



METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED

ONE REPORT 2021

(FORM 56-1 ONE REPORT)



MSC



Vision

"Pursuit of excellence to serve our clients the best IT solutions"



Mission

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

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

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



Direction



People
Excellence



Digital
Transformation
Excellence



Product &
Service
Excellence



Customer
Retention
Excellence



Collaboration
Excellence



Corporate Value

METRO

MORAL

EXCELLENCE

TEAMWORK

RESPECT
AND TRUST

OWNERSHIP

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The One Report 2021 (Form 56-1 One Report) is based on information disclosed on the Company's website, which is part of Form 56-1 One Report and the Board of Directors is responsible for the accuracy and completeness of the referenced information, as well as bringing the information to appear in this 56-1 One Report form.



Message from the Chairman

In 2021, the new wave of COVID-19 outbreak was new species that were relatively severe and more widespread than those in the previous year. It was reported that the infection rate has increased continuously until now, which is the problem that the world has been experiencing for 2 years. The announcement of lockdown to control the epidemic has affected and interrupted economic in many industries. The overall global economic conditions, including Thailand, have shrunk, causing severe damage to the economy, society and lifestyle, directly or indirectly. In the meantime, technological advancements in the digital age play an important role in the rapidly changing lifestyle and behavior of consumers. These are all extremely challenging issues to today's business operations.

According to the Company's 2021 financial data, net profit increased by 41 million Baht. It had been a very challenging year. The Company had adapted to and struggled with all waves of COVID-19 crisis by controlling the management measures. Businesses were operated smoothly and continuously amid all challenges. A strategic plan was formulated for operations under unusual circumstances to handle with actual situations. Risk management plan was also established to support rapid changes in technology and pandemic conditions so that customers' businesses are not interfered which may disrupt their business. It could be seen from the trust in business which the Company was able to maintain its existing customer base and increase the number of new customers continuously. It was in accordance with the commitment to which the Company always adheres, "Customer success is our business". We greatly focus on employee's safety. Our employees are the heart of delivery of "Customer Success". The Company announced and adopted maximum safety measures to protect our employees from pandemics, improved the work environment to reduce the risk of infection, prepared the support team to support emergency situations, changed the working style to 100% Work From Home, applied technologies to all work processes, and developed the competence of personnel to meet all customers' needs in a timely manner. These were the key to overcome this crisis. In addition to business success, the Company also greatly pays attention to the development of sustainability, which includes the environment, society, and good governance. The Company operates various corporate social responsibility projects under excellent cooperation with directors, executives, and employees of the Company. The Company is committed to becoming a sustainable company in the digital economy and focuses on developing innovations that will help create long-term business and social values for the organization. The Company has been certified with information security management system (ISO27001:2013), which can ensure that the Company has the complete and quality management system in this aspect.

Finally, on behalf of the Board of Directors, I would like to express my sincere thank to all stakeholders for supporting the Company's business operations, including shareholders, partners, customers, and all executives and employees who put their physical and mental effort and dedication to work during this crisis and the uncertain situation, so we can overcome it strongly. Although the new wave of pandemics is spreading across the country again at the end of the year 2021, the Company remains confident to lead everyone to go through this crisis. In 2022, everyone can be assured that the Company will move forward in the information technology industry sustainably. The Company confirms that its business will be conducted transparently under the good corporate governance principles and the code of conduct, The Company is aware of all stakeholders and responsible for society to create the sustainability of the Company continuously.

Sunpitt Sethpornpong
Chairman of the Board of Directors





Board of Directors and Executives



DIRECTORS

**1 MR. SUNPITT
SETHPORN PONG**
CHAIRMAN

**2 MR. KITTI
TECHATAVEEKIJKUL**
VICE CHAIRMAN

**3 MR. TAVIT
CHARUVAJANA**
DIRECTOR / CHAIRMAN OF
EXECUTIVE COMMITTEE / CEO

**4 MR. NARONG
CHARUVAJANA**
DIRECTOR

**5 MR. SUVIJ
SUVARUCHIPHORN**
DIRECTOR

**6 MR. WANARAK
EAKACHAI**
DIRECTOR/ DEPUTY CEO

**7 ASSOC. PROF. PHORNSIRI
THIVAVARNVONGS**
INDEPENDENT DIRECTOR

**8 MR. PRAVIT
CHATTALADA**
INDEPENDENT DIRECTOR

**9 DR. VIRACH
APHIMETEETAMRONG**
INDEPENDENT DIRECTOR



EXECUTIVE

**1 MR. TAVIT
CHARUVAJANA**
DIRECTOR/ CHAIRMAN OF
EXECUTIVE COMMITTEE/ CEO

**2 MR. THONGCHAI
LUMVEERAKUL**
EXECUTIVE DIRECTOR

**3 MR. AROON
TOR-EKBUNDIT**
EXECUTIVE DIRECTOR

**4 MR. SURADET
LERTTHAMMAJAK**
EXECUTIVE DIRECTOR

**5 MR. VEERAPHAN
DURONGSANG**
EXECUTIVE DIRECTOR

**6 MRS. NITTAYA
THANAVIRIYAKUL**
EXECUTIVE DIRECTOR



Awards and Accomplished Works

MSC

Commitment to business operations along with environmental stewardship and follow the principles of good governance taking into account all stakeholders by delivering products and providing excellent service under the international quality standard

“Accurate On-Time & Committed to Continuous Improvement”



Award of Success

Teams Excellence Partner of the Year 2020 (Microsoft Thailand Partner Awards 2020)



Top Customer Retention of The Year 2020 from Palo Alto Networks



Award of Success

**2021 IBM Geography Excellence Award – Thailand Partner of the Year,
2020 IBM Partner Awards and Recognitions – IBM Power Hybrid Cloud Partner
of the Year**



**Top Nutanix Partner : Commercial
Performing 2020 from Nutanix
Thailand**



**2020 IBM Partner Awards and
Recognitions: Automation Solution
Partner of the Year**



MSC activities



1. MSC opens intelligent information security surveillance center service
2. MSC provides a backup center (Disaster Recovery Site) against the economic downturn, growing 100%
3. MSC together with McAfee and M.Tech organized the seminar "Get Ready Before PDPA Act is coming".
4. MSC and the golden age of pencil robots enter the market Adjust the organization into the New Normal way
5. MSC organizes a huge webinar "Technology Day 2021"
6. MSC organizes online seminars "Keep up with the trends of the digital future with Metro Systems"
7. MSC organizes Virtual Webinar: "Trusted Intelligent with automate work-life in Digital Transformation Era". Work-Life-Balance Balancing work and life

All news and events of MSC can be viewed at <https://www.metro-systems.co.th/news-events/>



Business Overview



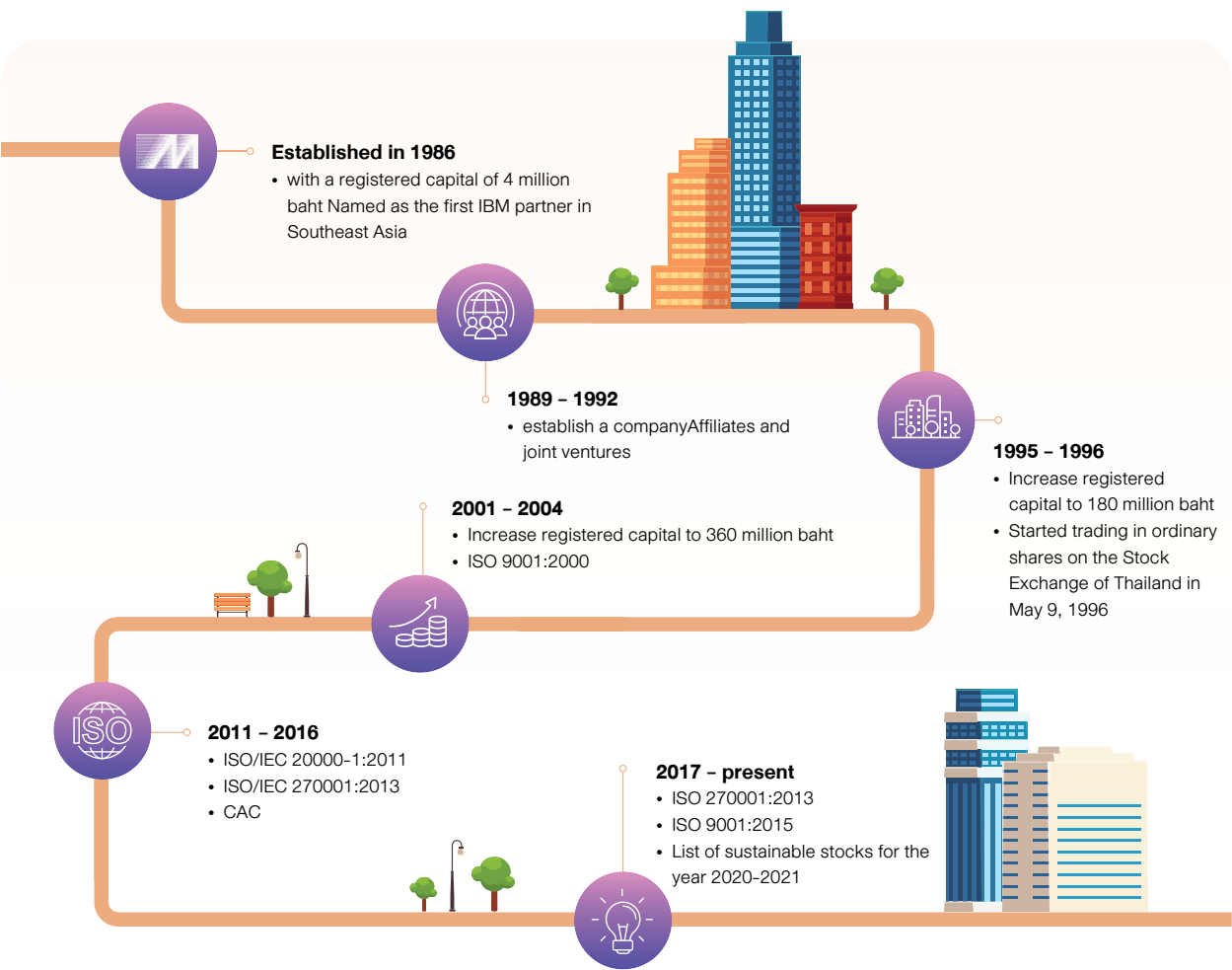
- Structure and Operations of the Company Group
- Risk Management
- Management Discussion and Analysis (MD&A)
- Other Related Information

Policy & Overview of Nature of Business

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

In 1995, the Company has become a public company with registration for capital increase to be 180 million baht as a listed company in The Stock Exchange of Thailand. The Company has commenced trading of common stocks in The Stock Exchange of Thailand on 9 May 1996. The Company, then, has adjusted registered capital in appropriateness to business size. At present, the Company holds 360 million baht of paid capital. The Company has extended scope of business to offering fully integreted IT solutions and services through turnkey sales, including consultation, system designs, installation and maintenance, as well as training for understanding of usage and office supplies sale to cover all customers’ requirements with global leading brands such as IBM, HP, Lenovo, Dell, Acer, Microsoft, Solid Works, AWS and so on. Company’s management is divided into 3 business units of Digital Solution Group, Solution Integration Group and Digital Printing Group.

In addition, the Company also manages through company group of 5 subsidiaries and Associates, in order to cover trade and industry sectors thoroughly.





Corporate Goals

The Company has clearly set its business goals by focusing on seeking and providing the best one-stop services of information technology to customers, responding to customers' needs in the age of rapid technological change and supporting all situations so that the customers' businesses will not be disrupted in all industries with qualified, expert, and experienced personnel, supporting and solving problems for customers' businesses quickly and cost-effectively. In addition, the Company also operates business with transparency and fairness under the good corporate governance framework and is responsible for society, environment, and stakeholders to create competitive advantages and support the Company's growth stably and sustainably.

In 2021, the Company aims to continuously generate revenue growth and gross profit margins by setting up strategies to increase market share with the Company's intellectual property application under the name of "The Superapp", which is a CRM and ERP platform that helps the core operations of the organization and analyzes data efficiently and efficiently. It can expand the scope of sales to cover the needs of customers by providing the complete Cloud Services supporting different types of Cloud, including Public Cloud, Hybrid Cloud, and Private Cloud, and the end-to-end solutions, which help meet diverse needs of customers quickly. With the leading global brand and to provide customers with options, the Company has launched Metro Cloud using infrastructure from HPE Green Lake with safety standards, services that can be tailored to your needs, and monthly actual expenses, including Analytics Systems, such as Analytics, Robot Automation, PDPA Solution as well as the introduction of the IoT Platform to meet the needs of the IT market in the digital age. The Company also drives Thailand's IT industry to move forward with a team of specialized knowledge and expertise to help customers move towards the more dynamic digital world. Regarding the abovementioned, the Company completely exceeds its goals and is ready to develop and move forward continuously.

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

Business Strategy

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



1. People Excellence

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



2. Digital Transformation Excellence

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



3. Product & Service Excellence

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



4. Customer Retention Excellence

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



5. Collaboration Excellence

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



Major Changes and Developments

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



Important Events

2021

- Developing the Company's intellectual property software called "The SuperApp", which is a Customer Relationship Management (CRM) system to build relationships with customers
- Providing an integrated cloud service called "Metro Cloud" with advanced cloud technology and end-to-end solutions that is compatible with different types of clouds, including Private Cloud, Public Cloud, and Hybrid Cloud, for supporting the needs of customers
- Becoming the business partner with JAMF Software LLC, the leading Apple Device & Platform management company and the official Apple device distributor
- Renewing the membership of the Thai Private Sector Coalition against Corruption for the third time and being certified on June 30, 2021
- Being listed on the 2021 Thailand Sustainability Investment List from the Stock Exchange of Thailand and receiving the honorary Sustainability Disclosure Acknowledgement from Thaipat Institute, and also being rated as a listed company with excellent corporate governance (5 stars) from Thai Institute of Directors with the support of the Stock Exchange of Thailand for the second consecutive year
- Being awarded Asia The Best Companies to Work from HR Asia Institute

2020

The Company was listed on the 2020 Thailand Sustainability Investment List from the Stock Exchange of Thailand and received the honorary Sustainability Disclosure Acknowledgement from Thaipat Institute and was rated as a listed company with excellent corporate governance (5 stars) from Thai Institute of Directors with the support of the Stock Exchange of Thailand. In addition, the Company established the corporate strategy section to analyze the strategic planning of the organization, encouraging and monitoring the implementation of strategies to be achieved according to the vision, mission, and goals set by the organization.

2019

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

Nature of Business

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





Digital Solutions Group

The Digital Solutions Group is operating as a hardware product distributor, consisting of server, storage, desktop computer, notebook, workstations, including computer system and software design and installation services and other solutions, such as solutions for system recovery, security system, mobility. In addition, digital Solutions Group has also expanded its scope of sales to cover the needs of customers by providing the complete Cloud Services supporting different types of Cloud, including Public Cloud, Hybrid Cloud, and Private Cloud, and the end-to-end solutions, which help meet diverse needs of customers quickly. With the leading global brand like AWS Cloud and Huawei Cloud and to provide customers with options, the Company has launched Metro Cloud using infrastructure from HPE Green Lake with safety standards, services that can be tailored to your needs, and monthly actual expenses, and also provided such services in the form of rental and product sales and services in the form of Managed- Service Provider (MSP) as well as RPG programming training to interested students and third parties.

Key Strategy

The Key strategy is to focus on integrated service providing from consulting, sales, installation, and after-sales service by specialized and experienced team of experts to solve problems for customers. The Company mainly focuses on developing personnel expertise to quickly respond to the needs of customers in the current situation, making differences in competition without emphasizing on price competition and also setting up strategies to cooperate with manufacturing companies, business partners, and other software developers to offer a full range of hardware and software solutions to expand the market to customers in business and industry sectors. Sales strategy in the form of Managed Service Provider is established by collecting monthly fees, which can be done both On Premise, that is, installing computers at customers' premises, and On Cloud, that is, installing computers provided to customers by the business partners (CAT) through the Internet, which increases the convenience of customers for business operations. In addition, there are Cloud Solution service that supports customers' operations for cost-effective investment and is suitable for use, and Business Continuity Service as a backup center for customers in the case of emergency to support and prevent customers' business operations from disruption.



**Revenue
from sales
and services**



1,689 Million Baht

23.3%



Software Integration Group

The Software Integration Group operates the business as a distributor of software solutions to provide system installation and IT consulting services for efficient business management, such as solutions for data center, networking systems, network security systems, integrated IT management systems, solutions for executives' business decisions, software for design, intellectual property software developed and owned by the Company called SupperApp, solutions for Business Process Automation to support several operations to be more accurate and rapid, and Outsource/ Managed Services. Engineering teams are dispatched to customers' companies, including Network Engineer, System Engineer, IT Support. There are teams monitoring and providing remote support, so they do not need to be stationed at customers' companies, which support the customer's current work conditions. In addition, the Metro Intelligent Cyber Security Center (MiCSC) was also established to provide services of cyber security surveillance and solutions to the Company's customers, including Bangkok Advanced Learning (BAL), a training center and information technology testing center with a program certified by product developers and the main product supplier of IBM, Cisco, Microsoft, Solid Works, Qlik Sense, Qlik View, K2, etc. Moreover, the Software Solutions Business Group has partnered with business partners to hold seminars for educating and updating cutting-edge technologies for customers, business partners, and interested persons to help customers drive their organization effectively.

Key Strategy

The Key strategy is to adapt the customers' existing software systems that have been used for a long time to meet rapidly changing business challenges with the Company's self-developed SupperApp software. The Company assigns an additional team called Digital Transformation Services (DTS) which has the potential for providing consultation, designing, and developing state-of-the-art computer programming systems with Cloud Native and Open Source technologies to properly support technological changes in order to help customers at all levels to move forward to the technological advancements in the digital age. In addition, the Security Operation Center (SOC) is also established to provide cyber security surveillance and solutions services to the Company's customers as well as develop the New IT Solution named "MegaTing" to prepare services for customers in the manufacturing group.



**Revenue
from sales
and services**

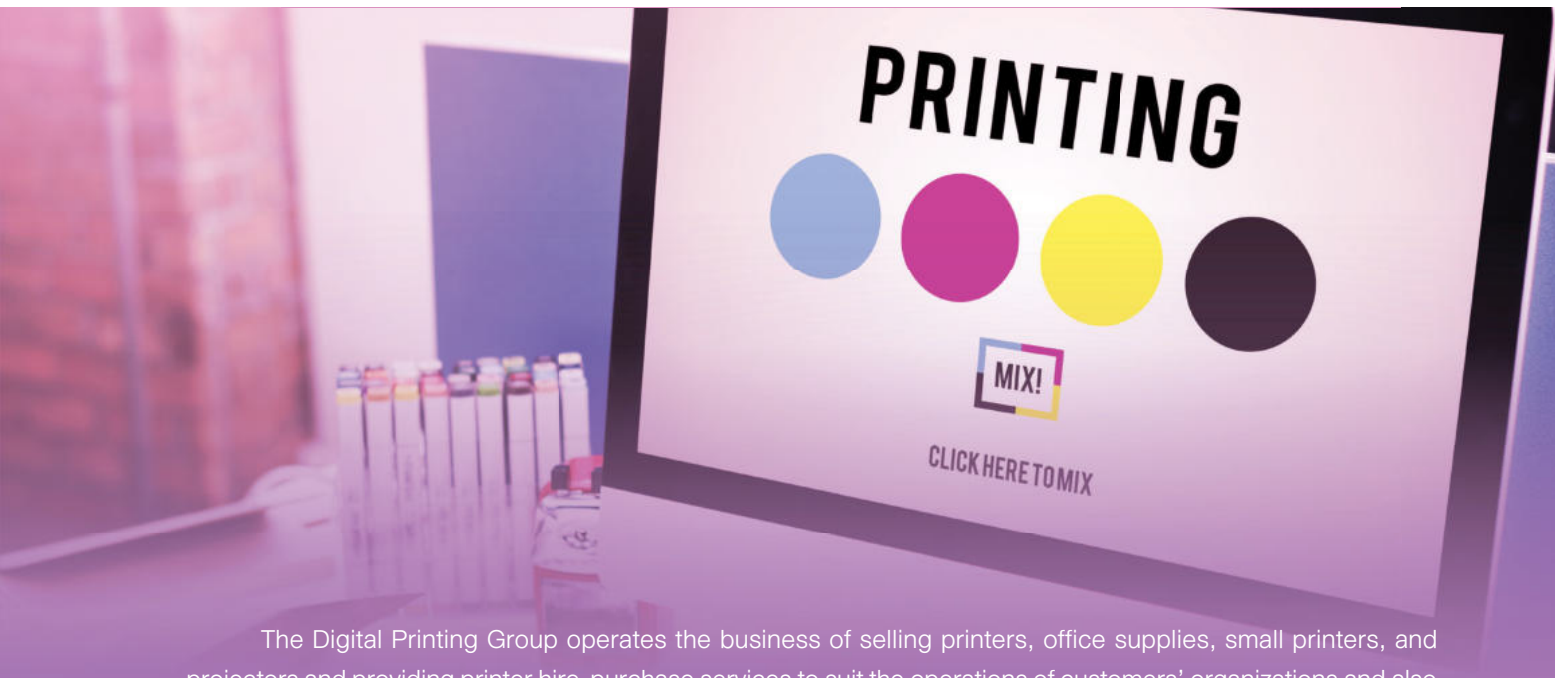
.....

3,908 Million
Baht

53.8%



Digital Printing Group



The Digital Printing Group operates the business of selling printers, office supplies, small printers, and projectors and providing printer hire-purchase services to suit the operations of customers' organizations and also distributing supplies for all leading branded printers, printer ink, and allocating products for corporate business groups to meet the New Normal working style. The Company distributes hardware devices, such as Mobile Phone & Tablet for brands, i.e., Apple, and products for corporate business groups, such as commercial notebook, through telesale marketing and sales via retail agents. In addition, the Digital Printing Business Group has invested in integrated printing businesses by providing Digital Print On Demand service to meet the needs of today's consumers. The Company provides all types of printing services, such as business cards, posters, calendars, receipts, letters of invoice, brochures, and books in various formats

Key Strategy

The Key strategy is telesales which the Company has experiences for a long time. The Company offers genuine products and adjusts sales strategies with an emphasis on "rental" of photocopiers- printers in order to increase revenues and meet customers' needs. The Company focuses on a proactive strategy for expanding hardware commercial business by targeting B2B customers. The target customers are business units ranging from SMEs to major customers, including government groups and educational institutions nationwide. Moreover, the Company also uses to manage data analysis to manage sales both before and after.



Revenue
from sales
and services

.....

1,602 Million
Baht
22%

Revenue Structure

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

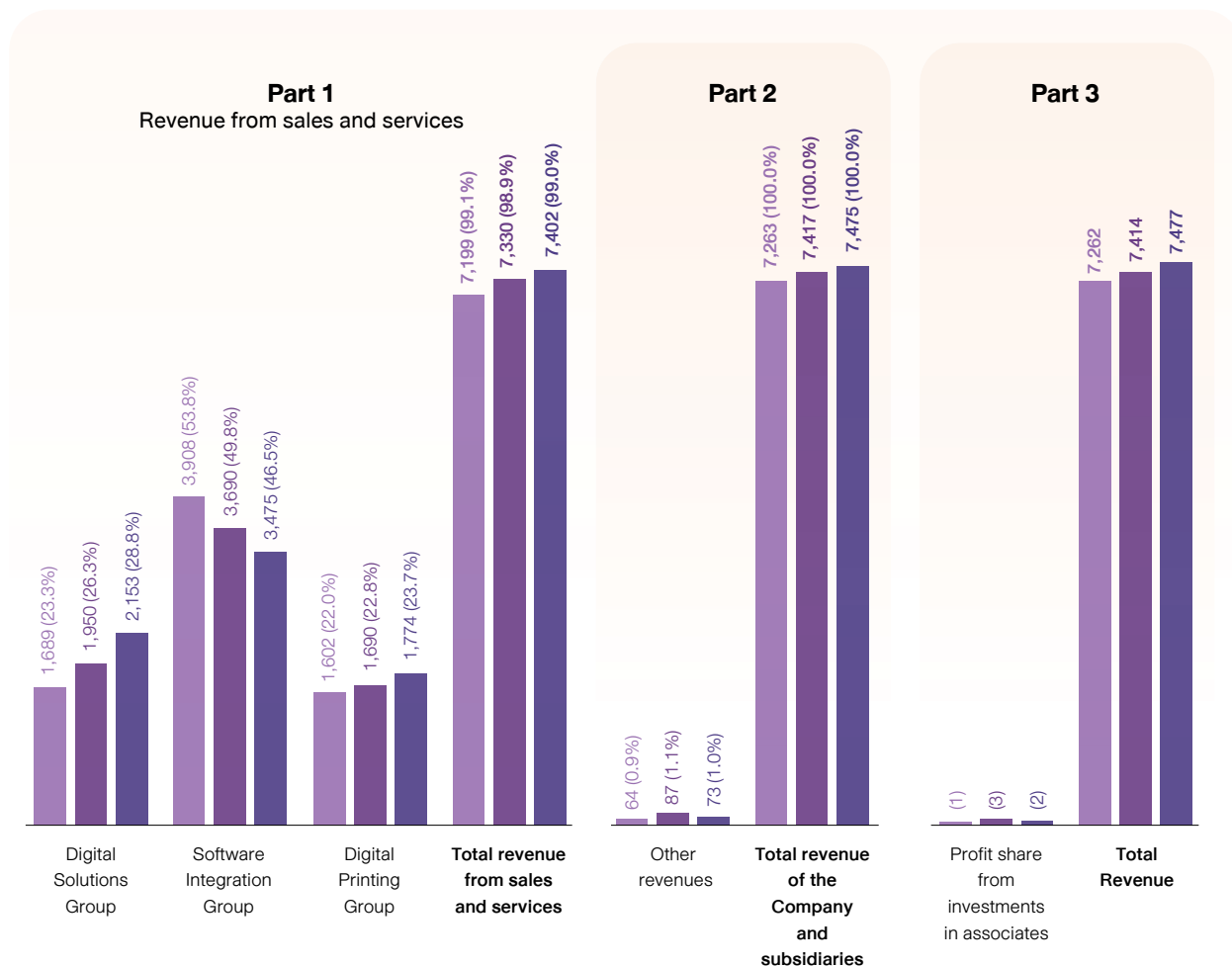
(Unit: Million Baht)

Products/Services	Operated By	2021		2020		2019	
		Revenue	%	Revenue	%	Revenue	%
Part 1 Revenue from sales and services							
Digital Solutions Group	MSC/MPP/MCC	1,689	23.3	1,950	26.3	2,153	28.8
Software Integration Group	MSC	3,908	53.8	3,690	49.8	3,475	46.5
Digital Printing Group	MSC	1,602	22.0	1,690	22.8	1,774	23.7
Total revenue from sales and services		7,199	99.1	7,330	98.9	7,402	99.0
Part 2 Other revenues		64	0.9	87	1.1	73	1.0
Total revenue of the Company and subsidiaries		7,263	100.0	7,417	100.0	7,475	100.0
Part 3 Profit share from investments in associates	HIS/JBTH	(1)		(3)		2	
Total Revenue		7,262		7,414		7,477	

Source: Consolidated Financial Statements

Products/Services

■ 2021 ■ 2020 ■ 2019



Marketing and Competition

As a result of the coronavirus (Covid-19) outbreak, consumer behavior and technological demand have changed by leaps and bounds. Technology has played an important role in living and business operations so that operations will not be disrupted. As business competition in the manner of a distributor does not have much difference in the brand and characteristics of the product, most market competitors focus on price and service competition. The Company has a clear business policy with an emphasis on making a difference in services by planning, designing, and consulting on information technology together with customers to meet their needs as much as possible, and also providing new innovations and services that will meet customers' needs in various dimensions. In addition, the Company focuses on competition by developing its own intellectual property system to meet the needs of customers' organizations flexibly according to the actual utilization of customers, which create added value to products and services of the Company. As a result, the Company has overall marketing strategies to reduce the risk of business operations as follows:

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

Target Customer Groups and Characteristics

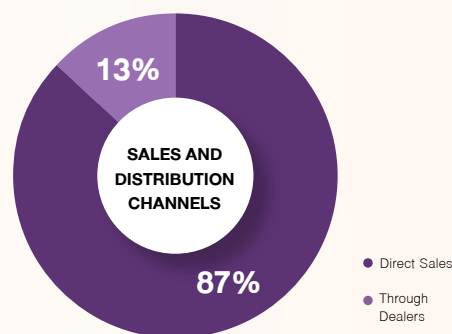
Most of the Company's target customer group is small to large groups of companies, financial institutions, government groups, state-enterprise group, and educational institutions. The Company mainly focuses on customers in the private sector.

In 2021, the proportion of sales was 96% in the private sector. However, the Company's repeat purchase rate of existing customers accounted for 92% of the total number of customers and the total sales was 96% of the Company's total revenue.

However, the Company does not have major customers who purchased its products and services up to 10% of its total revenue. As a result, it helps reduce the impact if major customers are lost in the current competitive conditions.

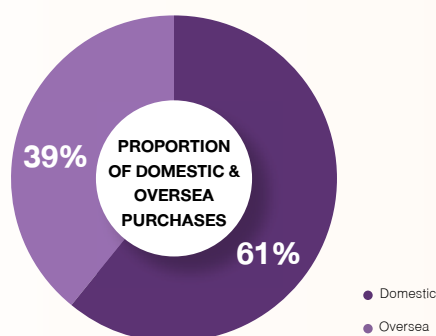
Sales and Distribution Channels

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



Proportion of Domestic & Oversea Purchases

Most of sold products are primarily purchased from manufacturers with Thailand operational branch, in order to reduce risks of currency fluctuations affecting product cost and price-setting mechanism. There are some products that are necessary to purchase from oversea, such as purchase of software from Singapore and USA. The forward exchange contract is needed to be entered prior to each purchase. Proportion of domestic & oversea purchases in 2021 was 61:39



Current Competition Conditions

The information technology industry remains a growing and severe competitive industry in Thailand. The Covid-19 outbreak is a trigger for all organizations to adapt and find information technology that keeps operations uninterrupted. Remote working and studying have created an unexpectedly rapid change phenomenon. Digital technology is adopted prominently, such as processing via cloud system, use of business applications, security technology, which increases experiences of leading customers, especially cloud networking system. In addition, data analytics system and AI technology for network are applied and the quality of network system is guaranteed, causing both the public and private sectors to pay attention to the investment.

In 2021, the competitive situation of information technology providers increasingly focused on providing new total solutions, from consulting, design to after-sales service. In addition, new sales business models had been adapted to meet customers' needs in the form of rental, leasing, and manage-service to meet the needs of customer groups in each software and software service industry. Revenue is likely to grow based on the direction of investment in order to support the reorganization of the business sector, especially the customized software business and services of cloud software business through the Internet (Software as a Service: SaaS), with an emphasis on mobility and flexibility to support Work Anywhere style. Artificial Intelligence (AI) technology that combines real and virtual worlds (Augmented Reality: AR) is applied, including the robotic process automation (RPA). It is expected to enhance their potential and lead to new products and services that are very attractive and influential to customers.

However, the Company cooperated with global brand partners to support solutions to timely meet the needs of the market for the situations, including the development of personnel's potential to support rapidly changing services, as the expertise of information technology personnel is very important for providing services of information technology to solve problems and support business operations of customers in a timely manner. The Company also continuously supports marketing activities to introduce solutions and provide knowledge to customers to deliver the best solutions to them.

Industry Conditions and Competition

Gartner forecasts the global IT spending outlook in 2022 to be 4.5 million USD, increased to 5.5% from 2021. Creation of digital technology remains the most important business strategy for organizations as they continue creating and developing the work style in the future and focusing on investments in infrastructure to strengthen security, including supporting the hybrid work of employees that will become more complicated in the next year. The overview of spending on technological products and services in Thailand will grow by 6.4%.

In 2022, the corporate software market will grow strongly due to the encouragement of adoption of digital technology to promote the remote work of personnel, including virtual services, application of hyper automation system, and increasing use of corporate cloud system, as in the previous year, the cloud had proven that it was able to work well throughout the period of the pandemic which could be adapted, increased/decreased as appropriate.

The Company, as a leading company in the technology industry, is ready for today's rapid and complicated changes as well as trends in terms of business opportunities and risk factors. The Company provides cloud computing and new applications related to big data to help process and manage data quickly and efficiently which save costs of IT system management, and IT services, SaSS, offers technology-related products and networks to support data access at any time and increase working capabilities through networking system. In addition, the Company also provides software for data analytics, the development of mobile security applications and software, and business continuity services to support continuous operations during the crisis and new marketing strategies of customers' organizations by adding intelligent property software services developed and owned by the Company.

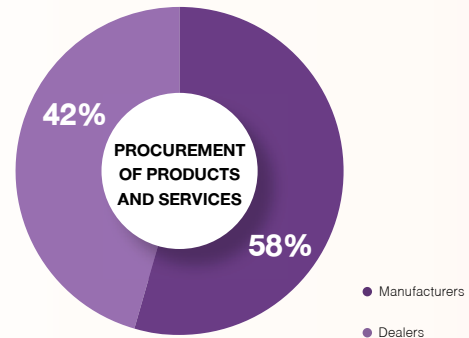


Procurement of Products and Services

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

1. Directly purchase from manufacturers, like IBM, HP, Microsoft, Epson, Solid Works, Cisco, Qlik View, Qlik Sense, K2 and so on, with agreement to appoint the Company as a distributor within the term of 1-2 years. In 2021, the Company's purchase proportion from manufacturers, at 58%.

2. Purchase from the dealers , at 42%



Operating Assets

The Company has operating assets divided into main Fixed Asset used by the Company and subsidiaries for business operations, including land and buildings at value of 309.84 million baht, and office equipment at value of 90.28 million baht. The Company has investment policy to specifically invest in the businesses related to main business of the Company, aiming to invest in sufficient proportion to get the Company in management position for setting crucial business directions. This is to support and enhance core business of the Company for stability, competitiveness, market coverage, and development of solutions for various industries, thus, to be effective enough to meet customers' requirements fully, as detailed in Attachment 4.



Assets
309.84
Million Baht



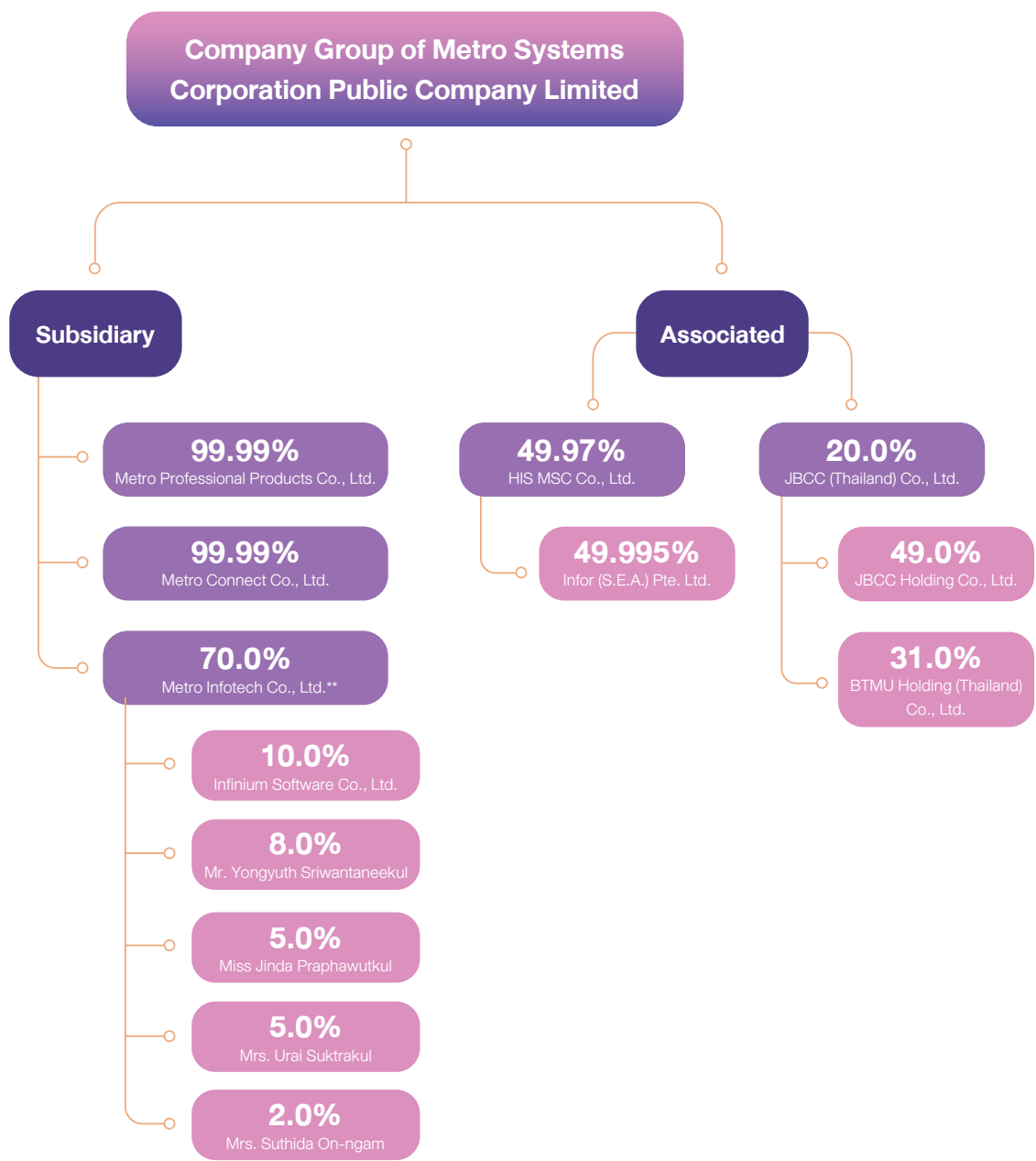
Office Equipment
90.28
Million Baht

Working on Progress

-None-

Shareholding Structure of the Company Group

The Company has invested in business related to information technology systems to promote and support the operations of the Company’s core business in order to respond to the needs of customers completely and efficiently. There are 5 affiliated companies comprising 3 subsidiaries, namely Metro Professional Products Company Limited, Metro Connect Company Limited, Metro Infotech Company Limited and 2 associated companies, HIS MSC Company Limited, JBCC (Thailand) Company Limited, which has different shareholding and management policy set by the main company as follows:



Note :
** Metro Infotech Co., Ltd., a subsidiary, has ceased its operations due to the company's policy to restructure its business to be more compact.

Investment Policy in Subsidiaries and Associated Companies

The Company has a policy to invest in specific businesses in businesses that operate in a manner related to the Company's core business with the aim of investing in a large proportion for the Company to participate in the management and setting up of crucial business guidelines to promote and support the operations of the Company's core business to be stable, have the ability for market coverage, and develop solutions for various industries to effectively meet the needs of customers in its entirety.

Relationship of Business Group of Major Shareholders

Currently, the Company's major shareholder group consists of companies with the same group of shareholders and the Charuvajana family who are the founders of the Company.

Shareholders

The first 10 shareholders and proportion of shareholding, as January 11, 2022

Group of Shareholders	Business Type	No. of shares	Proportion (percent)
1.Metro Value Creation Company Limited	Holding	88,331,363	24.54
2. Metrophos Company Limited	Holding	69,165,402	19.21
3. Charuvajana family		46,580,667	12.94
4. MC Bakery Company Limited		46,419,600	12.89
5. Srikrung Wattana Company Limited		14,560,000	4.04
6. Chuerattanapong Family		13,354,710	3.71
7. Mr. Harakishin Thunwani		12,230,700	3.40
8. Suvaruchiphorn Family		7,592,490	2.11
9. Mrs. Chaweewan Achavaniyut		3,249,000	0.90
10. Miss Swangchit Laohathai		2,636,333	0.73
Total		304,120,265	84.48

Source: Shareholder List, as of January 11, 2022, from Thailand Securities Depository Company Limited (TSD)

Metro Value Creation Company Limited as of April 8, 2021

Group of Shareholders	No. of shares	Proportion (percent)
1. Miss Saengjit Laohathai	133,334	33.33
2. Anantaphol Holding Co., Ltd.	133,333	33.33
3. Mr. Sunpitt Sethpornpong	66,667	16.67
4. Mr. Pheerapon Sethpakdee	66,666	16.67
Total	400,000	100

Metrophos Company Limited as of September 29, 2021

Group of Shareholders	No. of shares	Proportion (percent)
1. Srikrung Wattana Company Limited	4,990,000	99.80
2. Mr. Sawangtham Laohathai	2,999	0.06
3. Ananthee Company Limited	2,499	0.05
4. Metro Group Company Limited	1,503	0.03
5. Mr. Sunpitt Sethpornpong	1,500	0.03
6. Mr. Pheerapon Sethpakdee	1,499	0.03
Total	5,000,000	100

Details of the Charuvajana family’s Shareholding as of January 11, 2022

Group of Shareholders	No. of shares	Proportion (percent)
1. Mrs. Pornthip Charuvajana	10,000,000	2.78
2. Miss Somchit Charuvajana	7,819,310	2.17
3. Miss Thipawan Charuvajana	5,033,649	1.40
4. Mr. Pirawitch Charuvajana	4,000,000	1.11
5. Mrs. Napaporn Charuvajana	3,684,989	1.02
6. Mrs. Orawan Chaiwiwat	3,281,936	0.91
7. Mr. Nattaphol Charuvajana	2,848,600	0.79
8.Mrs. Amornsri Eiammanon	2,400,000	0.67
9. Miss Piyaporn Charuvajana	2,144,800	0.60
10. Mr. Boonchuay Charuvajana	1,335,811	0.37
11. Mr. Tavit Charuvajana	1,287,348	0.36
12. Miss Kanokporn Charuvajana	1,087,173	0.30
13. Mr. Narong Charuvajana	711,487	0.20
14. Mrs. Butsadee Charuvajana	542,620	0.15
15. Mrs. Naris Charuvajana	402,944	0.11
Total	46,580,667	12.94

MC Bakery Company Limited as of April 9, 2021

Group of Shareholders	No. of shares	Proportion (percent)
1. Anantapol Holding Pte. Ltd.	332,333	32.23
2. Mr. Sunpitt Sethpornpong	166,667	16.67
3. Mr. Pheerapon Sethpakdee	166,666	16.67
4. Miss Seangchit Laohathai	111,111	11.11
5. Mr. Sawangtham Laohathai	110,889	11.09
6. Miss Swangchit Laohathai	110,334	11.03
7. Miss Somchit Charuvajana	1,000	0.10
8. Miss Phanit Ngamkrekchoti	1,000	0.10
Total	1,000,000	100.00

Srikrung Wattana Company Limited as of May 28, 2021

Group of Shareholders	No. of shares	Proportion (percent)
1. Anantapol Holding Pte. Ltd.	688,937	22.96
2. Mr. Sunpitt Sethpornpong	463,438	15.45
3. Mr. Pheerapon Sethpakdee	463,438	15.45
4. Miss Seangchit Laohathai	338,235	11.27
5. Mr. Sawangtham Laohathai	338,226	11.27
6. Miss Swangchit Laohathai	338,226	11.27
7. Mr. Suvij Suvaruchiphorn	250,000	8.33
8. Mr. Christopher Sae Lim	50,000	1.67
9. Mr. Ekkarit Boonpiti	40,000	1.33
10. Mr. Krit Kemtham	11,000	0.38
11. Mr. Ekkhun Boonpiti	10,000	0.33
12. Metro Group Company Limited	7,500	0.25
13. Mr. Thaworn Laohathai	1,000	0.03
Total	3,000,000	100.00

Note: Anantaphon Holding Company Limited is not a company of the Company's directors or executives.

Amount of Registered Capital and Paid-Up Capital

The Company has registered capital as of December 31, 2021 of amount 360 million baht, paid-up capital of amount 360 million baht, divided into 360 million ordinary shares with a par value of 1 baht, listed on the Stock Exchange of Thailand (SET) under the symbol “MSC”.

Issuance of Other Securities

- None -

Dividend Payment Policy

Company Policy

The Company has policy to pay dividends according to the Company’s separate financial statements, by no less than 50% of net profit after tax deduction, except in the case that the Company has accumulated losses, or it’s necessary to be used for investment to increase the revenue.

