



ANNUAL REPORT 2018





事有志 竟成者

คนที่มุ่งมั่นตั้งใจ ทำสิ่งใดก็สำเร็จ
Aspiration is the key to success.

แจ็ค มินเทอร์ อินตานเต
Jack Min Intanate



สารบัญ

| | |
|---|--------|
| สารจากประธานกรรมการ ประธานกรรมการบริหาร และกรรมการผู้อำนวยการ วิสัยทัศน์ และพันธกิจ | 6 7 |
| จุดเด่นทางการเงิน | 9 |
| ข้อมูลทั่วไป | 11 |
| ความรับผิดชอบต่อสังคม | 17 |
| 1. การประกอบกิจการด้วยความเป็นธรรม | |
| 2. การต่อต้านการทุจริตคอร์รัปชัน | |
| 3. การเคารพสิทธิมนุษยชน | |
| 4. การปฏิบัติต่อแรงงานอย่างเป็นธรรม | |
| 5. ความรับผิดชอบต่อผู้บริโภค | |
| 6. การดูแลรักษาสิ่งแวดล้อม | |
| 7. การร่วมพัฒนาชุมชนหรือสังคม | |
| ลักษณะการประกอบธุรกิจ | 22 |
| ปัจจัยความเสี่ยง | 29 |
| โครงสร้างการถือหุ้นและการจัดการ | 33 |
| โครงสร้างผู้ถือหุ้น | |
| การจัดการ | |
| คณะกรรมการบริษัท | |
| ขอบเขตหน้าที่และความรับผิดชอบของคณะกรรมการบริษัท | |
| คณะผู้บริหาร | |
| ขอบเขตหน้าที่และความรับผิดชอบของคณะผู้บริหาร | |
| คณะกรรมการตรวจสอบ | |
| ขอบเขตหน้าที่และความรับผิดชอบของคณะกรรมการตรวจสอบ | |
| คณะกรรมการสรรหาและกำหนดค่าตอบแทน | |
| ขอบเขตหน้าที่และความรับผิดชอบของคณะกรรมการสรรหาและกำหนดค่าตอบแทน | |
| คณะกรรมการบริหารความเสี่ยง | |
| ขอบเขตหน้าที่และความรับผิดชอบของคณะกรรมการบริหารความเสี่ยง | |
| ผู้บริหาร | |
| ขอบเขตหน้าที่และความรับผิดชอบของกรรมการผู้อำนวยการ | |
| ค่าตอบแทนกรรมการ | |
| ค่าตอบแทนอื่นๆ | |
| ค่าสอบบัญชีและค่าบริการอื่น | |
| รายการระหว่างกัน | 59 |
| คำอธิบายและวิเคราะห์ของฝ่ายจัดการ | 61 |
| รายงานความรับผิดชอบต่อคณะกรรมการต่อรายงานทางการเงิน | 68 |
| รายงานของคณะกรรมการตรวจสอบ | 69 |
| รายงานของผู้สอบบัญชีรับอนุญาต | 71 |
| งบการเงิน | 75 |
| หลักการกำกับดูแลกิจการที่ดี | 109 |
| นโยบายเกี่ยวกับการป้องกันและการมีส่วนเกี่ยวข้องกับการคอร์รัปชัน | 115 |
| การให้ความคุ้มครองบุคคลผู้แจ้งเรื่องเบาะแสการกระทำผิดหรือข้อร้องเรียน | 116 |
| นโยบายด้านคุณภาพ อาชีวอนามัย ความปลอดภัย และสภาพแวดล้อม | 116 |
| นโยบายเกี่ยวกับการจัดการฝึกอบรมแก่พนักงานด้านสิ่งแวดล้อม | 116 |
| นโยบายเกี่ยวกับทรัพย์สินทางปัญญาหรือลิขสิทธิ์ | 117 |
| นโยบายการซื้อขายหลักทรัพย์ของบริษัทฯ | 117 |

CONTENTS

| | |
|---|------------|
| Message from the Chairman of the Board, the Executive Chairman and the President | 128 |
| Vision and Mission | 129 |
| Financial Highlight | 131 |
| General Information | 133 |
| Corporate Social Responsibility Report | 139 |
| 1. Operating Business with Fairness | |
| 2. Opposition to Corruption | |
| 3. Human Rights | |
| 4. Fair Treatment to Workforce | |
| 5. Commitment to Consumers | |
| 6. Environmental Management | |
| 7. Development of Community and Society | |
| Nature of Business | 144 |
| Risk Factors | 151 |
| Shareholding Structure and Management | 155 |
| Shareholding Structure | |
| Management | |
| Board of Directors | |
| Authorized Duties of the Board of Directors | |
| Executive Committee | |
| Authorized Duties of the Executive Committee | |
| Audit Committee | |
| Authorized Duties of the Audit Committee | |
| Nomination and Remuneration Committee | |
| Authorized Duties of the Nomination and Remuneration Committee | |
| Ongoing Management | |
| Authorities and Duties of the President | |
| Remuneration of Management | |
| Other remunerations | |
| Auditor's remuneration and other expenses | |
| Related Parties and Connected Transaction | 181 |
| Management Discussion and Analysis | 183 |
| Report of the Board of Directors' Responsibility for the Financial Statement | 190 |
| Report of the Audit Committee | 191 |
| Report of the Independent Auditor | 193 |
| Financial Statements | 197 |
| The Principle of Good Governance | 231 |
| Additional Guidelines on the Prevention of Corruption Involvement | 237 |
| Protection of person who informs clue on misconduct | 238 |
| Policy for quality, professional health, safety, and environment | 238 |
| Policy for environmental training management of employees | 238 |
| Violation or files a complaint | 239 |
| Policy for Stock Trading | 239 |

Message from the Chairman of the Board, the Executive Chairman and the President



In 2018, the global economic conditions have been negatively impacted from various situations occurred during the latter part of the year which led to weakening of Thai economies, lessening purchasing power and consumers' confidence, but for the first half of the year, the overall economic situations expanded quite well. Total revenues of IT CITY slightly increased, that is, highly increased in the first half of the year but decreased in the latter part of the year, particularly during the last quarter of 2018. The products with quite satisfied growth were in sections of computer notebook, DIY for Gaming, Smart Phones, accessories and services, which can compensate the reduced sale volumes of declining products and can boost up overall margins of the Company. As share of sales from the shops was more than 90% of overall sales volume, hence, the Company emphasized on development of the shop fronts, with regards to image, products, services and personnel to deliver excellent services to the customers. In addition, the Company has modernized the shop fronts and established them in good locations continually. During nearly ending of 2018, the Company has launched many new shops at speeding rate, so by the end of the year, the Company has 130 branches in total, an increasing by 28 branches from 2017.

In 2019, the Company will still monitor and evaluate economic conditions closely as it believes that the world's economic conditions have tendency to fluctuate continually from 2018. IT CITY will carefully operate businesses by focus on increasing of its efficiency to deliver better performance than previous years. On behalf of the Board of Directors, we would like to thank all shareholders for their continued confidence and supports the Company's management, including the partners, the valued customers as well as the Company's personnel for driving IT CITY to achieve the specified target.

A black and white photograph of the signature of Mr. Kamol Juntima, the Chairman of the Board.

Mr. Kamol Juntima
Chairman of the Board
IT City Public Company Limited

A black and white photograph of the signature of Mr. Min Intanate, the Executive Chairman.

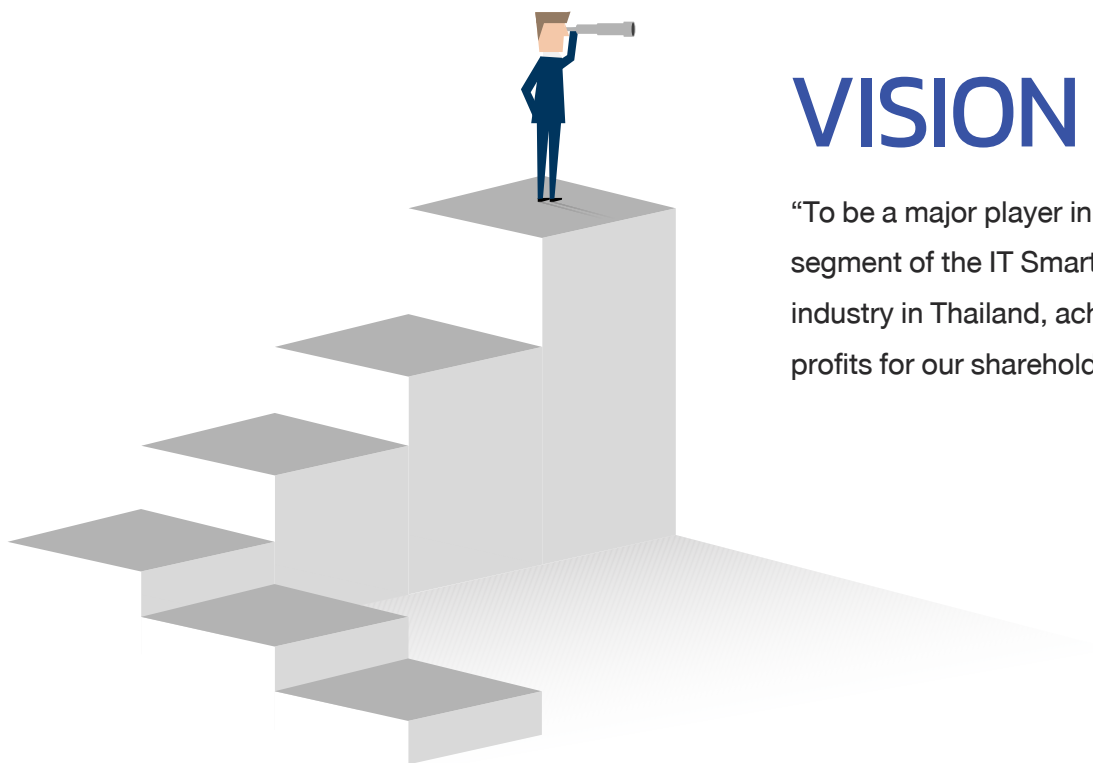
Mr. Min Intanate
Executive Chairman
IT City Public Company Limited

A black and white photograph of the signature of Mr. Ekachai Sirijirapatana, the President.

Mr. Ekachai Sirijirapatana
President
IT City Public Company Limited

Vision and Mission





VISION

“To be a major player in the mass market segment of the IT Smartphone Tablet industry in Thailand, achieving sustainable profits for our shareholders”

MISSION

1. To constantly achieve sustainable growth for the maximum satisfaction of shareholders partner staff clients and society.
2. To maintain financial strength and appropriate risk management.
3. To work together as a team, where everyone is given equal importance.
- 4 To give the importance to and develop personnel to have working efficiency and responsibility.
5. To comply with the Good Corporate Governance, the Principles of Corporate Social Responsibility.
6. To support and assist the society and community.





Financial Highlight

Ratio Analysis

As at December 31, 2015 to 2018

| | 2015 | 2016 | 2017 | 2018 |
|---|-------------|-------------|-------------|-------------|
| Liquidity ratio | | | | |
| Current ratio (times) | 2.10 | 1.94 | 1.79 | 1.72 |
| Quick ratio (times) | 0.96 | 0.91 | 0.58 | 0.58 |
| Cash flow liquidity ratio (times) | 0.16 | 0.14 | 0.06 | 0.17 |
| Receivables turnover – total sales (times) | 42.14 | 35.19 | 38.49 | 51.44 |
| Collection period – total sales (days) | 9 | 10 | 9 | 7 |
| Receivables turnover – wholesale (times) | 13.85 | 11.12 | 14.92 | 12.94 |
| Collection period – wholesale (days) | 26 | 32 | 24 | 28 |
| Inventory turnover (times) | 7.72 | 6.63 | 5.94 | 6.15 |
| Inventory turnover period (days) | 47 | 54 | 61 | 59 |
| Account payable turnover (times) | 9.26 | 7.42 | 7.20 | 7.89 |
| Payment period (days) | 39 | 48 | 50 | 46 |
| Cash Cycle (days) | 34 | 38 | 35 | 41 |
| Profitability ratio | | | | |
| Gross profit margin (%) | 9.86 | 10.30 | 11.14 | 11.49 |
| Operating profit margin (%) | (0.96) | (1.14) | 0.04 | (0.38) |
| Other profit margin (%) | 1.39 | 1.42 | 1.49 | 1.34 |
| Quality of earnings (%) | (180.41) | (173.30) | 2,316.85 | (584.01) |
| Net profit margin (%) | 0.44 | 0.31 | 1.27 | 0.83 |
| Return on equity (%) | 2.16 | 1.47 | 6.74 | 5.05 |
| Efficiency ratio | | | | |
| Return on total assets (%) | 1.40 | 0.88 | 3.81 | 2.80 |
| Return on fixed assets (%) | 45.83 | 47.54 | 89.50 | 67.30 |
| Asset turnover (times) | 3.14 | 2.87 | 3.01 | 3.39 |
| Financial policy ratio | | | | |
| Debt to equity (times) | 0.60 | 0.74 | 0.81 | 0.80 |
| Fixed charge overate ratio (cash flow adequacy) (times) | 1.40 | 3.16 | 0.47 | 1.59 |
| Dividend payout ratio (%) | 78 | 91 | 81 | - |
| Data per share | | | | |
| Par value (Baht) | 1.00 | 1.00 | 1.00 | 1.00 |
| Book value per share (Baht) | 2.99 | 2.98 | 2.93 | 2.90 |
| Earnings per share (Baht) | 0.064 | 0.044 | 0.136 | 0.147 |
| Dividend per share (Baht) | 0.05 | 0.04 | 0.18 | - |
| Weighted average number of shares (Share) | 349,398,859 | 349,398,859 | 310,735,845 | 286,398,859 |
| Growth rate | | | | |
| Total assets (%) | 9.37 | 8.23 | (16.05) | (1.66) |
| Total liabilities (%) | 24.07 | 22.29 | (11.32) | (2.33) |
| Sales and service income (%) | (0.30) | (0.64) | 0.11 | 2.36 |
| Cost of sales and services (%) | (0.13) | (1.12) | (0.82) | 1.96 |
| Selling and administrative expenses (%) | (6.48) | 5.05 | (2.89) | 9.45 |
| Net profit (%) | 297.20 | (31.25) | 312.59 | (33.49) |

General Information



Business

IT CITY Public Company Limited is the Retail Superstore, selling computers, tablets, smart phones peripherals and, other related IT products and Smart Phone under the trade name “IT CITY” which is a retail superstore chain, specializing in IT products. Its slogan is “The IT Superstore”.

