	(110)
Net cash received from (used for) the financing activities	(22)	155	(187)
Increase (decreased) of net cash and cash equivalent	190	(32)	8

Cash Flow for Operating Activities

In 2022, the Company had net cash flow arising from paying income tax and changes in working capital amounted to 250 million Baht. The cash flow for operating activities increased to 383 million Baht from last year. (2021: the cash flow used for operating activities was 133 million Baht) The reasons of such changes were as follows:

1. A decrease of earnings before tax (EBT) and total net profit

In 2022, the Company had the earnings before tax (EBT) amounted to 299 million Baht, which decreased by 29 million Baht from last year. (2021: the EBT was 328 million Baht.) The total net profit for the year 2022 was 240 million Baht, which decreased by 18 million Baht from last year. (2021: the total net profit was 258 million Baht.)

2. Adjustments to reconcile profit to cash received from (paid to) operating activities was 114 million Baht, which increased from 2021 in the amount of 1 million Baht. The reasons of such changes were as follows:

	Y2022	Y2021	Y2020
	Mil THB	Mil THB	Mil THB
Depreciation and amortization	74	73	74
(Profit) Loss from unrealized exchange rate	(4)	1	(1)
Doubtful accounts and allowances for credit loss	-	(1)	26
Gain on fair value of derivatives	-	(21)	(2)
Reserves for late penalties and possible loss from the projects	24	34	10
Reserves for employees' long-term benefits	24	20	15
Loss from withholding tax write-off	19	-	-
Gain from change in investment classification	(33)	-	-
Any other transactions	10	7	8
Adjustments to reconcile profit to cash received from (paid to) operating activities	114	113	130

In the year 2022, the Company had a significant adjustment to reconcile profit to cash received from (paid to) operating activities, which was the gain from change in investment classification in the amount of 33 million Baht. For the previous year (2021), the Group had a gain on fair value of derivatives in the amount of 21 million Baht.

The reconciliation of profit in cash paid from operating activities increased by 11 million Baht, and a significant increase in profit from the operating activities, such as the loss from withholding tax write-off in the amount of 19 million Baht. During the year 2022, no significant credit losses were recorded. As a result, there was a decrease in the number of reconciliation items.

Changes in assets and liabilities for operating activities

For the year 2022, the Company's ability to manage financial liquidity has much improved when compared to the previous year. This was because most of the government works and projects, which had started in 2020, have been completed and handed over from the end of 2021 and continued to 2022. The investment in high-value projects must use high working capital. The number of large projects has decreased compared to last year. Therefore, the Group has working capital for the year 2022 in the amount of 82 million Baht, which decreased from 2021 significantly (2021: 452 million Baht).

Cash Flow in Investing Activities

	Y2022	Y2021	Y2020
	Mil THB	Mil THB	Mil THB
Purchase of investment in joint venture companies	(12)	-	(50)
Cash returned from other long-term investments	-	-	11
Loan to related parties	(20)	(10)	(11)
Purchase of building improvements and equipment	(25)	(33)	(29)
Purchase of intangible assets	(7)	(9)	(11)
Cash received from sales of equipment and intangible assets	-	-	3
Dividend received from joint venture companies	13	-	2
Net cash received from (paid to) investment in fixed income funds	10	(4)	(30)
Any other transactions	3	2	5
Net cash received from (used for) the investing activities	(38)	(54)	(110)

The Group's cash flow for investing activities has decreased from the previous year due to the Purchase of building improvements and equipment and Purchase of intangible assets. In the year 2022, the Company has paid for the purchase of investment in the right offering of 'I2 Enterprise Company Limited' in the amount of 12 million Baht in order to maintain the shareholding ratio of 15%. The Company received the dividend from I2 in the amount of 13 million Baht.

Cash Flow in Financing Activities

	Y2022	Y2021	Y2020
	Mil THB	Mil THB	Mil THB
Liabilities according to lease agreements	(35)	(36)	(34)
Net cash received from (paid to) financial management agreements	(22)	(12)	1
Overdrafts and short-term loans from financial institutions	105	385	6
Cash received from loan to related parties	118	-	-
Dividend payment	(177)	(177)	(155)
Interest payment	(9)	(3)	(2)
Any other transactions	(2)	(2)	(3)
Net cash received from (used for) the financing activities	(22)	155	(187)

In 2022, the Company had less cash flow in financing activities from the important transactions incurred during 2022, such as dividend payment amounted to 177 million Baht, and payments for the liabilities according to the lease agreements amounted to 35 million Baht, and financial management agreements amounted to 22 million Baht. There was significant cash flow in financing activities, such as short-term loans from financial institutions and loans from related parties, which increased during the year to the amount of 105 million Baht and 118 million Baht respectively.

Important Financial Ratio

Description	Consolidated Financial Statement		
	Y2022	Y2021	Y2020
Profitability :			
Gross profit margin (%)	17.70%	17.59%	18.37%
Net profit margin (Net loss margin) (%)	3.97%	4.94%	5.16%
Return on Investment :			
Return on Assets (%)	3.74%	4.54%	4.77%
Return on equity (%)	11.42%	12.76%	12.84%
Liquidity Ratio:			
Working capital ratio (times)	1.34	1.40	1.48
Quick ratio (times)	1.24	1.30	1.33
Assets Turnover			
Inventory turnover	2.78	2.97	3.78
Average holding period	130	121	95
Account receivable turnover	3.72	3.00	2.78
Average collection period	97	120	129
Account payable turnover	5.62	4.26	4.79
Average payment period	64	85	75
Cash Cycle	163	156	149
Capital Structure Ratio:			
Debt to equity ratio (times)	2.08	1.83	1.70

Liquidity Ratio

The Company's liquidity ratio for the year 2022 had the liquidity ratio of 1.34 and quick ratio of 1.24, which were lower than 2021 due to the large projects that have been completed and handed over during the last two years of continuous project operation. As a result, the Company recognized the revenues and costs of the projects in 2022 financial statements. Many large projects with high project values were ready for handing over and recognition of revenues and costs around the end of the year. As a result, there were many accrued transactions on accounts receivable, accounts payable, and work-in-progress costs.

The Group has a good liquidity ratio and can maintain 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 9 days, from 121 days of the previous year to 130 days of average holding period in 2022. The average holding period has increased due to the acquisition of the new projects, which were in installation and development phases. Moreover, the project implementation for the state enterprise that the Company has continually managed since 2021 were gradually handed over in 2022. Therefore, the Group's average project duration has been increasing over the past 2-3 years. The handover of various large projects in 2022 has significantly decreased the average debt collection period to 97 days from 120 days in the previous year. As a result, the cash cycle has slightly increased to 163 days for the year 2022. Liquidity management and cash flow management for the year 2022 remain normal, 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 2022 was 2.08:1 (2021 was 1.83:1). The debt-to-equity ratio at the end of 2022 has increased due to the increase of short-term loans from financial institutions and accrued transactions at the end of the year. This was because of the handover of many large projects during the end of the year, resulting in significantly higher accrued transactions on assets and liabilities compared to the end of 2021.

The debt-to-equity ratio at the end of 2022 has increased due to the investment in ongoing projects, which the Company received new purchase orders during the year and required an increase in working capital for project management compared to the previous year. The Group has an average interest rate throughout the year 2022 equal to 1.765% (2021: 1.028% per year). The Group had an increasing average interest rate due to several of Thailand's policy interest rate increment during the year 2022. The Group had a net interest-bearing debt-to-equity ratio of 0.25 times (2021: 0.20 times), which was still relatively low. The Company still has the ability to maintain prudent and concise liquidity management by emphasizing the importance of efficient financial structure management and flexibility in the volatile financial market environment. In addition, the Company also maintained the financial costs at a level suitable for business operations in the future.

Profitability and Return on Investment

Although in the year 2022, the Company had lower gross profit margin and net profit margin compared to 2021 due to the factors that affected the business sector, especially the rising cost due to the war between Russia and Ukraine, resulting in shortage of resources. The business sector had to bear rising production costs for products and services. However, the year 2022 was the year that the Group determined to maintain profitability and control business operation costs appropriately, including managing the use of resources with maximum efficiency. The Group had to adjust its business strategies to be in line with the rapidly changing market conditions. Price competition continues to persist in the business sector. The Company focuses on adapting and adjusting strategic plans appropriately after the COVID-19 pandemic.

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

The return on equity in the year 2022 was 11.42%, a slight decrease from 12.76% in the year 2021. 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 dividend yield is maintained the average dividend payout rate each 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 amounting 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)	1,798,000
Total	3,228,000

Non-Audit Fee

- None -

Dividend Payment of the Company

For the Performance of the year 2022 according to the separate financial statements, the Company has net profit of 167.6 million Baht. The Board of Directors Meeting No. 1/2022 held on the 22nd February 2023 has the resolution to propose to the 2023 Annual General Meeting of Shareholders, which is scheduled on 24th April 2023, to consider and approve the dividend payment at a ratio of 0.40 Baht per share. The dividend payment for the year 2022 will be the amount of 176.6 million Baht.

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

- None -

Tax Policy

MFEC Company Limited (Public Company) and its subsidiaries (collectively referred to as “MFEC”) have recently recognized the importance of their role and responsibility in tax operations to comply with international standards, adhering to transparent and fair business practices. Therefore, the MFEC Board of Directors has established a tax policy to align with the MFEC sustainable development policy as follows:

1. **Tax Ethics:** MFEC aims to be a valuable and responsible organization in tax operations, focusing on being a good corporate citizen in taking responsibility for taxes to create added value for all stakeholders.

2. **Tax Risk Management:** FEC aims to conduct tax filing or refund requests correctly, appropriately, and within the time frame set by the relevant laws and regulations of the country where MFEC operates. This includes compliance with the tax laws of the respective country in order to reflect transparency in tax operations. The plan is to use tax benefits according to the correct tax structure, which covers tax exemptions during certain periods under the country’s efficient tax policy, as well as studying and considering the tax implications when investing or engaging in new business transactions, or when there are new tax laws and policies announced. This is to promote good citizenship, transparency, and consideration of the benefits of all parties involved, while also supporting MFEC’s tax professionals to continuously attend tax courses for knowledge development and practical application, as well as providing consultation to various departments and personnel within the organization to ensure that tax-related work is carried out accurately and in compliance with the laws.

3. **Tax Transparency:** Reporting taxes to the government in a transparent manner and complying with disclosure requirements related to tax collection, as well as supporting public disclosure of information on tax policies, to build trust in society and provide transparency for all stakeholders

This policy has been reviewed and approved by the Board of Directors Meeting No. 1/2023 held on February 22nd, 2023 and will be effective from February 22nd, 2023 onwards.



5. 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	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,
Vibhavadi-Rungsit Road, Chompol,
Chatuchuk, Bangkok 10900



Branch

333 Lao Peng Nguan Tower,
Vibhavadi-Rungsit Road, Chompol,
Chatuchuk, Bangkok 10900

5.2 Other Important Information

-None-

5.3 Legal Dispute:

As of 31st December 2022, 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 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 2022, 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 purchases/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 late delivery of work claiming damages of Baht 141 million.

On 28 November 2022, the Civil Court ordered the defendant to pay damages to the plaintiff amounting to Baht 15 million, together with interest at a rate of 7.5% per annum for the period from 7 December 2017 until 10 April 2021 and a rate of 5% per annum for the period from 11 April 2021 until the payment is settled with the plaintiff.

Currently, the subsidiary is in the progress of filing an appeal against the court judgment.

As at 31 December 2022, the management estimated contingent liabilities arising from such compensation and set aside provision of Baht 15 million accordingly.

Case 3

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.

On 8 April 2022, the Southern Bangkok Civil Court ruled against the subsidiary, ordering the subsidiary to make payment of Baht 5 million to the opposing party, together with interest thereon at the rate of 15% per annum.

On 8 June 2022, the subsidiary settled final payment approximately amounting to Baht 5 million (including interest) to the opposing party in a lawsuit in accordance with judgement by the court to settle the case. As a result, there are no contingent liabilities which could further arise from such lawsuit.

Part 2

Corporate Governance

6. Corporate Governance Policy

6.1 Overview of Policies and Practices of Corporate Governance

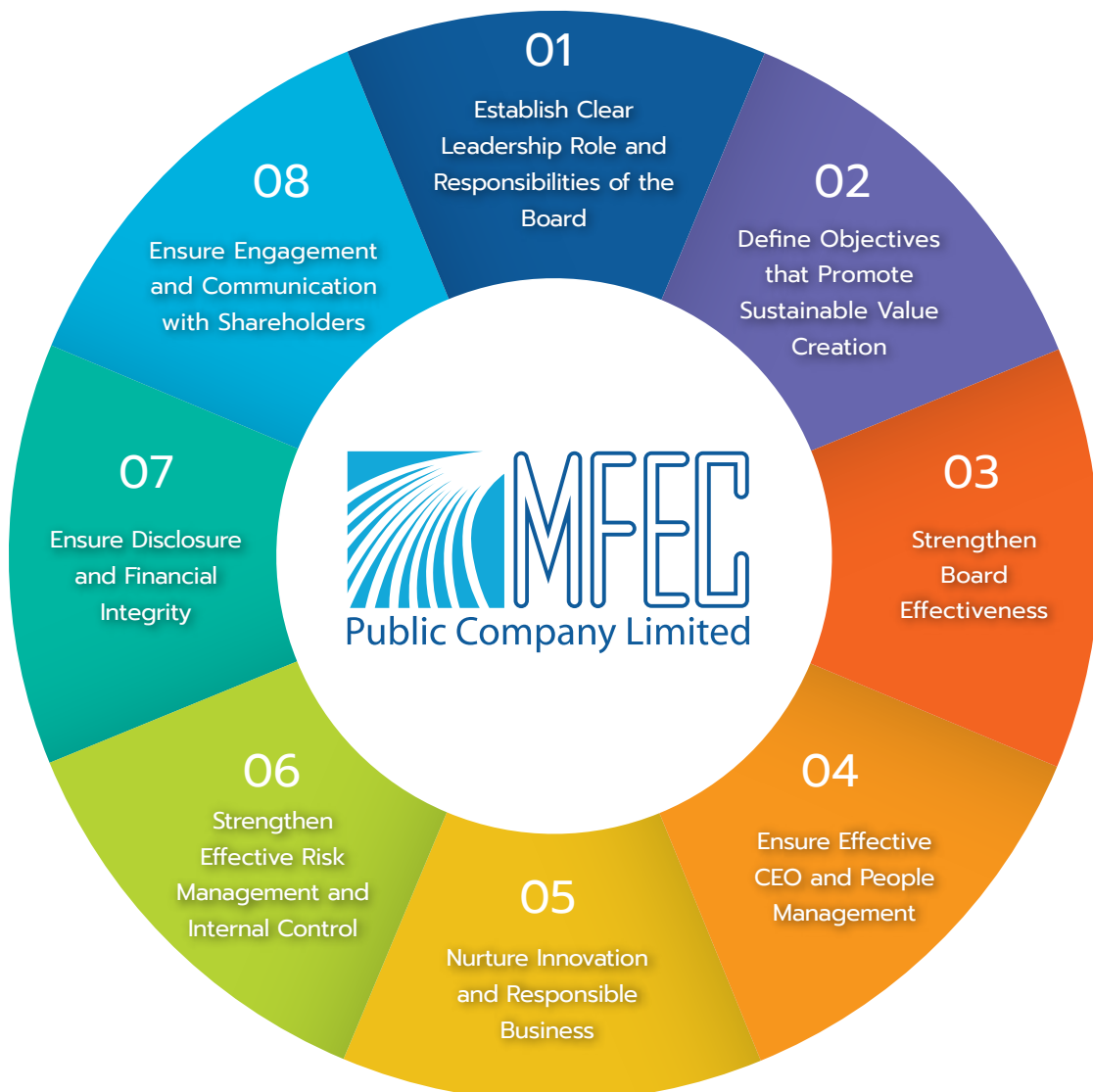
The Board of Directors is committed to developing the organization into a transparent and accountable organization, with a responsibility to maintain and uphold the benefits of stakeholders and society. They aim to develop personnel who are ethical and moral, while promoting the development of information technology education to enhance the sustainable growth of the organization. They also aim to contribute to the development of the society and the country.

The sustainable development practices are described below:

1. Overseeing business operations with integrity
2. Anti-corruption
3. Respecting human rights and taking social responsibility
4. Participating in community development by improving the quality of education

The Risk Management, Corporate Governance and Sustainability 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 the organization's people to have moral mind. This move will gain confidence and acceptance from the society and lead to a sustainable growth through the internal channels and MFEC's website ir.mfec.co.th

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



Principle 1

To be aware the Board of Directors' roles and responsibilities as the leaders of the organization in creating sustainable value for the business:

The Company emphasizes the importance of the Board of Directors' roles and responsibilities in maintaining the benefits of shareholders and stakeholders. Therefore, the company has established a Board structure consisting of ten (10) directors that is appropriate for the size of the business. The Board consists of a chairman who is not an independent director or executive, five (5) independent directors (one (1) female and four (4) male), two (2) executive directors, and two (2) non-executive directors. The Board of Directors' names and positions are listed, and each director serves a term of three (3) years as follows:

Director	Type of Director	Appointment Year	Recent Year of election by AGM	No. of years served as a Director (Years)
Mr. Sirisak Tirawattanangkul	Non-Executive Director	2011	2022	11
Mr. Kiyotaka Nakamura	Non-Executive Director	2014	2022	8
Mr. Siriwat Vongjarukorn	Executive Director	2003	2020	19
Mr. Thanakorn Charlee	Executive Director	2015	2020	7
Mr. Anant Leetrakul	Independent Director	2012	2021	10
Mr. Suchart Thammapitagkul	Independent Director	2003	2021	19
Prof. Dr. Uthai Tanlamai	Independent Director	2016	2021	6
Assoc. Prof. Dr. Kamales Santivejkul	Independent Director	2016	2022	6
Dr. Charn Tharawas	Independent Director	2016	2020	6
Mr. Masakazu Kawamura	Non-Executive Director	2021	2021	2

The Board of Directors' approval authority

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 2022, 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. According to the resolution of the Board of Directors' meeting No. 1/2023 dated on February 22, 2023, the Board of Directors considered and approved changing the name of the Risk Management and Corporate Governance Committee to "Risk Management, Governance and Sustainability Committee". The Board recognizes the importance of sustainability and supports the sustainable operation of the company, taking into account the environment, society, state enterprises and the economy. The Board of Directors has assigned the Risk Management, Governance and Sustainability Committee to promote, support, and

oversee compliance with good corporate governance policies by all employees and stakeholders, including anti-corruption and reviewing the appropriateness of various measures to align with changes in business, regulations, and legal requirements.

2. A Code of Conduct is provided and regularly reviewed and updated for the benefit of communication within the board, management, and employees to be aware of the importance and use it as a basis for considering the appropriateness of behaviors that may pose a risk to ethical conduct and guidelines for operational practices.

3. A policy is set to limit the number of directorship positions that can be held by a director in registered companies to no more than five (5) companies. The CEO and senior executives hold only one (1) executive position to ensure sufficient time for management and administration.

4. There is no history of violating the regulations of the Securities and Exchange Commission (SEC)/ Stock Exchange of Thailand (SET).

5. The Chairman is designated as a separate individual from the CEO to ensure clear distinction and separation of roles, authority, and responsibilities. Independent directors are appointed as the chairman of various sub-committees.

6. The Board of Directors establishes an internal control system that covers financial management, operations, compliance with relevant laws, regulations, and rules, and ensures appropriate risk management. An internal audit department is

established under the supervision of Ms. Thitirat Thanathitikankun, the Internal Audit Manager, who reports to the Audit Committee.

7. The Board of Directors ensures that there is a sufficient and effective risk management system in place, and regularly monitors the risk management practices. They also oversee compliance with ethical principles based on the organization's corporate governance principles. The Risk Management, Corporate Governance and Sustainability Committee is responsible for reporting quarterly risk management results and internal corporate governance and sustainability performance to ensure appropriate corrective measures are taken. And the organization follows the principles of internal anti-corruption on an ongoing basis.

8. The Board of Directors stipulates that there must be an evaluation of the managing director's performance, along with the provision of appropriate compensation in accordance with the organization's structure.

Principle 2

To define the purpose and main objectives of the business towards sustainability

The Board of Directors emphasizes the importance of leading the organization towards sustainable growth. In 2023, the Board of Directors meeting on February 22nd, 2023, the Board considered and approved the renaming of the Risk Management and Corporate Governance Committee to "the Risk Management, Corporate Governance and Sustainability Committee". The Board recognizes the importance of sustainable business operations in the long term, therefore expanding the scope of responsibilities and authority in the area of environmental, social and governance or ESG and responsibility towards society. This is to align with the organization's vision, mission, and values. The aim is to develop strategies, directions, policies, and regulations for sustainable business operations for MFEC Public Company Limited and its subsidiaries.

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

The Company aims to be the most desirable IT company to work for by unleashing employees' full potential to create and innovative solutions that uplift the quality of life for everyone. We are committed to conducting our business with transparency, fairness, and ethical principles, and to operate under good governance practices. We embrace the values of integrity, ethics, and morality in conducting our business, and we take responsibility for our impact on society, the environment, and all stakeholders. We strive for continuous growth and sustainable competitiveness by adapting to the trends in

information technology, such as social media, cloud computing, big data, mobility, and security, to support digital business transformation in response to the rapidly changing situation. Furthermore, we are dedicated to "building people" by developing ICT professionals within and outside our organization to meet the market demand.

Corporate Values:

Passion: Having a strong passion and dedication towards work as a driving force, not only for oneself but also for those around them

Professional: Having expertise to enhance the quality of work, willing to be a collaborative partner, and ready to deliver the best service

Teamwork: Being powerful together, in addition to collaborating within the organization, also seeing customers as a part of the same team in order to grow together sustainably

Giver: Being a part of creating a better society through innovation and technological advancement

The Board of Directors holds an annual meeting with the management team. During the meeting No. 6/2022 on December 1st, 2022, the Board of Directors discussed and consulted with the management team of the company and its subsidiaries to determine objectives, strategies, and plans for the upcoming year that are in line with the organization's main objectives and goals. This is to ensure that the company can operate profitably according to its business plan.

Principle 3

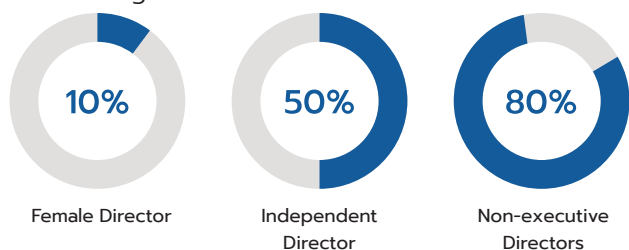
To strengthen an effective Board of Directors

The Board of Directors is aware of the role, responsibilities, and obligations of leading the organization towards its objectives and main goals. The Board of Directors is a crucial group of individuals who drive the sustainable growth of the company. Therefore, the structure, qualifications, criteria, and processes of the Company for selecting and recommending suitable candidates for the Board of Directors are defined. The Nomination and Remuneration Committee will consider individuals' knowledge, abilities, expertise, and experience, with a good track record, a broad vision, and high moral and ethical standards, who can dedicate sufficient time and care to carry out their responsibilities in the best interests of the Company. Furthermore, the Board's diversity and skill matrix are taken into account to determine the qualifications of the Board of Directors. The necessary skills that are still lacking, as well as the appropriate qualifications that are consistent with the Company's business strategy framework and the Board's composition, are considered, regardless of gender, age, race, nationality, religion, or other differences. The Board of Directors has suitable qualifications and is consistent with the Company's business strategy, as well as having diverse knowledge and skills.

List of Board Members	Knowledge/Skills/Expertise/Experience											
	Information technology business / Knowledge about the company's business	Accounting, Finance, and Banking	Economic	Business Administration and Management	Strategy, Marketing, and Competition	International Business	Trade/Investment	Risk Management	Legal	Human Resource Management	Good Corporate Governance	Audit
Mr. Sirisak Tirawattanangkul	/			/	/		/			/		/
Mr. Kiyotaka Nakamura	/			/	/	/	/			/		
Mr. Siriwat Vongjarukorn	/			/	/	/	/			/		
Mr. Thanakorn Charlee	/			/	/		/	/		/	/	
Mr. Anan Leetrakul	/	/		/	/							
Mr. Suchart Thammakitagkul	/			/	/			/	/		/	/
Prof. Dr. Uthai Tanlamai	/	/	/	/	/			/			/	/
Assoc. Prof. Dr. Kamales Santivejikul	/	/	/	/	/			/		/	/	/
Dr. Charn Tharawas	/	/	/	/	/	/		/		/	/	
Mr. Mazakasu Kawamura	/			/	/	/	/					

1. The composition of the Board of Directors is diverse in terms of experience, education, gender, race, country of origin, and nationality. Additionally, more than one-third of the Board of Directors is composed of independent directors and more than half are non-executive directors. As such the board can make decisions independently as a representative of all shareholders and balance the power of management.

By setting responsibilities for carrying out duties and allocating time, and providing mechanisms to support board members in understanding their roles, and setting criteria for holding positions in other companies, the Board can ensure that its members can dedicate sufficient time to perform their duties. The number of registered companies where each board member holds a position should not exceed five (5) in total, and a reporting system should be established to disclose other positions and interests, directly or indirectly, in other businesses. Criteria and information should be made available to all concerned parties. Additionally, each board member should attend no less than 80% of all meetings.



2. In terms of power separation, the Chairman of the Board of Directors: Mr. Sirisak Tirawattanangkul, which is not an independent director, and the Chief Executive Officer is not the same person nor have any genetic or personal business relationship. The Board of Directors has mandated the segregation of the roles and responsibilities of the Chairman of the Board and Chief Executive Officer explicitly in the Corporate Governance Policy. Nonetheless, apart from such segregation, MFEC has set the separation of roles and responsibilities between the Board of Directors and management. In any case, the Board of Directors encourages the directors and management to form a good relationship with a culture of respect for each other's roles and responsibilities in coordination under the good governance principle.

In this regard, the roles and responsibilities of the Chairman cover overseeing and ensuring the effective performance of the Board in achieving the organization's objectives and goals. The Chairman sets the agenda for Board meetings through consultation with all members and ensures that important matters are included in the agenda. Sufficient time is allocated for management to present their proposals and for the Board to discuss important issues thoroughly. The Chairman supports thorough and independent decision-making by board members and fosters good relationships between management and non-executive directors. Additionally,

the Chairman supports collaboration and constructive relationships among board members and management.

3. The Board has appointed sub-committees, including the Audit Committee, the Remuneration and Nomination Committee, the Risk Management, Corporate Governance and Sustainability Committee, and the Executive Committee to thoroughly review important issues, specific topics, screen information, and propose recommendations for consideration by the board of directors before approval. The roles and frequency of meetings for each committee have been disclosed in the management structure section.

4. The Board meeting was scheduled in advance. The Company Secretary will circulate notice and the supplement documentation to the Board at least seven (7) days before each meeting so that each director shall have sufficient time to analyze the information in advance. The Chairman of the Board of Directors presides over the meetings and ensures that sufficient time is allocated for directors to discuss and express their opinions freely on each agenda item. At every Board meeting, high level management is encouraged to attend the meeting to receive suggestions from the Board. In connected therewith decision-making in the board meeting, the meeting quorum requires at least 2/3 of the directors attending the meeting when passing a resolution and to prevent any conflict of interests. Directors who may have conflict in any agenda, shall not be part of consideration and abstain from voting therein. Each director shall attend not less than 75% of the meetings of the Board of Directors and board committees, which is in line with the requirements specified in the Company's corporate governance policy.

5. The Board of Directors sets criteria for selecting and evaluating compensation for board members and each of its sub-committees as follows:

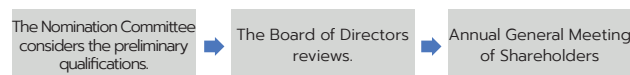
1) Guidelines for nominating qualified candidates for board membership are as follows:

The process of nominating candidates to be appointed as directors/independent directors

In 2022, the Nomination and Remuneration Committee was responsible for nominating candidates for independent directors who have diverse qualifications and experience in various skillsets, relevant expertise beneficial to the company, as well as dedication and efforts in fulfilling their duties to strengthen the Board of Directors. Therefore, the Committee has set a guideline that each director should not hold more than five (5) directorships in registered companies.

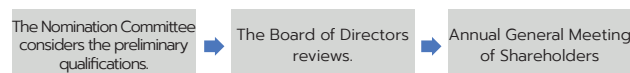
The company has opened an opportunity for minority shareholders to nominate individuals with qualifications to be presented to the Nomination and Remuneration Committee for consideration and approval, and subsequently presented to the Annual General Meeting of Shareholders for approval and appointment according to the criteria specified in

the company's regulations. The motion must receive approval from at least one-half of the total number of shares represented at the meeting and entitled to vote, with one share being equivalent to one vote. Each shareholder can use all of their voting rights to elect one or more directors. The person with the highest number of votes will be elected as a director up to the number of directors required. At every Annual General Meeting of Shareholders, one-third of the directors must retire from office, but a director who is not an independent director may be appointed in proportion to the shares held in the company, subject to the suitability and capability of the person selected (the method of nominating persons to be appointed as directors is set out under the Management Structure, Topic 8.1.1 Appointment and Removal of Directors).



2) Guidelines for considering remuneration for the Board of Directors and Sub-committee members should be aligned with the company's long-term strategy and goals, experience, duties, role boundaries, and accountability and responsibility.

Board members who are assigned tasks and responsibilities should receive appropriate compensation, comparable to industry standards.



6. The Board of Directors sets the framework and mechanisms for supervising the policies and operations of subsidiaries and other invested businesses.

According to the company's policy that supports/ invests in knowledgeable and capable employees with potential for management, a new subsidiary has been established along with a policy to invest with partner companies to expand service offerings in all areas (details of the nine (9) subsidiaries and six (6) associated companies are shown in section 1.1.3 of Shareholding Structure of MFEC Group). The Board of Directors has therefore established a framework and mechanism for overseeing the companies in which investments are made.

A subsidiary - To appoint individuals as directors, executives, or controlling persons defining the roles and responsibilities for representatives, establishing a suitable internal control system and adequate oversight for transactions to comply with laws and standards with the subsidiaries' and MFEC's policies

An associated Companies - To appoint a 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 authority and responsibilities of directors/representatives

- 1) To participate in planning and setting policies, directions, strategies, plans, and organizational structures that align with the economic conditions and competitive situation in the market, and be in line with the business operation policies of MFEC Public Company Limited
- 2) To collaborate on planning and setting the business plan and annual budget presenting to the Board of Directors of MFEC (Public) Company Limited
- 3) To oversee the implementation of policies, management strategies, and approved business plans
- 4) To oversee and ensure the disclosure of accurate and complete financial and operational information, transactions within the company, with related parties or with individuals, acquisition or disposal of assets, or any other significant transactions of the company, in accordance with relevant disclosure and transaction criteria of MFEC Public Company Limited
- 5) To supervise to ensure there is an appropriate and sufficient internal control system

This mechanism is implemented by appointing representatives/ directors/ executives who have been approved by of the Board of Directors' meeting to serve as directors in the subsidiaries/ affiliated companies. There is also an internal audit mechanism within the company to assist in verifying/ auditing the internal control system of the subsidiaries and affiliated companies to ensure that management is conducted in a suitable and sufficient manner, and to report to the Audit Committee for acknowledgement.

7. It is stipulated that there must be an evaluation of the Board of Directors' and Sub-committees' performances on a group and individual basis at least once (1) a year, in order to enable the board of directors to jointly consider the achievements and issues and use them to improve the performance of their duties.

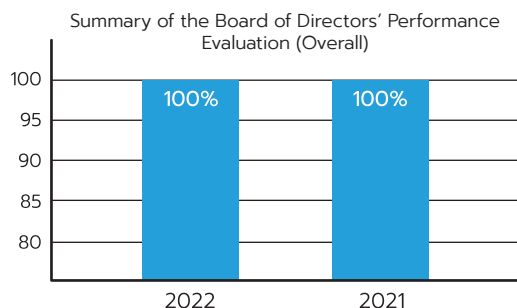
The criteria used to evaluate the Board of Directors' / Sub-committees' performances (individual/group)

Evaluation Topic	Board	Sub-committee	Individual
Structure & Qualification of Directors	/	/	/
Role, Duty & Responsibility of Directors	/	/	/
Meeting of Directors	/	/	/
Relationship with Management	/	x	x
Self-Development and Executives' Development	/	x	x

Remark / = Evaluate, x = No evaluation

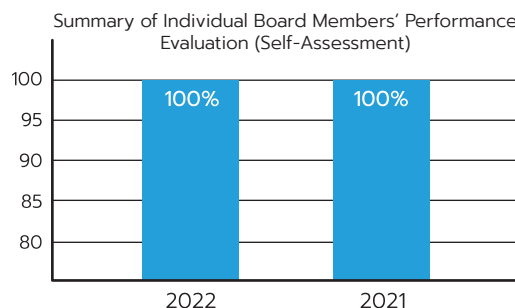
Summary of the Board of Directors' Performance Evaluation (Overall)

In 2022, the average score was 100%, which is in the Excellent range.



Summary of Individual Board Members' Performance Evaluation (Self-Assessment)

In 2022, the average score was 100%, which is in the Excellent range.



8. The development and enhancement of skills and knowledge for consistent performance of duties as a board member

1) Newly appointed board members are provided with useful information and introductions to understand the organization's objectives, main goals, vision, mission, corporate values, business nature, and directions. In 2022, there were no newly appointed board members.