Historical Dividend Payments of 5 Years (Turnover Year)	2020	2019	2018	2017	2016
Earnings per share (EPS)	0.42	0.65	0.67	0.61	0.49
Dividend per share (DPS)	0.30	0.45	0.47	0.43	0.35
Dividend payout to net profit (%)	72.19	69.30	69.66	70.66	70.96

Dividend Payment Policy of Subsidiaries

Dividend payment of the subsidiary will be based on retained earnings and financial liquidity of the subsidiary.

Dividend payment for the last 5 years (year turnover)	2020	2019	2018	2017	2016
Dividend (baht/share) MCC	18	21	23	22	16
Dividend (baht/share) MIT	-	-	-	44	-
Dividend (baht/share) MPP	12	12	50	30	30

Risk Management

The Company is committed to managing risks in line with corporate directions and goals by promoting continuous management and procedures to enable the Company to achieve objectives and goals, support good governance, create reliability for all stakeholders and help the organization grow sustainably. The Company adheres to the Enterprise Risk Management Framework under COSO-ERM standards consisting of:

1. Risk Management Policy and Strategies

The Company specifies risk management with adherence to international standard frameworks and modifies risk management processes to be consistent throughout the organization while also supporting business strategies and goals by specifying objectives and acceptable risk appetites for risk management.

2. Structure and Responsibilities

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

3. Risk Management Processes

The Company specified the risk management framework for four main risks consisting of strategic risks, preventable risks, external risks and emerging risks. The Company recognizes the importance of education and implements various forms of risk management instruments such as risk assessment and prioritization by using risk maps, monitoring of risk management via risk mitigation plans and key risk indicators (KRI) including monitoring changes to external factors and emerging risks with potential positive or negative effects on the organization's future business operations.

4. Corporate Culture in Management

The Company fosters risk management awareness and knowledge in every employee in addition to focusing on participation by every person in the organization and ownership of risks with a duty to identify risks, assess, monitor and support effective risk management processes by designating risk management as part of training courses for executives and employees along with directing high ranking executives to support for risk management processes to become continuous and effective until risk management becomes part of the corporate culture.



Risk Factors

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

1. Strategic Risk Group

Risks	Causes	Risk Mitigation Guidelines
Retention of Key Personnel	Changes in business structure and development of products that use more complex technologies causing market demand for information technology employees to gradually rise. This may cause recruitment of employees to support the business to become more difficult in the future.	The Company prepared the Talent Pipeline Program for executive positions and employee talents in addition to organizing activities to cause personnel to have feel love and engagement to the organization.
Digital Transformation	Technological advances and stakeholders' needs have played a role with business models to cause effects on business directions and operating systems of the organization.	The Company uses AI and RPA to manage the organization's supply chain in order to have effective operations and reduce costs along with allowing employees to participate in improving systems by using the organization's existing tools.
Products and Services	Lifestyle and work models have changed with technological progress, causing effects on strategies for presenting products and services that must answer current and future market demand.	The Company diversified products and services in response to market demand and be modern in line with technological changes in addition to fully improving the organization's products and services.
Customer Management	The Company's business operations are in a B2B format. Most sales are made face-to-face. However, the COVID-19 pandemic and work from home measures have caused effects on the Company's retention of old customers and acquisition of new customer groups.	The Company made preparations to offer services in every form to customers by using face-to-face meeting tools and developing digital communication and marketing in order to reach customers and create good relationships with sustainability.
Rely on Manufacturers or Suppliers	Suppliers can appoint more representatives or change business models to sell directly. If the Company's operations are not consistent with manufacturer's contracts, contracts may be canceled or the Company may have reduced roles as a sales representative. The aforementioned effects will cause the business to lose income or suffer business interruption.	The Company made strategies to diversify and modernize products and services in order to properly manage ratios of sales and profits from various types of products and services while maintaining balance in addition making strategies to develop the Company's Intellectual Property.

2. Preventable Risk Group

Risks	Causes	Risk Mitigation Guidelines
Information Technology Management	Technology plays a major role in business operations, causing cyber threats and cyber security trends to escalate. In addition, use of technology by personnel may have effects on management of the organization's significant information.	The Company directs external organizations to test the Company's IT infrastructure to prevent and mitigate potential risks in addition to developing systems to be consistent with international laws and standards. The Company was accredited with information security management standards (ISO27001:2013). Moreover, the Company creates awareness and provides accurate knowledge for personnel.
Compliance with Laws, and Regulations	Regulations and laws are always changed and revised to be up-to-date with the current situation and globalization, causing the organization's operations to need adjustment and compliance.	The Company monitors new laws, rules and analyzes effects on the Company's business operations to modify work processes to be consistent with laws and new rules that will be enforced in the future.
Internal Operations	The COVID-19 pandemic prevented employees from working at the Company. In addition, the Company is always making changes to new business models. This may cause supporting units to be unable to change work processes in time and be inconsistent with current business conditions.	The Company prepared plans to manage work processes to support work in the New Normal and the Company develops the organization's value chain to be effective in addition to using various tools to help with development.



3. External Risk Group

Risks	Causes	Risk Mitigation Guidelines
Climate Change	Current human actions and business operations have effects on weather and temperature changes, which are causes of disasters and failure of public utility systems including outbreaks of new diseases such as COVID-19, etc. All of these factors will influence the business' operations if the Company does not have risk management plans in advance.	The Company has business continuity plans by allowing employees to work from home and providing a DR Site for support unit employees. Furthermore, the Company recognizes the importance of sustainability in business operations. Therefore, the Company sets goals to reduce greenhouse gas emissions in the organization's main activities and organizes activities to support environment conservation.
Technology and Innovation Change	Technological advances have changed lifestyles, business operations and the global technology. New emerging technologies have different capabilities and higher benefits.	The Company made strategies to develop modern products and services consistent with technological changes by adding one-stop services and developing the Company's Intellectual Property. The Company prepared modern marketing and communications to facilitate customer access via every channel.
Entry of New Competitors	Because technology and innovation plays a role in the operations of every organization, there is likelihood of opensource or startup businesses being created, causing talented employees to be attracted with effects on customer decisions to purchase, which may have effects on the Company's business operations and overall sales.	The Company added services to become turn key from consulting, providing data connection services and other services including development strategies and improvement of the Company's Intellectual Property including focusing on professional services supported by international standards.
Economy	Due to effects from the COVID-19 pandemic on the global economy, announcements to cease activities in Thailand have caused effects on every business group. The aforementioned events have caused some organizations to delay or cancel projects, which may cause expected incomes to not be consistent with goals and financial reserve management strategies.	The company modified strategic plans for consistency with current business conditions and keeps sufficient cash in reserve along with reducing expenses to not exceed estimates.

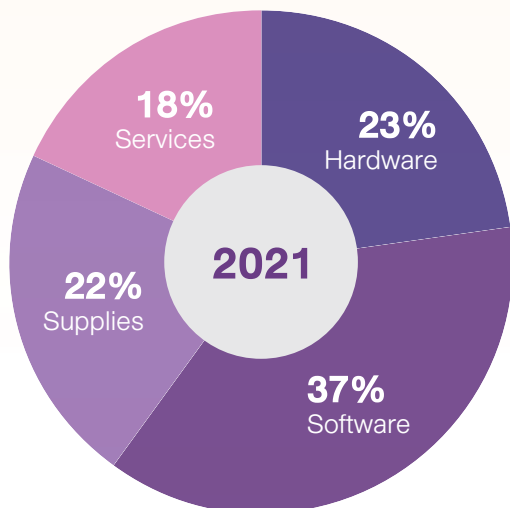
4. Emerging Risk Group

Risks	Causes	Risk Mitigation Guidelines
Digital Assets	Digital assets or bitcoin are being considered by the Bank of Thailand for use as a medium to pay for products or services. Although the Company is not a financial institutions, business partners or customers who want to pay with digital assets will cause effects on the organization's operations.	The Company tracks situations continually and supporting work units have made assessments of affected systems and processes along with making plans for preliminary changes.

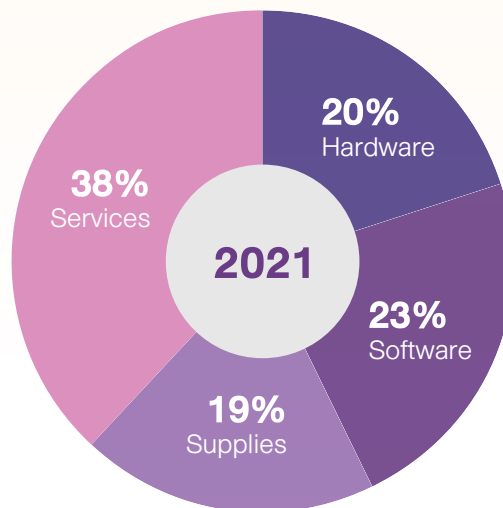
Management Discussion and Analysis (MD&A)

Performance Results

Revenue from sales breakdown

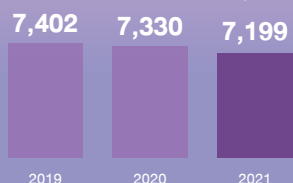


Gross profit for the year breakdown



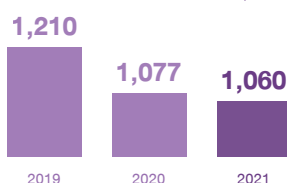
Revenue from sales and services

(Million Baht)



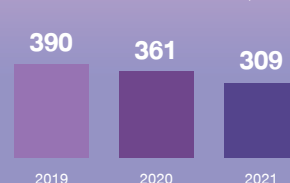
Gross Profit

(Million Baht)



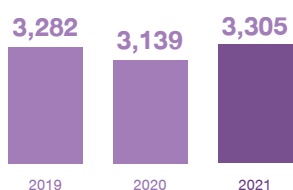
EBITDA

(Million Baht)



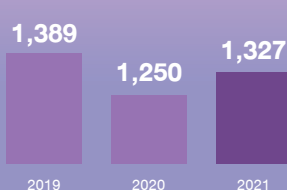
Total Assets

(Million Baht)



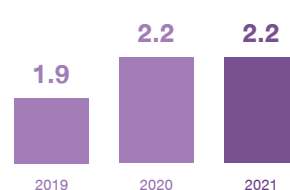
Total Liabilities

(Million Baht)



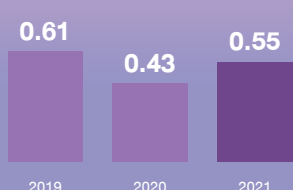
Current Ratio

(Times)



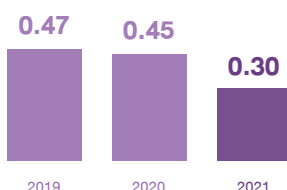
Earnings per share

(Baht / Share)



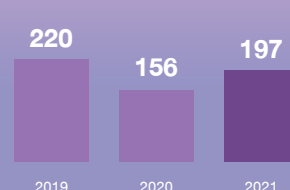
Dividends Per Share

(Baht / Share)



Net Profit

(Million Baht)



Financial Information

Statements of Financial Position (Million Baht)	Consolidated			Separate		
	2019	2020	2021	2019	2020	2021
Assets						
Current Assets						
Cash and cash equivalents	42	286	127	27	210	83
Current investments/Financial assets measured at fair value to profit or loss	249	143	206	100	103	102
Trade and other current receivables	1,292	1,233	1,439	1,172	1,061	1,245
Contract assets	29	14	11			
Current portion of lease receivables	232	191	178	101	106	110
Inventories	401	329	372	329	230	318
Other current assets	11	8	43	7	7	20
Total Current Assets	2,255	2,205	2,375	1,736	1,718	1,878
Investments in subsidiaries and associates	12	7	5	39	69	67
Deposits at financial institutions used as collaterals	39	39	39	14	14	14
Property, plant and equipment	507	427	405	495	415	395
Lease receivables	238	166	165	160	109	109
Other non-current assets	230	295	315	219	282	300
Total Assets	3,282	3,139	3,305	2,663	2,607	2,764
Current liabilities						
Short-term borrowings from financial institutions	148	144	100	99	88	100
Trade and other current payables	900	787	941	747	686	760
Short-term borrowings			10			10
Current portion of long-term borrowings	65	38	22	18	23	16
Current provisions for employee benefits	49	16	12	48	12	12
Other current liabilities	7	17	7	2	12	6
Total Current Liabilities	1,169	1,001	1,092	914	821	903
Long-term borrowings from other parties	13	4		13	4	
Lease liabilities	31	33	15	13	25	14
Non-current provisions for employee benefits	167	209	219	154	196	201
Deferred tax liabilities	8	3	2			
Other non-current liabilities		0.4	0.5		0.4	0.5
Total Liabilities	1,389	1,250	1,327	1,094	1,047	1,118

Statements of Financial Position (Million Baht)	Consolidated			Separate		
	2019	2020	2021	2019	2020	2021
Shareholders' equity						
Authorized share capital	360	360	360	360	360	360
Issued and paid-up share capital	360	360	360	360	360	360
Premium on ordinary share	234	234	234	234	234	234
Retained earning						
Legal reserve	48	48	48	48	48	48
Unappropriated	1,247	1,243	1,332	928	918	1,004
To owners of the company	1,889	1,885	1,975			
Non-controlling interests	4	5	3			
Total Shareholders' equity	1,893	1,890	1,977	1,570	1,560	1,646
Total Liabilities and Shareholders' equity	3,282	3,139	3,305	2,663	2,607	2,764

Statements of Comprehensive Income (Million Baht)	Consolidated			Separate		
	2019	2020	2021	2019	2020	2021
Revenue						
Revenue from sales	6,335	6,144	5,929	5,403	5,352	5,101
Revenue from services and rental	1,067	1,186	1,269	880	1,023	1,151
Other income	73	87	64	117	100	75
Total Revenue	7,474	7,417	7,263	6,400	6,475	6,328
Expense						
Cost of sales and services	6,192	6,254	6,139	5,213	5,412	5,303
Administrative expenses	998	904	920	910	827	835
Other loss		(7)	12		(6)	12
Finance costs	13	11	6	7	7	4
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9		(52)	42		(52)	42
Income tax expenses	51	30	54	36	21	45
Total Expense	7,254	7,258	7,066	6,166	6,325	6,133
Profit before share of profit of investments in associates	220	159	197	234	150	194
Share of profit of investments in associates	2	(3)	(1)			
Profit before non-controlling interests	222	156	196	234	150	194
Non-controlling interests	2	0	(2)			
Profit for the years	220	156	197	234	150	194
Basic earnings per share	0.61	0.43	0.55	0.65	0.42	0.54
Par Value	1	1	1	1	1	1

Statement of Cash flows (Million Baht)	Consolidated			Separate		
	2019	2020	2021	2019	2020	2021
Cash provided by operation before changes in operating assets and liabilities	399	369	313	337	311	262
Change in operating assets and liabilities	198	36	(166)	(90)	98	(249)
Net cash provided by operating activities	597	405	147	246	409	13
Cash paid for purchases of property, plant and equipment	(35)	(41)	(60)	(31)	(38)	(59)
Net cash provided by (used in) investing activities	(251)	84	(109)	(42)	(24)	(17)
Net cash used in financing activities	(358)	(245)	(196)	(216)	(202)	(123)
Net increase (decrease) in cash and cash equivalents	(12)	244	(158)	(12)	184	(127)
Cash and cash equivalents as at January 1,	54	42	286	39	27	210
Cash and cash equivalents as at December 31,	42	286	127	27	210	83



Statement of change in shareholders' equity (Million Baht)	Consolidated			Separate		
	2019	2020	2021	2019	2020	2021
Issued and paid-up share capital						
Common stock						
Beginning balance	360	360	360	360	360	360
Added during the period						
Reduce during the period						
Ending balance	360	360	360	360	360	360
Premium on ordinary share						
Premium on ordinary share						
Beginning balance	234	234	234	234	234	234
Added during the period						
Reduce during the period						
Ending balance	234	234	234	234	234	234
Retained earning						
Appropriated						
Legal reserve						
Beginning balance	48	48	48	48	48	48
Added during the period						
Reduce during the period						
Ending balance	48	48	48	48	48	48
Unappropriated						
Beginning balance	1,217	1,247	1,243	884	928	918
Comprehensive income-restated	(21)	3	-	(21)	3	-
Added during the period	220	156	197	234	150	194
Reduce during the period	(169)	(162)	(108)	(169)	(162)	(108)
Ending balance	1,247	1,244	1,332	928	918	1,004
Non-controlling interests						
Beginning balance	2	4	5			
Effect from accounting adjustment						
Added during the period	2					
Reduce during the period		0	(2)			
Ending balance	4	4	3	-	-	-
Total Shareholders' equity	1,893	1,890	1,997	1,570	1,560	1,646

Financial Ratio		Consolidated			Separate		
		2019	2020	2021	2019	2020	2021
Liquidity Ratio							
Current Ratio	(Times)	1.9	2.2	2.2	1.9	2.1	2.1
Quick Ratio	(Times)	1.1	1.5	1.4	1.0	1.2	1.1
Cash flow current ratio	(Times)	0.5	0.4	0.1	0.3	0.5	0.02
Receivable turnover	(Times)	6.0	7.4	6.7	6.5	7.4	7.0
Avg. collection period	(Days)	60	50	54	56	49	52
Inventory Turnover	(Times)	15.3	18.2	18.7	16.8	20.9	21.1
Avg. selling period	(Days)	24	20	19	22	17	17
Payable Turnover	(Times)	9.3	11.0	10.5	10.1	11.0	10.2
Payment Period	(Days)	39	33	35	36	33	36
Cash Cycle	(Days)	45	36	39	41	33	34
Profitability Ratio							
Goss profit margin	(%)	16.3%	14.7%	14.7%	17.0%	15.1%	15.2%
Net Profit Margin	(%)	2.9%	2.1%	2.7%	3.7%	2.3%	3.1%
Return on equity	(%)	11.7%	8.2%	10.2%	15.1%	9.6%	12.1%
Efficiency Ratio							
Return on Assets	(%)	6.5%	4.9%	6.1%	8.9%	5.7%	7.2%
Return on Fixed Assets	(%)	59.5%	55.3%	67.8%	62.7%	54.2%	67.8%
Assets Turnover Ratio	(Times)	2.2	2.3	2.3	2.4	2.5	2.4
Financial policy ratio							
Debt to equity ratio	(Times)	0.7	0.7	0.7	0.7	0.7	0.7
Interest Converage ratio	(Times)	29.4	27.9	54.8	29.4	27.9	54.8
Debt Service Coverage - cash basis	(Times)	1.8	1.7	2.7	1.8	1.7	2.7
Dividend payout rate	(%)	59.6%	73.5%	69.3%	69.6%	69.3%	72.2%

Performance Overview

The situation of the Covid-19 epidemic continues to spread from the beginning of 2020 until now, resulting in investment from private sectors still slowing and taking caution from the uncertain economy.

In 2021, the Company's revenue from sales of products and services amounted to 7,199 million baht, a decrease of 2 % due to hardware and Office supplies products, while revenue from software products and services increased. The gross profit margin is the same as the previous year, but there is a reversal (loss) from impairment which is in accordance with TFRS9 of 42 million baht, resulting in the Company's net profit to be 197 million baht, an increase of 27%.

Revenue

The Company has revenue from sales of goods and services divided by product groups as follows:

- Revenue from hardware products group amounted to 1,689 million baht, accounting for 23%, a decrease of 13% from the previous year due to a decrease in sales of medium-sized computers, large storage devices, and network hardware products as the private sector still continue to slow down investment, including reduction in the IT budget.
- Revenue from software products amounted to 2,639 million baht, accounting for 37%, an increase of 5% from the previous year. The main revenue remained to be Microsoft's software products. This year, the Company's revenue from IBM software products increased, and the SupperApp program developed by and is intellectual property of the Company has started to generate revenue.
- Revenue from Office supplies products amounted to 1,602 million baht, accounting for 22%, a decrease of 5% compared to the previous year as many organizations still continue to enforce the work from home policy along with measures to control the budget for purchase of Office supplies. In addition, customers had switched the printer rental contracts to that charge per sheet instead of buying consumables. Consequently, the sales of printer consumables have decreased.
- Service income amounted to 1,269 million baht, accounting for 18%, an increase of 7% from the previous year. Most of the Company's main service could generate more income, coupled with new services that the Company has started such as Cloud Solution service, surveillance service, and Cyber Security solution which could generate more income to the Company.

Gross profit margin was at 14.7%, which is the same as that of 2020. Although revenue from sales of medium-sized computers, large storage devices declined, which are relatively high gross-margin product and thus affected the overall gross margin, the Company was able to increase revenue from services with high gross margins to compensate for this segment, thus maintaining the same gross margin level as last year.

Expenses

In terms of expenses, they consist of

- Selling and administrative expenses increased from the previous year by 16 million baht, when compared to the proportion of revenue from sales of goods and services in 2021, accounted for 12.8%, an increase of 12.3% compared to 2020. This was due to the increase in administrative expenses, mainly from staff expenses, while selling expenses were reduced due to commissions which was in line with lower revenues.
- The Company had a reversal (loss) from impairment which was in accordance with TFRS9 amounting to 42 million baht, which caused this expense to decrease by 94 million baht as in 2020 the Company had set aside provision for impairment loss in value of large debtor. But in 2021, there was a reversal of the said debtor because the Company had received some debt repayment and the debtor was in the process of business rehabilitation plan which has a clear payment plan hence giving the Company opportunity to receive payments from the debtor.
- Finance costs decreased by 5 million baht from the previous year, when compared to the proportion of revenue from sales of goods and services in 2021, accounted for 0.09 %, down from 0.15% in 2020.

- Income tax increased by 24 million baht because in 2021 the Company had an increase in profit before income tax, when compared to the proportion of revenue from sales of goods and services in 2021, accounted for 0.7%, an increase from 0.4 % in 2020.

As a result, the Company had a net profit attributable to the parent Company in the amount of 197 million baht, compared to the year 2020 of amount 156 million baht, experienced an increase of 41 million baht or 27%. The main factor was the decrease in expenses from the reversal (loss) from impairment in accordance with TFRS9 of one debtor

As for the profitability ratio, the Company had a net profit margin of 2.7%, an increase from the previous year's net profit margin of 2.1%. The return on equity was 10.2%, an increase from the previous year which was at 8.2%

Financial Position

Assets

At the end of 2021, the Company had total assets of 3,305 million baht, an increase of 165 million baht compared to the end of 2020. The total assets consisted of current assets of 2,375 million baht, representing 72 % of total assets, and non-current assets of 930 million baht, representing 28 % of total assets. The reasons for the increase in total assets was

- Current assets amounted to 2,375 million baht, an increase of 170 million baht, due to an increase of 205 million baht in trade accounts receivable and other current receivables. Financial assets measured at fair value through profit or loss increased by 63 million baht, and inventories increased by 43 million baht. Other current assets increased by 30 million baht and other current financial assets increased by 5 million baht, while cash and cash equivalents decreased by 158 million baht. Receivables under finance lease agreements due within one year decreased by 13 million baht and assets caused by contract decreased by 4 million baht.

Trade accounts receivable and other receivables

The Company's trade accounts receivable after deducting allowance for doubtful accounts at the end of 2021 were 1,116 million baht, an increase of 243 million baht. Most of the debtors (78 %) were receivables that were not due for payment, while the remaining percentage of 22 % of the debtors were receivables in the process of pursuing payment, with debtor of more than 1 year in the amount of 1 million baht, and debtors in the process of legal proceedings of 63 million baht, which were debtors that are in the process of payment and collection. In 2021, the Company has set aside provision for expected credit losses of amount 20 million baht, accounting for 1.8 % of all debtors. The Company has an average collection period, in 2021, of 54 days. According to the Company's policy, credit terms given to most customers to pay for goods was 30-60 days, while unbilled trade accounts receivable at the end of 2021 were 191 million baht, a decrease of 39 million baht.

Other receivables as of the end of 2021 were 131 million baht, an increase of 0.5 million baht, mainly from advance expenses.

Inventories

The Company has inventories after deducting allowance for diminution in value of products at the end of 2021 equal to 372 million baht, an increase of 43 million baht. The Company's inventories can be divided into finished goods, project with work in progress, and products in transit. The average sales period is 19 days, which is in line with the Company's management policy to control and prevent risks.

- Non-current assets amounted to 930 million baht, a decrease of 5 million baht, due to decrease in property, plant, and equipment (net) by 22 million baht, decrease in right-to-use assets of 14 million baht, decrease in deferred tax assets of 3 million baht, decrease from investment in associates company of 1 million baht, decrease in receivable from finance lease contract of 1 million baht, while withholding tax increased by 33 million baht and intangible assets increased by 4 million baht.

Liquidity

Cash Flow

As of 31 December 2021, the Company had cash and cash equivalents amounted to 127 million baht, a decrease of 158 million baht due to

- Net cash from operations of the Company amounted to 147 million baht, mainly due to profit before income tax after deducting non-cash expenses of 312 million baht, changes in trade and other receivables increased by 181 million baht, inventories increased by 44 million baht, other current assets increased by 30 million baht, trade and other payables increased by 163 million baht, accounts receivable under finance lease contracts decreased by 21 million baht, assets resulting from contracts decreased by 4 million baht. All the mentioned factors allowed the Company to have cash received from operations of amount 244 million baht, and the Company has paid employee benefit obligations of 11 million baht, and net income tax payment of 87 million baht.
- Net cash used in investment activities of the Company amounted to 109 million baht. The Company had paid for the purchase of equity or debt instruments of other companies net of 62 million baht, paid for the purchase of fixed assets and intangible assets 60 million baht, and received interest 12 million baht.
- Net cash used in financing activities of the Company amounted to 196 million baht because the Company paid dividends of 108 million baht, repaid short-term loans from financial institutions of net 44 million baht, repaid liabilities under lease agreement of amount 28 million baht, paid finance cost of 7 million baht, repayment of long-term loans from other companies of 5 million baht, and repayment of long-term loans from financial institutions of 4 million baht.

Key Financial Ratios

As of 31 December 2021, the Company's debt to equity ratio was 0.7 times, same as that to the year 2020. The increased liabilities were mainly due to trade and other payables, short-term loans from other companies, and non-current provisions for employee benefits. At the same time, the shareholders' equity increased from the net profit of the year. However, all liabilities are liabilities arising from the normal operations of the Company.

The Coverage Ratio in 2021 was 2.7 times, an increase of 1.7 times from 2020. The Company's profit before tax, depreciation and amortization increased 46 million baht from the previous year. Interest and long-term interest-bearing liabilities due within 1 year decreased from the previous year. This was mainly due to a decrease in short-term borrowings from financial institutions by 44 million baht, and liabilities under lease agreements due within 1 year decreased by 11 million baht.

The Company's liquidity ratio at the end of 2021 was 2.2 times, same as that to 2020. This was due to the increase in trade accounts receivable and other current receivables from the previous year, with the average collection period increased from 50 days to 54 days. Trade accounts payables and other current payables increased, with the repayment period increased from 33 days to 35 days, while the average selling period decreased from 20 days to 19 days. The quick liquidity ratio at the end of 2021 was 1.4 times, a decrease from the year 2020 which was 1.5 times.

Source of funding

Liabilities

Total liabilities at the end of 2021 were 1,327 million baht, an increase of 78 million baht compared to the previous year. Total liabilities consisted of current liabilities of 1,092 million baht, accounting for 82 % of total liabilities, and non-current liabilities of 236 million baht, accounting for 18 % of total liabilities. The reason for the increase in total liabilities was due to

- Current liabilities amounted to 1,092 million baht, an increase of 91 million baht, due to an increase of trade payables and other current payables of 154 million baht, with trade payables of 600 million baht, an increase of 34 million baht. The Company has a 35-day repayment period. Other payables amounted to 341 million baht, an increase of 120 million baht, consisting of accrued expenses, deposit & advance payment, short-term loans from other companies increased by 10 million baht, while short-term loans from financial institutions decreased by 44 million baht. Liabilities under finance lease contracts due within one year decreased by 11 million baht, loans from financial institutions due within one year decreased by 4 million baht, and corporate income tax accrued decreased by 3 million baht.

- Non-current liabilities amounted to 236 million baht, a decrease of 13 million baht, due to decrease in lease liabilities of 18 million baht, decrease in long-term borrowings from other companies by 4 million baht, and decrease in deferred tax liabilities of 1 million baht. The provision for non-current liabilities for employee benefits increased by 10 million baht.

Shareholders' equity

Total shareholders' equity at the end of 2021 was 1,977 million baht, an increase of 88 million baht due to a net profit in 2021 of 197 million baht and a dividend payment in 2021 at a rate of 0.30 baht per share, totaling 108 million baht.

Obligations and contingent liabilities

The Company has entered into an operating lease agreement as follows:

The contract of rental of car, building, including related service fees has a term of 5 years which is an irrevocable contract. As on 31 December 2021, the minimum amount to be paid in the future within 1 year is 0.8 million baht, after 1 year, but not more than 5 years amounting to 0.2 million baht

The Company has already disclosed the information as Item 36 in the notes of the financial statements for the Financial Statements for 2021.

Factors that may affect financial position or future performance

- None -



Other Related Information

General Information

Details of Company, Subsidiaries, Associated Company and Related Persons Metro Systems Corporation Public Co., Ltd.

Metro Systems Corporation Public Co., Ltd.

Head Office

Company Name

Group Of Industry/Business

Nature Of Business

Registration No.

Registered and Paid Capital

Number of Shares

Par Value

Head Office Location

Telephone

Web Site

Metro Systems Corporation Public Co.,Ltd

Technology Information Technology and Communications

Distribution Agency for Computer Hardware and Software Solutions, including full IT services

0107538000347

THB 360,000,000

360,000,000 shares

THB 1.00

400 Chalermprakiat Rama 9 Rd, Pravet, Bangkok 10250

02-089-4000

<http://www.metrosystems.co.th>



Branches

Bangkok Advanced Learning

- Purpose of Business
- Telephone
- Fax
- Web Site

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

Microsoft Training and Demonstration Centre

02-089-4724, 02-089-4015

02-298-0260

<http://www.bal2001.com>



Envisioning Center

- Purpose of Business
- Telephone
- Fax
- Web Site

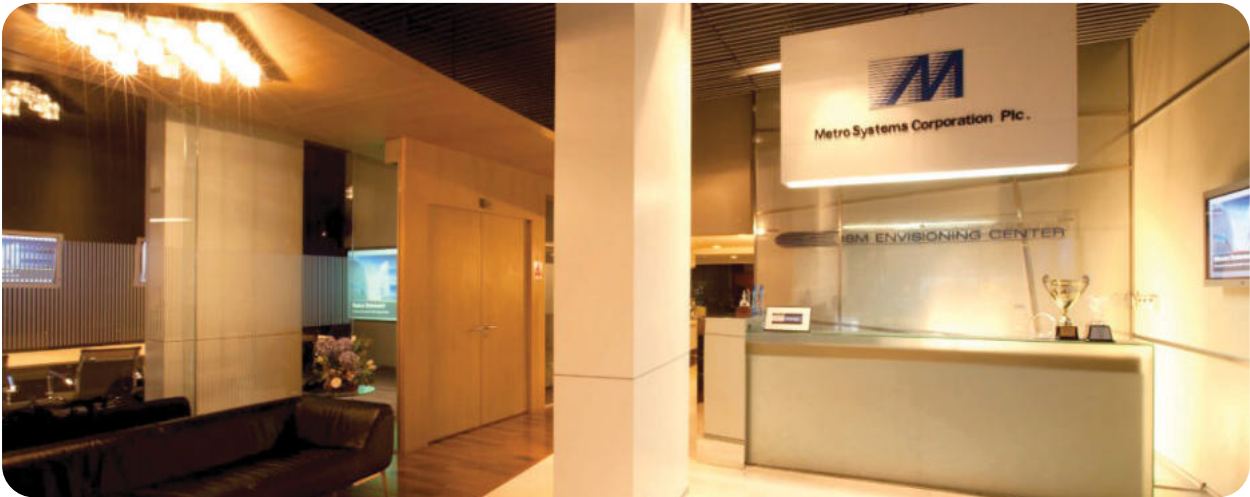
88/15-17 Mahatun Plaza Building, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

IBM Training and Demonstration

02-089-4135

02-253-0563

-



Subsidiaries Companies

Company Name
Group Of Industry/Business
Nature Of Business
Registered and Paid Capital
Number of Shares
Par Value
Head Office Location
Telephone
Fax
Web Site

Metro Professional Products Co.,Ltd

Technology Information Technology and Communications

Distributor of Computer/ Service Provider of

Complete Computer System including rent out the computer

THB 50,000,000

500,000 shares

THB 100.00

98/44 Factory Land 2 Alley 3, Moo 11, Bhudhamolthon 5,
Rai Khing, Sam Pran, Nakorn Pathom 73210

02-019-9399

02-019-9398

<http://www.mpp.co.th>

Company Name
Group Of Industry/Business
Nature Of Business
Registered and Paid Capital
Number of Shares
Par Value
Head Office Location
Telephone
Fax
Web Site

Metro Connect Co.,Ltd

Technology Information Technology and Communications

Distributor of Computer product, Peripheral devices, and Software
through IT Service Provider

THB 10,000,000

1,000,000 Shares

THB 10.00

400 Chalermprakiat Rama 9 Rd, Nhongbon Pravet, Bangkok 10250

02-089-4000

02-726-2539

<http://www.metroconnect.co.th>

Company Name
Group Of Industry/Business
Nature Of Business
Registered and Paid Capital
Number of Shares
Par Value
Head Office Location
Telephone
Fax
Web Site

Metro Infotech Co.,Ltd

Technology Information Technology and Communications

Installation and Service Provider and Distributor of Software of
Customer Relationship Management, Business Process Management
and Business Intelligence

THB 5,000,000

50,000 shares

THB 100.00

400 Chalermprakiat Rama 9 Rd, Nhongbon Pravet, Bangkok 10250

02-089-4551, 02-089-4552

02-726-2530

<http://www.metroinfotech.co.th>

Associated Companies

Company Name	HIS MSC Co.,Ltd
Group Of Industry/Business	Technology Information Technology and Communications
Nature Of Business	Service Provider and Distributor for Hotel Managemment Software
Registered and Paid Capital	THB 4,000,000
Number of Shares	40,000 Shares
Par Value	THB 100
Head Office Location	400 Chalermprakiat Rama 9 Rd, Nhongbon Pravet, Bangkok 10250
Telephone	02-089-4101, 02-089-4107-8
Fax	02-726-2910
Web Site	http://www.hismsc.com

Company Name	JBCC (Thailand) Co.,Ltd
Group Of Industry/Business	Technology Information Technology and Communications
Nature Of Business	IT Product Distribution for Japanese Customers
Registered and Paid Capital	THB 10,000,000
Number of Shares	10,000 Shares
Par Value	THB 1,000
Head Office Location	591 Samatchavanich 2 Building, 21st Floor, Sukhumvit Road, Klongton Nua, Wattana, Bangkok
Telephone	02-662-2218
Fax	02-662-2219
Web Site	-



Other References

Securities Registrar

Certified Public Accountants

Tel.

Fax

E-mail

Legal Consultant

Financial Consultant Consultants or Managers Under a Management Contract

Thailand Securities Depository Co., Ltd.

93, Ratchada Phisek, Din Daeng, Din Daeng, Bangkok, 10400

Tel. 02-009-9000

Mrs. Wilasinee Krishnamra Certified Public Accountant No. 7098 and/or

Mrs. Nisakorn Songmanee Certified Public Accountant No. 5035 and/or

Mr. Yongyuth Lertsurapibul Certified Public Accountant No. 6770 and/or

Mr. Kasiti Ketsuriyong Certified Public Accountant No. 8833 and/or

Deloitte Touche Tohmatsu Jaiyos Co., Ltd

AIA Building, Sathorn Tower, 23rd - 27th Floors, No. 11/1,

South Sathorn Rd., Yannawa, Sathorn, Bangkok, 10120

: 02-034-0000

: 02-034-0100

: wkrishnamra@deloitte.com

Law Office of Metro Systems Corporation Public Co., Ltd.

Tel. 02-089-4352

- None -

- None -



Other Significant Information

Metro Info Dynamics Company Limited, a subsidiary of the Company, registered the company's termination with the registrar at the Department of Business Development, Ministry of Commerce, on 28 August 2020, and reported termination of the business to the Revenue Department on 8 September 2020. The company registered account clearance completion on 23 April 2021.

Legal Disputes

On 29 May 2015, the Company accepted a contract to design, develop and install savings cooperative systems for members and information technology system services for the Federation of Savings and Credit Cooperatives of Thailand Limited (FSCT). This contract was divided into four minor tasks with a total hiring value in the contract of 285,800,000 baht. The Company did work in line with all contract conditions and agreements. However, during work in the project under the aforementioned contract, FSCT missed a payment and did not pay wages and/or service fees valued at 29,583,350 baht. In addition, FSCT did not perform acceptance inspection for work completed by the Company valued at 62,525,616 baht. Moreover, FSCT requested the Company to delay ongoing work, which is non-compliance with conditions and agreements in the contract, causing effects on work and damage to the Company. Therefore, on 26 December 2016, the Company sent a notification to remind FSCT and terminate the contract with FSCT in addition to calling for FSCT to pay the price for the aforementioned work and return the contract bond and compliance bond valued at 14,290,000 baht to the Company. However, FSCT did not comply with the Company's reminder and contract termination notice.

The Company, as the Plaintiff, submitted charges against the FSCT, as the Defendant, to Nonthaburi Provincial Court in a civil case, Black Case No. Por. 277/2560. The charge was contract termination. The Company demanded compensation in the amount of 204,409,552 baht. The FSCT filed charges against the Company to Nonthaburi Provincial Court and made the Company the Defendant in a civil case, Black Case No. Por. 2295/2560, on the charge of breach of a commissioning contract with a demand for compensation valued at 312,389,794.45 baht. The Court ordered to consider both cases at the same time.

On 12 March 2019, Nonthaburi Provincial Court reached a verdict for the FSCT to pay 97,457,299.60 baht with interest at the rate of 7.5 percent of the aforementioned sum per year from the date of the charges (14 February 2017) until payment is complete and for the FSCT to return promissory notes and IP phones to the Company. If the FSCT is unable to return promissory notes and IP phones to the Company, the FSCT is to pay legal fees with attorney's fees set at 100,000 baht and the cost of prosecuting both cases at 50,000 baht.

Afterwards, the FSCT submitted an appeal against the verdict of the court of first instance (Nonthaburi Provincial Court) and the Court of Appeals reached a verdict for the FSCT to pay 32,282,664.50 baht with interest at 7.5 percent per year from the date of the charges until payment is complete to the Company. Apart from revisions, the verdict is to be consistent with the verdict from the court of first instance and legal fees at the appellate level for both cases were waived.

The Company and the FSCT filed a petition with the Court. Currently, the case is being considered by the Supreme Court to determine whether the case will be accepted. If the Supreme Court does not accept the case for consideration, the case will be over and the parties involved will comply with the Court of Appeals' verdict.

Secondary Markets

-None-

Regularly Contacted Financial Institutions (Only Bonds)

- UOB Asset Management (Thailand) Co., Ltd.
- Thai Cash Management Fund for Juristic Person Investors



Corporate Governance

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- Corporate Governance Policy
- Corporate Governance Structure and Other Related Information
- Key Performance in Corporate Governance
- Internal Control and Related Transactions



Corporate Governance Policy

The Company operates the business with fairness, transparency, responsibility to society, communities and the environment by continually adhering to the Company's business framework with directors as good examples of compliance with corporate governance principles, which will create value for the Company to have sustainability, ability to compete ethically under changing business conditions, added value and maximum returns for shareholders including the Company's stakeholders in the long term.

The Corporate Governance Sub-committee has the duty to monitor, oversee and support the Company's operations in addition to continually reviewing guidelines and updating the corporate governance handbook to be suitable for business operations to enable directors and executives to accurately follow corporate governance principles while maintaining standards and complying with corporate governance principles of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC).

Furthermore, the Company's guidelines such as the corporate governance handbook, business ethics, management structures, policies and guidelines concerning compliances with corporate governance principles have been compiled by the Company under the name of the "Corporate Governance Handbook" for directors, executives and employees of the Company to use as guidelines for proper compliance with corporate governance principles. The Company reviews policies, principles and guidelines in the area of corporate governance annually in addition to communicating with directors, executives and employees along with disseminating the aforementioned information via the Company's website. Individuals interested in accessing this information can do so via <https://ir.metrosystems.co.th/corporate-governance-th/>.

In 2021, the Company reviewed and modified the Corporate Governance Handbook by making modifications concerning vision, missions, corporate policies, corporate governance principles and disciplinary actions to suit current situations

Corporate Governance Policy and Guideline Overview

The Company clearly specified the corporate governance policy in the Corporate Governance Handbook in writing since 2017 by making corporate governance a duty and responsibility of the Board of Directors, executives and all employees of the Company, who must acknowledge and comply with the policy. The Company regularly reviews relevant corporate governance policies and guidelines in order to analyze and apply appropriate policies and guidelines to the Company's business operations with directors as good examples of compliance with ethical and corporate governance principles. This supports the Company to become an effective business organization with good, transparent, accountable management that is fair to all stakeholders while adding value for shareholders with consideration given to stakeholders in order to lead to sustainable growth and prosperity. Key components are as follows



Principle 1 : Establish Clear Leadership Role and Responsibilities of the Board

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

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

Regarding the corporate governance structure related to organizational management of the Board of Directors, the sub-committees, the management department, to various departments including the departments that are mechanisms for corporate governance, details are shown in diagram on topic Good Corporate Governance Structure page 69



Principle 2 : Define Objectives that Promote Sustainable Value Creation

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



Principle 3 : Strengthen Board Effectiveness

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



Principle 4 : Ensure Effective CEO and People Management

The Board of Directors has the duty to recruit and develop the Chief Executive Officer, high ranking executives at every level and manage personnel effectively with the following guidelines:

1. The Board of Directors specifies guidelines to continually improve director knowledge and regularly assesses performance of the Board of Directors and sub-committees.
2. The Board of Directors prepares succession plans for the organization's highest ranking executives for cases where executives are out of office with annual meetings and consultations with the Recruitment and Remuneration Sub-committee. Furthermore, the Board of Directors has policies on recruitment and remuneration for directors and sub-committee members by setting remuneration for directors and executives with thoroughness, transparency and consistency with corporate governance principles, responsibility and performance to create short term and long term motivation comparable to levels practiced in the same industry.



Principle 5 : Nurture Innovation and Responsible Business

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

1. The Company encourages its employees to innovate both in process and by adding value to products. Therefore, the Metro Brain-Based Startup Project aims to open up employees to demonstrate their potential in creativity and propose ideas for further pursuit of new businesses. The innovation will be protected as the Company is the owner of intellectual property, which creates a good image to be a new generation organization that is the leader in future business as well as developing the organization to grow forward sustainably. It will continue to create innovation, resulting in business results, making the Company a sustainable technology business leader.
2. The Company has undertaken corporate social responsibility by supporting and encouraging all employees to take part in doing good deeds, giving back and helping society continuously, as well as focusing on the development of the potential of children and youth to be more efficient.
The Company's business operation has no impact on the social responsibility, the environment or any stakeholders. There is no legal breach in matters related to the Company
3. The Company realizes the importance of responsibility to all stakeholders in order to achieve sustainable objectives and main goals, thus providing efficient and effective resource allocation and management, taking into account the impacts and development of resources throughout the supply chain. The Company is committed to conducting business in accordance with code of conduct, good corporate governance policy, corporate social responsibility policy, anti-corruption policy, procurement and review of business partners policy, and intellectual property protection policy, where stakeholders are shareholders, customers, competitors, partners or creditors, employees government and government agencies, as well as society and communities, which are to be taken care of by the Company with fairness strictly in accordance with the benefits and coverage of fairness and suitability as follows:
 - 1) **Shareholders, investors, analysts** The Company operates its business in a transparent, accurate, fair manner and in accordance with the rules, regulations and related laws, takes into account the returns to shareholders, and discloses correct and equitable information through the website of the Stock Exchange of Thailand (SET) and the Company's investor relations website on a regular basis, including organizing an activity for the Company to meet with investors in "Opportunity Day", which will be organized after the announcement of the second and fourth quarter financial statements in order to maximize benefits and increase shareholder value over the long term.
 - 2) **Customers** The Company distributes products and services at fair prices with international standard quality and treats customers fairly in order to create satisfaction for customers. The Company has fulfilled the contract with transparency, completeness, correctness, and upholding relationships. For example, the Company has conducted customer satisfaction surveys in terms of product / service trust, customer satisfaction, sales staff, information acquisition and service consistency, knowledge and understanding of products / services of personnel, accuracy and speed of purchase order process and of delivery, and overall satisfaction in each business group on an overall. The Company brought the survey results to the relevant departments to analyze the survey results and jointly find ways to develop and improve products and services in order to increase customer satisfaction in the long term, with customer satisfaction to the Company for each year expected to be not less than 80%.
 - 3) **Competitors** Executive directors and employees of the Company formulate business strategies and competition and should treat competitors fairly within the framework of the laws related to trade competition. At the same time, the Company remained transparent and ethical, avoiding dishonest means to cause damage to competitors. The Company will not commit any act that infringes on their intellectual property, improper or dishonest means of obtaining confidential information, damage reputation

of the competitor through defamatory accusations. The Company seeks to compete fairly to create good market conditions, such as providing information about products or creating new products or services, and not entering into any agreements with competitors or any person that is in the nature of reducing or restricting competition.