Location

Its headquarters is located at 604/3 Pantip Plaza Bldg., 5th-6th Fl., Petchburi Road, Tanon Petchburi, Rajthevee. Bangkok 10400 Thailand

Home Page

www.itcity.co.th Tel: 0 2656 5030-45 Fax: 0 2656 5049

Capital

Its registered capital is 303,798,859 baht which is divided into 303,798,859 shares with a par value of one baht each.

Type and Amount of Stock Sold

Its paid-up capital is 286,398,859 baht consisting of 286,398,859 ordinary shares with a par value of one baht each.

Company's registration No.

0107545000349

Branches

Currently, IT CITY has a total of 130 branches in Bangkok and major cities throughout Thailand. They are as follows:

| Branches | Location | Commencement Date |
|------------------------------|---|-------------------|
| 1. Pantip Plaza | 5 th Floor, Pantip Plaza | November 1996 |
| 2. Zeer Rangsit | 3 rd Floor, Zeer Shopping Complex, Rangsit | May 2000 |
| 3. Seacon IT Market | 1 st Floor, Seacon Square, Srinakarin | April 2001 |
| 4. Tukcom-Sriracha | 3 rd Floor, Tukcom, Sriracha | December 2001 |
| 5. Star IT | 1 st Floor, Rayong Star Complex, Rayong | June 2002 |
| 6. IT Mall | 4 th Floor, Fortune Tower | August 2002 |
| 7. Central Rama III | 6 th Floor, Central Rama III | August 2003 |
| 8. Central Bangna | 4 th Floor, Central Bangna | September 2003 |
| 9. Central Airport | 3 rd Floor, Central Airport Chiang Mai | September 2003 |
| 10. The Mall Ngamwongwan | 5 th Floor, The Mall Ngamwongwan | December 2003 |
| 11. IT Plaza Samrong | 4 th Floor, IT Plaza Samrong | December 2003 |
| 12. Nasa Center Suphanburi | 3 rd Floor, Nasa Center Suphanburi | December 2003 |
| 13. Panthip-Chiang Mai | 2 nd Floor, Panthip Plaza, Chiang Mai | October 2004 |
| 14. Tukcom-Pattaya | 5 th Floor, Tukcom, Pattaya | December 2004 |
| 15. IT Square Laksi | 2 nd Floor, Laksi Plaza | October 2005 |
| 16. Siam Paragon | 4 th Floor, Siam Paragon | December 2005 |
| 17. Royal Park Ratchaburi | 2 nd Floor, Royal Park Shopping Mall | May 2006 |
| 18. Future Park Rangsit | 3 rd Floor, Future Park Rangsit | August 2006 |
| 19. Pantip Plaza Ngamwongwan | 4 th Floor, Pantip Plaza Ngamwongwan | September 2006 |
| 20. The Mall Ramkhamhaeng | 4 th Floor, The Mall Ramkhamhaeng | October 2006 |
| 21. Fashion Island | 3 rd Floor, Fashion Island | November 2006 |
| 22. Top IT Phisanulok | 2 nd Floor, Topland Arcade | May 2008 |

| Branches | Location | Commencement Date |
|---------------------------------------|---|-------------------|
| 23. Big Jieng Nongkhai | 2 nd Floor, IT Big Jieng Shopping Complex | November 2008 |
| 24. Harbor Mall Lamchabang | 3 rd Floor, Harbor Mall Lamchabang Shopping Complex | December 2008 |
| 25. Singburi | 3 rd Floor, Chai Saeng Department Store | October 2009 |
| 26. The Mall Bangkai | 3 rd Floor, The Mall Bangkai Department Store | February 2010 |
| 27. The Mall Nakhonratchasima | 3 rd Floor, The Mall Nakhonratchasima Department Store | April 2010 |
| 28. Markfour Phrae | 3 rd Floor, Markfour Plaza | January 2011 |
| 29. Tuk Com Chonburi | 3 rd Floor, Tuk Com Chonburi Shopping Complex | December 2011 |
| 30. Mega Bangna | 2 nd Floor, Mega Bangna Shopping Center | May 2012 |
| 31. Seacon Bangkai | 3 rd Floor, Seacon Bangkai | September 2012 |
| 32. Central Khonkhan | 5 th Floor, Central Plaza Khonkhan | December 2012 |
| 33. Central Chaengwattana | 4 th Floor, Central Plaza Chaengwattana | January 2013 |
| 34. Tukcom Udon Thani | 2 nd Floor, Landmark Plaza | February 2013 |
| 35. Central Rama II | 3 rd Floor, Central Plaza Rama II | March 2013 |
| 36. Fortune Mercure | 4 th Floor, Fortune Town | April 2013 |
| 37. Tesco Lotus Samutsongkhram | 1 st Floor, Tesco Lotus | July 2013 |
| 38. Tesco Lotus Singburi (Tha Wung) | 1 st Floor, Tesco Lotus | July 2013 |
| 39. Tesco Lotus Ruamchok Chiangmai | 1 st Floor, Tesco Lotus | August 2013 |
| 40. Tesco Lotus Samphran Nakhonpathom | 1 st Floor, Tesco Lotus | September 2013 |
| 41. Tesco Lotus Klaeng Rayong | 1 st Floor, Tesco Lotus | October 2013 |
| 42. Tesco Lotus Wiangsa Suratthani | 1 st Floor, Tesco Lotus | October 2013 |
| 43. Tesco Lotus Suphanburi | 1 st Floor, Tesco Lotus | November 2013 |
| 44. Central Festival Chiangmai | 3 rd Floor, Central Festival | November 2013 |
| 45. Suk-Anan Saraburi | 2 nd Floor, Suk-anan Park | November 2013 |
| 46. Tesco Lotus Songkhla | 1 st Floor, Tesco Lotus | November 2013 |
| 47. Tesco Lotus Chalong Phuket | 1 st Floor, Tesco Lotus | December 2013 |
| 48. Central Festival Hatyai | 3 rd Floor, Central Festival | December 2013 |
| 49. Tesco Lotus Chainart | 1 st Floor, Tesco Lotus | December 2013 |
| 50. Taweekit Super Center Buriram | 1 st Floor, Taweekit Super Center | December 2013 |
| 51. Tesco Lotus Lom Sak Phetchabun | 1 st Floor, Tesco Lotus | January 2014 |
| 52. Tesco Lotus Rochana Ayutthaya | 2 nd Floor, Tesco Lotus | January 2014 |
| 53. Tesco Lotus The Walk Nakhonsawan | 1 st Floor, Tesco Lotus | February 2014 |
| 54. Big C Supercenter Phisanulok | 2 nd Floor, Big C Supercenter | February 2014 |

| Branches | Location | Commencement Date |
|--------------------------------------|--|-------------------|
| 55. Tesco Lotus Samkong Phuket | 1 st Floor, Tesco Lotus | February 2014 |
| 56. Laemtong Chonburi | 2 nd Floor, Laemtong Shopping Plaza | February 2014 |
| 57. Big C Supercenter Kanlapaphruek | 1 st Floor, Big C Supercenter | April 2014 |
| 58. Sermthai Mahasarakham | 2 nd Floor Sermthai Complex | May 2014 |
| 59. Tesco Lotus Nakhonnayok | 1 st Floor, Tesco Lotus | May 2014 |
| 60. Robinson Roi Et | 2 nd Floor, Robinson Department Store | October 2014 |
| 61. Sripong Park Uttaradit | 1 st Floor, Sripong Park Shopping Complex | October 2014 |
| 62. Robinson Prachinburi | 2 nd Floor, Robinson Department Store | December 2014 |
| 63. Tuk Com Sriracha II | G Floor, Tukcom Kosa | December 2014 |
| 64. Robinson Mukdahan | 2 nd Floor, Robinson Department Store | December 2014 |
| 65. Central Plaza Lampang | 2 nd Floor, Central Plaza | April 2015 |
| 66. Robinson Kanchanaburi | 2 nd Floor, Robinson Department Store | April 2015 |
| 67. Central Plaza Phitsanulok | 2 nd Floor, Central Plaza | April 2015 |
| 68. Central Plaza Rayong | 2 nd Floor, Central Plaza | May 2015 |
| 69. Robinson Buriram | 2 nd Floor, Robinson Department Store | July 2015 |
| 70. Central West Gate | 2 nd Floor, Central Plaza | August 2015 |
| 71. The Mall Bangkok | 3 rd Floor, The Mall Department Store | November 2015 |
| 72. Central Plaza Pinklao | 3 rd Floor, Central Plaza | December 2015 |
| 73. Central Plaza Udonthani | 2 nd Floor, Central Plaza | December 2015 |
| 74. Harbor Pattaya | 3 rd Floor, Harbor Pattaya Department Store | April 2016 |
| 75. Robinson Srisaman | 2 nd Floor, Robinson Department Store | May 2016 |
| 76. Central Plaza Nakonsri Thammarat | 2 nd Floor, Central Plaza | July 2016 |
| 77. Blu'Port Hua Hin | 3 rd Floor, Blu'port Hua Hin Resort Mall | October 2016 |
| 78. Tesco Lotus Phayakkhaphum Phisai | 1 st Floor, Tesco Lotus | November 2016 |
| 79. Tesco Lotus Ladprao | 2 nd Floor, Tesco Lotus | November 2016 |
| 80. Tesco Lotus Chaeng Watthana | 1 st Floor, Tesco Lotus | November 2016 |
| 81. Terminal 21 Korat | 3 rd Floor, Terminal 21 Shopping Mall | December 2016 |
| 82. Tesco Lotus Bangkai | 2 nd Floor, Tesco Lotus | December 2016 |
| 83. Tesco Lotus Bo win | 1 st Floor, Tesco Lotus | June 2017 |
| 84. Big C Supercenter Roi-Et | 1 st Floor, Big C Supercenter | June 2017 |
| 85. V-Square Nakhonsawan | B Floor, V-Square Department Store | July 2017 |
| 86. Tesco Lotus Yasothorn | 1 st Floor, Tesco Lotus | September 2017 |