2) To ensure that board members receive continuous training and development of the necessary knowledge, including understanding of laws, standards, risks, and environmental factors related to business operations, as well as receiving regular updates on current information

The training data for company directors, executives, and related employees in 2022

Directors

Course	Name of trainee	Position
E-Learning course on ESG 101 by the Stock Exchange of Thailand	1. Mr. Sirisak Tirawattanangkul 2. Mr. Kiyotaka Nakamura 3. Mr. Siriwat Vongjarukorn 4. Mr. Thanakorn Charlee 5. Mr. Anan Leetrakul 6. Mr. Suchart Thammapiatagkul 7. Prof. Dr. Uthai Tanlamai 8. Assoc. Prof. Dr. Kamales Santivejkul 9. Dr. Charn Tharawas 10. Mr. Masakazu Kawamura	Chairman Vice Chairman Director Director Independent Director Independent Director Independent Director Independent Director Independent Director Director
Self-learning on the practical application of organizational risk management, applying organizational risk management to risks related to the environment, society, and governance, by the sustainability promotion department, Office of the National Economic and Social Development Council (NESDC)	1. Mr. Thanakorn Charlee 2. Prof. Dr. Uthai Tanlamai 3. Assoc. Prof. Dr. Kamales Santivejkul 4. Dr. Charn Tharawas	Director Independent Director Independent Director Independent Director

Executives

Course	Name of trainee	Position
E-Learning course on ESG 101 by the Stock Exchange of Thailand	1. Mr. Arm Sivadith 2. Mr. Kitti Wintima 3. Mr. Pitch Manakijpairoj	Executive Director Chief Operating Officer – Telco BU Chief Financial Officer
Self-learning on the practical application of organizational risk management, applying organizational risk management to risks related to the environment, society, and governance, by the sustainability promotion department, Office of the National Economic and Social Development Council (NESDC)	1. Mr. Pitch Manakijpairoj	Chief Financial officer

Employees

Course	Name of trainee	Position
Online Law Training Course No. 7 (Online) by Legal Training and English for Lawyers – Thailand Page	1. Ms. Oapson Diwanrong	Legal Officer
Team Plan Udemy User Course by Udemy	1. Ms. Phichamon Chaipoca	Organization Development Specialist
Learning & Development FORUM 2022, The Future Journey of Platform, Technology and People	1. Ms. Nichawee Wannasawat	People Development Partner

Course	Name of trainee	Position
Safety Committee Course, April 18-19, 2022 by Occupational Safety, Health, and Working Environment Committee	1. Ms. Ubonrath Keawkeamsri 2. Ms. Phanchitar Wipatchwatee 3. Ms. Areeya Phuphan 4. Ms. Sirima Kitruenpiromsuk 5. Ms. Uraporn Aiedkarn	People Benefits and Well-being Manager People Excellence Manager People Associates Partner People Benefits and Well-being Partner People Excellence Director
WORKFORCE ANALYTICS & PLANNING SPECIALIST Course by Personnel Management Association of Thailand (PMAT)	1. Mr. Kittikun Moondern 2. Ms. Sarunya Mungraksathum	Senior People Business Partner Organization Development Manager
Psychological Wellness Course by Psychological Wellness	1. Ms. Methaporn Kerdsonboon	People Benefits and Well-being Partner
Training Soft Skill BootCamp by SEAC	1. Ms. Nichawee Wannasawat 2. Ms. Praewa Santhitipong 3. Mr. Kittikun Moondern	People Development Partner People Development and Growth Manager Senior People Business Partner
Thailand HR Day 2022: RE - INVENT HR prepare for the unprepared Course by Personnel Management Association of Thailand (PMAT)	1. Ms. Nichawee Wannasawat 2. Ms. Praewa Santhitipong 3. Ms. Natthida Karnchanapak 4. Ms. Uraporn Aiedkarn 5. Ms. Methaporn Kerdsonboon 6. Ms. Phanchitar Wipatchwatee 7. Ms. Ubonrath Keawkeamsri 8. Ms. Chonpicha Nakro 9. Mr. Pachara Iamchuasawad	People Development Partner People Development and Growth Manager People Business Partner Manager People Excellence Director People Benefits and Well-being Partner People Excellence Manager People Benefits and Well-being Manager Talent Acquisition Partner Lead Talent Acquisition Partner
ISO/IEC 27001: 2013 for Introduction course by IT Companion Co., Ltd.	1. Ms. Thitirath Thanathitikankun 2. Ms. Nareerat Wongwitthayanan 3. Ms. Napapat Pradabjai	Internal Audit Manager Internal Audit Officer Internal Audit Officer
Intensive Cybersecurity Capacity Building Program by Office of the National Cyber Security Commission (NBC)	1. Ms. Thitirath Thanathitikankun	Internal Audit Manager
Understanding the financial reporting Course by the Association of Internal Auditors of Thailand	1. Ms. Thitirath Thanathitikankun	Internal Audit Manager
EC-Council Security Specialist (ECSS) Course by Office of the National Cyber Security Commission (NBC)	1. Ms. Thitirath Thanathitikankun	Internal Audit Manager
ISO/IEC 20000 Course for Operators by IT Companion Co., Ltd.	1. Ms. Thitirath Thanathitikankun 2. Ms. Nareerat Wongwitthayanan 3. Ms. Napapat Pradabjai 4. Ms. Tamonwan Mangmee 5. Ms. Sasipapha Jadphanin	Internal Audit Manager Internal Audit Officer Internal Audit Officer Internal Audit Officer Internal Audit Officer

Course	Name of trainee	Position
IA Training ISO/IEC 20000 Course by IT Companion Co., Ltd.	1. Ms. Thitirath Thanathitikankun 2. Ms. Nareerat Wongwitthayanan 3. Ms. Napapat Pradabjai 4. Ms. Tamonwan Mangmee 5. Ms. Sasipapha Jadphanin	Internal Audit Manager Internal Audit Officer Internal Audit Officer Internal Audit Officer Internal Audit Officer
ISO/IEC 27001 (International Standard for Information Security Management System) by IT Companion Co., Ltd.	1. Ms. Thitirath Thanathitikankun 2. Ms. Nareerat Wongwitthayanan 3. Ms. Napapat Pradabjai 4. Ms. Tamonwan Mangmee 5. Ms. Sasipapha Jadphanin	Internal Audit Manager Internal Audit Officer Internal Audit Officer Internal Audit Officer Internal Audit Officer
PDPA in Action: Internal Audit by PDPA THAILAND	1. Ms. Thitirath Thanathitikankun 2. Ms. Nareerat Wongwitthayanan 3. Ms. Napapat Pradabjai 4. Ms. Tamonwan Mangmee 5. Ms. Sasipapha Jadphanin	Internal Audit Manager Internal Audit Officer Internal Audit Officer Internal Audit Officer Internal Audit Officer
Disclosure Course through SETLink System (Online) by the Stock Exchange of Thailand	1. Ms. Orawan Hnuntaku 2. Ms. Dollaporn Nijsathorn	Company Secretary Assistant to Company Secretary
Preparation course for preparation of 56-1 One Report 2023 on SETLink system (online) by the Stock Exchange of Thailand	1. Ms. Orawan Hnuntaku 2. Ms. Dollaporn Nijsathorn	Company Secretary Assistant to Company Secretary
Cash flow statement and basic cash budget course (practice) by Dharmniti Training and Seminar Co., Ltd.	1. Ms. Netnapha Chaoun 2. Ms. Malinee Siriwatanachot	Accounting Manager Accounting Manager
Course on TFRS 9 Financial Instruments & TFRS 16 Lease by Dharmniti Training and Seminar Co., Ltd.	1. Ms. Orathai Srimongkol	Accounting Manager
Course on Accounting document problem solving course and related documents affecting the recognition of accounting transactions by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King	1. Ms. Arkornkit Wongtaweessup	Accounting Manager
Course on Update Financial Reporting Standards TFRS for NPAs, revised (enforced on January 1, 2023) by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King	1. Ms. Arkornkit Wongtaweessup	Accounting Manager
Self-learning on the practical application of organizational risk management, applying organizational risk management to risks related to the environment, society, and governance, by the sustainability promotion department, Office of the National Economic and Social Development Council (NESDC)	1. Ms. Chulee Werawittayanukoon 2. Ms. Thitirath Thanathitikankun 3. Mrs. Thunkamol Pintong 4. Ms. Uraporn Aiedkarn 5. Ms. Suppawan Boonsawat 6. Ms. Orawan Hnuntaku	Secretary to the Risk Management, Corporate Governance and Sustainability Committee Internal Audit Manager Financial and Budget Control Director People Excellence Director Senior Risk and Compliance Officer Company Secretary

Course	Name of trainee	Position
THSI E-LEARNING: Learning and understanding the sustainable assessment of THSI by the Stock Exchange of Thailand	1. Ms. Orawan Hnuntaku	Company Secretary

A history of attending the basic course by the Thai Institute of Directors Association for each director/ executive is indicated in Attachment 1: Details of the directors, executives, and authorized persons.

9. The Company Secretary is assigned to support the Board of Directors' and Sub-committees' operations by providing necessary information, setting annual meeting schedules, and sending meeting documents at least seven (7) days in advance. The Company Secretary is required to have the qualifications specified by the Stock Exchange of Thailand (details shown in Section 7.6.1 Company Secretary) for the benefit of supporting the Board of Directors' operations.

In addition, criteria for other meetings are also established for the benefit of conducting meetings.

1) All members of the Board are allowed to propose topics that are beneficial to the company to be included in the meeting agenda.

2) High-level executives are invited to participate in the Board meetings in October and December, in order to provide additional information about business plans directly related to the issues and to have the opportunity getting to know the high-level executives for consideration of succession planning.

3) At the first meeting of the year, it is stipulated that non-executive directors have the opportunity to meet among themselves as necessary to discuss various issues without management involvement, and report the meeting results to the CEO.

Principle 4

To recruit and develop senior executives and personal management

To ensure that senior executives have the knowledge, skills, experience, and necessary attributes to drive the organization towards its goals, the Board of Directors has appointed the Nomination and Remuneration Committee to carry out the following operations:

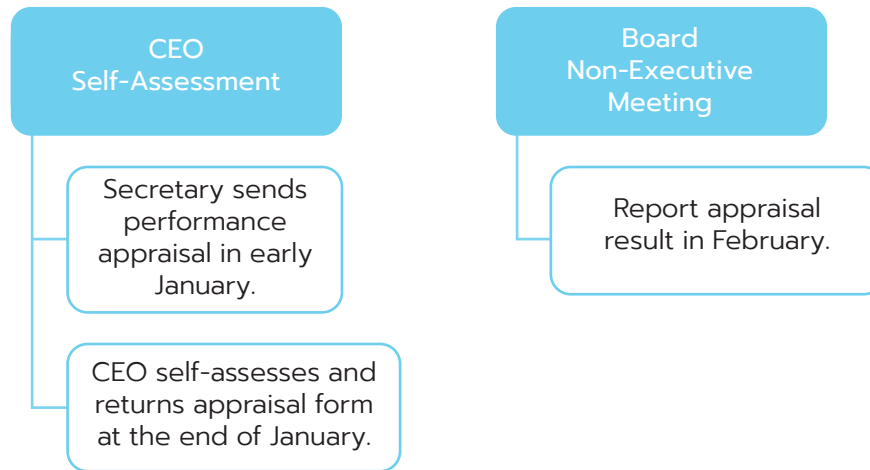
1) The Nomination and Remuneration Committee establishes the criteria and methods for nominating suitable candidates for the CEO position, including a succession plan. A report shall be presented to the Board of Directors at least once (1) a year, and policies and procedures shall be established for the appointment of directors and senior executives to other positions, subject to presentation and approval at the Board of Directors' Meeting.

2) The company has a policy to promote and support the Chairman, CEO, and Executives to participate in training and development programs to enhance knowledge, skills, and experience that are beneficial to their job performance.

3) The Nomination and Remuneration Committee establishes a compensation package to motivate the Chairman, CEO, Senior Executives, and all levels of employees to align with the organization's main objectives and goals, and to align with the long-term benefits of the business and benchmark against the same industry. It also considers the company's performance in its decision-making process.

Remuneration Structure	Chief Executive Officer/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) The Board of Directors sets criteria and factors for evaluating performance, as well as approving the remuneration structure for CEO and Senior Executives, and monitoring and evaluating it in accordance with principles.



Principle 5

To promote innovation and responsible business operations

Creating the business values, while also benefiting customers or stakeholders and having responsibilities towards the society and environment, this approach increases business opportunities and aligns with the organization's mission, main objectives, and strategies, taking into account the impact and sustainability.

1) The Board of Directors has a policy to support innovation by developing new ideas using knowledge and creativity that benefits the economy and society. The managements of the company and the MFEC Group are responsible for reviewing and revising business objectives, strategies, and plans/activities to enhance the organization's sustainable growth by covering various business models. The Board of Directors has provided this concept to all departments to implement as part of their innovation plan to improve work processes, reform, and create a competitive advantage in business.

2) The Risk Management, Corporate Governance and Sustainability Committee are considering revising good corporate governance policies, including policies related to risk management, quality, occupational health and safety, environmental and work safety, IT governance, anti-corruption, and business ethics. Anti-Corruption Working Team and Sustainability Working Team will be appointed to propose the policies to the Board of Directors and publish them on the company's website, www.mfec.co.th, to provide guidance for the Board, management, and employees of the organization to act with ethics and responsibility towards society and the environment, without violating the rights of stakeholders, in order to achieve the organization's goals and objectives.

Principle 6

To ensure that there is a suitable system for risk management and internal control

The Committee ensures that the Company has a suitable system for risk management and internal control to achieve its objectives effectively and to comply with relevant laws and standards. They also develop policies and guidelines to clearly communicate and implement the Company's stance against corruption at all levels of the organization and to external parties.

1) The Board of Directors, together with the Executive Committee, assesses and evaluates the impacts and opportunities of business risks, considering both internal and external factors once (1) a year. They establish the Risk Management, Corporate Governance, and Sustainability Committee and delegate them to establish a framework for risk management processes within the organization, including verifying the acceptability of risk levels. The committee oversees the development and implementation of risk management policies and frameworks on an ongoing basis, reporting to the Board quarterly. The organization's risks include:

- Strategic Risk
- Operational Risk
- Human Resource Risk
- Financial Risk
- Financial Reporting Risk
- Fraud Risk
- Compliance Risk
- Corruption Risk
- IT Risk

The details are as shown in the “Risk Management” section, which the Risk Management, Corporate Governance and Sustainability Committee has considered establishing the Risk Management and Corporate Governance Working Team, with Ms. Chulee Werawittayanukoon serving as the secretary and reporting to the Risk Management, Corporate Governance and Sustainability Committee every quarter.

2) The Board of Directors establishes the Audit Committee that meets the criteria of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Committee performs its duties independently according to the Charter of the Audit Committee and assigns the Audit Committee to plan, monitor, evaluate internal controls and report to the Board of Directors continuously.

3) The Board of Directors has mandated that subsidiaries or other ventures in which the company has invested and has a voting right of 20% or more shall have a risk management and internal control system in place.

4) The Committee has established measures to maintain the security of data and procedures for maintaining the confidentiality of various information, including managing data that may affect the stock price. This is set as a policy for maintaining the confidentiality of the company’s directors, executives, and employees, and is specified as a Code of Conduct.

Directors and executives

Directors and executives are prohibited from using internal information for personal gain and are prohibited from trading company securities during the 30-day period prior to the announcement of financial statements in each quarter.

All employees at all levels

Employees at all levels are prohibited from disclosing confidential internal information to external parties. This is established as a Code of Conduct for employees.

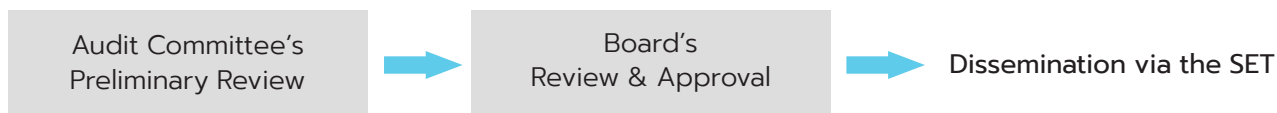
5) The Committee sets measures to manage potential conflicts of interest that may arise.

- The Board of Directors has mandated that members report their interests and losses at least before the meeting and record them in the meeting report. They are also prohibited from participating in the discussion of the relevant agenda.

- Establishing guidelines and procedures to ensure that transactions that may involve conflicting interests is conducted according to a standardized process and information and disclosed.

- o The regular business agenda has been approved and acknowledged by the Audit Committee.

- o Related item/may have moderate conflicting interests



- o Related item/potential conflicting interests with significant impact on benefits.



6) The Committee responsible for setting up a mechanism for handling complaints has established measures to protect whistleblowers and provided a channel for reporting through www.mfec.co.th or through the Anti-Corruption Working Team. The process includes verification and reporting to the company’s committee, and there is a follow-up on the progress of resolving such issues.

Principle 7

To maintain financial integrity and disclosure of information

The Committee is responsible for ensuring that the financial reporting and disclosure system is accurate, sufficient, timely, and in compliance with relevant standards, criteria, and practices. It should monitor the adequacy of the financial liquidity and debt repayment ability. In the event of financial difficulties, the company should have a plan to address the problem while considering the rights of stakeholders. Additionally, sustainable reports should be produced, and information technology should be utilized to promote the dissemination of information.

1) The Board oversees that personnel involved in financial reporting and disclosure have appropriate knowledge, skills, and experience to fulfill their responsibilities, and that there are sufficient numbers of staff. It ensures that important information of the company is disclosed and divided into:

Quarterly disclosure

- Financial statements/ Management Discussion and Analysis (MD&A) Annual disclosure
- Annual Information Form 56-1 One Report is disclosed to investors in both Thai and English languages through the Stock Exchange of Thailand’s channel and the company’s website at www.mfec.co.th.

2) The Board of Directors has assigned the management team to monitor and evaluate the financial performance of the company on a regular basis, and to report to the Board of Directors. The management team is required to promptly address any signals indicating financial liquidity problems or debt repayment ability issues, including consecutive losses, declining net profits, low cash flow, incomplete financial information, inadequate accounting systems, lack of cash flow and budget assessment, absence of a business plan, increasing liabilities exceeding assets, and problems in inventory management and debt collection, among others.

3) The Board of Directors assigns CEO with the responsibility of providing information and communication with external parties.

Principle 8

To support for participation and communication with shareholders

The Board of Directors ensures that shareholders have a say in important company decisions by overseeing the conduct of shareholder meetings in a respectful, transparent, efficient, and empowering manner. They also ensure that shareholders are able to exercise their rights and provide accurate and comprehensive reports on shareholder meetings and resolutions.

Shareholder rights

The Company provides opportunities for shareholders to participate in overseeing the business and giving opinions on business operations. In 2022, the Company has taken actions regarding shareholder rights in the following areas:

1) The Company sets a schedule for holding Annual General Meeting of Shareholders once (1) a year within a period not exceeding 4 months from the end of the accounting year, which is December 31. Due to the continuous outbreak of the COVID-19 virus in Thailand in the past year, the company has arranged for the Annual General Meeting of Shareholders to be held through electronic media on Monday, April 25th, 2022 at the main office located at 349 SJ Infinite One Business Complex, Vibhavadi-Rangsit Road, Chompol, Chatuchak, Bangkok 10900. There will be no ordinary shareholders' meetings called.

2) The Company provides opportunities for shareholders to propose agendas for upcoming meetings, by notifying shareholders through the news system of the Stock Exchange of Thailand and reporting the results of the proposal to include the agendas for the meeting.

3) The shareholders were invited for a shareholders' meeting (in Thai and English languages) beforehand. The Board of Directors' Meeting No. 1/2022 held on February 23rd, 2022 resolved to organize the AGM on April 26th, 2022. 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 languages), important document for consideration and decision-making, Board of Directors' opinions, the minutes of the AGM 2021, annual report with meeting document, proxy document and practices were disseminated on the company's website from March 28th, 2022, in advance of the meeting.

5) The invitation letter was delivered by the registrar of Thailand Securities Depository Co., Ltd. on April 1st, 2022, twenty-five (25) days in advance, with three (3) consecutive days of newspaper announcement before the AGM (April 1st, 4th, and 5th, 2022) to call for the AGM in advance.

6) Shareholders Meeting Proceedings

- Before the AGM begins, the Chairman of the AGM introduces the Board of Directors, auditors, accounting and finance manager, and financial advisor to the meeting for acknowledgement. The Chairman also explains the voting process, including how to cast votes and count them, and the use of voting cards.

During the AGM 2022, 100.0 percent of the total number of Committee members, auditors, and accounting and finance department officials attended the meeting.

- During the shareholder meeting, the Chairman explains the resolutions on each agenda in accordance with the company's regulations and provides an opportunity for shareholders to ask questions and express their opinions and suggestions at appropriate times, and answers questions before voting.

In 2022, during the election agenda for the directors, the Chairman conducted a meeting where shareholders were allowed to vote for individual candidates. During the meeting, if any director had a conflict of interest or was involved in the agenda, they were required to disclose it to the meeting and abstain from voting on that agenda. The Chairman conducted the meeting in order of the agenda, and no additional agendas were added to the meeting without prior notice.

- After the AGM, the secretary recorded the minutes of the meeting and published the resolutions and voting results for each agenda on April 25th, 2022 (in both Thai and English versions). The meeting report, video, and audio were also made available on the company's website after the meeting. The meeting report was submitted to the Stock Exchange of Thailand within 14 days.

7) Equal Treatment to the Shareholders

- The company will open an opportunity for shareholders to propose agendas for meetings/nominate individuals for director positions, propose meeting agendas, and submit questions for meetings in advance between January 5th to February 20th, 2022. The company will notify shareholders via the Stock Exchange of Thailand's news system and announce clear criteria and procedures on the company's website under the "Investor Information" section at www.mfec.co.th.

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

- The Company has attached a proxy form B, which is a form that allows shareholders to specify their voting direction for each agenda, along with the meeting invitation, to enable shareholders who are unable to attend the meeting in person to delegate power to independent directors or other individuals to attend and vote on their behalf. The form is also available for download on the Company's website for shareholders to access.

- The directors, executives or employees are prohibited from using inside information for their own benefit, trading the company's shares, or disclosing inside information to others for the purpose of trading the company's shares. In addition, directors and executives are required to submit initial and ongoing reports on their holdings of securities in accordance with Section 59 of the Securities and Exchange Act.

- The directors of the company and its subsidiaries are required to report their own and related person's beneficial ownership under Section 89/14 of the Securities and Exchange Act B.E. 2551. They must submit reports to the company's secretary within 7 days whenever there is a change in the information.

8) Considering the role of shareholders: The Company places importance on social responsibility and recognizes the role and significance of all shareholders, by setting guidelines for preventing corruption that cover practices related to offering or accepting gifts, assets or other benefits when conducting transactions with individuals in the public or private sector. It also includes disclosing ethical practices when conducting business with partner companies. Additionally, measures are in place for reporting and protecting whistleblowers, along with clear policies and practices for all shareholder groups, which are published on the company's website to inform shareholders and stakeholders. The company also provides guidance to employees on how to comply with the company's governance manual.

In the year 2022, the additional best practices were implemented as follows:

- (1) The first renewal of membership certification for the Thai private sector's coalition against corruption has been granted.

- (2) The measures for whistleblowing notification and protection mechanisms, as well as channels for reporting corrupt practices, were established.

Compliance with good corporate governance principles in other matters

In 2022, the Risk Management, Corporate Governance and Sustainability Committee considered the adoption of good corporate governance practices for companies registered in 2017 or the Corporate Governance Code (CG) issued by the Securities and Exchange Commission to be applied as appropriate for the business. There are still issues that the company has not been able to implement, but there are plans for replacement measures pending presentation at the Risk Management and State Enterprise Committee meeting, as follows:

- **The Chairman of the Board should be an independent director.**

The Chairman is a shareholder of the company, who plays a role in managing the organization while considering the benefits of the organization, shareholders, and stakeholders.

- **The Board of Directors should specify the tenure of independent directors for not more than 9 years.**

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

In 2022, there were three independent directors who completed their terms as scheduled and were proposed by the Nomination and Remuneration Committee for approval at the Board of Directors' Meeting and approved by the Board of Directors. Their names are Mr. Sirisak Tirawattanangkul, Mr. Kiyotaka Nakamura, and Assoc. Prof. Dr. Kamales Santivejkul. The shareholders were informed of this before nominating directors. The Board of Directors considered and approved that these three directors/ independent directors are individuals with qualifications, independence, and the ability to provide independent opinions according to relevant criteria. They are experienced directors who bring knowledge and expertise to provide opinions and suggestions to the organization in conducting its business.

In addition, Mr. Masakazu Kawamura was appointed as a new independent director, who has the qualifications, independence, and ability to provide independent opinions according to relevant criteria. He is an experienced director who brings knowledge and expertise to provide opinions and suggestions to the organization in conducting its business. He was proposed by the Nomination and Remuneration Committee for approval at the Board of Directors' Meeting and approved by the Board of Directors. The shareholders were informed of this before selecting directors.

- **Data communication through the arrangement of analyst meetings**

With the management committee recognizing the importance of communicating various types of information with shareholders and investors, there is a plan to conduct analyst meetings on a quarterly basis.



Governance on Use of Inside Information

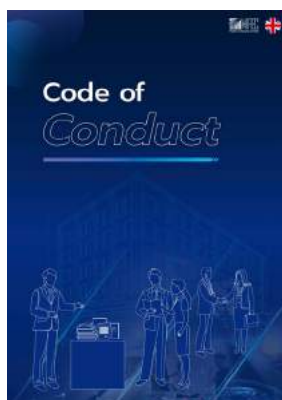
Aside from governing through legal requirements, the company has the policy and adheres to ethics, honesty and integrity in its business operations toward the customers, suppliers, investors and shareholders. The Code of Business Conduct has been established for the directors, executives and employees 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.

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 Conduct



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

Employees at all levels is required to perform corporate ethics relating to their duties by regularly having discussion between employee and supervisor whether the actions are in accordance with the Code 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 2022

1) MFEC has been certified as a first time for renewal member of the Private Sector Collective Action Coalition against Corruption

Thai Private Sector Collective Action Collective Against Corruption (CAC) by the Thai Institute of Directors Association (IOD) has announced the first time for the renewal member for MFEC Public Company Limited – MFEC as a member of the Thai Private Sector Collective Action Coalition against Corruption reaffirms that MFEC is a good role model organization in conducting clean and transparent business with commitment, persistence, and anti-corruption.





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

The company has prepared and continuously reviewed the Corporate Governance Policy and the Code of Conduct 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 gifts 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.

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 processes, 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 and 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) Efficient Service Management

MFEC is an IT service provider to large organizations in various industries which are an important part of the foundation of the quality of life, including the banking industry, hospitals, telecommunication, and many more. The company, therefore, pays attention to improving the quality of service to be efficient with international standards.

In the year 2022, the company acquired 2 types of international standard certifications.



ISO/IEC 20000, an international standard for information technology services, having the efficient Service Management System (SMS).



ISO/IEC 27001, an international standard for Information Security Management Systems (ISMS).

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 2022.



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 100.



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 whistleblowings, 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 imply 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, to protect the impact that may occur on the whistleblower. As of December 31st, 2022, the company has no complaints about fraud and corruption.

Provide Clues to Corruption Directly or Send a Letter to:

Anti-Corruption Working Group, 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

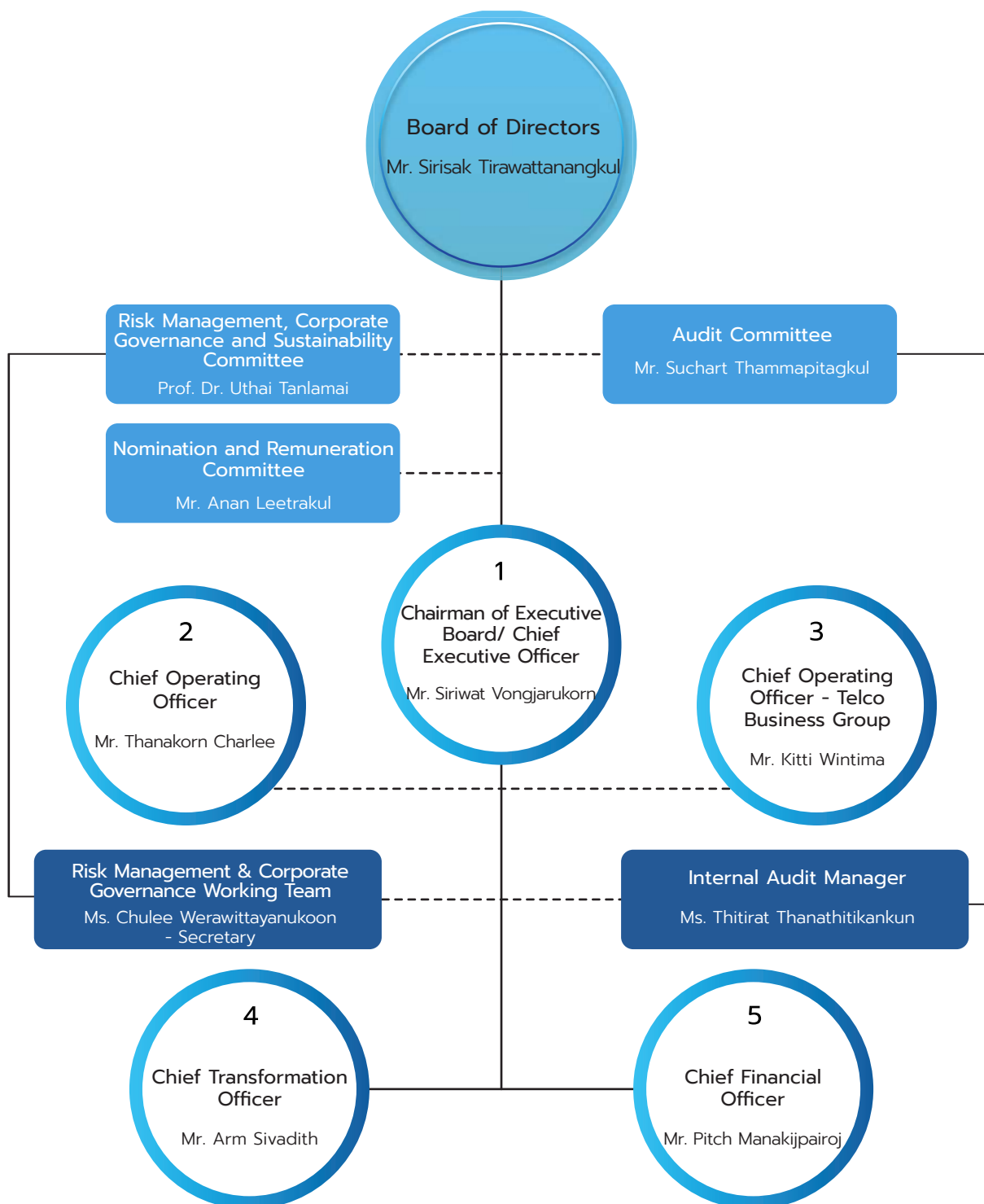
✉ E-mail Anti-Corruption Working Group: anticorruption@mfec.co.th

✉ Hotline for whistleblower: tis_tmi_helpline@tmi.gr.jp

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, Executives, 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. 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



Mr. Masakazu Kawamura
Director

Executive Board and Management



3

2

1

4

5

Executive

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

Position

Chairman of Executive Board/ 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: the Board of Directors, the Audit Committee, the Executive Committee, the Risk Management, Corporate Governance and Sustainability Committee, and the 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 2022, 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 2022
2. Mr. Kiyotaka Nakamura	Vice Chairman/ Member of the Nomination and Remuneration Committee	25 April 2022
3. Mr. Siriwat Vongjarukorn	Director/ Chairman of Executive Board/ Member of the Nomination and Remuneration Committee	27 April 2020
4. Mr. Thanakorn Charlee	Director/ Executive Director/ Member of the Risk Management, Corporate Governance and Sustainability 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 the Risk Management, Corporate Governance and Sustainability Committee	26 April 2021
8. Assoc. Prof. Dr. Kamales Santivejkul	Independent Director/ Member of the Audit Committee/ Member of the Risk Management, Corporate Governance and Sustainability Committee / Member of the Nomination and Remuneration Committee	25 April 2022
9. Dr. Charn Tharawas	Independent Director/ Member of the Nomination and Remuneration Committee/ Member of the Risk Management, Corporate Governance and Sustainability Committee	27 April 2020
10. Mr. Masakazu Kawamura	Director	26 April 2021

Remark: The Annual General Meeting of Shareholders 2022, dated 25th April 2022, resolved to appoint Mr. Sirisak Tirawattanangkul, Mr. Kiyotaka Nakamura, and Assoc. Prof. Dr. Kamales Santivejkul in replacement to the Board of Directors once again.

Information on holding Securities of Directors in 2022 and 2021 as follows;

Name	Number of Shares (Shares)		Number of Shares increasing (decreasing) during the year (Shares)
	31 December 2022	31 December 2021	
1. Mr. Sirisak Tirawattanangkul	10,026,013	10,538,800	(512,787)
2. Mr. Kiyotaka Nakamura	-	-	-
3. Mr. Siriwat Vongjarukorn	18,405,659	17,313,700	1,091,959
4. Mr. Thanakorn Charlee	-	-	-
5. Mr. Suchart Thammapiatagkul	-	-	-
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 Appointment and Removal

• 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 three (3) members; Chief Executive Officer and two (2) executives.

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

Scope of the Executive Board's Authority

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. As of 31 December 2022, 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 the Audit Committee's Authority

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 with in specified period
11. To consider and approve budget and manpower of Internal Audit Department
12. To report the performance of the Audit Committee to the Board of Directors for acknowledgement at least four (4) times a year
13. To 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. 3/2022, dated 10 August 2022, has considered the extension for four (4) members of the Nomination and Remuneration Committee for another term. As of 31 December 2022, 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 the Nomination and Remuneration Committee's Authority

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, Corporate Governance and Sustainability Committee

The Risk Management, Corporate Governance and Sustainability 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. The Board of Directors Meeting No. 3/2022, dated 10 August 2022, has considered the extension for the three (3) members of the Risk Management, Corporate Governance and Sustainability Committee for another term. As of 31 December 2022, the Risk Management, Corporate Governance and Sustainability Committee comprises of four (4) members, each of which serves a two-year term of office.

List of the Risk Management, Corporate Governance and Sustainability Committee	Position in the Risk Management, Corporate Governance and Sustainability 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 in 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 in 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

Scope of Authority in Sustainability Part

1. Provide oversight as well as advice and recommendations relating to the economic, environmental, and social dimensions, as well as corporate governance, for long-term sustainable business growth.
2. Monitor sustainability performance against various indicators, and provide advice on reporting data related to sustainability.
3. Provide recommendations in developing and reviewing policies and practices related to corporate sustainability and corporate governance, such as the Corporate Governance Policy, the Code of Conduct, policies related to the environment, risk management policies, and human rights policies.

7.3.2 Sub-Committees

Risk Management and Corporate Governance Working Team

Risk Management and Corporate Governance Working Team consists of executives and heads of business units of the Company. In 2022, the members of the Risk Management and Corporate Governance Working Team are:

List of the Risk Management and Corporate Governance Working 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, Corporate Governance and Sustainability Committee
11. Ms. Orawan Hnuntaku	Secretary for minutes of a meeting

Scope of the Risk Management and Corporate Governance Working Team's Authority

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, Corporate Governance and Sustainability 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, Corporate Governance and Sustainability Committee on a regular basis or continuously

Sustainability Working Team

At the Risk Management, Corporate Governance and Sustainability Committee Meeting No. 1/2023, on February 15, 2023, and the Board of Director Meeting No. 1/2023, on February 22, 2023, it was resolved to appoint the Sustainability Working Team with the following members:

List of the Sustainability Working Team	Position
1. Mr. Thanakorn Charlee	Chief Operating Officer
2. Ms. Chulee Werawittayanukoon	Secretary of the Risk Management, Corporate Governance and Sustainability Committee
3. Ms. Thitirat Thanathitikankun	Internal Audit Manager
4. Mr. Tinbodee Hassakatt	IT Strategy Team Lead
5. Ms. Orathai Srimongkol	Assistant Accounting Manager
6. Ms. Ubonrath Keawkeamsri	People Benefits and Well-being Manager
7. Ms. Narada Manawatanakijb	Corporate Communication and Branding Manager
8. Ms. Orawan Hnuntaku	Company Secretary

Scope of Sustainability Working Team

To supervise, oversee, and review the implementation of sustainable development work, promote its implementation, create participation in various projects under the framework of sustainable development with related internal and external agencies, cultivate a culture of sustainable development, as well as communicate with the board of directors, executives, staff at all levels, partners, and all relevant parties to ensure understanding and awareness of sustainable development.

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. Sermsak Sriphothong	Senior System Consultant/ Team Leader
3. Mr. Manutchai Rojanavichian	Assistant Solution Delivery Manager
4. Mr. Pituphong Yavirach	Information Security Consultant
5. Mr. Panusak Eakareesak	Process Improvement Director
6. Mr. Wason Liwlompaisan	Chief Technology Officer
7. Mr. Pongsatorn Paolanwat	Senior Solution Consultant

Scope of IT Supervisory Working Team's Authority 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.

Anti-Corruption Team

Anti-Corruption Team

At the Ethics Committee Meeting No. 1/2023, on January 30th, 2023, it was resolved to change the name from "Ethics Committee" to 'Anti-Corruption Team', with the following members:

List of Anti-Corruption Team	Position
1. Mr. Thanakorn Charlee	Chief Operating Officer
2. Ms. Uraporn Aiedkarn	People Excellence Director
3. Ms. Kirana Pintanot	Purchasing Director
4. Ms. Chulee Werawittayanukoon	Secretary of the Risk Management, Corporate Governance and Sustainability Committee
5. Ms. Thitirat Thanathitikankun	Internal Audit Manager
6. Mr. Wongsatorn Wannasing	Legal Officer
7. Ms. Orawan Hnuntaku	Meeting's Recorder

Scope of Anti-Corruption Team's Authority

• Senior Management

1. To determine objectives, policies and strategies of anti-corruption
2. To appoint departments or personnel that are appropriate to supervise and comply with anti-corruption
3. To specify duties and responsibilities of the Anti-Corruption Team

• Anti-Corruption Oversight Team

1. To establish anti-corruption policy
2. To establish Code of Conduct which specifies the anti-corruption guidelines and imposes penalties for non-compliance with anti-corruption measures
3. To review the Anti-Corruption Policy, Code of Conduct and other Company's requirements annually
4. To communicate the Anti-Corruption Policy and Code of Conduct to relevant parties for implementation
5. To raise awareness and train employees being aware and understanding the Anti-Corruption Policy and Code of Conducts
6. To determine channels and procedures for whistleblowing or complaints
7. To receive whistleblowing or complaints
8. To define an investigative process including considering the appointment of investigative teams and penalties (if any)
9. To prepare reports for whistleblowing or complaints annually

• Anti-Corruption Compliance Audit Unit

1. To verify compliance with the Anti-Corruption Policy, Code of Conduct and anti-corruption risks by independent experts at least once (1) a year in order to control operations reliably
2. To prepare anti-corruption audit report
3. To report the results of anti-corruption investigations to relevant parties for acknowledgement

• Related persons

1. Manager/ Supervisor controls the compliance with Anti-Corruption Policy and Code of Conduct.
2. Employee complies with the Anti- Corruption Policy and Code of Conduct.