- 4) **Business partners** The Company realizes the importance of treating trade partners equally in accordance with the framework of honest and transparent trade competition, respect for each other's rights, does not demand or accept any property or benefit from trading partners, does not buy products with partners that infringe on intellectual property or violates human rights, and does not do business with partners who act illegally, refrain from creating trade bargaining power by means of reciprocity or creating conditions for compliance, and having honesty in doing business in a collaborative manner to comply with the procurement regulations announced by the Company for the management of the companies in the group to be in the same direction. The procurement regulations cover from the procurement of products, goods and services for distribution to customers, supplier selection with supplier screening process according to clear supplier grouping criteria, procurement and appointment of import-export agent, supplier inspection, job acceptance and audit conditions, including preparing the Company's code of conduct and practices of the Company's business partners in order to be professional, transparent, and fair.
In the year 2021, the Company has announced its intention and sent a manual on sustainable business practice to all business partners. As for the new business partners, the Company has selected through screening of environmental, social, and governance issues, with a total of 199 members, representing 100%.
- 5) **Creditors** The Company was able to operate under reasonable business conditions and in accordance with industry practice, adheres to trade conditions and contracts fairly and lawfully, without taking advantage of counterparties, and does not use fraudulent or concealment methods for any important facts that may cause damage to creditors. The Company was strictly committed to pursuing the terms of agreements made with all of creditors strictly, accurate, and straightforward according to the agreed schedule while being able to repay the loan with interest in a full amount to the creditors within the agreed period and being responsible for various types of guarantees with honesty to build trust and fairness for the creditors. In case where the Company was unable to comply with the required conditions, it would notify and negotiate with creditors in advance to seek ways to prevent damage that could possibly occur to both parties.
- 6) **Employees** The Company has a human rights policy and creates knowledge and understanding about human rights among employees as part of work practices. The Company does not support businesses in violation of human rights and the Company uses fair administration principles with regard to management of salaries, wages and benefits including employment conditions without using forced labor from unwilling workers or child labor. The Company does not discriminate and provides equal opportunity for all employees by organizing good and suitable work environments along with strictly complying with Thai laws and labor standards. The Company sets fair returns and benefits equivalent to businesses in the same industry with annual wage structure reviews to make employee remuneration policies consistent with the Company's operations in the short term and in the long term. The Company specified guidelines for annual wage raises including the provident fund and other benefits in details in the sustainability report under "Employees" on Page 142
- 7) **Government and Government Agencies** The Company cooperates with government agencies in performing good corporate citizenship, complying with legal requirements for conducting business, accounting, paying taxes for the state in accordance with the nature of business. The Company also engages in business with government agencies in an honest and fair manner, treating them with the sincerest courtesy and goodwill like customers in general, refrained from bribery and unethical hiring of civil servants to immensely facilitate the Company's business, abstained from any illegal or fraudulent conducts with government officials, and never allowed any government official with intent to corrupt in any way or seek personal gain from the Company's business.

- 8) Society and Community** The Company remained firm to provide assistance in various fields that benefit society and communities by striving to support activities that benefit society and communities, refrain from conducting businesses that worsen the society, and refrain from any acts that affect the destruction of natural resources and the environment, taking care of business operations not to cause pollution to the environment and society, and cooperate with all parties in the community by offering its devotion of time, effort, and resources according to suitability, including raising awareness and encouraging employees and related persons to act as good citizen, be responsible and benefits to society and communities.

The Company is politically impartial by not acting in favor of or supporting any political party, any political party or any person with political power, and the Company respects the rights and freedoms of the employees' political rights, including the practice which must comply with all applicable laws.

3. The Company manages resources effectively with appropriate consideration given to effects and human resource development in the entire supply chain while also considering the highest benefit for all stakeholders ranging from procurement to consumers and customers who are at the end of the supply chain in order to be able to achieve objectives and goals with security and sustainability.
4. Information technology and communication systems are an important factor in supporting business operations and enhancing work efficiency. Therefore, the Company directs all employees to share responsibility in using information and communication technology systems under relevant legal requirements.



Principle 6 : Strengthen Effective Risk Management and Internal Control

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

To ensure that the operation of the Company has adequate and adequate internal controls, including complying with the relevant laws and regulations under the Internal Audit Department to collect information and



present the results of the assessment on sufficiency of the internal control of the Board of Directors each year to the Audit Committee before reporting the results to the Board of Directors for acknowledgment, as well as to supervise the Company to have an appropriate risk management system by establishing a risk management policy, while assigning the Risk Management Sub-Committee to consider risks, assess impacts and possible opportunities in order to prioritize risks and appropriate risk management methods

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

In addition, the Company has written anti-corruption policies and guidelines to not accept bribes, pay bribes or do business with individuals and juristic persons involved in corruption. Anti-corruption policies and guidelines were approved by the Board of Directors and the Company's directors, executives and employees at every level participate directly and indirectly to monitor corruption and refuse corruption in every form. Violation of and non-compliance with the aforementioned policy will result in disciplinary actions under the Company's regulations and may carry penalties pursuant to laws, regulations and other specifications involved. The Company has opened channels for reporting tips or complaints of actions by individuals in the organization were found to fit the scope of corruption in order to prevent and control the aforementioned actions. In addition, the Company joins in annual Anti-corruption Day activities every year to acknowledge the significance of the aforementioned day and advertises National Anti-corruption Day to the Company's employees in order for employees to participate in activities. The Company is a confirmed member of the Thai private sector Collective Action Coalition against Corruption (CAC) since 2016 to the present day.



Principle 7 : Ensure Disclosure and Financial Integrity

Maintaining Financial Creditability

The Board of Directors recognizes the Board of Directors' roles and duties in maintaining financial credibility for shareholders and other stakeholders such as investors and analysts such as by maintaining financial report preparation systems along with monitoring financial liquidity and repayment ability sufficiency. The Board of Directors appointed the Audit Committee composed of independent directors to take responsibility for quality of financial reports and internal control systems. In disclosing financial statements, the Board of Directors is responsible for the consolidated financial statement of the Company and affiliated companies. Financial statements are prepared in compliance with generally-accepted accounting standards in Thailand with explanations and analyses by the management prepared to accompany financial statement disclosures in every quarter. The Board of Directors exercises caution and uses the best estimates in preparations including sufficient disclosure of significant information in remarks accompanying financial statements. The Board of Directors maintains effective internal control systems in order to be reasonably certain that accounting information records are accurate, complete and sufficient for maintaining assess and providing knowledge on weaknesses in order to prevent significant corruption or abnormal actions. Moreover, the Board of Directors has supporting plans to solve financial problems if the Company is in a situation where the Company is encountering financial problems or is likely to have problems with consideration given to stakeholder rights.

The Company is committed to managing taxes. Therefore, the Company specified a tax policy as a guideline for the Company's operations in line with international standards and laws. In addition, the Company makes use of tax privileges legally and uses tax structures according to correct guidelines to not cause tax evasion by adhering to the principles of accuracy, transparency and accountability to create maximum benefit for all stakeholders.

Disclosure of Information

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

In addition, the Company provides shareholders and investors the opportunity to visit the Company and access the Company's information through management earnings announcements and other important events on an ongoing basis. Information and answers to inquiries of stakeholders can be obtained from the contact information provided herein. The Company allocates a specific investor relations budget every year in order to develop efficient investor relations operations as well as for the Company to analyze investor relations opportunities, problems or developments by defining investor relations objectives, including annual work plans and reports on investor relations operations to executive directors. Disclosure of such information will be done correctly, adequate, equitable and timely.

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

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

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Principle 8 : Ensure Engagement and Communication with Shareholders

Shareholders' rights

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

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

Prior to Annual General Meeting

1) The Company arranges for an annual general meeting of which the meeting is held within a period of not more than 4 months from the end of the fiscal year of the Company, and if there is an urgent case that requires the shareholders' resolution, the Company will call for an extraordinary general meeting for that specific case. In 2021, the Company held the Annual General Meeting on 1 April 2021 at Metro Systems Corporation Public Company Limited Head Office, No. 400 Chalermprakit Rama 9 Road, Nong Bon Subdistrict, Prawet District, Bangkok. There was no extraordinary general meeting for that year.

2) The Company has disclosed information for the Annual General Meeting Invitation in both Thai and English languages, specifying the date, time, place, agenda of the shareholders' meeting, and supporting information for consideration of the various agendas, along with proxy forms of Form A. And Form C as specified by the Ministry of Commerce to allow shareholders to authorize the audit committee or any person to attend the meeting on their behalf. Included also was the map of the meeting venue. In 2021, the Company has published information through the Company's website on 1 March 2021, before sending the meeting invitation to shareholders

3) The Company sent invitations to the annual general meeting, documents accompanying the meeting and the annual information disclosure form/annual report form (Form 56-1 One Report) in QR Code form to Thai Securities Depository Co., Ltd. for distribution to all shareholders in advance of the annual general meeting date. Shareholders received documents no less than seven days in advance in order to receive information and make decisions to vote with accuracy, completeness and transparency. In addition, meeting invitations were advertise in Thai language and English language newspapers for three consecutive days and seven days in advance of the meeting's date in order to inform shareholders in advance to make preparations to attend the meeting.

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

Step in Operation



1 September – 30 November 2020

Propose Agenda and/
or Nominate Person in Advance



1 March 2021

Publish Information via
the Company's Website



1 April 2021

Annual General Meeting

On the Date of Annual General Meeting

1) The Company arranged a venue that was convenient for traveling with sufficiently sized to accommodate the number of shareholders and proxies which was at the Head Office of Metro Systems Corporation Public Co., Ltd., located at No. 400 Chalermprakiat 9 Road, Nongbon, Prawet, Bangkok

2) For convenience, the Company has provided system for registration by using a barcode system showing the registration number of each shareholder that has been printed on the registration form and the proxy form in order to speed up the registration process. In addition, the Company provides stamp duty for the enclosure of the proxy forms for the proxies who register to attend the meeting with a facilitator present throughout the registration period.

3) The Company has set guidelines for the annual general meeting in order to avoid violating any rights and facilitating the shareholders equally. Shareholders can register to attend the meeting at any time in order to exercise or abstain from their voting rights for agenda that have not yet been voted on and can express opinions freely within the appropriate time.

4) At the start of the meeting, directors, committees, executive directors, as well as the auditors and legal advisors were in attendance of the meeting. Before the commencement of the meeting, the Chairman of the meeting assigned the Company's legal advisor to clarify all criteria related to the meeting, such as opening of meeting and voting, as well as the method of counting the votes of the shareholders who have to vote for each agenda.

5) The Company uses ballot papers for every agenda item requiring a resolution to be transparent and verifiable. In the agenda of election of directors, the election of individual directors is made by voting through inquiry at the meeting whether any shareholders or proxies disagree or abstain from voting, and asking the shareholders or the proxies who disagree or abstain to raise their hands and vote on the ballot paper together with their signature. The officer will record the votes by scanning the barcode on the voting confirmation card and collect the said card, while for shareholders who agree to vote and sign on the ballot card but without raising hands, the Company will collect the cards all at once after the meeting has been completed.

6) For details of the voting results of each agenda item, the results will be collected and informed to the meeting after the completion of the voting on each agenda item. When the staff has finished counting the votes, the meeting will be informed of the voting results immediately.

7) The Company has a company secretary, who has been assigned by the Board of Directors to act as an inspector for the vote counting throughout the meeting, and a representative from the Thai Investors Association who also observed for shareholder rights protection.

8) Shareholders who attend the meeting after the Chairman of the meeting has opened the meeting can vote on the agenda under consideration that have not reached resolution. He shall be counted as quorum since the start of the agenda item in which may cause the number of people having rights to vote on each agenda to be not equal.

9) In the Annual General Meeting, if there is a director who conflict of interest in any agenda, that director must notify the meeting and also abstain from voting and not attend the meeting for that agenda.

10) In the Annual General Meeting, the meeting will consider matters according to the agenda specified in the notice calling for the meeting without changing the said agenda and no other matters other than those specified in the letter will be considered. In this regard, after the meeting has considered all matters in accordance with the agenda, the chairman will allow the shareholders to ask additional questions on matters of interest before the meeting is closed.

11) In 2021, due to the COVID-19 pandemic, the Company enacted social distancing measures by requiring shareholders to sit in zones designated by the Company with a distance of 1.5 meters between seats. To maintain health and hygiene, the Company directed shareholders or proxies who have questions at the meeting to write questions on paper and send questions to the staff to be collected rather than using a microphone. The Company responded to only questions at the meeting which concerned meeting agendas and made the meeting short and concise to reduce the time spent in the same place by many people.

After the Date of Annual General Meeting

1)The Company disclosed the resolutions of the Annual General Meeting by notifying the Stock Exchange of Thailand (SET) after the meeting on the same day and publishing the resolutions on the Company's website within the next business day.

2)The Company has prepared the minutes of the Annual General Meeting with clearly separated agendas, specifying names of directors who attended / not attended the meeting, questions of shareholders, clarifications of the Board of Directors, vote count and results of votes in each agenda in full to the Stock Exchange of Thailand (SET) within 14 days after the meeting date in accordance with the regulations of the SET and disseminate the meeting details completely and appropriately, as well as publishing the minutes of the meeting to the shareholders on the Company's website (www.metrosystems.co.th)

Equitable Treatment of Shareholders

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

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

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

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

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

Code of Conduct

The Company specified business ethics and good guidelines in writing to be used by directors, executives and employees as guidelines in business operations by recognizing the importance of equitable treatment of stakeholders, transparency and accountability. Directors and executives are leaders who behave as good examples to promote sustainable corporate governance culture in the organization with a focus on compliance with corporate governance principles and consistency with the Company's vision, missions, objectives and business goals.



Communication and Operation Encouragement

The Company has continuously organized activities to create knowledge, understand and communicate on corporate governance and code of conduct in various forms, which are compiled in the Corporate Governance Manual, details appearing in Attachment 5 for directors, executive directors, employees, and all groups of stakeholders to understand and be able to apply the principles of good corporate governance and code of conduct. In the year 2021 the Company has performed the following:



Corporate Governance Manual, CG Principles and Code of Conduct The Company has prepared Corporate Governance Manual, and CG Principles and Code of Conduct through the resolutions of the Board of Directors' meetings and has been reviewed annually with the manuals published on the Company's website at <https://ir.metro-systems.co.th/corporate-governance-th/> so that all groups of stakeholders and the general public can have easy access. In addition, the Company has prepared a test on business ethics, policies and regulations of the Company during the fourth quarter of every year with the aim that the directors, executive directors, employees to do the test with 90% score. A score of 80% or more is required to pass the assessment criteria of the Company. The test was also used as a communication channel and to test that the executive directors and employees have the correct understanding of the Company's policies and regulations.



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

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



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

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

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

Channels for Whistleblowing or Complaint



By mail :
Corporate Secretary
Metro Systems Corporation Public Company Limited
No. 400 Chalermprakiat Rama IX Road,
Nong Bon sub-district, Prawet district, Bangkok 10250



Telephone : 020894124



E-mail : corporatesecretary@metrosystems.co.th



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



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

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

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

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

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

Throughout the years of operation, the Company has consistently adhered to the good corporate governance principles, including laws, regulations and relevant requirements such as Code of Best Practices for Directors of Listed Companies and the criteria for being a company with good corporate governance system as provided by the Stock Exchange of Thailand, including the criteria following the Corporate Governance Report of Thai Listed Companies (CGR) of the Thai Institute of Directors Association (IOD), and in accordance with the quality assessment criteria for organizing the annual general meeting of shareholders of the Thai Investors Association. However, as the Securities and Exchange Commission issued the Corporate Governance Code (CG Code) as a guideline for listed companies, the Company has revised the contents of the Corporate Governance Manual in accordance with the new issue of framework of CG Code good corporate governance practices. The eight points emphasize the performance and responsibility of directors and executive directors, building confidence among all stakeholders of the Company, and raise the standards of corporate governance of the company to the next level. In addition, the Company has established good governance practice as part of the mission and values of the organization to create appropriate benefits for stakeholders and create added value together on the principles of good corporate governance.

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

The Company took significant actions concerning reviews of policies, committee and sub-committee charters to ensure that the Company has continual corporate governance and increased governance efficiency by making the following content revisions:

- The Company reviewed the Corporate Governance Handbook and make revisions to make visions, missions, corporate policies, corporate governance principles and disciplinary actions appropriate for the current situation.
- The Company reviewed business ethics and made modifications to make visions, missions, corporate policies and business ethics appropriate for the current situation.
- The Company reviewed supplier business ethics, modified content concerning business ethics and social topics and added channels of communication to make inquiries for information or report wrongdoing in order to allow suppliers to properly adhere to these guidelines in practice.
- The Company reviewed guidelines for sustainable business operations and modified content on compliance with business ethics to suit current situations and be consistent with the Company's corporate governance principles.

In 2021, the Company received the following assessments concerning corporate governance and other awards:



The Stock Exchange of Thailand reported results from assessment in the Corporate Governance Report (CGR) of 2021. The survey and assessment was carried out by the Thai Institute of Directors and the Company received outstanding mean scores. From assessment results for listed companies in general, the Company received a score of 84%, SET100 received a score of 92% and SET50 received a score of 93%. The Company received a score of 91%, which is higher than the average for listed companies. The Company's scores by category were divided into shareholder rights, equitable treatment of shareholders, consideration of stakeholder roles, disclosure of information and transparency, and responsibility of the Board of Directors. The Company's score was 97%, 96%, 92%, 96% and 84%, respectively. In this year, the Company's mean scores are higher than the Company's score in 2020, which was 90%.



The Thai Investors' Association reported results from assessing quality on the AGM Checklist of 2021 showing the Company to have received a 100% score.



In 2021, the Company was declared a sustainable stock for the second consecutive year by the Stock Exchange of Thailand due to the Company's business operations which considered the environment, corporate social responsibility and management under corporate governance principles (Environmental, Social and Governance or ESG).



In 2021, the Thaipat institute selected the Company for the Sustainability Disclosure Acknowledgement honor for the second consecutive year due to the Company's disclosure of information on sustainability.



Compliance with good corporate governance in other areas

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

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

Corporate Governance Code



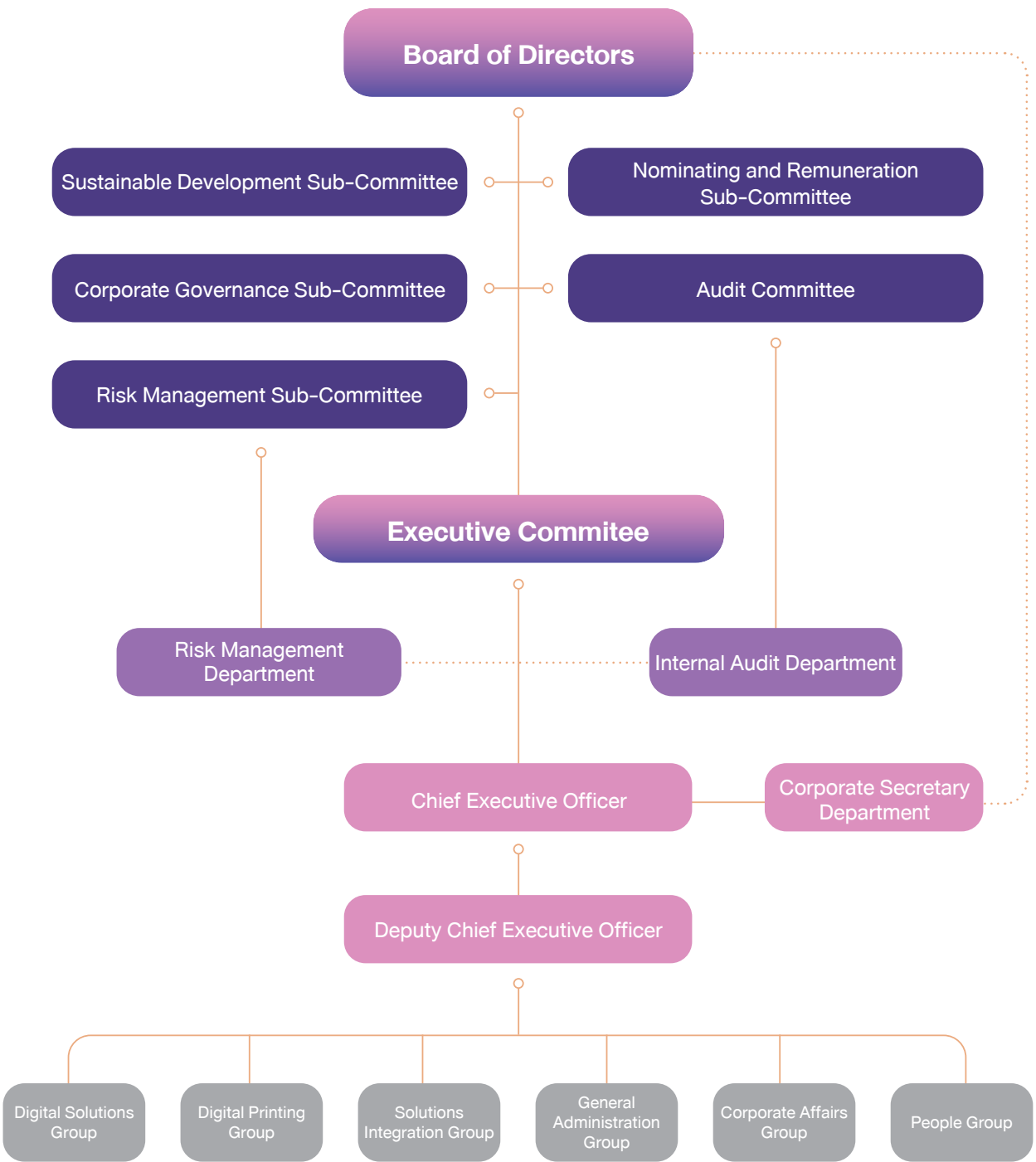
For items that has not yet been implemented, the Company will use as guideline for proper implementation, including:

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

Corporate Governance Structure and other Related Information

Corporate Governance Structure

As of 31 December 2021, the Company has coordinated the organization management, which separates the duties between the Board of Directors and the ExecutiveDirectors as follows:



Information about the Board of Directors

List of the 9 members of Board of Directors as of 31 December 2021 as follows

No.	Position	Name
1.	Chairman	Mr. Sunpitt Sethpornpong
2.	Vice Chairman	Mr. Kittit Techataveekijkul
3.	Director	Mr. Tavit Charuvajana
4.	Director	Mr. Narong Charuvajana
5.	Director	Mr. Wanarak Eakachai
6.	Director	Mr. Sujit Suvaruchiphorn
7.	Independent Director	Mr. Pravit Chattalada
8.	Independent Director	Dr. Virach Aphimeteetamrong
9.	Independent Director	Assoc. Prof. Phornsiri Thivavarnvongs

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

1. Not bankrupt, never been imprisoned by a final judgment for an offense relating to property committed in dishonesty, and never been punished or discharged from government from malpractice
2. Not operating as a partner or shareholder in any other legal entities that are same environmental and compete with the Company
3. Independent directors are qualified with the qualification of Company's independent directors, specified in Definition of Independent Directors, Page 86

Composition of the Board of Directors

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

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

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

Independent Director who is Woman.

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

Composition of the Board of Directors

COMPOSITION OF THE DIRECTORS

78%

NON-EXECUTIVE DIRECTORS

22%

EXECUTIVE DIRECTORS

Gender of Director

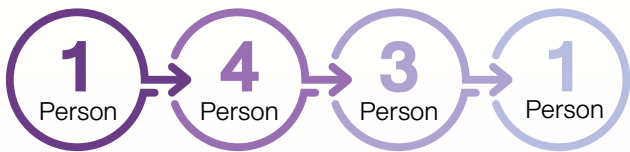


1 Person



8 Person

Age of Directors



50-60 years 61-70 years 71-80 years 81-90 years

Independent Director

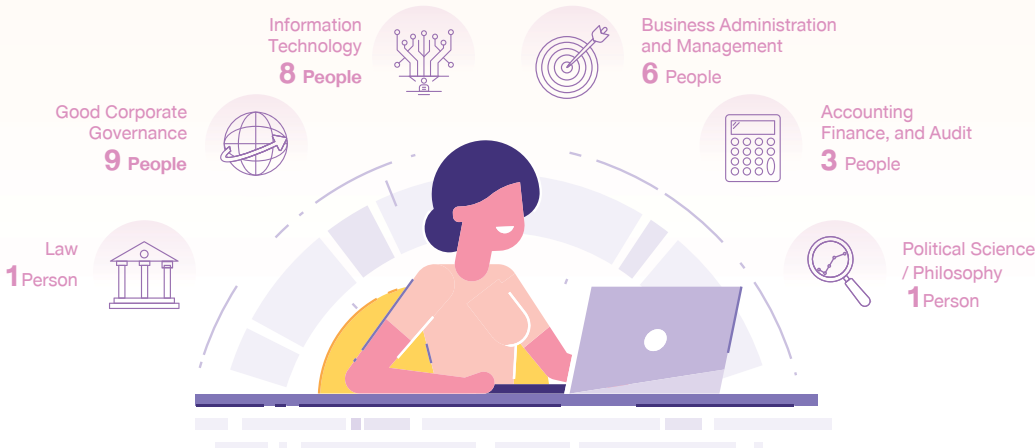


2 Person



1 Person

Directors' diverse skills and experiences



Policy on Diversity in Committee Structure

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

Directors Authorized to Sign on Behalf of the Company

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

Roles and Duties of the Board of Directors

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

- 1) Must perform duties in accordance with the law, objectives, articles of association of the company and resolutions of the shareholders' meeting, except in matters that require the approval of the shareholders' meeting before taking action, such as matters required by the law to be approved in a shareholders' meeting, connected transactions, and the purchase or sale of important assets in accordance with the regulations of the Stock Exchange of Thailand.
- 2) To have the power to appoint and remove the Executive Committee to carry out any or many activities, with details of delegation of authority within the scope of duties of the Executive Committee, which such delegation must not be in the manner that enables the Executive Committee to approve any transactions in which he or a person may have conflicts, stake, or other conflicts of interest, including performance assessment and Remuneration of Executive Committee.
- 3) Has the power to appoint and remove committees to carry out specific activities in a specific case in accordance with the assigned duties.
- 4) Establish policies, missions, visions, strategies, and operating directions of the Company and supervise the management to act in accordance with the established policies with efficiency and effectiveness, with annual review and monitoring for the concrete implementation of the policy.
- 5) Consider quarterly operating results and establish reliable accounting system, financial reporting, auditing, and supervise the process for assessing suitability of internal control, risk management and internal audit to be effective.
- 6) Ensuring that a succession plan is in place for the top executive of the organization to be prepared in the event that the executives vacate their positions.

Separation of Chairman and Chief Executive Officer

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

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

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

COMPOSITION OF THE BOARD OF DIRECTORS

Chairman

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

Chief Executive Office

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



Information about the Sub-Committees

There are 6 sub-committees with roles, duties and responsibilities to supervise, screen information, and make opinions and propose to the Board of Directors. As of 31 December 2021, the sub-committees are as follows:

Executive Committee

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

The Executive Committee has the following roles and duties:

1) To establish the organizational and administrative structures covering all details of the selection, training, as well as the authority to consider and approve the appointment and dismissal of employees in the role of President, Vice President.

2) To have authority to make recommendations, formulate business policies and strategies of the Company, business plans, management authorization, annual reports, approving annual budgets for business operations and cost estimates, and execute business plans and business strategies in accordance with the business plan and strategy, in line with predetermined policy and business guidelines.

3) To have the power to consider and approve on the implementation or entering into any contract or agreement with respect to the purchase or sale of products or services which are considered normal to the business operations of the Company or approve contract of procurement or hire, or any other contract for the benefit of the business of the Company as specified in the annual approval structure or as assigned by the Board of Directors.

4) To have the power to approve financial or operating matters as specified in the annual approval structure or as assigned by the Board of Directors.

5) To have the authority to consider and approve financial transactions with banks in matters such as requesting opening of all types of deposit accounts with commercial banks both in the country and internationally. To have the authorization signature on cheques and documents that correspond to the bank's account, including the authority to close the Company's deposit account with the bank.

6) Perform other duties as assigned by the Board of Directors in each period.

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

Term of Office

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

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

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

Executive Directors vacate office upon

- 1) Death
- 2) Resignation
- 3) Disqualified or prohibited by law
- 4) The Board of Directors voted to dismiss

Audit Committee

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

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

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

Scope of Audit Committee's Authorities

- 1) To audit and ensure that the Company's financial statement is accurate, reliable, and has adequate information disclosure.
- 2) To audit and ensure that the Company implements internal controls, internal audit systems and risk management appropriately and efficiently.
- 3) To review the Company's work process, risk management, control, Information technology governance and information security and effective communication network systems.
- 4) To review the results of monitoring and measures to prevent corruption within the organization, including reviewing the Company's internal whistleblowing and complaints.
- 5) To audit and ensure that the Company complies with the laws regarding security and the stock market, SET regulations, and applicable laws related to the Company's business.
- 6) To appoint an independent internal audit department to approve the appointment, removal or termination of the chief internal audit or other departments related to internal audit affairs.
- 7) To consider and review the audit results recommendations of both auditors and Internal Audit Department Including follow up to ensure that the management has sufficiently proceeded with such recommendations.
- 8) To consider policies and procedures regarding non-audit services of the auditor's office and approve the use of such services to ensure that it will not affect the independence of the auditor (if any)
- 9) To consider the connected transactions or any transaction's which may cause a conflict of interest in compliance with the applicable laws and SET regulations. This will ensure that such transactions are deemed most reasonable and beneficial to the Company.
- 10) To consider, select and appoint an independent person to act as the Company's auditor, and propose remuneration for the selected person by considering reliability, adequacy of resources, amount of audited jobs, experience and performance over past years, as well as considering removal of the auditor and attending meetings with the auditor without the management's presence at least once a year.
- 11) Have the authority to hire advisors or third parties in accordance with the Company's regulations to give an opinion or consultation in case of necessity.

12) To report the performance of the Audit Committee to the Board of Directors at least 4 times a year, including preparing the Audit Committee's report and presenting it in the Company's annual report, in which must be signed by Chairman of the Audit Committee. The report must consist at least the following information:

12.1 To give opinion on the accuracy, adequacy and reliability of the Company's financial statement.

12.2 To give opinion on the adequacy of the Company's internal control systems.

12.3 To give opinion regarding the compliance with laws related to security and the stock market, SET regulations, and applicable laws related to the Company's business.

12.4 To give opinion on the suitability of the auditor.

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

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

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

12.8 To inform the shareholders or regular investors regarding matters that they should be aware of under the duty and responsibility assigned by the Board of Directors.

13. To perform other jobs as assigned by the Board of Directors with the agreement of the Audit Committee.

In relation to acting under the authorized duties mentioned above, the Audit Committee shall be held directly account- able to the Board of Directors, and the Board of Directors will also have responsibility for the Company's operating result towards the third parties. In order that, the Audit Committee must report the results of the preliminary examination to the Securities and Exchange Commission and the authorized auditor within 30 days from the date of receiving the notification from the certified public accountant regarding behavior that has reasonable grounds to suspect that the director, manager or person responsible for the company's operations has committed an offense relating to management corrupt and fraudulent work (as detailed in Attachment 5)

Term of Office

The Audit Committee was nominated by the Board of Directors every two years after the first nomination made on 29 August 1998. Due to this Audit Committee completing their term of office on 28 August 2020, and the Board of Directors passed the resolution in the Meeting No. 4/2020 on 10 August 2020 to extend the term of office of the Audit Committee from 29 August 2020 to 28 August 2022.

Nominating and Remuneration Sub-Committee

Nominating and Remuneration Sub- Committee consists of an Independent Director and 2 non-executive directors. The non-executive director shall be the Chairman of the Nominating and Remuneration Sub-Committee.

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

Scope of Nominating and Remuneration Sub-Committee's Authorities

1) To consider the qualifications of the Board of Directors as a whole and individually suitable for the size, type and complexity of the business in terms of education, know-how, skills, experience and talents related to the Company's business, for total independence, and other qualifications according to the Company's criteria.

2) To determine the criteria and policies for the nomination and remuneration of the Board of Directors and sub-com- mittees of the Company.

3) To consider the nomination of directors by considering suitable persons to serve as directors and propose to the Board of Directors and / or the shareholders' meeting for approval, as the case may be.

4) To consider and nominate a suitable person to hold the position of Chief Executive Officer in the event of a vacancy, including considering criteria for succession of Chief Executive Officers, which the nomination consideration must be appropriate to the Company's business management in order to achieve the vision determined by considering education, experience, knowledge, skills, expertise, as well as other qualifications in accordance with the criteria specified by the Company.

5) To determine the necessary and appropriate remuneration to motivate and retain the Board of Committee, Sub-Committees, and Chief Executive Officer each year, taking into account the consistency with the duties, responsibilities, determination, based on comparison within the same industry as well as considering business expansion and growth of the Company.

6) To establish the criteria and policies for determining the remuneration of the Board of Directors and the Chief Executive Officer and propose to the Board of Directors meeting and / or the shareholders' meeting for approval, as the case may be.

7) To be responsible to the Board of Directors and for providing explanations and answers to questions regarding the nomination and remuneration of directors and executive directors at the shareholders' meeting.

8) To report the performance of the nomination and remuneration to the Board of Directors and disclose in the annual report.

9) To perform any other duties assigned by the Board of Directors in each period. as detailed in Attachment 5

Term of Office

The Board of Directors has its resolution in the meeting to merge the Nominating Sub-Committee with the Remuneration Sub-Committee together as Nominating and Remuneration Sub-Committee, The Nominating and Remuneration Sub-Committee was nominated by the Board of Directors every two years after the first nomination made on 8 May 2006. Due to this the Nominating and Remuneration Sub-Committee completing their term of office on 31 May 2020, and the Board of Directors passed the resolution in the Meeting No. 3/2020 on 15 May 2020 to extend the term of office of the Nominating and Remuneration Sub-Committee from 1 June 2020 to 31 May 2022.

Sustainable Development Sub-Committee

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

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

Scope of Sustainable Development Sub-Committee's authorities:

1) To consider and scrutinize sustainable development activities and policies and present them to the Board of Directors.
 2) To scrutinize the operating plan, the annual budget and review the sustainable development performance.
 3) Follow up and report to the Board of Directors on sustainable development issues or trends, both current and emerging in the future, including those impacts that may have on the Company.

4) To have the authority to appoint a sustainable development working group as needed by assigning the head of the sustainable development working group to select and appoint a working group.

5) To promote the involvement of the Board of Directors, executive directors and employees in activities related to the Company's sustainable development policy.

6) To report the performance on sustainable development to the Board of Directors and disclose in the annual report.

7) To perform any other duties assigned by the Board of Directors in each period. as detailed in Attachment 5

Term of Office

The Sustainable Development Sub-Committee has a term of office of 2 years, first appointed on 6 May 2015, completed on 1 December 2017. The Board of Directors has passed a resolution in the Meeting No.5/2021 on 12 November 2021, which the Sustainable Development Sub-Committee shall hold office for another term from 1 December 2021 to 30 November 2023.

Corporate Governance Sub-Committee

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

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

Scope of Corporate Governance Sub-Committee's Authorities:

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

Terms in Office

The Corporate Governance Sub-committee is in office for two years per term and was first appointed on 6 November 2015. The term expired on 1 December 2017 and the Board of Directors, at Meeting No. 5/2564 on 12 November 2021, allowed the Corporate Governance Sub-committee to hold office for another term from 1 December 2021 to 30 November 2023.

Risk Management Sub-Committee

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

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

Scope of Risk Management Sub-Committee's Authorities:

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

Term of Office

Risk Management Sub-Committee has a term of office of 2 years, first appointed on 6 November 2015, completed on 1 December 2017. The Board of Directors has passed a resolution in the Meeting No. 5/2021 on 12 November 2021. The Risk Management Sub-Committee shall hold office for another term from 1 December 2021 to 30 November 2023.

Information about the Executive Committee

As of 31 December 2021, the Company has set up the management structure of the Company as follows:



Note :

1. The ranked 1 to number 9 are the executive directors according to the announcement of the Securities and Exchange Commission concerning the definition of the announcement regarding issuance and offering of securities.
2. number 6 - 7 is the same person with the Chief Financial Officer

List of executive directors as of 31 December 2021

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

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

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

Information on Director Status in Subsidiaries and Associated in the Company's Primary Business as of 31 December 2021

Names	Metro Professional Products Co., Ltd.	Metro Connect Co., Ltd.	Metro Infotech Co., Ltd.	HIS MSC Co., Ltd.
Mr. Tavit Charuvajana		Chairman	Director	Director
Mr. Narong Charuvajana	Director	Director		Director
Mr. Kittit Techataveekijkul	Director	Director		Director
Mr. Veerapan Durongsang		Director		
Mr. Aroon Tor-Ekbundit			Director	Director
Mrs. Nittaya Thanaviriyakul	Director	Director		

Remarks: Information on directors of subsidiaries and Associated as shown in Attached Document 1.

Remuneration of Executive Directors

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

In 2021, executive directors such as the Chief Executive Officer, Deputy Chief Executive Officer, President will receive compensation comprising salary, bonus, provident fund and other benefits as follows:

Monetary Compensation

Remuneration Type	2020		2021	
	No. of person	Total amount	No. of person	Total amount
Salary, bonus, and other income	7	68,071,000	7	58,036,550

Other Remunerations for the Executive Directors

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

Information about the Employees

As of 31 December 2021, the Company and subsidiaries had a total of 1,090 employees. The number of employees in each company is as follows:

Company	Executives*	Sales Dept.	Engineering Dept.	Other Depts.	Total
Metro Systems Corporation Plc.	7	164	614	209	997
Metro Professional Products Co., Ltd.	1	6	22	14	43
Metro Connect Co., Ltd.	-	7	18	5	30
HIS MSC Co., Ltd.	-	4	16	3	23
Total	8	181	670	231	1,090

Remarks: "Executive" means executive as defined by Capital Market Supervisory Board Notifications.

The ratio of total remuneration for female employees to total remuneration for male employees was 42 : 58. Total remuneration for the Company at the end of 2020 was 737.23 million baht and 776.91 million baht at the end of 2021. The aforementioned remuneration consists of salaries, bonus payments, commissioning fees, provident fund contributions and other benefits. Furthermore, subsidiaries and associates paid employees in a similar manner to the Company at a total of 83.51 million baht at the end of 2020 and a total of 78.73 million at the end of 2021.

The ratio of total employee remuneration to total executive remuneration was 83 : 17.

The ratio of total remuneration for female employees to total remuneration for male employees was 42 : 58.

The ratios of employees who joined the provident fund is as follows:

Company	Total Employees	Employees Who Joined the Fund	Ratios of Employees who Joined/Total Employees (%)
Metro Systems Corporation Plc.	994	576	58%
Metro Professional Products Co., Ltd.	43	26	60%
Metro Connect Co., Ltd.	30	29	97%
HIS MSC Co., Ltd.	23	21	91%
Total	1,090	649	60%

Policy for Choosing Provident Fund Manager

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

Other Important Information

Corporate Secretary

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

Accounting Supervisor

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

Internal Audit Manager

The Company assigned Miss Aiyaret Boonyaruang to become the effective Internal Audit Department Manager until 15 November 2021 and assigned Miss Wanisara Tangjiltitjit to be the acting Manager effective from 16 November 2021 in order to perform duties in governing performance in compliance with work steps specified by the Company and rules, regulations and laws concerning the Company. Qualifications for the person in this position are shown in Attached Document 3.

Supervision of the Company's operations (Compliance)

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

Investor Relations Supervisor

The Company assigned Miss Sumetta Jitsiripon, the Company Secretary, to monitor and collect relevant news and information in support of executives when contacting outside individuals including analysts and investors along with maintaining good relations with analysts and investors.

Auditors from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.



- **Mrs. Wilasinee Kritsanamara**
Certified Public Accountant License No. 7098 and/or
- **Mr. Kasiti Ketsuriyong**
Certified Public Accountant License No. 8833 and/or
- **Mr. Yongyut Lertsurapiboon**
Certified Public Accountant License No. 6770
- **Miss Nisakorn Songmanee**
Certified Public Accountant Licensed No. 5035

Auditing Fee

The auditing fee for the annual financial statement amounted to 1,280,000 baht and the auditing fee for three quarterly financial statements amounted to 1,380,000.00 baht a total of 2,660,000.00 baht for the year of 2021. The auditors from Deloitte Touche Tohmatsu Jaiyos Auditing Co., Ltd. are also auditors of Metro Professional Products Co., Ltd., Metro Connect Co., Ltd. and HIS MSC Co., Ltd., which are subsidiaries and associates of the Company. In 2021, auditors received auditing fees from the aforementioned companies in the amount of 1,135,000 baht and the aforementioned auditors are unrelated to and hold no stakes in the Company, subsidiaries, executives, major shareholders or associates of the aforementioned individuals.

Other Service Fees

Traveling Expenses and Other Expenses: 46,870 baht

Other Services

-None-



Key Performance in Corporate Governance

Summary of the Performance of Directors' Duties in the Past Year

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

Nomination, Development and Evaluation of the Board's Performance

Nomination and Appointment of Company Directors

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

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

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

- 1) Each shareholder shall have one share-one vote.
- 2) Each shareholder shall use all available votes to elect under Clause 1) one or several directors but an individual's votes cannot be split among the candidates.
- 3) Persons receiving the highest votes in descending order shall be elected as a Director of the Board. Directors shall have a casting vote at that meeting if the person elected in descending order has equal votes exceeding the number of directors to be elected. The Chairman shall retain a casting vote.

Directors who are required to retire in the first and second years after the registration of the Company shall be drawn by drawing lots on who will leave office. For the subsequent years, the Directors who were in their office the longest shall retire from the position of Director. Those who vacates office may be re-elected

At the Shareholders' Meeting, any director may be voted out of office before the expiration of their term with the votes of not less than 3/4 of the shareholders present and voting and holding shares amounting to not less than one-half of the shares held by the shareholders present at the meeting and entitled to vote. However, the shareholder whose shareholding is not less than 5 percent of the Company's voting rights, and the conditions can be either a single shareholder or combined shareholders who unceasingly hold the share within defined proportion at least one year and must hold the share on the date of directors' nomination and the date of closing registration book (Record Date), can exercise the rights in the Annual General Meeting. The shareholders who have voting rights can nominate the name of candidates for director nomination from 1 September to 30 November of each year for the Nominating and Remuneration Sub-Committee to consider and screen before proposing to the Board of Directors and the Annual General Meeting for further approval.

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

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

Nomination and Appointment of Independent Directors

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

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

2) Not being or having ever been a non-executive director, staff, employee, advisor who receives regular salary, or a person with managing authority of the Company unless he has been discharged from the aforementioned characteristics for at least 2 years.

3) Not being a person with a blood relationship with another director, executive director, major shareholder, authorized person, or person to be nominated as a director, executive directors or authorized person of the Company or the subsidiaries.

4) Does not or has never had a business relationship with the Company in a manner that may hinder its independent judgment, including not being or having been a significant shareholder or authorized person of a company that the Company has business relationship with, unless it has been discharged from the aforementioned characteristics for at least 2 years.

5) Not being or having been the auditor of the company and not being a significant shareholder, authorized person, or partner of the audit firm of the Company's, unless he or she has been discharged from such discharged from that characteristic for at least 2 years.

6) Not being or having been a service provider of any kind, including providing legal advisory or financial advisory services, receiving a service fee of more than 2 million baht per year from the company and not being a significant shareholder, authorized person or partner of such professional service provider, unless he has been discharged from the aforementioned characteristics for at least 2 years.

7) Not being a director who has been appointed as a representative of the Company's Board of Directors, major shareholders, or related persons of the major shareholders.