| Branches | Location | Commencement Date |
|---|---|-------------------|
| 87. Central Plaza Nakhon Ratchasima | 2 nd Floor, Central Plaza | November 2017 |
| 88. Pantip Plaza II | 1 st Floor, Pantip Plaza | November 2017 |
| 89. Central Plaza Mahachai Samut Sakhon | 2 nd Floor, Central Plaza | November 2017 |
| 90. Tesco Lotus Phon Thong, Roi Et | 1 st Floor, Tesco Lotus | March 2018 |
| 91. Market Village Hua Hin | 3 rd Market Village | April 2018 |
| 92. Tesco Lotus Nakhon In, Nonthaburi | 1 st Floor, Tesco Lotus | May 2018 |
| 93. Tesco Lotus U-Thong, Suphanburi | 1 st Floor, Tesco Lotus | June 2018 |
| 94. Tesco Lotus Nakhon Phanom | 1 st Floor, Tesco Lotus | June 2018 |
| 95. Tesco Lotus Surat Thani | 1 st Floor, Tesco Lotus | June 2018 |
| 96. Tesco Lotus Somdet, Kalasin | 1 st Floor, Tesco Lotus | June 2018 |
| 97. Tesco Lotus Chiang Khong, Chiang Rai | 1 st Floor, Tesco Lotus | July 2018 |
| 98. Big C Supercenter Sa Kaeo | 2 nd Floor, Big C Supercenter | July 2018 |
| 99. Tesco Lotus Chonburi | 1 st Floor, Tesco Lotus | July 2018 |
| 100. Tesco Lotus Ratchaburi | 1 st Floor, Tesco Lotus | July 2018 |
| 101. Tesco Lotus Phanat Nikhom, Chonburi | 1 st Floor, Tesco Lotus | July 2018 |
| 102. Tesco Lotus Lopburi | 1 st Floor, Tesco Lotus | July 2018 |
| 103. Tesco Lotus Kam Paeng Saen, Nakhon Pathom | 1 st Floor, Tesco Lotus | July 2018 |
| 104. Tesco Lotus Wang Nam Yen | 1 st Floor, Tesco Lotus | July 2018 |
| 105. Tesco Lotus Aranyaprathet, Sa Kaeo | 1 st Floor, Tesco Lotus | July 2018 |
| 106. Tesco Lotus Uthumphon Phisai, Si Sa Ket | 1 st Floor, Tesco Lotus | August 2018 |
| 107. Tesco Lotus Prasat, Surin | 1 st Floor, Tesco Lotus | August 2018 |
| 108. Tesco Lotus Bang Krui Sai Noi, Nonthaburi | 1 st Floor, Tesco Lotus | August 2018 |
| 109. Tesco Lotus Phibun Mangsahan, Ubon Ratchathani | 1 st Floor, Tesco Lotus | August 2018 |
| 110. Tesco Lotus Si Sa Ket | 1 st Floor, Tesco Lotus | August 2018 |
| 111. Tesco Lotus Srinakarin | 1 st Floor, Tesco Lotus | August 2018 |
| 112. Tesco Lotus Amata Nakorn, Chonburi | 1 st Floor, Tesco Lotus | August 2018 |
| 113. Tesco Lotus Chanthaburi | 1 st Floor, Tesco Lotus | September 2018 |
| 114. Tesco Lotus Khok Samrong Lopburi | 1 st Floor, Tesco Lotus | September 2018 |
| 115. Zeer II | 2 nd Floor, Zeer Shopping Complex, Rangsit | September 2018 |
| 116. Tesco Lotus Phayao | 1 st Floor, Tesco Lotus | September 2018 |
| 117. ACE Mega Bangna | 2 nd Floor, Mega Bangna Shopping Center | October 2018 |

| Branches | Location | Commencement Date |
|---|--|-------------------|
| 118. Tesco Lotus Uttaradit | 1 st Floor, Tesco Lotus | October 2018 |
| 119. Tesco Lotus Bang Pakok | 3 rd Floor, Tesco Lotus | October 2018 |
| 120. Terminal 21 Pattaya | 1 st Floor, Terminal 21 Shopping Mall | October 2018 |
| 121. Tesco Lotus U-Tapao | 1 st Floor, Tesco Lotus | November 2018 |
| 122. ACE ZPELL | 3 rd Floor, Future Park Rangsit | November 2018 |
| 123. Tesco Lotus Ban Phue Udon Thani | 1 st Floor, Tesco Lotus | November 2018 |
| 124. Gateway Bangsue | 2 nd Floor, Gateway Bangsue | November 2018 |
| 125. Tesco Lotus Rayong | 1 st Floor, Tesco Lotus | November 2018 |
| 126. Tesco Lotus Map Ta Phut | 1 st Floor, Tesco Lotus | December 2018 |
| 127. Tesco Lotus Phon Khon Kaen | 1 st Floor, Tesco Lotus | December 2018 |
| 128. Tesco Lotus Pra Khon Chai Buri Ram | 1 st Floor, Tesco Lotus | December 2018 |
| 129. Tesco Lotus Borabue Mahasarakham | 1 st Floor, Tesco Lotus | December 2018 |
| 130. Tesco Lotus Thalang Phuket | 1 st Floor, Tesco Lotus | December 2018 |

Remark: - Hongfah Plaza Chiang Rai branch has been closed since February 2018.
 - Charoenphan Phayao branch has been closed since August 2018.
 - Kadkarm Mae Hong Son, Chachoengsao, Kanchanaburi, the Crystal Park, Klang IT Center, Tesco Lotus Pinklao, have been closed since November, 2018.
 - Tukcom Kosa II Khonkaen, Home Work Phuket, Big C Trang, Saraburi, Topland Phetchabun, have been closed since December 2018.

References

a) Share registrar :

Thailand Securities Depository Co., Ltd.
 14th Floor, Stock Exchange of Thailand
 93 Ratchadapisek Road,
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Corporate Social Responsibility Report



IT City Public Co., Ltd. always realizes about operating business with corporate social responsibility. Its management policy has been formulated by adopting good governance principle to ensure that such policy shall be efficiently, transparently and accountability. Moreover, the Company's operating frameworks are also based on the operating guidelines of the Stock Exchange of Thailand. The Company also encourages all stakeholders, i.e. shareholder, business partner, employee, customer, competitor, society and environment to develop in all aspects and grow together in sustainable manner.

1. Operating Business with Fairness

The Company believe that running business with fairness creates the confidence to stakeholder which will be beneficial to the business long time. Hence, the Company operates business based on accuracy, fairness, non-exploitation, integrity reliability, mutual benefits with all stakeholders. The codes of conduct can be achieved by strictly complying with rules of law, having business ethics, being direct with business transaction or corresponding with government agencies opposing to bribery with government officials that leads to business convenience or business interest.

Responsibility to Shareholders

The Company constantly perform duties with integrity, make decision in operations with honesty, transparency, and benefit to the Company and the shareholders, manage the Company's business to achieve prosperity, stability, and provide the appropriate return to the shareholders, not to seek for one's own benefit or others from work operation, not to disclose the Company's secret nor use the Company's confidential information for one's own or others' benefit without permission from the Company, not to perform any action which may cause conflicts of interest with the Company without informing the Company.

Responsibility to Vendors

The Company has a policy to treat all vendors with fairness, maintain confidentiality, not exploit or take advantage of managing and conducting transactions with vendors, the Company emphasis on a relationship and fairness aim towards mutual benefits to vendors. The Company respects vendors' right receiving necessary information to evaluating the Company equally. Consequently, it will continue to regularly disclose information on performance, financial data and all supporting information as required, The Company also maintains good sustainable and consistent relationship with vendors including not abuse vendors' information.

Responsibility to Employees

The Company provide appropriate return in accordance with the knowledge, capability, responsibility, and performance of staff, encourage, develop, and increase knowledge and capability of staff, comply with laws and regulations concerning labor law and welfare of the staff, treat the staff by focusing on the basic dignity of human being and respecting to the individual's rights.

Responsibility to Customers

The Company's products are filled with details and processes that need to convey to customers, the Company therefore provides all related services starting from offering consults and key information for further consideration where customers make the right decision and choice. The Company's products have been selected and legal requirements. The Company is against infringement of intellectual property. In addition, the Company adds a channel for customers recommendation and feedback on products and services including IT CITY staff service or any problem customers may have at Company's website : www.itcity.co.th or Company's Facebook Fanpage : www.facebook.com/itcitycare.

Responsibility to Competition

IT CITY perform trading competition under the scope of fair competition, not to seek for confidential information of competitors with illegal or corrupted methods, not to neither damage reputation of competitors with slander nor perform any action without truth and fairness.

Responsibility to Society

IT CITY provide support to activities which are beneficial to communities and the society as a whole, not to perform any action which cause damage to the reputation to the country, natural resources, and environment, not to offer cooperation or support to any person who performs illegal business or who is dangerous to the society and the national security, constantly provide awareness of responsibility toward the community and society within the Company.

2. Opposition to Corruption

The Company strongly determines to fight against corruption, for instance it shall not accept any form of corruption. It is also specified that the Company including any person and any department whose work concerning with business operation shall strictly comply with the anti-corruption policy. When they are dealing transaction or business with any official or any agency, they shall place importance on transparency and honesty in order to avoid any undertaking which might be inappropriate and contrary to good governance principle. Moreover, bribery to the official to make them facilitate the Company's or for benefits of the Company's business shall also be against. Highest disciplinary penalty shall be imposed to those who violate this policy. The Company also provides channel to notify clue on misconduct or complaint as follows:

- (1) Corporate Secretary: by sending a letter via postal service or directly by hand to:
Corporate Secretary,
IT City Public Company Limited,
No. 604/3 Pantip Plaza Bldg., 5th- 6th FL.,
Petchburi Road, Tanonpetchburi, Rajthevee, Bangkok 10400
or E-mail: chanchai_b@itcity.co.th
- (2) Internal Audit Department:
IT City Public Company Limited,
No. 604/3 Pantip Plaza Bldg.,
5th- 6th FL., Petchburi Road, Tanonpetchburi, Rajthevee,
Bangkok 10400 or E-mail: chirawan_p@itcity.co.th

Protection of person who informs clue on misconduct, violation or files a complaint.

Any employee or officer who files complaint, notifies clue, gives statement or provides information with honesty and does not have any intention to defame or cause damage to any person or the Company shall be protected from the Company, for instance, his/her position, job or workplace shall not be changed, or he/she shall not be suspended from job nor shall be threatened, harassed or treated unfairly. However, if it is necessary to change or cancel the protection measure for any person prior the arrangement under this policy becomes finalized, such undertaking must be granted approval from the Audit Committee first.

3. Human Rights

The Company is aware of and respects human rights by giving fair treatment to customers, employees, temporary staff, vendors, and all stakeholders without discrimination. The Company respects human rights on labor welfare without child labor. Work hours are according to Labor Law including suitable overtime request and holidays.

Protection of Customer Information

The Company pays attention to customer confidentiality. All information related to customers is kept in a database. Access, add or edit to the database are required by authorization.

Fair Service and Treatment

The Company targets to treat all customers with clear fairness, at the same time, convey the message to all levels of employees for the best implementation. Practice guideline follows the same standard for all branches. All customers are treated with fairness and equality, without discrimination on level of income, gender, age. Queuing system is implemented; drinking water is served to all customers.

Human Rights Support

The Company supports government policy, complies with laws and regulations on human rights. This becomes a fundamental for human resource management, improvement and monitoring transparency result. HR personnel have comprehensive understanding on key requirements on human rights, on labor law and are able to apply to work as policy makers on work procedures related on human rights and labor rights. HR personnel are able to touch down to subordinates in each branch.

4. Fair Treatment to Workforce

The Company treats all workers with fairness based upon labor law and business circumstance. Staff receive fair remuneration and suitable for their responsibilities. They are provided fund and treat the staff by focusing on the basic dignity of human being and respecting to the individual's rights, monitor the maintenance of workplace environment to ensure the safety to life, health, body, and property of the staff.

5. Commitment to Consumers

The Company discloses the information of products and services with completeness, accuracy, and fairness to the customer and not to distort the fact, serve the need of consumers with quality products and excellent services, provide guarantees to products and services under the appropriate regulations, prepare customer service mechanism and system for the customers to conveniently complain any dissatisfaction of products and services at Company's Website or Company's Facebook.

6. Environmental Management

The Company realizes the importance of the product quality, energy and environment preservation, global warming situation, and professional health and safety as parts of the business, campaign on energy saving among all staff, activity encouraging staff to switch off computer screen during lunch break or when not using it and administration management water, garbage, waste matter with systematically.

7. Development of Community and Society

The Company have strong determination to operate business through the nurturing of CSR mentality as well as business ethics and corporate governance. The company organizes social development activities in various forms focusing at voluntary participation of our employees. Above encourages them to recognize their participation role toward their own society. IT City on regular basis supporting different activities that we believe it will render highest benefits in social collaborative environment including activities initiated by both private and public sectors. Supporting education with funds and educational equipment for schools is a step of creating strong foundation of quality life for Thai children whom is considered as a hope for future of our country.



A hand is holding a white card that features a large, bold, blue arrow pointing upwards and to the right. The background is a blurred city skyline with various skyscrapers. The overall color palette is dominated by blues and whites, with a soft, ethereal light effect.

Nature of Business

IT CITY Public Company Limited is the retail superstore chain selling computers, tablets, peripherals, smart phone and other related IT products and smart phone under the trade name “IT CITY” which is a category killer in IT and smart phone products. Its slogan is “The IT Superstore”. IT CITY offers a variety of over 10,000 items. Besides being a retail business, IT CITY also sells products via wholesale to customers in both Bangkok and provinces. At present, IT CITY operates the following businesses:

1. IT CITY provides one-stop shopping for leading brands of personal computer, peripherals and smart phone which are classified into five main product categories, as follows:

Computer

(a) It offers desktop and notebook computers tablet such as Acer, Apple, Asus, Dell, HP, Lenovo, MSI and Microsoft surface etc.