Personal Data Protection Act Team

To define the roles, duties and responsibilities of the team, this is considered as an important team to the Company's performance under the Personal Data Protection Act. Therefore, it resolved to appoint the personal Data Protection Team consisting of:

List of Personal Data Protection Act Team	Position
1. Mr. Kokanok Phattarametaworakul	Senior Information Security Director
2. Mr. Kitti Wintima	Chief Operating Officer - Telco BU
3. Mr. Surachai Khumitti	Senior Sales Director
4. Ms. Uraporn Aiedkarn	People Excellence Director
5. Mr. Natnaka Sundaranaga	Head of M-Lab
6. Mr. Tanapong Wuttikajohnved	Data Services Director
7. Ms. Kirana Pintanot	Purchasing Director
8. Mr. Montri Seemasiri	Director of Managed Solution Center
9. Mr. Worapot Wongpan	Senior Legal Officer
10. Ms. Narada Manawatanakij	Corporate Communication and Branding Manager

Scope of Personal Data Protection Act Team's Authority

- To advise the company including employees under a contract or all relevant external service company's providers relating to compliance with the Personal Data Protection Act, also various policy frameworks and measures that the Board of Directors may determine, a manual on the supervision of personal data processing may be prepared in a manner that provides in principles and best practices for directors, executives, employees and related person. Aiming to raise awareness about the importance of personal data and the responsibilities of those involved, it must be strictly followed and adhere to along with the regulations and rules of the Company.
- To advise departments within the company as the regulatory mechanism to consider and assess potential significant risk factors associated with the processing of personal data and the establishment of the comprehensive and complete risk management guidelines, including collecting the preparation of an overall organizational risk assessment in relation to the processing of personal data to ensure that the Company has an efficient system and process for the risk management, as well as risk factors related to the personal data process in all potential Company's business process
- To provide internal controls for departments related to the sufficient and efficient process of personal data in the Company's business operations as well as to establish a regular process assessing the suitability of the Company's internal control system in order to having the Company the ability to guarantee the personal data process is accurate and in line with the Personal Data Protection Act effectively
- To check the Company's operation including employees under contracts or the Company's external service provider regarding the collecting, gathering, using, or disclosing all personal data performed by the Company in accordance with the Personal Data Protection Act
- To follow up and supervise operations by employees, employees under contracts, or the Company's outsourced service provider, preventing violations of duties in compliance with the Personal Data Protection Act and in the event that violations are seen or received complaints from other agencies, it should proceed with further fact-finding investigations. If violations are found, it shall be proposed that disciplinary or contractual action will be taken against the violators.
- To prepare a report on the overall Company's personal data process and report directly to the Company's Board of Directors, in this regard, such reports must contain opinions about the accuracy, completeness and consistency in the Company's duties under the framework of the Company's Personal Data Protection Act. Adequacy of the Company's internal control system. In this regard, such reports must contain opinions on the accuracy, completeness and consistency in the performance of duties of the Company under the framework of the Company's Personal Data Protection Act. Adequacy of the company's internal control system Such reports must be prepared regularly at least once a year or every time there is a change. or there is a significant event in the processing of personal data or in case of personal data breach
- To coordinate and cooperate with the Office of the Personal Data Protection Commission in case of issues with collecting, using or disclosing the Company's personal data, including employees or contractors of the Company, in compliance with the Personal Data Protection Act by appointing the secretary of the committee working as the central coordinator
- To host a coordinator with data owners who exercise their rights under the Personal Data Protection Act with the Company under the appropriate time frame as specified in the Personal Data Protection Act
- To perform any other actions related to the objectives of protection and supervision of the Company's personal data processing, complying with the framework of the Personal Data Protection Act

7.4 Executives

7.4.1 List of Executives, as of 31 December 2022

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

List of Executives	Position
1. Mr. Siriwat Vongjarukorn	Chairman of Executive Board/ Chief Executive Officer
2. Mr. Thanakorn Charlee	Chief Operating Officer
3. Mr. Kittti 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 Chairman of Executive Board

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 Chief Executive Officer

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 2022, the Nomination and Remuneration Committee has reviewed the remuneration according to the principles and has presented it to a meeting of the Board of Directors and a meeting of the shareholders for consideration and approval.

- Policy and principles for remuneration for the Board of Directors

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

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

- 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 2022 Annual General Meeting of the Shareholders held on 26 April 2022 which decided to keep the remuneration unchanged during 2014-2022 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 and Sustainability 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 who represents TIS Inc. of Japan, waived remuneration throughout his term following the good corporate governance of Japan's Stock Exchange.
- 2) Mr. Thanakorn Charlee, who held the positions of both Executive director and a member of Risk Management, Corporate Governance and Sustainability 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 2022 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 2022	Number of Persons	Y 2021
Financial remuneration	24	87,126,298	24	84,984,208
Total	24	87,126,298	24	84,984,208

- **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 2022	Number of Persons	Y 2021
Other remuneration	24	2,960,671	24	2,478,055
Total	24	2,960,671	24	2,478,055

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, 2022, and December 31st, 2021, 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 2022		31 st December 2021	
	Permanent	Contract	Permanent	Contract
1. MFEC Public Company Limited	1,290	93	1,164	68
2. Subsidiaries: 10	391	33	345	37
Total	1,681	126	1,509	105

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 2022 and 31st December 2021, 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 2022	31 st December 2021
1. Sales & marketing	94	88
2. Technical Support & Product Development	1,335	1,385
3. Administration	378	141
Total	1,807	1,614

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 2022	Number of Persons	Y 2021
Financial remuneration	1,807	1,373,438,408	1,614	1,228,602,896
Total	1,807	1,373,438,408	1,614	1,228,602,896

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

Unit: Baht	Number of Persons	Y 2022	Number of Persons	Y 2021
Other remuneration	1,807	68,770,293	1,614	47,983,934
Total	1,807	68,770,293	1,614	47,983,934

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 2022 Annual General Meeting of Shareholders on 25th April 2022 had a resolution to appoint Mr. Khitsada Lerdwana, a Certified Public Accountant No. 4958 and/or Mrs. Poonnard Paochareoen, a Certified Public Accountant No. 5238 and/or Ms. Manee Rattanabunnakit, a Certified Public Accountant No. 5313 from EY Company Limited to be the auditors of the Company and its subsidiaries, and to audit the 2020 financial statements and review the quarterly financial statements for the year 2022. 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 2022 financial statements was 1,430,000 Baht.

The Group of companies, which consists of the Company and its 10 subsidiaries, had the remuneration of the auditor amounted to 3.23 million Baht for the year 2022. Details are as follows:

Description	Amount (Baht)
Auditor's remuneration of the Company	1,430,000
Auditor's remuneration of the Company's subsidiaries (10 companies)	1,798,000
Total	3,228,000

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) Meeting for consideration.

2) There shall be no less than five (5) Board members and no less than three (3) independent directors. At least one (1) of the Board members shall have knowledge and expertise in accounting and finance. No less than half of total Board members shall have domicile in the Kingdom of Thailand. The Board of Directors' Meeting No. 1/2022 resolved to nominate the Annual General Meeting of Shareholders to elect Mr. Sirisak Tirawattanangkul, Mr. Kiyotaka Nakamura and Assoc. Prof. Dr. Kamales Santivejkul to resume their positions as the Board members.

3) The Annual General Meeting of Shareholders shall elect a director with a majority vote of the shareholders. The Nomination and Remuneration Committee shall nominate a qualified person to the Board of Directors select and nominate a qualified person to the Annual General Meeting with the following criteria;

(1) 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 2022, 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.

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.

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 2022, the Board of Directors held six (6) meetings with the following attendance details of each member:

[illegible]

8.1.3 Supervision and Management of Subsidiaries and Affiliated Companies

Investment policies and operations management of the company in subsidiaries and affiliated companies

MFEC Public Company Limited (“the Company”) sets investment policies in its subsidiaries and closely related affiliated companies, or invests in businesses that have the potential for growth, can expand the business, or benefit the group of companies, or can generate good returns on investment. The Company will analyze and consider the possibility of investment, investment ratio, expected returns, potential risks, and financial status of the Company before making investment decisions in various projects. Significant investment approvals must be considered by the CEO and approved at the Board of Directors’ meetings, the Shareholders’ Meetings, and/or the Delegation of Authority, following the relevant regulations and criteria of the Securities and Exchange Commission, the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand, including criteria related to the acquisition or disposal of assets, related transactions, and information disclosure.

In addition, the company sets policies to supervise the operations of its subsidiaries and affiliated companies with the aim of establishing direct and indirect measures and mechanisms to ensure efficient management of these companies in accordance with relevant laws, including but not limited to the Thai Civil and Commercial Code, Securities Law, and other relevant regulations, as well as announcements, regulations, and criteria of the Securities and Exchange Commission, the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand. This is to maintain the investment value of the company’s holdings in these subsidiaries and affiliated companies, and to enhance shareholders’ confidence. In this regard, the Board of Directors may appoint representatives, directors, and/or executives from the subsidiaries or affiliated companies to reflect the proportion of the company’s shareholding in these companies. Such representatives may be directors, chief executive officers, senior executives, or any other person with qualifications and experience suitable for the businesses of the subsidiaries or affiliated companies in which the company invests, provided that there is no conflict of interest with the businesses of such companies. The company will ensure that its representatives efficiently manage the businesses of the subsidiaries or affiliated companies and oversee their operations in compliance with applicable laws and regulations.

In addition, the company will closely monitor the performance and operations of its subsidiaries and affiliated companies, as well as ensure that data collection and accounting records of these entities are properly maintained for the company’s review.

8.1.4 Monitoring to ensure compliance with Corporate Governance Policies and Guidelines

Anti-Corruption

- **Management of the business ethics and follow-up processes**

The Board of Directors has endorsed the Company’s policy and manual on anti-corruption and business ethics, which is reviewed annually by the Risk Management, Corporate Governance and Sustainability Committee. In 2022, the Company reviewed its anti-corruption policy and manual, and communicated this to all employees for implementation. The details of the anti-corruption policy can be found at <https://ir.mfec.co.th/corporate-governance-policy>.

The Company is committed to combating corruption continuously. The Company has declared its support as a member of the Thai Private Sector Collective Action Against Corruption (CAC) on July 3, 2017, and was recertified as a CAC Re-Certified Company on September 30, 2022.

Additionally, the Company has appointed an Anti-Corruption and Corporate Governance Working Group to establish measures and oversee operations to prevent corruption and promote business ethics. An internal audit unit also conducts assessments and provides advice on policy and business ethics guidelines.

- **Employee training and testing on business ethics**

In 2022, the Company raised awareness about the anti-corruption in the corporation and took the following actions:

- 1) Developing employees’ knowledge about compliance with the Code of Conduct via M Ready (Website Knowledge) platform



2) Taking the “MFEC Anti-Corruption Test 2022” to assess employees’ understanding of business ethics through MPM website, including assessing the understanding of new employees during their orientation, employees have been tested and passed the test in 2022 with details in the table below. However, there will be a follow-up to take the test again in 2023 for employees who did not pass the test.

	No. of Tester (People)	No. of Passing Tester (People)	Percentage
New employee	219	176	80.37%
Employee	1,274	1,274	100.00%
Total	1,493	1,450	97.12%

Notification

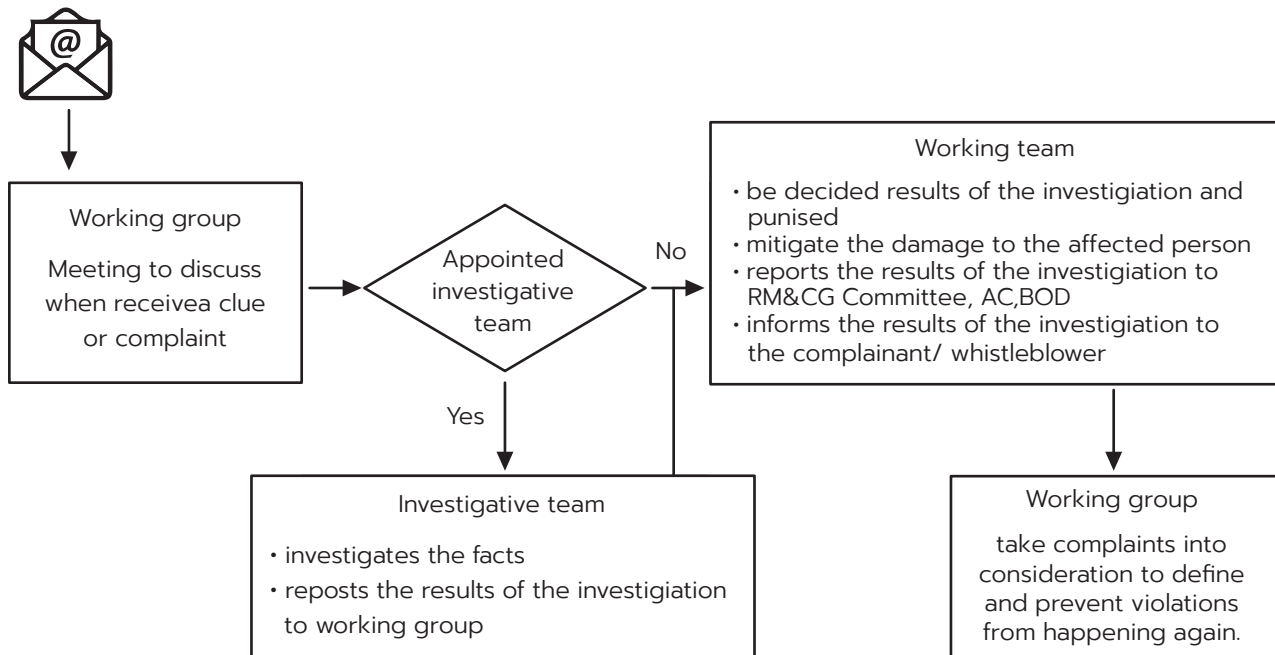
• Disclosure of Business Ethics Violations

The Company has established a channel for “Whistleblowing or Complaints” and outlined the process for “Handling clues or complaints” in the Code of Conduct to demonstrate the importance of combating corruption and collusion. Information, investigation processes, and investigation results will be kept confidential. And whistleblowers/ complainants will be protected according to the measures protecting them.

In 2022, the Company received 0 reports of whistleblowers or complaints, which were summarized and reported to the Anti-Corruption and Collusion Task Force meeting and the Risk Management, Corporate Governance, and Sustainability Committee with details in the table.

Issues	Whistleblowing/ Complaints	Under reviews	Completed
1. Environment	0	0	0
2. Social	0	0	0
3. Economic	0	0	0

However, the Company has not received any reports of whistleblowing or complaints, therefore, no action has been taken and there are no progress reports on ongoing investigations. In the event that there are reports of whistleblowing or complaints, the Anti-Corruption and Code of Conduct Working Group will consider and establish or update policies, guidelines, and measures to prevent business ethics violations, corruption, and coercion in a continuous and appropriate manner to prevent recurrence. The process for this is as follows:



In addition, the company conducts a risk assessment on corruption and compliance, and has an internal audit department responsible for assessing internal controls to ensure that employees comply with various regulations and the company's Code of Conducts. There are also regular reports to the Audit Committee.

8.2 Performance of the Audit Committee in the previous year

As of 31 December 2022, 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	No. 1/2022	No. 2/2022	No. 3/2022	No. 4/2022	No. 1/2022 Meeting Joint with Risk & Auditors	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 by implementing an internal audit plan according to the business cycle, which covers the implementation of anti-corruption measures in line with the joint private sector initiative to combat corruption in Thailand, as well as reviewing compliance with the anti-corruption policy in accordance with the company's renewal of membership certification from the Thai private sector's joint initiative to combat corruption committee (CAC) on September 30, 2023. The audit committee believes that the company has implemented the measures sufficiently, rigorously, and cautiously.

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 Executive Board Meeting No. 1/2022, 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 2022, the Executive Board convened nine (9) times as depicted below;

List of the Executive Board	No. 1/2022	No. 2/2022	No. 3/2022	No. 4/2022	No. 5/2022	No. 6/2022	No. 7/2022	No. 8/2022	No. 9/2022	Meeting Attend-ance (%)
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	100.0

Mr. Pitch Manakijpairaj, 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, Corporate Governance and Sustainability Committee

Regular meetings are required. In 2022, the Risk Management and Corporate Governance Committee had four (4) meetings, including one (1) meeting with the Audit Committee, together with external auditors, and the management. All were reported to the Board on a quarterly basis with the following details;

List of Risk Management, Corporate Governance and Sustainability Committee	No. 1/2022	No. 2/2022	No. 3/2022	No. 4/2022	No. 1/2022 Meeting Joint with Risk & Auditors	Meeting Attendance (%)
1. Prof. Dr. Uthai Tanlamai Chairman of the Risk Management, Corporate Governance and Sustainability Committee/ Independent Director	√	√	√	√	√	100.0
2. Assoc. Prof. Dr. Kamales Santivejkul Member of the Risk Management, Corporate Governance and Sustainability Committee/ Independent Director	√	√	√	√	√	100.0
3. Mr. Thanakorn Charlee Member of the Risk Management, Corporate Governance and Sustainability Committee/ Executive Director	√	√	√	√	√	100.0
4. Dr. Charn Tharawas Member of the Risk Management, Corporate Governance and Sustainability Committee/ Independent Director	√	√	√	√	√	100.0
Total Directors in each meeting	4/4	4/4	4/4	4/4	4/4	100.0

Ms. Chulee Werawittayanukoon acted as Secretary to Risk Management, Corporate Governance and Sustainability Committee and Ms. Orawan Hnuntaku acted as recording the minutes to the Committee.

Performance of Risk Management, Corporate Governance and Sustainability 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

• **Sustainability Part**

1. Provide oversight as well as advice and recommendations relating to the economic, environmental, and social dimensions, as well as corporate governance, for long-term sustainable business growth.
2. Monitor sustainability performance against various indicators, and provide advice on reporting data related to sustainability.
3. Provide recommendations in developing and reviewing policies and practices related to corporate sustainability and corporate governance, such as the Corporate Governance Policy, the Code of Conduct, policies related to the environment, risk management policies, and human rights policies.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall convene at least two (2) meetings per year. In 2022, the committee had two (2) meetings with the following details;

List of the Nomination and Remuneration Committee	No. 1/2022	No. 2/2022	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/ Director	✓	✓	100.0
Total Directors in each meeting	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 2022 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 2022 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 2022 (between 5 January 2022 – 20 February 2022) 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 2022 Annual General Meeting of Shareholders. Therefore, the Board considered proposing the retiring directors to resume their positions for another term.
4. To recruit persons with appropriate skills, knowledge, capabilities, experience and qualifications consistent with the criteria for a director's qualification to take the position of the Risk Management, Corporate Governance and Sustainability Committee (the Risk Management, Corporate Governance and Sustainability Committee has a term of 2 years) and four (4) directors of the Nomination and Remuneration Committee who retired by rotation on 10 August 2022, therefore, proposing to renew the position of the former Risk Management, Corporate Governance and Sustainability Committee and the former four (4) directors of the Nomination and Remuneration Committee for another term

9. Internal Control and Related Transaction

9.1 Internal Control

The Company emphasizes the importance of internal control systems, as internal control is a key mechanism for preventing and managing risks that may arise for the company. In 2022, the Board of Directors concluded that the Company has an adequate and appropriate internal control system, based on the self-assessment framework for internal control systems set by the Securities and Exchange Commission (SEC). During the Board meeting held on February 22, 2023, the Board also ensured that there are sufficient personnel to ensure the efficiency of the internal control system, as well as to monitor and control the operations of the company and its subsidiaries, in order to prevent any unauthorized use of assets or abuse of power.

The Company has established an internal audit unit to conduct internal audits using the International Professional Practices Framework (IPPF), and has implemented an internal control system in accordance with the COSO Internal Control Framework (The Committee of Sponsoring Organizations of the Treadway Commission) to achieve the objectives of internal control in all three (3) areas: Operations, Reporting, and Compliance. The compliance component comprises five (5) elements as follows:

1. Control Environment

The Company has clear and measurable business objectives, with an annual budget plan and performance metrics set to create value and return for shareholders. It cultivates a sense of ethics, morality, and good corporate citizenship within the organization by establishing a corporate governance policy and developing a Code of Conduct. The policies and codes are regularly communicated to all executives and staff through internal training courses and various activities to ensure that they respond to customer expectations for service and products and take responsibility for society. MFEC Group is committed to the sustainable development of its business and has a policy to develop and maintain quality executives and staff, measure job performance, and motivate appropriate compensation.

The Board of Directors is responsible for setting clear and measurable business objectives. The Company has a management structure consisting of five (5) committees, including the Board of Directors, Executive Committee, Audit Committee, Risk Management, Corporate Governance and Sustainability Committee, and Nomination and Remuneration Committee. Each committee is responsible for shareholders within the framework of good corporate governance and social responsibility. The Company organizes an organizational structure that supports the management team's operations and provides effective internal controls. The division of important tasks results in cross-checking among departments, and an internal audit department verifies the operations of all departments and reports to the Audit Committee.

2. Risk Assessment

The Company assigns the Risk Management, Corporate Governance and Sustainability Committee to oversee the risks of the company and its subsidiaries. The committee and senior executives, as well as the Risk Management and Corporate Governance Working Team, collaborate to establish policies and frameworks for risk management. They determine the responsible persons for risk management in various departments of the company to assess the impact of risks on the Company's objectives and operations. They evaluate risks in various areas such as strategic risks, operational risks, human resource risks, financial risks, financial reporting risks, fraud risks, corruption risks, compliance risks, and IT risks by considering the opportunities and impacts that may arise. They also mandate the development of a risk management plan that is within the acceptable risk level of the company to ensure confidence that the Company will achieve its objectives as specified.

3. Control Activities

The Company has implemented control measures to reduce the risks that may prevent the Company from achieving its objectives. The Board of Directors has appointed four (4) sub-committees, consisting of the Executive Committee, the Audit Committee, the Risk Management, Corporate Governance and Sustainability Committee, and the Nomination and Remuneration Committee, to operate within the scope of authority assigned to oversee the operations of the management department.

- Clear boundaries of authority and approved budgets for all executives at all levels are established and clearly documented. The positions and approval limits of authorized personnel are clearly defined and documented, and appropriateness is periodically reviewed.
- Clear policies, guidelines, procedures, and regulations should be established in writing, covering all units and should be in line with current laws, rules, and situations. There should be a constant review to ensure that they are appropriate and up-to-date, and to align with risks.
- To establish performance evaluation criteria

The Audit Committee has reviewed and approved the internal audit plan for the year, which covers high-risk operational processes. This provides assurance to stakeholders that the various departments have adequate control activities in place, including financial, operational, and regulatory compliance controls. The committee examines significant issues identified during the audit and recommends improvement measures to be implemented by management. Additionally, the committee has established procedures to monitor transactions with related parties or other individuals that may create conflicts of interest. All transactions must comply with the Company's policies, including those against corruption and business ethics, to ensure efficient and ethical business operations.

4. Information and Communication

The Company requires that important details be adequately prepared before presenting to the Board of Directors for decision-making in each meeting. This includes preparing an analytical report with

supporting documents, regulations, and related criteria. Information should be sent in advance for review 7 days prior to the meeting. The secretary coordinates and serves as the central point for the collection of important documents, such as meeting appointment letters, board meeting reports, shareholder meeting invitations, and shareholder meeting reports, so that shareholders can verify the appropriateness of the Board's actions.

The Company has provided ready-made software to manage the document storage system of each department, as well as ensuring the security of important databases by setting access rights for database users, such as accounting documents. The documents are stored completely and categorized for transparency and as reference for work operations. The Audit Committee has reviewed this together with the external auditor, internal audit unit, and those involved in preparing the Company's financial statements every quarter to ensure compliance with accounting standards. The Company has disclosed complete and appropriate information.

5. Monitoring Activities

The Company tracks its performance to ensure that it aligns with the planned objectives. In 2022, the Board of Directors held six (6) meetings, while the management team held nine (9). Additionally, the Executive Committee held regular monthly meetings to supervise and monitor the Company's and subsidiaries' operations to ensure that they comply with the policies, strategies, and plans established. They also identified and resolved any issues that arose and adjusted the operational plans to correspond with any changes in circumstances when it was found that the actual results differed from the set targets.

In addition, the internal audit unit has planned audits based on the risks that align with the Company's objectives. They audit and monitor the operations of both the Company and its subsidiaries to achieve the shared objectives efficiently and effectively. In 2022, the audit results were reported to the Audit Committee in writing immediately after the completion of the operations, and the results of the operations were summarized every quarter.

Opinion of the Audit Committee

The Audit Committee has concluded that the internal control system of the Company is adequate and appropriate according to the assessment framework of the internal control system as prescribed by the Securities and Exchange Commission (SEC), which is consistent with the views of the Board of Directors, as shown in the attached document in the annual data report. This is the summary of the audit committee's report.

The Audit Committee emphasizes the importance of developing the knowledge and skills of the Internal Audit department to ensure that the internal auditors have sufficient knowledge and skills to perform their duties effectively. Therefore, the internal auditors are provided with training according to the following course details:

- ISO/IEC 27001:2013 for Introduction course from IT Compass Co., Ltd.
- Intensive Cybersecurity Capacity Building Program from the National Cybersecurity Agency (NCA)
- Understanding the financial reporting course from the Institute of Internal Auditors Thailand
- EC-Council Security Specialist (ECSS) course from the National Cybersecurity Agency (NCSA)
- ISO/IEC 20000 course for practitioners from IT Compass Co., Ltd.
- IA Training ISO/IEC 20000 course from IT Compass Co., Ltd.
- ISO/IEC 27001 (International standard for information security management system) course from IT Compass Co., Ltd.
- PDPA in Action: Internal Audit course from PDPA Thailand Institute

9.2 Related Transaction

9.2.1 Normal business operations: The company has a list of business operations that involve the buying and selling of goods and services with its subsidiaries and affiliated companies, in accordance with the trading conditions and criteria agreed upon between the company and its subsidiaries and affiliated companies, as is customary in business.

Related Person/ Juristic Person	Relationship	Transaction	Value (million Baht)		Necessity and Reasonableness
			Year 2022	Year 2021	
PFT	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 71.62%	Sell Goods and Services	-	0.33	MFEC sells computers and provides computer maintenance services at prices that are close to market prices.
		Provide office services	0.29	0.46	MFEC provides accounting, finance, and general management services. The price is agreed upon based on the suitability of the amount of work.
MISO	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 75%	Purchase Goods and Services	4.84	3.89	MFEC purchased outsourced services and other services at prices that are similar to market prices.
MOTIF	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 99.99%	Sell Goods and Services	1.07	0.89	MFEC sells system solutions along with procuring hardware and software equipment, and maintenance services. The quoted price is close to the market price.
		Purchase Goods and Services	0.27	-	MFEC purchases software development services at a price that is close to the market price.
BAC	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 99.99%	Sell Goods and Services	-	0.08	MFEC provides Consulting Technical services and other services. The prices for such services are close to market prices.
		Purchase Goods and Services	9.54	3.01	MFEC purchases software maintenance and other related services at a price that is close to the market price.
HS	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 99.99%	Purchase Goods and Services	1.35	0.66	MFEC purchases software development services at a price that is close to the market price.

Related Person/ Juristic Person	Relationship	Transaction	Value (million Baht)		Necessity and Reasonableness
			Year 2022	Year 2021	
PTS	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 70%	Sell Goods and Services	0.08	-	MFEC purchased outsourced services and other services at prices that are similar to market prices.
		Provides office services	2.09	2.11	MFEC provides accounting, finance, and general management services. The price is agreed upon based on the suitability of the amount of work.
		Purchase Goods and Services	28.38	41.59	MFEC purchases software development and other related services at prices close to market prices.
DATA CAFÉ	MFEC's joint venture holds a 42.19% stake (as of 2021) in the subsidiary company. MFEC itself holds a 72.90% stake in the subsidiary company.	Sell Goods and Services	0.10	-	MFEC purchased outsourced services and other services at prices that are similar to market prices.
		Provides office services	0.56	0.57	MFEC provides accounting, finance, and general management services. The price is agreed upon based on the suitability of the amount of work.
		Purchase Goods and Services	3.48	1.70	MFEC purchases training services and software development services, and the price is close to market price.
MSYNE	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 99.99%	Sell Goods and Services	0.82	0.90	MFEC sells other services and software maintenance services at prices that are close to market prices.
		Provide office services	1.54	1.04	MFEC provides accounting, finance, and general management services at prices agreed upon based on the suitability of the workload.
		Purchase Goods and Services	161.99	137.46	MFEC purchased services for software development, purchasing goods, and other services at prices close to the market price.
Joint Venture: PowerM	MSyne holds an 81.47% equity stake.	Sell Goods and Services	0.11	0.09	MFEC sells hardware maintenance services at a price that is close to the market price.
		Provide office services	0.02	0.02	MFEC provides rental space services at a price that is close to market price.

Related Person/ Juristic Person	Relationship	Transaction	Value (million Baht)		Necessity and Reasonableness
			Year 2022	Year 2021	
Venture Lab	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 99.99%	Purchase Goods and Services	0.37	0.52	MFEC purchases goods at prices that are close to the market price.
TIS Inc.	Holding MFEC's shares at the aggregate rate of 49% and having directors jointly	Sell Goods and Services	0.52	0.24	MFEC sells outsourcing services at prices close to market prices.
AJS Inc.	TIS's subsidiary, in which TIS holds the shares at the aggregate rate of 51%	Sell Goods and Services	-	2.32	MFEC sells outsourcing services and rental services at a price close to market price.
I2	MFEC's associated company, in which MFEC holds the shares at the aggregate rate of 15%	Sell Goods and Services	2.48	101.84	MFEC sells hardware maintenance services at a price that is close to the market price.
		Purchase Goods and Services	12.87	44.70	MFEC purchased hardware and software system services at a price that is close to the market price.
Digital Savvy	MFEC's associated company, in which MFEC holds the share at the aggregate rate of 36%	Provide office service	0.10	0.17	MFEC provides accounting, finance, and general management services at prices agreed upon based on the suitability of the workload.
		Purchase Goods and Services	-	0.17	MFEC purchased maintenance and service for PANDAPASS system, and the price is close to the market price.
PromptNow	MFEC's associated company, in which MFEC holds the share at the aggregate rate of 20%	Purchase Goods and Services	6.01	6.69	MFEC purchases goods and services at a price close to market price.
Fanster Media	MFEC's associated company, in which MFEC holds the share at the aggregate rate of 34%	Provide office service	0.02	0.02	MFEC purchases goods and services at a price close to market price."
		Purchase Goods and Services	0.90	0.40	MFEC purchased a service at a price that is close to the market price.

Related Person/ Juristic Person	Relationship	Transaction	Value (million Baht)		Necessity and Reasonableness
			Year 2022	Year 2021	
ANGSTROM	MFEC's associated company, in which MFEC holds the share at the aggregate rate of 40%	Purchase Goods and Services	7.35	-	MFEC purchased outsourcing and other services on a contract basis, and the price is close to the market price.
TISI (Shanghai)	a subsidiary company, in which TIS holds 100% of the shares	Purchase Goods and Services	1.18	-	MFEC purchased software development services and hardware maintenance services at a price close to the market price.
I AM Consulting	The shareholder of TIS holds a 49% stake	Purchase Goods and Services	14.71	-	MFEC purchased software development services and other services at a price that is close to the market price

9.2.2 Financial Assistance

Related Person/ Juristic Person	Relationship	Transaction	Value (million Baht)		Necessity and Reasonableness
			Year 2022	Year 2021	
MOTIF	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 99.99%	Receivable interest	0.29	-	MFEC calculates interest for MOTIF to be used as an investment in project management at an interest rate of 4.25% per year, which is a normal rate that commercial banks provide for loans to high-end customers.
DIGITAL SAVVY	MFEC's associated company, in which MFEC holds the share at the aggregate rate of 36%	Receivable interest	0.03	0.03	MFEC calculates the interest rate for Digital Safe investment to be used for project management investment at an interest rate of 5.87-6.35 percent per annum, which is the normal interest rate provided by commercial banks for high-end customers' loans.
ANGSTROM	MFEC's associated company, in which MFEC holds the share at the aggregate rate of 40%	Receivable interest	1.79	0.95	MFEC calculates interest for ANGSTROM investment to be used for project management at an interest rate of 4.25-5.35 percent per year, which is a standard rate offered by commercial banks for loans to high-end customers.
I2	MFEC's associated company, in which MFEC holds the shares at the aggregate rate of 15%	Receivable interest	-	0.28	MFEC calculates the interest rate for I Two to be used as an investment in project management, with a normal interest rate of 3.75% per year, which is the rate offered by commercial banks for loans to high-end customers.
TIS Inc.	Holding MFEC's shares at the aggregate rate of 49% and having directors jointly	Paid Interest	0.02	-	MFEC received financial assistance from TIS Inc. in the form of a short-term loan not exceeding 2 billion yen or approximately 520 million baht on the date of the loan agreement in December 2022, which incurs interest at the rate of 1.25% per annum.

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

Measures or procedures for approving transactions in between

Transactions between parties require presentation for consideration by the Board of Directors. The Audit Committee must attend the meeting to consider and approve the transaction. The transaction must comply with the securities laws and regulations, announcements, orders, or provisions of the Stock Exchange of Thailand. Those who may have conflicting interests or have gains and losses in the transaction will not have the right to vote on the approval of the transaction.

Policy or trends for conducting transactions between conflicting parties in the future

Policy for Transactions between Parties

For transactions that may occur in the future, they are divided into two (2) types: transactions that occur regularly and continuously, and special transactions that occur on an occasional basis. The approval process for both types of transactions is as follows:

1. Normal and continuous transactions

The company will establish criteria and guidelines for transactions that occur regularly and continuously. These will include general trading conditions that are fair, reasonable, and verifiable in terms of price. The criteria and guidelines will be presented to the Audit Committee for approval. The Audit Committee will review compliance with the criteria and provide comments on the validity of transactions that occur during the period of review.

2. Occasional transactions

The company will arrange for the Audit Committee to give opinions on the suitability of such transactions. If the Audit Committee does not have expertise in considering related transactions that occur, the company will provide personnel with special expertise such as auditors or property appraisers, or law firms, etc., who are independent from the company and persons who may have conflicts of interests to give opinions on such connected transactions. The opinions of the Audit Committee or persons with special expertise will be used to support the decision of the committee or shareholders.

Transactions/ trends in the future

1. For the year 2022, the company has related transactions in the category of receiving financial assistance from TIS Inc., which is a major shareholder, at the rate of 48.99 of the Company's paid-up capital. With an unsecured loan amount of not more than 2,000-million-yen (or equivalent to 520 million baht as of the date of the loan agreement in December 2022), the interest is charged at a rate of 1.25% per annum and repayment within one (1) year from the date approved by the Board of Directors. The Audit Committee has considered the suitability and approve the said transaction. Consideration of entering into the future related party transactions with companies that may have conflicts will depend on the suitability and necessity of each transaction. If there is any related transaction, the Company will comply with the related transaction policy that the Audit Committee has considered and approved.