8) Do not operate a business of the same nature and in significant competition with the business of the company or subsidiary, or not be a significant partner in a partnership, or be a director who takes part in management, staffs, employees, advisors who receive regular salaries or holding more than a percent of the total number of voting shares of other companies operating business of the same nature and in significant competition with the business of the Company or subsidiary.

9) Not having any other characteristics that prevent him or her from expressing independent opinions on the Company's operations, including connection to the parent company,

subsidiary company, associated company, major shareholder or authorized person of the Company. In this regard,

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

At the annual general meeting of 2021, on the agenda of director elections, the Company directed shareholders to vote and elect directors by using ballots to elect directors individually. Shareholders were directed to use all votes held by shareholders to select from individual director nominees. The three elected directors were Mr. Narong Charuvajana, Mr. Sunpitt Sethpornpong and Dr. Virach Aphimeteetamrong

Recruiting of Top Management

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

1) Have the knowledge, skills, education, experience, and expertise that are consistent with the operations of the company and can help develop the Company further.

2) Possess all qualifications and does not have any prohibited characteristics as required by the the laws on public limited company, securities, and other related laws.

3) Able to fully devote himself to making important decisions in the interests of the Company.

4) Be of virtue, have management ethics and a good track record.

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

Director Orientation

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

Director's Knowledge Enhancement

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

List of Directors	Certificates
1. Mr. Sunpitt Sethpornpong	Director Certification Program 2013
2. Mr. Kittit Techataveekijkul	Director Certification Program 2013
3. Mr. Narong Charuvajana	Board Matter and Trends 2016 Director Accreditation Program 2003 Director Certification Program 2003 Role of the Compensation Committee 2007
4. Mr. Wanarak Eakachai	Director Accreditation Program 2016
5. Mr. Pravit Chattalada	Director Accreditation Program 2004
6. Dr. Virach Aphimeteetamrong	Anti-Corruption for Executive Program 2012 Director Accreditation Program 2003
7. Assoc. Prof. Phornsiri Thivavarnvongs	Director Certification Program 2001

Training Courses/Seminar Topics of Directors and Executives In 2021

Director Names/Positions	Training Courses/Seminar Topics
Mr. Tavit Charuvajana • Chief Executive Officer	Metro Systems Corporation PCL • MSC Tech Trend 2#2021
Mr. Kittit Techataveekijkula • Vice Chairman	Metro Systems Corporation PCL • MSC Tech Trend 2#2021 Thailand Management Association • Sustainability Forum 2021: Navigating the Uncertainty with ESG
Mr. Narong Charuvajana • Director	Metro Systems Corporation PCL • MSC Tech Trend 2#2021 Thailand Management Association • Sustainability Forum 2021: Navigating the Uncertainty with ESG • Fraud : Prevention and Detection (Online)
Assoc. Dr. Phornsiri Thivavarnvongs • Director • Independent Director	THAI INSTITUTE OF DIRECTORS • Successful Formulation & Execution of Strategy (SFE Online)
Mr. Aroon Tor-Ekbundit • Executive Director • President of Solutions Integration Group	Metro Systems Corporation PCL • MSC Tech Trend 2#2021 National Institute of Development Administration • Strategic Financial Management for Non-Finance Professional Thai Listed Companies Association • J-Shaped strategy to drive B2B sales in Covid-19 era and beyond
Mr. Suradet Lerthammajak • Executive Director • President of Solutions Integration Group	Metro Systems Corporation PCL • MSC Tech Trend 2#2021 National Institute of Development Administration • Strategic Financial Management for Non-Finance Professional

Director Names/Positions	Training Courses/Seminar Topics
Mr. Veeraphan Durongsang - Executive Director - President of Digital Solutions Group	Metro Systems Corporation PCL MSC Tech Trend 2#2021
Mr. Thongchai Lumveerakul - Executive Director - President of Digital Printing Group	Metro Systems Corporation PCL MSC Tech Trend 2#2021
Mrs. Nittaya Thanaviriyakul - Executive Director - President of General Administration Group - President of Corporate Affairs Group - CFO	Metro Systems Corporation PCL - MSC Tech Trend 2#2021 Metro Systems Corporation PCL - TLCA CFO Professional Development Program (TLCA CFO CPD) Meeting No. 1/2021 on Economic Update for CFO (Online) - TLCA CFO #2/2021 on COVID-19 Implications for Financial Reporting and Audit - TLCA CFO Professional Development Program (TLCA CFO CPD) Meeting No. 3/2021 on How to Manage the Company's Finance & Accounting and Communicate with Stakeholders during COVID-19 Crisis (Online)) - TLCA CFO Professional Development Program (TLCA CFO CPD) Meeting No. 4/2021 on How Finance Leaders are Adapting Within the New Normal (Online) - J-Shaped Strategy to Drive B2B Sales in Covid-19 Era and Beyond Stock Exchange of Thailand - Trends, Directions, Key Issues for Consideration and Strategies for Successful M&A.

Evaluation of the Board of Directors and Sub-Committees Performance

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

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

Board of Directors

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

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

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

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

Individual Director

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

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

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

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

Disagreed or no action on the topic

Disagreed or have taken less actions about the topic 3

- 1) Agreed or have taken some actions about the topic
- 2) Positively agreed or have taken the actions about the topic
- 3) Strongly agreed or have taken the actions very well about the topic

The secretaries of each committee collect and process results to be presented to the Board of Directors and each sub-committee on an annual basis. In 2021, mean scores were as follows:

- Results from group assessment of the Board of Directors showed a mean score of 94.35%
- Results from individual assessment of the Board of Directors showed a mean score of 92.70%
- Results from individual assessment of sub-committees showed a mean score of 88.44%
- Results from group assessment of sub-committees were as follows:
 - The Audit Committee had a mean assessment score of 91.67%.
 - The Sustainable Development Sub-committee had a mean assessment score of 78.80%
 - The Nominating and Remuneration Sub-committee had a mean assessment score of 86.11%
 - The Corporate Governance Sub-committee had a mean assessment score of 90.79%
 - The Risk Management Sub-committee had a mean assessment score of 90.32%

Meeting Attendance and Individual Director Remuneration

The Company schedules Board of Directors meetings a year in advance, except in the case of special meetings and notifies every director of the aforementioned schedule at the beginning of every year. Meetings are held for at least five times per year. Sub-committees meetings are scheduled to take place no less than two times per year, except in the case of the Audit Committee and the Risk Management Sub-committee, which meet quarterly. The Company has policy to support each director to regularly attend Board of Directors meetings with attendance at no less than 80% of all Board of Directors meetings for the year. The number of meetings and attendance by directors and sub-committee members is disclosed on the table of meeting attendance by the Board of Directors and sub-committees. In 2021, the Company's directors attended the Board of Directors meetings at an average of 99.49%.

Table Showing Meeting Attendance by the Board of Directors and Sub-committees in 2021

Names	Board of Directors	Executive Committee	Audit Committee	Nominating and Remuneration Sub committee	Sustainable Development Sub committee	Corporate Governance Sub committee	Risk Management Sub committee	Non executive Directors
Mr. Sunpitt Sethpornpong	5/5							1/1
Mr. Kitti Techataveekijkul	5/5				3/3	3/3	4/4	
Mr. Tavit Charuvajana	5/5	12/12						
Mr. Narong Charuvajana	5/5			2/2				
Mr. Wanarak Eakachai	5/5				2/3	3/3	4/4	
Mr. Suvij Suvaruchiphorn	5/5			2/2				1/1
Mr. Pravitt Chattalada	5/5		5/5	2/2	3/3			1/1
Dr. Virach Aphimeteetamrong	5/5		5/5			3/3		1/1
Assoc. Prof. Phornsiri Thivavarnvongs	5/5		5/5				4/4	1/1
Mr. Veeraphan Durongsang		12/12				3/3	4/4	
Mr. Aroon Tor-Ekbundit		12/12				3/3	4/4	
Mr. Thongchai Lumveerakul		12/12				3/3	4/4	
Mrs. Nittaya Thanaviriyakul		12/12				3/3	4/4	
Mr. Suradet Lerthammajak		12/12						

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

The company secretary is responsible for sending meeting invitations and meeting documents to each director at least 5 working days in advance of the meeting, including the agenda which are clearly categorized, such as matters to be informed, to consider, or to approve. The setting of criteria and format of information in the documents to be presented to the Board of Directors will also be complete, adequate, and appropriate in order to support the smooth, rapid and efficient the Board of Directors meetings under the relevant laws and regulations. Each department can be respectively used for reference and adhered to as standard in preparing information before submission. The Company Secretary Department compiles and presents to the Board of Directors at each meeting in order for the Board of Directors to have the right information and have adequate time to analyze the information before attending the meeting, unless in case of urgent matters. The document prepared is brief but concise, providing complete information. For matters that are not disclosed in writing, the matter is discussed at the meeting where the Chairman of the Board of Directors will allocate sufficient time for the management to propose the matter and sufficient time for the directors to discuss matters. Important issues will be

discussed thoroughly. The Chairman of the meeting will provide opportunities for each director to express their opinions independently, with the meeting time allocated appropriately and conducted efficiently. In the event that any of the director has any interest in the matter to be considered, the director will notify the meeting for acknowledgment and must not participate in expressing opinions and shall not have the right to vote on that matter. The minimum number of quorums at the time of the Board of Directors' resolution must be at least 2/3 of the total number of directors. The director's holding of securities is also reported in case of any changes in each quarter.

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

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

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

Remuneration of Directors

The Nominating and Remuneration Sub-committee considers setting directors' remuneration by thoroughly screening the suitability of directors receiving remuneration based on experience, duties, scope of roles and responsibility comparable to the same industry along with considering the Company's business expansion and growth in profits. Directors' remuneration will be consistent with principles and policies specified by the Board of Directors within the framework approved by the shareholder meeting (for remuneration types requiring approval from the shareholder meeting).

At the annual general meeting of 2021 on 1 April 2021, a resolution was reached to set remuneration for directors and sub-committee members by setting remuneration in the form of meeting gratuities and bonuses for the Board of Directors as follows

Remuneration of Board of Directors

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

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

Remuneration of Audit Committee

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

Remuneration of Executive Committee

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

Remuneration of Other Sub-committees

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

Summary of Directors' Remuneration

(Unit: Baht)

Remuneration Type	2020		2021	
	Person	Amount	Person	Amount
Meeting Fee	14	4,077,000	14	4,024,000
pension	9	2,140,000	9	2,140,000
Total		6,217,000		6,164,000

Summary of Remuneration for Individual Directors in 2021

Names	Board of Directors	Executive Committee	Audit Committee	Nominating & Remuneration Sub-committee	Sustainable Development Sub-committee	Corporate Governance Sub-committee	Risk Management Sub-committee	Total (baht)
Mr. Sunpitt Sethpornpong	110,000							110,000
Mr. Kittit Techataveekijkul	110,000				36,000	36,000	48,000	230,000
Mr. Tavit Charuvajana		168,000						168,000
Mr. Narong Charuvajana	110,000			24,000				134,000
Mr. Wanarak Eakachai	110,000				24,000	36,000	48,000	218,000
Mr. Sujit Suvaruchiphorn	110,000			34,000				144,000
Mr. Pravit Chattalada	110,000		520,000	24,000	51,000			705,000
Dr. Virach Aphimeteetamrong	110,000		400,000			51,000		561,000
Assoc. Prof. Phornsiri Thivavarnvongs	110,000		400,000				68,000	578,000
Mr. Veeraphan Durongsang		168,000				36,000	48,000	252,000
Mr. Aroon Tor-Ekbundit		168,000				36,000	48,000	252,000
Mr. Thongchai Lumveerakul		168,000				36,000	48,000	252,000
Mrs. Nittaya Thanaviriyakul		168,000				36,000	48,000	252,000
Mr. Suradet Lertthammajak		168,000						168,000
Total	880,000	1,008,000	1,320,000	82,000	111,000	267,000	356,000	4,024,000

Other remuneration of directors

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

Management of Subsidiaries and Associated Companies

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

1. Management of Subsidiaries and Associated Companies

- Nomination of director in the subsidiaries and associated companies: The Company will send a person approved by the Board of Directors to serve as a director of the Company, at least in proportion to their shareholding in the subsidiary or associate. The directors who have been nominated must be fully qualified and have no characteristics considered as a lack of trust according to the announcement of the Securities and Exchange Commission Re: Determination of Untrustworthy Characteristics of the Company's Directors and Executive Directors, and act in the best interests of its subsidiaries and associated.

- Scopes of Duties and Responsibilities of Subsidiaries' and Associated' Directors: The directors must comply with the regulations of the Company, including the laws governing companies and act in accordance with the policies governing the operations of its subsidiaries and associated companies or other policies of the Company and ensure that internal control systems, risk management systems and fraud prevention systems are applied appropriately. The Directors must provide adequate disclosure of significant transactions and ensure the directors and management of the subsidiaries and associates are able to access information and ensure adequate and appropriate internal controls which allow the Company's internal audit department to access directly.

- Disclosure of directors and executive directors of Subsidiaries and Associates: The directors and executive directors of the subsidiaries must disclose information on their interests and any related parties or a person related to the subsidiary in any transactions that may pose a conflict of interest to the Company's Board of Directors of subsidiaries and associated, or the person assigned by the Board of Directors of the Company within the time period. The Board of Directors of subsidiaries and associated is responsible for informing the Company of transactions that may cause conflicts of interest, and directors and management of subsidiaries and associated companies must not participate in approving matters that they have interest, stake, conflict of interest, or receive financial benefit out of the usuals.

- Disclosure of information of subsidiaries and associated: Subsidiaries and associated are responsible for disclosing information on operating results and financial position, transactions between subsidiaries and associated with connected persons, the acquisition or disposition of assets, or the execution of other important transactions of the subsidiaries and associates are. They are also required to provide accurate and complete reports, including reports on business plans, business expansion, large investment projects, as well as joint investments with entrepreneurs to the Company through monthly or quarterly performance reports as necessary and appropriate.

- Intercompany transactions: Directors, executives directors or related persons of subsidiaries and associated companies may enter into transactions with the Company only when such transactions are approved by the Board of Directors or the shareholders' meeting, according to size of the transaction calculated in accordance with the criteria specified in the Announcement on connected transactions, unless it is a transaction that is a commercial agreement in the same manner that an ordinary person would do with the two parties in the same situation or is a formal trade agreement that has been approved by the Board of Directors or in accordance with the principles approved by the Board of Directors.

2. Financial Control of Subsidiaries

The subsidiaries and associated are responsible for submitting monthly or quarterly and annual performance reports, including financial statements approved by executive directors or directors, as well as supporting information for preparing such financial statements, provide a quarterly performance estimate, compare summarized actual operation performance for the quarter, report financial issues when detected or requested by the company.

3. Treatment and Use of Information within Subsidiaries

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

- Internal information confidentiality: In the event of dissemination of confidential information, prior approval from the Chief Executive Officer of subsidiaries and associated companies is required. The Company's Investor Relations Department is responsible for disseminating such information. If the information concerns an individual, prior consent must be obtained from the third party or stakeholders. Staffs of the subsidiaries and affiliates must not answer any questions or express their opinions to others, unless they are obliged or entrusted to answer them.

- **Use of internal information:** Do not use internal information of the Company that may affect the Company, subsidiaries and associated companies. Any people privileged to internal information of the company are not to trade shares or securities of the Company, or solicit others to buy, sell, offer for sale of shares or securities of the company, whether in person or through a broker. It is prohibited to disclose material facts that may affect price changes of securities and which are not publicly disclosed, whether such action is done for the gain of oneself or others. Directors or executive directors of subsidiaries and associated companies are prohibited from trading in securities during the period of a month prior to each Board of Directors meeting.

- **Prevention of use of internal information:** The Company has established an internal control system to protect data files or confidential documents. Access to confidential information will only be permissible to top management and employees as necessary, with violations subjected to disciplinary action or legal redress, as the case may be.

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

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

Following up on compliance with corporate governance policies and practices

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

In 2021, the Company has followed up on the implementation of good corporate governance, covering employee care and non-discrimination, anti-unfair competition, environmental awareness, occupational health and safety, safe information security, which the follow-up results showed that the Company has completely followed the guidelines of each issue. In addition, the Company has followed up 4 additional issues of good corporate governance as follows:

- **Prevention of Conflicts of Interest** - The Company recognizes the importance of preventing the Company's personnel from seeking personal gain in order to avoid situations with potential conflicts between personal interests and the Company's interests. Therefore, specifications were made in the Corporate Governance Handbook concerning roles, duties and responsibilities of the Board of Directors with clear guidelines mainly for the benefit of the Company and shareholders overall. Stakeholders are not involved in decision-making and the Board of Directors governs compliance with specifications related to steps of operation and disclose accurate and complete information on significant transactions with potential conflicts of interest. In the case of entry into agreements requiring approval from the shareholder meeting, the aforementioned entry must receive votes in approval in line with specifications of the law and the Company's regulations.

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

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

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

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

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

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

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

• Anti-corruption - Policies for Preventing Involvement in Corruption

The Corporate Governance Sub-committee governs, oversees and monitors the Company's corporate governance and anti-corruption efforts. The Company recognizes the importance of being against corruption and is committed to resist corruption in every form in order for the Company's business operations to be in compliance with corporate governance principles. The Board of Directors approved the anti-corruption policy approved by the Corporate Governance Sub-committee on 24 February 2015 and reviewed the policy's suitability on an annual basis in order to designate clear guidelines for business operations and create a corporate culture. In addition, the Board of Directors communicates the anti-corruption policy to executives and employees at every level including suppliers, customers and stakeholders in every sector.

The Company continually follows the anti-corruption policy, causing the Company to be confirmed as part of the Thai private sector Collective Action Coalition against Corruption (CAC) on 22 April 2016 and the Company continually passed assessments for renewal of confirmation. Most recently, the Company's confirmation was renewed on 30 June 2021. The Company's employees at every level have participated in monitoring corruption and denying corruption in every form directly and indirectly along with specifying guidelines for reporting tips or complaints concerning corruption in the policy for reporting clues and complaints, which had content allowing people who witnessed misbehavior according to business ethics, involvement in corruption or human rights violations to report tips or complaints to supervisors in the chain of the reporter's command, the Internal Audit Department Manager, an independent director and the Audit Committee. Reporters may choose to not disclose names, addresses and contact telephone numbers and complaint recipients are required to keep relevant information secret by disclosing only necessary information with consideration given to the safety and damage to the complainer.

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

Chapter 1: Definitions related to Anti-Corruption Policy

Chapter 2: Duties and responsibilities of the Board of Directors, Audit Committee, Executive Committee, Chief Executive Officer and Executive Director, Internal Audit Manager

Chapter 3: Practice guidelines for directors, executive directors, employees at all levels

Chapter 4: Requirements and prohibitions on recruitment of personnel, promotion, giving or accepting gifts, entertainment or hospitality, support grants or charitable donations, business relations, and procurement with government sectors

Chapter 5: Whistleblowing and complaints, official notification channels, procedure for receiving leads or complaints about corruption, measures for protection of whistleblowers, complainants or those who gave cooperation in the investigation, and on false leads or complaints

Chapter 6: Penalty for Violation of the Anti-Corruption Policy

Chapter 7: Policy review on a regular basis to ensure consistency with legal requirements and regulations

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

Actions of the Company to Combat Corruption

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

In 2021 the company has provided an awareness and understanding to the directors, executive and officers follow the company's policy against corruption by follow this method.

- The company has provided an online test about business conduct, rules and anti-corruption policy of the company for make awareness, encourage for officers who have a good ethics in the company and can do the right things for the organization to sustainable develop by all officers could answer 80 percent of the questions correctly as the company has set a goal. In this year following the result; It turns out that 95 percent of the company's executives and employees completed the test.

- The company has expanded the scope of action against corruption. by supporting partners to be the Collective Action Coalition Against Corruption (CAC) as well as disseminating the concept of anti-corruption and deal with business partners and customers by made a business letter to cooperate business: There are 5 principles which are 1) Compliance with Business Code of Conduct 2) Anti-Corruption 3) Human Rights 4) Safety and occupational health 5) Environment which has received good feedback from partners, customers.

- To spread and communicate an understanding of the Code of Business Conduct. and anti-corruption policy corruption for directors, executives, and all officers to acknowledge by publicizing through the company's media.

- The company has campaigned and publicized the National Anti-Corruption Day for everyone in the company to acknowledge the importance of this day and the date is on September 6, 2021. The penalties can be on every officer; If the company found anyone in the company to be involved in corruption.

Complaint Process

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

1. Fact Gathering

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

2. Data Processing and Filtering

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

3. Investigation

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

4. Reporting

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

Measures for Protection of Complainant and Investigator

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

1) The complainant or the person cooperating in the investigation can choose not to disclose themselves if they believe that disclosure would cause any insecurity or damage. The company can report its progress, clarify facts to know or mitigate the damage more conveniently and quickly.

2) On the whistleblower or the person cooperating in the investigation, the company will not disclose the name, surname, photograph, or any other identifier information of the informant and will conduct an investigation of the truthfulness.

3) The complaint recipient must keep the relevant information confidential and disclose it as necessary, taking into account the safety and reputation of the complainant or the person cooperating in the investigation, the source of the information, or the related person.

4) In cases where the whistleblower, the complainant or the person cooperating in the investigation think that they may be unsafe or troubled by any possible damage, the whistleblower, the complainant or the person who cooperates in the investigation may request the Company to prescribe appropriate protection measures with consideration of the Chief Executive Officer, or the Company may prescribe protection measures without request if it is deemed that a matter may likely cause damage or insecurity.

5) Those suffering the damage will be alleviated through appropriate and fair procedures through review of the Investigative Committee.

6) The complainant, person involved in investigation, or those denying violations of the Code of Conduct or corruption will be protected by the Company and will not cause or constitute a reason for demotion, termination of employment, punish, give negative effect or take any action that is harmful to such persons.

False Reporting

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

Whistleblowing and complaints channels

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

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

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



By Mail :
 Company Secretary
Metro Systems Corporation Public Company Limited
 No. 400 Chalermprakiat Rama IX Road, Nong Bon,
 Prawet, Bangkok 10250

Telephone :
 0-2089-4124

E-mail :
corporatesecretary@metrosystems.co.th

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

However, the company has a process to manage violations of the Code of Business Conduct and protect prevent the same mistake by regularly testing the notification system in the whistleblowing or complaint on the company's website to ensure that the notification system is still functioning properly **and in the past year no reported any violations of the business conduct.**

However, if the company receives complaints about violations of the code of business conduct all relevant have to bring complaints that arise to assess the risks improve practice and set preventive measures. In addition, there is an assessment of the risks of corruption and non-compliance with rules, regulations and codes of conduct, with the Audit Department responsible for overseeing and internal auditing and regularly reporting to the Audit Committee. The company also raises awareness among employees. and instilled into the organization's culture, with directors and executives acting as good role models.

Report of Audit Committee

Dear shareholders,

The Audit Committee was first appointed on 29 August 1998 with a term of two years. In 2020, Board of Directors Meeting No. 4/2020 held on 10 August 2020 reached a resolution for the Audit Committee to hold positions for another term from 29 August 2020 to 28 August 2022.

The Audit Committee consists of the following qualified independent directors listed below:

No.	Directors	Position	Qualifications	Attendance
1.	Mr. Pravit Chattalada	Chairman of Audit Committee	Knowledge of Information Technology	5/5
2.	Dr. Virach Aphimeteetamrong	Audit Committee	Knowledge of Accounting & Finance	5/5
3.	Assoc. Prof. Phornsiri Thivavarnvongs	Audit Committee	Knowledge of Accounting & Finance	5/5

Miss Aiyaret Boonruang, Internal Audit Manager, is the secretary of the Audit Committee. In 2021, the Audit Committee held a total of 11 meetings. Audit Committee attended every meeting which consisted of 5 meetings between the Audit Committee and internal auditors, one of which was a meeting with the auditor without the management, and 5 meetings with the Board of Directors, one of which was a meeting with directors who are not involved in management in order to govern major parts of work and acknowledge information. Significant results from consideration are summarized as follows:

- Review to ensure that the Company's quarterly financial statements, the financial statement of 2021 and the consolidated financial statement are accurate and reliable in order to have sufficient disclosure of significant information to benefit investors or financial statement users.
- Review and consider connected transactions with potential conflicts of interest for compliance with laws and specifications of the Stock Exchange of Thailand along with disclosing accurate connected transactions to the Stock Exchange of Thailand at specified times.
- Govern internal controls and operations of internal auditors by assessing sufficiency of the Company's internal control systems to determine sufficiency and suitability for business operations. Consideration of auditing plans with coverage of operations, information technology and internal audit results of 2021 did not find significant issues and results from recommendations and improvements to deficiencies were monitored in order for operations to have appropriate internal control systems.
- Good governance, reviews of compliance with the law, regulations, business ethics, company policies and regulations including reviews of anti-corruption audits and systems for enabling warning and warning systems of channels for reporting tips or complaints on the website. In 2021, the Company did not have significant corruption issues. Risk management was reviewed with the Risk Management Sub-committee sharing responsibility with the management in order to manage risks with effects on the Company's performance and be prepared to manage unexpected situations.
- Promote and support the management to have a proactive strategy to support business operations to continue with sustainability along with focusing on innovation projects, technology, laws, the environment and personnel readiness in order to support rapid changes in the business world in the era of digital economy.
- Consider selection and appointment of auditors from Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd for the Board of Directors to consider. In addition, the Audit Committee reached a resolution approving the request for approval from the shareholder meeting to appoint Mrs.Wilasinee Krishnamra, Certified Public Accountant License No. 7098, and/or Miss Nisakorn Songmanee, Certified Public Accountant License No. 5035, and/or Mr.Yongyuth Lertsurapibul, Certified Public Accountant License No. 6770, and/or Mr. Kasiti Ketsuriyongk, Certified Public Accountant License No. 8833, as the Company's auditors in the year of 2021.

28 January 2022

On behalf of the Audit Committee,

Pravit Chattalada

(Pravit Chattalada)

Chairman of Audit Committee

Report of the Nominating and Remuneration Sub-committee



Dear Shareholders,

The Nominating and Remuneration Sub-committee Originally, the Board of Directors has appointed two separate sets: the Nominating Sub-committee and the Remuneration Sub-committee. The Nominating and Remuneration was first appointed on 8 May 2006 with a term of two years. In 2020, Board of Directors Meeting No. 3/2020 held on 15 May 2020 reached a resolution to extend the Nominating and Remuneration Sub-committee's term by another term from 1 June 2020 to 31 May 2022.

The Recruitment and Remuneration Sub-committee members are listed below:

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

The Nominating and Remuneration Sub-committee consists of at least three directors with one independent director and two directors not involved in management with a term of two years in office.

The Sub-committee performed assigned duties with caution, thoroughness and transparency with priority given to the ultimate benefit of all shareholders and stakeholders. The Sub-committee studied more information on relevant topics thoroughly and specified scopes of authority and duties involving specification of recruitment criteria and policy including remuneration setting for the Board of Directors and Sub-committee members. Directors were recruited by considering appropriate individuals for director positions in order to nominate candidates for the Board of Directors to approve and/or request for the shareholder meeting to approve. The Sub-committee considered recruiting suitable individuals for the position of the Chief Executive Officer in cases where a position becomes vacant including criteria for high-ranking executives' succession. The Sub-committee prepared criteria and policies for setting remuneration for the Board of Directors and the Chief Executive Officer to propose to the Board of Directors for approval and/or proposed for the shareholder meeting to set necessary and appropriate remuneration in order to motivate and maintain the Board of Directors, sub-committees and the Chief Executive Officer in each year. The Nominating and Remuneration Sub-committee has responsibilities to the Board of Directors and duties to provide explanations and answers concerning recruitment and remuneration of directors and high ranking executives at shareholder meetings including reporting and disclosing nominating and remuneration policies in the annual report.

In 2021, the Nominating and Remuneration Sub-committee met twice to consider various topics. Every director attended the meetings in order to monitor and consider major assignments from the Board of Directors. Main content of meetings is as follows:

1. Consideration to recruit directors to replace directors whose terms expired in the year of 2021 and presentation of recruits to the Board of Directors to request approval from the shareholder meeting.
2. Consideration of director and sub-committee member remuneration in 2021 and presentation to the Board of Directors in order to request approval from the shareholder meeting.
3. Consideration of the Nominating and Remuneration Sub-committee Charter of 2021 and presentation to the Board of Directors for consideration of approval.
4. Consideration of director nominating and remuneration policies, nominating and remuneration policies for high-ranking executives and presentation to the Board of Directors for consideration of approval.
5. Consideration to recruit the Sustainability Development Sub-committee, the Risk Management Sub-committee and the Good Governance Sub-committee whose terms expired on 30 November 2021 and present recruits to the Board of Directors for consideration of approval.
6. Consideration to recruit a Chief Executive Officer, whose term will expire in December 2022, and present the Chief Executive Officer to the Board of Directors for further consideration.
7. Consideration to recruit the Deputy Managing Director of the digital solutions business and present the Deputy Managing Director to the Executive Committee for further consideration.

The Nominating and Remuneration Sub-committee has the opinion that, in 2021, the Nominating and Remuneration Sub-committee's operations were consistent with plans and the Board of Directors' assignment. Recruitment and remuneration of directors and executives was appropriate, which will help the Company in maintaining the Board of Directors, sub-committees and executives who have knowledge and capabilities to create benefit for the organization and develop toward the future with sustainability.

17 January 2022

On behalf of the Nominating and Remuneration Sub-committee

Suvij Suvaruchiphorn

(Mr. Suvij Suvaruchiphorn)

Chairman of nominating and Remuneration Sub-committee

Report of Sustainable Development Sub-committee



Dear shareholders,

The Sustainable Development Sub-committee was first appointed by a resolution of Board of Directors Meeting No. 5/2015 on 6 November 2015 with a term of two years. In 2021, Board of Directors Meeting No. 5/2021 held on 12 November 2021 reached a resolution for the Sustainable Development Sub-committee to be in office for another term from 1 December 2021 to 30 November 2023.

The Sustainable Development Sub-committee members are listed below.

No.	Committee Member	Position	Attendance
1.	Mr. Pravit Chattalada	Chairman of Sustainable Development Sub-committee	3/3
2.	Mr. Kittit Techataveekijkul	Sustainable Development Sub-committee	3/3
3.	Mr. Wanarak Eakachai	Sustainable Development Sub-committee	2/3

The Sustainable Development Sub-committee is composed of three directors with an independent director as the Chairman and a scope of authority concerning operating the Company's business in line with social responsibilities and the Company's sustainable business guidelines by screening policies, activities, plans, annual budgets, reviewing performance, monitoring and reporting current and future sustainability issues or trends, including potential effects on the Company and reporting to the Board of Directors. In addition, the Sustainable Development Sub-committee has the authority to appoint sustainable development teams as necessary by giving assignments to team leaders to select teams comprising representatives from each business and/or work group in order to successfully drive various policies according to plans.

In 2021, the Sustainable Development Sub-committee met to consider various topics three times which can be summarized as follows:

1. The Sub-committee screened plans, the annual budget and reviewed performance in the area of sustainability including screening activities inside the Company and outside the Company according to plans before presentations to the Board of Directors.
2. The Sub-committee reviewed the Sustainable Development Sub-committee Charter, the social responsibility policy, the environmental policy and the human rights policy in addition to supporting community and social development including innovation and innovation dissemination.

3. The Sub-committee performed work according to development plans in the area of sustainability. In this year, the Sustainable Development Sub-committee made goals for economic, social and environmental development alongside business operations for sustainability in each of the following areas:

3.1 Economy

1) Specification of Significant Business Issues

The Company specified significant business issues that may have effects on the organization's sustainability issues by considering opinions and supporting information from all stakeholders involved. The Company prioritized issues to manage the issue with the most effect/significance for the business and stakeholders first.

2) Anti-corruption

The Company supports employees to recognize resistance against corruption in every form on an annual basis. However, due to the COVID-19 pandemic, the Company was unable to organize activities. Therefore, in this year, the Company advertised the Anti-corruption Day 2021 event organized by the Anti-corruption Organization of Thailand (Thailand) to allow employees to view online under the concept of "Build a Nation with Children" on 6 September 2021 to build awareness and encourage every employee to see corruption problems in Thailand.

3.2 Society

1) Education

The Company allowed teachers and students to visit technology demonstration centers in the Company and listen to lectures by experts in special fields to provide work experience and beneficial knowledge for future work. In addition, the Company allowed the Company's lecturers to educate and advise education in Thailand's leading institutions to build networks and relationships between the Company and various institutions along with building good relationships with students who may work with the organization in the future.

2) Community and Social Development

The Company continually participates in community and social development by organizing projects to survey community and social concerns in order to learn about community and social concerns regarding potential positive and negative effects from the Company's operations or current or future projects. According to the survey, one person was positively affected by occupational security.

Furthermore, the Company appropriately supports activities in communities in addition to supporting employees to regularly participate in community and social development. In this year, the Company organized the following community and social development activities:

- The Company organized the fifth consecutive "We're Asking for Old Calendars" activity to accept donations of old calendars from employees and deliver old calendars to the Education Technology Center for the Blind, Foundation for the Blind in Thailand under the Royal Patronage of Her Majesty the Queen to use old calendars to make Braille media for visually-impaired individuals on 3 February 2021.
- The Company organized the "Donate Old Lottery Tickets" for Wat Huai Mu and the Special Children's Support Center, Ratchaburi Province, to make products such as funeral flowers, wreaths, hats and flower vases in order to reduce the volume of waste, support recycling, reduce environmental problems and create occupations for children to support themselves in the future.
- The Company supplied medical equipment in the "METRO Care Donate to Help with the COVID-19 Situation" to Public Health Center 57 Boonruang Lamert, Department of Health, Bangkok, on 30 July 2021.
- The Company organized the "METRO Donation" project to supply 50 educational computer tablets for students of Kan Thong Uppatam School, Suwitserianusorn High School and Surao Charakhe Khop School (Kulangoon Uppatam) on 7 December 2021.
- The Company provided funds to purchase equipment to install water for social support foundations to support over 140 children and women on 9 December 2021.
- The Company provided funds in the Acc Club Case CAMPetition for the Accounting Club, Faculty of Commerce and Accounting, Chulalongkorn University, on 24 December 2021.

3.3 Environment

- The Company organized activities to allow employees to participate in managing use of resources to create the most benefit by campaigning to save water, electricity, properly sort waste before disposal, compost wet waste in the Company and organize work environments to facilitate work under the METRO Green Clean Office Project in addition to advertising activities to employees for employees to strictly adhere to in practice.
 - The Company carried out the project to survey and measure results and evaluate work environments in order to properly measure results and evaluate work environments such as by measuring lights, etc.
4. The Sub-committee prepared the Sustainable Development Sub-committee to report performance in 2021 as planned.

The Sustainable Development Sub-committee agreed that operations of the Sustainable Development Sub-committee in 2021 were carried out in line with plans and consistent with the assignment given by the Board of Directors with good cooperation from executives and employees along with awareness of the importance of responsibility to society, communities and the environment to help the Company grow with sustainability in the future.

17 January 2022

On behalf of the Sustainable Development Sub-committee,

Pravit Chattalada

(Mr. Pravit Chattalada)

Chairman of Sustainable Development Sub-committee

Report of the Corporate Governance Sub-committee



Dear shareholders,

The Corporate Governance Sub-committee was first appointed by a resolution of Board of Directors Meeting No. 5/2015 on 6 November 2015 with a term of two years. In 2021, Board of Directors Meeting No. 5/2021 on 12 November 2021 reached a resolution and renewed the Good Governance Sub-committee for another term from 1 December 2021 to 30 November 2023.

The Good Governance Sub-committee members are listed as follows:

No.	Committee Member	Position	Attendance
1.	Dr. Virach Aphimeteetamrong	Chairman of Corporate Governance Sub-committee	3/3
2.	Mr. Kitti Techataveekijkul	Corporate Governance Sub-committee	3/3
3.	Mr. Wanarak Eakachai	Corporate Governance Sub-committee	3/3
4.	Mr. Aroon Tor-ekbundit	Corporate Governance Sub-committee	3/3
5.	Mr. Veeraphan Durongsang	Corporate Governance Sub-committee	3/3
6.	Mr. Thongchai Lumveerakul	Corporate Governance Sub-committee	3/3
7.	Mrs. Nittaya Thanaviriyakul	Corporate Governance Sub-committee	3/3

The Corporate Governance Sub-committee has 7 members consisting of 3 directors and 4 executives with an independent director or a director not involved in management as the Chairman. The Good Governance Sub-committee has a scope of authority to propose good governance guidelines and good practice guidelines based on moral and ethical frameworks in business operations to the Company's directors, executives, employees and hired workers appropriately and continually along with considering reviews and continual improvements to the good governance policy in order to keep the Company's good governance policy up-to-date and consistent with international standards. The Corporate Governance Sub-committee works completely according to the Corporate Governance Sub-committee Charter and assignments given by the Board of Directors including laws, criteria, rules and regulations of agencies governing listed companies while also monitoring and assessing performance of directors and executives in line with good practice guidelines to present to the Board of Directors including presenting necessary opinions and recommendations along with performing duties assigned by the Board of Directors at each time.

In 2021, the Corporate Governance Sub-committee worked according to roles, duties and met for three times to consider various issues, which can be summarized as follows:

1. The Corporate Governance Sub-committee proposed guidelines on good governance and governing compliance with specifications and laws to the Board of Directors, summarized the Company's good governance overview and recommended good practice guidelines concerning business morals and ethics for the Company's directors, executives and employees in 2021 to be consistent with the Company's strategies with appropriate continuity and consistency with stakeholder expectations.

2. The Sub-committee proposed regular preparation, review and modification of policies for compliance with laws, criteria, rules and regulations to the Board of Directors for consideration of approval. The modifications made are as follows:

- Good Corporate Governance Manual: The Sub-committee believes revisions and modifications should be made with regard to vision, missions, corporate policies, good governance principles and disciplinary actions to be suitable for current situations in order to enable directors, executives and employees to properly adhere to these guidelines in practice.
- Code of Conduct: The Sub-committee believes revisions and modifications should be made with regard to vision, missions, corporate policies and business ethics to be suitable for current situations in order to enable directors, executives and employees to properly adhere to these guidelines in practice.
- Code of Conduct for Supplier: The Sub-committee believes content on Code of Conduct and society should be reviewed and modified. In addition, communication channels should be added to allow inquiries for information or reports of wrongdoing for trade partners to properly adhere to these guidelines.
- Sustainable Business Guideline Handbook — The Sub-committee believes content concerning compliance with business ethics should be revised and modified to be suitable for the current situation and consistent with the Company's governance principles.

Furthermore, the Company prepares media to advertise policies and regulations online along with preparing test forms on business ethics, policies and company regulations for use as a communications channel and testing to determine that employees have accurate knowledge and understanding regarding the Company's policies, rules and regulations. The Company recognizes the importance of regularly communicating policies and regulations to employees. In 2021, 95% of the Company's employees completed the Company's test form and every employee passed with a score of 80%.

3. The Corporate Governance Sub-committee continually arranged for directors to be trained in various courses and supports directors to be trained in courses provided by the Thai Institute of Directors (IOD), the Stock Exchange of Thailand and the Securities and Exchange Commission in order to improve knowledge, capabilities and expertise in performing duties. In addition, the Sub-committee invited experts from outside the Company to provide knowledge with benefits for duties and responsibilities in order to comply with the CG Code under the section on recruitment and development of high ranking executives and personnel management.

4. The Sub-committee advised in the Company's plans to prepare annual information forms/annual reports (the 56-1 One Report Form) and made preparations to host the annual general meeting of shareholders. The Sub-committee supervised the hosting of the annual general meeting of shareholders in compliance with laws and guidelines under the AGM Checklist to ensure meetings are effective, transparent and consistent with good governance principles. In addition, the Sub-committee arranged safety measures for the meeting during the COVID-19 pandemic, resulting in the Company receiving a full score of 100% from the annual general meeting quality evaluation of 2021 evaluated by the Thai Investors Association.

5. The Sub-committee specified criteria allowing minor shareholders to present agendas in the annual general meeting in advance and to nominate individuals for consideration of election as a director of the Company in advance of the Annual General Meeting of 2022 in the period from 1 September 2021 to 30 November 2021 in line with criteria prescribed by the Company.

From allowing shareholders to present agendas and nominate individuals to be considered for election as a director of the Company in advance, no shareholder presented the aforementioned matters at the Annual General Meeting of 2022 after the end of the specified period.



6. The Sub-committee provided consultation regarding compliance with the CGR Checklist in the Company's participation in the Corporate Governance Report of Thai Listed Companies of 2021 under the Thai Institute of Directors, causing the Company to have mean scores at an excellent level at 91%, which is higher than the average of 84% for listed companies.

7. The Sub-committee prepared the Corporate Governance Sub-committee Report to report performance in 2021 to the Board of Directors.

The Corporate Governance Sub-committee is committed to ensuring that the Company complies strictly with good governance principles and business ethics in addition to developing good governance and business ethics continually with transparency, fairness and accountability while promoting sustainable business operations in order to help the Company gain confidence from stakeholders and be consistent with international standards.

26 January 2022

On behalf of the Corporate Governance Sub-committee,

Virach Aphimeteetamrong

(Dr. Virach Aphimeteetamrong)

Chairman of Governance Sub-committee

Report of Risk Management Sub-committee



Dear shareholders,

The Risk Management Sub-committee was first appointed on 6 November 2015 with a term duration of two years per term. The Board of Directors Meeting No. 5/2021 convened on 12 November 2021 and reached a resolution to allow the Sustainability Development Sub-committee to remain in position for another term from 1 December 2021 to 30 November 2023.

The Risk Management Sub-committee members are listed as follows:

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

Metro Systems Corporation Public Company Limited arranged to have enterprise risk management overseen by the Risk Management Sub-committee to ensure that the Company has effective risk management with coverage of all risks by depending on good corporate governance.

In risk management, the Risk Management Sub-committee has a scope of duties and responsibilities in the Risk Management Sub-committee Charter.

In 2021, the Risk Management Sub-committee governed and supported risk management in an appropriate and timely manner in addition to recognizing new risks with potentially significant effects on business operations. Therefore, the Company assessed significant issues and analyzed risks in main businesses consisting of the digital solutions business, the software solutions business and the digital printing business. These businesses including supporting work were assessed for issues with effects on business operations in the three aforementioned businesses. Four presentations were made to the Risk Management Sub-committee for consideration and the following main content was summarized.

1) Significant enterprise risks are in five areas.

- (1) Risks from COVID-19 outbreaks have effects on the overall Thai economy and customers have reduced purchasing power, causing some customers to reschedule or stop projects in order to manage expenses and investments. In addition, some main trade partners were unable to deliver sufficient products for market needs.
- (2) Digital transformation guidelines such as use of AI robots and RPA to manage the Company's supply chain in order to cut costs and improve efficiency including changes to the business structure and product development use more complex technologies. This has caused market demand for information technology employees to rise, which may make employee recruitment to support the business in the future more difficult.
- (3) In the area of products and services, conventional products, new products and some products and services developed by the Company may not be able to meet future market demand.
- (4) Customer management including maintaining old customers and finding new customers during COVID-19 outbreaks while under work from home measures.
- (5) Management of internal operations must have preparations for various situations. In 2021, COVID-19 outbreaks occurred and caused many organizations to be unable to work normally. In addition, the Company must change business models and manage work processes to support work in the New Normal.

2) The Risk Management Sub-committee Charter, risk management policies and risk preparation frameworks were reviewed (at Risk Management Sub-committee Meeting No. 1 on 29 January 2021).

3) The Annual Risk Management Sub-committee Report was prepared to report performance in 2021 as planned.

The Risk Management Sub-committee has the opinion that the Risk Management Committee's operation in 2021 achieved the Company's goals in preparing an enterprise risk management system and received good cooperation from the Executive Committee and employees.

28 January 2022

On behalf of the Risk Management Sub-committee,

Phornsiri Thivavarnvongs

(Assoc. Prof. Phornsiri Thivavarnvongs)

Chairman of Risk Management Sub-committee

Report of the Board of Directors' Responsibility for Financial Reports

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

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

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

The Board of Directors is of the view that the overall internal control system of the Company is of satisfactory and able to build rational confidence in the reliability of the financial statements of the Company and its Affiliates as of 31 December 2021.