(b) It also offers various brands of LED monitors, including leading brands such as Acer, Asus, BenQ, Dell, Lenovo, LG, Samsung etc.

Peripherals

It offers a wide selection of printers and scanners.

(a) Printers include Inkjet, Dot Matrix, Laser, Multi function and Photo Copier etc. There are various brands such as Brother, Canon, EPSON, HP, Lexmark, OKI, Ricoh, Samsung, Xerox etc.

(b) IT CITY has provided several branded scanners, including Brother, Canon, EPSON, HP etc.

Smart Phone

It offers several branded of Smart Phone and connected devices, as follows:

(a) Smart Phone it offers leading brand such as Samsung, Oppo, Vivo, Huawei, Xiaomi, Asus etc.

(b) Wearable devices such as Fitbit, Garmin Xiami etc.

Accessories

It offers various computer accessories like Gaming devices, IP Camera, Internet of Thing (IOT) devices, Car camera, 3G/4G Aircard, mouse, keyboard, computer software, ink and toner cartridge, printing paper, UPS, power bank, power extension outlet, loudspeaker, headphone, optical drive, CD/DVD, hard disk, computer components, network equipment, cable, carry bags and Smart Phone accessories.

Others

1. It offers several Digital LED TV, Home audio video device and office equipments which are classified into main product categories, as follows :

(a) Leading Digital LED TV brands such as LG, Samsung etc.

(b) Office Equipment like Photo copiers, fax, office telephone, sticker cutting machine, label printer, barcode scanner, projector etc.

(c) Camera such as Canon, Nikon and GoPro etc.

2. Establishment of repair and maintenance service center for computer equipment, supply of genuine parts from the manufacturers and provision of services by our expert technicians, The Company classifies type of services as follows:

(a) Selling “iCare” service with extended warranty for computers, monitors, projector, LCD television;

(b) “iClinic” to provide software installation and upgrade, computer set up and virus removal service;

(c) “iFix”, a service center appointed by the manufacturers and the distributors, to provide repair and maintenance services for hardware as to transport goods which cannot be the Company to the manufacturers or the distributors for their further action.

The above operations are the integrated services which can distinguish the Company from its competitors. It can be regarded as an enhancement of good customer relationship and help boosting up revenues of the Company. To facilitate its customers, IT CITY has also cooperated with several financial institutions such as First Choice, Aeon etc. to provide information and several payment plans for the purchase of goods and service. In addition we have introduced “AirPay” by Garena to provide payment service for utility payment, car tax, credit card and installment and top-up for prepaid phone and games.

Revenue structure

The table below provides IT CITY’s revenue structure over the past four years (2015 - 2018)

| Revenue structure | 2015 | | 2016 | | 2017 | | 2018 | |
|---------------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| | Amount | % | Amount | % | Amount | % | Amount | % |
| Sales revenue | | | | | | | | |
| 1. Computer | 2,466.48 | 49.06 | 2,490.01 | 49.82 | 2,289.96 | 45.78 | 2,356.62 | 46.16 |
| 2. Printer | 601.69 | 11.97 | 491.01 | 9.82 | 490.38 | 9.80 | 436.30 | 8.55 |
| 3. Smart Phone | 545.55 | 10.85 | 654.28 | 13.09 | 713.40 | 14.26 | 774.25 | 15.17 |
| 4. Accessories (C&C) | 797.20 | 15.86 | 739.86 | 14.80 | 740.37 | 14.80 | 787.63 | 15.43 |
| 5. Others Products | 479.54 | 9.54 | 470.71 | 9.42 | 456.63 | 9.13 | 400.19 | 7.83 |
| Total Sales Revenue | 4,890.46 | 97.28 | 4,845.87 | 96.95 | 4,690.74 | 93.78 | 4,754.99 | 93.14 |
| Service income | | | | | | | | |
| 6. Tools & Spare parts | 8.55 | 0.17 | 15.05 | 0.30 | 154.89 | 3.10 | 219.82 | 4.31 |
| 7. Rental & Service Incomes | 59.48 | 1.18 | 66.97 | 1.34 | 71.48 | 1.43 | 72.81 | 1.43 |
| 8. Others | 1.46 | 0.03 | 0.57 | 0.01 | 16.72 | 0.33 | 2.76 | 0.06 |
| Sales and Service income | 4,959.95 | 98.66 | 4,928.46 | 98.60 | 4,933.83 | 98.64 | 5,050.38 | 98.94 |
| Other income | 67.40 | 1.34 | 70.03 | 1.40 | 68.19 | 1.36 | 54.59 | 1.06 |
| Total revenue | 5,027.35 | 100.00 | 4,998.49 | 100.00 | 5,002.02 | 100.00 | 5,104.97 | 100.00 |
| Revenue Growth | -0.12% | | -0.57% | | 0.07% | | 2.06% | |

Company's objectives

IT CITY aims to become one of Thailand's IT Smart Phone and Tablet superstore leaders with sustainable profits. At the end of 2018 the company plans to expand to cover 5 branches nationwide. This will enable IT CITY to become increasingly competitive with others in terms of economies of scale. The company also expects to be able to maintain first tier distribution from direct purchase from manufacturers and producers. This will enable IT CITY to make more rebates in a high volume purchase. Moreover, the company is continuously committed to offer a wide variety of products and services under the **"One Stop Shopping"** concept.

The Meeting of the Board of Directors of IT City Public Company Limited ("IT City") No. 5/2010 held on 15 December, 2010 has resolved to approve the investment in newly set-up Joint Venture Company ("JV Company") in the amount of 48 million Baht being 40% of 120 million Baht registered capital of "JV Company". On 1 March 2011, a "JV Company" was incorporated under the name of **"S P V I Company Limited"** (S P V I). S P V I distributes IT products and accessories carrying the "Apple" brand through iStudio outlet and U Store outlet. The U Store's business is to sell IT products solely to university students' at large discounts.

On April 10, 2013 S P V I Co., Ltd. has increased its registered capital from 120 million Baht to 200 million Baht by offering right to the existing shareholders, general public directors and/or employees. During the meeting of the Board of Directors held on April 11, 2013, the meeting has approved for purchase of capital increase on pro rata basis totaled 10 million Baht . The purchasing of this capital increase made the Company have investment money of 58 million Baht, or accounting for 29% of the registered capital. Moreover, on December 6, 2013, S P V I Co., Ltd. has been listed in the Market for Alternate Investment (MAI) and trading activity of its shares has been commenced on December 19, 2013.

The Meeting of the Board of Directors of IT City Public Company Limited ("IT City") No. 4/2015 held on November 10, 2015 has resolved to approve the investment in Uitox (Thailand) Company Limited ("Uitox (Thailand)") amounting to 18 million Baht or accounting for 33.33% of registered capital after capital increase of Uitox (Thailand). The Company paid included a share premium of Baht 12 million because the Company expected that the investee company to be able to operate electronics business cross-border as it had a network of branches in multiple countries.

In May 2017, the Company negotiated with the shareholders of this associate in order to return the portion of the investment in excess of the par value because certain restrictions has resulted in the cross-border business being unsuccessful. On 11 May 2017, the Extraordinary General Meeting of shareholders of Uitox (Thailand) Company Limited passed a resolution to return investment of Baht 12 million to the Company and on 12 May 2017, the Company received the return of the invested funds. The percentage shareholding of the Company in this associate remains unchanged.

The extra ordinary shareholders' meeting of Uitox (Thailand) Company Limited has resolved to approve the business dissolution and the company has registered the business dissolution with the ministry of commerce on October 18, 2018 and being in the process of liquidation. Uitox (Thailand) Company Limited has registered paid up capital of 18 million Baht. IT has held the share of 33.33%.

On 25 December 2018, Uitox (Thailand) Company Limited completed registration of its liquidation, and made payment for return of investment to the Company of Baht 1.3 million.

The printing technology has been changed that it now has capability to print on various kinds of materials and printing management program can be used for faster printing with lower cost. In addition, the consumers' behaviors, both at organizational and personal levels, have various demands, and they also need customized and fast services. Such trend and direction made the Company decided to jointly invest in a newly established company, pursuant to resolution of the Board of Directors' Meeting No. 3/2016 held on August 11, 2016 which approved on investment in a newly established company (the "Joint Venture") in the amount of 12 million Baht being 24% of 50 million Baht registered capital, named Touch Printing Republic Company Limited ("TRR") to conduct businesses of import and distribution of printing machines, printing accessories and turnkey solution for printing services. Business plans are as follows:

1. Retail and wholesale business of printing machine and related equipment;
2. Printing solution business to provide integrated printing advices to the customers;
3. Printing service business to produce the printed products pursuant to the customers' demands, both at organizational and personal levels;
4. Market place business for the designers to facilitate the designers to bring their concept and products into the markets at ease.

Preliminary, the Company targets to establish 35 printing business branches and revenues in the 5th year (2020) are projected at Baht 295 million and profit before tax expenses are targeted at 16%. In addition, it has plan to list this Joint Venture in the Stock Exchange of Thailand within 3-5 years after the commencement of the operation date.

IT City Public Company Limited is the Retail Superstore, selling computer, peripheral devices, Smart Phone including other related IT products and mobile phone with experiences for more than 20 years. We strongly and tirelessly determine to build up confidence and introduce new experiences on purchase of IT products, by upgrading our services to exceed beyond expectations, offering complete and up-to-date range of products and branches in all regions of the country that can be easily accessible by customers and online shopping channel, itcityonline.com, to boost joy for shopping wide variety of products online.

At present, playing game is not just only an entertaining recreational activity, but it has been developed to be one of the electronic sports or E-Sports and its popularity is increasing among all genders and ages and began to be internationally accepted as one kind of sport. For Thailand, E-Sports is rather new but it began to attract more intention as it can be seen from the arrangement of E-Sports Competition throughout the world. Moreover, playing game became one of the career path of the new generations, such as E-sports players. "IT City Bacon", E-Sports ROV (Realm of Valor) has just received the second best award from Arena of Valor World Cup, arranged in the United States of America. Additionally, education sectors play more parts in publicizing E-Sports in wider extent, as there are many curriculum about this sports taught in educational institutions.

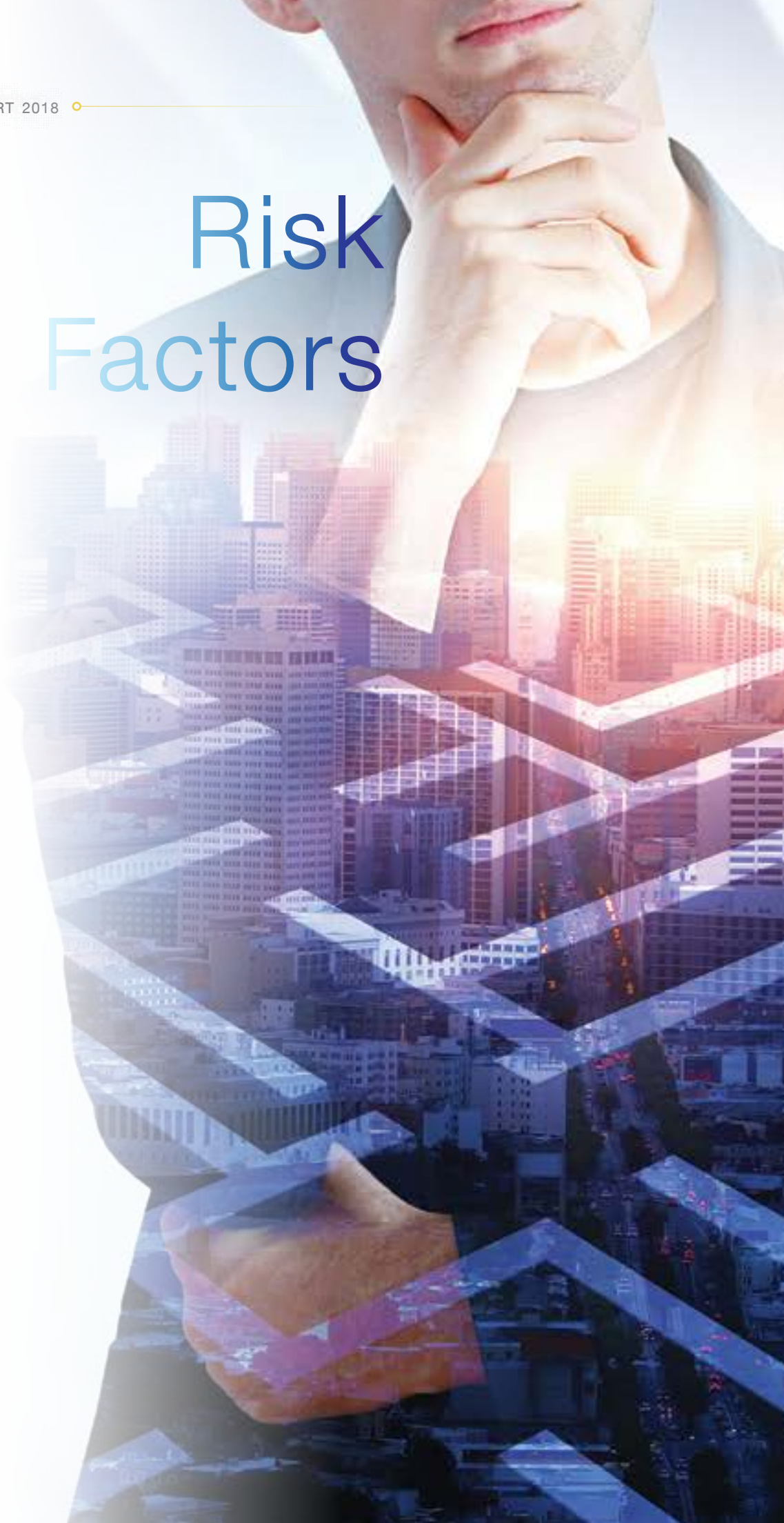
"IT City" foresees this fast growing and changing trend and would like to be a part in driving E-Sports to be more well-known in Thailand, in order to encourage the new generations to spend time constructively and to promote Thai E-Sports players to compete in the global arena. With this determination in minds, we support IT City Bacon E-Sports team and today we move to further steps by launching a new service shop under the trade name "ACE" with concept of Ultimate Gamer. We determine to make "ACE" to be more than a retail store but rather a community and platform that all gamers can exchange experiences and knowledge with the real gamers as well as provide recommendations from the gamers' point of view.