2. For related transactions in the part of guarantees, if the company has to guarantee additional credit lines for subsidiaries, the Company has a policy to provide guarantees according to the proportion of shareholding in subsidiaries. In case of necessity, such policy cannot be implemented. The Company will proceed in accordance with the announcement of the Board of Governors of the Stock Exchange of Thailand. on disclosure of information and actions of listed companies in connected transactions

Part 3

Financial Statements



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 2022, 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 2022, 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: 22 February 2023

MFEC Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	7	281,972,765	141,839,202	165,361,224	56,328,193
Restricted bank deposits	8	51,139,876	37,689,020	-	-
Trade and other receivables	9	1,705,219,671	1,753,882,561	1,561,426,449	1,637,088,172
Amounts due from related parties	6	19,078,961	8,858,580	21,209,199	10,803,777
Unbilled receivables	10	1,145,835,883	1,060,634,216	1,113,872,572	1,018,992,780
Short-term loans to related companies	6	45,900,000	25,800,000	55,900,000	25,800,000
Costs of work in process	11	392,899,963	324,937,473	409,069,543	278,157,247
Prepayment for cost of services		1,511,056,784	1,238,804,225	1,418,886,820	1,218,842,037
Other current financial assets	12	48,478,952	57,848,327	-	-
Derivative assets	34.1	1,505,068	5,853,189	1,505,068	5,853,189
Other current assets		33,820,479	39,900,666	28,275,534	33,938,374
Non-current assets held for sale	13	51,184,229	-	1,227,560	-
Total current assets		5,288,092,631	4,696,047,459	4,776,733,969	4,285,803,769

MFEC Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Non-current assets					
Investments in subsidiaries	14	-	-	459,703,707	428,696,646
Investments in joint venture and associates	15	226,966,690	179,367,871	126,978,628	121,745,190
Building improvements and equipment	16	61,313,890	71,022,974	43,578,321	51,780,362
Right-of-use assets	17	91,920,793	90,166,191	70,661,017	72,511,011
Goodwill	18	257,973,155	257,973,155	-	-
Other intangible assets	19	11,612,123	22,950,706	5,952,627	12,600,648
Prepayment for cost of services		270,296,742	280,638,167	250,448,527	267,974,825
Deferred tax assets	27	65,280,016	55,562,223	60,585,385	50,692,761
Other non-current assets		2,586,119	2,849,427	1,567,930	1,673,375
Total non-current assets		987,949,528	960,530,714	1,019,476,142	1,007,674,818
Total assets		6,276,042,159	5,656,578,173	5,796,210,111	5,293,478,587

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

MFEC Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	20	510,000,000	405,000,000	510,000,000	390,000,000
Trade and other payables	21	947,509,408	971,039,426	785,421,446	831,130,107
Amounts due to related parties	6	22,110,497	24,194,145	77,968,322	99,348,555
Accrued expenses		256,593,587	273,723,442	213,087,882	230,697,952
Short-term loans from related party	6	118,060,778	-	118,060,778	-
Current portion of lease liabilities	17	28,924,410	21,841,642	23,047,013	16,651,098
Current portion of installment payables	22	21,861,313	21,861,313	21,861,313	21,861,313
Income tax payable		1,357,448	1,832,262	-	-
Deferred income		1,699,280,368	1,374,398,178	1,623,258,689	1,296,834,064
Unbilled payables		190,880,320	150,560,164	174,309,569	140,281,480
Provision for penalties of project delay and project loss	23	38,264,375	39,246,731	35,398,522	30,370,476
Provision for contingent liabilities arising from litigation	32.3	15,048,411	-	-	-
Derivative liabilities	34.1	27,143,177	262,575	26,869,031	259,165
Other current liabilities		55,436,010	65,557,133	46,059,808	55,802,475
Liabilities directly related to non-current assets held for sale	13	20,199,273	-	20,154,389	-
Total current liabilities		3,952,669,375	3,349,517,011	3,675,496,762	3,113,236,685

MFEC Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Non-current liabilities					
Lease liabilities, net of current portion	17	57,557,682	61,806,627	43,150,145	49,890,742
Installment payables net of current portion	22	23,814,599	45,675,912	23,814,599	45,675,912
Provision for decommissioning		4,915,984	4,824,350	4,915,984	4,824,350
Provision for long-term employee benefits	24	179,256,819	181,013,461	150,605,054	152,521,525
Total non-current liabilities		265,545,084	293,320,350	222,485,782	252,912,529
Total liabilities		4,218,214,459	3,642,837,361	3,897,982,544	3,366,149,214

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
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	25	44,150,055	44,150,055	44,150,055	44,150,055
Unappropriated		566,891,682	506,910,408	442,649,876	452,283,737
Other components of shareholders' equity		(15,314,075)	3,358,420	(16,767,759)	2,700,186
Equity attributable to owners of the Company		2,029,655,653	1,988,346,874	1,898,227,567	1,927,329,373
Non-controlling interests of the subsidiaries		28,172,047	25,393,938	-	-
Total shareholders' equity		2,057,827,700	2,013,740,812	1,898,227,567	1,927,329,373
Total liabilities and shareholders' equity		6,276,042,159	5,656,578,173	5,796,210,111	5,293,478,587

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

MFEC Public Company Limited and its subsidiaries
Statement of comprehensive income
As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Continuing operation:					
Profit or loss:					
Revenues					
Sales and services income	29	5,421,307,936	4,910,052,224	4,877,956,058	4,502,460,480
Dividend income	14.2, 15.2	-	-	43,267,530	30,930,611
Gain on derivatives at fair value		-	21,469,411	-	21,472,821
Gain from change in investment classification	15.1	33,441,790	-	-	-
Other income		31,798,833	10,684,167	31,533,430	7,745,124
Total revenues		5,486,548,559	4,942,205,802	4,952,757,018	4,562,609,036
Expenses					
Cost of sales and services		4,474,180,607	4,047,442,913	4,146,997,751	3,806,084,373
Selling and distribution expenses		136,621,401	116,878,081	114,970,345	104,678,672
Administrative expenses		595,965,319	441,044,286	491,629,869	353,242,668
Loss on derivatives at fair value		288,380	-	-	-
Total expenses		5,207,055,707	4,605,365,280	4,753,597,965	4,264,005,713
Operating profit		279,492,852	336,840,522	199,159,053	298,603,323
Share of profit from investments in joint venture and associates	15.2	8,219,808	8,700,093	-	-
Finance cost		(18,214,456)	(11,530,344)	(15,781,750)	(8,321,567)
Profit before income tax expenses		269,498,204	334,010,271	183,377,303	290,281,756
Income tax expenses	27	(52,422,244)	(70,196,206)	(38,793,651)	(58,154,082)
Profit from continuing operations for the year		217,075,960	263,814,065	144,583,652	232,127,674

MFEC Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Discontinued operation					
Profit (loss) from discontinued operation for the year	13	23,003,726	(5,854,669)	23,003,726	(5,854,669)
Profit for the year		240,079,686	257,959,396	167,587,378	226,273,005
Other comprehensive income:					
Continuing operation					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Actuarial gain (loss) - net of income tax		1,915,811	467,423	(640,297)	467,423
Gain (loss) on cash flow hedges					
- net of income tax		(3,490,316)	8,307,843	(3,490,316)	8,307,843
Share of other comprehensive income from investment in joint venture and associates - net of income tax	15.2	795,450	40,628	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(779,055)	8,815,894	(4,130,613)	8,775,266
Other comprehensive income for the year		(779,055)	8,815,894	(4,130,613)	8,775,266

MFEC Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Total comprehensive income for the year from continuing operation		216,296,905	272,629,959	140,453,039	240,902,940
Total comprehensive income for the year from discontinued operation		23,003,726	(5,854,669)	23,003,726	(5,854,669)
Total comprehensive income for the year		239,300,631	266,775,290	163,456,765	235,048,271

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit (loss) attributable to:					
Equity holders of the Company					
Profit for the year from continuing operation		211,928,426	262,842,785	144,583,652	232,127,674
Profit (loss) for the year from discontinued operation		23,003,726	(5,854,669)	23,003,726	(5,854,669)
		234,932,152	256,988,116	167,587,378	226,273,005
Non-controlling interests of the subsidiaries					
Profit for the year from continuing operation		5,147,534	971,280		
		240,079,686	257,959,396		
Total comprehensive income attributable to:					
Equity holders of the Company					
Total comprehensive income for the year from continuing operation		210,863,624	271,658,679	140,453,039	240,902,940
Total comprehensive income for the year from discontinued operation		23,003,726	(5,854,669)	23,003,726	(5,854,669)
		233,867,350	265,804,010	163,456,765	235,048,271
Non-controlling interests of the subsidiaries					
Total comprehensive income for the year from continuing operation		5,433,281	971,280		
		239,300,631	266,775,290		

MFEC Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Earnings (loss) per share	28				
Profit (loss) attributable to equity holders of the Company					
Continuing operation		0.48	0.59	0.33	0.52
Discontinued operation		0.05	(0.01)	0.05	(0.01)
		0.53	0.58	0.38	0.51

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

MFEC Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2022

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company											Non-controlling interests of the subsidiaries	Total shareholders' equity
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				
					Other comprehensive income		Total other components of shareholders' equity					
			Appropriated - legal reserve	Unappropriated	Cash flow hedge reserve	Share of other comprehensive income from associates						
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 31)	-	-	-	-	(176,581,342)	-	-	-	(176,581,342)	-	(176,581,342)	
Subsidiaries paid dividends to their non-controlling interests (Note 14.2)	-	-	-	-	-	-	-	-	-	(2,650,940)	(2,650,940)	
Increase in non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	(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 34.1)	-	-	-	-	-	(5,607,657)	-	(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	

MFEC Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2022

(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
				Appropriated - legal reserve	Unappropriated		Cash flow hedge reserve	Share of other comprehensive income from associates	Total other components of shareholders' equity	
Balance as at 1 January 2022	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	2,013,740,812
Profit for the year	-	-	-	-	234,932,152	-	-	-	234,932,152	240,079,686
Other comprehensive income for the year	-	-	-	-	1,630,064	(3,490,316)	795,450	(2,694,866)	(1,064,802)	(779,055)
Total comprehensive income for the year	-	-	-	-	236,562,216	(3,490,316)	795,450	(2,694,866)	233,867,350	239,300,631
Dividend paid (Note 31)	-	-	-	-	(176,580,942)	-	-	-	(176,580,942)	(176,580,942)
Subsidiaries paid dividends to their non-controlling interests (Note 14.2)	-	-	-	-	-	-	-	-	-	(2,667,720)
Decrease in non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	655,260
Change in investment classification	-	-	-	-	-	-	-	-	-	(3,595,212)
Increase in non-controlling interests of a subsidiary from purchasing of investment in subsidiary	-	-	-	-	-	-	-	-	-	2,952,500
Transfer of cash flow hedge reserve to costs of work in process (Note 34.1)	-	-	-	-	-	(15,977,629)	-	(15,977,629)	(15,977,629)	(15,977,629)
Balance as at 31 December 2022	441,453,555	986,741,840	5,732,596	44,150,055	566,891,682	(16,767,759)	1,453,684	(15,314,075)	2,029,655,653	2,057,827,700

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

MFEC Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2022

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital	Share premium	Retained earnings		Other comprehensive income	Total shareholders' equity
			Appropriated - legal reserve	Unappropriated		
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 31)	-	-	-	(176,581,342)	-	(176,581,342)
Transfer of cash flow hedge reserve to costs of work in process (Note 34.1)	-	-	-	-	(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
Balance as at 1 January 2022	441,453,555	986,741,840	44,150,055	452,283,737	2,700,186	1,927,329,373
Profit for the year	-	-	-	167,587,378	-	167,587,378
Other comprehensive income for the year	-	-	-	(640,297)	(3,490,316)	(4,130,613)
Total comprehensive income for the year	-	-	-	166,947,081	(3,490,316)	163,456,765
Dividend paid (Note 31)	-	-	-	(176,580,942)	-	(176,580,942)
Transfer of cash flow hedge reserve to costs of work in process (Note 34.1)	-	-	-	-	(15,977,629)	(15,977,629)
Balance as at 31 December 2022	441,453,555	986,741,840	44,150,055	442,649,876	(16,767,759)	1,898,227,567

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 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before tax from continuing operation	269,498,204	334,010,271	183,377,303	290,281,756
Add: Profit (loss) before tax from discontinued operation	29,411,464	(5,854,669)	29,411,464	(5,854,669)
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	74,163,976	72,741,607	52,780,747	57,278,049
Loss on sales and written-off from equipment and intangible assets	5,658,352	2,832,094	5,658,172	2,014,493
Unrealised (gain) loss on exchange rate	(4,033,569)	1,320,645	(3,592,061)	570,772
Gain on revaluation of investments in debt mutual funds	(57,371)	(57,939)	-	-
Gain on sales of investments in debt mutual funds	(73,254)	(34,319)	-	-
(Gain) loss on measurement of derivatives at fair value	228,731	(21,469,411)	(42,005)	(21,472,821)
(Gain) loss on termination of lease agreement and reduction in lease payments	(1,137,087)	2,366,069	(683,068)	-
Bad debt and allowance for expected credit losses (reversal)	36,907	(1,311,666)	861,303	(46,000)
Loss on written-off of withholding tax deducted at source	19,288,357	-	19,239,606	-
Gain on sales of investment in subsidiary	-	-	(20,999)	-
Provision for penalties of project delay, project losses, and contingent liabilities arising from litigation	23,852,673	34,297,728	9,338,444	35,448,517
Allowance from impairment of investment in subsidiary and associates	-	-	25,100,000	16,100,000
Allowance for impairment loss on intangible assets	218,460	186,725	-	-

MFEC Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Provision for long-term employee benefits	23,595,562	20,414,096	19,437,427	16,245,011
Expense arising from share-based payments	-	180,000	-	-
Dividend Income	-	-	(43,267,530)	(30,930,611)
Interest income	(4,038,313)	(1,512,454)	(4,167,333)	(1,423,040)
Finance cost	18,214,456	11,530,344	15,781,750	8,321,567
Share of profit of investments in joint venture and associates	(8,219,808)	(8,700,093)	-	-
Gain from change in investment classification	(33,441,790)	-	-	-
Profit from operating activities before changes in operating assets and liabilities	413,165,950	440,939,028	309,213,220	366,533,024

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

MFEC Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Decrease (increase) in operating assets				
Restricted bank deposits	(13,450,856)	(821,054)	-	-
Trade and other receivables	34,073,217	264,546,761	64,331,490	300,354,121
Amounts due from related parties	(9,462,211)	742,567	(8,289,649)	(286,146)
Unbilled receivables	(89,308,601)	(335,063,711)	(91,879,792)	(314,740,131)
Costs of work in process and prepayment for cost of services	(323,371,051)	(405,633,508)	(306,765,720)	(383,189,044)
Other current assets	10,146,098	(29,442,912)	5,662,840	(20,693,080)
Other non-current assets	263,308	(841,403)	105,445	(635,062)
Increase (decrease) in operating liabilities				
Trade and other payables	(18,424,333)	(253,643,267)	(42,217,345)	(312,881,073)
Amounts due to related parties	(1,817,025)	17,890,176	(21,380,233)	79,609,251
Accrued expenses	(16,738,804)	58,585,601	(17,610,070)	38,888,270
Deferred income	324,937,790	355,079,199	326,424,625	324,349,559
Unbilled payables	42,719,476	(107,164,565)	34,028,089	(108,892,430)
Other current liabilities	(9,945,773)	17,083,828	(9,742,667)	15,541,745
Cash flows from (used in) operating activities	342,787,185	22,256,740	241,880,233	(16,040,996)
Cash paid for project penalties	(4,627,493)	(30,587,919)	(4,310,398)	(30,089,299)
Cash paid for liabilities arising from litigation	(5,159,125)	-	-	-
Cash paid for long-term employee benefits	(1,999,880)	(3,358,470)	(1,999,880)	(1,081,500)
Cash paid for corporate income tax	(164,089,453)	(129,667,753)	(144,314,786)	(125,579,069)
Cash refund from income tax	83,229,787	7,819,336	82,577,902	-
Net cash flows from (used in) operating activities	250,141,021	(133,538,066)	173,833,071	(172,790,864)

MFEC Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from investing activities				
Cash paid for purchase of investments in debt mutual funds	(36,000,000)	(32,000,000)	-	-
Cash received from sales of investments in debt mutual funds	45,500,000	28,500,000	-	-
Cash for losing control on subsidiary	(2,282,504)	-	-	-
Cash received from sales of investment in subsidiary	-	-	640,000	-
Cash paid for purchase of investment in subsidiary	-	-	(50,047,700)	(5,848,340)
Cash paid for purchase of investment in associate	(11,911,800)	-	(11,911,800)	-
Cash paid for disposals (acquisition) of non-controlling interests of a subsidiary	3,607,760	(896,310)	-	-
Cash paid for short-term loans to related companies	(20,100,000)	(40,000,000)	(30,100,000)	(40,000,000)
Cash received from short-term loans to related companies	-	30,000,000	-	30,000,000
Cash received from sales of equipment	34,655	-	34,655	-
Cash paid for purchase of building improvements and equipment	(25,213,829)	(32,726,021)	(20,616,378)	(28,358,016)
Cash paid for purchase of intangible assets	(7,137,121)	(8,580,866)	(1,221,390)	(883,604)
Cash received from interest income	2,210,143	1,512,454	2,051,560	1,423,040
Cash received from dividend	13,235,250	582,351	43,267,530	30,930,611
Net cash flows used in investing activities	(38,057,446)	(53,608,392)	(67,903,523)	(12,736,309)

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

MFEC Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from financing activities				
Increase in short-term loans from financial institutions	105,000,000	385,000,000	120,000,000	390,000,000
Cash received from short-term loan from related party	118,060,778	-	118,060,778	-
Cash paid for lease agreements	(35,367,580)	(35,701,164)	(28,077,715)	(27,030,404)
Payments of liabilities under installment payables	(21,861,313)	(29,201,925)	(21,861,313)	(29,201,926)
Cash received from installment payables	-	17,180,047	-	17,180,047
Cash paid for interest expenses	(8,691,016)	(3,078,277)	(8,437,325)	(2,152,889)
Dividend paid	(176,580,942)	(176,581,342)	(176,580,942)	(176,581,342)
Repayment of dividend from subsidiaries to non-controlling interests	(2,667,720)	(2,650,940)	-	-
Net cash flows from (used in) financing activities	(22,107,793)	154,966,399	3,103,483	172,213,486
Net increase (decrease) in cash and cash equivalents	189,975,782	(32,180,059)	109,033,031	(13,313,687)
Cash and cash equivalents of subsidiary classified as non-current assets held for sale	(49,842,219)	-	-	-
Cash and cash equivalents at the beginning of year	141,839,202	174,019,261	56,328,193	69,641,880
Cash and cash equivalents at end of year	281,972,765	141,839,202	165,361,224	56,328,193
Non-cash items				
Fair value from change in investment classification	39,907,010	-	-	-
Increase in right-of-use assets and lease liabilities from additional lease agreements	34,494,789	22,833,158	21,540,419	14,038,831
Transfer equipment to non-current assets held for sale	1,295,989	-	1,227,560	-
Transfer provision for long-term employee benefits to liabilities directly related to non-current assets held for sale	20,154,389	-	20,154,389	-

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

MFEC Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2022

1. General information

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.

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	
			2022 Percent	2021 Percent
Advance Intelligence Modernity Co.,Ltd	Development and sale of computer software, particularly entertainment media	Thai	-	98.20
Praln FinTech Co.,Ltd	Providing the electronic payment gateway services	Thai	71.62	71.62
Business Applications Co., Ltd.	Selling and developing computer programs, including the relevant services.	Thai	99.99	99.99
Motif Technology PCL.	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	
			2022 Percent	2021 Percent
Hongson Co., Ltd.	Providing the consulting services, designing the working systems and developing computer programs.	Thai	99.99	99.99
Msyne Innovations Co., Ltd.	Providing the consulting services, designing the working systems and consulting service to analyze data.	Thai	99.99	99.99
Playtorium Solutions Co., Ltd.	Consulting, system design and development of information system and personnel recruiting to work in the projects.	Thai	70.00	70.00
MISO Digital Co., Ltd.	Personnel recruitment and IT system maintenance	Thai	75.00	75.00
Venture Lab Co., Ltd.	Providing research and experimental development on other engineering and technology	Thai	99.99	99.99
Eastwind Holdings Co., Ltd.	Being a holding company, of mostly investing in non-financial sectors	Thai	94.21	-

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, joint venture and associates under the cost method.

3. New financial reporting standards

3.1 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 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 providing accounting guidance for users of the standards.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

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 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group 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 the calculation of operating results and no depreciation is provided on assets under installation and under construction.

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

No depreciation is provided on cost of research and development and program under development.

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 3 - 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.

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.

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
	2022	2021	2022	2021	
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
Sales of goods and services	-	-	7	7	Close to market price
Purchase of goods and services	-	-	210	189	Close to market price
Dividend income	-	-	29	30	As declared by subsidiaries
Transactions with joint venture and associates					
Sales of goods and services	5	103	5	103	Close to market price
Purchase of goods and services	28	52	28	52	Close to market price
Dividend income	14	-	14	1	As declared by associates
Transactions with related parties					
Sales of goods and services	1	3	1	3	Close to market price
Purchase of goods and services	16	-	16	-	Close to market price

As at 31 December 2022 and 2021, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Amounts due from related parties				
Subsidiaries	-	-	2,130	1,945
Associates	18,915	8,790	18,915	8,790
Related parties	164	69	164	69
Total amounts due from related parties	19,079	8,859	21,209	10,804
Amounts due to related parties				
Subsidiaries	-	-	55,858	75,155
Associates	22,094	24,194	22,094	24,194
Related parties	16	-	16	-
Total amounts due to related parties	22,110	24,194	77,968	99,349

Short-term loans to related parties and short-term loans from related party

As at 31 December 2022 and 2021, the balances of short-term 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 2021	Increase during the year	Balance as at 31 December 2022
Short-term loans to related companies			
Associates			
Angstrom Solutions Company Limited	25,300	20,000	45,300
Digital Savvy Company Limited	500	100	600
Total	25,800	20,100	45,900

(Unit: Thousand Baht)

	Separate financial statements		
	Balance as at 31 December 2021	Increase during the year	Balance as at 31 December 2022
Short-term loans to related parties			
Subsidiaries			
Motif Technology Public Company Limited	-	10,000	10,000
Associates			
Angstrom Solutions Company Limited	25,300	20,000	45,300
Digital Savvy Company Limited	500	100	600
Total	25,800	30,100	55,900

The Company provide a loan to Angstrom Solution Co., Ltd., an associate, with the loan principal of Baht 25.3 million together with accrued interest to be repaid by 30 December 2022. The loan included a one-time convertible right on the maturity date, which allows the Company to choose whether to receive loan repayment together with interest in full or convert to the loan to ordinary shares based on the mutually agreed-upon exercise price in accordance with the share conversion agreement. Subsequently, in 2022, the associated company obtained an additional loan of Baht 20 million, bringing the total loan principal amount to Baht 45.3 million. Both parties agreed to extend the loan repayment period in the original agreement from 30 December 2022 to 30 December 2023 because the associated company was unable to pay the loan within the originally specified repayment period, with all conditions specified in the original agreement remaining in effect.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	Balance as at 31 December 2021	Increase during the year	Balance as at 31 December 2022
Short-term loans to related companies			
Parent company			
TIS Inc.	-	118,061	118,061
Total	-	118,061	118,061

On 1 December 2022, the Board of Directors Meeting No. 6/2022 approved the borrowing from TIS Inc., who is the major shareholder holding 48.99% of the Company authorized and issued ordinary share, with unsecured loan facility not exceeding to Yen 2 billion (or approximately amounting to Baht 520 million as at loan agreement date). The loan can be drawdown with repayment within period of 1 year from the date of first loan drawdown or 31 December 2023, whichever date is earlier.

During the year 2022, the Company made the loan drawdown from TIS with loan balance of Baht 118 million with interest rate at 1.25%.

Directors and management's benefits

During the year ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Short-term employee benefits	87,126	84,984	56,164	56,352
Post-employment benefits	2,961	2,478	1,880	1,426
Total	90,087	87,462	58,044	57,778

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash	380	467	208	135
Bank deposits	281,593	141,372	165,153	56,193
Total	281,973	141,839	165,361	56,328

As at 31 December 2022, bank deposits in saving accounts and fixed deposits carried interests between 0.10 and 0.35 percent per annum (2021: 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	
	2022	2021	2022	2021
Trade receivables				
Aged on the basis of due dates				
Not yet due	854,072	1,064,304	776,790	1,001,207
Past due				
Up to 3 months	374,938	177,854	352,379	156,372
3 - 6 months	15,092	29,506	13,519	29,487
6 - 12 months	3,626	17,032	2,608	16,879
Over 12 months	314,577	295,201	285,396	269,759
Total	1,562,305	1,583,897	1,430,692	1,473,704
Less: Allowance for expected credit losses	(38,996)	(33,274)	(38,996)	(32,986)
Total trade receivables - net	1,523,309	1,550,623	1,391,696	1,440,718
Other receivables				
Receivable from Revenue Department	172,486	174,390	161,796	169,366
Other receivables	31,296	52,889	27,953	49,171
Total	203,782	227,279	189,749	218,537
Less: Allowance for expected credit losses	(21,871)	(24,019)	(20,019)	(22,167)
Total other receivables - net	181,911	203,260	169,730	196,370
Total trade and other receivables - net	1,705,220	1,753,883	1,561,426	1,637,088

As at 31 December 2022, the allowance for expected credit losses with respect to trade receivables amounting to Baht 17 million (2021: Baht 17 million) (the Company only: Baht 16 million, 2021: 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	
	2022	2021	2022	2021
Unbilled receivables	1,159,408	1,077,743	1,116,081	1,024,202
Less: Allowance for expected credit losses	(13,572)	(17,109)	(2,208)	(5,209)
Total unbilled receivables - net	1,145,836	1,060,634	1,113,873	1,018,993

As at 31 December 2022, the Group had outstanding income of Baht 1,146 million expected to be paid within one year (2021: Baht 1,067 million) and Baht 13 million expected to be paid after one year (2021: Baht 11 million).

As at 31 December 2022, the allowance for expected credit losses of unbilled receivables amounting to Baht 2 million (2021: Baht 6 million) (the Company only: Baht 1 million, 2021: 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	
	2022	2021	2022	2021	2022	2021
Finished goods	35,915	26,331	(7,056)	(7,056)	28,859	19,275
Work in process	362,484	302,399	-	-	362,484	302,399
Goods in transit	1,557	3,263	-	-	1,557	3,263
Total	399,956	331,993	(7,056)	(7,056)	392,900	324,937

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	9,231	10,100	(7,056)	(7,056)	2,175	3,044
Work in process	405,719	271,850	-	-	405,719	271,850
Goods in transit	1,176	3,263	-	-	1,176	3,263
Total	416,126	285,213	(7,056)	(7,056)	409,070	278,157

12. Other current financial assets

(Unit: Thousand Baht)

	Consolidated financial statements	
	2022	2021
Financial assets at FVTPL		
Investments in debt mutual funds	48,479	57,848
Total	48,479	57,848

13. Non-current assets held for sale and discontinued operation

On 1 December 2022, The Board of Directors' Meeting No. 6/2022 resolved to approve the significant resolutions below:

1. Approved the establishment of Vulcan Digital Delivery Co., Ltd. ("VDD") for the purpose of internal business restructuring of the Group. VDD has a registered capital value of Baht 50 million, consisting of 500,000 ordinary shares with a par value of Baht 100 per share. VDD is a subsidiary under Eastwind Holdings Co., Ltd. ("EWH"), a new subsidiary establishment as stated in Note 14.1 to financial statements, with 100% shareholding in such company.

2. Approved the Company's internal business restructure in which assets used in the Digital Delivery business unit under the Company, such as computers, related IT equipment and employees approximately to 300 persons in the position of software developers and related staffs in support function, transferring to VDD, an indirect subsidiary of the Company.

3. Approved EWH, a subsidiary, to transfer all of its business to Bluebik Group Public Company Limited ("BBIK") according to the entire business transfer process ("EBT"). As a result of the entire business transfer, assets, liabilities, all rights, duties and responsibilities of EWH that exist at present and continue to exist in the future as of the date of the business transfer, i.e., VDD's ordinary shares, are to be transferred to BBIK. As a result, VDD, was held by EWH, would no longer be subsidiary of the Group as of the date the entire business transfer was completed.

Subsequently, on 20 February 2023, EWH has transferred VDD's share by the entire business to BBIK and received cash totaling Baht 691 million.

To comply with the requirements of TFRS 5 (Revised 2021) regarding non-current assets held for sale and discontinued operations, the Group presents the Digital Delivery business unit separately as "Non-current assets held for sale" in the statement of financial position as at 31 December 2022 and the assets are measured at the lower of book value and fair value less costs to sell.

As at 31 December 2022, assets and liabilities reclassified as held for sale were as follows.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Non-current assets held for sale		
Cash and cash equivalents	49,842	-
Other current assets	46	-
Equipment	1,296	1,228
Total	51,184	1,228
Liabilities directly related to non-current assets held for sale		
Trade and other payables	11	-
Accrued expenses	34	-
Provision for long-term employee benefits	20,154	20,154
Total	20,199	20,154

Discontinued operations which was presented in the statement of comprehensive income for the year ended 31 December 2022 and 2021 were as follows.

(Unit: Thousand Baht)

	Consolidated financial statements				Total	
	Continuing operation		Discontinued operation			
	2022	2021	2022	2021	2022	2021
Revenues						
Sales and services income	5,421,308	4,910,052	425,470	264,311	5,846,778	5,174,363
Gain on derivatives at fair value	-	21,470	-	-	-	21,470
Gain from change in investment classification	33,442	-	-	-	33,442	-
Other income	31,799	10,684	-	-	31,799	10,684
Total revenues	5,486,549	4,942,206	425,470	264,311	5,912,019	5,206,517
Expenses						
Cost of sales and services	4,474,181	4,047,443	337,682	216,636	4,811,863	4,264,079
Selling and distribution expenses	136,622	116,878	-	-	136,622	116,878
Administrative expenses	595,965	441,044	58,376	53,530	654,341	494,574
Loss on derivatives at fair value	288	-	-	-	288	-
Total expenses	5,207,056	4,605,365	396,058	270,166	5,603,114	4,875,531
Operating profit (loss)	279,493	336,841	29,412	(5,855)	308,905	330,986
Share of profit from investments in joint venture and associates	8,220	8,700	-	-	8,220	8,700
Finance cost	(18,215)	(11,531)	-	-	(18,215)	(11,531)
Profit (loss) before income tax expenses	269,498	334,010	29,412	(5,855)	298,910	328,155
Income tax expenses	(52,422)	(70,196)	(6,408)	-	(58,830)	(70,196)
Profit (loss) for the year	217,076	263,814	23,004	(5,855)	240,080	257,959
Earnings (loss) per share:						
Earnings (loss) per share (Baht/share)	0.48	0.59	0.05	(0.01)	0.53	0.58

(Unit: Thousand Baht)

	Separate financial statements				Total	
	Continuing operation		Discontinued operation			
	2022	2021	2022	2021	2022	2021
Revenues						
Sales and services income	4,877,956	4,502,460	425,470	264,311	5,303,426	4,766,771
Dividend income	43,268	30,931	-	-	43,268	30,931
Gain from change in investment classification	-	21,473	-	-	-	21,473
Other income	31,533	7,745	-	-	31,533	7,745
Total revenues	4,952,757	4,562,609	425,470	264,311	5,378,227	4,826,920
Expenses						
Cost of sales and services	4,146,998	3,806,084	337,682	216,636	4,484,680	4,022,720
Selling and distribution expenses	114,970	104,679	-	-	114,970	104,679
Administrative expenses	491,630	353,242	58,376	53,530	550,006	406,772
Total expenses	4,753,598	4,264,005	396,058	270,166	5,149,656	4,534,171
Operating profit (loss)	199,159	298,604	29,412	(5,855)	228,571	292,749
Finance cost	(15,782)	(8,322)	-	-	(15,782)	(8,322)
Profit (loss) before income tax expenses	183,377	290,282	29,412	(5,855)	212,789	284,427
Income tax expenses	(38,793)	(58,154)	(6,408)	-	(45,201)	(58,154)
Profit (loss) for the year	144,584	232,128	23,004	(5,855)	167,588	226,273
Earnings (loss) per share:						
Earnings (loss) per share (Baht/share)	0.33	0.52	0.05	(0.01)	0.38	0.51

Net cash flow for the year ended 31 December 2022 and 2021 of Digital delivery business unit are as follows:

(Unit: Thousand Baht)

	For the year ended 31 December	
	2022	2021
Cash flows from operating activities	23,182	(5,486)
Cash flows from investing activities	(751)	(894)
Net increase (decrease) in cash and cash equivalents	22,431	(6,380)

14. Investments in subsidiaries

14.1 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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Advance Intelligence Modernity Company Limited	-	10,000	-	98.20	-	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 Co., Ltd.	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	(225,653)	(212,253)	26,274	39,674
Hongson Co., Ltd.	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	-	72.90	-	5,641	-	-	-	5,641
MISO Digital Company Limited	5,000	5,000	75.00	75.00	14,424	14,424	-	-	14,424	14,424
Venture Lab Company Limited	7,000	5,000	99.99	99.99	7,000	5,000	-	-	7,000	5,000
Eastwind Holdings Co., Ltd.	51,000	-	94.21	-	48,048	-	-	-	48,048	-
Total investments in subsidiaries - net					732,991	694,584	(273,287)	(265,887)	459,704	428,697

For the year ended 31 December 2022, 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 13.4 million (2021: Baht 8.3 million) in the separate statement of comprehensive income.

Advance Intelligence Modernity Company Limited

Liquidation process was completed on 18 July 2022.

Data Cafe Company Limited

In April 2022, the Company disposed of its investments in ordinary shares in Data Cafe Company Limited, a subsidiary, whereby 32,000 shares were sold at a price of Baht 20 per share, representing selling price of Baht 0.64 million to an employee, who is a director and an executive in the subsidiary. The purpose of the sale is to motivate an employee to help driving future growth of the organisation. As a result, the Company's shareholding in Data Cafe Company Limited decreased from 72.9% to 64.9% of the registered and paid-up capital of the subsidiary.

In June 2022, Data Cafe Company Limited ("DC") increased its registered capital from Baht 8 million to Baht 12 million by issuing 215,385 new ordinary shares with a par value of Baht 20 per share. The newly issued shares are to be offered to external investor, as a joint business partner of the Company, for the purpose of strengthening competitiveness and driving business growth of DC.

After the increase of DC's registered capital and the establishment of business partnership with external investor, as mentioned above, the Company's shareholding in DC decreased from 64.90% to 42.19%. As a result of the change in the Company's control over DC caused the Company to change its investment classification in DC from a subsidiary to a joint venture.

Venture Lab Company Limited

On 1 November 2022, the Extraordinary General Meeting of Shareholding No. 1/2022 of Venture Lab Company Limited, resolved to approved the increase of registered capital from Baht 5 million, consisting of 50,000 ordinary shares with a par value of Baht 100 per share, to Baht 7 million, consisting of 70,000 ordinary shares with a par value of Baht 100 per share to maintain the percentage of shareholding in the subsidiary at 100%.

Eastwind Holdings Co., Ltd.

On 1 December 2022, the Board of Directors Meeting No. 6/2022 resolved to approve the establishment of Eastwind Holdings Co., Ltd. ("EWH") for the purpose of internal business restructuring of the group with a registered capital value of Baht 51 million, consisting of 510,000 ordinary shares with a par value of Baht 100 per share. The Company's shareholding in EWH was at 94.21%.

14.2 During the years ended 31 December 2022 and 2021, the Company received dividend from its subsidiaries as below.

(Unit: Thousand Baht)

Company's name	2022	2021
Playtorium Solutions Company Limited	2,800	2,100
Msyne Innovations Company Limited	9,900	7,999
MISO Digital Co., Ltd.	3,750	5,250
Business Applications Co., Ltd.	10,000	10,000
Hongson Co., Ltd.	3,000	5,000
	29,450	30,349

15. Investments in joint venture and associates
15.1 Details of joint venture and 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	
			2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
			(Percent)	(Percent)								
Data Cafe' Company Limited	Providing consulting services to analyse all types of business information	Thai	42	-	40,719	-	5,022	-	-	-	5,022	-
Angstrom Solutions Company Limited	Information & Communication Technology	Thai	40	40	41,741	41,688	44,000	44,000	-	-	44,000	44,000
PromptNow Company Limited	Creates entertainment media for electronics devices	Thai	20	20	67,036	64,747	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	2,925	3,330	22,800	22,800	(15,600)	(4,000)	7,200	18,800
Digital Savvy Company Limited	Provides sale of tickets and advertising services	Thai	42	42	5,670	5,730	16,465	16,465	(10,800)	(10,700)	5,665	5,765
I2 Enterprise Public Company Limited (Formerly known as "I Two Enterprise Company Limited")	Provides sale and installation of telecommunication systems and implementation of various communication systems	Thai	15	15	68,876	63,873	61,412	49,500	-	-	61,412	49,500
Total investment in joint venture and associates - net					226,967	179,368	153,379	136,445	(26,400)	(14,700)	126,979	121,745

Fanster Media Company Limited

For the year ended 31 December 2022, 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 associate 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 11.6 million (2021: Baht 4 million).

Digital Savvy Company Limited

For the year ended 31 December 2022, the Company recorded allowance for impairment of investment in Digital Savvy Company Limited amounting to Baht 0.1 million (2021: Baht 3.8 million). The associate company 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.

I2 Enterprise Public Company Limited (Formerly known as "I2 Enterprise Company Limited")

On 18 April 2022, the Annual General Meeting of shareholders of I2 Enterprise Public Company Limited ("I2") resolved to approve the increase of its registered capital, from the original registered capital of Baht 70.59 million (705,882 ordinary shares with a par value of Baht 100 per share) to a new registered capital of Baht 150 million (1,500,000 ordinary shares with a par value of Baht 100 per share) through offering of the newly issued shares to the existing shareholders in proportion to their respective shareholding (Right Offering) with the subscription ratio of 1:1.125 at the subscription price of Baht 100 per share.

The Company received the right to subscribe for newly issued shares (Right Offering) totaling 119,118 shares at the subscription price of Baht 100 per share, or equivalent to Baht 11.91 million. As a result of the share subscription, the Company's shareholding in I2 remains at 15%.

On 1 July 2022, the Extraordinary General Meeting of Shareholders of I2 resolved to approve the transformation from a company limited to a public company limited, the change in par value of shares, and increase in the registered share capital. On 8 July 2022, I2 has proceeded in accordance with the EGM resolutions by register amendment and change in the corporate information with the Ministry of Commerce as follows.

a) Register the transform of the company status from a company limited to a public company limited and changed its name from "I Two Enterprise Company Limited" to "I2 Enterprise Public Company Limited".

b) Register the change in par value from Baht 100 per share to Baht 0.50 per share. As a result, the number of shares of I2 has increased from 1,500,000 shares to 300,000,000 shares.

c) Register the change in registered share capital from Baht 150,000,000 to Baht 210,000,000 through issuance of 120,000,000 new ordinary shares with a par value of Baht 0.50 per share, or equivalent to Baht 60 million to support an Initial Public Offering (IPO).