Sunpitt Sethpornpong
 (Mr. Sunpitt Sethpornpong)
 Chairman of the Board

Tavit Charuvajana
 (Mr. Tavit Charuvajana)
 Chief Executive Officer

Internal control and Related Transactions

Internal control

The Board of Directors has focused on and supported the internal control system by defining the organizational structure and chain of command, roles and responsibilities of committees and the Management to supervise the businesses, rules for supervising subsidiaries, measures on monitoring the management of subsidiaries to maintain the interests of the Company's investments in subsidiaries, including transactions with persons with potential conflicts of interest. The Company have complied with the Office of the Securities and Exchange Commission (SEC) and completely disclosed its information. In addition, the Audit Committee is assigned to review the duties of the Internal Audit Department, which inspects the operating system and the information technology system according to the annual audit plan approved by the Audit Committee and directly reports to the Audit Committee to reasonably ensure that the Company has adequate internal control system and sufficient personnel to perform such operations effectively, including the reliability of financial reporting and compliance with the laws and related regulations. The Board of Directors also assigns the Audit Committee to review and approve the results of the internal control system adequacy assessment for the year 2021 in accordance with the control framework of COSO 2013, which is in accordance with the assessment form of the Office of the Securities and Exchange Commission (SEC) at the Audit Committee's Meeting No. 1/2565 on February 24, 2022. There were 3 members of the Audit Committee attending the meeting and expressing opinions that the Company's internal control system was suitable enough for business operations, The overview can be summarized as follows:



Control Environment:

The Company encourages the Management and employees at all levels to have a positive attitude towards internal control, awareness, integrity, ethics, assigned responsibilities, and importance of effectiveness of internal control. Policies and regulations are established and used, including Code of Conduct, in the management of the Company, which are reviewed annually. Employees are required to take an on-line test through the Whispir system to provide accurate understanding. There are rules for the employee performance evaluation process and the policy on career progress development and management, which are applied as the same standard for any changes. Promotions are provided to allow employees to acknowledge career opportunities and progress and support each person's skills to the maximum competence.



Risk Assessment:

The Company recognizes and pays attention to risk assessment, where the Risk Management Sub-committee is responsible for the risk management of the Company and establishes the risk management policy, assesses risks, provides suggestions and guidelines, including follows up risk management results and reports to the Board of Directors. In addition, the Company also assesses the corruption risks, such as considering customers who are government agencies, considering payments to government agencies or general customers, the corruption and embezzlement risks, such as asset access control, warehouse security, and the risk of fraudulent financial statements, such as material changes in the income and expenses accounts, accuracy of information used for preparing financial reports.



Control Activities:

The Company has a management structure and establishes objectives, rules, policies, and procedures of each business process throughout the organization. The Company is committed to developing the management system and maintaining quality standards continuously, which its quality is accredited in accordance with ISO 9001:2015, ISO/IEC 20000-1:2011 and ISO/IEC27001:2013. The adequacy of the internal control system is assessed by the Board of Directors so that the Company will have the appropriate and sufficient internal control system to efficiently supervise the operations to be in accordance with the goals, objectives, laws, and relevant requirements, prevent assets from corruption, and prepare accurate and reliable financial reports.



Information & Communication:

The Company provides channels for communications within the organization, such as communication via intranet, e-mail, Microsoft Team, providing important information to new employees through orientation, providing useful knowledge for operations through e-learning system, and meetings or online conferences. In addition, sufficient important information is also provided to report performances regularly to the Board of Directors and the Executive Committee for supporting their decision-making by preparing comparative analytical reports, troubleshooting, and performance follow-up together with the factual documentation. Regarding channels for external communications, such as websites Facebook, e-mail, Microsoft Team, they are used to organize activities relating to the presentation of information and performances to investors, shareholders and stakeholders for acknowledgement and allow all stakeholders to safely inform information relating to corruption.



Monitoring Activities:

The Company regularly monitors the performances according to the strategic plan, which covers all important activities, and also follow up potential solutions to adjust the operational plan to be consistent with the situations. It is the duties and responsibilities of directors, employees, and supervisors at all levels, including the Internal Audit Department, to follow up through the inspection of internal control system and corruption investigations to support that the Company intends to take action to combat corruption and independently report the results to the Audit Committee.

Details about the head of the internal auditor

The Company has assigned Miss Aiyaret Boonyarueng with effect to be the Internal Audit Manager until 15 November 2021, and assigned Miss Vanisara Tangjittlerkit to assume the position of acting on behalf with effect from 16 November 2021 onwards to perform the duty of supervising the operation in accordance with the Company's working procedures, rules, regulations, and other laws related to the Company. Qualifications 3



Related parties transactions

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

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



Transactions between the Company and the Subsidiaries with the Related Persons

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

Summary of Related Transaction Report

January 1 to December 31, 2021

1) Relationship: Major Shareholders (More than 10%)

Related parties/juristic person	Type of transaction	Nature of transaction	Value of transaction (Baht)	Necessity and Reasonableness
MC Bakery Co., Ltd.	Normal business	MSC Revenues: Other revenues	72,000	It is according to normal course of business. Regarding the trading price and service, the Company has implemented the same practices as third parties and it is subject to normal business conditions
Juristic person No. 1 holds 12.89% of the shares in MSC.				

2) Relationship: Some directors of MSC are directors in related juristic persons.

Related parties/juristic person	Type of transaction	Nature of transaction	Value of transaction (Baht)	Necessity and Reasonableness
Center Container Co., Ltd. TST Development Co., Ltd. United Silo & Service Co., Ltd. Siam Arun Group Co., Ltd. N.I.M. Co., Ltd. MC Foods Co., Ltd. MCF Products Co., Ltd. MCF Marketing Co., Ltd. MDEC International (1991) Co., Ltd. United Flour Mill Plc. United Grains Co., Ltd. Samut Transport Co., Ltd.	Normal business	MSC Revenues: Other revenues - Selling products - Revenues from service - Other revenues	572,859 24,000 2,313,600	It is according to normal course of business. Regarding the trading price and service, the Company has implemented the same practices as third parties and it is subject to normal business conditions.
Duckhams Oils (Thailand) Co., Ltd. Metro Group Energy Co., Ltd.	Assets/ Services	MSC Expenses: - Purchasing products - Purchasing services	175,440 16,090	It is according to normal course of business. Regarding the trading price and service, the Company has implemented the same practices as third parties.
Juristic person No. 1 has 2 co-directors, namely Mr. Kittit Techataveekijkul and Mr. Narong Charuvajana.	Business Support	Other expenses	52,930	It is according to normal course of business. The service fee rate is subject to normal business conditions and the Company has implemented the same practices as transactions with third parties.
Juristic person No. 2-10 have 2 co-directors, namely Mr. Sunpitt Sethpornpong and Mr. Suvij Suvaruchiporn.				
Juristic person No. 11-12 have 1 co-director, namely Mr. Suvij Suvaruchiporn.				
Juristic person No. 13-14 have 1 co-director, namely Mr. Sunpitt Sethpornpong.				

3) Relationship: Some directors of MSC are major shareholders (more than 10%) in related juristic persons.

Related parties/juristic person	Type of transaction	Nature of transaction	Value of transaction (Baht)	Necessity and Reasonableness
Metro Co.,Ltd.	Normal business	MSC Revenues: - Selling products - Other revenues	234,500 435,602	It is according to normal course of business. Regarding the trading price and service, the Company has implemented the same practices as third parties and it is subject to normal business conditions.
Juristic person No. 1 has 1 director of MSC, who is the major shareholder, namely Mr. Sunpitt Sethpornpong, holding 15.45% of shares.				



4) Relationship: Related person is the child of the director of MSC.

Related parties/juristic person	Type of transaction	Nature of transaction	Value of transaction (Baht)	Necessity and Reasonableness
Tipphawan Charuvajana Is the child of Mr. Tavit Charuvajana, who is the director of MSC.	Short-term Rental/Leasing of Real Estate	MSC Expenses: Rental fee of document storage	480,000	It is according to normal course of business. The rental fee rate is subject to the standard rate specified by the Company. The Company has implemented the same practices as transactions with third parties.

5) Relationship: Related person of the director of MSC is a shareholder or executive in related juristic persons.

Related parties/juristic person	Type of transaction	Nature of transaction	Value of transaction (Baht)	Necessity and Reasonableness
Intelton Co., Ltd Pang Sayam (2555) Co., Ltd United Flour Trading (2555) Co., Ltd	Normal business	MSC Revenues: - Selling products - Other revenues	48,900 480,000	It is according to normal course of business. Regarding the trading price and service, the Company has implemented the same practices as third parties and it is subject to normal business conditions.
Juristic person No. 1 has Mr. Suvij Suvaruchiporn, who is the director of MSC and has a child who is the director of the company.		MSC Expenses: Purchasing services	720,000	
Juristic person No. 2-3 has Mr. Sunpitt Sethpornpong, who is the director of MSC and has a sibling who is the director of the company.				

6) MSC's major shareholders are major shareholders (more than 10%) in related juristic persons.

Related parties/juristic person	Type of transaction	Nature of transaction	Value of transaction (Baht)	Necessity and Reasonableness
Roj-Anant Consultant Co., Ltd. UFM Fuji Super Co., Ltd. UFM Food Center Co., Ltd. Siam Flour Trading Co., Ltd. MC Plastic Co., Ltd. MC Industrial Chemical Co., Ltd. Rich Products Manufacturing (Thailand) Co., Ltd.	Normal business	MSC Revenues: • Selling products • Revenues from service MSC Expenses: • Other revenues • Purchasing products	4,256,921 1,948,109 385,800 100,000	It is according to normal course of business. Regarding the trading price and service, the Company has implemented the same practices as third parties and it is subject to normal business conditions.
Juristic person No. 1-6 has Metrophos Co., Ltd., the major shareholder of MSC, as the major shareholder of the company.	Business Support	MSC Expenses: • Other expenses • Purchasing services	3,195,006 2,050	It is according to normal course of business. The service fee rate is subject to normal business conditions and the Company has implemented the same practices as transactions with third parties.
Juristic person No. 7 has MC Bakery Co., Ltd, the major shareholder of MSC, as the major shareholder of the company.				

7) Relationship: Subsidiaries with related juristic persons of MSC

- Metro Professional Products Co., Ltd.

Related parties/juristic person	Type of transaction	Nature of transaction	Value of transaction (Baht)	Necessity and Reasonableness
MDEC International (1991) Co., Ltd. Center Container Co., Ltd. Metro Co.,Ltd. Roj-Anant Consultant Co., Ltd. UFM Food Center Co., Ltd.	Normal business	MPP Revenues: • Selling products MPP Expenses: • Purchasing products	21,000 1,755	It is according to normal course of business. The service fee rate is subject to normal business conditions and the Company has implemented the same practices as transactions with third parties.
Juristic person No. 1 has Mr. Sunpitt Sethpornpong and Mr. Suvij Suvaruchiporn, who are the director of MSC, as the director of the company.	Business Support	MPP Expenses: • Other expenses • Premium	39,575 76,278	It is according to normal course of business. The service fee rate is subject to normal business conditions and the Company has implemented the same practices as transactions with third parties.
Juristic person No. 2 has Mr. Kittit Techataveekijkul and Mr. Narong Charuvajana, who are the director of MSC, as the director of the company.				
Juristic person No. 3 has Mr. Sunpitt Sethpornpong, who is the director of MSC, as the shareholder of the company.				
Juristic person No. 4-5 has Metrophos Co., Ltd., which is the major shareholder of MSC, as the major shareholder of the company.				

• Metro Connect Company Limited

Related parties/juristic person	Type of transaction	Nature of transaction	Value of transaction (Baht)	Necessity and Reasonableness
Intelton Co., Ltd. UFM Food Center Co., Ltd.	Normal business	MCC Revenues: • Selling products • Revenues from service	8,517,329 84,000	It is according to normal course of business. Regarding the trading price and service, the Company has implemented the same practices as third parties and it is subject to normal business conditions.
Juristic person No. 1 has Mr. Suvij Suvaruchiporn, who is the director of MSC and has a child who is the director of the company.	Business Support	MCC Expenses: • Other expenses	168,679	It is according to normal course of business. The service fee rate is subject to normal business conditions and the Company has implemented the same practices as transactions with third parties.
Juristic person No. 2 has Metrophos Co., Ltd., which is the major shareholder of MSC, as the major shareholder of the company.				

Necessity and reasonableness of related transactions

On the Company and its subsidiaries' related transactions with the related persons for the fiscal year 2021, according to the resolution of the Board of Directors No. 2/2022 on 24 February 2022, in which the Audit Committee attended the meeting, the said transaction is necessary, reasonable, and is in the best interest of the Company. Currently, the 4 types of related transactions are transactions with the same trade agreement as an ordinary person would do with the general counterparty in the same situation.

Policy or trends in related transactions in the future

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

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

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

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

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



Sustainability Report

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- Driving Business for Sustainability

Driving Business for Sustainability



Scope of reporting

The Company has prepared and reported the operating results of Metro Systems Corporation Public Company Limited for the year 2021 between 1 January 2021 to 31 December 2021 in relation to sustainability management. The Sustainability Development Subcommittee considered policies, activities, annual budget, implementation plans and presented them to the Board of Directors as the annual registration statement (56-1 One Report) and the Company's website annually in accordance with the Stock Exchange of Thailand regulations.

Guidelines for preparing reports

The 2021 Sustainability Report uses a reporting framework based on key issues. Sustainability by using the Materiality Matrix tool in response to the United Nations Sustainable Development Goals (SDGs).

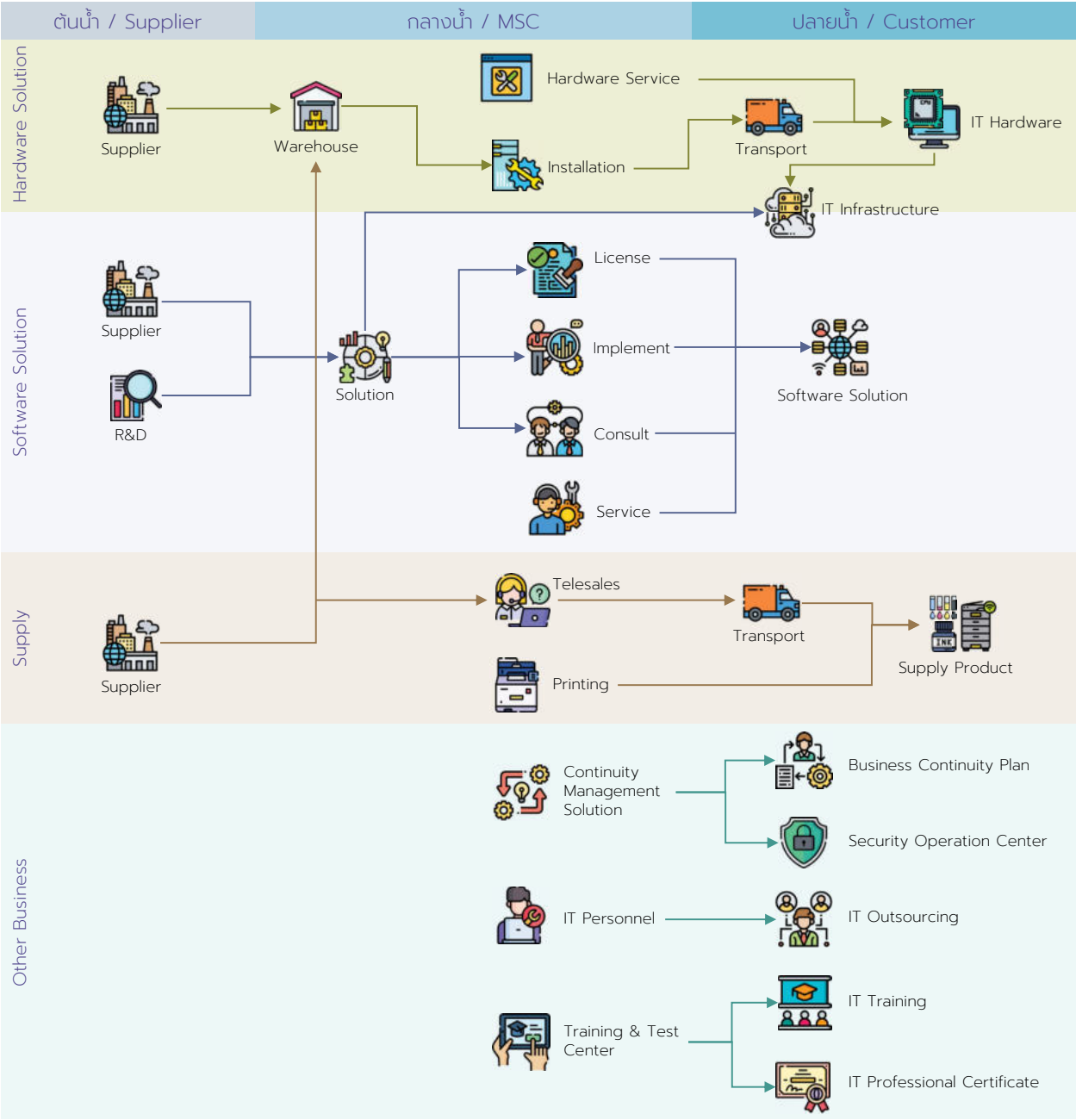
Sustainability Management Policies and Goals

The Company has set sustainability actions by driving various policies in line with the expectations of stakeholders, including the Stock Exchange of Thailand guidelines, which are in line with the Company's business direction and strategy to reflect its intent and focus. We are committed to driving our business with regard to environmental and social issues including respect for human rights and good corporate governance. The company has set its corporate sustainability management goals by setting key corporate sustainability issues in response to the United Nations Sustainable Development Goals (SDGs) in line with the Company's business strategy for shareholders and investors to be able to compare and track performance.

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



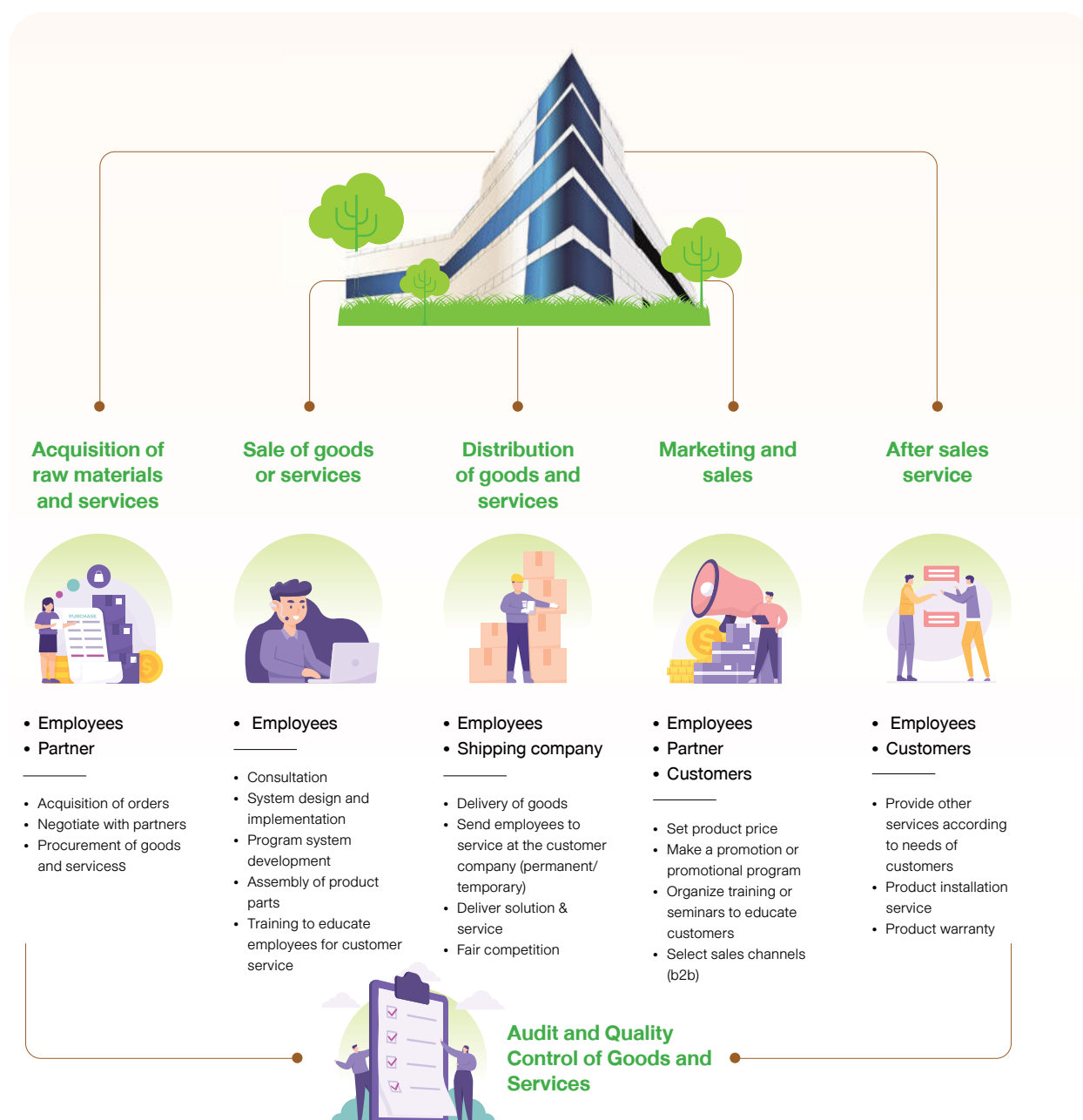
Management of the Impacts on Stakeholders in Business Value Chain



Business value chain

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

1) Main Activities



2) Support Activities

The Company has the idea to create long-term mutual growth, therefore, has set policies, goals and strategies in accordance with the principles of sustainable development in every step of the main operation from upstream to downstream, starting from sourcing products or raw materials that meet the market demands and be environmentally friendly, develop technology for quality products and services, manage human resources within the Company to be capable of supporting the main activities along the value chain to achieve the goals of the Company.

Analysis of Stakeholders in Business Value Chain

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

Stakeholders	Stakeholders’ expectations	Meeting expectations of stakeholders
Internal Stakeholders		
Employees	- Provide fair compensation and benefits that are comparable to those in the same industry and in line with the Company’s performance both in the short term and in the long term - Annual wage increases, including provident funds - Fair and equitable treatment - Cultivation of compliance with framework of the Code of Conduct - Encourage employees to develop their potential, increase their knowledge, operational abilities and advance their positions - Pleasant working environment - Operational safety - Up-to-date tools and systems and support operations - Profitable operations and sustainable growth - Goals and future business direction of the organization	- Review the compensation structure annually to ensure that the employee compensation policy is consistent with the Company’s performance, both in the short term and in the long term - Develop and promote employees with knowledge and expertise in the work including developing the potential of employees in various fields in accordance with the growth of the organization as well as instilling corporate values and work ethics - Treat employees fairly and equally without discrimination against employees - Provide other benefits such as medical expenses for employees and their families and allowances - Create a livable working environment by providing a sufficient workplace with modern working equipment and meeting rooms for easy use - Provision of protective equipment for risks that may arise from work, an infirmary to take care of employees with minor illnesses and first aid during working hours
Shareholders	- Higher dividend/return on equity and long-term value added for shareholders - Profitable operations and sustainable growth - Goals and future business direction of the organization - The Company conducts business with transparency, fairness and in accordance with relevant rules, regulations, and laws - Disclosure of accurate and equitable information - Technology and solutions that meet the needs of the market	- Treat shareholders equally and respect shareholders’ rights as prescribed by the Stock Exchange of Thailand (SEC) and the Stock Exchange of Thailand - Adhering to good corporate governance

Stakeholders	Stakeholders' expectations	Meeting expectations of stakeholders
Internal Stakeholders		
Partners	• Operate under business conditions and in accordance with industry customs • Not Doing business with partners who act unlawfully • Refrain from creating bargaining powers in trade by means of reciprocity or creating conditions for compliance and honesty in doing business together • The Company pays for goods and services in accordance with the conditions • Profitable Operations and Sustainable Growth • Goals and future business direction of the organization • Conducting business with standards in terms of quality • Conducting business that is environmentally friendly and in compliance with environmental laws • Protecting information or preserving sensitive information stored at the organization	• Uphold the principles of transparency, fairness, and equality in dealing/treating with business partners • There are policies and procedures in procurement to ensure fairness to trading partners, including to use in the management of companies in the group to be in the same direction • Disclosure to partners about the anti-corruption campaign policy, including the Code of Conduct of the organization • Comply with the conditions in the contract, terms and conditions or the Code of Conduct of the trading partners
Customers	• Selling products and services at fair prices • Quality products at international standards • Fast, easy-to-access service including after-sales service • Employees are knowledgeable in products and services • Profitable operations and sustainable growth for continued trust and confidence in service • Update new technology & new solution • Being a consultant and able to extend the customer's existing products to be more modern and better than the original instead of buying a new one • The presence of a One Stop Service Call Center, including quick response to any problems • Protecting information or preserving sensitive information stored at the organization • Execute the contract with transparency, completeness and accuracy while maintaining good and sustainable relationship between customers and the company • There is good corporate governance and fair practices with ethical employees • Products and services are in compliance with environmental laws and environmentally friendly business practices	• Rigorous training and audits to ensure that employees comply with the rules and the code of conduct • Regularly review the service work system to ensure that the current system continues to meet the needs of customers. • Conducting customer satisfaction surveys in view of confidence in products/services, satisfaction in service of sales staff and in receiving product information, consistency of service, skilled personnel with knowledge and understanding of products/services, accuracy and speed of ordering process, accuracy and speed of delivery, and satisfaction in each business group as a whole. The Company's survey results was brought to workshop with related departments to jointly find ways to improve products and services to increase customer satisfaction

Stakeholders	Stakeholders' expectations	Meeting expectations of stakeholders
External stakeholders		
Community	• Provide assistance in various fields that are beneficial to society and the community. • Support tools and equipment for education • Refrain from causing pollution to the environment and society • Cultivate awareness and encourage employees and related persons to act as good citizens, have responsibility and make contributions to society and communities	• Committed to supporting activities that are beneficial to society and the community • Taking care of business operations to avoid causing pollution to the environment and society • Encourage employees and related parties to act as good citizens, have responsibilities and make contributions to society and communities • Educating, study visits and listen to lectures on IT knowledge • Cultivate awareness of social and environmental responsibility among employees through various activities
Competitors	• Conducting business and treating competitors fairly under the framework of commercial competition • Do not take any action that infringes the intellectual property of competitors • Do not seek confidential information inappropriately or in bad faith • Do not damage the reputation of competitors by making defamatory allegations without truth • Cooperate in the competition to create good market conditions, such as providing information about the product or creating new products or services, as well as entering into any agreements with competitors or any person that has a nature to reduce or limit trade competition	• Cooperate with government agencies • Comply with applicable laws and agreements
Government and government agencies	• Cooperation in acting as a good citizen, complying with the requirements of the law in doing business • Accounting and taxation for the state according to the nature of the business • Conduct business with honesty and fairness • Refraining from bribery and hiring government officials to facilitate their business operations • Refrain from cooperating in supporting the actions of government officials with the intent to commit fraud in any way, including not allowing civil servants to misbehave in their business • Profitable operations and sustainable growth	• Summarize the regulations to convey to employees and follow them in time for enforcement • Continually summarize the rules and regulations for the Board of Directors for acknowledgment
Creditors	• The Company has debt repayment or interest payment in accordance with the contract terms • Profitable operations and sustainable growth	• Comply with the terms of the loan • Be responsible for various guarantee conditions with honesty in order to build trust and fairness to creditors. If the Company fails to comply with the conditions, the company will inform and negotiate with creditors in advance to jointly find ways to prevent and remedy damages that may arise

Identifying sustainability priorities

The Company has set the key issues in this report as follows:

Step 1 Identifying key points

Identify key issues affecting the Company's sustainability, covering economic, social and environmental dimensions, both internally and externally, considering the risks and opportunities to the Company's business as well as the expectations of internal and external stakeholders of the Company and collect information from the various departments of the Company responsible for the relevant matters.

Step 2. Prioritize the key points.

Prioritize each sustainability issue and define short-term, long-term strategies and goals to assess the level of economic, social and environmental impact on the Company's business operations and to the extent that it affects decision-making of stakeholders using Materiality Tools Matrix to prioritize corporate sustainability issues.

Step 3 Developing an action plan and assigning responsible parties

Gather the results of the assessment of key issues and identify their coherence among them in order to create a summary of the key issues for the Company in analyzing the management approach in each issue and identifying the responsible parties for that task by presenting them to the Executive Committee to consider and approve the important sustainability issues including scope of the content of the report.

Step 4: Monitoring and Evaluation

Review the results of the assessment of key issues and regularly monitor, control and audit operations to achieve the Company's sustainability strategy.

Sustainability Issues Assessment Results



Sustainability Issues

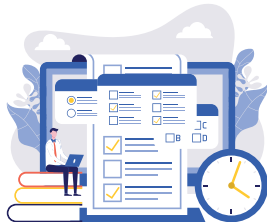
The Company has taken its priority issues into its sustainability management strategy and has set goals in each point in line with its strategy by operating in the economic, social, environmental, and technological dimensions to support its achievement. UN Sustainable Development Goals SDGs continuously.



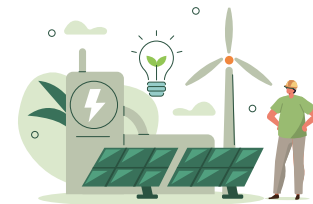
- Financial planning, investment and fund management projects for savings.



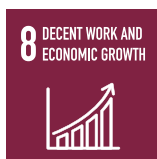
- Fitness, swimming pool, salt system, sauna
- Fitness club, yoga, football, badminton
- Annual health check



- Smart Classroom Project
- University Networking Project
- MSC Academy
- Open to visit the Company's technology center



- Install solar power generation panels
- EV Charger



- Occupational Safety Training
- Employee Outsourcing
- Internship Student



- In-house innovation promotion project



- Selection of quality and standard products from leading organizations
- METRO Green Clean Office Project



- Anti-Corruption Campaign
- Human rights policy
- Provide training for testing business ethics and Company policies



Quality of Goods and Services

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



Good Corporate Governance

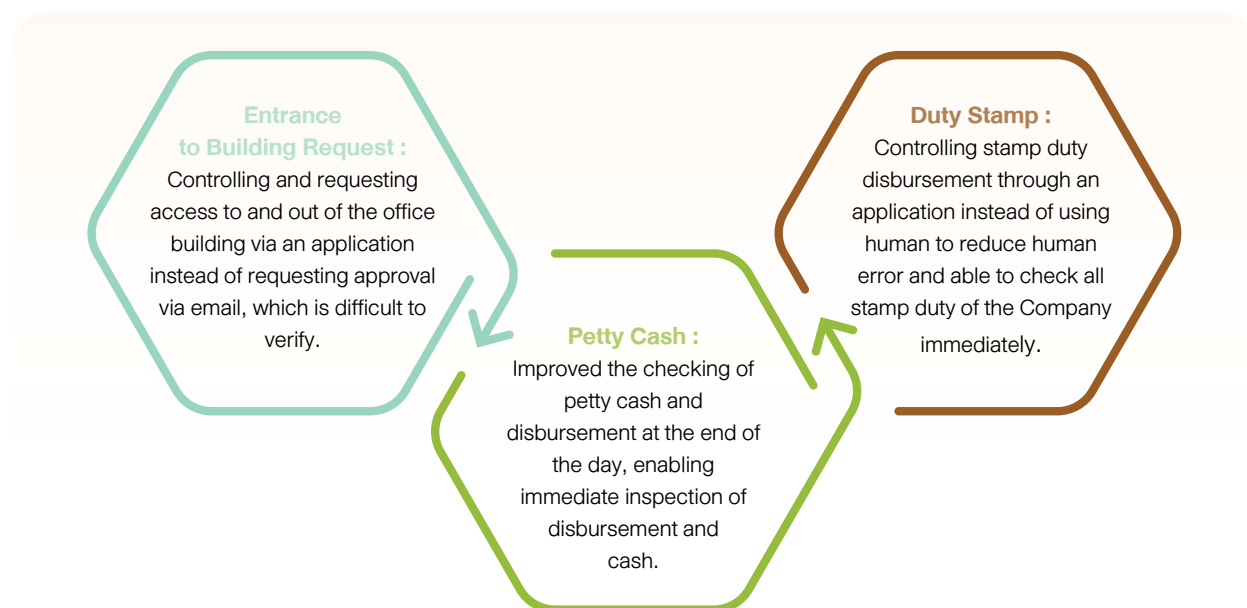
The Company promotes a peaceful and inclusive society for sustainable development, provides access to justice for all, and builds a responsible, productive organization with a transparent, fair and efficient management system under the supervision of the Supervisory Subcommittee. As for Good corporate governance, this is no infringement of intellectual property rights, altruistic benefits that may arise from improper operations, as well as having accurate, complete, transparent, verifiable and timely tax action. The Company is committed to complying with relevant laws, not causing tax evasion, including tax management in each country which the Company operates. The Company has established an anti-corruption policy by being determined to create a corporate culture to reject corruption in all transactions with the public and private sectors, in which directors, executives and employees of the Company at all levels participate in overseeing any act of corruption and denial of corruption in all forms, both directly and indirectly.



Innovation Promotion

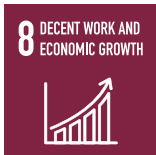
The Company has strategies to advocate technological innovations relevant to business operation to meet market requirements and to meet future changes, including new services, products and processes with value creation beneficial for the organization and stakeholders. The budget of approximately 16 million baht has been spent on researches and developments, with objectives on innovation creations to generate social and/or environmental interests and values, enhancing competitiveness of employees and driving the organization as future business leader were as follows:

Programming using Power Apps, a tool built into Microsoft Office 365, which could help employees improve their productivity, make work faster, and can instantly review tasks and report summaries in iOS, Android, and browsers as everything is stored in the Database, thus making it possible to use in their own departments, as well as other agencies that can retrieve data from this Database to be used as data in their own work as well. This year, the Company has had employees written and developed more than 15 applications, for example:



SMART APP is a new ERP Application system developed serving as the starting point of use in the core processes of the organization. This encompasses starting from creating Quotation or Purchase Agreement and connecting to an application or other related workflows, whether for new customer folder or requesting credit changes for existing customers. As compared to data that is scattered in the old system, the use of the ERP application makes it possible to connect functionalities and related process data for easy and quick retrieval. Training will be provided for the use of the Smart APP to prepare the sales department in usage of the system.





Establishment of growth through value chain

The Company has a strategy to adapt the business model according to the trends of information technology to be in accordance with the digital transformation era. It allows understanding of customers' business, enabling assist and support of customers by delivering standardized quality products, offering and providing services tailored to the needs of customers in each diverse organization such as design consulting, installing information security systems, organizing seminars to educate customers about technology and products for customers and related parties, including paying attention to after-sales service, regularly checking and evaluating customer satisfaction.

The Company emphasizes on sustainable business development along with taking care of social and environmental responsibility. There are various social activities such as supporting teaching materials and educating students about technology. Information is open to educational agencies, customers or interested external organizations to come and see the work within the organization, including giving opportunities for all employees to participate in social activities, organize activities to communicate the direction of operations and corporate strategy to employees at all levels.



Employee's Potential Development

The Company has an MSC Academy unit with a strategy to build human resource potential to develop and upgrade the knowledge and abilities of personnel, focusing on all employees to develop knowledge, skills and personal characteristics consistent with the individual development plan and professional development path (Training Roadmap) through the search for courses from training institutions of interest classified by categories in business operations for continuous self-learning and self-development, as such of Master Class, which has high efficiency and at the international level.



The Company supports the creation of technology innovation within the organization to inspire people to create new innovations and to encourage employees at all levels of potential to present results and action plans to High-level management to train leadership and ownership skills based on organizational values, which not only builds organizational engagement but also makes employees willing to explore their potential to create quality and value of work and be ready to create results for the organization continuously. This is because personnel is the most important factor in business that will increase competitiveness.

In addition, the Company has continually provided training and development for employees at all levels through a variety of learning styles through blended skills development, starting with organizing an orientation for new employees so that employees can learn and adjust, in line with the corporate culture and basic knowledge of social responsibility, business ethics, anti-corruption, and provide internal training (In-house Training), external training (Public Training), self-learning (E-Learning), On the Job Training, Coaching-Feedback, Project Assignment, Online Learning, and encourage employees to gain experience abroad during work trips. The Company has reviewed learning plans and develop them every year to be consistent with the strategy and business operations of the organization, including the Training Roadmap that the Company has set up to develop skills, knowledge, and abilities of employees, which is divided into learning levels as follows:

1

Individual level, the Company encourages employees to learn basic courses such as the practice of new employees, Code of Conduct for Employees, Quality Management System ISO9001, Risk Management System, Awareness of information technology, safety, occupational health and working environment, self-leadership, Growth Mindset, Performance Management (Metro PRO), Metro Success Factors, and Code of Conduct for Core Values (METRO Way), etc.

2

First Line Manager level, the Company encourages employees to learn leadership development courses such as Leadership Development Program, Performance Appraisal, Coaching and Feedback, People Management, Growth Mindset, The 7th Habits of Highly Effective People, The 8th Habits, Design Thinking, 3C Program (Creativity / Critical thinking & analysis / Complex problem solving), Situational Leadership, etc.

3

Middle Management level, the Company encourages employees to learn and develop skills at the executive level such as Mini MBA, Finance for Non Finance, The 7 Habits of Highly Effective People, Director Accreditation Program (DAP), 3C Program (Creativity/Critical thinking & analysis/Complex problem). solving), Situational Leadership, Successful Formulation & Execution of Strategy (SFE) and various Strategic Management courses, etc.

4

Top Management level, the Company encourages employees to learn and develop skills in the form of senior management such as courses on Corporate Culture, Advanced Management Program for Executive, Enterprise risk management, Director Accreditation Program (DAP), Director Certification Program (DCP) and other courses organized by The Thai Institute of Directors Association, etc.



In 2021,
the Company promoted 12 percent
of the total number of full-time
employees,



Increase **4%**
from the previous year.

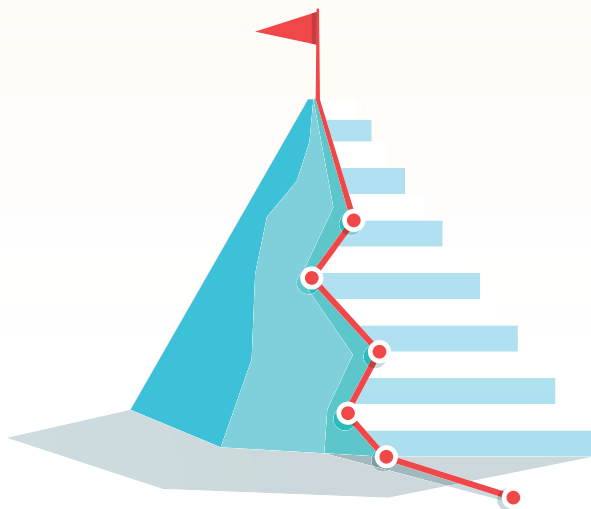
1 NO
POVERTY3 GOOD HEALTH
AND WELL BEING

Employee Retention

The Board of Directors has appointed the Welfare Committee to provide opportunities for employees to discuss welfare, benefits, or changes in regulations that may affect the Company's employees by defining guidelines of employment and compensation issues that show that the Company does not discriminate and provide equal opportunities for all. This includes women with disabilities or other disadvantaged groups to incentivize talented and experienced workers in the company and to retain employees who have the ability to work with the Company in the long term, as well as stipulating measures in the event of termination of employment in the employee handbook to demonstrate the intention and approach to treating the Company's employees fairly and giving

importance with the best health care and welfare of personnel because the Company believes that personnel is an important part that will drive the organization towards sustainable success.

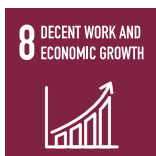
The Company focuses on taking care of employees throughout their careers through assignments to perform their duties according to their specific potential, managing skills development in accordance with professional goals, as well as paying attention to the balance between work and life to take care of the quality of life of all employees to have morale and engagement with the organization, which is critical to building sustainability in every step of growth. The Company places importance on employee retention and retention strategies in which One on One Session mentoring solution is offered to support in setting career goals and planning individual self-improvement paths to encourage colleagues to grow and thrive throughout their career in MSC Group. The Human Resources Department will give advice in MSC Career Grown Clinic as follows:



MSC Career Grown Clinic

- Provide information on the Career Path, promotion criteria and Learning Roadmap
- Assess strengths with the Strength Finder and DISC Leadership Profile
- Consultation on setting career goals
- Suggest issues that should be developed in terms of knowledge, skills, attributes and learning channels to enhance competence in line with the career goals of individual employees and Career. Organization Roadmap

In addition, the Company has intervened in human resource development through learning processes and activities organized, such as enabling employees to participate in corporate social responsibility programs in order to promote work ethics and develop psychologically and emotionally, and generosity to society and the environment, financial planning, investment, organizing funds for savings with experts from financial institutions to regularly educate employees about saving money to create long-term financial stability. The Company has also designed training programs for mid-level managers to learn strategies and tools for managing finances, asset and wealth management, investment decisions, finance and business management, as well as projects to promote health of employees (Wellness Program) by arranging nutritionists to give advice on food choices, along with the right exercise, and organizing various innovative activities to motivate them to expand their creativity with employees such as MSC Tech Trend 2021, etc.



Safety & Occupational Health

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

In addition to taking care of employees to work effectively, the Company has invested in the health and safety of employees to take care of their health and improve quality of life of employees according to the Happy Workplace concept, be it in establishing club building for employees to use the facilities such as fitness rooms, table tennis room, yoga room, aerobics room, saltwater swimming pool and saunas, etc. There are also training on safety, occupational health and work environment, and various sports clubs in order to build relationships between employees and also promote good health for employees as well.



Labor and Human Rights Practices

The Company recognizes and gives importance in respecting human rights principles that take into account society, communities, as well as customers, business partners and employees in order to not violate human rights and to give equal rights from the process of recruiting employees to work until up until employee dismissal. The Company has disclosed its human rights policy and practices on its website as well as organized activities to educate on respecting human rights to reduce risks of human rights violations including giving employees the opportunity to express opinions, report suspicious or complaints about unfair practices, wrong acts in the Company, corruption, human rights violations, acts that are against the law or principles of corporate governance, or not in compliance with the Company's code of conduct by having monitoring process and reporting the follow-up results to the Board of Directors for acknowledgement.

This year, there were no complaints or been notified about human rights issues. In case of violations, the Company will provide remedy according to the Company's work regulations to alleviate the impact of human rights violations, as well as to protect employees who express their opinions, report clues, or submit complaints directly to the management through the complaints channel on the Company's website.





Environmental Management

The Company realizes that business operations will affect environmental stakeholders both directly and indirectly. Therefore, the Company is committed to pushing and supporting operations to have minimal impact on the environment. The Board of Directors has appointed the Sustainability Development Sub-Committee to operate in accordance with the Corporate Social Responsibility Policy covering the management and preservation of the environment according to the Company's policy. The Company has campaigned for everyone in the organization to strictly comply with the environmental policy, as well as provide training courses related to the environment, occupational health and safety to personnel within the organization continuously so that everyone is aware of the importance and to upgrade their knowledge and strengthen the guidelines in conducting oneself in accordance with the environmental policy.

In addition, the Company has invested in green organizations (Green Investment) with a budget of more than 3 million baht to develop clean energy and alternative energy to be used effectively, be it is the use of separate types of waste bins, the use of fertilizer-making machines from food waste, the use of LED lamps, or the installation of air purifiers in the office for employees. The Company had also installed electric vehicle chargers (EV Charger) as an alternative to the pollution-causing gas or fuel oil, where it is cleaner in such that it reduces carbon dioxide emissions. This initiative ensures accessible, reliable, sustainable, and modern energy for all employees, customers, and partners who are in contact the organization free of charge.



Contribution to Community & Society Development

The Company places importance on community and social development as something that must be in tandem with the Company's business operations by allocating budgets for activities for employees to participate in community and social development for more than 1 million baht. This year, the Company aims to support education through the Smart Classroom Project, University Networking, and learning channels on online platforms, as well as communicated to employees to create awareness and participation in such activities and/or projects to encourage all employees to participate in doing good, giving back, and continually provide assistance to society and the community.