Online sale and payment services

In order to respond to the needs of the new generation consumers with online system, for their convenience, fast, time-saving and travel cost-saving, now they can find and purchase various products and service channels which will be available throughout 24 hours at the following **website: www.itcityonline.com, Facebook: [itcityonline](#), Line: [@itcityonline](#)** There is delivery service with product guarantee and payment system which can be made in cash, credit card or debit card after the products delivered to the customers. Any questions on more information, news, benefits and activities of IT City Online can be sent to email: **webmaster@itcity.co.th**.

In addition, the Company is also a representative of “**AirPay**” to provide services on payment of products, services and cash refill services to the customers for more convenience and speedy. “AirPay” is one of the services that the Company foresees growth potential and it is expected that it can increase sales volume, apart from online sale services.

Risk Factors



1. Risk associated with the Company's business

Obsolete Inventory

Computers and IT products are high technology products and thus sensitive to develop in technology. The introduction of new technologies could affect inventories, and in some cases the Company would have to sell its inventories at a loss. The Company therefore has a risk associated with inventories in regard to the depreciation of goodwill and outdated inventories.

To minimize the risk, the Company has implemented a number of inventory control measures. Each product section monitors, audits and analyses products and customers needs and places orders in correlation with sales forecasts. Moreover, in the fourth quarter of 2005, the Company installs new software named “Epicor” to replace the old system. This new software provides the point of sale system which is linked to its accounting system in the near real time basis. It is a groupware program designed to enable workers in the Company to easily share the most up-dated information including key analysis such as sale analysis, stock analysis, financial analysis etc. The result is more efficient inventory management and reduced risk related to inventory. The Company also holds monthly sales promotion campaigns to sell its outdated stock.

From the beginning of 2002, to improve the efficiency of inventory management, the Company adopted a stringent policy to set aside an allowance for the diminishing value of outdated stock by considering the aging of inventory. For the end of 2017 and 2018, the allowance for outdated stock represented 1.79 percent and 2.18 percent of total inventories. Details are shown as follows:

| Aging | 2017 | | | 2018 | | |
|---------------|-------------|----------------------------|------------------------------|-------------|----------------------------|------------------------------|
| | Allowance % | Value of Stock (Baht Mil.) | Provision Amount (Baht Mil.) | Allowance % | Value of Stock (Baht Mil.) | Provision Amount (Baht Mil.) |
| Over 6 Months | 25.00 | 22.95 | 5.74 | 25.00 | 25.05 | 6.26 |
| Over 9 Months | 50.00 | 3.96 | 1.98 | 50.00 | 6.21 | 3.11 |
| Over 1 Year | 100.00 | 6.14 | 6.14 | 100.00 | 6.17 | 6.17 |
| Total | | 33.05 | 13.86 | | 37.43 | 15.54 |

Accounts Receivable

IT CITY sells computers and peripherals to two main groups of customers, which are retail and wholesale customers. The Company sells on a cash-only basis to retail customers, whilst it provides credit terms for wholesale customers. As at December 31, 2018 the total proportion of retail and wholesale sales was approximately 98 : 2 In the event wholesale customers default on payments, the Company would face a liquidity problem in terms of having insufficient funds to use as working capital for further purchases.

However, the Company has a stringent credit policy and has a wide coverage of wholesale customer base. As these customers have long-term relationships and credible records with the Company, it does not expect to sustain significant damage from uncollectable accounts receivable. Moreover, the Company has applied a strict policy to set aside allowances for doubtful accounts. For the aging of accounts that exceed three months, the Company had set an allowance of 50 percent. For the aging of accounts that exceed six months the Company had set an allowance of 100 percent of the outstanding payment. As at December 31, 2017, the aging of accounts over three months amounted to Baht 105,260 and the aging of accounts over six months amounted to Baht 0, respectively. The total amount of provisions for doubtful accounts receivable was Baht 52,630 or accounting for 0.05 percent from all total account receivable.

As at December 31, 2018, the aging of accounts over three months amounted to Baht 0 and the aging of accounts over six months amounted to Baht 15,480 respectively. The total amount of provisions for doubtful accounts receivable was Baht 15,480 or accounting for 0.02 percent of total accounts receivable.

2. Risk related to competition

The Company is a retailer that has both direct competitors, such as IT superstores, “Mom and Pop” stores, dealers and chain retailers, and indirect competitors, such as systems integration and IT consulting firms.

The Company may be affected where an international IT superstore invests in Thailand, such as Best Buy of the US, Courts of the UK, or Harvey Norman of Australia. This would affect small retailers as well as IT CITY and other IT superstores.

With continuing developments in technology, IT manufacturers will continue to develop methods to reduce production costs, which will lead to reductions in selling prices. However, this should have no significant impact on the average returns of the industry.

To offset this risk, the Company is expanding its branches to cover major areas within Bangkok as well as the suburbs. This will provide the Company with an increased competitive advantage in terms of economies of scale and an enhanced customer base. The Company therefore believes the possible effects related to competition would be minimal.

3. Risk related to dependence upon a major shareholder who holds more than 25 percent of the issued capital

As at March 7, 2018 (recent date Record Date), IT CITY’s major shareholder was SVOA Plc., holding 38.99 percent of the total paid-up capital of IT CITY. Such major shareholding proportion would result in SVOA’s ability to control resolutions of shareholders’ meetings regarding legal and regulation issues which require at least three-fourths of the total number of shareholders who attend the meeting and have the right to vote. As SVOA’s shareholding is more than 25 percent, it is able to vote certain resolutions which would contribute to the inability to vote of minor shareholders.

4. Risk related to the major shareholder who may have a conflict of interest with the Company in regard to having a similar business lines

The main businesses of SVOA, the Company's major shareholder, is to distribute IT products, provide systems integration and information technology services, and to provide IT products to the government and business sectors. IT CITY and SVOA may have a conflict of interest since they deal in similar types of products. However, IT CITY does not provide systems integration and information technology services and IT CITY and SVOA have different target markets. IT CITY's main target market comprises of retail customers, whilst SVOA sells its products mainly to retailers and large enterprises.

IT CITY and the SVOA group of companies have related transactions in terms of purchase and sales transactions. For the year ended December 31, 2017 and 2018, the Company purchased products from SVOA amounting to 2.07 percent and 2.45 percent of its total purchase costs in 2017 and 2018, respectively. The Company sold products to SVOA amounting to 0.03 percent and 0.07 percent of its total wholesale volume in 2017 and in 2018, respectively.

According to the said shareholding structure, IT CITY and the SVOA group of companies may have a conflict of interest since they operate similar types of businesses. The Company has therefore taken measures to eliminate such conflict of interest.

1) SVOA and IT CITY are independent entities, although they share one director: Mr. Min Intanate. The measures included requiring that authorized signatories on behalf of IT CITY comprise directors of the SVOA Group and other authorized directors with Company's seal.

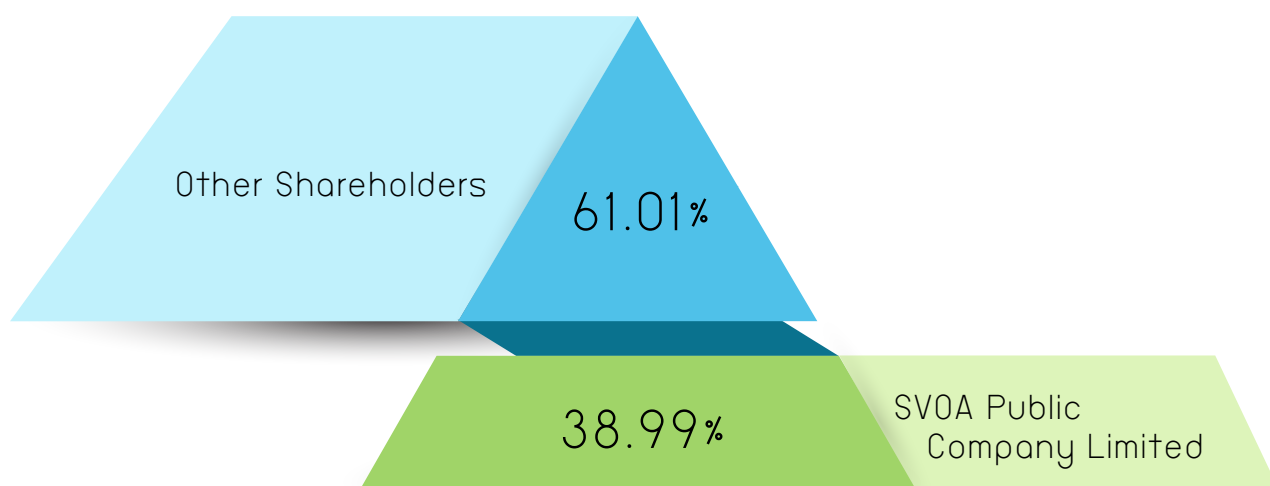
2) The Company also appointed an audit committee to audit and provide opinions in regard to connected transactions between IT CITY and SVOA.

3) In addition, the Company barred persons who may have a conflict of interest from voting for a resolution in regard to a connected transaction.



Shareholding Structure and Management

Shareholding Structure



Shareholders

As at March 7, 2018 (recent date Record Date), the top ten major shareholders include:

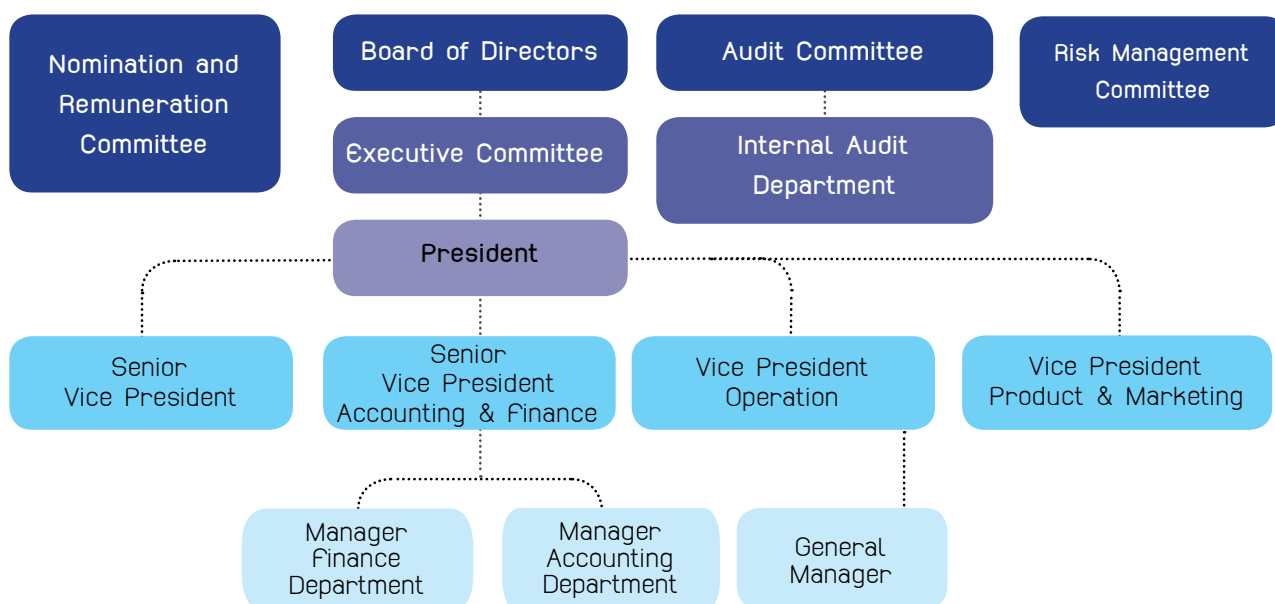
| Existing shareholding | As at March 7, 2018 | |
|--------------------------------|---------------------|-------------------|
| | No. of share | % of shareholding |
| 1. SVOA Public Co., Ltd | 111,666,601 | 38.990 |
| 2. Mr. Weerapat Punsak-udomsin | 19,823,881 | 6.922 |
| 3. Ms. Surangrat Prayoonhong | 7,942,800 | 2.773 |
| 4. Ms. Pilada Intanate | 7,000,000 | 2.444 |
| 5. Dr. Vicharat Chawa-amphorn | 4,655,699 | 1.626 |
| 6. Mr. Thawee Wongkiatkul | 4,067,000 | 1.420 |
| 7. Mr. Sitthichai Mathanachai | 4,061,000 | 1.418 |
| 8. Samphantamith Co., Ltd. | 3,541,218 | 1.236 |
| 9. New City (Bangkok) Pcl. | 3,541,015 | 1.236 |
| 10. Ms. Pornwarun Panichpakdee | 3,500,000 | 1.222 |
| Other shareholders | 118,152,145 | 41.254 |
| Total | 286,398,859 | 100.00 |

Remark: Investor can see the current top ten major shareholders from company's website (www.itcitycorporate.com) before the annual general shareholders meeting.