Data Cafe Company Limited

As stated in Note 14.1 to financial statements, the Company's shareholding in DC decreased from 64.90% to 42.19%, including the change in the Company's control over DC caused the Company to change its investment classification in DC from a subsidiary to a joint venture. The Company recognised investment amount based on fair value of its investment proportion of Baht 40 million in the consolidated statement of financial position. In addition, gain from change in investment classification of Baht 33 million was recorded to reflect the increase in fair value of investment in the joint venture, and presented in the consolidated statement of comprehensive income for the current year.

Fair value of assets and liabilities assumed of DC as at investment status changes date were summarised below.

(Unit: Thousand Baht)

Cash and cash equivalents	37,283
Trade and other receivables	3,368
Amounts due from related parties	1,070
Unbilled receivables	7,644
Costs of work in process	162
Other current assets	313
Building improvement and equipment	228
Deferred tax assets	343

(Unit: Thousand Baht)

Trade and other payables	(1,162)
Amounts due to related parties	(267)
Accrued expenses	(357)
Income tax payable	(56)
Deferred income	(56)
Unbilled payables	(2,399)
Other current liabilities	(175)
Provision for long-term employee benefits	(890)
Net assets of DC	45,049
Investment portion (%)	42.185
Net assets in proportion of the Company	19,004
Add: The difference between the fair value as at the classification date of investment and the fair value of net assets of the joint venture	20,903
Fair value of investment in a joint venture	39,907

Reconciliation of gain from change in investment classification was summarised below.

(Unit: Thousand Baht)

Fair value of investment in a joint venture	39,907
Add: Non-controlling interests of DC	3,595
Less: Net book value of DC before changing its investment classification	(10,060)
Gain from change in investment classification	33,442

15.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of profit (loss) from investments in joint venture and associates and dividend received as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements		Dividend received during the year	
	Share of profit (loss) from investments in joint venture and associates during the year		Share of other comprehensive income from investments in joint venture and associates during the year			
	2022	2021	2022	2021	2022	2021
Data Café Company Limited	769	-	42	-	583	-
Angstrom Solutions Company Limited	53	212	-	-	-	-
Promptnow Company Limited	1,537	1,679	753	(24)	-	-
Fanster Media Company Limited	(405)	(929)	-	-	-	-
Digital Savvy Company Limited	(61)	(3,810)	-	-	-	-
I2 Enterprise Public Company Limited (Formerly known as "I2 Enterprise Company Limited")	6,327	11,548	-	65	13,235	582
Total	8,220	8,700	795	41	13,818	582

15.3 Summarised financial information about material associates

Summarised information about financial position

(Unit: Thousand Baht)

	Angstrom Solutions Company Limited		PromptNow Company Limited		I2 Enterprise Public Company Limited	
	2022	2021	2022	2021	2022	2021
Current assets	625	439	149,983	158,516	603,681	441,239
Non-current assets	199,858	179,324	23,087	26,471	206,894	180,116
Current liabilities	(89,206)	(64,826)	(20,432)	(40,047)	(448,883)	(277,477)
Non-current liabilities	(6,679)	(10,622)	(5,815)	(9,564)	(97,625)	(113,018)
Net assets	104,598	104,315	146,823	135,376	264,067	230,860
Shareholding percentage (%)	40	40	20	20	15	15
Share of net assets	41,839	41,726	29,365	27,075	39,610	34,629
Goodwill	-	-	37,514	37,514	29,245	29,245
Others	(98)	(38)	157	158	21	(1)
Carrying amounts of associates based on equity method	41,741	41,688	67,036	64,747	68,876	63,873

Summarised information about comprehensive income

(Unit: Thousand Baht)

	Angstrom Solutions Company Limited		PromptNow Company Limited		I2 Enterprise Public Company Limited	
	2022	2021	2022	2021	2022	2021
Revenue	13,157	12,113	196,473	96,814	935,862	1,366,402
Profit	132	529	7,683	8,394	42,180	76,986
Other comprehensive income	-	-	3,765	(120)	-	432
Total comprehensive income	132	529	11,448	8,274	42,180	77,418

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.

16. Building improvements and equipment

Movements of building improvements and equipment for the year ended 31 December 2022 and 2021 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 2021	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
Additions	-	7,923	13,899	-	2,330	1,062	25,214
Disposals/write-off	-	(863)	(3,826)	-	-	-	(4,689)
Transfers in (out)	-	1,018	3	-	-	(1,021)	-
Decrease from change of investment in subsidiary to joint venture	(340)	(260)	(388)	-	-	-	(988)
Transfers to non-current assets held for sale	-	(4,422)	(69)	-	-	-	(4,491)
31 December 2022	50,315	167,780	226,822	25,752	15,900	41	486,610
Accumulated depreciation:							
1 January 2021	19,791	123,566	230,886	18,860	4,002	-	397,105
Depreciation for the year	7,169	14,458	11,319	34	2,463	-	35,443
Depreciation on disposals/write-off	(362)	(8,235)	(39,712)	(22)	(426)	-	(48,757)
31 December 2021	26,598	129,789	202,493	18,872	6,039	-	383,791
Depreciation for the year	6,124	13,092	9,973	101	2,416	-	31,706
Depreciation on disposals/write-off	-	(863)	(2,133)	-	-	-	(2,996)
Decrease from change of investment in subsidiary to joint venture	(307)	(234)	(219)	-	-	-	(760)
Transfers to non-current assets held for sale	-	(3,194)	(1)	-	-	-	(3,195)
31 December 2022	32,415	138,590	210,113	18,973	8,455	-	408,546
Allowance for impairment loss:							
1 January 2021	-	10,150	-	6,600	-	-	16,750
31 December 2021	-	10,150	-	6,600	-	-	16,750
31 December 2022	-	10,150	-	6,600	-	-	16,750
Net book value:							
31 December 2021	24,057	24,445	14,710	280	7,531	-	71,023
31 December 2022	17,900	19,040	16,709	179	7,445	41	61,314
Depreciation for the year							
2021 (Baht 15 million included in cost of sales and services, and the balance in selling and administrative expenses)							35,443
2022 (Baht 14 million included in cost of sales and services, and the balance in selling and administrative expenses)							31,706

(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 2021	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
Additions	-	7,583	11,972	-	-	1,062	20,617
Disposals/write-off	-	(742)	(3,207)	-	-	-	(3,949)
Transfers in (out)	-	1,021	-	-	-	(1,021)	-
Transfers to non-current assets held for sale	-	(4,422)	-	-	-	-	(4,422)
31 December 2022	37,887	159,292	207,468	25,443	5,303	41	435,434
Accumulated depreciation:							
1 January 2021	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
Depreciation for the year	4,753	12,039	8,244	-	861	-	25,897
Depreciation on disposals/write-off	-	(740)	(1,515)	-	-	-	(2,255)
Transfers to non-current assets held for sale	-	(3,194)	-	-	-	-	(3,194)
31 December 2022	27,163	131,804	193,814	18,834	3,491	-	375,106
Allowance for impairment loss:							
1 January 2021	-	10,150	-	6,600	-	-	16,750
31 December 2021	-	10,150	-	6,600	-	-	16,750
31 December 2022	-	10,150	-	6,600	-	-	16,750
Net book value:							
31 December 2021	15,477	22,003	11,618	9	2,673	-	51,780
31 December 2022	10,724	17,338	13,654	9	1,812	41	43,578
Depreciation for the year							
2021 (Baht 14 million included in cost of sales and services, and the balance in selling and administrative expenses)							29,582
2022 (Baht 13 million included in cost of sales and services, and the balance in selling and administrative expenses)							25,897

As at 31 December 2022, 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 173 million (2021: Baht 168 million) (the Company only: Baht 161 million, 2021: Baht 154 million).

17. Leases

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 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 3 - 6 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
1 January 2021	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
Additions	34,543	21,540
Decrease	(4,588)	(376)
Depreciation for the year	(28,200)	(23,014)
31 December 2022	91,921	70,661

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Lease payments	101,011	99,792	76,394	78,657
Less: Deferred interest expenses	(14,529)	(16,143)	(10,197)	(12,115)
Total	86,482	83,649	66,197	66,542
Less: Portion due within one year	(28,924)	(21,842)	(23,047)	(16,651)
Lease liabilities - net of current portion	57,558	61,807	43,150	49,891

A maturity analysis of lease payments is disclosed in Note 34.2 under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	28,200	27,785	23,014	22,773
Interest expense on lease liabilities	9,498	8,452	7,344	6,169
Expense relating to short-term leases	1,623	1,689	354	234

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 37 million (2021: Baht 37 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 34 million (2021: Baht 23 million).

18. 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	11.0	12.0	11.0

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.

19. Other intangible assets

The net book value of intangible assets as at 31 December 2022 and 2021 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 2021	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
Internal cost	1,226	2,135	2,775	1,001	-	7,137
write-off	(82)	-	(3,999)	-	-	(4,081)
31 December 2022	57,776	56,876	5,077	1,001	500	121,230
Accumulated amortisation:						
1 January 2021	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
Amortisation for the year	3,924	10,334	-	-	-	14,258
Amortisation on write-off	(81)	-	-	-	-	(81)
31 December 2022	48,450	40,765	3,448	-	-	92,663
Allowance for impairment loss:						
1 January 2021	3,357	13,193	-	-	-	16,550
Increase during the year	-	-	-	-	187	187
31 December 2021	3,357	13,193	-	-	187	16,737
Increase during the year	-	-	-	-	218	218
31 December 2022	3,357	13,193	-	-	405	16,955
Net book value:						
31 December 2021	8,668	11,117	2,853	-	313	22,951
31 December 2022	5,969	2,918	1,629	1,001	95	11,612
Amortisation for the year						
2021 (Baht 8 million included in cost of sales and services, and the balance in selling and administrative expenses)						9,514
2022 (Baht 14 million included in cost of sales and services, and the balance in selling and administrative expenses)						14,258

(Unit: Thousand Baht)

	Separate financial statements				
	Computer software	Deferred of project system software	Cost of research and development	Program under development	Total
Cost:					
1 January 2021	55,455	32,781	3,594	178	92,008
Acquisitions/internal cost	479	-	405	-	884
Disposals/write-off	(410)	-	-	-	(410)
Transfer in (out)	178	-	-	(178)	-
31 December 2021	55,702	32,781	3,999	-	92,482
Acquisitions	1,221	-	-	-	1,221
Write-off	(81)	-	(3,999)	-	(4,080)
31 December 2022	56,842	32,781	-	-	89,623
Accumulated amortisation:					
1 January 2021	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
Amortisation for the year	3,868	2	-	-	3,870
Amortisation on write-off	(81)	-	-	-	(81)
31 December 2022	47,532	22,667	-	-	70,199
Allowance for impairment loss:					
1 January 2021	3,357	10,114	-	-	13,471
31 December 2021	3,357	10,114	-	-	13,471
31 December 2022	3,357	10,114	-	-	13,471
Net book value:					
31 December 2021	8,600	2	3,999	-	12,601
31 December 2022	5,953	-	-	-	5,953
Amortisation for the year					
2021 (All amortisation included in selling and administrative expenses)					4,923
2022 (All amortisation included in selling and administrative expenses)					3,870

As at 31 December 2022, 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 82 million (2021: Baht 42 million) (the Company only: Baht 42 million, 2021: Baht 41 million).

20. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Short-term loans from financial institutions	0.90 - 4.25	510,000	405,000	510,000	390,000
Total		510,000	405,000	510,000	390,000

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

As at 31 December 2022, the short-term loans from banks credit facilities of the Group which have not yet been drawn down amounted to Baht 1,597 million (2021: Baht 1,619 million).

21. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade and other payables	819,174	893,503	711,034	794,302
Escrow payables	51,140	37,674	-	-
Revenue Department payable	77,195	39,862	74,387	36,828
Total trade and other payables	947,509	971,039	785,421	831,130

22. Installment payables

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2022	2021
Installment payables	45,676	67,537
Less: Current portion	(21,861)	(21,861)
Net of current portion	23,815	45,676

Installment payables are non-interest bearing and has 5 - 6 repayment periods, approximately 44 - 55 months.

23. Provision for penalties of project delay and project loss

(Unit: Thousand Baht)

	Consolidated financial statement		
	Penalties for project delays	Project losses	Total
1 January 2021	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
Increase (decrease) including actual incurred during the year	(3,482)	7,126	3,644
Paid during the year	(4,627)	-	(4,627)
31 December 2022	20,011	18,253	38,264

(Unit: Thousand Baht)

	Separate financial statement		
	Penalties for project delays	Project losses	Total
1 January 2021	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
Increase including actual incurred during the year	692	8,647	9,339
Paid during the year	(4,310)	-	(4,310)
31 December 2022	20,011	15,388	35,399

24. 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	
	2022	2021	2022	2021
Provision for long-term employee benefits at beginning of year	181,013	164,542	152,522	137,942
Included in profit or loss:				
Current service cost	19,169	17,940	15,635	14,197
Interest cost	4,284	2,474	3,802	2,049
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Financial assumptions changes	(13,922)	61	(10,814)	(15,561)
Experience adjustments	11,614	14,977	11,614	14,977
Benefits paid during the year	(2,000)	(3,359)	(2,000)	(1,082)
Decrease from change in investment in subsidiary to investment in joint venture	(747)	-	-	-
Transfer to liabilities directly related to non-current assets held for sale	(20,154)	-	(20,154)	-
Provision for long-term employee benefits at end of year	179,257	181,013	150,605	152,522

The Group expects to pay Baht 28 million of long-term employee benefits during the next year (2021: Baht 3 million) (the Company only: Baht 28 million, 2021: Baht 3 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 12 - 21 years (2021: 12 - 21 years) (the Company only: 13 years, 2021: 13 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Discount rate	1.81 - 3.21	1.49 - 2.50	3.21	2.50
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)

	2022			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (change 1%)	(17.2)	(17.2)	(14.0)	16.1
Salary increase rate (change 1%)	18.8	18.8	14.7	(13.0)
Turnover rate (change 20%)	(20.4)	(20.4)	(16.5)	20.6

(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

25. 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. Currently, the Company completely set aside a statutory reserve.

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 cannot be used for dividend payment.

26. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Salaries and wages and other employee benefits	1,540,339	1,364,049	1,309,148	1,162,684
Depreciation and amortisation	74,164	72,742	52,781	57,278
Purchase of inventories and service	3,248,143	2,900,029	3,175,532	2,860,036
Gain (loss) on exchange rate	26,157	(11,260)	21,910	(9,425)
Impairment loss on investment in subsidiary	-	-	13,400	8,300
Impairment loss on investment in associates	-	-	11,700	7,800

27. Income tax

Income tax expenses for the year ended 31 December 2022 and 2021 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Current income tax:				
Current income tax charge	64,481	70,231	50,067	58,031
Deferred tax:				
Relating to origination and reversal of temporary differences	(5,651)	(35)	(4,865)	123
Less: Income tax expenses from discontinued operation (Note 13)	(6,408)	-	(6,408)	-
Income tax expenses from continuing operation reported in profit or loss	52,422	70,196	38,794	58,154

The amounts of income tax relating to each component of other comprehensive income for the year ended 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax on actuarial gain (loss)	678	127	(160)	117
Deferred tax on gain (loss) from cash flow hedges	(873)	2,077	(873)	2,077
	(195)	2,204	(1,033)	2,194

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Accounting profit (loss) before tax				
- From continuing operation	267,663	334,010	183,377	290,282
- From discontinued operation (Note 13)	29,412	(5,855)	29,412	(5,855)
	297,075	328,155	212,789	284,427
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	59,415	65,631	42,558	56,885
Effects of income to adjustment of previous year	(119)	-	-	-
Effects of eliminated transactions	(6,276)	1,495	-	-
Effects of changes in the tax rate	9	(41)	-	-
Temporary differences and tax losses for the year for which deferred tax assets were not recognised	8,479	5,222	5,020	3,220
Temporary differences of previous year which were recognised as deferred tax assets during the year	979	(947)	980	(947)
Reversal of temporary differences which were recognised as deferred tax assets of previous year	(84)	5,410	-	4,833
Tax losses utilised during the year for which deferred tax assets were not previously recognised	(353)	(491)	-	-
Effects of:				
Non-deductible expenses	6,191	1,636	5,888	1,195
Exempt revenues	(612)	(1,331)	(590)	(846)
Additional expense deductions allowed	(8,799)	(6,388)	(8,654)	(6,186)
Total	(3,220)	(6,083)	(3,356)	(5,837)
Less: Income tax expenses from discontinued operation (Note 13)	(6,408)	-	(6,408)	-
Income tax expense from continuing operation reported in profit or loss	52,422	70,196	38,794	58,154

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax assets				
Allowance for expected credit losses	12,245	12,237	12,245	12,073
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	38,927	35,274	34,152	30,504
Provision for penalties of project delay and project loss	7,080	5,350	7,080	5,350
Provision for decommissioning	983	965	983	965
Unrealised loss on derivative at fair value	4,192	-	4,192	-
Lease	497	1,034	518	1,061
Total	65,339	56,275	60,585	51,368
Deferred tax liabilities				
Unrealised gain on derivative at fair value	-	675	-	675
Unrealised gain from change in value of investments in debt mutual fund	59	38	-	-
Total	59	713	-	675

As at 31 December 2022, the Group has deductible temporary differences and unused tax losses totaling Baht 94 million (2021: Baht 77 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 60 million will expire by 2027 (2021: Baht 53 million will expire by 2026).

28. 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.

29. 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.

29.1 Timing of revenue recognition

(Unit: Thousand Baht)

	Consolidated financial statements					
	Continuing operation		Discontinued operation		Total	
	2022	2021	2022	2021	2022	2021
Revenue recognised at a point in time	358,857	404,313	-	-	358,857	404,313
Revenue recognised over time	5,062,451	4,505,739	425,470	264,311	5,487,921	4,770,050
Total revenue from contracts with customers	5,421,308	4,910,052	425,470	264,311	5,486,778	5,174,363

(Unit: Thousand Baht)

	Separate financial statements					
	Continuing operation		Discontinued operation		Total	
	2022	2021	2022	2021	2022	2021
Revenue recognised at a point in time	131,158	247,709	-	-	131,158	247,709
Revenue recognised over time	4,746,798	4,254,751	425,470	264,311	5,172,268	4,519,062
Total revenue from contracts with customers	4,877,956	4,502,460	425,470	264,311	5,303,426	4,766,771

29.2 Major customers

For the year 2022, the Group has revenue from two major customers in totaling of Baht 1,864 million (2021: Baht 1,129 million), arising mostly from systems integration and IT professional service segments.

30. 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 2022 amounting to approximately Baht 50 million (2021: Baht 36 million) (The Company only: Baht 46 million and 2021: Baht 33 million) were recognised as expenses.

31. Dividends

Dividends	Approved by	Dividends paid (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2020	Annual General Meeting of the shareholders on 26 April 2021	176,581	0.40
Total dividends for 2021		176,581	
Final dividends for 2021	Annual General Meeting of the shareholders on 25 April 2022	176,581	0.40
Total dividends for 2022		176,581	

32. Commitments and contingent liabilities

32.1 Guarantees

As at 31 December 2022, the Company had outstanding bank guarantees of Baht 616 million and USD 0.1 million (2021: Baht 497 million and USD 1 million) and on behalf of the subsidiaries of Baht 28 million (2021: Baht 27 million) in respect of certain performance obligations required in the normal course of business of the Group.

32.2 Obligations relating to undelivered or unrendered contracts

As at 31 December 2022, the Group has contracts related to selling goods or rendering services that are undelivered or unrendered to its customers of approximately Baht 7,527 million (2021: Baht 6,384 million) and of approximately Baht 7,116 million for the Company only (2021: Baht 6,198 million).

32.3 Contingent liabilities on 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 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 2022, 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 purchases/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 late delivery of work claiming damages of Baht 141 million.

On 28 November 2022, the Civil Court ordered the defendant to pay damages to the plaintiff amounting to Baht 15 million, together with interest at a rate of 7.5% per annum for the period from 7 December 2017 until 10 April 2021 and a rate of 5% per annum for the period from 11 April 2021 until the payment is settled with the plaintiff.

Currently, the subsidiary is in the progress of filing an appeal against the court judgment.

As at 31 December 2022, the management estimated contingent liabilities arising from such compensation and set aside provision of Baht 15 million accordingly.

Case 3

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.

On 8 April 2022, the Southern Bangkok Civil Court ruled against the subsidiary, ordering the subsidiary to make payment of Baht 5 million to the opposing party, together with interest thereon at the rate of 15% per annum.

On 8 June 2022, the subsidiary settled final payment approximately amounting to Baht 5 million (including interest) to the opposing party in a lawsuit in accordance with judgement by the court to settle the case. As a result, there are no contingent liabilities which could further arise from such lawsuit.

33. Fair value hierarchy

As at 31 December 2022 and 2021, 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 2022			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Investments in debt mutual funds	-	48	-	48
Derivatives				
Foreign currency forward contracts	-	2	-	2
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	27	-	27

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Investments in debt mutual funds	-	58	-	58
Derivatives				
Foreign currency forward contracts	-	6	-	6

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Derivatives				
Foreign currency forward contracts	-	2	-	2
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	27	-	27

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Derivatives				
Foreign currency forward contracts	-	6	-	6

34. Financial instruments**34.1 Derivatives and hedge accounting**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Derivative liabilities				
Derivatives assets not designated as hedging instruments				
Foreign exchange forward contracts	784	-	784	-
Derivative assets designated as hedging instruments				
Foreign exchange forward contracts	721	5,853	721	5,853
Total derivative liabilities	1,505	5,853	1,505	5,853
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	1,016	4	742	-
Derivatives liabilities designated as hedging instruments				
Foreign exchange forward contracts	26,127	259	26,127	259
Total derivative liabilities	27,143	263	26,869	259

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 for the year 2022 are highly probable about 84% (2021: 38%) 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 2022 and 2021 are less than 1 year as follows:

	2022	2021
Foreign exchange forward contracts (for highly probable forecast purchases)		
Notional amount (Thousand Baht)	520,139	328,544
Average forward rate (Baht/US dollar)	32.10 - 37.55	31.86 - 34.00

The impact of the risk prevention items on the financial position as of December 31, 2022

(Unit: Thousand Baht)

	Change in fair value used for measuring ineffectiveness		Cash flow hedge reserve			
			Continuing hedges		Discontinued hedges	
	2022	2021	2022	2021	2022	2021
Highly probable forecast purchases	(31,000)	5,594	20,960	(3,375)	-	-

The impact of the hedging instruments on the statement of financial position as at 31 December 2022 and 2021 and the effect of the cash flow hedges in the statement of comprehensive income for the year ended 31 December 2022 and 2021 are, as follows:

(Unit: Thousand 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		Line item in profit or loss
	2022	2021	2022	2021		2022	2021	2022	2021	2022	2021	
Foreign exchange forward contracts - hedge the risk arising from highly probable forecast purchases	520,139	328,544	(25,406)	5,594	Derivative assets	(31,000)	5,594	(4,363)	10,385	-	-	Realised gain or loss from foreign exchange forward contracts

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

34.2 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 2022, the Group has outstanding balance trade payables denominated in foreign currency of USD 7 million (2021: USD 7 million).

As at 31 December 2022 and 2021, the balances of derivative assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements					
	Derivative assets		Derivative liabilities		Average exchange rate	
	2022 (Million)	2021 (Million)	2022 (Million)	2021 (Million)	2022	2021
					(Baht per 1 foreign currency unit)	
US dollar	16	10	1	-	32.10 - 37.66	31.86 - 34.00

Foreign currency	Separate financial statements					
	Derivative assets		Derivative liabilities		Average exchange rate	
	2022 (Million)	2021 (Million)	2022 (Million)	2021 (Million)	2022 (Baht per 1 foreign currency unit)	2021
US dollar	15	10	1	-	32.10 - 37.55	31.86 - 34.00

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 2022, 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.

Interest rate risk

Most of the Group's financial assets and liabilities are fixed interest rate and 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 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	As at 31 December 2022		
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Short-term loans from financial institutions	511,954	-	511,954
Trade and other payables	947,509	-	947,509
Amounts due to related parties	22,100	-	22,100
Lease liabilities	35,794	65,217	101,011
Installment payables	21,861	23,815	45,676
Total non-derivatives	1,539,218	89,032	1,628,250
Derivatives			
Derivative liabilities: net settled	602,709	-	602,709
Total derivatives	602,709	-	602,709

(Unit: Thousand Baht)

	Consolidated financial statements		
	As at 31 December 2021		
	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		
	As at 31 December 2022		
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Short-term loans from financial institutions	511,954	-	511,954
Trade and other payables	785,421	-	785,421
Amounts due to related parties	77,968	-	77,968
Lease liabilities	28,203	48,191	76,394
Installment payables	21,861	23,815	45,676
Total non-derivatives	1,425,407	72,006	1,497,413
Derivatives			
Derivative liabilities: net settled	580,965	-	580,965
Total derivatives	580,965	-	580,965

(Unit: Thousand Baht)

	Separate financial statements		
	As at 31 December 2021		
	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

34.3 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.

35. 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 2022, the Group's debt-to-equity ratio was 2.08:1 (2021: 1.83:1) and the Company's was 2.05:1 (2021: 1.75:1).

36. Events after the reporting period

On 22 February 2023, the Board of Directors' meeting of the Company passed a resolution to propose the payment of a dividend in respect of the operation results of 2022 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.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2023.

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 2023 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	
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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**

as of 31st December 2022

Details of Directors, Executives, Authorized Person, and Company Secretary of MFEC Public Company Limited as of 31st December 2022

No.	Name/ Position	Age (Year)	(%) of Share Possession	Family Relationship among Directors and Executives	Education/ Certification	Working Experiences in the 5 Preceding Years (As of December 31, 2022)		
						Time Period	Position	Company
1	Mr. Sirisak Tirawattanangkul Chairman • Appointed as Chairman on April 25, 2022 • The Authorized Person	62	2.27	None	Education	Directorial Position in Listed Company – The Stock Exchange of Thailand		
					• Bachelor of Science, Chulalongkorn University	2016 - Present	• Chairman	• MFEC Public Company Limited
					Certification	Directorial Position in Non-Listed Company		
					• DAP, RCP Programs of IOD	None		
Relevant Important Positions in Non-Listed Company/ Other Organizations								
None								
2	Mr. Kiyotaka Nakamura Vice Chairman/ Member of the Nomination and Remuneration Committee • Appointed as Vice Chairman on April 25, 2022 • Appointed as Member of the Nomination and Remuneration Committee on August 10, 2021	54	None	None	Education	Directorial Position in Listed Company – The Stock Exchange of Thailand		
					• Bachelor of Engineering, Osaka University, Japan • MBA, Graduate School of Business Administration, Keio University, Japan	2014 - Present	• Director	• MFEC Public Company Limited
					Certification	Directorial Position in Non-Listed Company		
					• DAP Program of IOD	2016 - Present	• Chairman	• Promptnow Company Limited
Relevant Important Positions in Non-Listed Company/ Other Organizations								
2021 - Present								
• Senior Managing Executive Officer								
• TIS Inc.								

No.	Name/ Position	Age (Year)	(%) of Share Possession	Family Relationship among Directors and Executives	Education/ Certification	Working Experiences in the 5 Preceding Years (As of December 31, 2022)		
						Time Period	Position	Company
3	Mr. Siriwat Vongjarukorn Director / Chief Executive Officer/ Member of the Nomination and Remuneration Committee • Appointed as Director on April 27, 2020 • Appointed as Member of the Nomination and Remuneration Committee on August 10, 2022 • The Authorized Person	54	4.0	None	Education	Directorial Position in Listed Company – The Stock Exchange of Thailand		
					• Honorary Doctorate Degree of Information Technology, Sripatum University • Bachelor of Engineering, Chulalongkorn University	2003 – Present	• Director / Chief Executive Officer	• MFEC Public Company Limited
						2020 – Present	• Director	• I2 Enterprise Public Company Limited • Veranda Resort Public Company Limited
						2017 – Present	• Director	• Matchon Public Company Limited
						2559 – Present	• Director	• Matchon Public Company Limited
					Certification	Directorial Position in Non-Listed Company		
					• DAP, DCP Programs of IOD	2021 – Present	• Director	• Venture Lab Company Limited
						2021 – Present	• Director	• Omega Grit Company Limited
						2017 – Present	• Director	• Angstrom Solutions Company Limited
						2013 – Present	• Director	• Promptnow Company Limited
					Relevant Important Positions in Non-Listed Company/ Other Organizations			
						2022 – Present	• Honorary Member of the University Council	• Siam University
						2022 – Present	• Advisor to the Board of Directors	• Vulcan Digital Delivery Company Limited
						2021 – Present	• Chairman of the Advisory Board	• Rabbit Digital Group Company Limited
						2006 – Present	• Chairman	• Prah FinTech Company Limited
4	Mr. Thanakorn Charlee Director/Executive Director/ Member of the Risk Management, Corporate Governance and Sustainability Committee • Appointed as Director on April 27, 2020 • Appointed as Member of the Risk Management, Corporate Governance and Sustainability Committee on August 10, 2022 • The Authorized Person	54	None	None	Education	Directorial Position in Listed Company – The Stock Exchange of Thailand		
					• Bachelor of Engineer, Chulalongkorn University	2015 – Present	• Director / Executive Director	• MFEC Public Company Limited
					Certification	Directorial Position in Non-Listed Company		
					• DAP, HRP and FSD Programs of IOD	2021 – Present	• Director	• Venture Lab Company Limited
						2020 – Present	• Director	• Data Café Company Limited
						2020 – Present	• Director	• M.I.S.O Digital Company Limited

No.	Name/ Position	Age (Year)	Age of Share Possession	Family Relationship among Directors and Executives	Education/ Certification	Working Experiences in the 5 Preceding Years (As of December 31, 2022)		
						Time Period	Position	Company
					Certification	Directorial Position in Non-Listed Company		
						2019 - Present	• Director	• A-Brand Intertrade Company Limited
						2018 - Present	• Director	• MSyne Innovations Company Limited
						2017 - Present	• Director	• Digital Savvy Company Limited
						2015 - Present	• Director	• Praln FinTech Company Limited
						2013 - Present	• Director	• Coach Marketing Company Limited
						2011 - Present	• Director	• Motif Technology Public Company Limited
						Relevant Important Positions in Non-Listed Company/ Other Organizations		
						None		
5	Mr. Anan Leetrakul Independent Director/Chairman of Nomination and Remuneration Committee • Appointed as Independent Director on April 26, 2021 • Appointed as Chairman of Nomination and Remuneration Committee on August 10, 2022	82	None	None	<ul style="list-style-type: none"> • Ph.D. Faculty of Information Technology, Rajamangala University of Technology Suvarnabhumi (Honorary Degree) • Bachelor of Commerce, Chulalongkorn University 	Directorial Position in Listed Company – The Stock Exchange of Thailand		
						2016 – Present	• Independent Director/ Chairman of the Nomination and Remuneration Committee	• MFEC Public Company Limited
						Directorial Position in Non-Listed Company		
						2016 – Present	• Director	• A-Host Company Limited
						2008 – Present	• Director	• D2 Systems Company Limited
						Relevant Important Positions in Non-Listed Company/ Other Organizations		
						None		

No.	Name/ Position	Age (Year)	(% of Share Possession)	Family Relationship among Directors and Executives	Education/ Certification	Working Experiences in the 5 Preceding Years (As of December 31, 2022)		
						Time Period	Position	Company
6	Mr. Suchart Thammapiitagkul Independent Director/ Chairman of the Audit Committee • Appointed as Independent Director on April 26, 2021 • Appointed as Chairman of the Audit Committee on August 10, 2021	74	None	None	Education • Master of Law, Harvard Law School, U.S.A. • Bachelor of Law, Chulalongkorn University • Barrister of the Thai Bar Association	Directorial Position in Listed Company – The Stock Exchange of Thailand		
						2003 – Present	• Independent Director/ Chairman of the Audit Committee	• MFEC Public Company Limited
						2005 – Present	• Independent Director/ Member of the Audit Committee	• Unimit Engineering Public Company Limited
						2004 – Present	• Independent Director/ Chairman of the Audit Committee	• T.C. Union Global Public Company Limited
						1999 – Present	• Independent Director/ Chairman of the Audit Committee	• Modernform Group Public Company Limited
7	Prof. Dr. Uthai Tanlamai Independent Director/ Chairman of the Risk Management, Corporate Governance and Sustainability Committee/ Member of the Audit Committee • Appointed as Independent Director on April 26, 2021 • Appointed as Chairman of the Risk Management, Corporate Governance and Sustainability Committee on August 10, 2022 • Appointed as Member of the Audit Committee on August 10, 2021	70	None	None	Certification • DAP, DCP, RCC Programs of IOD	Directorial Position in Non-Listed Company		
						1989 – Present	• Director	• Bann Sathorn Company
						1986 – Present	• Director	• Somnuk Sutee & Associate Company Limited
						1970 – Present	• Director	• On-Nik Company Limited
						Relevant Important Positions in Non-Listed Company/ Other Organizations		
7	Prof. Dr. Uthai Tanlamai Independent Director/ Chairman of the Risk Management, Corporate Governance and Sustainability Committee/ Member of the Audit Committee • Appointed as Independent Director on April 26, 2021 • Appointed as Chairman of the Risk Management, Corporate Governance and Sustainability Committee on August 10, 2022 • Appointed as Member of the Audit Committee on August 10, 2021	70	None	None	Education • 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	Directorial Position in Listed Company – The Stock Exchange of Thailand		
						2016 – Present	• Independent Director/ Chairman of the Risk Management, Corporate Governance and Sustainability Committee/ Member of the Audit Committee	• MFEC Public Company Limited
						2021 - Present	• Chairman	• Nonthavej Hospital Public Company Limited
						2020 - Present	• Independent Director/ Member of the Audit Committee/ Chairman of the Risk Management and Corporate Governance Committee	

No.	Name/ Position	Age (Year)	Family Relationship among Directors and Executives	Education/ Certification	Working Experiences in the 5 Preceding Years (As of December 31, 2022)		
					Time Period	Position	Company
8	Ass. Prof. Kamales Santivejikul Independent Director/Member of the Risk Management, Corporate Governance and Sustainability Committee/ Member of the Audit Committee/ Member of the Nomination and Remuneration Committee • Appointed as Independent Director on April 25, 2022 • Appointed as Member of the Risk Management, Corporate Governance, Sustainability Committee on August 10, 2022 • Appointed as Member of the Audit Committee on August 10, 2021 • Appointed as Member of Nomination and Remuneration Committee on August 10, 2022	71	None	Education • Ph.D. Business Administration, Oklahoma State University, USA • Master's Degree, Major of Monetary and Fiscal, National Institute of Development Administration • BA, Civil Engineering, Songkhla Nakarin University	Directorial Position in Listed Company – The Stock Exchange of Thailand		
					2016 - Present	• Independent Director/ Member of the Audit Committee/ Member of the Risk Management, Corporate Governance and Sustainability Committee/ Member of the Nomination and Remuneration Committee • Chief Executive office/ Member of the Risk Management and Corporate Governance Committee	• MFEC Public Company Limited
					2020 - Present	• Nonthavej Hospital Public Company Limited	
					1994 - Present	• Independent Director/ Chairman of the Audit Committee • Sea Fresh Industry Public Company Limited	
				Certification • DCP Program of IOD	Directorial Position in Non-Listed Company		
					2006 - Present	• Director	• Janjuree Innovations Company Limited
					2004 - Present	• Director	• C & C International Venture
					Relevant Important Positions in Non-Listed Company/ Other Organizations		
					2015 - 2021	• Advisor	• Computer Center, Faculty of Commerce and Accountancy, Chulalongkorn University
				Certification • DAP, DCP, FSD Programs of IOD	Directorial Position in Non-Listed Company		
					2016 - Present	• Director	• Thai Shellac (1980) Company Limited
					Relevant Important Positions in Non-Listed Company/ Other Organizations		
					None		

No.	Name/ Position	Age (Year)	(%) of Share Possession	Family Relationship among Directors and Executives	Education/ Certification	Working Experiences in the 5 Preceding Years (As of December 31, 2022)		
						Time Period	Position	Company
11	Mr. Kitti Wintima Chief Operating Officer – Telco BU	50	None	None	Education	Directorial Position in Listed Company – The Stock Exchange of Thailand		
					<ul style="list-style-type: none"> Master's Degree of Information Technology, Kasetsart University Bachelor's Degree of Computer Engineering, Khonkaen University 	None		
					Certification	Directorial Position in Non-Listed Company		
					None	2018 - Present	• Director	• MSyne Innovations Company Limited
12	Mr. Arm Sivadith Executive Director/ Chief Transformation Officer	48	None	None	Relevant Important Positions in Non-Listed Company/ Other Organizations			
					Education	Directorial Position in Listed Company – The Stock Exchange of Thailand		
					<ul style="list-style-type: none"> MBA, University of Houston Bachelor's Degree in Computer Engineering, King Mongkut's Institute of Technology Ladkrabang 	None		
					Certification	Directorial Position in Non-Listed Company		
					• HRP Program of IOD	2021 – Present	• Director	• Venture Lab Company Limited
						2017 – Present	• Director	• Playtorium Solutions Company Limited
						2017 – Present	• Director	• Fanster Media Company Limited
						2017 – Present	• Director	• Data Café Company Limited
						2017 – Present	• Director	• Digital Savvy Company Limited
						Relevant Important Positions in Non-Listed Company/ Other Organizations		
						2018 – Present	• Executive Director/ Chief Transformation Officer	• MFEC Public Company Limited