Sustainability Management in Environmental

Environmental Policies and Practices

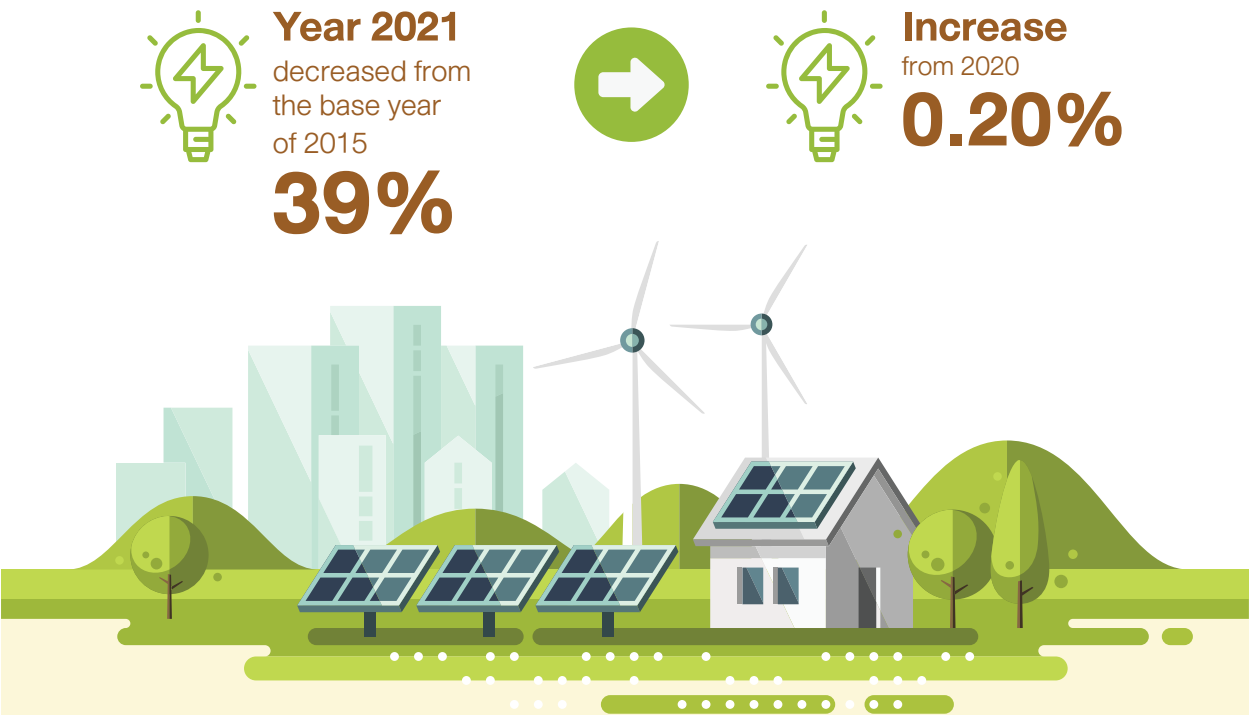
The Company has set environmental policies and plans as parts of business operations. This starting from procurement, production, goods & services delivery and waste disposal. With the Board of Directors striving on reduction of negative environmental effects, Sustainable Development Sub-Committee has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



Environmental performance

Electricity/Energy Efficiency

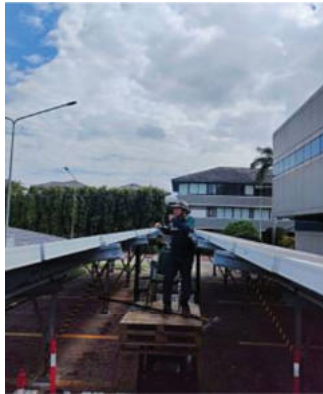
The Company has set a goal to reduce electricity costs at least 1% every year through installation of solar cell panels on the roof and car park buildings to save electricity and create an environmentally friendly image, including implementing various projects such as stickers campaigning to turn off the lights when not in use, set timer to turn on and off the air conditioners between 12.00-13.00, separate switches for specific lights, and organizing campaigns for employees to save electricity through various channels, starting from modifying their own behaviors such as turning off the lights when not using, unplugging every time after using electrical appliances. The cost of electricity in 2021 decreased from the base year of 2015, accounting for 39 percent and an increase of 0.20 percent from 2020. The Company is still determined to reduce the amount of electricity continuously by conveying from public relations to employees through the Company’s portal every quarter for 1 week.





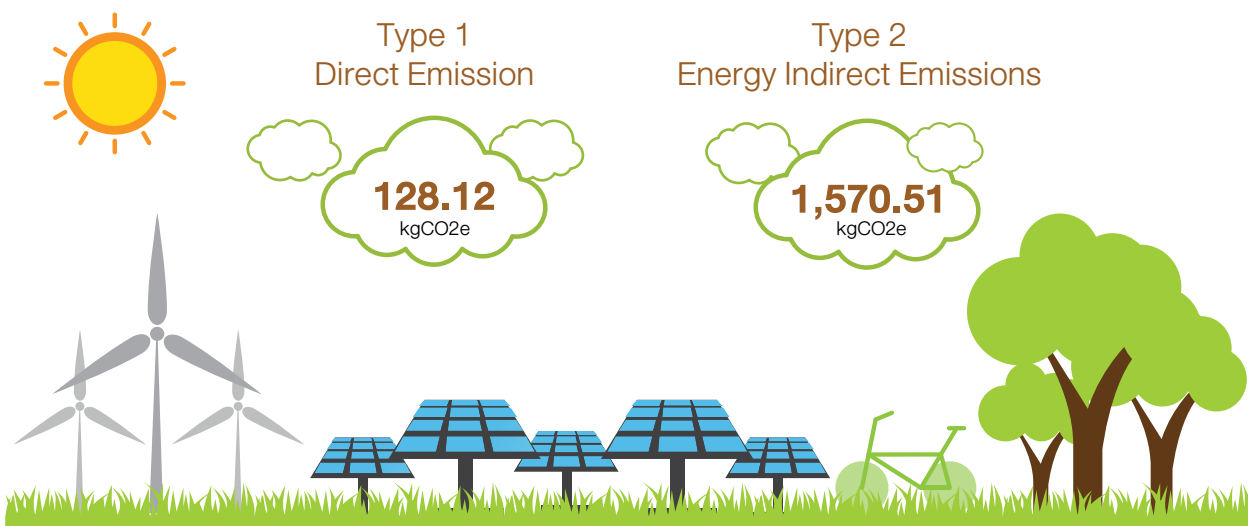
Energy efficiency improvement

The company has switched to high-efficiency energy-saving equipment such as LED light bulbs, solar cell lamps to reduce electricity consumption and reduce greenhouse gas emissions, and also help the nation save energy by reducing burning of fossil fuels to produce electric power. In addition, the solar cell has been cleaned to increase efficiency of production.



Greenhouse Gas Management

The Company has attended the training on greenhouse gas management reporting guidelines to prepare in being a model for sustainability reports preparation according to the draft manual of Sustainability Reporting Guide of the Stock Exchange of Thailand which is the basis for the GHG Emissions Report. This thus enables the Company to produce the 2021 Corporate Greenhouse Gas Emissions Report to serve as guideline for the Company's greenhouse gas management. It is divided into 2 types as follows: Type 1 Direct Emission amounting 128,123.40 kgCO₂e, Type 2 Energy Indirect Emissions amount 1,570,505.80 kgCO₂e. The focus is on increasing energy efficiency and using renewable energy as well as to monitor performance of energy efficiency and greenhouse gas emission reduction according to the target set to reduce the amount of greenhouse gas emissions by 1% compared to the previous year. This year, the Company was able to reduce its carbon dioxide emissions by 328,869.05 kgCO₂ per year and energy consumption by 586,219.34 kWh per year, a decrease of 14.92% compared to 2020. In addition, the Company has contributed to the society by providing information and giving opportunities to those interested in visiting the Company's solar power generation system along with guidance on operations including the benefits, to support any company interested in applying the said system within their own company as well. This will enable partners to develop sustainable business operations.





Efficient use of water

Since the Company operates as a distributor and does not operate in the manufacturing industry or is an establishment that mainly requires the use of water. As a consequence, the cost of water did not differ much. Therefore, a quantitative goal was set to reduce the use of water resources within the organization by 10 percent compared to the previous year. However, based on the Company’s water usage data collection, the number of water supply units in 2021 increased from the previous year of 2020 at 60.98 percent. Due to the spread of the Covid-19 virus, the Company has increased preventive and disease control measures in accordance with the measures of the government sector. The Company also required employees to wash their hands often, and frequently wipe and clean office buildings and central areas around the Company which thus resulted in the increase in water usage. We have campaigned for water saving efforts within the organization through public relations for employees to be aware of and adhere to through the METRO Green Clean Office project by turning of water taps when not in use to help save water, and to use water wisely.



Water Consumption Unit in 2021

↑

Increased from 2020

60.98%



Management of noise pollution in accordance with the standards

The Company has always maintained its generators and accessories to be in good condition, has annual noise measurements in the working area every year, and is ready to take corrective actions in the event that the noise levels are higher than the standards according to the law.



Measuring the brightness in the office to be in accordance with the standard

The Company has arranged to measure intensity of light and analyze the working conditions according to the nature of the work and the use of light intensity in the work in accordance with the environmental law by conducting annual measurements where the measurement were within requirements according to the standards set by law.





Reducing waste from business processes

The Company considers its customers and partners because they are in the group of stakeholders that the Company gives importance to and are in the supply chain of the business. The Company has a process to dispose used toner cartridges by sending back 138 cartridges to Hewlett-Packard (Thailand) for further use in the last year.

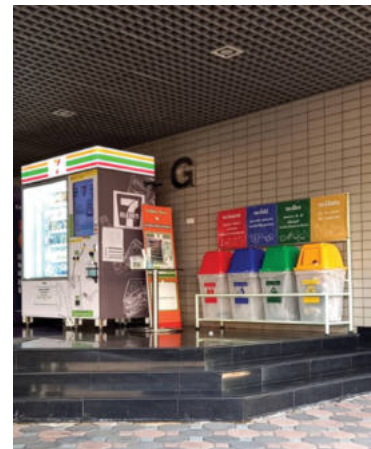
The Company did not have any industrial waste from the business processes, thus no unused electronic devices were put into the treatment and disposal process.



Campaign for waste separation

In order to be an environmentally friendly organization (green office) and in accordance with the Company's environmental policy, as well as campaigning and creating a waste management system that is appropriate for the organization to ensure good hygiene for employees and realize the importance of proper waste separation,

the Company had campaigned to raise awareness for all employees to separate garbage before discarding every time, which the Company has arranged separated trash bins by colors according to the type of waste in the organization. Waste separation is according to the principle of 3R: Reduce, Reuse, Recycle where composting of leaf scraps for use in the organization, proper sorting of wet waste which the Company takes it through the composting process using composting machines, installing hand dryers in place of using toilet paper. The Company has set a quantitative target to reduce waste within the organization by at least 100 kg from the previous year. The waste separation resulted in an increase of 2,281.35 kg of materials as compared to 2020. The amount of waste increased due to the spread of the Covid-19 virus, where the Company was required to increase prevention and control measures in line with government measures. The Company is still committed to campaigning and managing to reduce the amount of waste from business processes.



Sustainability Management in Social

Social policy and practice

The Company recognizes and places importance on respecting human rights which is a fundamental right under the Human Rights Policy (see details at the website <https://www.metro-systems.co.th/home-th/>), which is consistent in line with the Universal Principles of Human Rights and the United Nations Guiding Principles on Business and Human Rights by treating all stakeholders, employees, communities, and society around them with respect for their human values. This takes into account equality, does not discriminate in terms of employment, compensation, promotion, training and employee potential development without discrimination of gender, age, educational institution, race, and religion. This also includes communicating human rights policy to employees at all levels to be aware and strictly follow, while for new employees it is communicated via orientation with e-learning system every month, as for current employees it is communicated through online quiz which was conducted last November at

In the past, the Company has established a process to monitor and supervise the company's business operations, including the performance of employees to prevent them from being involved in human rights violations such as child labor, sexual harassment, etc., as well as reporting the follow-up results to the Board of Directors for acknowledgment.



Social Performance



Employees Recruitment

The Company has a policy to recruit good employees with high standards, and the success factors of the organization are leadership, creativity, and problem-solving skills, good communication, teamwork skill, with professional competence for high-efficiency performance. Staff recruitment will be based on the necessity and suitability of the work according to the Company's manpower plan. The employee to be hired must be equipped with qualifications, experience, and competence appropriate for the position. Such recruiting is not limited by gender, race, and religion or other disadvantaged groups. Staff recruitment is carried out in a number of channels, such as social media advertising, organizations and vacancies public relations projects (MSC University Networking, Jobs Fair) including recommendations from executives or employees in the organization to gain widespread awareness in the labor market which helps to make recruitment more effective.



Development of Human Resource Management System

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

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

Employee under 30 years



Male 247 Person



Female 146 Person

Employee 30-40 years



Male 205 Person



Female 179 Person

Employee 41-50 years



Male 104 Person



Female 103 Person

Employee over 50 years



Male 46 Person



Female 60 Person

Disabled/ Disadvantaged Employees


do not
have

do not
have

Total

Male
602
Person

Female
448
Person

Fair Compensation

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

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

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

In addition, the Company has set up a welfare committee. The resolutions or opinions of the Welfare Committee will be sent to the Human Resources Department for the benefit of reviewing various welfare benefits in accordance with the needs of the employees.

Employee Training

The Company aims to develop employees by having employees attend at least 6 hours of training, not less than 50 percent. In 2021, 81.78 percent of employees received training and expenses incurred were as follows: about 3.3 million baht, the total number of courses organized were 172 courses (In-house 37 courses/Public 135 courses), which is knowledge training in Hard Skill and Soft Skill, including training from product owners to increase skills, knowledge, and expertise for employees both in the country and abroad, with employees who have passed at least 6 hours of training a number of 832 employees representing 81.78 percent of the total workforce, and 56 employees have undergone proficiency testing by product owners for their employees’ career advancement.



Training over

6 Hours

832 Employees

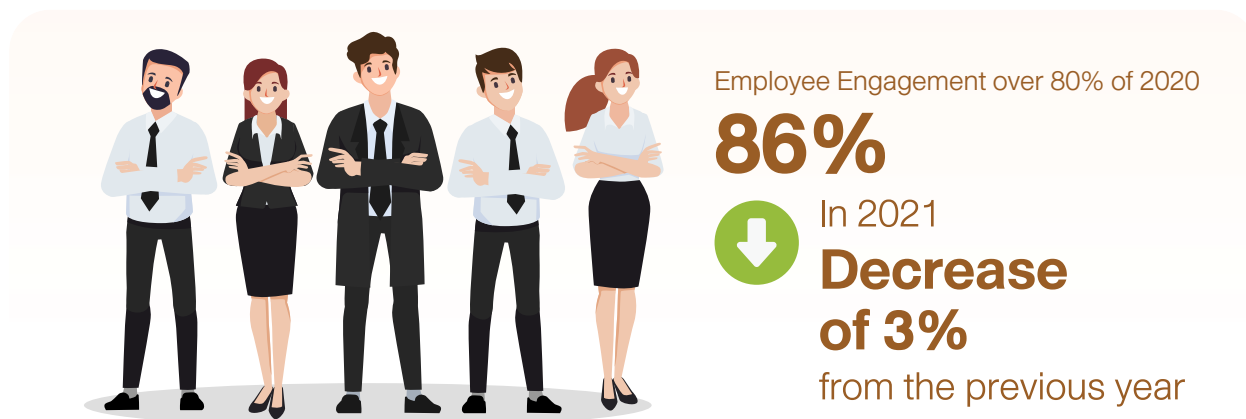
81.78%

Note: For the year 2021, due to the Covid-19 situation, the Department of Skill Development has reduced the target for employers to organize training for 50% employees to 20%

Employee engagement

In the last year, the Board of Directors has formulated a plan to develop employee engagement in order to make employees feel connected to the organization according to the Human Resources Management System Development Plan starting from recruitment, training, development, and care continuously to create employee engagement because we believe that when employees have love and commitment to work for the organization, it will result in highly effective employee performance as well. The average employee engagement score target is not less than 80%. In 2020, engagement score was 86%, while in 2021 it was 83%, a decrease of 3% from the previous year.

The Company and its subsidiaries have never had a labor dispute in the past 3 years, and in the past year, the employee turnover rate was about 10%, an increase of 3% from the previous year which the target set is turnover rate of less than 10 percent



Admiration

The Company attaches great importance to recognizing employees who have performed excellence and acting as role models for corporate values, which in return encourages expressions consistent with corporate values and builds an organizational culture with positive energy to attract and unite employees in the MSC way. Employee recognition programs were implemented for both their contributions and role models through a variety of commendation programs, such as the METRO Way Awards, MSC Superstar Award, Recognition Card, which executives and employees can use to write to express their admiration and appreciation to colleagues in the organization who express corporate values, or METRO Way to strengthen morale of colleagues and create a work environment that supports and encourages each other, etc.

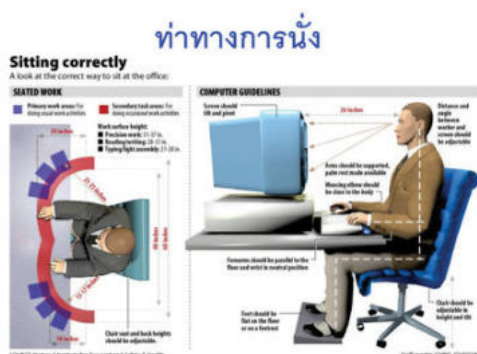
In the annual Commendation Ceremony, the Management and Human Resources Department organized the annual METRO Way Award to recognize individuals who are role models for outstanding contributions and express corporate values clearly in a Hall of Fame format and Role Model Award to create pride and pass on corporate culture as a way of living together happily and sustainably.

Last year, the Company presented the METRO Way X Excellence Award to 10 outstanding employees, which was a good example of how to behave and act in accordance with the Core Values, chosen by the executives of each business group.



Safety, occupational health and work environment

The Company has provided training course on “Safety, Occupational Health and Work Environment for general employees and new employees under the Safety Act 2011 with the objective of raising awareness of safety supervision and to create together a good working environment that is suitable for working properly according to the rules set forth in an online training format to provide new employees with knowledge and understanding of work safety such as office environment management, office fire prevention control, and ergonomics to prevent office syndrome. There was also course on prevention and reduction of risk of illness or injury in the workplace and in the daily life of employees as well. In addition, the Company has arranged fire evacuation drills as a guideline for employees to know how preventions during such incidence, and in order to comply with the Ministry of Interior’s notification on fire prevention and suppression in the workplace for safety at work for employees. The employer shall arrange for fire drills and evacuation drills at least once a year.



In addition to providing training, the Company has also taken care of the health of its employees by providing annual health checks for all employees annually to assess their health conditions and risks of diseases, including organizing the MS Fit Challenge activity for employees to be conscious of their health and to educate them about the practice of taking care of health and working posture to suit the workers to work properly and quickly reduce mistakes in work. This also include developing safety, reducing stress and fatigue from work, and preventing problems from office syndrome, especially sitting for a long time without moving or adjusting posture which consequently leads to muscle inflammation and aches in various body parts which is considered the most common symptom.

The Company has a fitness club to encourage employees to maintain regular physical health and a variety of interest-based exercise options to manage stress outside of work, such as the badminton club, football Club, yoga club, aerobics club, table tennis club. The Company also consistently work to provide suitable working environment by regularly measuring and assessing light, sound, indoor air quality, humidity, and working room temperature.

In 2021, the Company has set target for accidents of not more than 2%, as a result of which the statistics rate of accidents is 0% and the rate of unemployment caused by work-related illnesses is 0%.



Accident Statistics

0%

Absent rate of work-related illness

0%



Customers

Responsibility to partners

The Company is committed to continuously developing products and services to meet satisfaction of customers with responsibility, honesty and ethics. In 2021, the Company conducted customer satisfaction survey in the view of trust in products and/or service, satisfaction service of sales staff in obtaining information about goods and regular services, on personnel having skills, knowledge of products/services, accuracy and speed of ordering process, accuracy and speed in delivery of goods, and satisfaction in each business group as a whole. Satisfactory level was at very satisfied with no complaints from customers to the Company in any way. The Company has brought the survey results to meetings with related departments to analyze the survey results and jointly find ways to improve products and services to increase long-term satisfaction. The Company aims to survey customers satisfaction annually, with satisfaction rate aimed at not less than 80 percentage.

Customer Satisfaction Survey

Business group SIG

86.80

87.89

91.73

Business group DPG

95.92

93.24

92.33

Business group DSG

89.66

89.70

91.48

MSC

90.79

90.27

91.85

● 2019
● 2020
● 2021



Contact Channels for Customers or Consumers

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



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



email crc@metrosystems.co.th



Tel: 02-0894242

Cyber and Personal Data Security

The Company has standardized Personal Information

Protection Policy in compliance with Personal Data Protection Act B.E. 2062 (2020), with provision of online test on "Personal Data Protection Act (PDPA)", by the objectives to convince all management and employees on Personal Information Protection laws as imminent laws relevant to personal daily living and corporate operation. This year, no incident of damages caused by customer data leakage at all.

In addition to preparing for the organization, the Company realizes the importance of personal data protection for its customers. Therefore, the Company had organized a seminar with KPMG Phoomchai Audit Ltd. on the Personal Data Protection Act to customers in order to understand the relevant laws as well as to implement them accordingly from the beginning until the adoption of various technologies to cover the law and to drive the organization to comply with the law properly and prepare for the Personal Data Protection Act to come into force on 25 May



2022, by which KPMG has indicated the guidelines for collecting data, use or publish personal data, and answer questions about the legal process in detail and clearly with McAfee intelligent solutions from M.TECH, security solutions experts in which they provided insights on data retention as well as control and monitoring of use of information to prevent information leakage.

Customer privacy protection

To protect the personal information of customers, the Company has established an information technology security policy in order to ensure that the Company's information technology system is appropriate, efficient, stable, and able to carry out business activities on an ongoing basis. In order to prevent problems that may arise from misuse of technology systems and threat of various threats, the Company has put in place measures to notify its customers of issues related to data storage and privacy protection practices. The subject matter of



Personal Data Protection Act (PDPA)

personal information covers the customers' information that the Company collects, the use of the customers' information, giving the customers the right to decide if the Company can use the customer's personal information for periodic notice, duration where the information is stored by the Company, the Company's operating guidelines if such information is requested to be used by third parties, and information security practices and information systems are established. These practices are consistent with the policy for employees to use as a guideline for operations, with the Information Technology Department being the responsible unit at the operational level, acting directly in the management of confidence and security in information technology. Further details could be obtained by visiting: <https://www.metrosystems.co.th/privacy-policy-th/>

Cyber threat protection

The Company recognizes the importance of protection of data in business operations from cyber threats which is something that many organizations focus on. Therefore, the Company has opened the Metro Intelligent Cyber Security Center (MiCSC) using Security Incident & Event Management (SIEM) technology at the international level to meet the needs of information technology security requirements of the public and private sectors, including increasing the security of personal data protection, having personnel with skills and knowledge of security, surveillance, investigation, and provide timely response to threats 24 hours a day every day. Customers can track progress of the problem through the Ticket Management system and the MiCSC team where they will be able to recommend basic solutions to customers so that the threat does not affect business operations, helping organizations run their business efficiently, and reduce burden of expenses in the organization. This year, the Company also opened for customers to visit the WFH intelligent information security surveillance center.

Information technology awareness training

Information Technology Department was responsible for providing training according to ISO 27001 standards for employees throughout the organization to raise awareness of information technology in an online format in the Security Awareness Training 2021 course, where 86 percent of all employees were trained, with target set at 80 percent.

Organized ISO/IEC27001 AWARENESS & INTERPRETATION training course in an online format to allow employees to learn the content and principles of the information security management system, interpretation of terms, and improvement of existing systems to comply with international standards.



Community and Society

In 2021, in order to maintain community and society along with the Company's business operation, the Company has set the policies to support activities and educational projects, then communicate to employees to create acknowledgement and contribution of such, as detailed below.



MSC Jobs Fair

The Company has organized an event to create opportunities for students who are studying to work at levels that match their knowledge and skills in leading organizations. This year, activities were organized for Sirindhorn International Institute of Technology, Thammasat University, and Kasetsart University, Bang Khen, which was organized in the form of Virtual Online Jobs Fair.



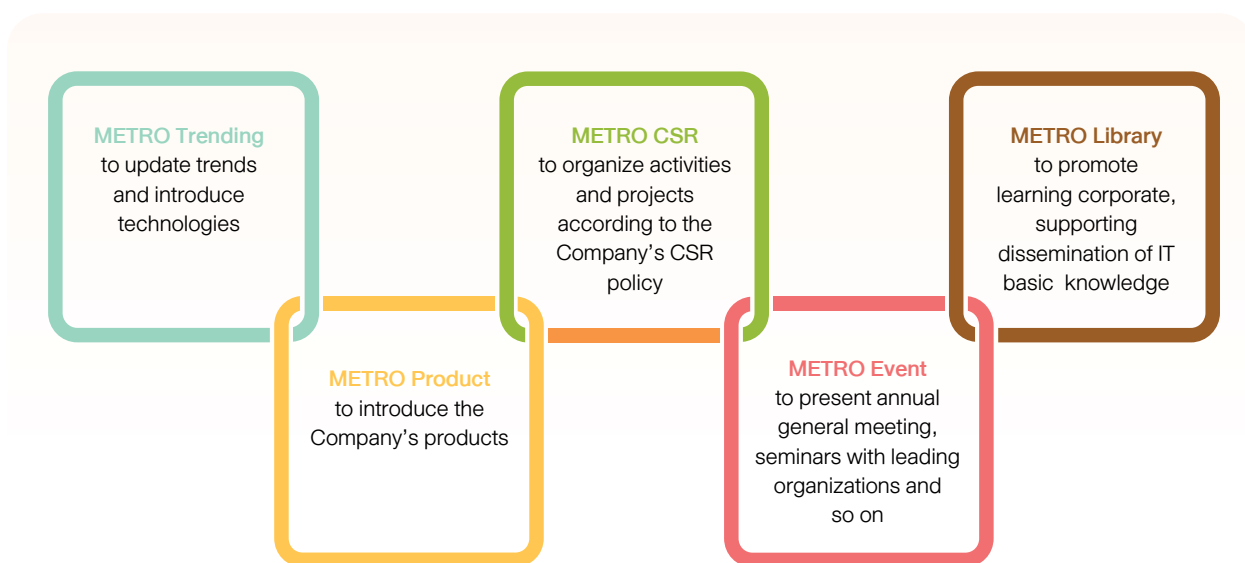
MSC University Networking

The Company has set a goal of organizing activities at 6 institutes this year. The Company has successfully implemented the goals that have been set, which are listed as follows: 1. King Mongkut's Institute of Technology Ladkrabang, 2. Thai-Japanese Institute of Technology, 3. Institute of Technology Asia (AIT), 4. Sirindhorn International Institute of Technology, Thammasat University, 5. Chulalongkorn University, and 6. Kasetsart University Bangkok. Within the activities, there were lectures on various technology-related knowledge to students of various institutions by speakers of companies with knowledge, competence, and specialization, which increases the opportunity for students to have access to modern digital technology, enhancing knowledge, understanding, skills, and direct experience for students who participated in the event in order to help improve the quality of people in society, including build quality IT personnel for society and the nation as well.



Metro Systems Channel

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



Business performance impact survey

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

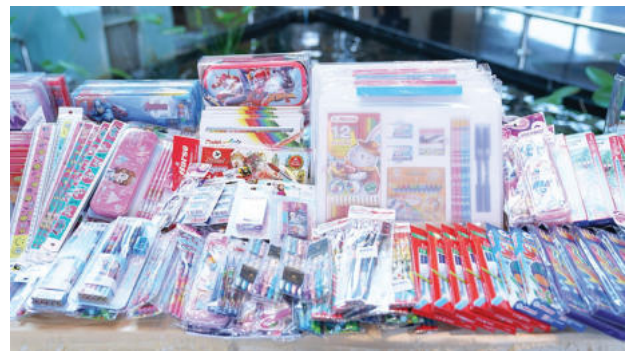


Activities to help communities, society, and communities

METRO Donation project

The Company aims to continuously support education for students in the community and society. In this year, with the epidemic situation of Covid-19 around the world, schools are unable to open for normal teaching, with online learning being the forced alternative. From survey, it was found that the main obstacle to online learning is the lack of learning equipment. Therefore, there is a project of METRO Donation to donate tablets for use in teaching students. The students submitted drawings and paintings on the topic "Environment and Technology" and talked about their creations to show that technology can coexist with the environment in today's society without harming the environment. There were also projects and activities that help society such as:





An event to donate old calendars to produce braille media for the visually impaired

Children's Day activities

Activities to donate old lottery to create a career for special children

Donation activities to help those affected by the COVID-19 situation

Support funds for communities and society

Note: Details of activities can be found at Sustainability Development Subcommittee Report Page 103

Business management in a crisis due to the epidemic situation of the Covid-19

Epidemic prevention measures

Since this year, the Covid-19 outbreak continued over from the previous year, the Company has announced preventive measures to reduce risks for employees by allocating employees to work from home, which is flexible in terms of working hours and the workplace. There was also a special unit for taking care of employees' convenience to work, such as providence of technology devices, applications to work online. As for employees who enter office buildings, the Company has sprayed disinfectants within the Company and branch offices to reduce the risk of spreading and contracting of Covid-19 virus, including cleaning common areas and office equipment regularly, providing cloth masks, placing alcohol gel at points that are easily accessible, arranged the workplace to be within safe distance, and have the robot "Nong Din Sor" to measure the temperature of employees and visitors who come into the office on a daily basis.



Participation in helping, taking care, and mitigating impacts on stakeholders through the company’s business processes during the Covid-19 situation.



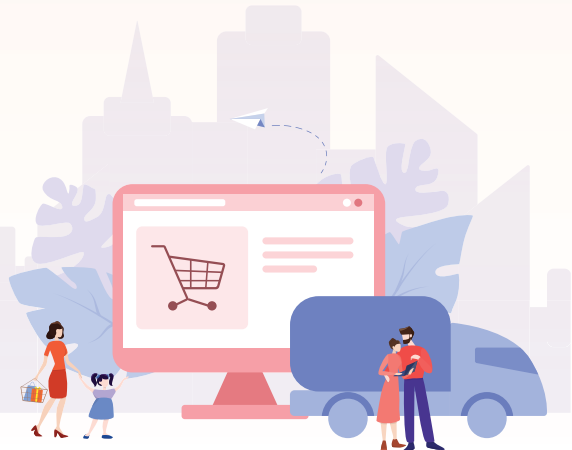
Partners

organize online meetings, webinars.



Employees

Provide vaccines and follow-up to assess risk of the epidemic as well as provide Antigen Test Kit (ATK) and medical facility for care and treatment of infected employees.



Customers

Increase sales channels in online formats, extending credit periods.



Community and Society

Donate medical equipment to help under the COVID-19 situation.



Please Fill in Your Primary Information

1. Please Fill in Your Primary Information

Gender ☐ Female ☐ Male

Age ☐ under 30 years old ☐ 30-45 years old ☐ old over 45 years old

2. Stakeholder Group that you Belong to

- ☐ Employee ☐ Customer ☐ Shareholder/Investor ☐ Partner
- ☐ Financial Institution/ Creditor ☐ Analyst/Academic ☐ Official/Government ☐ Agency Mass Media
- ☐ People/ Community Nearby ☐ Other (Please identify.....)

3. The Channel You Have Obtained This Sustainability Report From

- ☐ Company's Website ☐ Annual General Meeting of Shareholders ☐ Company's Employee
- ☐ Other Website ☐ Seminar ☐ Other (Please identify.....)

4. Objectives to Read this Report

- ☐ To Fine Data for Making Investment Decisions ☐ To Study/Research ☐ To Know the Company
- ☐ To Use as Guidelines for an Arrangement of Sustainability Work in Your Organization
- ☐ Other (Please identify)

5. Satisfaction With this Report

- | | | | | |
|--------------------------------------|---------------------------------|----------------------------|--------------------------------|----------------------------|
| • Completeness of Content | ☐ Very High | ☐ High | ☐ Moderate | ☐ Poor |
| • Main Point in the Report | ☐ Very High | ☐ High | ☐ Moderate | ☐ Poor |
| • Interesting Content/Sequence | ☐ Very High | ☐ High | ☐ Moderate | ☐ Poor |
| • Comprehensibility of Communication | ☐ Very High | ☐ High | ☐ Moderate | ☐ Poor |
| • Overall Satisfaction | ☐ Very High | ☐ High | ☐ Moderate | ☐ Poor |

6. The Content that You Interest the Most (Please identify the reasons.....)

7. The Content that You Interest The Least (Please identify the reasons.....)

8. Whether Material Issues of Corporate Sustainability are Completely Identified in this Report

Completely

Not completely (Please identify the issues to be added.....)

9. Additional Suggestions for Development of Sustainability Report for Next Year

(Please identify.....)

Please fill in and send back to Company Secretary Department

.....

Metro Systems Corporation Public Company Limited
400 Chaloem Phrakiat Ratchakan Thi 9 Rd., Nong Bon, Prawet, Bangkok 10250
Email: CSR@metrosystems.co.th Tel: 02-0894124





Financial Statements



- Report of the Independent Certified Public Accountants

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Metro Systems Corporation Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Metro Systems Corporation Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2021, and the related consolidated and separate statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Metro Systems Corporation Public Company Limited and its subsidiaries and of Metro Systems Corporation Public Company Limited as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters	Audit Responses
Recognition of revenue from sales and revenue from rendering of services Revenue from sales and revenue from rendering of services represent significant amounts in the financial statements and directly affect profit or loss of the Group. In addition, the Group has entered into agreements with many customers, which have different terms and conditions for each customer. Therefore, the key audit matter is occurrence of the revenue recognition from sales and rendering of services that manual recording through journal vouchers and post to general ledger whether they have been recorded in accordance with Thai Financial Reporting Standards. Accounting policies of recognition of revenues were disclosed in the Notes 3.14 to the financial statements.	Key audit procedures included: • Understanding the revenue recognition process related to sales and rendering of services and related internal control procedures • Testing the design and implementation of the internal control procedures around revenue recognition process related to sales and rendering of services • Performing substantive testing as follows: - Classification data to identify sales and rendering of services transactions which exhibited characteristics of manual recording through journal voucher in general ledger, selected the sample of revenues from sale and rendering of service transaction occur during the accounting period, examining the related supporting documents of those revenues to examine irregularities in the revenue recognition from sales and rendering of services throughout the period for accounting transaction made through journal vouchers. - Performing analytical procedures relating to the revenue from sales and rendering of services.

Other Information

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

BANGKOK
February 24, 2022

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

STATEMENTS OF FINANCIAL POSITION

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES AS AT DECEMBER 31, 2021

UNIT : BAHT

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2021	2020	2021	2020
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	127,160,832	285,562,704	83,077,226	210,412,079
Trade and other current receivables	7	1,438,862,608	1,233,473,118	1,244,936,736	1,061,233,018
Contract assets	8	10,632,954	14,283,556	-	-
Current portion of lease receivables	14	177,965,700	191,397,104	109,992,855	106,141,163
Inventories	9	372,363,252	329,484,978	318,343,138	229,932,059
Financial assets measured at fair value through profit or loss	10	205,788,755	143,282,797	101,901,200	103,417,827
Other current financial assets		5,490,896	189,575	5,478,043	134,073
Other current assets		37,021,913	7,353,590	14,639,393	6,825,456
Total Current Assets		2,375,286,910	2,205,027,422	1,878,368,591	1,718,095,675
NON-CURRENT ASSETS					
Deposits at financial institutions used as collaterals	11	39,290,000	39,290,000	14,290,000	14,290,000
Investments in subsidiaries	12	-	-	64,898,570	67,398,420
Investments in associates	13	5,481,000	6,819,351	1,998,800	1,998,800
Lease receivables	14	164,978,375	165,999,008	109,441,997	108,774,070
Property, plant and equipment	15	405,334,495	427,017,812	395,477,423	415,023,703
Right-of-use assets	16	23,670,085	38,117,743	21,889,337	34,134,445
Other intangible assets	17	41,211,426	36,872,077	41,089,154	36,681,075
Deferred tax assets	18	48,839,161	52,333,484	46,886,025	50,778,401
Withholding tax deducted at source		197,810,630	164,966,650	187,166,204	157,215,576
Other non-current assets		3,001,759	3,041,759	2,952,481	2,952,481
Total Non-current Assets		929,616,931	934,457,884	886,089,991	889,246,971
TOTAL ASSETS		3,304,903,841	3,139,485,306	2,764,458,582	2,607,342,646

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

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES AS AT DECEMBER 31, 2021

UNIT : BAHT

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	NOTES	2021	2020	2021	2020
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions		100,000,000	143,897,648	100,000,000	88,298,691
Trade and other current payables	19	940,680,603	786,734,658	759,517,118	685,979,953
Short-term borrowing from other party	20	9,630,000	-	9,630,000	-
Current portion of long-term borrowings from financial institutions	21	-	4,420,000	-	4,420,000
Current portion of long-term borrowings from other parties	22	4,296,943	4,498,049	4,296,943	4,498,049
Current portion of lease liabilities	23	18,133,032	28,766,506	12,047,424	13,661,893
Current provisions for employee benefits	24	11,867,480	15,640,242	11,867,480	12,336,219
Dividend payable		2,745,857	3,215,472	1,354,276	1,625,892
Current income tax payable		-	2,867,287	-	-
Current financial liabilities		4,513,921	10,574,675	4,445,513	10,574,675
Total Current Liabilities		1,091,867,836	1,000,614,537	903,158,754	821,395,372
NON-CURRENT LIABILITIES					
Long-term borrowings from other parties	22	-	4,296,943	-	4,296,943
Lease liabilities	23	14,797,476	32,651,848	13,970,363	25,232,459
Non-current provisions for employee benefits	24	218,535,780	208,954,532	200,696,417	196,077,727
Deferred tax liabilities	18	1,674,225	2,691,751	-	-
Other non-current liabilities		545,613	370,597	545,613	370,597
Total Non-current Liabilities		235,553,094	248,965,671	215,212,393	225,977,726
TOTAL LIABILITIES		1,327,420,930	1,249,580,208	1,118,371,147	1,047,373,098
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital	25				
360,000,000 ordinary shares of Baht 1 each		360,000,000	360,000,000	360,000,000	360,000,000
Issued and paid-up share capital					
360,000,000 ordinary shares of Baht 1 each, fully paid		360,000,000	360,000,000	360,000,000	360,000,000
PREMIUM ON ORDINARY SHARES		234,221,748	234,221,748	234,221,748	234,221,748
RETAINED EARNINGS					
Appropriated					
Legal reserve	26	47,900,000	47,900,000	47,900,000	47,900,000
Unappropriated		1,332,381,414	1,243,095,030	1,003,965,687	917,847,800
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
		1,974,503,162	1,885,216,778	1,646,087,435	1,559,969,548
NON-CONTROLLING INTERESTS					
		2,979,749	4,688,320	-	-
TOTAL SHAREHOLDERS' EQUITY					
		1,977,482,911	1,889,905,098	1,646,087,435	1,559,969,548
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		3,304,903,841	3,139,485,306	2,764,458,582	2,607,342,646

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

STATEMENTS OF COMPREHENSIVE INCOME

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2021

UNIT : BAHT

	NOTES	CONSOLIDATED		SEPARATE		
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
		2021	2020	2021	2020	
Revenue from sales	31	5,929,119,706	6,143,970,955	5,101,029,049	5,352,393,751	
Revenue from rendering of services	31	1,201,646,959	1,136,147,465	1,108,184,161	976,274,797	
Rental revenue	31	67,810,095	50,043,794	43,029,769	46,228,980	
Cost of sales	27	-5,267,954,731	-5,416,066,767	-4,529,692,871	-4,713,361,747	
Cost of rendering of services	27	-838,656,932	-805,196,930	-747,306,049	-668,020,770	
Rental costs	27	-31,945,025	-32,260,525	-25,816,586	-30,731,898	
Gross profit		1,060,020,072	1,076,637,992	949,427,473	962,783,113	
Other income		63,958,697	86,598,299	75,354,075	99,837,667	
Distribution costs	27	-132,777,948	-135,383,579	-120,180,513	-123,449,046	
Administrative expenses	27	-787,502,631	-769,077,437	-714,859,693	-703,299,681	
Other gain (loss)	27	11,583,789	-6,617,708	11,632,531	-6,206,010	
Profit from operating activities		215,281,979	252,157,567	201,373,873	229,666,043	
Finance costs	27	-6,399,643	-10,935,973	-4,140,124	-6,917,805	
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9	27	41,585,777	-52,174,042	41,585,671	-52,173,935	
Share of loss of associates accounted for using equity method	13	-1,338,351	-3,170,554	-	-	
Profit before income tax		249,129,762	185,876,998	238,819,420	170,574,303	
Income tax expenses	18	-53,551,643	-29,851,230	-44,701,533	-20,965,062	
Profit for the years		195,578,119	156,025,768	194,117,887	149,609,241	
Total comprehensive income for the years		195,578,119	156,025,768	194,117,887	149,609,241	
PROFIT ATTRIBUTABLE TO:						
Owners of the Company		197,286,384	155,794,770	194,117,887	149,609,241	
Non-controlling interests		-1,708,265	230,998	-	-	
PROFIT FOR THE YEARS		195,578,119	156,025,768	194,117,887	149,609,241	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the Company		197,286,384	155,794,770	194,117,887	149,609,241	
Non-controlling interests		-1,708,265	230,998	-	-	
TOTAL COMPREHENSIVE INCOME FOR THE YEARS		195,578,119	156,025,768	194,117,887	149,609,241	
BASIC EARNINGS PER SHARE	28	Baht	0.55	0.43	0.54	0.42
WEIGHTED-AVERAGE NUMBER						
OF ORDINARY SHARES	28	Shares	360,000,000	360,000,000	360,000,000	360,000,000

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2021

NOTES	CONSOLIDATED FINANCIAL STATEMENTS								UNIT : BAHT
	Shareholders' equity attributable to owners of the Company								
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity	Total shareholders' equity attributable to owners of the Company	Non-controlling interests	Total Shareholders' equity	
			Appropriated Legal reserve	Unappropriated					
Balance as at January 1, 2020	360,000,000	234,221,748	47,900,000	1,249,299,810	-	1,891,421,558	4,457,433	1,895,878,991	
Change in shareholder's equity									
Dividends to shareholders of the Company	33	-	-	-161,999,550	-	-161,999,550	-	-161,999,550	
Dividends to non-controlling interests		-	-	-	-	-	-111	-111	
Comprehensive income for the year		-	-	155,794,770	-	155,794,770	230,998	156,025,768	
Total change in shareholder's equity		-	-	-6,204,780	-	-6,204,780	230,887	-5,973,893	
Balances as at December 31, 2020	360,000,000	234,221,748	47,900,000	1,243,095,030	-	1,885,216,778	4,688,320	1,889,905,098	
Balance as at January 1, 2021	360,000,000	234,221,748	47,900,000	1,243,095,030	-	1,885,216,778	4,688,320	1,889,905,098	
Change in shareholder's equity									
Dividends to shareholders of the Company	33	-	-	-108,000,000	-	-108,000,000	-	-108,000,000	
Dividends to non-controlling interests		-	-	-	-	-	-102	-102	
Changes in ownership interest in subsidiaries		-	-	-	-	-	-204	-204	
Comprehensive income for the year		-	-	197,286,384	-	197,286,384	-1,708,265	195,578,119	
Total change in shareholder's equity		-	-	89,286,384	-	89,286,384	-1,708,571	87,577,813	
Balances as at December 31, 2021	360,000,000	234,221,748	47,900,000	1,332,381,414	-	1,974,503,162	2,979,749	1,977,482,911	

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2021

	NOTES	SEPARATE FINANCIAL STATEMENTS					UNIT : BAHT
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity	
				Appropriated	Unappropriated		
				Legal reserve			
Balance as at January 1, 2020		360,000,000	234,221,748	47,900,000	930,238,109	-	1,572,359,857
Change in shareholder's equity							
Dividends to shareholders of the Company	33	-	-	-	(161,999,550)	-	(161,999,550)
Comprehensive income for the year		-	-	-	149,609,241	-	149,609,241
Total change in shareholder's equity		-	-	-	(12,390,309)	-	(12,390,309)
Balance as at December 31, 2020		360,000,000	234,221,748	47,900,000	917,847,800	-	1,559,969,548
Balance as at January 1, 2021		360,000,000	234,221,748	47,900,000	917,847,800	-	1,559,969,548
Change in shareholder's equity							
Dividends to shareholders of the Company	33	-	-	-	(108,000,000)	-	(108,000,000)
Comprehensive income for the year		-	-	-	194,117,887	-	194,117,887
Total change in shareholder's equity		-	-	-	86,117,887	-	86,117,887
Balance as at December 31, 2021		360,000,000	234,221,748	47,900,000	1,003,965,687	-	1,646,087,435