Dividend Policy

The Company currently has a policy of paying a cash dividend of not less than 50 percent of net profit after taxation; however, the dividend payment shall not affect the Company's operations.

Management



Management Structure

The Company is governed by five bodies: the Board of Directors, the Executive Committee, the Audit Committee, the Nomination & Remuneration Committee and Risk Management Committee.

Board of Directors

As at December 31, 2018, the Board of Directors consisted of 11 members (each a Director), as follows:

- | | |
|--------------------------------|--|
| 1. Mr. Kamol Juntima | Chairman of the Board and Nomination & Remuneration Committee |
| 2. Mr. Min Intanate | Director, Executive Chairman |
| 3. Mr. Ekachai Sirijirapatana | Director, President |
| 4. Dr. Wilson Teo Yong Peng | Director |
| 5. Mr. Prinya Pajityanyong | Director |
| 6. Mr. Pipope Chokwathana | Director |
| 7. Mr. Weerapat Punsak-udomsin | Director |
| 8. Mr. Vichit Yanamorn | Independent Director, Chairman of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee |
| 9. Mr. Damnoen Kaewthawee | Independent Director, Chairman of Nomination & Remuneration Committee, Audit Committee and Risk Management Committee |
| 10. Mr. Sarsak Tuntasuwon | Independent Director, Chairman of Risk Management Committee and Audit Committee |
| 11. Dr. Sathit Pitivara | Independent Director |

The Company's Secretary

The Company's Secretary is Mr. Chanchai Boonyasurakul.

Remark: Independent Director means Externally-recruited Director who is capable of protecting the benefits of every shareholder equally while ensuring that the conflict of interest between companies and individuals will not happen. A person to assume the position of Independent Director must meet the following requirements

1. Holding shares not more than one percent of total shares with voting rights of the Company, holding company, subsidiary company, associated company or juristic person with possible conflict, which shall be inclusive of the share held by related persons of such independent director.
2. Not being or used to be the director who takes part in the management of the Company, or an employee, staff member or advisor who receives a regular salary or is a controlling person of the Company, holding company, subsidiary company, associated company, subsidiary company of the same level or juristic person with possible conflict.
3. Not being a person who is related by blood or by laws as a parent, spouse, sibling and child including a child's spouse, to any management member, major shareholder, controlling person or the person who has been proposed to become the management member or controlling person of the company or subsidiary company.
4. Not having or used to have business relationship with the Company, holding company, subsidiary company, associated company or juristic person with possible conflict in a way which may prevent independent judgment, as well as not being or used to be the major shareholder, non independent director or management member of the entity having business relationship with the company, holding company, subsidiary company, associated company or juristic person with possible conflict.
Business relationship shall include normal trading transaction to the lease or rent of real estate, transaction related to assets or services, or financial support provision or reception by means of borrowing or lending, guarantee, providing collateral as well as other similar actions which make the company or its counter parties having liability against the other worth more than three percent of the net tangible assets of the company or more than Baht twenty million, whichever is lower. In addition, the calculation of such liability shall be as per the criteria on calculation of connected transaction as stipulated in the notification of the Securities and Exchange Commission re. Disclosure of information and operations of the listed company concerning the connected transactions mutatis mutandis. However, such consideration of liability shall be inclusive of the liabilities incurred during one-year period prior to the date of commencement of business relationship with the same person.
5. Not being or used to be the auditor of the Company, holding company, subsidiary company, associated company or juristic person with possible conflict and not being the major shareholder, non-independent director or management member or managing partner of the audit firm with staff being the auditor of the Company, holding company, subsidiary company, associated company or juristic person with possible conflict.
6. Not being or used to be the service provider in any professionals including legal advisor or financial advisor receiving the service fee exceeding Baht two million per year from the Company, holding company, subsidiary company, associated company or juristic person with possible conflict. Nevertheless, in the case of the professional service provider being the juristic person, the consideration shall extend to the major shareholder, non-independent director management member or managing partner of such professional service provider.
7. Not being the director who has been appointed as the representative of the Company major shareholder or shareholder whom is related to the major shareholder of the Company.
8. Having no other characteristics which may prevent from having independent opinions concerning with the business operation of the Company.

The Authorized Directors

The authorized directors comprise : 1) Mr. Kamol Juntima and Mr. Min Intanate co-sign documents with the Company's seal affixed. 2) Mr. Kamol Juntima or Mr. Min Intanate co-sign documents with Mr. Ekachai Sirijirapatana or Dr. Wilson Teo Yong Peng or Mr. Prinya Pajityanyong or Mr. Pipope Chokwathana co-sign documents with the Company's seal affixed.

Director Meeting for the year 2018

| Name | Total Attendance | Total Absence |
|--------------------------------|------------------|---------------|
| 1. Mr. Kamol Juntima | 5/5 | - |
| 2. Mr. Min Intanate | 5/5 | - |
| 3. Mr. Ekachai Sirijirapatana | 5/5 | - |
| 4. Dr. Wilson Teo Yong Peng | 4/4 | - |
| 5. Mr. Prinya Pajityanyong | 4/4 | - |
| 6. Mr. Pipope Chokwathana | 4/4 | - |
| 7. Mr. Weerapat Punsak-udomsin | 2/2 | - |
| 8. Mr. Vichit Yanamorn | 5/5 | - |
| 9. Mr. Damnoen Kaewthawee | 5/5 | - |
| 10. Mr. Sarsak Tuntasuwon | 3/3 | - |
| 11. Dr. Sathit Pitivara | 3/3 | - |

Remark : No. 4-6 have been appointed in April 11, 2018
 No. 7 has been appointed in August 8, 2018
 No. 10-11 have been appointed in May 9, 2018

Authorized Duties of the Board of Directors

The Directors shall perform their duties in accordance with the laws, objectives and Articles of Association of the Company to protect the benefits of the Company. A summary of the authorized duties of the Board of Directors are:

(a) The Board of Directors shall hold an annual general shareholders' meeting within four months of the last day of the fiscal year of the Company.

(b) The Board of Directors shall hold a meeting at least once every three months.

(c) The Board of Directors shall prepare the balance sheet and income statement as of the last day of the fiscal year of the Company for submission to the shareholders' meeting for their consideration and approval.

(d) The Board of Directors may approve the granting of authority to any directors or director to take any action on behalf of the Board or grant authority to any persons the Board considers appropriate, and the Board may change, amend or cancel said authority whenever it deems appropriate.

The Board of Directors granted the Executive Committee authority to supervise the normal operations of the Company, which was already described in the duties and authorities of the Executive Committee. However, this authority does not include transactions in which any director or member of management has a material interest, directly or indirectly, or has a conflict of interest with the Company or its subsidiary, except where the transactions are in accordance with policies and measures which were already approved by the Board or where guidelines have already been established.

(e) Any Directors having a material interest, directly or indirectly, in any matter related to the Company must inform the Board immediately of such fact and will have no right to vote in such matter. The Board of Directors shall determine the Company's target, policy, business plan and budget and supervise the management of the Executive Committee to ensure it is in line with the Company's policy, with an exception for the following matters which require the approval of shareholders : a capital increase, capital reduction, debenture issuance, disposal or transfer of the business or a significant part thereof to other parties, the purchase or transfer of other businesses, and an amendment of Memorandum of Association or Articles of Association.

The Board of Directors shall supervise the Company to ensure it is in compliance with regulations of the SEC and SET, i.e. connected transactions, the disposal or acquisition of assets etc.

(f) The Board of Directors shall determine the management structure, appointment of the Executive Committee, Chief Executive Officer, and members of other Committees.

(g) The Board of Directors shall monitor the Company's performance so as to compare it with the overall business plan and budget.

(h) No director shall engage in any business which has the same nature as and is in competition with the business of the Company or become a partner in an ordinary partnership or become a director of a private company or any other company operating a business which has the same nature as and is in competition with the business of the Company, either for his or her own benefit or for the benefit of other persons, unless he or she notifies the shareholders meeting prior to the resolution of his or her appointment.

(i) A director shall notify the Company without delay when

1. he or she has a direct or indirect interest in any contract which is made by the Company ; and
2. when he or she holds shares or debentures of the Company or an affiliated company, and shall indicate any increase or decrease in the number of the director's total number of shares.

Executive Committee

As at December 31, 2018, the members of the Company's Executive Committee were as follows:

- | | |
|--------------------------------|------------------------------------|
| 1. Mr. Min Intanate | Executive Chairman |
| 2. Mr. Ekachai Sirijirapatana | President |
| 3. Mr. Boonjerd Harnvichitchai | Senior Vice President |
| 4. Mr. Pairoj Amatamahatana | Vice President |
| 5. Ms. Pantipa Thirakanokvilai | Financial Controller |
| 6. Mr. Sophon Intanate | Vice President Product & Marketing |

Authorized Duties of the Executive Committee

According to Board minutes No.5/2002 dated November 14 2002, it was resolved that the authorized duties of the Executive Committee were to ensure that the normal daily business of the Company is in line with economic conditions, including the determination of policy, business plan, budget, management structure and overall management of the Company. The Executive Committee is to submit the plan to the Board for its consideration and/or approval and also monitor the Company's performance compared with its policy. The Executive Committee has the following authorized duties:

- (a) Consider the annual budget as proposed by the management before submission to the Board. The Executive Committee approves of changes and additions of the interval annual budget during the period in which there is no Board meeting and provides a report of its actions to the next Board meeting.
- (b) Approve expenditures not exceeding 30 million Baht.
- (c) Approve important investments which were already contained in the budget and approved by the Board.
- (d) Act as a consultant to management in respect of financial policy, marketing, personnel management, and others.
- (e) Allocate pension funds which were already approved by the Board to employees or any persons in the employ of the Company.

The Executive Committee also has the authority to make decisions relating to any normal business transaction of the Company, which does not include approval of transactions which may cause a conflict of interest with the Company or its subsidiary (if any) according to the SET's regulations. The Executive Committee is required to obtain approval from the Board or Shareholders for connected transactions in accordance with the Company's Articles of Association or relevant laws, except for normal business transactions already covered by existing guidelines.

Audit Committee

As at December 31, 2018, the members of the Company's Audit Committee were as follows:

- | | |
|---------------------------|--|
| 1. Mr. Vichit Yanamorn | Independent Director, Chairman of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee |
| 2. Mr. Damnoen Kaewthawee | Independent Director, Chairman of Nomination & Remuneration Committee, Audit Committee and Risk Management Committee |
| 3. Mr. Sarsak Tuntasuwon | Independent Director, Chairman of Risk Management Committee and Audit Committee |

Ms. Chirawan Thipkomut is the Secretary to the Audit Committee

Independent Director

As at December 31, 2018, the members of the Company's independent director were as follows:

- | | |
|---------------------------|--|
| 1. Mr. Vichit Yanamorn | Independent Director, Chairman of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee |
| 2. Mr. Damnoen Kaewthawee | Independent Director, Chairman of Nomination & Remuneration Committee, Audit Committee and Risk Management Committee |
| 3. Mr. Sarsak Tuntasuwon | Independent Director, Chairman of Risk Management Committee and Audit Committee |
| 4. Dr. Sathit Pitivara | Independent Director |

Note: Mr. Vichit Yanamorn possesses knowledge and experience in auditing the financial statement of the company

Authorized Duties of the Audit Committee

According to Board meeting No. 3/2008 on August 6, 2008, it was resolved that the authorized duty of the Audit Committee is as follows:

(a) To review the Company's financial reporting process to ensure that it is accurate and adequate and co-operate with auditors and management to prepare the financial reports, including quarterly and yearly. The Audit Committee may suggest that the auditor inspect any transaction which is considered to be an important matter;

(b) To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;

(c) To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business;

(d) To consider select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;

(e) To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;

(f) To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:

- 1) An opinion on the accuracy, completeness and creditability of the Company's financial report,
- 2) An opinion on the adequacy of the Company's internal control system,
- 3) An opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
- 4) An opinion on the suitability of an auditor,
- 5) An opinion on the transactions that may lead to conflicts of interests,
- 6) The number of the audit committee meetings, and the attendance of such meetings by each committee member,
- 7) An opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
- 8) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors;

(g) To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee;

(h) To perform the Audit Committee's report to the Company's board of directors at least once for each quarter.