No.	Name/ Position	Age (Year)	(%) of Share Possession	Family Relationship among Directors and Executives	Education/ Certification	Working Experiences in the 5 Preceding Years (As of December 31, 2022)		
						Time Period	Position	Company
						Directorial Position in Listed Company – The Stock Exchange of Thailand		
13	Mr. Pitch Manakijpairaj Chief Financial Officer • Appointed as Chief Financial Officer in the Executive Board Meeting No. 1/2020 on July 20, 2020	43	None	None	Education	None		
					• Master of Finance, Chulalongkorn University • Bachelor of Accounting, Bangkok University			
					Certification	Directorial Position in Non-Listed Company		
					• DCP of IOD • Certified Public Accountant (Thailand) No. 8182	2020 - Present	• Director	• Praln FinTech Company Limited
14	Ms. Orwan Hnuntaku Company Secretary • Appointed as Company Secretary in the Board of Director Meeting No. 3/2019 on August 13, 2019	35	None	None	Education	None		
					• Bachelor of Arts, Silpakorn University • Bachelor of Laws, Sukhothai Thammathirat Open University			
					Certification	Directorial Position in Non-Listed Company		
					• Company Secretary Program of IOD	None		
						Relevant Important Positions in Non-Listed Company/ Other Organizations		
						2019 - Present	• Company Secretary	• MFEC Public Company Limited
						2020 - Present	• Chief Financial Officer	• MFEC Public Company Limited
						2018 - 2020	• Chief Financial Officer	• B-52 Capital Public Company Limited
						2009 - 2018	• Senior Vice President	• Food Capital Public Company Limited
						Directorial Position in Listed Company – The Stock Exchange of Thailand		
						None		
						Directorial Position in Non-Listed Company		
						None		
						Relevant Important Positions in Non-Listed Company/ Other Organizations		
						2019 - Present	• Company Secretary	• MFEC Public Company Limited

No.	Name/ Position	Age (Year)	(%) of Share Possession	Family Relationship among Directors and Executives	Education/ Certification	Working Experiences in the 5 Preceding Years (As of December 31, 2022)		
						Time Period	Position	Company
15	Ms. Netnapha Chaoun Accountant	40	None	None	Education	Directorial Position in Listed Company – The Stock Exchange of Thailand		
					• Bachelor's Degree of Business Administration in Accountancy, the University of Central Thailand	None		
					Certification	Directorial Position in Non-Listed Company		
					None	None		
						Relevant Important Positions in Non-Listed Company/ Other Organizations		
						2017 – Present	• Accountant	• MFEC Public Company Limited

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 2022

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	I2	DC	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	-	-	-	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 Sivadieth	III	-	-	-	-	-	-	I and II	I and II	I and II	-	-	I and II	I and II	-	I and II	-	
13. Mr. Pitch Manakijpairoj	III	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Remark: 1. X = Chairman, I = Director, II = Executive Director, III = Executive

2. The list of subsidiaries and associated companies follows Part 1, 1.3: Shareholding Structure

Attachment 2

Details about Directors of subsidiaries

Information about directors of subsidiaries and associated companies as of 31 December 2022

List of companies	Subsidiaries								Associated companies					
List of directors	PFT	MISO	BAC	MOTIF	MS	HS	PTS	VL	ANGSTROM	PN	FT	DS	I2	DC
1. Mr. Natjira Honda	-	-	-	-	-	-	-	-	-	I & II	-	-	-	-
2. Mr. Naohide Maruyama	-	-	-	-	-	-	-	-	-	I & II	-	-	-	-
3. Mr. Shuhei Kamoto	-	-	-	-	-	-	-	-	-	I & II	-	-	-	-
4. Mr. Prasert Foongvanich	-	-	I & II	-	-	-	-	-	-	-	-	-	-	-
5. Mr. Worapol Santadkolkarn	-	-	I & II	-	-	I & II	-	-	-	-	-	-	-	-
6. Mrs. Phansiri Amatayakun	-	-	I & II	-	-	I & II	-	-	-	-	-	-	-	-
7. Ms. Darawadee Semrat	-	-	I & II	-	-	I & II	-	-	-	-	-	-	-	-
8. Mr. Charoen Karunsamith	-	-	I & II	-	-	-	-	-	-	-	-	-	-	-
9. Mr. Teerachai Keeratitechakorn	-	-	-	I & II	-	-	-	-	-	-	-	-	-	-
10. Mr. Panusak Eakareesak	-	-	-	I & II	-	I & II	-	-	-	-	-	-	-	-
11. Mrs. Nudee Nhupairoj	-	-	-	I	-	-	-	-	-	-	-	-	-	-
12. Ms. Sripan Piphatphan	-	-	-	I	-	-	-	-	-	-	-	-	-	-
13. Mr. Kriangsak Ariyamakkagul	-	I & II	-	-	-	-	-	-	-	-	-	-	-	-
14. Mr. Praphan Teerawanwilai	-	-	-	-	-	-	-	-	I & II	-	-	-	-	-
15. Ms. Nattaya Saephun	-	-	-	-	-	-	-	-	I & II	-	-	-	-	-
16. Mr. Viriya Anuchari	-	-	-	-	-	-	-	-	I & II	-	-	-	-	-
17. Mrs. Mallika Teerawanwilai	-	-	-	-	-	-	-	-	I & II	-	-	-	-	-
18. Mr. Witoon Jedsadanukul	-	-	-	-	-	-	-	-	I & II	-	-	-	-	-
19. Mr. Ratanapol Bubphachart	-	-	-	-	-	-	I & II	-	-	-	-	-	-	-
20. Mr. Chewin Kosiyapong	-	-	-	-	-	-	-	-	-	-	I & II	-	-	-
21. Mr. Thana Kosiyapong	-	-	-	-	-	-	-	-	-	-	I	-	-	-
22. Mr. Arpakorn Bunkongcheun	-	-	-	-	-	-	-	-	-	-	I & II	-	-	-
23. Mr. Chattri Sabado Srivijit	-	-	-	-	-	-	-	-	-	-	I	-	-	-
24. Mr. Chokchai Atsawarangsalit	-	-	-	-	-	-	-	-	-	-	-	-	-	I & II
25. Mr. Suwat Meemook	-	-	-	-	-	-	-	-	-	-	-	-	-	I & II
26. Mr. Thanachart Ritbumroong	-	-	-	-	-	-	-	-	-	-	-	-	-	I
27. Mr. Tanasak Ruttanahirunporn	-	-	-	-	-	-	-	-	-	-	-	-	-	I & II
28. Mr. Vaksorn Lohthong	-	-	-	-	-	-	-	-	-	-	-	I & II	-	-
29. Mr. Sarayuth Mahawaleerat	-	-	-	-	-	-	-	-	-	-	-	I & II	-	-
30. Mr. Sakolporn Sornkul	-	-	-	-	-	-	-	-	-	-	-	I & II	-	-

List of companies	Subsidiaries								Associated companies					
List of directors	PFT	MISO	BAC	MOTIF	MS	HS	PTS	VL	ANGSTROM	PN	FT	DS	I2	DC
31. Mr. Panya Pornkajornkitkul	-	-	-	-	-	-	-	-	-	-	-	I & II	-	-
32. Mr. Thanawat Lertwattanarak	I & II	-	-	-	-	-	-	-	-	-	-	-	-	-
33. Mr. Permbun Aimsupasit	I & II	-	-	-	-	-	-	-	-	-	-	-	-	-
34. Ms. Chotima Sitthichaiviset	-	-	-	-	-	-	-	I & II	-	-	-	-	-	-
35. Mr. Athiporn Limchareon	-	-	-	-	-	-	-	-	-	-	-	-	I & II	-
36. Mr. Yutthachai Toolphun	-	-	-	-	-	-	-	-	-	-	-	-	I & II	-
37. Mr. Paitoon Pramuanchaikul	-	-	-	-	-	-	-	-	-	-	-	-	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 2022

<div>List of directors</div> <div>List of related companies</div>	Mr. Shuhei Kamoto	Mr. Praphan Teerawanwilai	Mr. Viriya Anuchari	Mrs. Mallika Teerawanwilai	Mr. Chewin Kosiyapong	Mr. Thana Kosiyapong	Mr. Chatri Sabado Srivijit	Mr. Chokchai Atsawarangsalit	Mr. Thanachart Ritbumroong	Mr. Vaksorn Lohthong	Mr. Sarayuth Mahawaleerat	Mr. Sakolporn Sornkul	Mr. Thanawat Lertwattanak	Mr. Permibun Aimsupasit	Mr. Somphot Wunlayasavi	Mr. Chanakun Srirattanakul	Mr. Somchai Wongrussamee
CIL TECHNOLOGIES	I																
X-SIDEKICK		I & II															
NEWKRU		I & II		I & II													
RIVER NET			I & II														
ANANJINDA				I & II													
1970 Co., Ltd.					I & II												
ALOHA INTER					I & II	I											
TOMORROW COMIX						I & II											
LETSPEACE							I & II										
CLARIS							I										
CLARIS EA																	
THE FLYING TOMATO MUSIC					I & II		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										
WINNONIE								I & II									
GENERAL ENERGY MANNING								I & II									
REVONIZE CONSULTING									I & II								
HEALTH TECHNOLOGY HOLDING									I & II								

<div>List of directors</div> <div>List of related companies</div>	Mr. Shuhei Kamoto	Mr. Praphan Teerawanwilai	Mr. Viriya Anuchari	Mrs. Mallika Teerawanwilai	Mr. Chewin Kosiyapong	Mr. Thana Kosiyapong	Mr. Chatri Sabado Srivijit	Mr. Chokchai Atsawarangsarit	Mr. Thanachart Ritbumroong	Mr. Vaksorn Lohthong	Mr. Sarayuth Mahawaleerat	Mr. Sakolporn Sornkul	Mr. Thanawat Lertwattanarak	Mr. Permbun Aimsupasit	Mr. Somphot Wunlayasavi	Mr. Chanakun Srirattanabul	Mr. Somchai Wongrussamee
SIAM SPORT SYNDICATE Plc.											I & II						
KILEN PRINTING										I & II							
SIAM SPORT DIGITAL MEDIA										I & II	I & II						
SPORT & LEISURE PROMOTION										I & II	I & II						
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 TALENT TEAM										I & II							
SIAMSPORTMEDIA MANAGEMENT											I & II						
HENGDEE LOGIST											I & II						
I-SPORT											I & II						
DEEPSPARKS PEER LENDING													I				
DEEPSPARKS													I				
BLOCKCHAIN WORKING GROUP (THAILAND)													I				
BUSINESS ALIGNMENT PCL.													I				
MASTER STYLE PCL.													I				
ECM CONSULTING													I & II				

<div>List of directors</div> <div>List of related companies</div>	Mr. Shuhei Kamoto	Mr. Praphan Teerawanwilai	Mr. Viriya Anuchari	Mrs. Mallika Teerawanwilai	Mr. Chewin Kosiyapong	Mr. Thana Kosiyapong	Mr. Chatri Sabado Srivijit	Mr. Chokchai Atsawarangsalit	Mr. Thanachart Ritbumroong	Mr. Vaksorn Lohthong	Mr. Sarayuth Mahawaleerat	Mr. Sakolporn Sornkul	Mr. Thanawat Lertwattanak	Mr. Permibun Aimsupasit	Mr. Somphot Wunlayasavi	Mr. Chanakun Srirattanabul	Mr. Somchai Wongrussamee
K INNOVATION													I & II				
JDN													I & II				
J P2P													I & II				
J VENTURES													I & II				
SAFEBSC													I				
BASLINE TECHNOLOGY CONSULTANTS													I & II				
any i corporation													I & II				
PAC CORPORATION (THAILAND)													I				
CODE IT CONSULTING													I & II				
TOKENINE													I				
IHR CONSULTING													I & II	I & II			
ITS - TRADE SHIP													I & II	I & II			
I AM CONSULTING													I	I & II			
ICOACH													I & II	I & II			
IGNITE PLAY													I & II	I & II			
PENGAWIN CORPORATION													I & II	I & II			
A2 TECHNOLOGIES															I & II		I & II
A2 WATER MANAGEMENT															I & II		
S DIGITAL ASSET															I & II		I & II
VIA 564															I		
AGRI ACTIVE															I & II		
STARFLEX PCL.															I & II		I & II
STAR UNION PACKAGING															I & II		I & II
THAI-USA COOPERATING CENTER FOR FRUIT EXPORT															I & II		

<div>List of directors</div> <div>List of related companies</div>	Mr. Shuhei Kamoto	Mr. Praphan Teerawanwilai	Mr. Viriya Anuchari	Mrs. Mallika Teerawanwilai	Mr. Chewin Kosiyapong	Mr. Thana Kosiyapong	Mr. Chattri Sabado Srivijit	Mr. Chokchai Atsawarangsalit	Mr. Thanachart Ritbumroong	Mr. Vaksorn Lohthong	Mr. Sarayuth Mahawaleerat	Mr. Sakolporn Sornkul	Mr. Thanawat Lertwattanak	Mr. Permbun Aimsupakit	Mr. Somphot Wunlayasavi	Mr. Chanakun Srirattanakul	Mr. Somchai Wongrussamee
VALVI																	
MONKEY PLANET																	
P S PLUS CONSULTING																	I & II
BANGKOK EVENT AND EXHIBITION																	
TRAVEL CREATION																	
T PLUS INTERSERVE																I & II	
PREMIUM VEHICLE PART																	I & II
A2 TECHNOLOGIES																	I

Note: Meaning of the symbol X = Chairman I = Director II = Executive Director

Attachment 3

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

Biography of Head of the Office of Corporate Audit



Miss Thitirat Thanathitikankun

Age : 44 years old

Internal Audit Manager

Appointed by the Audit Committee Meeting
No. 4/2019 on November 11, 2019

(%) of Share Possession

-None-

Family Relationship among Directors and Executives

-None-

Educational Qualifications and Licenses

- 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
- Personal Data Protection Act (PDPA) Easy PDPA
- ISO/IEC 27001: 2013 for Internal Audit by IT Companian Co.,Ltd.
- ISO/IEC 27001: 2013 for Introduction by IT Companian Co.,Ltd.
- Intensive Cybersecurity Capacity Building Program by Office of the National Cybersecurity Commission (NBC)
- Understanding the Financial Reporting by Association of Internal Auditors of Thailand
- EC-Council Security Specialist (ECSS) by Office of the National Cybersecurity Commission (NBC)
- ISO/IEC 20000 training course for operators by IT Companian Co.,Ltd.
- Internal Audit Training ISO/IEC 20000 by IT Companian Co.,Ltd.
- ISO/IEC 27001 (International standards for information security management systems) by IT Companian Co.,Ltd.
- PDPA in Action : Internal Audit PDPA THAILAND

Diplomas

- Fundamentals for New Auditor
- CMMI Certifications Version 1.2
- Certificate of Professional Internal Auditor (CPIAT)
- EC-Council Certified Security Specialist v9

Member of Institution/ Organization

- The Association of Internal Auditors of Thailand

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 – 2017	Quality Control Manager/ Assistant Secretary of the Risk Management Working Group, MFEC Public Company Limited
2016	Quality Control Manager, MFEC Public Company Limited

Relevant Important Positions in Listed Companies –The Stock Exchange of Thailand (In the Previous Year)

-None-

Relevant Important Positions in Non-Listed Company/ Other Organizations (In the Previous Year)

-None-

Attachment 4

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

Assets used in business operation

Main fixed assets of the company and subsidiaries

As of December 31, 2022, 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	17,900
Office decoration	Owner	19,040
Tools and equipment	Owner	16,709
Deferred project work equipment	Owner	179
Vehicle	Owner	7,445
Assets under installation	Owner	41
Intangible assets	Owner	11,612
		72,926

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 Business Complex Relevance: -Not related- Rental Location: 11 th Floor, Room no. 1101-7, SJ Infinite One Business Complex Building Duration: 16 October 2021 – 15 October 2025 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 2021 – 31 October 2025
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
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 2022 – 31 January 2023
Prain 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
MISO Digital 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 – 31 August 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 2021 – 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 2023 – 31 December 2023
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 2023 – 31 December 2023

Investment policy in Subsidiaries and Associated Companies

The company has a policy to invest only in business that conduct in a manner related to the company's main business to strengthen the stability and competitiveness of the company. If there is an investment, the company has a policy to hold shares in such business in the proportion of not less than 25% of the business's total shares. Or in the case of a shareholding less than 25%, the company must have management power in the company that invests by sending a representative to be the director in the said business to participate in administration and formulate important operational policies.

Shareholding proportion in various subsidiaries is as follows:

Subsidiary	Investment proportion (Percentage of registered capital)
PraIn FinTech Company Limited	71.62
MISO Digital Company Limited (Former name: M.I.S. Outsourcing Company Limited)	75.00
Motif Technology Public Company Limited	99.99
Business Application Company Limited	99.99
MSyne Innovations Company Limited	99.99
Joint Venture: Power M (MSyne Innovations Company Limited holds 81.47% and the company holds 18.53%)	100.00
Hongson Company Limited	99.99
Playtorium Solutions Company Limited	70.00
Venture Lab Company Limited	99.99
Eastwind Holdings Company Limited	94.21
Associated Company	Investment proportion (Percentage of registered capital)
Angstrom Solution Company Limited	40.00
Promptnow Company Limited	20.00
Fanster Media Company Limited	34.00
Digital Savvy Company Limited	42.00
I2 Enterprise Public Company Limited	15.00
Joint Venture	Investment proportion (Percentage of registered capital)
Data Café Company Limited	42.19

Details about the Property Appraisal

No significant property appraisal reports were made during the year 2022.

Attachment 5

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

Corporate Governance Policy


MFEC Public Company Limited

No. 9 (8th Edition)

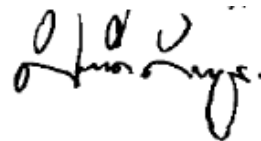
Corporate Governance Policy

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. 9 (8th Edition) was reviewed at the Risk Management, Corporate Governance and Sustainability Committee Meeting No. 1/2023 on February 15, 2023. It was considered and approved by the Board of Directors No. 1/2023, dated February 22, 2023.



(Prof. Dr. Uthai Tanlamai)
Chairman, Risk Management, Corporate
Governance and Sustainability Committee



(Mr. Sirisak Tirawattanangkul)
Chairman, Board of Directors

Table of Contents

	Page
Guidelines for the Corporate Governance Policy	1
Guideline 1: Establish Clear Leadership Role and Responsibilities of the Board	2
• Board of Directors	4
• Audit Committee	7
• Risk Management, Corporate Governance and Sustainability Committee	9
• Nomination and Remuneration Committee	12
• Executive Committee	13
Guideline 2: Define Objectives that Promote Sustainable Value Creation	15
• Vision and Mission	16
• Corporate Value	16
• Code of Conduct	17
Guideline 3: Strengthen Board Effectiveness	19
Guideline 4: Ensure Effective CEO and People Management	22
Guideline 5: Nurture Innovation and Responsible Business	23
Guideline 6: Strengthen Effective Risk Management and Internal Control	24
Guideline 7: Ensure Disclosure and Financial Integrity	25
Guideline 8: Ensure Engagement and Communication with Shareholders	26
Appendix	
• Risk Management Policy	27
• Quality Policy	28
• Policy on Safety, Occupational Health, Security and Work Environment	29
• IT Policy	30
• Anti-Corruption Policy	33
• Sustainability Policy	35
• Human Rights Policy	36
• Corporate Compliance Policy	37
Reference	
• Securities and Exchange Act, B.E. 2535 (1992) as amended	38
Information on the preparation of Corporate Governance Policy	39

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 (8) 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

1. 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.
2. 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.
3. 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.
4. 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, Corporate Governance and Sustainability 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, Corporate Governance and Sustainability 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, Corporate Governance and Sustainability 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

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

2. Qualifications

2.1 Independent Directors

- 1) 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.
- 2) 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.
- 3) 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.
- 4) 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.
- 5) Persons who are not directors appointed as representatives of the Board, Major Shareholders or Other Shareholders relevant to the Major Shareholders.
- 6) Persons who do not contain other characteristics that may prevent them from expression of their independent opinions regarding the company's operations.

2.2 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

- 1) 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
- 2) Lead the Board and chair its meeting
 - Proceed a Board meeting by order of agendas, Articles of Association and laws
 - Allow a sufficient meeting period, and encourage all directors to make discussion, exchange opinions independently and exercise prudent consideration in regard to all stakeholders
 - Finalize meeting resolutions and next actions clearly
- 3) 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
- 4) Promote and become a good example for Good Corporate Governance and Business Ethics
- 5) 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
- 6) Manage, with supervision and oversight, to have information disclosure and transparent administration in a case of a conflict of interest
- 7) Manage, with supervision and oversight, to have the Board's proper structure and elements
- 8) 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
- 9) Abide by duties designated by the laws

2.3 Chief Executive Officer

- 1) Oversee and supervise work implementation of Executive Committee, call for an Executive Committee meeting for consideration of matters as deem appropriate
- 2) 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
- 3) Be authorized to appoint, move, remove or terminate employment of Executive Officers
- 4) Perform duties with integrity and care of the company's benefits

2.4 President

- 1) Manage, supervise and oversee operations pertinent to the company's general administration
- 2) Execute works as delegated by the Board or Executive Committee
- 3) 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
- 4) 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
- 5) 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
- 6) Be authorized to act on behalf and represent the company toward other persons in related businesses and beneficial to the company
- 7) Approve appointments of advisors necessary to the operations
- 8) 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

3. Approval Authorization

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

4. Duty and Responsibility

- 1) Abide by Articles of Association as well as supervise and manage the company to follow the laws, objectives, regulations and shareholders' meeting resolutions
- 2) Set vision, direction, strategies, policies and major work plans of the company as consider risks that may arise for executives' efficient management
- 3) 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
- 4) Manage to have accounting system, financial reporting and accounting audit as well as efficient internal control and internal audit
- 5) Supervise and oversee solutions to a conflict of interest that may arise and connected transactions
- 6) 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
- 7) Manage to have proper channels of communication with each group of the shareholders and stakeholders
- 8) Manage to have disclosure of information with accuracy, clarity and transparency
- 9) 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
- 10) A director shall report the company without a delay in the following cases:
 - 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
 - Shareholding of the company or its associate company (s) with reporting of its increase or decrease
- 11) 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

5. Appointment and Removal

5.1 Appointment

- 1) 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.
- 2) 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

5.2 Removal

- 1) 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.
- 2) 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.
- 3) 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.
- 4) 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.
- 5) 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.

6. Meeting

- 1) In the event that Chairman resigns, Vice Chairman or a Board member shall chair the meeting.
- 2) At least half of all Board members shall constitute a quorum.
- 3) The Board shall hold its meetings at least six (6) times a year and there may be an extraordinary (s) as deemed 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.
- 4) 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.

7. 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.

8. Performance Appraisal

- 1) 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.
- 2) 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

9. Supplementary Meeting Document and Minutes of Board of Directors' Meeting

- 1) 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.
- 2) Company Secretary shall prepare minutes of Board of Directors' meeting.

10. Reporting

- 1) 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.
- 2) Board of Directors shall understand financial data and shall not intervene the company's auditor in terms of objectives and professional standard.
- 3) 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.
- 4) Board of Directors shall disclose its principles for corporate governance according to requirements of the Stock Exchange of Thailand.

11. Orientation and Knowledge Improvement for New Director

- 1) 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.
- 2) 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.

12. Directors and President's Directorship Positions in Other Companies

Board of Directors is aware of efficient duty performance of directors and President. Therefore, the policy is set for them for their directorship positions in other companies as to be in line with the good practices required.

- 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

- 1) Audit Committee shall be comprised of at least three (3) Board members who shall satisfy the independence requirements for directors.
- 2) 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.

2. Qualification

- 1) Each Audit Director shall hold no more than 1% of paid-up capital of the company's subsidiaries, associate companies and other related companies.
- 2) 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.
- 3) 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.

3. Term of Office

- 1) Audit Director's term shall run for two (2) years from the date of appointment.
- 2) 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.
- 3) 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.

4. 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.

5. Scope of Authority, Duty and Responsibility

- 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. Meeting

- 1) 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.
- 2) 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.
- 3) 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.
- 4) Audit Committee shall meet with the Internal Auditor or the Auditor in a separate executive session at least once a year.
- 5) 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.
- 6) An invitation letter for a meeting shall be delivered no less than seven (7) days beforehand. In the vent of necessity or urgency, a meeting shall be called for by other means or be scheduled faster. Audit Committee's Secretary shall record minutes of meeting.

7. Reporting

7.1 Reporting to the Board of Directors

- 1) Report its activities to the Board for acknowledgement consistently
- 2) Report to the Board with respect to its notes to the company's financial information and internal audit results
- 3) 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.

7.2 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.

7.3 Reporting to the shareholders and general investors

Audit Committee shall provide its report, signed by its Chair and disclosed in the company's Annual Registration Statement / Annual Report (56-1 One Report), of its annual activities.

8. 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.

- 1) 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.
- 2) Manage to have all Audit Directors, Chief Financial Officer and Chief of Internal Audit Office to jointly assess performance and independence of the auditor

9. Supplementary Meeting Document and Minutes of Audit Committee's Meeting

- 1) 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.
- 2) Company Secretary shall prepare minutes of Audit Committee's meeting.

Risk Management, Corporate Governance and Sustainability Committee

1. Membership

- 1) Risk Management, Corporate Governance and Sustainability 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..
- 2) Risk Management, Corporate Governance and Sustainability 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

- 1) Each Risk Management, Corporate Governance and Sustainability 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.
- 2) Aside from retirement on due term, Risk Management, Corporate Governance and Sustainability Director will leave the office in the case of:
 - Retirement on due term;
 - Resignation. A resignation letter shall be delivered to Chairman no less than 30 days in advance with an exception for necessary businesses;

- Leave of the position before due term. Nomination and Remuneration Committee shall propose a Board of Directors' meeting to appoint a director with full qualifications in replacement for the remaining term;
- Death.
- Upon Board of Directors' resolution.

3. 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.

4. Scope of Authority, Duty and Responsibility

4.1 Risk Management

- 1) Consider and propose risk management policy and framework to Board of Directors for approval
- 2) Review and agree on risk appetites and propose them to the Board for acknowledgement
- 3) 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
- 4) Review risk management reports to monitor significant risks with actions as to ensure that the company devises adequate and proper risk management
- 5) 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
- 6) Report the Board risks and management of significant risks regularly
- 7) Provide recommendations, advice and solutions involving improvement of the risk management system to the Risk Management Working Group
- 8) 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
- 9) Perform any other duties pertinent to risk management as delegated by the Board
- 10) 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 and Corporate Governance Team / Internal Auditor/Auditor shall report or present information and pertinent document to the Board in order to support Risk Management, Corporate Governance and Sustainability Committee to achieve its objectives as delegated.

4.2 Corporate Governance

- 1) Set the policy and guidelines for good corporate governance and propose them to the Board for consideration and approval
- 2) Make recommendations on good corporate governance to the Board
- 3) 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
- 4) 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
- 5) Report its performance to the Board for acknowledgement
- 6) Perform any other duties as delegated by the Board

4.3 Sustainability

- 1) Provide oversight as well as advice and recommendations relating to the economic, environmental, and social dimensions, as well as corporate governance, for long-term sustainable business growth.
- 2) Monitor sustainability performance against various indicators, and provide advice on reporting data related to sustainability.
- 3) Provide recommendations in developing and reviewing policies and practices related to corporate sustainability and corporate governance, such as the Corporate Governance Policy, the Code of Conduct, policies related to the environment, risk management policies, and human rights policies.
- 4) Support, monitor and follow up on the Company's compliance with the laws, rules and regulations of relevant government agencies and regulators as well as good corporate governance practices in accordance with both Thai and international standards.
- 5) Recommend, encourage and support the Board of Directors, management and employees to develop knowledge and understanding related to sustainability, corporate governance and risk management.

5. Meeting

- 1) Risk Management, Corporate Governance and Sustainability Committee shall hold its meeting at least once a quarter, while being able to invite any persons to attend the meeting.
- 2) Executive Director shall present in each meeting and no less than half of all Risk Management, Corporate Governance and Sustainability Directors shall constitute a meeting quorum.
- 3) In the event that Chairman of Risk Management, Corporate Governance and Sustainability Committee is not present in a meeting and acting Chairman is not appointed, the members present shall elect a member to chair the meeting.
- 4) Chairman of Risk Management, Corporate Governance and Sustainability Committee may call for an extraordinary meeting upon a request for discussion of additional key issues.
- 5) Any Director who is at stake in a matter shall not be eligible to make comments and vote.
- 6) Secretary to Risk Management, Corporate Governance and Sustainability Committee 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.
- 7) In a motion, Chairman and Risk Management, Corporate Governance and Sustainability 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.

6. Reporting

6.1 Reporting to Board of Directors

- 1) 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
- 2) 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, Corporate Governance and Sustainability Committee shall provide its report, signed by its Chairman and disclosed in the Company's Annual Registration Statement / Annual Report (56-1 One Report), of its annual activities

7. Performance Appraisal

Risk Management, Corporate Governance and Sustainability 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, Corporate Governance and Sustainability 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

- 1) 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, Corporate Governance and Sustainability Directors sufficient time for consideration of each agenda.
- 2) Company Secretary shall prepare minutes of Risk Management, Corporate Governance and Sustainability Committee's meeting.

Nomination and Remuneration Committee

1. Membership

- 1) 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.
- 2) Board of Directors shall select one (1) of Non-Executive Directors and appoint him/her as Chairman of Nomination and Remuneration Committee.
- 3) 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.

2. Qualification

- 1) Nomination and Remuneration Directors shall be experts with experience and knowledge including that on corporate governance, while understanding their duty and responsibility.
- 2) Chairman and Nomination and Remuneration Directors shall be Independent Directors in order to act as the core to push for its independent actions.
- 3) 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.
- 4) Chairman of the Board shall not act as Chair or members of Nomination and Remuneration Committee.

3. Position Held/Dismissed

- 1) 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.
- 2) 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.
- 3) 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.

4. 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.

5. Scope of Authority, Duty and Responsibility

- 1) Define criteria and policy on nomination of committees, Chief Executive Officer and President
- 2) 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
- 3) 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
- 4) 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
- 5) Report the policy on remuneration for directors, its background/rational and objectives as disclosed in Annual Report
- 6) 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
- 7) Develop, with CEO, the succession plans of CEO and top executives who report directly to CEO
- 8) Review and assess adequacy of the Nomination and Remuneration Committee Charter and, if appropriate, recommend changes to the Charter to the Board for approval
- 9) Perform any other tasks or have such authority and responsibility, as may be delegated by the Board on a case-by-case basis

6. Meeting

- 1) Nomination and Remuneration Committee shall hold its meeting two (2) times a year.
- 2) No less than half of all Nomination and Remuneration Directors shall constitute a meeting quorum.
- 3) 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.
- 4) 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.
- 5) A majority of votes shall be adopted. In the event of a tie, Chairman shall cast a final vote.

7. Reporting

7.1 Reporting to Board of Directors

- 1) Report its performance to the Board for acknowledgement at least once a year
- 2) 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 Registration Statement / Annual Report (56-1 One Report), as appropriate

7.2 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 Registration Statement / Annual Report (56-1 One Report), of its annual activities.

8. 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.

9. Supplementary Meeting Document and Minutes of Nomination and Remuneration's Meeting

- 1) 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.
- 2) Company Secretary shall prepare minutes of Nomination and Remuneration Committee's meeting.

Executive Committee

1. Membership

- 1) Executive Committee shall be comprised of no less than three (3) Directors and Executives.
- 2) 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.
- 3) Chief Executive Officer may be the same person of President.
- 4) Chief Executive Officer shall not be the same person of Chairman of the Board.

2. Qualification

- 1) 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.
- 2) 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.

3. Position Held/Dismissed

- 1) Executive Committee shall be appointed by Board of Directors
- 2) 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.
- 3) 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.
- 4) In the event of a vacancy, the Board shall select a qualified candidate to fill the vacant position.

4. Scope of Authority, Duty and Responsibility

4.1 Screen

- 1) Policies, direction, business strategies and management structure as well as principles for business operations to cope with the economic situations and competition
- 2) Business plan and annual budget of the company
- 3) Principles and policy on investment, work management, subsidiaries and associated companies in the main business groups or other business groups
- 4) All investment projects, search for opportunities in new businesses and joint businesses with partners
- 5) Annual workforce plan
- 6) 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

4.2 Approval or Disapproval

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

4.3 Monitoring and Supervision

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

4.4 Reports to Board of Directors

- 1) Quarterly financial performance report
- 2) Other reports as designated by the Board

5. Meeting

The Board of Executive Directors 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. 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 scrutinization matters that will be proposing to the Board of Directors for consideration and approval.

6. 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.

7. Reporting

7.1 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.

7.2 Reporting to the Shareholders and General Investors

Reports shall be made for activities and key information, as disclosed in the Company's Annual Registration Statement / Annual Report (56-1 One Report).

8. Supplementary Meeting Document and Minutes of Executive Committee's Meeting

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

Guideline 2

Define Objectives that Promote Sustainable Value Creation

Rationale

1. 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.
2. 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:

- 1) To become good practices in accordance with vision, mission and objectives in the same direction across the organization
- 2) To build up good relationship among all employees
- 3) 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 Having dedication and commitment to work as a driving force for yourself and ready to pass on to people around you

2) PROFESSIONAL

- o Having expertise to help elevate the quality of work and pleased to be a partner, also ready to deliver the best service

3) TEAMWORK

- o Having strength together, in addition to the cooperation of the whole organization, we also view our customers as a same team for sustainable growth together.

4) GIVER

- o We are a part of helping to make society better through the creation of 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

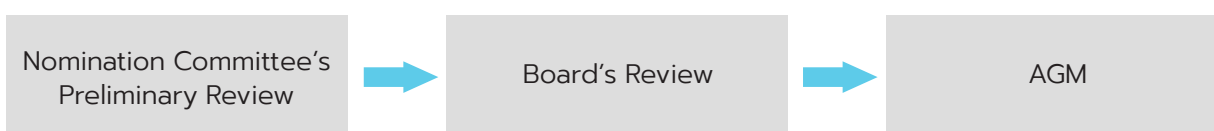
Rationale

1. 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.
2. Board of Directors selects a qualified person as Chairman and manages to ensure its membership and implementation facilitate consideration for independent decision-making.
3. Board of Directors oversees and supervises nomination and selection of directors to be clear and transparent for qualified directors as required.
4. 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.

5. Board of Directors oversees and supervises all directors to be responsible for their duties and allocate sufficient time.
6. 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.
7. 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.
8. 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.
9. 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.

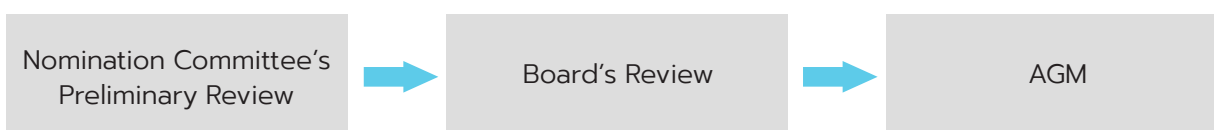
Practice

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.
 - 1) Ensure the Board's efficient duty and objective achievements
 - 2) Promote culture, morality and corporate governance
 - 3) Determine a Board meeting's agendas through discussion among all directors with President's responsibility to include major issues into meeting agendas
 - 4) 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
 - 5) 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.
 - 1) Chairman and most members should be Independent Directors.
 - 2) 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.

- 3) 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.
 - 1) Have a mechanism which supports each director to understand his/her duty
 - 2) 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.

 - 3) 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:
 - 1) 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.
 - 2) 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:
 - 1) Set meeting schedules and agenda in advance so that directors can schedule their time to attend meeting throughout a year
 - 2) 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.
 - 3) Supplementary meeting documents shall be delivered to directors in advance, at least seven (7) days before a meeting.
 - 4) 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.
 - 5) 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.
 - 6) 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

1. Board of Directors manages to ensure nomination of CEO and Top Executives and their development in knowledge, skills, experience and necessary qualifications that help drive the organization to the goal.
2. Board of Directors oversees and supervises determination of remuneration structure and proper performance appraisal.
3. Board of Directors understand the structure and relationship of the shareholders which may affect business management and administration.
4. Board of Directors monitors human resources management and development in terms of appropriate number, knowledge, skills, experience and incentives.