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

STATEMENTS OF CASH FLOWS

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2021

UNIT : BAHT

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	NOTES	2021	2020	2021	2020
Cash flows from operating activities					
Profit for the years		195,578,119	156,025,768	194,117,887	149,609,241
Adjustments for					
Income tax expenses		53,551,643	29,851,230	44,701,533	20,965,062
Depreciation	15, 16	84,797,217	102,332,047	80,448,551	97,115,401
Amortization of intangible assets	17	8,875,199	6,343,149	8,809,933	6,269,223
Interest received		-11,705,312	-15,201,053	-11,637,026	-15,062,578
Dividends received	12, 13	-	-	-23,999,898	-29,398,449
Gain on write-off of dividend payable		-287,190	-478,665	-89,190	-28,665
Expected credit loss (reversal)		-30,462,105	52,744,025	-36,047,998	53,162,289
Finance costs		6,399,643	10,935,973	4,140,124	6,917,805
Loss on values in goods adjustment		198,512	1,793,559	198,512	1,793,559
Gain from sale financial assets measured at fair value through profit or loss	10	-584,244	-2,385,778	-323,974	-937,989
(Gain) loss on fair value adjustment		-11,583,789	6,617,708	-11,632,531	6,206,009
Gain on disposals and write-off of property, plant and equipment and intangible assets		-105,412	-963,369	-103,359	-727,495
Written off withholding tax deducted at source		-	789,740	-	346,090
Non-refundable input tax		-	94,509	-	-
Loss (gain) from cancellation contract		109,323	307,584	-2,194	-1,185
Unrealised gain on exchange rate		-508,046	-984,374	-484,829	-972,585
Gain from the payback of investments in a dissolved subsidiary		-	-	-901,690	-
Share of gain on non-controlling interests of subsidiary dissolution		-621	-	-	-
Share of loss of associates accounted for using equity method	13	1,338,351	3,170,554	-	-
Provision for employee benefits	24	16,903,330	17,792,772	15,244,795	16,067,168
Cash provided by operation before changes in operating assets and liabilities		312,514,618	368,785,379	262,438,646	311,322,901
Changes in operating assets and liabilities					
Operating assets (increase) decrease					
Trade and other current receivables		-181,394,100	12,459,328	-154,083,821	64,716,136
Contract assets		3,650,602	14,720,012	-	-
Finance lease receivables		20,678,028	105,478,007	1,889,510	38,882,046
Inventories		-44,182,420	62,639,991	-89,715,225	90,432,898
Other current assets		-29,668,323	3,258,468	-7,813,937	309,869
Other non-current assets		40,000	-64,016	-	-75,067

STATEMENTS OF CASH FLOWS (CONTINUED)

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2021

UNIT : BAHT

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	NOTES	2021	2020	2021	2020
Cash flows from operating activities (continued)					
Increase (decrease) in operating liabilities					
Trade and other current payables		162,685,147	-105,665,526	82,217,197	-53,224,981
Other current liabilities		-	-211,623	-	-211,623
Other non-current liabilities		175,016	136,952	175,016	136,952
Cash received from operating activities		244,498,568	461,536,972	95,107,386	452,289,131
Employee benefit paid	24	-11,094,844	-9,576,151	-11,094,844	-9,090,818
Income tax refunded		40,360,863	57,599,315	40,044,665	52,406,507
Income tax paid		-127,145,468	-104,602,578	-110,804,450	-86,428,130
Net cash provided by operating activities		146,619,119	404,957,558	13,252,757	409,176,690
Cash flows from investing activities					
Interest received		11,765,022	15,414,063	11,661,699	15,092,258
Cash received from disposal of equity or debt instruments of other parties	10	515,180,000	830,164,393	172,000,000	380,000,000
Cash paid for purchase of equity or debt instruments of other parties	10	-576,880,000	-722,660,000	-170,000,000	-382,000,000
Cash received from returned of the capital of subsidiary dissolution		-	-	3,401,540	-
Cash paid for increase in share capital in subsidiary		-	-	-	-29,999,800
Cash received from disposal of property, plant and equipment and intangible assets		508,683	1,718,109	506,627	1,459,477
Cash paid for purchases of property and equipment	5.1	-46,730,017	-32,152,361	-45,512,079	-28,916,300
Cash paid for purchases of intangible assets	5.3	-13,214,548	-8,634,796	-13,218,012	-8,634,796
Dividend received		-	-	23,999,898	29,398,449
Net cash provided by (used in) investing activities		-109,370,860	83,849,408	-17,160,327	-23,600,712
Cash flows from financing activities					
Finance costs paid		-6,506,548	-11,078,483	-4,213,562	-6,966,748
Cash received from short-term borrowings from financial institutions	5.4	1,503,060,601	2,118,880,275	1,238,849,320	1,820,786,249
Cash paid for short-term borrowings from financial institutions	5.4	-1,546,958,249	-2,123,272,601	-1,227,148,011	-1,831,730,395
Cash paid for long-term borrowings from financial institutions	5.4	-4,420,000	-5,040,000	-4,420,000	-5,040,000
Cash paid for long-term borrowings from other parties	5.4	-4,498,049	-4,306,935	-4,498,049	-4,306,935
Cash paid for lease liabilities	5.2	-28,145,359	-60,789,089	-13,814,555	-12,726,665
Cash received from non-controlling interests from the capital increase of subsidiary		-	200	-	-
Dividend paid		-108,182,527	-159,439,457	-108,182,426	-161,837,906
Net cash used in financing activities		-195,650,131	-245,046,090	-123,427,283	-201,822,400
Net increase (decrease) in cash and cash equivalents		-158,401,872	243,760,876	-127,334,853	183,753,578
Cash and cash equivalents as at January 1,		285,562,704	41,801,828	210,412,079	26,658,501
Cash and cash equivalents as at December 31,		127,160,832	285,562,704	83,077,226	210,412,079

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

NOTES TO THE FINANCIAL STATEMENTS

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2021

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NOTES TO THE FINANCIAL STATEMENTS

METRO SYSTEMS CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2021

1. GENERAL INFORMATION AND OPERATIONS

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

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

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

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

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

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

Details of the Company’s subsidiaries as at December 31, 2021 and 2020 were as follows:

Subsidiaries	Type of business	Incorporate country	Ownership interest (%)	
			2021	2020
Metro Professional Products Company Limited	Sale and service of computer and computer programs	Thailand	99.99	99.99
Metro Info Tech Company Limited	Sale and maintenance service and computer programs	Thailand	70.00	70.00
Metro Connect Company Limited	Sale and service of computer and computer programs	Thailand	99.99	99.99
Metro Info Dynamics Company Limited	Sale and computer peripheral service	Thailand	-	99.99

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

Coronavirus Disease 2019 Pandemic

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

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The Group maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Group’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2021 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statement (No.3) B.E. 2562” dated December 26, 2019.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).
- 2.4 The consolidated and separate statements of financial position as at December 31, 2020, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Group and the Company for the year then ended which.
- 2.5 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, the Group has adopted the revised financial reporting standards and the Conceptual Framework for Financial Reporting issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSS, the amendment for definition of business, the amendment for definition of materiality and accounting requirements for interest rate reform. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements except the following financial reporting standard:

The Rent Concessions related to COVID-19

The Group elected to adopt the practical expedient relating to COVID-19 related Rent Concessions according to the amendments to TFRS 16 “Leases”. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. Any reduction in lease payments affects only payments originally due on or before June 30, 2022 and there is no substantive change to other terms and conditions of the lease.

The Group’s management has adopted such aforementioned practical expedient in the preparation of the financial statements for the year ended December 31, 2021 (see Note 16).

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

The Amendment to Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”) added the requirements for the temporary exception arising from the Phase 2 of the interest rate benchmark reform amendments, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

The Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards No. 4 “Insurance Contracts”, Thai Financial Reporting Standards No. 7 “Financial Instruments: Disclosures”, and Thai Financial Reporting Standards No. 9 “Financial Instruments”, which have been announced in the Royal Gazette on June 28, 2021 and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards with earlier application permitted. The amendment to such Thai Financial Reporting Standards are relevant to the Phase 2 of the interest rate benchmark reform amendments which provided practical expedients for the modification of the contractual cash flows of financial assets or financial liabilities resulted from the interest rate benchmark reform, including temporary exceptions from specific hedge accounting requirements, and additional disclosure requirements of TFRS 7.

In addition, the Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards which have been announced in the Royal Gazette on December 22, 2021, as follows:

- Thai Financial Reporting Standards No. 1 “First-time Adoption of Thai Financial Reporting Standards”, to be effective for the financial statements for the period beginning on or after January 1, 2022 onwards.
- Thai Financial Reporting Standards No. 6 “Exploration for and Evaluation of Mineral Resources”, to be effective for the financial statements for the period beginning on or after January 1, 2022 onwards.

- Accounting Treatment Guidance on “Guidelines regarding the provision of financial assistance to the debtors who are impacted by the COVID-19”, which the objective is to grant the temporary relief measures for entities helping their debtors who are impacted by the COVID-19 with the supporting period during January 1, 2022 to December 31, 2023 or until any changes announced from the Bank of Thailand. The entities who elect to apply these temporary relief measures should disclose such fact in the financial statements.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

3.1 Basis of preparation of consolidation financial statements

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

Transactions eliminated on consolidation

Significant intra-group balances and transactions have been eliminated in the preparation of the consolidated financial statements. The consolidated financial statements for the years ended December 31, 2021 and 2020 were prepared by using the financial statements of its subsidiaries and associates as of the same date.

3.2 Foreign currencies

Transactions in foreign currencies

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

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

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

3.3 Cash and cash equivalents

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

3.4 Trade and other current receivables

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

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

3.5 Inventories

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

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

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

3.6 Financial instruments

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

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

Financial assets

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

Classification of financial assets

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

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

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

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

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

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

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

(i) Amortized cost and effective interest method

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

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

(ii) Debt instruments classified as at FVTOCI

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

(iii) Equity instruments designated as at FVTOCI

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

A financial asset is held for trading if;

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

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

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

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

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

(iv) Financial assets at FVTPL

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other gains and losses” line item. Fair value is determined in the manner described in Note 35.

Impairment of financial assets

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

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

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

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

(i) Write-off policy

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

(ii) Measurement and recognition of expected credit losses

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

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

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

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

Derecognition of financial assets

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

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

Financial liabilities

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

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if;

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

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

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

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

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

Financial liabilities measured subsequently at amortized cost

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

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

Derecognition of financial liabilities

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

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

Derivative financial instruments

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

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

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

Hedge accounting

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

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

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

Cash flow hedges

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

3.7 Investments in subsidiaries and associates

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

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

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

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

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

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

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

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

Disposal of investments

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

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

3.8 Property, plant and equipment

Recognition and measurement

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

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

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

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

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

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized as an expense in statement of comprehensive income as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount of plant and equipment, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged as an expense to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	20	years
Buildings	5 - 30	years
Furniture and fixtures	5	years
Office equipment	3 - 5	years
Vehicles	5	years
Other fixed assets	5	years
Assets held for lease	3 - 5	years

No depreciation is provided on land and assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.9 Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and allowance for impairment losses, if any.

Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized as an expense in the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible asset, other than goodwill, from the date that they are available for use.

The estimated useful lives are as follows:

Software license	1 - 15 years
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Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets with definite useful lives are tested for impairment when there is an indicator that the asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually or when there is an indicator that the asset may be impaired.

3.10 Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized as an expense in the statement of comprehensive income unless it reverses a previous revaluation credited to equity and it subsequently impairs in which case it is charged to statement of comprehensive income.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the higher of the asset's value in use or fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized as an expense in the statement of comprehensive income.

Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications of impairment the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, as if no impairment loss had been recognized.

3.11 Interest-bearing liabilities

Interest-bearing liabilities are recognized initially at fair value less attributable transaction charges in relation to the liabilities. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognized as an expense in the statement of comprehensive income over the period of the borrowings.

3.12 Provision

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

3.13 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of comprehensive income in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value based on salary, mortality rate, service period and other factors. The discount rate used in determining post-employment benefit obligation is the yield of the government bond.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized on a straight-line basis until the benefits become vested. To the extent that the benefits is vested, the expense is recognized immediately in the statement of comprehensive income.

The Group recognizes all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in the statement of comprehensive income.

Past service cost related to the plan amendment is recognized as an expense in the statement of comprehensive income when the plan amendment is effective.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted cash flow basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.14 Recognition of revenues

Revenue from sale of goods

Revenue from sale of goods is recognized in the statement of comprehensive income when control of the goods is transferred to customers, generally on delivery of goods. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Revenue from sales are measured at the amount of consideration received or expect to be received for delivered goods after deduction of discounts, excluding value added tax.

For sale with warranties to assure that the goods complies with agree-upon specifications, the Group recognize the warranty according to TAS 37 “Provisions, Contingent Liabilities and Contingent Assets” consistent with its previous accounting treatment.

The service-type warranties provided customers with a service in addition to the assurance that the product complies with agree-upon specifications is recognized as revenue over the period in which the service is provided.

Revenue from installation of software

The Group provides an installation of various software products for specialised business operations. Such installation are recognized as a performance obligation satisfied over time. Revenue is recognized for these installation over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred from work performed to date relative to the estimated total contract costs. The directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under TFRS 15.

Revenue from rendering of services

Revenue from rendering of services is recognized over time when services have been rendered considering the stage of completion. The stage of completion is assessed by reference to cost of services incurred. When the outcome of a service rendering contract cannot be estimated reliably, service revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Sales of services - maintenance relating to electronic equipment

The maintenance service is considered to be a distinct service as it is both regularly supplied by the Group to other customers on a stand-alone basis and available for customers from other providers in the market. A portion of the transaction price is therefore allocated to the maintenance services based on the stand-alone selling price of those services.

Revenue relating to the maintenance services is recognized over time. The transaction price allocated to these services is recognized as a contract liability at the time of the initial sales transaction and is released on a straight line basis over the period of service.

Rental income from operating lease contracts

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Income from finance lease contracts

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Dividend received

Dividend received is recognized on the date the Group's right to receive payments is established.

Interest income and other income

Interest income and other income are recognized in the statement of comprehensive income on an accrual basis.

3.15 Expense recognition

Expenses are recognized on an accrued basis.

3.16 Finance costs

Finance costs comprise of interest expense on borrowings and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in statement of comprehensive income using the effective interest method.

3.17 Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the years presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Property, Plant and Equipment” policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in profit or loss.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

The Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance lease or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies TFRS 15 to allocate the consideration under the contract to each component.

3.18 Income tax expense

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized as income or expense in the statement of comprehensive income except to the extent that they relate to a business combination, or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable derived from a computation of profit or loss using tax rates enacted and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction in the consolidated financial statement that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period when such a determination is made.

Deferred tax assets and liabilities are offset when they relate to income tax levied by the same taxation authority and the Company and its subsidiaries intend to settle its current tax assets and liabilities on a net basis.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. The Company recognizes deferred tax liabilities for all taxable temporary differences in the consolidated and separate financial statements.

3.19 Basic earnings per share

The calculations of basic earnings per share for the year are based on the profit for the year attributable to equity holders divided by the weighted-average number of ordinary shares held by outsiders outstanding during the year.

3.20 Fair value measurements

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability as market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement, which are described as follows:

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

4. ACCOUNTING ESTIMATES AND SOURCE OF ESTIMATION UNCERTAINTY

4.1 Use of management's judgments

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) requires the Group's management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

4.1.1 Impairment

The Group's balance assets with definite useful lives are tested for impairment when there is an indicator that the asset may be impaired. The asset balances with indefinite useful lives are tested for impairment annually or when there is an indicator that the asset may be impaired.

4.1.2 Classification of leases

In determining whether a lease should be classified as an operating lease or finance lease, the Group's management has to use judgement to determine whether significant risks and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

4.1.3 Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of such obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group's considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related obligations. Additional information is disclosed in Note 24.

Past service cost related to the plan amendment is recognized as an expense in the statement of comprehensive income when the plan amendment is effective.

4.1.4 Significant increase in credit risk

As explained in Note 3.6, expected credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. TFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

4.2 Key sources of estimation uncertainty

The Group have estimates with the assumptions concerning the future. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

4.2.1 Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Board of Directors of the Company has set up a valuation committee, which is headed by the Chief Financial Officer, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group uses other observable information either directly or indirectly.

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 35.

4.2.2 Calculation of recoverable amount

In the calculation of recoverable amount, the Group's management estimated the future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

4.2.3 Allowance for obsolete and slow-moving inventories

The Group has provided allowance for obsolete and slow-moving inventories based on management's best estimate of net realizable value of damaged, obsolete or deteriorated inventories and review of the aging analysis at the end of each reporting period.

5. DISCLOSURES SUPPLEMENTARY OF CASH FLOWS INFORMATION

5.1 Non-cash transactions occurred from property and equipment for the years ended December 31, are as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Payable for purchases of property and equipment brought forward (recorded as part of other payables)	584	183	584	183
<u>Add</u> Increase during the years	49,338	38,469	48,120	35,233
<u>Less</u> Transferred from inventory	(1,106)	(5,915)	(1,106)	(5,915)
<u>Less</u> Cash payments during the years	(46,730)	(32,152)	(45,512)	(28,916)
Payable for purchases of property and equipment carried forward (recorded as part of other payables)	2,086	585	2,086	585

5.2 Movements in lease liabilities for the years ended December 31, are as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Lease liabilities brought forward	61,418	86,386	38,894	21,739
<u>Add</u> Purchases fixed asset during the years	1,267	36,803	1,267	30,223
<u>Less</u> Cancel the contract early	(1,610)	(982)	(329)	(342)
<u>Less</u> Cash payments during the years	(28,145)	(60,789)	(13,814)	(12,726)
Lease liabilities carried forward	32,930	61,418	26,018	38,894

5.3 Purchases of intangible assets for the years ended December 31, are as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2021	2020	2021	2020
Payable for intangible assets brought forward (recorded as part of other payables)	-	-	-	-
<u>Add</u> Purchases during the years	13,215	24,519	13,218	24,519
<u>Less</u> Transferred from inventory	-	(770)	-	(770)
<u>Less</u> Transferred from property, plant and equipment	-	(15,114)	-	(15,114)
<u>Less</u> Cash payments during the years	(13,215)	(8,635)	(13,218)	(8,635)
Payable for intangible assets carried forward (recorded as part of other payables)	-	-	-	-

5.4 Reconciliation of liabilities arising from financing activities

Changes in the liabilities arising from financing activities, including both cash and non-cash changes classified as financing activities in the statements of cash flows, were as follows:

				Unit : Thousand Baht
Consolidated financial statements				
As at December 31, 2021	Balance as at January 1, 2021	Financing cash flows	Non-cash changes	Balance as at December 31, 2021
Short-term borrowing from other party	-	-	9,630	9,630
Short-term borrowings from financial institutions	143,898	(43,898)	-	100,000
Long-term borrowings from financial institutions	4,420	(4,420)	-	-
Long-term borrowings from other parties	8,795	(4,498)	-	4,297
Total	157,113	(52,816)	9,630	113,927

				Unit : Thousand Baht
Consolidated financial statements				
As at December 31, 2020	Balance as at January 1, 2020	Financing cash flows	Non-cash changes	Balance as at December 31, 2020
Short-term borrowings from financial institutions	148,290	(4,392)	-	143,898
Long-term borrowings from financial institutions	9,460	(5,040)	-	4,420
Long-term borrowings from other parties	13,102	(4,307)	-	8,795
Total	170,852	(13,739)	-	157,113

				Unit : Thousand Baht
Separate financial statements				
As at December 31, 2021	Balance as at January 1, 2021	Financing cash flows	Non-cash changes	Balance as at December 31, 2021
Short-term borrowing from other party	-	-	9,630	9,630
Short-term borrowings from financial institutions	88,299	11,701	-	100,000
Long-term borrowings from financial institutions	4,420	(4,420)	-	-
Long-term borrowings from other parties	8,795	(4,498)	-	4,297
Total	101,514	2,783	9,630	113,927

				Unit : Thousand Baht
Separate financial statements				
As at December 31, 2020	Balance as at January 1, 2020	Financing cash flows	Non-cash changes	Balance as at December 31, 2020
Short-term borrowings from financial institutions	99,243	(10,944)	-	88,299
Long-term borrowings from financial institutions	9,460	(5,040)	-	4,420
Long-term borrowings from other parties	13,102	(4,307)	-	8,795
Total	121,805	(20,291)	-	101,514

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Cash on hand	367	367	152	152
Current accounts	80,916	112,634	66,740	111,899
Saving accounts	45,878	172,562	16,185	98,361
Total	<u>127,161</u>	<u>285,563</u>	<u>83,077</u>	<u>210,412</u>

As at December 31, 2021 and 2020, savings accounts bear interest at the rates between 0.05% - 0.35% per annum.

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, consisted of the following:

		Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	Note	2021	2020	2021	2020
Trade accounts receivable					
Related parties	29	1,310	969	2,411	5,792
Other parties		1,114,235	864,677	924,974	752,737
Post-dated cheques		21,323	59,666	20,987	15,988
		<u>1,136,868</u>	<u>925,312</u>	<u>948,372</u>	<u>774,517</u>
<u>Less</u> allowance for expected credit losses		<u>(19,914)</u>	<u>(51,826)</u>	<u>(14,328)</u>	<u>(51,826)</u>
		<u>1,116,954</u>	<u>873,486</u>	<u>934,044</u>	<u>722,691</u>
Unbilled trade accounts receivable					
Related parties	29	292	-	292	-
Other parties		190,465	229,367	181,433	219,978
		<u>190,757</u>	<u>229,367</u>	<u>181,725</u>	<u>219,978</u>
Total trade accounts receivable		<u>1,307,711</u>	<u>1,102,853</u>	<u>1,115,769</u>	<u>942,669</u>
Others current receivables					
Others receivables					
Related parties	29	258	2	3,566	9,477
Other parties		1,975	7,965	1,135	1,244
Prepaid expenses		111,238	98,162	110,825	97,529
Accrued income		17,681	24,491	13,642	10,314
Total other current receivables		<u>131,152</u>	<u>130,620</u>	<u>129,168</u>	<u>118,564</u>
Total trade and other current receivables		<u>1,438,863</u>	<u>1,233,473</u>	<u>1,244,937</u>	<u>1,061,233</u>

Movements in the allowance for expected credit losses were as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Balance at beginning of the years	(51,826)	(6,074)	(51,826)	(5,655)
Impairment losses recognized on receivables	(16,785)	(47,101)	(11,199)	(47,101)
Amounts written off during the years as uncollectible	7,709	209	7,709	209
Amounts recovered during the years	23,536	721	23,536	721
Impairment losses reversed	17,452	419	17,452	-
Balance at ending of the years	<u>(19,914)</u>	<u>(51,826)</u>	<u>(14,328)</u>	<u>(51,826)</u>

Trade receivables as at December 31, are classified by aging as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Related parties				
Within credit terms	1,300	958	2,401	5,685
Overdue:				
Less than 3 months	10	11	10	107
3-6 months	-	-	-	-
Total	<u>1,310</u>	<u>969</u>	<u>2,411</u>	<u>5,792</u>
Other parties				
Within credit terms	884,237	692,211	748,588	551,871
Overdue:				
Less than 3 months	176,435	157,936	125,638	144,114
3-6 months	7,358	1,981	5,108	611
6-12 months	3,871	1,070	2,970	1,070
Over 12 months	1,101	802	1,101	716
Account receivables under legal case	62,556	70,343	62,556	70,343
Total	<u>1,135,558</u>	<u>924,343</u>	<u>945,961</u>	<u>768,725</u>
Less Allowance for expected credit losses	<u>(19,914)</u>	<u>(51,826)</u>	<u>(14,328)</u>	<u>(51,826)</u>
Net	<u>1,115,644</u>	<u>872,517</u>	<u>931,633</u>	<u>716,899</u>
Unbilled trade accounts receivable				
Related parties	292	-	292	-
Other parties	190,465	229,367	181,433	219,978
Total unbilled trade accounts receivable	<u>190,757</u>	<u>229,367</u>	<u>181,725</u>	<u>219,978</u>
Net	<u>1,307,711</u>	<u>1,102,853</u>	<u>1,115,769</u>	<u>942,669</u>

The average credit period on sales of goods from 30 days to 60 days. No interest is charged on outstanding trade receivables.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position.

The Group has been no change in the estimation techniques or significant assumptions made during the current reporting period.

8. CONTRACT ASSETS

Contract assets as at December 31 are as follows:

Unit: Thousand Baht Consolidated financial statements		
	2021	2020
Current assets		
Installation of software computer and services contract	10,633	14,284
Contract assets - net	<u>10,633</u>	<u>14,284</u>

Contract assets are from installation of software and service contract with customers. The contract assets are from price allocation to computer sales which are recognized revenues at point in time, when the Group transferred control of computer to customers. Contract asset will decrease relative to monthly service in each month. Monthly network service are recognized revenues at over time and percentage of completion.

Payment for installation of software services is not due from the customer until the installation services are complete and therefore a contract asset is recognized over the period in which the installation services are performed to represent the Group's right to consideration for the services transferred to date.

There were no impairment losses recognized on any contract asset in the reporting period.

9. INVENTORIES

Inventories as at December 31, consisted of the following:

		Unit : Thousand Baht Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
		2021	2020	2021	2020
Finished goods		334,296	320,663	281,592	221,110
Project in process		39,185	13,198	37,869	13,198
Goods in transit		394	810	394	810
Others		1,318	1,125	1,318	1,125
		<u>375,193</u>	<u>335,796</u>	<u>321,173</u>	<u>236,243</u>
<u>Less</u> Allowance for decline in value of inventories		<u>(2,830)</u>	<u>(6,311)</u>	<u>(2,830)</u>	<u>(6,311)</u>
Total		<u>372,363</u>	<u>329,485</u>	<u>318,343</u>	<u>229,932</u>

Inventories which were recognized as expenses and included in the cost of sales for the years ended December 31, consisted of the following:

		Unit : Thousand Baht Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
		2021	2020	2021	2020
Cost of inventories recognized as an expense in cost of sales:					
- Cost of sale of goods and rendering of services		5,267,955	5,416,067	4,529,693	4,713,362
- Obsolete and slow-moving inventories (reversal)		<u>(3,481)</u>	<u>1,794</u>	<u>(3,481)</u>	<u>1,794</u>
Total		<u>5,264,474</u>	<u>5,417,861</u>	<u>4,526,212</u>	<u>4,715,156</u>

10. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets measured at fair value through profit or loss as at December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Financial assets measured at fair value through profit or loss	205,789	143,283	101,901	103,418
Total	<u>205,789</u>	<u>143,283</u>	<u>101,901</u>	<u>103,418</u>

Movements during the year ended December 31, of financial assets measured at fair value to profit or loss were as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Financial assets measured at fair value through profit or loss				
As at January 1,	143,283	248,828	103,418	100,430
<u>Add</u> Purchases during the years	576,880	722,660	170,000	382,000
<u>Less</u> Sales during the years	(514,596)	(827,778)	(171,676)	(379,062)
Valuation adjustment	222	(427)	159	50
As at December 31,	<u>205,789</u>	<u>143,283</u>	<u>101,901</u>	<u>103,418</u>

11. DEPOSITS AT FINANCIAL INSTITUTIONS USED AS COLLATERALS

- 11.1 As at December 31, 2021 and 2020, deposits at financial institution used as collaterals of Baht 39.29 million, in the consolidated financial statements, are pledged as collateral with a financial institution for project performance of and credit facilities.
- 11.2 As at December 31, 2021 and 2020, deposits at financial institution used as collaterals of Baht 14.29 million in the separate financial statement, are pledged as collateral for project performance of the Company.

12. INVESTMENTS IN SUBSIDIARIES

Investment in subsidiaries as at December 31, 2021 and 2020 and dividend income for the years ended December 31, 2021 and 2020 consist of:

	Separate financial statements							
	Ownership interest		Paid-up capital		Cost method		Dividend income	
			As at		As at			
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020	For the years ended December 31, 2021	For the years ended December 31, 2020
	%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Subsidiaries								
Metro Professional Products Company Limited	99.99	99.99	50.00	50.00	51,398	51,398	6,000	6,000
Metro Info Tech Company Limited	70.00	70.00	5.00	5.00	3,500	3,500	-	-
Metro Connect Company Limited	99.99	99.99	10.00	10.00	10,000	10,000	18,000	21,000
Metro Info Dynamics Company Limited	-	99.99	-	2.50	-	2,500	-	-
					64,898	67,398	24,000	27,000

On August 26, 2020, the Extraordinary Shareholders' Meeting No. 1/2020 of Metro Info Dynamics Company Limited ("MID") passed a resolution to approve the dissolution. Metro Info Dynamics Company Limited ("MID") registered the dissolution with the Department of Business Development, Ministry of Commerce on August 28, 2020.

Subsequently, on February 25, 2021, the Annual General Meeting of Shareholders No. 9/2021 of Metro Info Dynamics Company Limited ("MID") approved to returned the capital from liquidation to shareholders of shares 100,000 shares with Baht 34.04 per share, totaling Baht 3.40 million to its shareholders and paid on March 29, 2021. Therefore, the company had gain from the payback of investments in a dissolved subsidiary of Baht 0.90 million.

13. INVESTMENTS IN ASSOCIATES

Movements in investments in associates recorded by the equity method in the consolidated financial statements and by cost method in the separate financial statements for the years ended December 31, are as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
As at January 1,	6,819	12,388	1,999	1,999
Share of loss of investments in associates	(1,338)	(3,171)	-	-
Dividend income	-	(2,398)	-	-
As at December 31,	<u>5,481</u>	<u>6,819</u>	<u>1,999</u>	<u>1,999</u>

The Company recognized share of loss from investment in an associate, until the value of the investment approached zero. Subsequent loss incurred by that associate has not been recognized in the Company's accounts since the Company has no obligations, whether legal or constructive, to make any payments on behalf of that associate.

Investments in associates as at December 31, 2021 and 2020 and dividend income for the years ended December 31, 2021 and 2020 consist of:

	Consolidated financial statements					
	Ownership interest		Paid-up capital		Cost method	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
	%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht
Associates						
HIS MSC Company Limited	49.97	49.97	4.00	4.00	1,999	5,481
JBCC (Thailand) Company Limited	20.00	20.00	10.00	10.00	2,000	-
					3,999	5,481
					(2,000)	(2,000)
					1,999	1,999
Less Allowance for impairment loss						
Total investments in associates						2,398

	Separate financial statements					
	Ownership interest		Paid-up capital		Cost method	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
	%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht
Associates						
HIS MSC Company Limited	49.97	49.97	4.00	4.00	1,999	5,481
JBCC (Thailand) Company Limited	20.00	20.00	10.00	10.00	2,000	-
					3,999	5,481
					(2,000)	(2,000)
					1,999	1,999
Less Allowance for impairment loss						
Total investments in associates						2,398

14. LEASE RECEIVABLES

Lease receivables as at December 31, consisted of the following:

	Unit : Thousand Baht					
	Consolidated financial statements				Total	
	Portion due within one year		Portion due after one year		2021	2020
	2021	2020	2021	2020		
Related parties	53	55	-	48	53	103
Other parties	195,528	213,597	177,895	181,270	373,423	394,867
	195,581	213,652	177,895	181,318	373,476	394,970
<u>Less</u> Unearned interest income	(17,615)	(19,959)	(12,544)	(10,833)	(30,159)	(30,792)
	177,966	193,693	165,351	170,485	343,317	364,178
<u>Less</u> Impairment loss determined in accordance with TFRS 9	-	(2,296)	(373)	(4,486)	(373)	(6,782)
Net	<u>177,966</u>	<u>191,397</u>	<u>164,978</u>	<u>165,999</u>	<u>342,944</u>	<u>357,396</u>

	Unit : Thousand Baht					
	Separate financial statements				Total	
	Portion due within one year		Portion due after one year		2021	2020
	2021	2020	2021	2020		
Related parties	53	55	-	48	53	103
Other parties	121,366	121,532	118,349	120,922	239,715	242,454
	121,419	121,587	118,349	120,970	239,768	242,557
<u>Less</u> Unearned interest income	(11,426)	(13,150)	(8,534)	(7,710)	(19,960)	(20,860)
	109,993	108,437	109,815	113,260	219,808	221,697
<u>Less</u> Impairment loss determined in accordance with TFRS 9	-	(2,296)	(373)	(4,486)	(373)	(6,782)
Net	<u>109,993</u>	<u>106,141</u>	<u>109,442</u>	<u>108,774</u>	<u>219,435</u>	<u>214,915</u>

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
(Reversal of impairment loss)				
impairment loss determined in accordance with TFRS 9	<u>(6,409)</u>	<u>6,782</u>	<u>(6,409)</u>	<u>6,782</u>

As at December 31, 2021 and 2020, the gross investment under lease contracts and present value of minimum lease payments receivable were as follows:

Unit : Thousand Baht				
Consolidated financial statements				
	2021		2020	
	Gross investment under finance lease contracts	Present value of minimum lease payments under finance lease contracts	Gross investment under finance lease contracts	Present value of minimum lease payments under finance lease contracts
Portion due within one year	195,581	177,966	213,652	193,693
Portion due after one year but within five years	177,895	165,351	181,318	170,485
Total	373,476	343,317	394,970	364,178
<u>Less</u> Unearned interest income	<u>(30,159)</u>	<u>-</u>	<u>(30,792)</u>	<u>-</u>
Total	343,317	343,317	364,178	364,178
<u>Less</u> Impairment loss allowance	<u>(373)</u>	<u>(373)</u>	<u>(6,782)</u>	<u>(6,782)</u>
Gross investment under finance lease contracts - net	342,944	342,944	357,396	357,396

Unit : Thousand Baht				
Separated financial statements				
	2021		2020	
	Gross investment under finance lease contracts	Present value of minimum lease payments under finance lease contracts	Gross investment under finance lease contracts	Present value of minimum lease payments under finance lease contracts
Portion due within one year	121,419	109,993	121,587	108,437
Portion due after one year but within five years	118,349	109,815	120,970	113,260
Total	239,768	219,808	242,557	221,697
<u>Less</u> Unearned interest income	<u>(19,960)</u>	<u>-</u>	<u>(20,860)</u>	<u>-</u>
Total	219,808	219,808	221,697	221,697
<u>Less</u> Impairment loss allowance	<u>(373)</u>	<u>(373)</u>	<u>(6,782)</u>	<u>(6,782)</u>
Gross investment under finance lease contracts - net	219,435	219,435	214,915	214,915

The average term of leases entered into is 3 - 5 years. Generally, these lease contracts do not include extension or early termination options.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in Thai Baht. Residual value risk on equipment under lease is not significant, because of the existence of a secondary market with respect to the equipment.

The following table presents the amounts included in profit or loss for the year ended December 31,

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Selling profit/loss for leases	7,090	12,585	3,967	8,635
Finance income on the net investment in leases	17,761	23,768	8,951	11,721

The Group's finance lease arrangements do not include variable payments.

The average effective interest rate contracted approximates 6.00% - 8.00% per annum.

15. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the years ended December 31, are as follows:

As at December 31, 2021

	Unit : Thousand Baht Consolidated financial statements			
	Balance as at January 1, 2021	Additions	(Disposals)	Balance as at December 31, 2021
Cost				
Land	226,388	-	-	226,388
Land improvements	18,773	-	-	18,773
Buildings	539,916	-	-	539,916
Furniture and fixtures	128,875	4,511	(2,347)	131,039
Office equipment	716,561	34,185	(31,349)	750,381
Vehicles	2,713	-	-	2,713
Other fixed assets	62,478	6,167	(1,613)	67,105
Assets held for lease	45,724	-	-	18,753
Total	1,741,428	44,863	(35,309)	1,755,068
Accumulated depreciation				
Land improvements	15,301	235	-	15,536
Buildings	447,396	12,306	-	459,702
Furniture and fixtures	117,935	8,928	(2,345)	124,518
Office equipment	649,080	38,779	(31,289)	685,479
Vehicles	1,246	415	-	1,661
Other fixed assets	55,083	3,861	(1,271)	57,673
Assets held for lease	29,926	7,350	-	10,376
Total	1,315,967	71,874	(34,905)	1,354,945
Assets under construction and installation	1,557	4,475	-	5,211
Property, plant and equipment	427,018			405,334

As at December 31, 2020

Unit : Thousand Baht

	Consolidated financial statements				Balance as at December 31, 2020
	Balance as at January 1, 2020	Additions	(Disposals)	Transfer in (Transfer out)	
Cost					
Land	226,388	-	-	-	226,388
Land improvements	18,773	-	-	-	18,773
Buildings	539,280	636	-	-	539,916
Furniture and fixtures	129,026	876	(1,027)	-	128,875
Office equipment	789,608	23,059	(88,356)	(7,750)	716,561
Vehicles	5,852	1,531	(1,607)	(3,063)	2,713
Other fixed assets	64,630	2,188	(4,696)	356	62,478
Assets held for lease	48,352	102	-	(2,730)	45,724
Total	1,821,909	28,392	(95,686)	(13,187)	1,741,428
Accumulated depreciation					
Land improvements	15,065	236	-	-	15,301
Buildings	435,006	12,390	-	-	447,396
Furniture and fixtures	105,264	13,698	(1,027)	-	117,935
Office equipment	685,294	52,431	(87,626)	(1,019)	649,080
Vehicles	2,937	502	(1,584)	(609)	1,246
Other fixed assets	55,993	3,784	(4,694)	-	55,083
Assets held for lease	23,528	9,127	-	(2,729)	29,926
Total	1,323,087	92,168	(94,931)	(4,357)	1,315,967
Assets under construction and installation	8,190	10,077	-	(16,710)	1,557
Property, plant and equipment	507,012				427,018
Depreciation for the years ended December 31,					
2021				Thousand Baht	71,874
2020				Thousand Baht	92,168

As at December 31, 2021

Unit : Thousand Baht

	Separate financial statements				
	Balance as at January 1, 2021	Additions	(Disposals)	Transfer in (Transfer out)	Balance as at December 31, 2021
Cost					
Land	220,675	-	-	-	220,675
Land improvements	18,773	-	-	-	18,773
Buildings	534,666	-	-	-	534,666
Furniture and fixtures	127,783	4,397	(2,309)	-	129,871
Office equipment	683,509	33,113	(31,350)	30,984	716,256
Vehicles	347	-	-	-	347
Other fixed assets	61,634	6,135	(1,604)	73	66,238
Assets held for lease	45,724	-	-	(26,971)	18,753
Total	1,693,111	43,645	(35,263)	4,086	1,705,579
Accumulated depreciation					
Land improvements	15,301	235	-	-	15,536
Buildings	442,367	12,261	-	-	454,628
Furniture and fixtures	116,947	8,859	(2,308)	-	123,498
Office equipment	620,639	35,985	(31,290)	28,909	654,243
Vehicles	69	69	-	-	138
Other fixed assets	54,395	3,760	(1,262)	-	56,893
Assets held for lease	29,926	7,351	-	(26,900)	10,377
Total	1,279,644	68,520	(34,860)	2,009	1,315,313
Assets under construction and installation	1,557	4,475	-	(821)	5,211
Property, plant and equipment	415,024				395,477

As at December 31, 2020

Unit : Thousand Baht

	Separate financial statements				Balance as at December 31, 2020
	Balance as at January 1, 2020	Additions	(Disposals)	Transfer in (Transfer out)	
Cost					
Land	220,675	-	-	-	220,675
Land improvements	18,773	-	-	-	18,773
Buildings	534,030	636	-	-	534,666
Furniture and fixtures	127,939	871	(1,027)	-	127,783
Office equipment	758,270	21,005	(88,016)	(7,750)	683,509
Vehicles	3,499	347	(436)	(3,063)	347
Other fixed assets	63,729	2,195	(4,646)	356	61,634
Assets held for lease	48,352	102	-	(2,730)	45,724
Total	1,775,267	25,156	(94,125)	(13,187)	1,693,111
Accumulated depreciation					
Land improvements	15,065	236	-	-	15,301
Buildings	430,023	12,344	-	-	442,367
Furniture and fixtures	104,346	13,628	(1,027)	-	116,947
Office equipment	659,090	49,853	(87,285)	(1,019)	620,639
Vehicles	1,045	69	(436)	(609)	69
Other fixed assets	55,357	3,682	(4,644)	-	54,395
Assets held for lease	23,529	9,127	-	(2,730)	29,926
Total	1,288,455	88,939	(93,392)	(4,358)	1,279,644
Assets under construction and installation	8,190	10,077	-	(16,710)	1,557
Property, plant and equipment	<u>495,002</u>				<u>415,024</u>
Depreciation for the years ended December 31,					
2021				Thousand Baht	68,520
2020				Thousand Baht	88,939

16. RIGHT-OF-USE ASSETS AND LEASE

Right-of-use assets as at December 31, were as follows:

As at December 31, 2021

Unit : Thousand Baht

	Consolidated financial statements				
	Balance as at January 1, 2021	Additions	Transfer/Others	Disposals	Balance as at December 31, 2021
Cost					
Buildings	7,999	-	-	-	7,999
Vehicles	30,198	1,267	(2,555)	-	28,910
Office equipment	11,921	-	-	(3,265)	8,656
Intangible assets	2,861	-	-	-	2,861
Total cost	52,979	1,267	(2,555)	(3,265)	48,426
Accumulated depreciation					
Buildings	891	2,659	-	-	3,550
Vehicles	6,363	7,846	(1,019)	-	13,190
Office equipment	6,175	1,848	-	(2,009)	6,014
Intangible assets	1,432	570	-	-	2,002
Total accumulate depreciation	14,861	12,923	(1,019)	(2,009)	24,756
Total right-of-use assets	38,118				23,670

As at December 31, 2020

Unit : Thousand Baht

	Consolidated financial statements				
	Balance as at January 1, 2020	Additions	Transfer/Others	Disposals	Balance as at December 31, 2020
Cost					
Buildings	2,533	5,466	-	-	7,999
Vehicles	12,787	15,849	3,063	(1,501)	30,198
Office equipment	167	-	11,754	-	11,921
Intangible assets	-	-	2,861	-	2,861
Total cost	15,487	21,315	17,678	(1,501)	52,979
Accumulated depreciation					
Buildings	-	891	-	-	891
Vehicles	-	6,307	609	(553)	6,363
Office equipment	-	2,392	3,783	-	6,175
Intangible assets	-	574	858	-	1,432
Total accumulate depreciation	-	10,164	5,250	(553)	14,861
Total right-of-use assets	15,487				38,118

Depreciation for the years ended December 31,

2021	Thousand Baht	12,923
2020	Thousand Baht	10,164

As at December 31, 2021

Unit : Thousand Baht

	Separate financial statements				Balance as at December 31, 2021
	Balance as at January 1, 2021	Additions	Transfer/Others	Disposals	
Cost					
Buildings	7,999	-	-	-	7,999
Vehicles	24,666	1,267	(622)	-	25,311
Office equipment	11,754	-	-	(3,265)	8,489
Intangible assets	2,861	-	-	-	2,861
Total cost	47,280	1,267	(622)	(3,265)	44,660
Accumulated depreciation					
Buildings	891	2,659	-	-	3,550
Vehicles	4,683	6,888	(294)	-	11,277
Office equipment	6,139	1,812	-	(2,009)	5,942
Intangible assets	1,432	570	-	-	2,002
Total accumulate depreciation	13,145	11,929	(294)	(2,009)	22,771
Total right-of-use assets	34,135				21,889

As at December 31, 2020

Unit : Thousand Baht

	Separate financial statements				Balance as at December 31, 2020
	Balance as at January 1, 2020	Additions	Transfer/Others	Disposals	
Cost					
Buildings	-	7,999	-	-	7,999
Vehicles	6,483	15,741	3,063	(621)	24,666
Office equipment	-	-	11,754	-	11,754
Intangible assets	-	-	2,861	-	2,861
Total cost	6,483	23,740	17,678	(621)	47,280
Accumulated depreciation					
Buildings	-	891	-	-	891
Vehicles	-	4,355	609	(281)	4,683
Office equipment	-	2,356	3,783	-	6,139
Intangible assets	-	574	858	-	1,432
Total accumulate depreciation	-	8,176	5,250	(281)	13,145
Total right-of-use assets	6,483				34,135

Depreciation for the years ended December 31,

2021	Thousand Baht	11,929
2020	Thousand Baht	8,176

* During the year, the Group has elected to apply Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak” which the Group has received reduction in lease payments by lessors in the amount of Baht 0.26 million and recognized the differences in the statement of comprehensive income.