The Nomination & Remuneration Committee

The Meeting of the Board of Directors No.5/2016 held on 14 December 2016 has appointed The Nomination & Remuneration Committee which consists of 3 members, 2 of whom is an independent director. The names of the Nomination & Remuneration Committee are as follows:

- | | |
|---------------------------|--|
| 1. Mr. Damnoen Kaewthawee | Independent Director, Chairman of Nomination & Remuneration Committee, Audit Committee and Risk Management Committee |
| 2. Mr. Kamol Juntima | Chairman and Nomination & Remuneration Committee |
| 3. Mr. Vichit Yanamorn | Independent Director, Chairman of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee |
- Ms. Nannaphat Thirakanokwilai is the Secretary to the Nomination & Remuneration Committee

Authorized Duties of The Nomination & Remuneration Committee

(a) Set the policy on nomination the Company's directors, subcommittees and high-level executives, as well as their remuneration, to be proposed to the Board of Directors for approval

(b) Screen for persons with suitable qualifications and value to the business to replace the directors whose terms are expiring or to fill vacant positions to be proposed to the Board of Directors for approval and to seek the approvals for their replacements/appointments from the shareholders

(c) Determine compensation as necessary and appropriate, both in the form of cash and non-cash rewards, for the directors and high-ranking executives based on their duties, responsibilities and performances.

(d) Report to the Board of Directors results from its meetings which are significant and beneficial to the Company.

(e) Provide explanations or answer questions in case doubts emerge involving the Company's policy on Nomination & Remuneration its directors, sub-committees and high-ranking executives at shareholders' meetings.

(f) Perform any other duties assigned by the Board of Directors involving significant nominations and remuneration.

Report of the Nomination & Remuneration Committee

The Nomination and Remuneration Committee consists of Mr. Damnoen Kaewthawee, Chairman of the Nomination & Remuneration Committee; Mr. Vichit Yanamorn and Mr. Kamol Juntima, the members of Nomination & Remuneration Committee.

On 2018, the Nomination & Remuneration Committee arranged 3 meetings of which the operating results could be summarized as follows:

1. Appointment of Vice President Marketing & Products

The Company has considered that it should have the Vice President - Marketing and Products. Therefore, the Nomination and Remuneration Committee has nominated and considered qualifications of Mr. Sophon Intanate, General Manager and deemed appropriated to appoint Mr. Sophon Intanate to be the Vice President - Marketing and Products, then further proposed to the Company's Board of Directors for consideration and approval.

2. Directors who will retire by rotation

The directors who will retire by rotation during the 2019 Annual General Meeting of Shareholders are as follows:

- 1) Mr. Kamol Juntima
- 2) Mr. Ekachai Sirijirapatana
- 3) Mr. Damnoen Kaewthawee
- 4) Mr. Weerapat Punsak-udomsin

The Nomination and Remuneration Committee has considered the director who will retire by rotation individually, i.e. Mr. Ekachai Sirijirapatana and Mr. Weerapat Punsak-udomsin and deemed that both directors are knowledgeable and capable, so they should be appointed to be the directors for another term. However, as Mr. Kamol Juntima and Mr. Damnoen Kaewthawee are the Nomination & Remuneration Committee, so this matter has to be proposed for the Board of Directors' consideration and appointment and the Board has resolved to appoint both directors to be hold the directorship for another term.

3. Determination of the Directors' remuneration

The Nomination and Remuneration Committee has considered that

3.1 It is deemed appropriated to maintain the directors' remuneration at the existing rate, i.e.

| | | | |
|--|---------|------|-----------|
| The Committee | 30,000 | Baht | per month |
| The Committee who is also the Audit Committee | 40,000 | Baht | per month |
| The Committee who is the Chairman of the Audit Committee | 50,000 | Baht | per month |
| The Chairman of the Board (who performs routine works) | 273,488 | Baht | per month |

(Mr. Ekachai Sirijirapatana, the Committee and the President, proposed not to accept remuneration for holding position of the Company's committee because he is the Company's permanent officer. Mr. Kamol Juntima, the Chairman of the Board who receives remuneration for performing routine works, also proposed not to accept remuneration for holding position of the Nomination and Remuneration Committee.)

3.2 Remuneration of other committees appointed by the Board of Directors, for instance, the Nomination and Remuneration Committee shall receive remuneration for each meeting attendance, i.e. 6,250 Baht each for the Chairman and 5,000 Baht each for the Committee as per approved by the shareholders' meeting. The remuneration for each meeting attendance of the Risk Management Committee should be the same rate as that of the Nomination and Remuneration Committee.

3.3 Annual bonus for the committees. The Board deemed that as the Company's operating results of 2018 were not in satisfactory level, so annual bonus should not be paid to the committees.

Risk Management Board of Directors

There are 3 Risk Management Board of Directors whom were assigned by 5 th board directors meeting on 19 December 2018. All of the Risk Management Board of Directors are independent directors. The names of the directors are as followed:

- | | |
|---------------------------|--|
| 1. Mr. Sarsak Tuntasuwon | Independent Director, Chairman of Risk Management Committee and Audit Committee |
| 2. Mr. Damnoen Kaewthawee | Independent Director, Chairman of Nomination & Remuneration Committee, Audit Committee and Risk Management Committee |
| 3. Mr. Vichit Yanamorn | Independent Director, Chairman of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee |
- Mr. Kasame Srilertchaipanij is the Secretary to the Risk Management Committee

Authorized Duties of Risk Management Board of Directors

- (a) Recheck and present risk management policies and Risk Appetite for approval.
- (b) Direct the development and duties according to the risks management policy for the organization.
- (c) Recheck risk management reports in order to follow important risks and make sure that the organization is managing the risk continuously and effectively.
- (d) Offer more opinions on how to manage risks and difficulties and obstructions of risk management-system development to the company.
- (e) Requesting opinions from outside resources of consultants when it is necessary and proper and also being trained to obtain more knowledge in risk management board of directors field by trainings sponsored by the company.
- (f) Working on the given duties related to risk management from the board of directors and also assigning officers to work for the duties with the permission of the board of directors.

Ongoing Management

As at December 31, 2018, the Company's current management team was as follows:

- | | |
|--------------------------------|------------------------------------|
| 1. Mr. Min Intanate | Executive Chairman |
| 2. Mr. Ekachai Sirijirapatana | President |
| 3. Mr. Boonjerd Harnvichitchai | Senior Vice President |
| 4. Mr. Pairoj Amatamahutana | Vice President |
| 5. Ms. Pantipa Thirakanokvilai | Financial Controller |
| 6. Mr. Sophon Intanate | Vice President Product & Marketing |
| 7. Mr. Prawit Rugpises | General Manager |
| 8. Ms. Vanida Sangkaew | Manager, Finance |
| 9. Ms. Lalitwadee Puttipongsup | Manager, Accounting |

Authorities Duties of the President

According to the Board meeting No. 5/2002 on November 14, 2002, it was resolved that the authorized duties of the Management are as follows:

- (a) To be responsible for day-to-day operations.
- (b) To carry out the Company's policies and to develop strategies according to policies set out by the Board of Directors.
- (c) To ensure that such policies and strategies are applied properly so as to be in line with the objectives, regulations, policies, orders or resolutions by the shareholders, the Board, or the Executive Committee.

The authority of the President or any authority which the President assigns to other persons to manage or make decisions relating to normal business transactions of the Company, not including approval for transactions which may result in a conflict of interest with the Company or its subsidiary (if any) according to the SET's regulations. Connected transactions require approval of the Board or Shareholders in accordance with the Articles of Association or relevant laws, except for normal business transactions already covered by existing guidelines.

In addition, Board meeting No. 3/2018 held on August 8, 2018 resolved to authorize Mr. Ekachai Sirijirapatana or Ms. Pantipa Thirakanokvilai, the Financial Controller, to co-sign along with Mr. Kamol Juntima Chairman to conduct any litigation and/or make any agreement, document with any juristic person, government sector, state enterprise or others in the Company's normal course of business. This includes the opening of new branches and contacting banks or financial institutions. The resolution will enhance the Company's daily business operations.

Mr. Ekachai or Ms. Pantipa's authorities do not include approval of transactions which may cause a conflict of interest with the Company or its subsidiary according to the SET's regulations. Connected transactions require the approval of the Board or Shareholders in accordance with the Articles of Association or relevant laws except for normal business transactions already covered by existing guidelines.

Appointment of Directors

The Board of Directors' Meeting No. 5/2016 on December 14, 2016 has passed a resolution to appoint the Nomination & Remuneration Committee which consisted of

- | | |
|---------------------------|--|
| 1. Mr. Damnoen Kaewthawee | Independent Director, Chairman of Nomination & Remuneration Committee, Audit Committee and Risk Management Committee |
| 2. Mr. Kamol Juntima | Chairman and Nomination & Remuneration Committee |
| 3. Mr. Vichit Yanamorn | Independent Director, Chairman of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee |

Duties and responsibilities of this Committee are to nominate the person to be the Company's director and to determine remuneration pursuant to the guidelines specified by the Stock Exchange of Thailand until the Board of Directors could complete the establishment of the regulations on duties of the Nomination & Remuneration Committee. Hence for nomination of the person to hold the directorship of the Company, the Nomination & Remuneration Committee shall consider by taking into account criteria on qualifications pursuant to Section 68 of the Limited Public Company Act B.E. 2535 in order to propose to the Board of Directors for consideration and further proposal to the shareholders for consideration on appointment of the directors, by using the majority votes pursuant to the following criteria and methods:

- (1) Each shareholder shall have one vote per one share.
- (2) Each shareholder shall cast his/her vote for one or more candidate for Board membership but shall not divide his/her voting rights amongst more than one candidate.
- (3) In a case where there is a tie amongst Board candidates, the Chairman of the meeting shall cast the deciding vote.

Remuneration of Management

Monetary Remuneration

a. The overall remuneration for the Board of Directors in the form of gratuity allowance [and bonuses for 16 Directors throughout the year 2018 was 7,067,189 Baht with the following details.

| Name | Position | Total Monthly Remuneration for 2018 | 2018 Annual Bonus |
|----------------------------------|--|-------------------------------------|-------------------|
| 1. Mr. Kamol Juntima | Chairman of the Board and Nomination & Remuneration | 3,281,856 | - |
| 2. Mr. Min Intanate | Director and Executive Chairman | 360,000 | - |
| 3. Mr. Karmthon Punsak-udomsin | Director | 270,000 | - |
| 4. Dr. Wilson Teo Yong Peng | Director | 259,000 | - |
| 5. Mr. Prinya Pajityanyong | Director | 259,000 | - |
| 6. Mr. Pipope Chokwathana | Director | 259,000 | - |
| 7. Mr. Weerapat Punsak-udomsin | Director | 90,000 | - |
| 8. Mr. Vichit Yanamorn | Independent Director, Chairman of Audit Committee, Nomination & Remuneration Committee and Risk management Committee | 564,000 | - |
| 9. Mr. Damnoen Kaewthawee | Independent Director, Chairman of Nomination & Remuneration Committee, Audit Committee and Risk management Committee | 502,500 | - |
| 10. Mr. Sarsak Tuntasuwon | Independent Director, Chairman of Risk management Committee and Audit Committee | 310,933 | - |
| 11. Dr. Sathit Pitivara | Independent Director | 233,000 | - |
| 12. Mr. Thienchai Srivichit | Director | 101,000 | - |
| 13. Mr. Sujin Jityanyong | Director | 101,000 | - |
| 14. Mr. Boonpakorn Chokvathana | Director | 101,000 | - |
| 15. Mr. Noravat Suwarn | Independent Director and Chairman of Audit Committee | 212,500 | - |
| 16. R.Sub.Lt. Suree Buranathanit | Independent Director and Audit Committee | 162,400 | - |
| Total | | 7,067,189 | - |

Remark: No.1 has been appointed by the Board of Directors to constantly supervise the management of the Executive Committee to ensure that it is in line with the Board of Directors' policy and has a position car for operation.