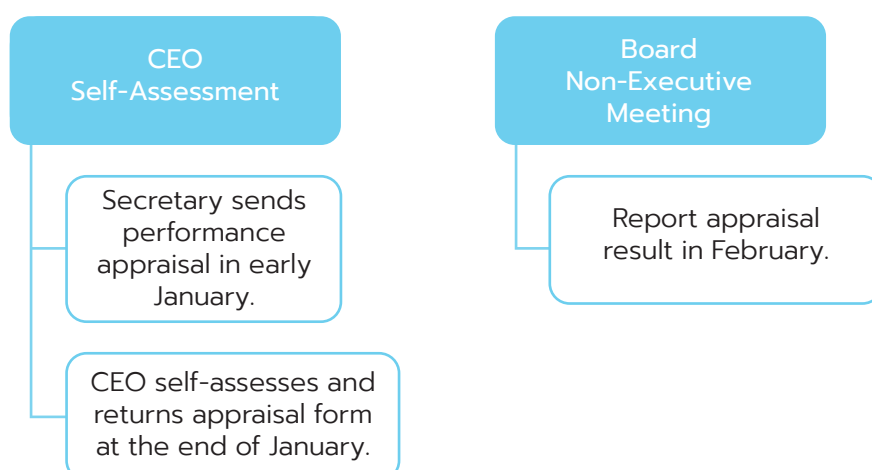
Practice

1. Nomination and development of CEO and Executives for necessary knowledge, skills, experience and qualifications;
 - 1) Board of Directors assign Nomination and Remuneration Committee to consider criteria and method to nominate a qualified candidate for CEO and succession plans for CEO and Top Executives. CEO shall report the succession plans to the Board at least once a year.
 - 2) Board of Directors promotes and supports Top and Top Executives in training and development which will enrich knowledge and experience for their work implementation.
 - 3) Policy and practice shall be establishing for CEO 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;
 - 1) Board of Directors determines remuneration as incentives for Chief Executive Officer/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/ 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

- 2) Board of Directors determines criteria and factors for performance appraisal, approves the structure of remuneration for Directors/Chief Executive Officer/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

1. 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.
2. 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.
3. 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.
4. 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 17, 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;
 - 1) Financial Capital
 - 2) Intellectual Capital
 - 3) Human Capital
 - 4) Social and Relationship Capital
 - 5) 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);
 - 1) Risk Management Policy
 - 2) Quality Policy
 - 3) Policy on Safety, Occupational Health, Security and Work Environment
 - 4) IT Policy
 - 5) Anti-Corruption Policy
 - 6) Sustainability Policy
 - 7) Human Rights Policy
 - 8) Corporate Compliance Policy

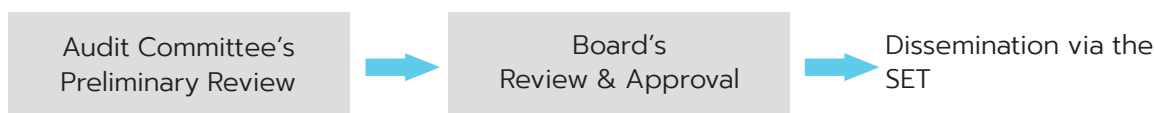
Guideline 6**Strengthen Effective Risk Management and Internal Control****Rationale**

1. 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.
2. Board of Directors establishes Audit Committee which can perform its duty with independence.
3. 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.
4. 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.
5. 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:
 - 1) 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

- 2) 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.
- 3) 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:
 - 1) 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.
 - 2) 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
 - 1) Determine protection measures for informers
 - 2) Manage to have channels for complaint information through Anti-Corruption Working Group or website
 - 3) Determine processes for examination, operation and reporting to Board of Directors
 - 4) Record progress of solutions and report them

Guideline 7

Ensure Disclosure and Financial Integrity

Rationale

1. 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.
2. Board of Directors monitors adequacy of financial liquidity and ability to repay.
3. 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 Registration Statement / Annual Report (56-1 One Report) 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:
 - 1) Consistent losses;
 - 2) Decline in net profit margin;
 - 3) Low cash flow;
 - 4) Incomplete financial information;
 - 5) Lack of a proper accounting system;
 - 6) Lack of evaluation on cash flow and budget;
 - 7) No business plan;
 - 8) More increased amount of liabilities than increased amount of assets;
 - 9) 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

1. Board of Directors manages to ensure the shareholders take part in the company's major decision-making.
2. Board of Directors manages to have a shareholders' meeting smooth out with transparency, efficiency and convenience for the shareholders' exercise of their rights.
3. 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:
 - 1) Schedule a shareholders' meeting once a year
 - 2) 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
 - 3) 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.

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, Corporate Governance and Sustainability 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, Corporate Governance and Sustainability Committee periodically.
3. Risk assessment criteria has been established by Risk Management, Corporate Governance and Sustainability 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) 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.
 - 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.

Objective

1. To supervise the operation, abide by the laws and regulations in accordance with the Corporate Governance Policy and Code of Conduct.
2. To show the intent and determination to combat all forms of corruption.

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, Corporate Governance and Sustainability 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 Environment, Social, Governance and Economic, 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:

1. Conducting business with integrity and transparency in accordance with good Corporate Governance and business ethics including labor laws or laws related to human rights
2. Respect for human rights without discrimination against any person
3. Avoid human rights abuses and promote human rights activities
4. 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.
5. 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:

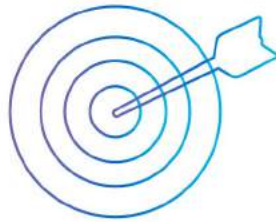
- (1) act in good faith for the best interest of the company;
- (2) act with proper purpose; and
- (3) not act in significant conflicts with the interest of the company.

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
No. 9 (8 th Edition)	Board of Directors Meeting No. 1/2023	22 February 2023

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.

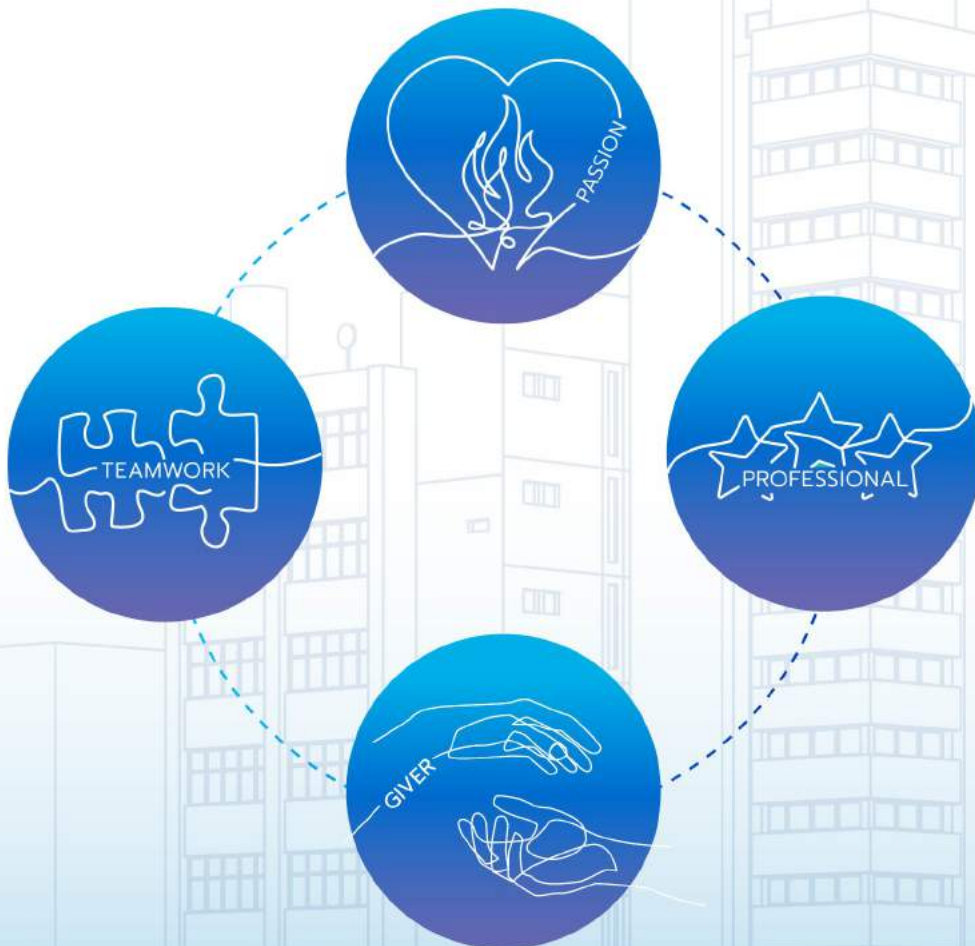
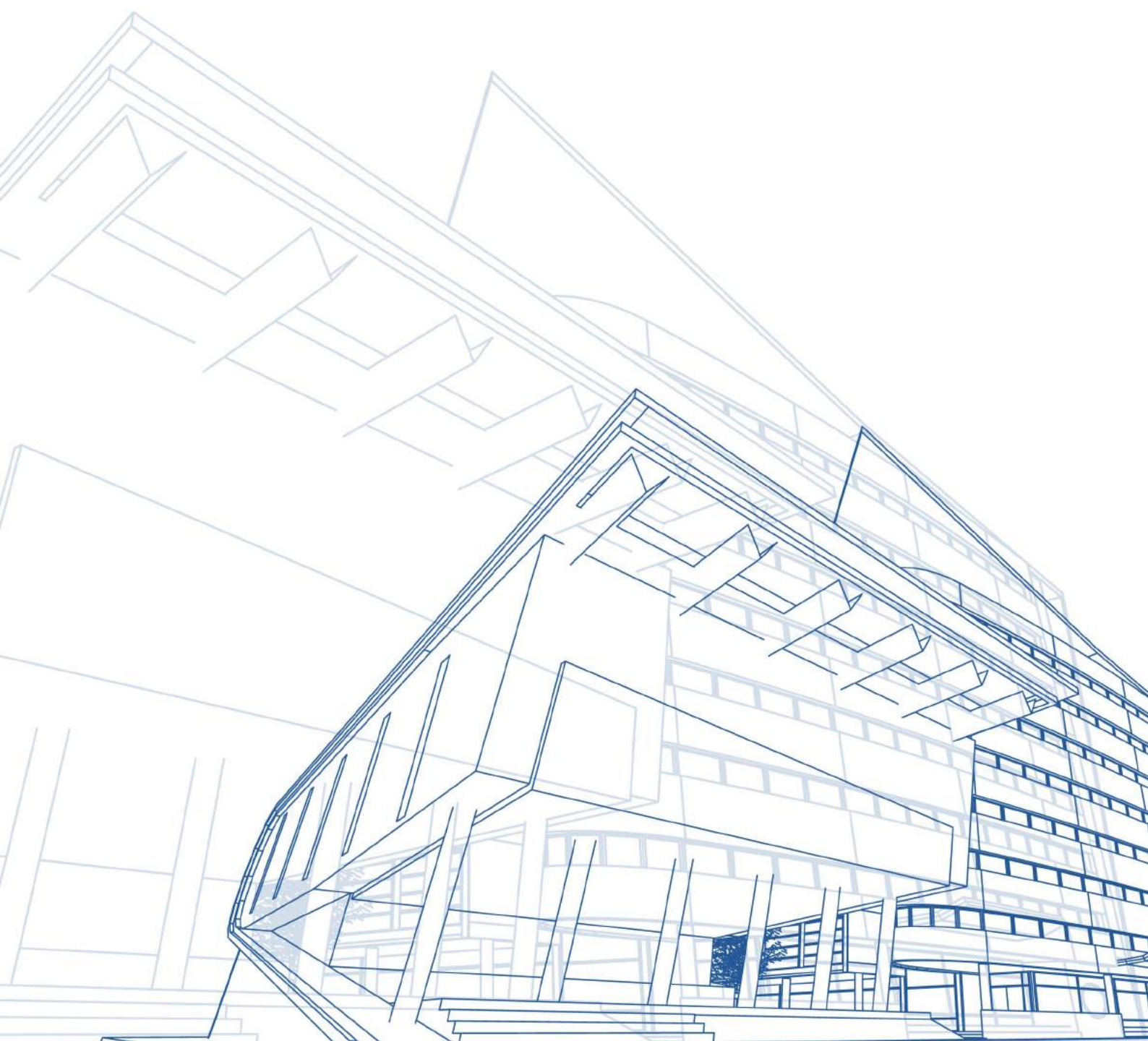


Table of Contents

02	Message from Chairman and Chief Executive Officer
03	Word General Definition
04	MFEC Ideology
06	Guideline on Code of Conduct
08	Treatment to Stakeholders
09	Anti-corruption
11	Gifting and Hospitality Policy
13	Donations and Sponsorship
15	Political Contribution
17	Conflict of Interest
20	Facilitation Payment
21	Hiring Government Employees
23	Human Rights
25	Protection of MFEC Assets
27	Use of Inside Information and Trade of MFEC Securities
29	Giving Information or Media/Public Interview
30	Prevention of Money Laundering
31	Intellectual Property
32	Compliance with Laws, Regulations and Articles of Association
34	Confidentiality
35	Antitrust/Anticompetitive practices
37	Safety, Occupational Health, Security and Work Environment
39	IT Security
41	Management and Business Ethics
43	Whistleblowing or Complaints
45	Complainant and Whistleblower Protection Measures
45	Punishment



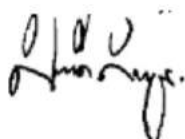
Message from Chairman and Chief Executive Officer

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. Top management committed to zero tolerance for all forms of bribery and corruption.

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.

The Company’s Manual “Code of Conduct” was reviewed at the Risk Management and Corporate Governance Committee Meeting No. 1/2023 on February 15, 2023. It was considered and approved by the Board of Directors meeting No. 1/2023, on February 22, 2023.



Mr. Sirisak Tirawattanangkul

(Chairman)



Mr. Siriwat Vongjarukorn

(Chief Executive Officer)

Word General Definition

MFEC

MFEC Public Company Limited

Subsidiary Company/Associated Company

A subsidiary company/an associated company as appeared in MFEC Public Company Limited's consolidated financial statements.

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

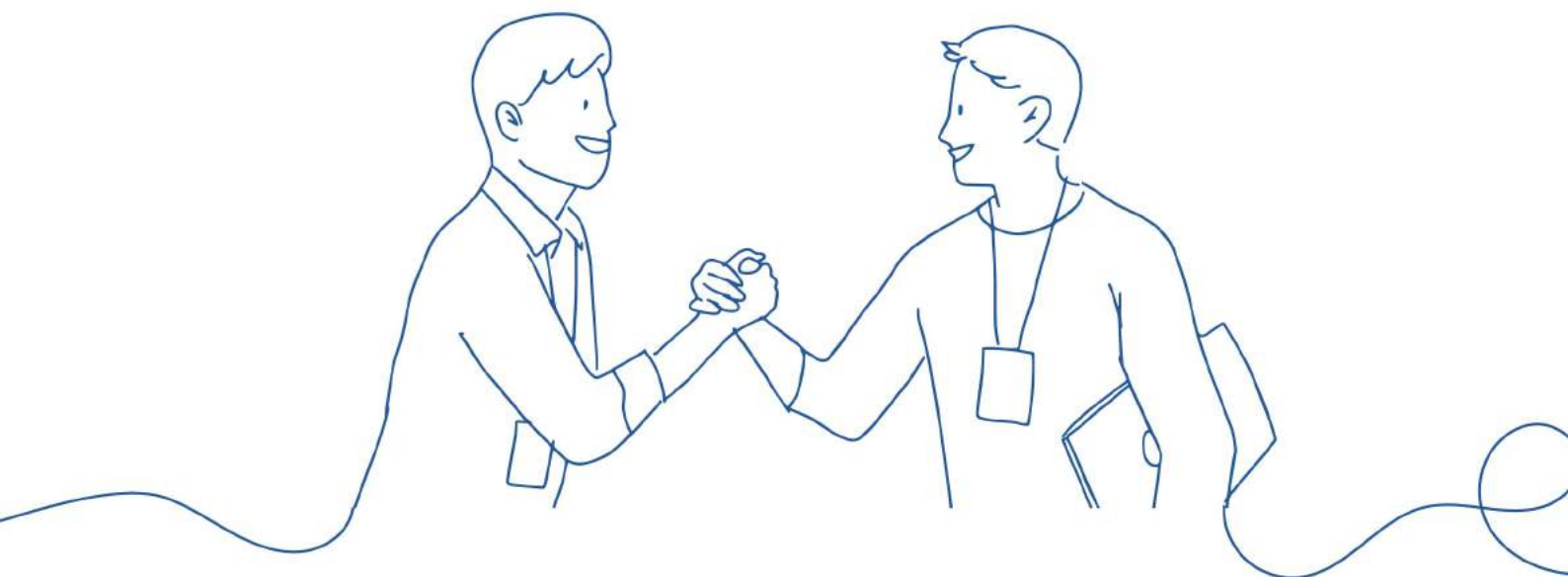
A shareholder who directly or indirectly holds shares in a listed company in a total amount exceeding 10% of the paid-up capital of the listed company. Such shareholding shall also include the shares held by related persons.

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

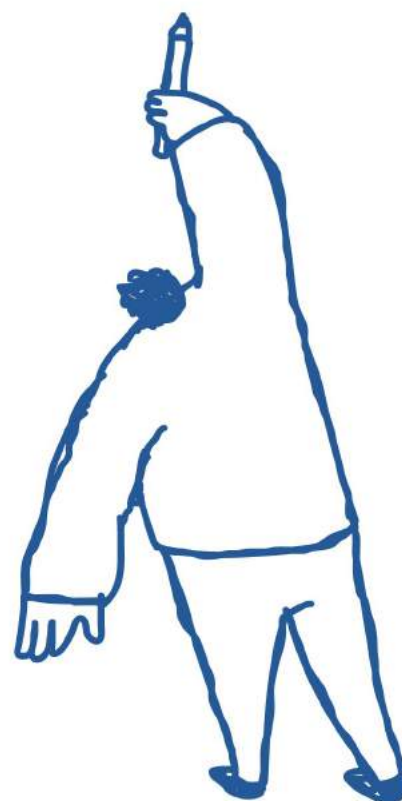
- Work with attention in safety, occupational health and environmental standards.
- Be aware of use of resources, environmental conservation. All start from home, work places to the outside.
- Participate in activities to conserve the environment, take care of communities and join development of the society.

Guideline on Code of Conduct



Code of Conduct

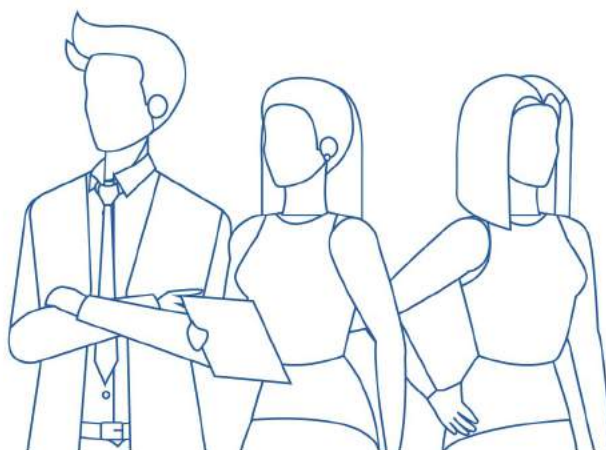
means good guidelines on business operations, based on MFEC ideology, allowing all MFEC employees to follow and use them to perform tasks properly. The code is a part of the working regulations.



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, including encouraging transparent and free competition and not supporting any unfair action to distort market price. 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

Stakeholder 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.

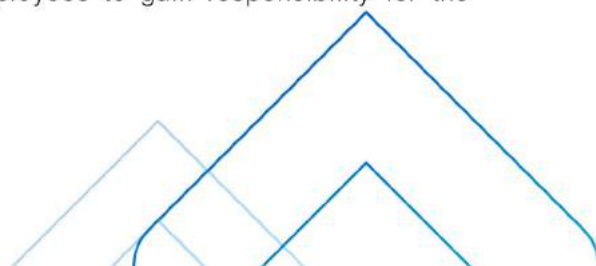
Customer - Customers are fairly treated for products and services, while confidentiality of their information is strictly kept. Products and services are developed for quality and are priced fairly and properly. Channels for Complaints are provided for customers to be able to make complaints.

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. The provision of equipment or tools, including work environment, is also maintained for safety and hygiene for employees to prevent harm and promote good health for them. Their comments and suggestions are accepted through a channel for employees' clarification or complaints.

Competitor - Competitors are treated under a framework of good competition and conduct business legally on the basis of free and fair 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.



Anti-corruption

Principle

The Company places a great importance on anti-fraud and anti-corruption whereby employees at all levels shall refrain from requesting, performing, or accepting all forms of corruption for any kind of benefit of the Company, themselves, or business-related parties including business units in other country and related agencies. In this regard, the Company has arranged this policy and guidelines on anti-fraud and anti-corruption in compliance with rules, regulations, and legal requirements for employees at all levels to adhere with their duty performance.

Definitions

Corruption

Any forms or activities of bribery whether offering, promising, providing, pledging, demanding, or accepting money, assets, or any kind of benefits to government officials, government agencies, private entities, or persons in charge directly or indirectly. That forms or activities may influence or impose of those performing duties leading to acquire or retain business or business relationship to the Company in particularly, or to acquire or retain the impropriated business benefits. Exceptions are made providing that the law, rules, notification, regulation, tradition, or business practices allowed in doing so.

Fraud

Seeking any kind of unlawful benefits for themselves or others or taking personal interests over benefits of the Company, e.g. misappropriation of the company's assets, fabrication of documents, abuse of entrusted power or misconduct of disbursements, etc.



Guidelines

- 1 The Company will communicate this policy, guidelines in relation thereto to employees at all levels including external and internal stakeholders.
- 2 All employees must not act in any way that indicates an intent of fraud and corruption, including asking for, operating, or accepting any forms of corruption for benefits, both direct or indirectly, as well as must not neglect or ignore any suspicion in fraud or corruption that relating to the Company and its subsidiaries. This must be reported through the Company's whistle-blowing channel.
- 3 In executing giving or accepting gifts, entertainment, donations, sponsorships, political contributions, conflicts of interest, facilitation payments, government employment, safeguarding of the Company's assets, use of insider information and trading of the Company's securities, distribution of information interviews with press public, anti-money laundering, intellectual property, compliance with laws and regulations, confidentiality, anti-unfair business competition, as well security of data and information systems must be done transparently and in accordance with the Code of Conduct.
- 4 Be carefully when engaging transaction with any individual, entities or organizations that may be suspicious doing of fraud and corruption.

Example & Recommendation

- In event that any agency or organization solicits a bribe from the Company which may impact the Company's business provided that the company does not pay such bribe. What should you do?

Recommendation

You must not pay bribes and report to the supervisors regarding impacts that may occur with a view to determining mitigation measures. If your direct manager cannot provide conclusion and execution, this matter shall be brought to higher-level manager.

- In case that government official inquiries that "if he provides an advantage as an inducement for an action which is illegal or immoral affecting the trust towards regarding the Company's purchasing engagement". What should you do?

Recommendation

You should clarify to the government officials that according to the Company's policy, there will be no benefit, reward or facilitation payment provided in any form in exchange for facilitating business operations.

- In the event that the Company is purchasing products from a supplier, and that supplier verbally said that he will provide compensation to the purchaser. What should you do?

Recommendation

Employees must not take advantage from suppliers and should inform the supplier the Company's business ethics that in engaging in transact business with the Company; there will be no benefit payment or any kind of advantage.

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.



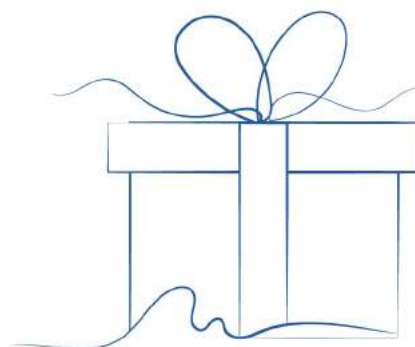
Definition

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.

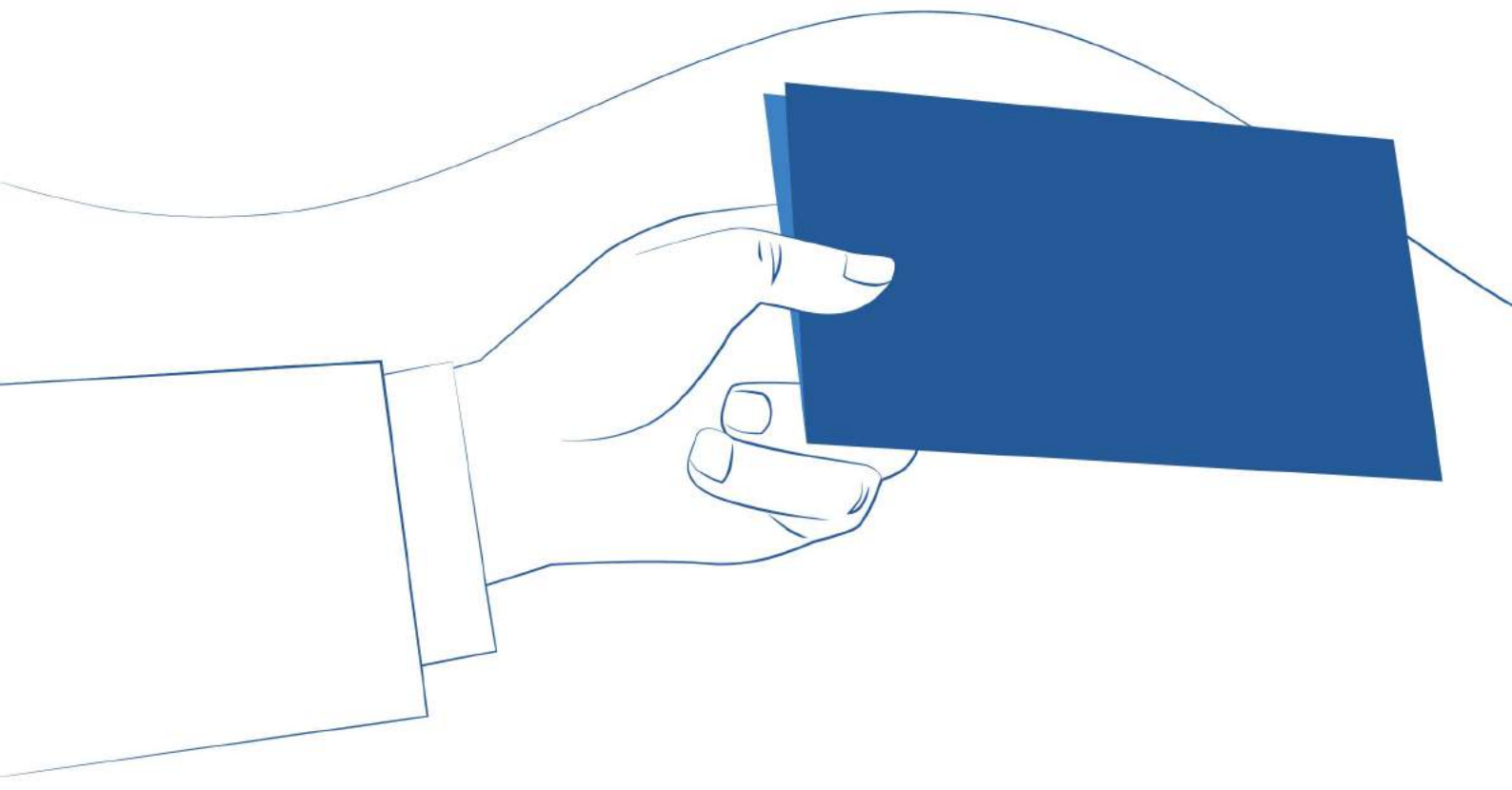
Giving and Receiving Gifts

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

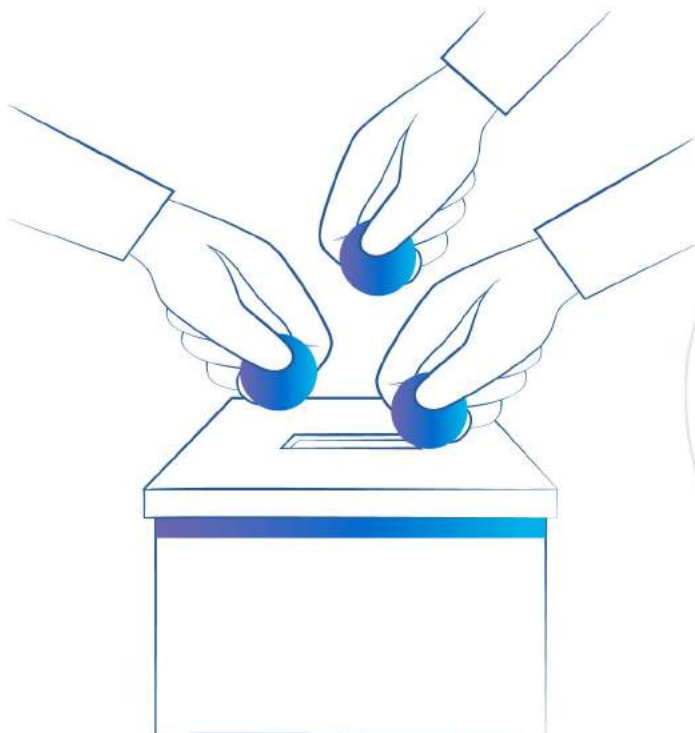
Donation of money, goods, or any other benefits to any persons or juristic persons established with the objectives of public interests and contribution to the society without expecting any returned benefits from such activities.

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.

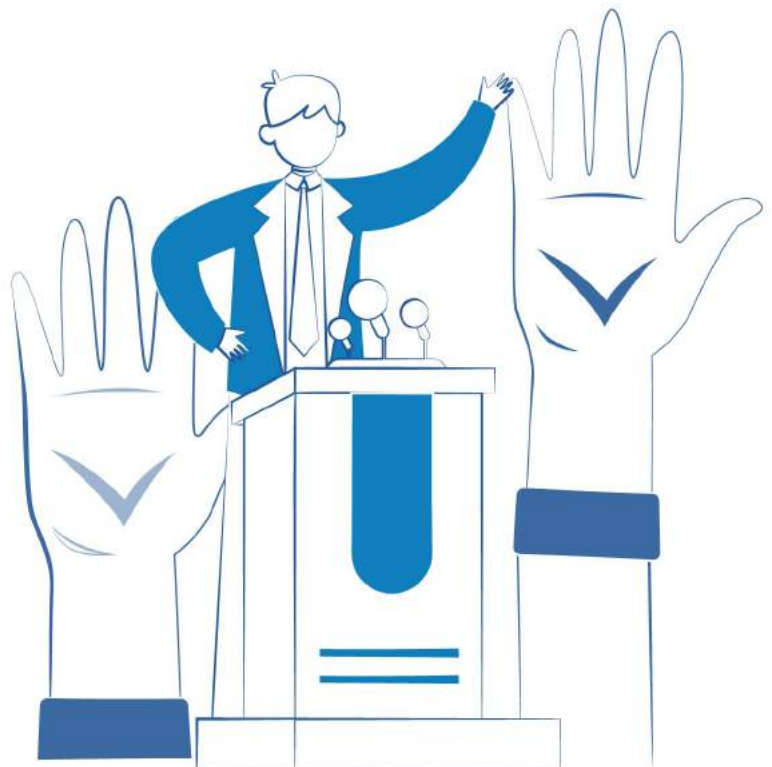
Definition

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

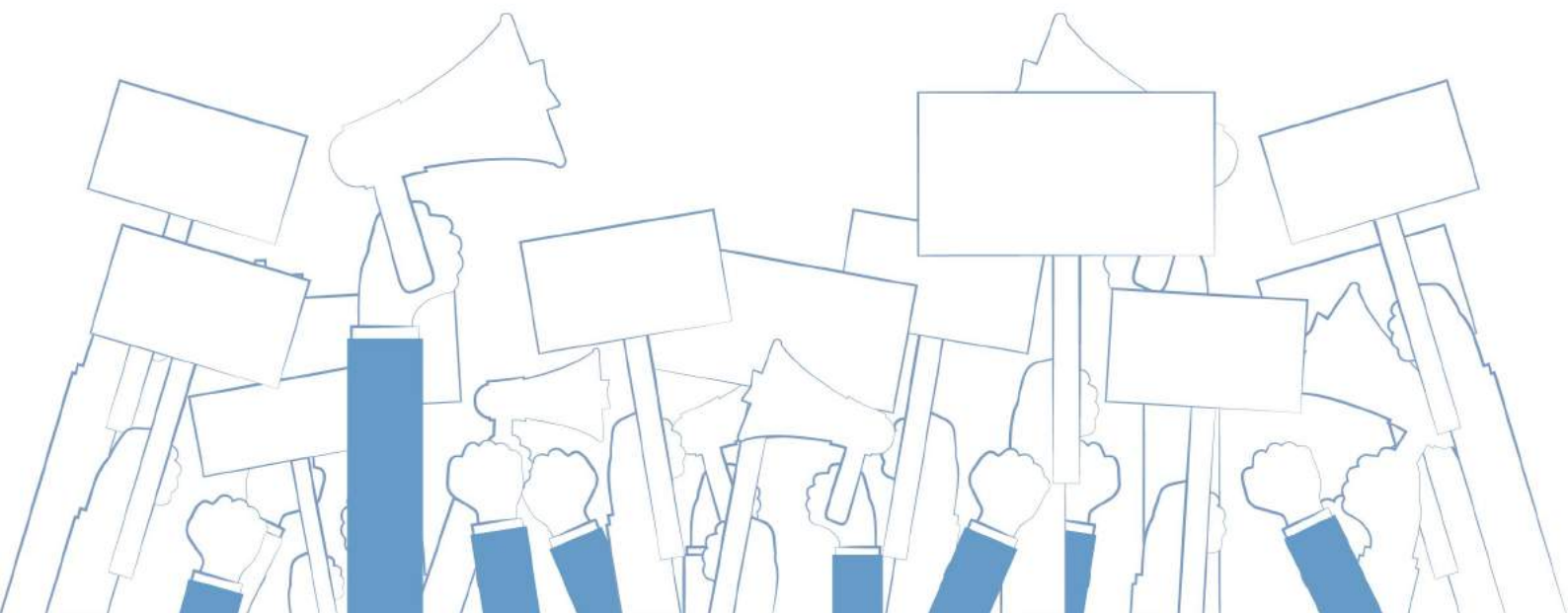
Definition

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 is 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.

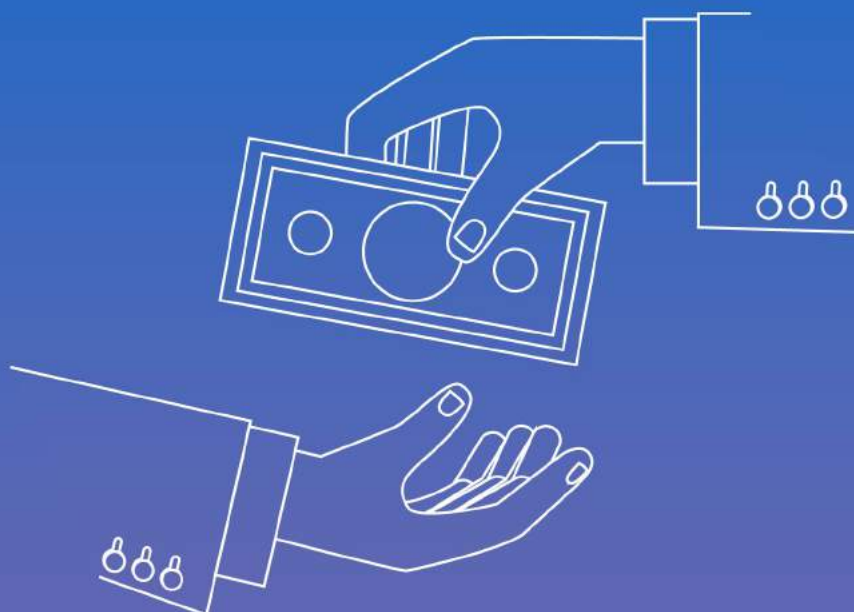
Recommendation

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 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**, without discrimination 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 without discrimination 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.