As at December 31, 2021 and 2020, lease liabilities of the Group including lease liabilities from sale and leaseback agreements and other finance leases agreements in the consolidated financial statements amounting to Baht 7.71 million and Baht 23.03 million, respectively, and separate financial statements amounting to Baht 2.73 million and Baht 4.76 million, respectively. The Group has taken assets arising from sale and leaseback agreements and other finance leases agreements entered into finance leases agreements with other lessee which recorded as lease receivables and transferred the rights of such assets to lessee.

The statement of comprehensive income for the years ended December 31, included transactions related to leases were as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Depreciation on right-of-use assets				
Buildings	2,659	891	2,659	891
Vehicles	7,846	6,307	6,888	4,355
Office equipment	1,848	2,392	1,812	2,356
Intangible assets	570	574	570	574
Total depreciation on right-of-use assets	<u>12,923</u>	<u>10,164</u>	<u>11,929</u>	<u>8,176</u>
Interest expenses relating to leases				
Expenses relating to leases	2,290	3,245	1,698	1,256

17. INTANGIBLE ASSETS

Movements in other intangible assets for the years ended December 31, are as follows:

	Unit : Thousand Baht			
As at December 31, 2021	Consolidated financial statements			
	Balance as at January 1, 2021	Additions	(Disposals)	Balance as at December 31, 2021
Cost				
Software licenses	<u>77,676</u>	<u>3,564</u>	<u>-</u>	<u>86,029</u>
Total	<u>77,676</u>	<u>3,564</u>	<u>-</u>	<u>86,029</u>
Accumulated amortization				
Software licenses	<u>53,830</u>	<u>8,875</u>	<u>-</u>	<u>62,705</u>
Total	<u>53,830</u>	<u>8,875</u>	<u>-</u>	<u>62,705</u>
Intangible assets during development	<u>13,026</u>	<u>9,650</u>	<u>-</u>	<u>17,887</u>
Other intangible assets	<u>36,872</u>			<u>41,211</u>

As at December 31, 2020

Unit : Thousand Baht

	Consolidated financial statements				Balance as at December 31, 2020
	Balance as at January 1, 2020	Additions	(Disposals)	Transfer in (Transfer out)	
Cost					
Software licenses	69,131	4,353	(87)	4,279	77,676
Total	69,131	4,353	(87)	4,279	77,676
Accumulated amortization					
Software licenses	48,432	6,343	(86)	(859)	53,830
Total	48,432	6,343	(86)	(859)	53,830
Intangible assets during development	-	5,052	-	7,974	13,026
Other intangible assets	20,699				36,872
Depreciation for the years ended December 31,					
2021				Thousand Baht	8,875
2020				Thousand Baht	6,343

As at December 31, 2021

Unit : Thousand Baht

	Separate financial statements				Balance as at December 31, 2021
	Balance as at January 1, 2021	Additions	(Disposals)	Transfer in (Transfer out)	
Cost					
Software licenses	76,359	3,568	-	4,789	84,716
Total	76,359	3,568	-	4,789	84,716
Accumulated amortization					
Software licenses	52,704	8,810	-	-	61,514
Total	52,704	8,810	-	-	61,514
Intangible assets during development	13,026	9,650	-	(4,789)	17,887
Other intangible assets	36,681				41,089

As at December 31, 2020

Unit : Thousand Baht

	Separate financial statements				Balance as at December 31, 2020
	Balance as at January 1, 2020	Additions	(Disposals)	Transfer in (Transfer out)	
Cost					
Software licenses	67,769	4,353	(42)	4,279	76,359
Total	67,769	4,353	(42)	4,279	76,359
Accumulated amortization					
Software licenses	47,335	6,270	(42)	(859)	52,704
Total	47,335	6,270	(42)	(859)	52,704
Intangible assets during development	-	5,052	-	7,974	13,026
Other intangible assets	20,434				36,681
Depreciation for the years ended December 31,					
2021				Thousand Baht	8,810
2020				Thousand Baht	6,270

18. DEFERRED TAX ASSETS (LIABILITIES) AND INCOME TAX EXPENSES

Deferred tax assets and deferred tax liabilities as at December 31, are as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Deferred tax assets	48,839	52,333	46,585	53,522
Deferred tax liabilities	(1,674)	(2,691)	301	(2,744)
Deferred tax - net	47,165	49,642	46,886	50,778

Movements in deferred tax assets and liabilities for the years ended December 31, are as follows:

As at December 31, 2021

	Unit: Thousand Baht Consolidated financial statements			
	Balance as at January 1, 2021	Profit or loss	Recognized in Profit or loss and Other comprehensive income	Shareholders equity
				Balance as at December 31, 2021
Deferred tax assets				
Allowance for expected credit loss	10,364	(7,499)	-	2,865
Allowance for obsolescence and decline in value	1,283	(536)	-	747
Allowance for decline in values of investment	400	-	-	400
Provisions for employee benefit	43,634	1,161	-	44,795
Finance lease liabilities	3,387	(2,314)	-	1,073
Deferred revenue	1,089	(649)	-	440
Current financial assets	791	312	-	1,103
Intangible assets amortized	25	100	-	125
Total	60,973	(9,425)	-	51,548
Deferred tax liabilities				
Depreciation of buildings	(4,281)	715	-	(3,566)
Finance lease receivables	(5,216)	5,486	-	270
Accrued income	(740)	188	-	(552)
Financial assets measured at fair value through profit or loss	(73)	(44)	-	(117)
Prepaid costs	(1,017)	607	-	(410)
Current financial assets	(4)	(4)	-	(8)
Total	(11,331)	6,948	-	(4,383)
Deferred tax - net	49,642	(2,477)	-	47,165

As at December 31, 2020

Unit: Thousand Baht

	Consolidated financial statements			
	Balance as at January 1, 2020	Profit or loss	Recognized in Profit or loss and Other comprehensive income	Shareholders equity
				Balance as at December 31, 2020
Deferred tax assets				
Allowance for expected credit loss	1,118	9,233	-	13
Allowance for obsolescence and decline in value	903	380	-	-
Allowance for decline in values of investment	400	-	-	-
Provisions for employee benefit	41,338	2,296	-	-
Finance lease liabilities	10,185	(6,798)	-	-
Deferred revenue	2,090	(1,001)	-	-
Current financial assets	-	791	-	-
Intangible assets amortized	-	25	-	-
Total	56,034	4,926	-	13
Deferred tax liabilities				
Depreciation of buildings	(4,998)	717	-	-
Finance lease receivables	(20,081)	14,865	-	-
Accrued income	(1,525)	785	-	-
Financial assets measured at fair value through profit or loss	(158)	85	-	-
Prepaid costs	(1,953)	936	-	-
Current financial assets	-	(4)	-	-
Total	(28,715)	17,384	-	-
Deferred tax - net	27,319	22,310	-	13

As at December 31, 2021

Unit: Thousand Baht

	Separate financial statements		
	Balance as at January 1, 2021	Profit or loss	Recognized in Profit or loss and Other comprehensive income
			Balance as at December 31, 2021
Deferred tax assets			
Allowance for expected credit loss	10,364	(7,498)	-
Allowance for obsolescence and decline in value	1,262	(696)	-
Allowance for decline in values of investment	400	-	-
Provisions for employee benefit	40,397	830	-
Finance lease liabilities	283	16	-
Current financial assets	791	312	-
Intangible assets amortized	25	99	-
Total	53,522	(6,937)	-
Deferred tax liabilities			
Depreciation of buildings	(4,281)	715	-
Finance lease receivables	2,336	2,173	-
Accrued income	(740)	188	-
Financial assets measured at fair value through profit or loss	(59)	(31)	-
Total	(2,744)	3,045	-
Deferred tax - net	50,778	(3,892)	-

As at December 31, 2020

Unit: Thousand Baht

	Balance as at January 1, 2020	Separate financial statements Recognized in		Balance as at December 31, 2020
		Profit or loss	Profit or loss and other comprehensive income	
Deferred tax assets				
Allowance for expected credit loss	1,118	9,233	13	10,364
Allowance for obsolescence and decline in value	903	359	-	1,262
Allowance for decline in values of investment	400	-	-	400
Provisions for employee benefit	38,350	2,047	-	40,397
Finance lease liabilities	(598)	881	-	283
Current financial assets	-	791	-	791
Intangible assets amortized	-	25	-	25
Total	40,173	13,336	13	53,522
Deferred tax liabilities				
Depreciation of buildings	(4,998)	717	-	(4,281)
Finance lease receivables	(18)	2,354	-	2,336
Accrued income	(1,525)	785	-	(740)
Financial assets measured at fair value through profit or loss	(49)	(10)	-	(59)
Total	(6,590)	3,846	-	(2,744)
Deferred tax - net	33,583	17,182	13	50,778

Income tax expenses

Income tax expenses recognized in statements of comprehensive income for the years ended December 31, 2021 and 2020 were as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2021	2020	2021	2020
Current income tax	51,075	52,161	40,810	38,147
Deferred tax expenses relating to the origination and reversal of temporary differences	2,477	(22,310)	3,892	(17,182)
Income tax expense per the statements of comprehensive income	<u>53,552</u>	<u>29,851</u>	<u>44,702</u>	<u>20,965</u>

Reconciliation of effective tax rate

Unit: Thousand Baht				
Consolidated financial statements				
	2021		2020	
	Tax rate (%)	Amount	Tax rate (%)	Amount
Profit before income tax		249,130		185,877
Income tax using applicable tax rate	20	49,826	20	37,175
Effects of net loss not recognized as deferred tax assets		2,477		(22,310)
Tax effect of income and expenses that are not taxable		1,249		14,986
Income tax expenses	21	53,552	16	29,851

Unit: Thousand Baht				
Separate financial statements				
	2021		2020	
	Tax rate (%)	Amount	Tax rate (%)	Amount
Profit before income tax expense		238,819		170,574
Income tax using applicable tax rate	20	47,764	20	34,115
Effects of net loss not recognized as deferred tax assets		3,892		(17,182)
Tax effect of income and expenses that are not taxable		(6,954)		4,032
Income tax expenses	19	44,702	12	20,965

19. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, consisted of the following:

		Unit : Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
Trade payables					
Related parties	29	60	334	12,057	14,117
Other parties		600,076	566,167	520,883	489,418
Total trade payables		600,136	566,501	532,940	503,535
Other current payables					
Other					
Related parties	29	2,200	2,590	2,400	2,451
Other parties		31,416	27,800	27,211	24,800
Accrued expenses		124,622	104,205	103,516	81,991
Deposits and advances received		182,307	85,639	93,450	73,203
Total other current payables		340,545	220,234	226,577	182,445
Total trade and other current payables		940,681	786,735	759,517	685,980

20. SHORT-TERM BORROWING FROM OTHER PARTY

As at December 31, 2021, short-term borrowing from other party at the amount of Baht 9.63 million is unsecured borrowing, which no interest (2020 : Nil).

21. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Long-term borrowings from financial institutions as at December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Long-term borrowings from financial institutions	-	4,420	-	4,420
<u>Less</u> Current portion of long-term borrowings	-	(4,420)	-	(4,420)
Total long-term borrowings from financial institutions	-	-	-	-

As at December 31, 2020, long-term borrowings from financial institutions are unsecured borrowings, which bear interest at the fixed rate of 3.90% per annum.

22. LONG-TERM BORROWINGS FROM OTHER PARTIES

Long-term borrowings from other parties are borrowing contract that has installment payment as at December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Long-term borrowings from other parties	4,297	8,795	4,297	8,795
<u>Less</u> Current portion of long-term borrowings	(4,297)	(4,498)	(4,297)	(4,498)
Total long-term borrowings from other parties	-	4,297	-	4,297

As at December 31, 2021 and 2020, long-term borrowings from other parties are unsecured borrowings, which bear interest at the fixed rate of 4.31% per annum.

23. LEASE LIABILITIES

The Group entered into the lease agreements of vehicles and office equipment. The minimum lease payments under the lease agreements and their present value of liabilities under lease agreements as at December 31, consisted of the following:

	Unit : Thousand Baht			
	Consolidated financial statements			
	Minimum lease payments		Present value of minimum lease payment	
	2021	2020	2021	2020
Within 1 year	19,365	31,141	18,133	28,766
Over 1 year and within 5 years	15,650	34,686	14,797	32,652
<u>Less</u> Deferred interest	(2,085)	(4,409)	-	-
	<u>32,930</u>	<u>61,418</u>	<u>32,930</u>	<u>61,418</u>

	Unit : Thousand Baht			
	Separate financial statements			
	Minimum lease payments		Present value of minimum lease payment	
	2021	2020	2021	2020
Within 1 year	13,159	15,351	12,048	13,662
Over 1 year and within 5 years	14,807	27,119	13,970	25,232
<u>Less</u> Deferred interest	(1,948)	(3,576)	-	-
	<u>26,018</u>	<u>38,894</u>	<u>26,018</u>	<u>38,894</u>

24. PROVISIONS FOR EMPLOYEE BENEFITS

The Group provided employee benefit obligations upon retirement which are considered as unfunded defined benefit plans.

Amounts recognized as expense in the statements of comprehensive income in respect of the defined benefit plans for the years ended December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Provisions for employee benefit as at January 1,	224,594	216,378	208,414	201,438
Included in profit or loss:				
Current service cost	13,878	14,587	12,433	13,084
Past service cost	-	-	-	-
Interest cost	3,026	3,205	2,812	2,983
Provisions for employee benefit (paid)	(11,095)	(9,576)	(11,095)	(9,091)
Included in other comprehensive income:				
Actuarial loss on defined benefit plan	-	-	-	-
Provisions for employee benefit as at December 31,	<u>230,403</u>	<u>224,594</u>	<u>212,564</u>	<u>208,414</u>
Current provisions for employee benefits	<u>11,867</u>	<u>15,640</u>	<u>11,867</u>	<u>12,336</u>
Non-current provisions for employee benefits	<u>218,536</u>	<u>208,954</u>	<u>200,697</u>	<u>196,078</u>

The key actuarial assumptions used to calculate the defined benefit obligation as at December 31, consisted of the following:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2021	2020	2021	2020
<u>Financial Assumptions</u>				
Employee retirement age	55 years	55 years	55 years	55 years
Mortality rate	Thai Mortality Table 2017	Thai Mortality Table 2017	Thai Mortality Table 2017	Thai Mortality Table 2017
Employee turnover rate (%)	1.43 - 22.92	1.43 - 22.92	1.43 - 17.19	1.43 - 17.19
Discounted rate (%)	1.50 - 1.71	1.50 - 1.71	1.69	1.69
Expected rate of salary increase (%)	5.00	5.00	5.00	5.00

Significant actuarial assumptions for the determination of the defined employee benefit obligations were discount rate and expected salary increase rate. The sensitivity analysis below was determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

The impact on the employee benefit obligations increased/(decreased) as at December 31, were as follows:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2021	2020	2021	2020
	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)
Discount rate - decrease by 1.0%	17,416	17,293	16,187	16,096
Discount rate - increase by 1.0%	(15,224)	(15,107)	(14,050)	(13,958)
Salary increase rate - decrease by 1.0%	(18,122)	(16,368)	(16,788)	(15,163)
Salary increase rate - increase by 1.0%	20,608	18,521	19,100	17,167

Assumptions regarding future mortality for the years ended December 31, 2021 and 2020 are based on published statistics and Thailand Mortality Ordinary Life table 2017 ("TMO17").

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit Method at the end of the report period, which is the same as that applied in calculating the post-employment benefit obligations liability recognized in the statement of financial position.

25. SHARE CAPITAL

Share capital as at December 31, consisted of the following:

	Par value per share (in Baht)	Thousand shares /Thousand Baht			
		2021		2020	
		Number	Amount	Number	Amount
Authorised					
At January 1,					
- Ordinary shares	1.00	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
At December 31					
- Ordinary shares	1.00	<u><u>360,000</u></u>	<u><u>360,000</u></u>	<u><u>360,000</u></u>	<u><u>360,000</u></u>
Issued and paid-up					
At January 1,					
- Ordinary shares	1.00	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
At December 31,					
- Ordinary shares	1.00	360,000	360,000	360,000	360,000

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

26. LEGAL RESERVES

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

As at December 31, 2021 and 2020, the Company’s legal reserve equaled to one-tenth of the registered share capital.

27. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Purchase goods and services	5,307,351	5,346,742	4,614,623	4,616,244
Employee benefits expense	823,326	800,641	762,027	737,233
Cost of maintenance and outsourcing	681,805	643,147	590,077	505,645
Depreciation and Amortization expenses	93,672	108,675	89,259	103,385
Changes in inventory	(39,397)	69,325	(84,930)	97,118
Travelling expense	4,742	9,705	3,288	8,082
Promotion expenses	17,585	13,465	13,677	10,262
Transportation expense	21,185	19,548	19,925	19,020
Expected credit loss, debts and doubtful debts expenses, declining value in inventories and investments; and written off withholding tax deducted at source	7,643	2,431	2,057	2,782
Finance costs	6,400	10,936	4,140	6,918
Utilities	15,907	16,204	15,382	15,626
Entertainment	5,321	8,256	4,759	7,523
Office, equipment and vehicle rental	516	4,428	516	4,428
Maintenance expenses	12,276	10,510	12,326	10,395
Professional and consultant fee	8,838	8,893	7,983	7,775
Other (gain) loss	(11,584)	6,618	(11,632)	6,206
(Reversal of impairment loss) impairment loss determined in accordance with TFRS9	(41,586)	52,174	(41,586)	52,174
Others	98,067	96,015	86,887	93,345
Total expenses	<u>7,012,067</u>	<u>7,227,713</u>	<u>6,088,778</u>	<u>6,304,161</u>

28. BASIC EARNINGS PER SHARES

The calculations of basic earnings per share for the years ended December 31, 2021 and 2020 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Basic earnings per share				
Profit for the year attributable to owners of the Company (Thousand Baht)	<u>197,286</u>	<u>155,795</u>	<u>194,118</u>	<u>149,609</u>
Number of ordinary shares outstanding (Thousand Shares)	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
Earnings per shares (Baht)	<u>0.55</u>	<u>0.43</u>	<u>0.54</u>	<u>0.42</u>

29. RELATED PARTIES TRANSACTIONS

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

Significant relationships with related parties were as follows:

Name of entities	Country of incorporation/ Nationality	Nature of relationships
Major shareholders		
Metro Value Creation Company Limited	Thailand	A major shareholder
Metrophose Company Limited	Thailand	A major shareholder, common director
MC Bakery Company Limited	Thailand	A major shareholder, common director
Subsidiaries		
Metro Professional Products Company Limited	Thailand	Shareholding, common director
Metro Info Tech Company Limited	Thailand	Shareholding, common director
Metro Connect Company Limited	Thailand	Shareholding, common director
Metro Info Dynamics Company Limited	Thailand	Shareholding, common director
Associates		
HIS MSC Company Limited	Thailand	Shareholding, common director
JBCC (Thailand) Company Limited	Thailand	Shareholding
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly director (whether executive or otherwise) of the Group/the Company
Other related parties		
MDEC International (1991) Company Limited	Thailand	Common shareholder and director
Metro Company Limited	Thailand	Common shareholder and director
United Flour Mill Public Company Limited	Thailand	Common shareholder and director
United Silo & Services Company Limited	Thailand	Common shareholder and director
Metromax Company Limited	Thailand	Common shareholder and director
Treemit Marketing Company Limited	Thailand	Common shareholder and director
UFM Food Centre Company	Thailand	Common shareholder and director
MC Industrial Chemical Company Limited	Thailand	Common shareholder and director
MC Plastics Company Limited	Thailand	Common shareholder and director
MC Solvents Company Limited	Thailand	Common shareholder and director
Thai UFM Marketing Company Limited	Thailand	Common shareholder and director
UFM Fuji Super Company Limited	Thailand	Common shareholder and director
Siam Flour Trading Company Limited	Thailand	Common shareholder and director
Mc Petroleum Company Limited	Thailand	Common shareholder and director
United Grains Company Limited	Thailand	Common shareholder and director
International Warehousing Company Limited	Thailand	Common shareholder and director
Samut Transport Company Limited	Thailand	Common shareholder and director
Rich Products Manufacturing (Thailand) Company Limited	Thailand	Common shareholder
Other related parties	Thailand	Common shareholder and director
Miss Tippawan Charuvajana	Thai	Close member of key management

The pricing policies for particular types of transactions are explained further below:

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

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

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Shareholders				
Other income	72	74	72	74
Subsidiaries				
Sale of goods and rendering of services	-	-	25,323	4,153
Rental income	-	-	3,291	4,388
Other income	-	-	10,376	12,550
Dividend income	-	-	24,000	27,000
Purchase of goods and rendering of services	-	-	138,617	275,421
Purchase of assets	-	-	15,493	3,626
Administrative expenses	-	-	142	-
Associates				
Sale of goods and rendering of services	2,840	12,074	1,997	1,133
Other income	3,005	4,142	3,005	4,142
Dividend income	-	2,399	-	2,399
Purchase of assets	-	163	-	163
Purchase of goods and rendering of services	400	-	400	-
Other related parties				
Sale of goods and rendering of services	6,930	3,714	6,909	3,523
Other income	3,135	3,604	3,135	3,604
Purchase of goods and rendering of services	294	1,508	294	1,485
Distribution costs	2,904	3,032	2,747	2,882
Purchase of assets	1,835	1,293	1,835	1,293
Administrative expenses	993	1,122	981	1,107
Key management personnel compensation	85,387	77,858	75,148	67,265

Significant balances with related parties as at December 31, were as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Trade receivables - related parties				
Major shareholder				
MC Bakery Company Limited	6	6	6	6
Subsidiaries				
Metro Connect Company Limited	-	-	1,101	5,294
Associates				
HIS MSC Company Limited	670	5	670	5
JBCC (Thailand) Company Limited	-	471	-	-
Other related parties				
MDEC International (1991) Company Limited	14	59	14	59
Metro Company Limited	31	-	31	-
United Flour Mill Public Company Limited	80	55	80	55
UFM Food Centre Company Limited	200	73	200	73
MC Industrial Chemical Company Limited	-	28	-	28
UFM Fuji Super Company Limited	86	116	86	116
Siam Flour Trading Company Limited	21	40	21	40
Rich Products Thailand Company Limited	92	5	92	5
United Grains Company Limited	-	5	-	5
Other related parties	110	106	110	106
Total	<u>1,310</u>	<u>969</u>	<u>2,411</u>	<u>5,792</u>
Unbilled trade accounts receivable - related parties				
Associate				
HIS MSC Company Limited	292	-	292	-
Total	<u>292</u>	<u>-</u>	<u>292</u>	<u>-</u>
Other current receivables - related parties				
Subsidiaries				
Metro Professional Products Company Limited	-	-	45	40
Metro Info Tech Company Limited	-	-	3	8,028
Metro Connect Company Limited	-	-	3,260	1,407
Associate				
HIS MSC Company Limited	258	2	258	2
Total	<u>258</u>	<u>2</u>	<u>3,566</u>	<u>9,477</u>
Finance lease receivables - related parties				
Associate				
HIS MSC Company Limited	7	15	7	15
Other related parties				
Metro Company Limited	44	82	44	82
Total	<u>51</u>	<u>97</u>	<u>51</u>	<u>97</u>
Inventories				
Subsidiaries				
Metro Connect Company Limited	-	-	18,117	3,496
Total	<u>-</u>	<u>-</u>	<u>18,117</u>	<u>3,496</u>
Trade payables - related parties				
Subsidiaries				
Metro Info Tech Company Limited	-	-	9,027	9,027
Metro Connect Company Limited	-	-	2,970	4,776
Other related parties				
MDEC International (1991) Company Limited	-	94	-	74
UFM Food Centre Company Limited	60	240	60	240
Total	<u>60</u>	<u>334</u>	<u>12,057</u>	<u>14,117</u>

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Other current payables - related parties				
Subsidiaries				
Metro Connect Company Limited	-	-	-	20
Metro Professional Products Company Limited	-	-	200	-
Other related parties				
UFM Food Centre Company Limited	2,200	2,590	2,200	2,431
Total	<u>2,200</u>	<u>2,590</u>	<u>2,400</u>	<u>2,451</u>

30. KEY MANAGEMENT BENEFIT EXPENSES

Benefit expenses to key management of the Group were presented as part of “Employee benefit expenses”.

Management benefit expenses for the years ended December 31, consisted of the following:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Short-term management benefits	85,027	76,928	74,840	66,465
Long-term management benefits	360	930	308	800
Total	<u>85,387</u>	<u>77,858</u>	<u>75,148</u>	<u>67,265</u>

31. OPERATING SEGMENT

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

Segment 1 : Sales computer and equipment

Segment 2 : Installation software

Segment 3 : Sales supplies and office equipment

Segment 4 : Rental and other services

Information on operating segments

Performance for the years ended December 31, 2021 and 2020, are as follows:

Segment Revenue

Unit : Thousand Baht

	Consolidated financial statements									
	Segment 1		Segment 2		Segment 3		Segment 4		Total reportable segments	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
External revenue	1,688,687	1,950,335	2,638,654	2,503,827	1,601,779	1,689,809	1,269,457	1,186,191	7,198,577	7,330,162
Inter-segment revenue	171,722	264,739	24,412	12,493	390	862	26,069	20,764	222,593	298,858
Total segment revenue	<u>1,860,409</u>	<u>2,215,074</u>	<u>2,663,066</u>	<u>2,516,320</u>	<u>1,602,169</u>	<u>1,690,671</u>	<u>1,295,526</u>	<u>1,206,955</u>	<u>7,421,170</u>	<u>7,629,020</u>
Timing of revenue recognition										
At a point in time	1,642,081	1,591,123	2,623,005	2,503,827	1,601,779	1,689,809	941,175	914,938	6,808,040	6,699,697
Overtime	46,606	359,212	15,649	-	-	-	328,282	271,253	390,537	630,465
Total revenue	<u>1,688,687</u>	<u>1,950,335</u>	<u>2,638,654</u>	<u>2,503,827</u>	<u>1,601,779</u>	<u>1,689,809</u>	<u>1,269,457</u>	<u>1,186,191</u>	<u>7,198,577</u>	<u>7,330,162</u>
Gross profit	<u>210,625</u>	<u>285,282</u>	<u>247,545</u>	<u>249,493</u>	<u>195,298</u>	<u>186,663</u>	<u>406,552</u>	<u>355,200</u>	<u>1,060,020</u>	<u>1,076,638</u>

Assets and liabilities classified by segment as at December 31, 2021 and 2020 are as follows:

Unit : Thousand Baht

	2021	2020
Total assets	<u>3,304,904</u>	<u>3,139,485</u>
Total liabilities	<u>1,327,421</u>	<u>1,249,580</u>

Reconciliation of reportable segment profit or loss

Unit : Thousand Baht
For the years
ended December 31,

	2021	2020
Profit or loss		
Total gross profit from reportable segments	1,060,020	1,076,638
Unallocated amounts:		
- Other income	63,959	86,598
- Distribution costs	(132,778)	(135,383)
- Administrative expenses	(787,503)	(769,077)
- Other loss	11,584	(6,618)
- Finance costs	(6,400)	(10,936)
- Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9	41,586	(52,174)
Share of loss of investments in associates	<u>(1,338)</u>	<u>(3,171)</u>
Profit before income tax	<u>249,130</u>	<u>185,877</u>

Geographical information

The Group is operates principally in Thailand. There are no material revenues derived from, or assets located in foreign countries.

For the years 2021 and 2020, the Group has no major customer with revenue of 10 percent or more of the Group's revenues.

32. PROVIDENT FUND

The Group has a provident fund for those employees who have elected to participate. The contributions from the employees are deducted from their monthly salaries at 5% of monthly salary, and the Group matches the individuals' contributions. The provident fund is managed by an authorized financial institution in accordance with the Provident Fund Act B.E. 2530 (1987). For the years ended December 31, 2021 and 2020, the Group's contributions recognized in the statements of income were Baht 18.57 million and Baht 18.53 million, respectively, and the Company's contributions recognized in the statements of income were Baht 17.13 million and Baht 17.04 million, respectively.

33. DIVIDENDS PAIDS

At the Annual General Meeting of the Shareholders of the Company held on April 1, 2021, the shareholders approved the appropriation of dividend of Baht 0.30 per share, amounting to Baht 108.00 million. The dividend had already paid to shareholders in April 2021.

At the Annual General Meeting of the Shareholders of the Company held on April 2, 2020, the shareholders approved the appropriation of dividend of Baht 0.45 per share, amounting to Baht 162.00 million. The dividend was paid to shareholders in April 2020.

34. FINANCIAL INSTRUMENTS

34.1 Financial Risk Management Policies

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

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

34.2 Capital Management

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

34.3 Market risk

Interest Rate Risk

Interest rate risk is the risk of future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings. The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

The effective interest rates of borrowings as at December 31, 2021 and 2020 and the periods in which the borrowings mature or re-price were as follows:

As at December 31, 2021

Unit : Thousand Baht

	Effective interest rate (% per annum)	Consolidated financial statements Outstanding balance maturing			Total
		Within 1 year	After 1 year but within 5 years	Over 5 years	
Current Liabilities					
Short-term borrowings from financial institutions	1.20 - 1.40	100,000	-	-	100,000
Short-term borrowing from other party	-	9,630	-	-	9,630
Current portion of long-term borrowings from other parties	4.31	4,297	-	-	4,297
Total		113,927	-	-	113,927

As at December 31, 2020

Unit : Thousand Baht

	Effective interest rate (% per annum)	Consolidated financial statements Outstanding balance maturing			Total
		Within 1 year	After 1 year but within 5 years	Over 5 years	
Current Liabilities					
Short-term borrowings from financial institutions	1.56 - 3.44	143,898	-	-	143,898
Current portion of long-term borrowings from financial institutions	3.90	4,420	-	-	4,420
Current portion of long-term borrowings from other parties	3.26 - 4.31	4,498	-	-	4,498
Non-Current Liabilities					
Long-term borrowings from other parties	3.26 - 4.31	-	4,297	-	4,297
Total		152,816	4,297	-	157,113

As at December 31, 2021

Unit : Thousand Baht

	Effective interest rate (% per annum)	Separate financial statements Outstanding balance maturing			Total
		Within 1 year	After 1 year but within 5 years	Over 5 years	
Current Liabilities					
Short-term borrowings from financial institutions	1.20 - 1.40	100,000	-	-	100,000
Short-term borrowing from other party	-	9,630	-	-	9,630
Current portion of long-term borrowings from other parties	4.31	4,297	-	-	4,297
Total		113,927	-	-	113,927

As at December 31, 2020

Unit : Thousand Baht

	Effective interest rate (% per annum)	Separate financial statements Outstanding balance maturing			Total
		Within 1 year	After 1 year but within 5 years	Over 5 years	
Current Liabilities					
Short-term borrowings from financial institutions	1.55 - 1.88	88,299	-	-	88,299
Current portion of long-term borrowings from financial institutions	3.90	4,420	-	-	4,420
Current portion of long-term borrowings from other parties	4.31	4,498	-	-	4,498
Non-Current Liabilities					
Long-term borrowings from other parties	4.31	-	4,297	-	4,297
Total		97,217	4,297	-	101,514

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

As at December 31, 2021 and 2020, the Group was exposed to foreign currency risk in respect of financial assets, financial liabilities and contingency liabilities which were hedged in the following currencies:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
US Dollars				
Trade and other current receivables	8,550	2,414	8,433	2,318
Trade and other current payables	(239,819)	(195,758)	(233,549)	(185,257)
Gross statement of financial position exposure	(231,269)	(193,344)	(225,116)	(182,939)
Currency forwards bought	816,481	601,878	809,511	598,622
Currency forwards sold	(21,490)	(851)	(21,490)	(851)
Net exposure	563,722	407,683	562,905	414,832
SG Dollars				
Trade and other current payables	-	(8,704)	-	(8,704)
Gross statement of financial position exposure	-	(8,704)	-	(8,704)
Currency forwards bought	-	9,811	-	9,811
Net exposure	-	1,107	-	1,107
Euro				
Trade and other current receivables	-	24	-	24
Trade and other current payables	(110)	(463)	(110)	(463)
Gross statement of financial position exposure	(110)	(439)	(110)	(439)
Currency forwards bought	104	2,299	104	2,299
Net exposure	(6)	1,860	(6)	1,860

Classification of forward contracts as at December 31, are as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Current assets				
Other current financial assets				
Forward contracts	5,491	190	5,478	134
Total current assets	5,491	190	5,478	134
Current liabilities				
Other current financial liabilities				
Forward contracts	(4,514)	(10,575)	(4,446)	(10,575)
Total current liabilities	(4,514)	(10,575)	(4,446)	(10,575)
Total	977	(10,385)	1,032	(10,441)

* Under Thai Financial Reporting Standards 9 “Financial instruments”, the Group adjusted the fair value of forward contracts through profit and loss.

Movement of forward contracts for the years ended December 31, 2021 and 2020 in the consolidated financial statements are as follows:

Unit : Thousand Baht		
Consolidated financial statements		
	Balance as at January 1, 2021	Change in fair value
		Balance as at December 31, 2021
Current assets		
Other current financial assets		
Forward contracts	190	5,301
Current liabilities		
Other current financial liabilities		
Forward contracts	(10,575)	6,061
Total	<u>(10,385)</u>	<u>11,362</u>

Unit : Thousand Baht		
Consolidated financial statements		
	Balance as at January 1, 2020	Change in fair value
		Balance as at December 31, 2020
Current assets		
Other current financial assets		
Forward contracts	-	190
Current liabilities		
Other current financial liabilities		
Forward contracts	(4,194)	(6,381)
Total	<u>(4,194)</u>	<u>(10,385)</u>

Unit : Thousand Baht		
Separate financial statements		
	Balance as at January 1, 2021	Change in fair value
		Balance as at December 31, 2021
Current assets		
Other current financial assets		
Forward contracts	134	5,344
Current liabilities		
Other current financial liabilities		
Forward contracts	(10,575)	6,129
Total	<u>(10,441)</u>	<u>1,032</u>

Unit : Thousand Baht		
Separate financial statements		
	Balance as at January 1, 2020	Change in fair value
		Balance as at December 31, 2020
Current assets		
Other current financial assets		
Forward contracts	-	134
Current liabilities		
Other current financial liabilities		
Forward contracts	(4,184)	(6,391)
Total	<u>(4,184)</u>	<u>(10,441)</u>

As at December 31, 2021 and 2020, the nominal amounts and fair values of forward contracts in the consolidated and separate financial statements are as follows:

	Unit : Thousand Baht			
	Consolidated financial statements			
	Nominal amounts**		Fair values*	
	2021	2020	2021	2020
Forward contracts				
Currency forwards bought	815,684	624,489	816,585	613,988
Currency forwards sold	(21,566)	(856)	(21,490)	(851)
Total	794,118	623,633	795,095	613,137

	Unit : Thousand Baht			
	Separate financial statements			
	Nominal amounts**		Fair values*	
	2021	2020	2021	2020
Forward contracts				
Currency forwards bought	808,659	621,177	809,615	610,732
Currency forwards sold	(21,566)	(856)	(21,490)	(851)
Total	787,093	620,321	788,125	609,881

* The fair value of forward contracts is the adjustment value of the original contracts which the Company entered with the commercial banks with the market price on the reporting date in order to reflect the current value of the contracts.

** The nominal amount of forward contracts is the value of the original contracts which the Company entered with the commercial banks and must be repaid at the maturity date.

34.4 Credit risk

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount. At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position. However, management does not anticipate material losses from its debt collection.

34.5 Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Credit risk management

Note 3.6 details the Group's maximum exposure to credit risk and the measurement bases used to determine expected credit losses.

Before establishing new customers, a designated team is responsible for the determination of credit limits. Whereby they use a system to access customers' potential credit quality and set a credit limit for them. Both the credit limits and the scoring system are reviewed and authorized once per calendar year.

Credits approvals and other procedures are setup to ensure that follow-up actions are taken to recover the overdue debts. Furthermore, the Group reviews the recoverable amount of each trade debt and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

35. FAIR VALUE MEASUREMENT

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset and liability.

Financial assets and financial liabilities measured at fair value

Fair value of financial assets and financial liabilities which are measured at fair value and their fair value hierarchy level classification as at December 31, 2021 and 2020 were summarized as follows:

						Unit : Thousand Baht
Financial assets / financial liabilities	Consolidated financial statements Fair value as at		Separate financial statements Fair value as at		Fair value hierarchy	Valuation techniques and key inputs for fair value measurement
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020		
<u>Financial assets</u>						
Financial assets measured at fair value through profit or loss	205,789	143,283	101,901	103,418	Level 2	Fair value are measured at fair value based on the redemption value by the financial institutions at the reporting date
Other current financial assets						
Derivative assets	5,491	190	5,478	134	Level 2	The fair values of derivatives are determined by the market price of each contract which are calculated by the financial institution of the Group as at the statements of financial position date.
<u>Financial liabilities</u>						
Other current financial liabilities						
Derivative liabilities	4,514	10,575	4,446	10,575	Level 2	The fair values of derivatives are determined by the market price of each contract which are calculated by the financial institution of the Group as at the statements of financial position date.

These financial assets and financial liabilities are presented as a part of current assets and current liabilities in the statement of financial position.

Financial assets and financial liabilities not measured at fair value

Fair value of financial assets and financial liabilities which are not measured at fair value and their fair value hierarchy level classification as at December 31, 2021 and 2020 was summarized as follows:

	Unit : Thousand Baht				
	Consolidated financial statements				Fair value hierarchy
	2021	2020	2021	2020	
	Carrying amount	Fair value	Carrying amount	Fair value	
Financial liabilities					
Short-term borrowings from financial institutions	100,000	100,000	143,898	143,898	Level 3
Short-term borrowing from other party	9,630	9,630	-	-	Level 3
Long-term borrowings from financial institutions	-	-	4,420	4,420	Level 3
Long-term borrowings from other parties	4,297	4,297	8,795	8,795	Level 3

	Unit : Thousand Baht				
	Separate financial statements				Fair value hierarchy
	2021	2020	2021	2020	
	Carrying amount	Fair value	Carrying amount	Fair value	
Financial liabilities					
Short-term borrowings from financial institutions	100,000	100,000	88,299	88,299	Level 3
Short-term borrowing from other party	9,630	9,630	-	-	Level 3
Long-term borrowings from financial institutions	-	-	4,420	4,420	Level 3
Long-term borrowings from other parties	4,297	4,297	8,795	8,795	Level 3

Valuation technique for financial assets and financial liabilities not measured at fair value of the Company and the subsidiaries are as follows:

Short-term borrowings from financial institutions and short-term borrowing from other party-the carrying amounts stated in the statements of financial position of these financial liabilities approximate their fair values because of the short-term period to maturity of these financial instruments.

Long-term borrowings from financial institutions and long-term borrowings from other parties-the carrying amounts stated in the statements of financial position of these financial liabilities approximate their fair values because most of these financial instruments bear interest at market rate.

Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

36. COMMITMENTS AND CONTINGENT LIABILITIES

The Group and the Company have commitments and contingent liabilities as follows:

36.1 Future rental and service payments under long-term lease agreements as at December 31, were summarized as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Within one year	794	4,807	794	4,807
Later than 1 year but not later than 5 years	205	139	205	139
Total	999	4,946	999	4,946

The Group has entered into car and building lease agreements including related services. The agreement periods is ranged from 1 to 5 years, which will expire in 2023.

For the years ended December 31, 2021 and 2020, the Group recorded expense according to the non-cancellable operating lease and service agreements in the consolidated statements of comprehensive income of Baht 5.65 million and Baht 9.67 million, respectively, and the Company recorded expense in the financial statements of comprehensive income amounting to Baht 5.65 million and Baht 9.67 million, respectively.

36.2 Letter of guarantee from financial institutions

As at December 31, 2021 and 2020, the Group had commitments from the financial institutions that issued letter of guarantees to various partners amounting to Baht 410.57 million and USD 0.10 million and Baht 400.47 million and USD 0.10 million, respectively.

As at December 31, 2021 and 2020, the Company had commitments from the financial institutions that issued letter of guarantees to various partners amounting to Baht 236.91 million and USD 0.10 million, and Baht 339.43 million and USD 0.10 million, respectively.

36.3 Related party guarantees

As at December 31, 2021 and 2020, the Company has provided guarantees to suppliers in the total amount of Baht 200 million.

36.4 Assets pledged as collaterals

As at December 31, 2021 and 2020, the subsidiary has pledged its land and existing constructions at the total cost of Baht 10.96 million which has the net book values of Baht 5.89 million and Baht 5.93 million, respectively as collaterals for the credit facilities from the financial institution.

36.5 Others

As at December 31, 2021 and 2020, the Group has unused credit facilities in the amount of Baht 4,160.01 million and USD 11.28 million, and Baht 3,402 million and USD 20.93 million, respectively.

As at December 31, 2021 and 2020, the Company has unused credit facilities in the amount of Baht 2,363.56 million and USD 10.28 million, and Baht 2,099 million and USD 19.93 million, respectively.

37. LITIGATIONS

On February 14, 2017, the Company filed a lawsuit against the Federation of Savings and Credit Cooperatives of Thailand Limited (“FSCT”) to the Nonthaburi Provincial Court under the Civil Black case No. P. 277/2560 demanding FSCT to pay the compensation regarding the cancellation of an agreement for design, develop and install the cooperative savings system for cooperative members and information technology services in the amount of Baht 204.00 million plus interest at the rate of 7.5% per annum from the next day of the submit date until the full payment is made.

Subsequently, on November 9, 2017, FSCT filed a complaint to the Nonthaburi Provincial Court as the Civil Black Case No. P.2295/2560 demanding the Company to pay the compensation regarding the cancellation of such agreement in the amount of Baht 312 million plus interest at the rate of 7.5% per annum from the next day of the submit date until the full payment is made.

On March 12, 2019, the Court ordered to compound these 2 cases for consideration. The Federal Court judged that FSCT has to pay the Company amount of Baht 97.46 million, including interest at the rate of 7.5% per annum from February 14, 2017 until the full payment. Subsequently, on June 21, 2019, FSCT appealed its judgment.

On August 4, 2020, the Court of Appeal judged that FSCT had to pay the Company amounted of Baht 32.28 million, including interest at the rate of 7.5% per annum from February 14, 2017 until the full payment.

On October 1, 2020, the Company submit a request for permission to file a petition and petition the adjudication of the Appeal Court by standing upheld the judgment of the Court of First Instance.

On February 25, 2021, FSCT submit a petition the adjudication of the Appeal Court. Subsequently, on June 8, 2021, the Company submitted an objection to the petition request of the FSCT.

38. EVENTS AFTER THE REPORTING PERIOD

- 38.1 On February 18, 2022, the Board of Directors' Meeting of Metro Professional Products Company Limited, which is a subsidiary, has passed a resolution to pay annual dividends from the operations of the year 2021 at the rate of Baht 12.00 per share for 500,000 shares, totaling Baht 6.00 million. The proposed dividends shall be subjected to the approval by the annual general meeting of the shareholders of the subsidiary.
- 38.2 On February 18, 2022, the Board of Directors' Meeting of Metro Connect Company Limited, which is a subsidiary, has passed a resolution to pay annual dividends from the operations of the year 2021 at the rate of Baht 14.00 per share for 1,000,000 shares, totaling Baht 14.00 million. The proposed dividends shall be subjected to the approval by the annual general meeting of the shareholders meeting of the subsidiary.
- 38.3 On February 24, 2022, the Board of Directors' Meeting of the Company has passed a resolution to pay annual dividends from the operations of the year 2021 at the rate of Baht 0.38 per share for 360,000,000 shares, totaling Baht 136.80 million. The proposed dividends shall be subjected to the approval by the annual general meeting of the shareholders of the Company.

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements have been approved for issuing by the Board of Directors of the Company on February 24, 2022.



Attachments



- 1. Details of Directors, Executive Director, Chief Financial Officer, Accounting Supervisor and Company Secretary
- 2. Details of directors of the subsidiaries
- 3. Details of the head of Internal Audit and Supervisor of the Company's operations (Compliance)
- 4. Assets used in business and details of property appraisal items
- 5. Full version of the corporate governance policy and practice and full version of Code of Conduct that the Company has prepared
- 6. Audit Committee Report

Note: Investors can view the attachments on the Company's website <https://ir.metrosystems.co.th/annual-report/>



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