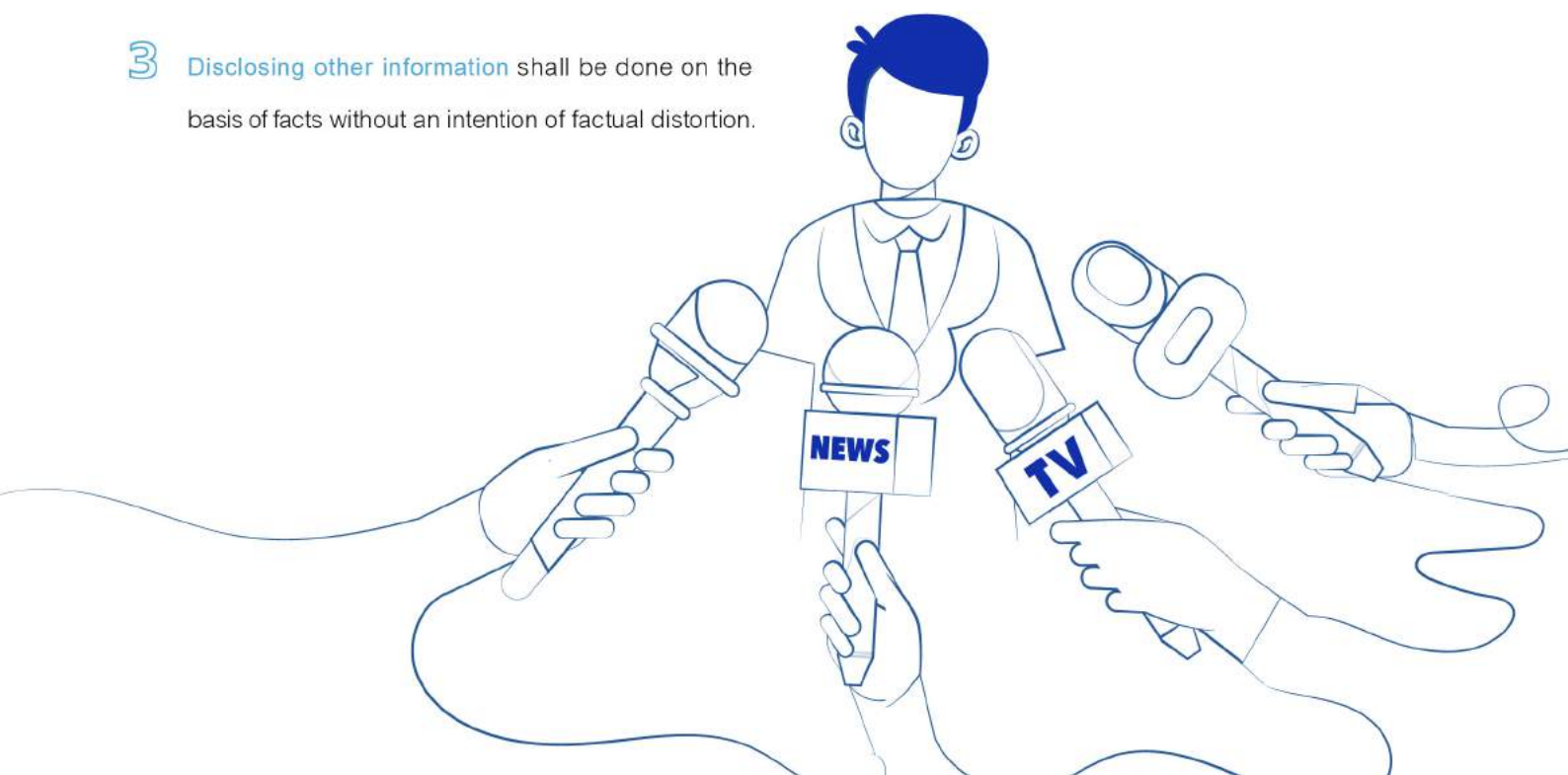
Giving Information or Media/Public Interview

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?

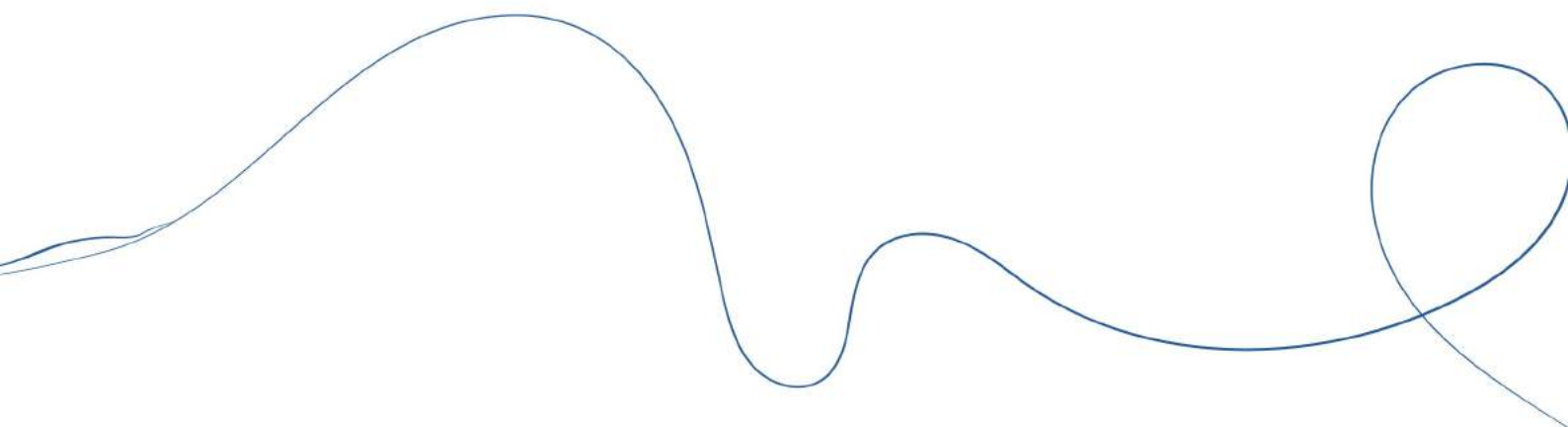
Recommendation

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.

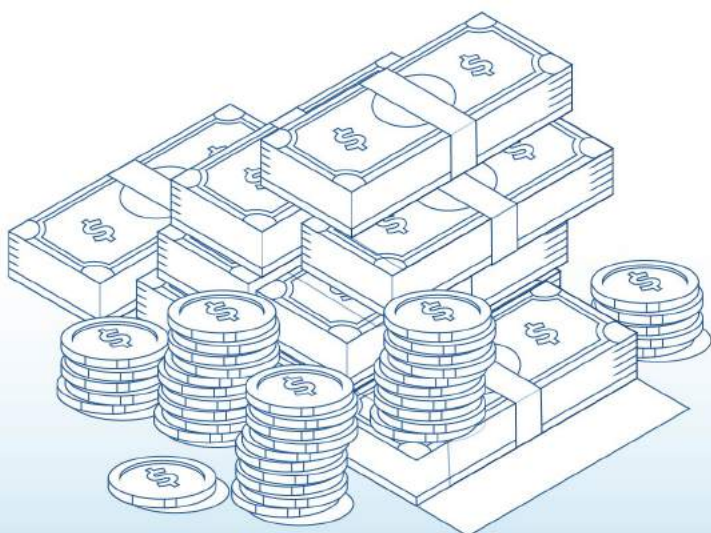
Definition

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.

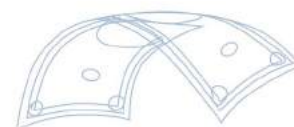


Example & Recommendation

- 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

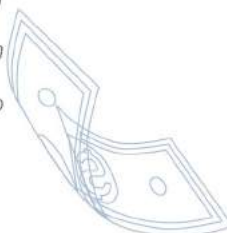
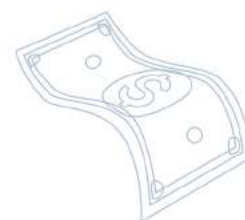
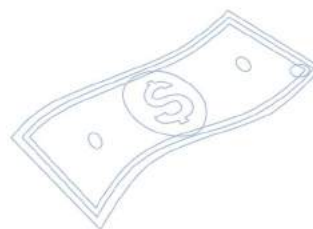
Avoid receiving money in the contract from a person who is not the contract partner. However, if necessary, you should inspect whether or not the source of origin of the money in every transaction and the relationship between the debtor and the person who transfers the money are legally correct.



- 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

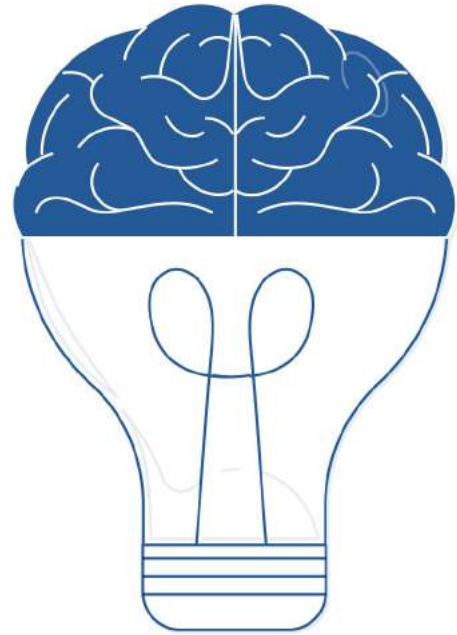
A work that is the result of inventions, creativity by human.

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.



Guideline

- 1 **Abide by the regulations and Articles of Association** for punching the clock, holidays and leaves, overtime work, working during the holidays, and follow the procedures for leaves and the code set by the company strictly.
- 2 **Behave with honesty** by informing your true personal information required by the company and keep the company's benefits seemingly like your own benefits.
- 3 **Keep the company's secrets** by not sending messages and disclosing confidential information, assembly or manufacturing method, figures or internal document of the company's businesses and its customers' secrets which are confidential or concealed to unrelated persons or outsiders.

Definition

Regular Employee

A person who is hired for a position and placed as a regular employee after a probationary period.

Trainee

An employee who is informed by the company as a trainee with a determined probationary period of either more or less than 120 days.

Monthly Employee

An employee which is agreeably hired by the company with a monthly wage rate and has the rights to earn wage for weekends, traditional holidays, vacation leave, sick leave, maternity leave, military service leave, ordination leave as set in the requirements.

Contracted Employee

An employee which is hired by the company with an employment contract clearly stating a start and an end of the employment.

Example & Recommendation

- If a colleague asks you to help clock in for the former, what should you do?

Recommendation

Punching the clock for another person or letting another person to punch the clock is regarded as severe disciplinary misconduct which will be imposed termination of an employment without compensation as the penalty. Therefore, you should inform your colleague to follow the correct regulation, not helping your colleague clock in.

- Will you be able to take a leave for more than five (5) consecutive working days?

Recommendation

An employee can take a leave for no more than five (5) consecutive working days. The company will not pay compensation for employees who do not take the annual leave voluntarily.

- 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.

Confidentiality

Principle

The company has realized the importance of stakeholder's information. Thus, the company has assigned the committee, board of administration and all employees to protect the confidential sources of information which is not considered as public information, customer and business counterparts information given for business operations. Also, this information protection is applied for any manners that may require.

Guidelines

- 1 The level of confidentiality has been identified as well as its data management practices.

Remark: The identification is referred to (MFEC-ISMS_QP-004-Data classification)

- 2 It is strictly prohibited to externals to acknowledge of any confidential information, apart from legal requirements, purpose of litigation, and any approval that require to be granted by the board of committee to access to such the data.

- 3 It is required for all employees to strictly keep the customer, partner, and any relevant business stakeholder's confidential data until any permission is granted to do so.

- 4 The company has identified the duration of information collected. Once the term is due, the data in documents and electronic media will be eliminated according to procedures specified.

Remark: The duration is referred to document retention period standards.



Example & Recommendations

- If the is audit conducted and any confidential data is required by any third party, should the company submit?

Recommendation

In this case, it is required for the company to comply with the regulator and/or partner standard and protocols once the confidential data is being submitted. It is a must that the third party will be signed confidential non-disclosure agreement (NDA).

- If the confidential and secret data is to be sent by email, what is it required?

Recommendation

In this case, the confidential and secret data must be filed and sent in Zip format and the password for accessing to the zip file must be generated. The password is to be sending via alternative channels, phone, message, etc.



Antitrust/Anticompetitive practices

Principle

The company has realized the importance of trading legal focusing the business ethics, partner and customer's benefits, including fair dealing in business. Hence, the company has established the antitrust and anticompetitive practices.

Definition

Trading Competition

All business partners, dealers, suppliers, vendors, and any relevant business partners are able to price and/or quality of products or services without any conditions limited, whether direct or indirectly, so as to suspend, reduce, and restrict the service, production, distribution or delivering at lower market demanding. In addition, the trading competitor will not be intervened in business operation resulting in unfairly fixing price particularly in commodities and services corresponding to the demand of market. And consumers/users could choose and purchase products and services according to their own needs.



Guidelines

- 1 The Company operates its business fairly, and transparently in complied with free and fair competition law.
- 2 In carrying out joint venture, merger, or acquisition, the Company will conduct in fair, transparent, and anti-monopoly manner or unfair competition.
- 3 The Company will not enter into an agreement or exchange business information with any business competitor or person in monopoly or unfair business competition e.g., fixing or maintaining purchasing or selling price of goods or service, unfairly allocating market share, etc.
- 4 The company will avoid behaving unfair trade to other business operators, such as imposing trade conditions that limit trade opportunities or alternatives of trade partners, etc.
- 5 Employees of the company will be carefully in dealing with competitors or their employees. The Company's secrets must not be disclosed to competitors.

Example & Recommendation

- In the event that you have been invited by a competitor in the same business group for seminar in order to meeting and exchanging business information of purchase price/service fee and marketing segmentation. What should you?

Recommendation

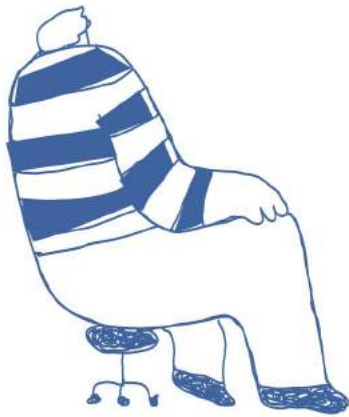
You should decline invitation of participating business seminar. Due to the company's guideline stipulates that it is prohibited to exchange business information with competitors or individuals in a monopoly way or limit or lower trade competition. You also should report to the superiors so as to take further appropriate action.

- In case you have to meet relatives or acquaintance those work in competitors in the same business group. What should you do?

Recommendation

You should be carefully when having conversation and must not discuss the Company's confidential information to your relatives or acquaintances.

Safety, Occupational Health, Security and Work Environment



Principle

The company is aware of safety, occupational health, and environment in working place. Employees of all types of employment, contractors, suppliers, partners and third parties who work in the Company's area or use the services of the Company, including external workplaces of the company

Guidelines

- 1 The Company will provide and ensure a health and safe working environment, support resources in promoting of occupational health and safety in workplace by arranging continually equipment and tools.
- 2 The Company encourages all employees to discuss problems, and establish independently about what may be potential risk of the health and safety toward employees. So that the employees be able to assess potential risks and mitigation plan.
- 3 The Company provides first aid equipment in the workplace. The first aid equipment is to first aid employees before being transported to nearby hospitals.
- 4 The Company has established an emergency action plan. So that employees are provided understanding and program of an emergency, such as evacuating to a safe place, gathering at the assembly point to check the total number of employees and to contacting emergency services. This program will be provided at least once a year e.g. such as fire training.
- 5 The Company requires a health check-up for new joiner before starting to work with the Company in order to ensure that employees be able to perform their duties, including an annual health check-up to ensure that employees are healthy, and as preventive mechanism.

- 6 The Company's drivers are required a drug test, provided failure to the test, he/she will be providing drug addiction treatment. In the case that the Company's drivers have failure to the drug test for the second time, he/she will be immediately terminated from employment; provided that possession of narcotic substances, he/she will be immediately terminated from employment and will be faced legal prosecution.
- 7 The Company's drivers are required to drive strictly at a speed not exceeding as stipulated by law in addition to comply driving regulation e.g. having driving license, loading as required by law.
- 8 The Company requires vehicles inspection as well as relevant equipment to be good working condition at all time.
- 9 During performing their duty, the supervisors will monitor behavior of their subordinate. If any suspicious incident of drug, the supervisors might report to SHE Committee so as to report to external agencies for further investigation without advance notification.
- 10 The Company establishes "Stop Work Authority Policy" that every employee is responsible to stop work or potential risk behavior against this policy.
- 11 The Company provides training on occupational health, and safety and environment in workplace including the rules and regulations of the Company in relation thereto.
- 12 The Company establishes occupational health, and safety environment in workplace committee. The committee's scope of responsibilities are to control, improv, prevent hazards in any forms arising from operation which impact to employees and/or the Company's assets with a view to continually strengthening occupational health, safety environment in workplace.

Example & Recommendation

- If you found an employee who is drinking during performing their duty. What should you do?

Recommendation

Employees should ask that colleague to stop drinking while working in the office or report that a supervisor of them to stop the action. If such actions still carry on, you can report the Occupational Health and Safety Environment in workplace Committee to proceed in accordance with the company's disciplinary and procedures.

IT Security

Principles

The Company recognizes the importance of data security and information systems. Therefore, the information technology policy is established for directors, executives and all employees to adhere and comply strictly.

Definition

Information Security

To preserve the Company's confidentiality, accurateness, availability of information security and information technology and communication system

Information Technology System

Equipment and systems in relation to proceed and transmit electronic data such as computers, network systems, the Internet, e-mail or programs.

Computer System

A computer device or set of devices that functioning by assigning commands, set of instructions, or else that enables the device or set of devices to automatically process and store data.



Guidelines

- 1 The company has a policy on information technology by identifying operations in information technology in order to implement as appropriate and safe guidelines for the use of the company's information system. Details are as follows:

- 1.1 Request and cancel access permission
- 1.2 Rights of use and code of conduct.
- 1.3 Social media communication.
- 1.4 Password setting and usage.
- 1.5 The stability of various work systems.
- 1.6 Actions against policy violation.

- 2 The Company has established an information security policy by specifying guidelines, standard and procedures which completely and appropriate divided into 9 section in order to ensure proper use of information and information technology systems with effective security; to operate continually, and preventing any problem that may arise from use in an inappropriate manner, or being threaten.

- 3 The board of director, executives, and employees are responsible for maintaining information security and safety and use the information system in complied with the specified information technology policy.

Example & Recommendation

- If you cannot remember login password of computer, write it down in front of your computer monitor. This is proper method?

Recommendation

Writing down your password in front of your computer is inappropriate. Because the password may be used by an unrelated person to access the information on your computer. Therefore, it is a good idea to keep your password secret. To prevent others from accessing information in your computer system.

- In case there, an external agency such as an audit agency external service provider (who entered into an employment contract with the Company) has requested access to the company's internal system. What should you do?

Recommendation

You should consult with your supervisor to request permission/assign data access rights to third parties as appropriate in addition to send an e-mail to the IT system administration department of the company to proceed with granting access rights to third parties which must specify important information such as name-surname, E-mail, purpose of access, and the period of requesting access to the system. However, the external agency must sign a Non-disclosure Agreement : NDA.

Management and Business Ethics

- 1 All staff of the Company are obligated to acknowledge, understand, and strictly comply with the Code of Conduct. 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 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, for indirectly personal benefits.
- 4 Managements and supervisors must be the role models in compliance with the Code of Conduct and have a duty to supervise and promote the subordinates to comply with the Company's Code of Conduct.
- 5 There shall be an Anti-Corruption Working Group and Related person:
 - 5.1 An Anti-Corruption Working Group, consisting of:
 - Top Management
 - Anti-Corruption Governance Body
 - Anti-Corruption Compliance
 - 5.2 Related person, consisting of:
 - Managers/Supervisors
 - Employees

With the following duties and responsibilities:

Top Management

- 1 Determine objectives, policies, and strategies for Anti-Corruption.
- 2 Appoint agency or personnel with appropriate authority to supervise and monitor anti-corruption compliance.
- 3 Specify the duties and responsibilities of the Anti-Corruption Governance Body.

Anti-Corruption Governance Body

- 1 Establish the Anti-Corruption policy.
- 2 Establish the Code of Conduct that specifies Anti-Corruption guidelines and imposes punishment for non-compliance.
- 3 Review the Anti-Corruption policy, the Code of Conduct, and any other regulations of the company annually.
- 4 Communicate the Anti-Corruption policy and the Code of Conduct for related persons to practice.
- 5 Encourage employees to have awareness and consciousness of the anti-corruption policy and Code of Conduct.
- 6 Determine the channels and procedures for whistleblowing or complaints.
- 7 Receive whistleblowing or complaints.
- 8 Determine an investigative procedure, including considering appointing an investigative team and punishment (if any).
- 9 Prepare reports of whistleblowing or complaints annually.

Anti-Corruption Compliance

- 1 A compliance audit ensures that an organization is following the Anti-Corruption policy, the Code of Conduct, and corruption risk issues, which must be performed at least once a year by independent experts to ensure reliable operation control.
- 2 Prepare reports of Anti-Corruption audits.
- 3 Report the results of Anti-Corruption audits to the related person.

Managers/Supervisors

- 1 Control performance by conforming to the Anti-Corruption policy and the Code of Conduct.

Employees

- 1 Comply with the Anti-Corruption policy and the Code of Conduct.

Whistleblowing or Complaints

MFEC sets the system for whistleblowing or complaints. 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 Whistleblowing or complaints channel 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

○ Anti-Corruption Working Group, 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

anti-corruption@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 or complaints Channel
(<https://ir.mfec.co.th/en/whistleblowing-channel/>)

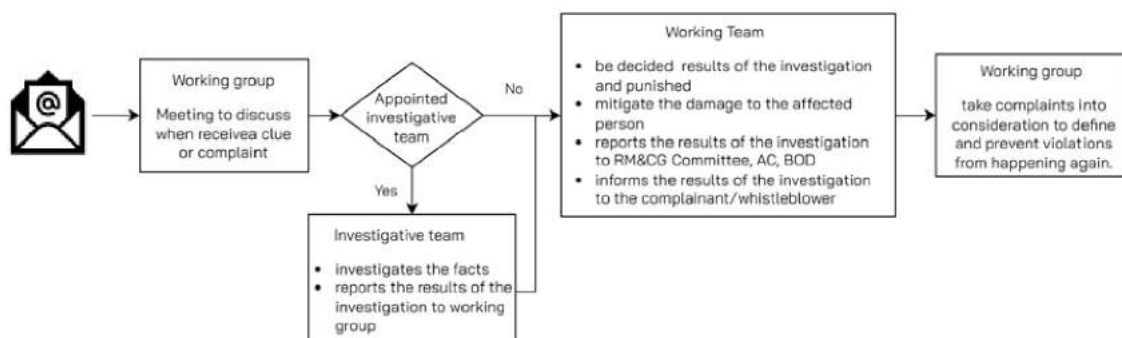
2.2 For the employees of the Company

○ 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 Anti-Corruption Working Group to be responsible for considering and handling complaints, non-compliance with Anti-Corruption Policy, Code of Conduct, and any other regulations of the Company. Procedure of examination are as follows:



- 3.1 When the Anti-Corruption working group receives a clue or complaint, the working group will arrange a meeting to discuss it within 3 business days. If the investigative team must be appointed, the process must be completed within 7 business days with ethical concepts of independent, objectivity, and not involved in the issue.
- 3.2 The investigative team collects information/evidence, assesses it, investigates the facts, and summarizes the results of the investigation within the time assigned.
- 3.3 The investigative team reports the results of the investigation to the Anti-Corruption working group within the time assigned.
- 3.4 The results of the investigation are decided by the Anti-Corruption working group. If the offender must be punished, it will be done in accordance with the company's punishment policy or applicable laws.
- 4 The Anti-Corruption working group assesses and considers the damages happened. Thereafter, the working group proceeds appropriately to mitigate the damage for the affected person.
- 5 The Anti-Corruption working group reports the results of the investigation to the risk management and corporate governance committee, the Audit Committee and the Board of Directors.
- 6 The Anti-Corruption working group informs the results of the investigation to the complainant/whistleblower.
- 7 The Anti-corruption working group takes clues or complaints into consideration to define or improve policies and guidelines to prevent violations of business ethics and corruption from happening again.

Remarks: The investigation must be carried out in confidence and with confidentiality, where the output of the investigation is kept confidential and complainants/whistleblowers are protected according to the Complainant and Whistleblower Protection Measures.

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 whistleblowing and complaints confidential, or disclose to the extent used for processing, considering clues whistleblowing 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.



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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.

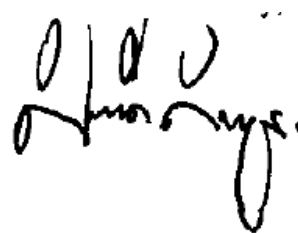
7. Meetings

- 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.

8. 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. 1/2023 on the 22nd of February 2023.



(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

- 1) The Board of Executive Directors shall consist of at least three (3) directors and executive officers.
- 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.
- 3) The Chief Executive Officer may be the same person as the Managing Director.
- 4) The Chief Executive Officer must not be the same person as the Chairman of the Company.

3. Qualifications

- 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.
- 2) A member of the Board of Executive Directors must be qualified and must not have incompatibilities according to the Public Limited Companies Act, the Securities and Exchange Act, and any other relevant laws.

4. Election and Term of Service

- 1) The Board of Executive Directors shall be appointed by the Board of Directors.
- 2) A member of the Board of Executive Directors shall be vacated upon:
 - Death;
 - Resignation;
 - Disqualification and incompatibilities as specified by laws;
 - Removal from office by the resolution of the Board of Directors.
- 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) 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

5.1 Board of Executive Directors

- 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.
- 2) Approve propositions proposed by the working groups for the benefits of business administration and operation according to the Company's objectives.
- 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.
- 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) 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.

- 6) Provide suggestions, advice, and establish the policies and scope of authorities of the Chief Executive Officer and/or Managing Directors and Working Groups.
- 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.
- 8) Perform any other duties according to the policies assigned by the Board of Directors.
- 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.
- 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.
- 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.
- 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.
- 13) Consider and approve the authorities regarding business administration to the executive officers in accordance with the Company's rules and regulations.
- 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.

5.2 Chief Executive Officer

- 1) Supervise the business operations and/or day-to-day administration of the Company.
- 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.
- 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.
- 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.
- 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) 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.
- 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.

- 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.
- 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.
- 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.
- 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.
- 12) Perform any other duties according to the policies assigned by the Board of Directors or the sub-committees from time to time.

5.3 Managing Director

- 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.
- 2) Determine marketing strategies.
- 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.
- 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.
- 5) Amendment or termination of the agreements which the essence of the agreements has been approved by the Board of Directors.
- 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) Have the authority to hire, appoint, lay off, dismiss, determine wages, salary increment for the employees below the managing director level.
- 8) Perform duties relating to general business administration of the Company.
- 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.
- 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.
- 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.
- 12) 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.

6. Meeting

The Board of Executive Directors 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. 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 scrutinization matters that will be proposing to the Board of Directors for consideration and approval.

7. Reporting

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:

- Number of the Meetings
- Number of the attendances of each executive director
- Result of the performance of duties as specified by this Charter.

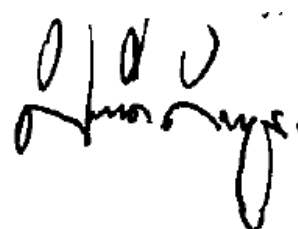
8. Evaluation

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. 1/2023 on the 20th of February 2023. The Charter has been reviewed and approved by the Board of Directors Meeting No. 1/2023 on the 22nd of February 2023.



(Mr. Siriwat Vongjarukorn)
Chief Executive Officer



(Mr Sirisak Tirawattanangkul)
Chairman



Charter of the Audit Committee

บริษัท เอ็ม เอฟ อี ซี จำกัด (มหาชน)

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

- 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.

3. 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.

4. 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:
 - Resignation;
 - The Board of Directors' resolution to vacate from the office;
 - 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.
 - 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.

5. 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.

6. 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.

7. 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.

8. Reporting

8.1 Reporting to the Board of Directors

- 1) Regularly report the activities of the Audit Committee for the Board of Directors' acknowledgement.
- 2) Report the consideration and provide opinions to reports, financial reports, and internal audit reports.
- 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.

8.2 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.

8.3 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 Registration Statement / Annual Report (56-1 One Report).

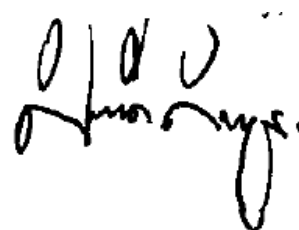
9. Evaluation

The Audit Committee shall prepare an assessment of its performance in order to ensure its effectiveness and that objectives are achieved. The assessment shall be made at least once a year and in writing. The Audit Committee shall review the assessment with the Board of Directors in order to acknowledge and receive suggestions for improvement, as well as to increase its effectiveness of the Audit Committee's performance.

This Charter has been reviewed by the Meeting of the Audit Committee No. 1/2023 on the 22nd of February 2023. The Charter has been reviewed and approved by the Board of Directors Meeting No. 1/2023 on the 22nd of February 2023.



(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

- 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.

3. 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

4. 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:
 - Retirement by rotation;
 - Resignation;
 - Death;
 - Retirement from being a director of the Company;
 - 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.

5. Remuneration

The remuneration of the Nomination and Remuneration Committee shall be reviewed by the Board of Directors and approved by the Shareholders Meeting respectively.

6. 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.

7. 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.

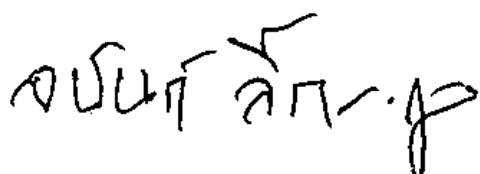
8. Reporting

- 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.

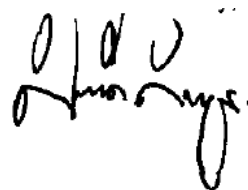
9. Evaluation

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. 2/2023 on the 22nd of February 2023. The Charter has been reviewed and approved by the Board of Directors Meeting No. 1/2023 on the 22nd of February 2023.



(Mr. Anan Leetrakul)
Chairman of the Nomination and
Remuneration Committee



(Mr. Sirisak Tirawattanangkul)
Chairman



Charter of the Risk Management, Corporate Governance and Sustainability Committee

**MFEC Public Company Limited
(MFEC)**

Charter of the Risk Management, Corporate Governance and Sustainability Committee

Risk Management, Corporate Governance and Sustainability Committee has been assigned to oversee the Company's Risk Management, Corporate Governance and Sustainability to be in accordance with the guidelines of Good Corporate Governance. The resolution of the Board of Directors Meeting No. 1/2023 on the 22nd February 2023 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 and Sustainability 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 and Sustainability 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 and Sustainability 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 and Sustainability 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, corporate governance and sustainability 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 and Sustainability Committee

1. The Risk Management, Corporate Governance and Sustainability 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. The Risk Management, Corporate Governance and Sustainability 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

- 1) The term of service of a member of the Risk Management, Corporate Governance and Sustainability 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.
- 2) Besides retirement by rotation, a member of the Risk Management, Corporate Governance and Sustainability Committee shall be vacated upon:
 - Retirement by rotation;
 - 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;
 - 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.
 - Death;
- 3) Resolution of the Board of Directors

4. Remuneration

The remuneration of the Chairman and members of the Risk Management, Corporate Governance and Sustainability 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

- 1) Consider and propose the risk management policies and frameworks to the Board of Directors for consideration and approval.
- 2) Review and approve the risk appetite and propose to the Board of Director for acknowledgement.
- 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.
- 4) Review the risk management report in order to monitor significant risks and ensure the organization has adequate and appropriate risk management.
- 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.
- 6) Report the Board of Directors regarding the risks and significant risk management regularly.
- 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.
- 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.
- 9) Perform any other duties regarding risk management as assigned by the Board of Directors.
- 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 and Corporate Governance Team 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, Corporate Governance and Sustainability Committee so that the Committee may achieve its assigned duties.

5.2 Good Governance

- 1) Define policies and guidelines for Good Corporate Governance and propose the policies and guidelines to the Board of Directors for consideration and approval.
- 2) Provide advice regarding principles of the Good Corporate Governance to the Board of Directors.
- 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.
- 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) Report the result of the implementation to the Board of Directors for acknowledgement.
- 6) Perform any other duties as assigned by the Board of Directors.

5.3 Sustainability

- 1) Provide oversight as well as advice and recommendations relating to the economic, environmental, and social dimensions, as well as corporate governance, for long-term sustainable business growth.
- 2) Monitor sustainability performance against various indicators, and provide advice on reporting data related to sustainability.
- 3) Provide recommendations in developing and reviewing policies and practices related to corporate sustainability and corporate governance, such as the Corporate Governance Policy, the Code of Conduct, policies related to the environment, risk management policies, and human rights policies.
- 4) Support, monitor and follow up on the Company's compliance with the laws, rules and regulations of relevant government agencies and regulators as well as good corporate governance practices in accordance with both Thai and international standards.
- 5) Recommend, encourage and support the Board of Directors, management and employees to develop knowledge and understanding related to sustainability, corporate governance and risk management.

6. Meetings

- 1) The Risk Management, Corporate Governance and Sustainability Committee shall regularly convene the meeting at least once (1) every quarter. The Risk Management, Corporate Governance and Sustainability Committee may invite any person to attend the Meeting.
- 2) The executive directors shall attend every meeting. There shall be at least half of the directors attending the Risk Management, Corporate Governance and Sustainability Committee Meeting to meet the quorum.
- 3) In the event that the Chairman of the Risk Management, Corporate Governance and Sustainability Committee is not present in the Meeting and the Acting Chairman of the Risk Management, Corporate Governance and Sustainability Committee has not been appointed, the present members of the Risk Management, Corporate Governance and Sustainability Committee shall elect one member to serve as the Chairman of the Meeting.
- 4) The Chairman of the Risk Management, Corporate Governance and Sustainability Committee may convene the Special Meeting of the Risk Management, Corporate Governance and Sustainability Committee, should there be any requests to consider the additional important matters that need to be discussed.
- 5) A member of the Risk Management, Corporate Governance and Sustainability Committee who has any interests in a considering matter shall refrain from expressing opinions or voting on such matter.
- 6) The Secretary of the Risk Management, Corporate Governance and Sustainability 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.
- 7) In the resolution of the Risk Management, Corporate Governance and Sustainability Committee, the Chairman of the sub-committee and the member of the Risk Management, Corporate Governance and Sustainability 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 and Sustainability 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 Corporate Governance and Sustainability 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 Corporate Governance, Code of Conduct, or Business Ethics.

8. Self-Assessment

The Risk Management, Corporate Governance and Sustainability 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 and Sustainability 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 and Sustainability Committee. The Charter with significant improvements shall be approved by the Board of Directors

10. Development and Trainings

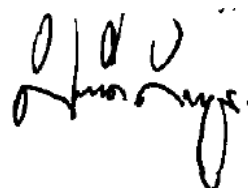
There shall be the development of knowledge for the Risk Management, Corporate Governance and Sustainability Committee by inviting the experts to provide training, organizing workshops, or having the members of the Risk Management & Corporate Governance Committee join the external training.

This Charter has been reviewed by the Meeting of the Risk Management, Corporate Governance and Sustainability Committee No. 1/2023 on the 15th of February 2023. The Charter has been reviewed and approved by the Board of Directors Meeting No. 1/2023 on the 22nd of February 2023.



(Prof. Dr. Uthai Tanlamai)

Chairman of the Risk Management, Corporate
Governance and Sustainability Committee



(Mr. Sirisak Tirawattanangkul)
Chairman

Attachment 6

Audit Committee Report

Audit Committee Report

The Audit Committee comprises of three (3) independent qualified directors who are senior experts with knowledge and experience in the fields of laws, accounting and finance, and organizational management. The scope of its duty and responsibility is assigned by the Board of Directors, following the announcement of Capital Market Supervisory Board and the regulations of Stock Exchange of Thailand.

In 2022, 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, Corporate Governance and Sustainability 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 2022 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 2022, 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 nine (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 Thailand's Private Sector Collective Action Against Corruption (CAC). The company was certified for the first time on September 30th, 2022 as a good example organization in conducting transparent and ethical business operations, with a strong commitment to anti-corruption. The Audit Committee was of the opinion that the company had implemented adequate measures strictly and carefully.

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 2022 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 2022, 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 CPA Licensed No. 4958 and/or Mrs. Ponnard Paochareoen CPA Licensed No. 5238 and/or Ms. Manee Rattanabunnakit CPA Licensed No. 5313 of EY Office Company Limited as the Company's auditors. The audit fee in 2022 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 Risk Management, Corporate Governance and Sustainability Committee, the Audit Committee the Executive Committee, 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 2022, 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