No.3 Resigned from the Director on August 1, 2018

No.4-6 have been appointed in April 11, 2018

No.7 has been appointed in August 8, 2018

No.10-11 have been appointed in May 9, 2018

No.12-14 Resigned by rotation On April 11, 2018

No.15 Resigned from the director on 1 May, 2018

No.16 Resigned from the director on 3 May, 2018

b. The overall remuneration for management and the Director who belongs to management in the form of salaries and bonuses for 7 persons in the year 2018 is 17 million Baht.

Other remunerations (if any)

The Company has paid the provident fund for 6 members of its management for 2018 with total amount of 639,184 Baht.

Auditor's remuneration and other expenses

| Auditors' remuneration | Financial Year 2018 |
|---------------------------------------|---------------------|
| 1. Auditing fee | 1,359,500.- |
| 2. Other service charges and expenses | 42,441.- |

Code of best practice

The Board of Directors is determined to manage the Company efficiently to achieve objectives. It is firmly convinced that good corporate governance will bolster the Company's operating result growth sustainably. It is also the key to success, which is to maximize value for its shareholders. Therefore, the Board of Directors strictly complies with the principles of good corporate governance, which are Integrity, Transparency, Independence, Accountability, Fairness, Social responsibility. These corporate governance principles are reflected in the values, guidelines and directions of the practices internally adopted by the Company. They should provide assurances that the business can compete effectively under the business ethics in compliance with international standards, laws and the principles of good corporate governance set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand.

Monitoring of Insider Trading

The Company's policy, which is to monitor Directors and management for any misuse of inside information for personal benefit, is as follows:

The Company informs Directors and Management of their duty to prepare and disclose reports of shareholding and any shareholding by their spouses and minor children, including changes in such holding in the Company under the rules and procedures specified in Section 59 of the SEC Act B.E. 2535 and the penal provision under Section 275 of the SEC Act.

The Company forbids Directors, Management and employees including their spouses and minor children to buy, sell, or transfer the Company's securities to prevent trading by using insider information. In case those persons buy, sell, or transfer the Company's securities by not using insider information, such persons are required to report said transactions to the SEC and the SET within three days from the transaction date and submit a report to the Financial Controller as evidence.

The Company will inflict the maximum punishment on any executive officer who exploits inside information or performs any act in such a way that may disgrace or damage the Company.

Employees

As at December 31, 2018, IT CITY had 386 employees, as follows:

| Department | Number of employees (persons) |
|--|-------------------------------|
| Management | 9 |
| Wholesale and Warehouse | 4 |
| Retail and Product Management | 188 |
| Hardware Management-Store | 4 |
| Showroom sales-Store | 55 |
| Stock control – Store | 32 |
| Customer service- Store | 32 |
| Cashier-Store | 20 |
| Accounting Finance Personal Administration | 26 |
| Marketing, MIS and Maintenance | 11 |
| Internal auditor | 5 |
| Total | 386 |

As at December 31, 2017 total employees of the Company numbered 409.

Monetary compensation, including salaries and bonuses, to employees totaled 97.58 million Baht for the year ended 2017 and 105.98 million Baht. For the year 2018. As at December 31, 2017 and 2018, the Company contributed 1,888,631 Baht and 2,098,784 Baht to the provident fund.

Human Resource Development Policy

The Company provides regular training and seminars to employees, including an orientation for new employees to assist them in understanding their duties and responsibilities. In addition, to enhance the efficiency and skills of management and employees, the Company has a policy for them to attend internal seminars.

For the past year, the Company emphasized on providing trainings to the employees on service provision for store managers, sales persons, technicians, stock keepers and cashiers by stressing that they must not only have knowledge, skills and ability to give accurate and credible information but they must also perform duties with responsibility and enthusiastically, particularly on service provision. To make all employees have good consciousness and render service with honesty and sincerely, so that the customers can have good impression, Moreover, their performance shall be assessed from time to time, The Company expects that such concept can develop quality of its personnel on sustainable basis.

Labor Disputes Over the Past Three Years

None.

Internal Control

On December 11, 2018 as the Board of Directors meeting No.5/2018 at which three Audit Committee members. The Board of Directors evaluated the Company's internal control system. The evaluation was done on the following five criteria:

1. Organization and Environment

The Board of Directors opines that the Company has clear organization chart and has specified scope of authority, responsibility of each department, having specified clear target of business operation which is measurable, which the setting of the target and work plan the management and each executive of each field of work have jointly considered and set the business target and the strategy of operation by using the result of operation in the past years as the basic information. It is then ensured to be properly and shall be able to achieve the target.

For our policy, operating regulation, and provision relating to ethics (Code of Conduct) were made in writing in order for directors, executives, and employees in all departments to use as a guideline for operation. Regarding this operating regulation, the Company has provided such in consideration of relevant laws and regulations including the effects which may occur to interested parties.

2. Risk Management

The Board of Directors opines that the Company has regularly considered and evaluated the risks that may affect the result of operation of the Company for setting management method and for controlling the risk to be at the acceptable level, and notified relevant staff to be aware of and to comply with the measurement of risk management.

3. Controlling

The Board of Directors opines that the Company has specified the scope of authority, approval credit limit of executive in each level clearly in writing, and completely separate duty and responsibility for approval work, account booking and information technology, and the looking after of property separately in order to examine each other. In case the Company has entered into transactions with the major shareholders, director, executive, or relevant persons, the Company shall propose such transaction through the Board of Directors Meeting and complete such transaction as if such were made with outsider.

4. Information Technology and Communication System

The Board of Directors opines that the Company has prepared the notice calling for the Board of Directors Meeting, stating information and details of agenda to the Board of Directors for consideration of at least 7 days before the meeting, and has made the complete minutes of the Board of Directors meeting which may be referable, and such can be used to examine the appropriateness in performing the duty of the Director. The Company has selected the accounting policy that is generally accepted in accounting principle, and retained documents, supplement to records properly.

5. Monitoring

The Board of Directors opines that the Company has added an agenda on monitoring the result of operation every quarter, in order to notify to the Board of Directors and to propose suggestions for work performing. For operation plan and budget, the Company will make and review them every year. In case there is an internal audit, the Company has required the internal auditor to report the result directly to the Audit Committee, in order for the auditor to perform its duties independently and propose the auditing report in fact.

Resumes of Board of Directors and Secretary

Board of Director

Name Mr. Kamol Juntima

Position Chairman, Nomination & Remuneration Committee and
Authorized Director

Age 80

Qualification

- Master of Public Administration, The National Institute of Development Administration
- Bachelor of Commerce
- Bachelor of Accountancy, Thammasat University
- National Defence College Degree (Class 33)
- Certificate, Directors Certification Program (Class 3)
- Certificate, Chairman 2000 (Class 4/2001)

Share holding 0.35

Work Experience

| | | |
|-----------|--|--|
| Present | Chairman and Nomination & Remuneration Committee | IT CITY Pcl. |
| Present | Chairman | TRIS Rating Limited |
| Present | Chairman | Westcoast Engineering Co., Ltd. |
| Present | Academic Committee in Finance and Accounting | Office of the Civil Service |
| 2008-2013 | Chairman of Ethics Committee | Federation of Accounting Professions |
| 2007-2012 | Chairman of Audit Committee and Evaluate Government | Ministry of Education |
| 2000-2002 | Chairman of the Board | Financial Sector Restructuring Authority |
| 1997-1998 | Comptroller General | Ministry of Finance |
| 1996-1998 | Chairman of the Board | The Government Lottery Office |
| 1995-1996 | Chairman of the Board | Small Industry Finance, Corporation (SIFC) |

Board of Director

Name Mr. Min Intanate

Position Director, Executive Chairman and Authorized Director

Age 64

Qualification

- Ph.D. in Law (Honorary), Dominican University of California, USA (2010)
- Ph.D. in Science (Honorary), Information Technology for Management, Mahasarakarm University
- Bachelor (Honorary) of Science, Computer Science, Faculty of Engineering and Agricultural Technology, Rajamangala University of Technology Thanyaburi

- Bachelor of Architecture, Fu Hsing Institute of Technology (Taiwan)
- Thailand Insurance Leadership Program, Class 1, Office of Insurance Commission (2011)
- DAP, Director Accreditation Program Class 36, Thai Institute of Directors
- RCP, Role of The Chairman Program Class 12, Thai Institute of Directors

Share holding 0.28

Work Experience

| | | |
|-----------|---|-----------------------------------|
| Present | Chief Financial Officer, Secretary to the Board and Company Secretary | SVOA Pcl. |
| Present | Director & Executive Chairman | S P V I Public Company Limited |
| Present | Director | Business Online Public Co., Ltd. |
| Present | Director | ABIKS Development Co., Ltd. |
| Present | Chairman | D&B (Thailand) Co., Ltd. |
| Present | Director & Executive Chairman | National Credit Bureau Co.,Ltd. |
| Present | Director & Executive Chairman | IT CITY Pcl. |
| Present | Director & Chairman | Core and Peak Co., Ltd. |
| Present | Director & Executive Chairman | Business Online Public Co., Ltd. |
| Present | Director & Executive Chairman | ARIP Public Co., Ltd. |
| Present | Director | Advanced Research Group Co., Ltd. |
| 2012-2013 | Director | BOL Digital Co., Ltd. |

Board of Director

Name Dr. Wilson Teo Yong Peng

Position Director and Authorized Director

Age 52

Qualification

- DBA, Doctor of Business Administration, University of Manchester (U.K.)
- ASEP, Advanced Senior Executive Program, Kellogg School of Management (U.S.A.)
- MBA, Master of Business Administration, Oxford Brookes University (U.K.)
- FCCA, Fellow of The Association of Chartered Certified Accountants (U.K.)
- FCA, Fellow of Institute of Singapore Chartered Accountants
- FCPA, Fellow of Certified Practicing Accountants (Australia)
- IIA, The Institute of Internal Auditors (U.S.A.)
- DAP, Director Accreditation Program

Share holding 0

Work Experience

| | | |
|---------|----------|----------------------------------|
| Present | Director | IT CITY Pcl. |
| Present | Director | ARIP Public Co., Ltd. |
| Present | Director | Business Online Public Co., Ltd. |

| | | |
|---------|----------|------------------------------------|
| Present | Director | SVOA Pcl. |
| Present | Chairman | ABIKS Development Co., Ltd. |
| Present | Director | Anew Corporation Co., Ltd. |
| Present | Director | Data One Asia (Thailand) Co., Ltd. |
| Present | Director | Asys Computer Co., Ltd. |
| Present | Director | Acerts Co., Ltd. |
| Present | Director | Advanced Research Group Co., Ltd. |

Board of Director

Name Mr. Prinya Pajityanyong

Position Director and Authorized Director

Age 60

Qualification

- Bachelor of Business Administration major in Marketing, Georgia State University
- Master of Science in Marketing, Georgia State University

Share holding 0.68

Work Experience

| | | |
|--------------|-------------------------------|---------------------------------------|
| Present | Director | IT CITY Pcl. |
| 2014–present | Deputy Marketing Director | CPF (Thailand) Public Company Limited |
| 2006–2014 | Assistance Marketing Director | CPF (Thailand) Public Company Limited |

Board of Director

Name Mr. Pipope Chokwathana

Position Director and Authorized Director

Age 42

Qualification

- Bachelor of Management Information System, The University of Central Florida, USA
- Certificate of Director Certification Program Class 264/2018

Share holding 0.11

Work Experience

| | | |
|--------------|----------------------------|---|
| 2004–Present | Director/Managing Director | New City (Bangkok) Public Company Limited |
| 2008–Present | Assistance Secretary | The Federation of Thai Industry |
| Present | Director | IT CITY Pcl. |
| Present | Director | Saha Pathana Inter Holding Public Company Limited |
| Present | Director | Boonwattanachok Company Limited |
| Present | Director | Ekpakorn Company Limited |

Board of Director**Name** Mr. Weerapat Punsakudomsin**Position** Director and Authorized Director**Age** 48**Qualification**

- Bachelor of Business Administration Major in Management, Bangkok University

Share holding 6.92**Work Experience**

| | | |
|--------------|----------------|------------------------------------|
| Present | Director | IT CITY Pcl. |
| 1998-Present | Vice President | Universe Beauty Co., Ltd. |
| 1996-Present | Director | Universe Beauty Land Co., Ltd. |
| 1994-Present | Director | Unique Fashion Co., Ltd. |
| 1994-Present | Director | Unicentral Co., Ltd. |
| 1994-Present | Director | Unifunds Co., Ltd. |
| 1994-Present | Director | Uniwealth Co., Ltd. |
| 1990-Present | Director | U.B. Chemical Industries Co., Ltd. |

Board of Director**Name** Mr. Vichit Yanamorn

Position Independent Director, Chairman of Audit Committee,
Nomination & Remuneration Committee and Risk Management Committee

Age 72**Qualification**

- Master of Science (Computer Science), University of IOWA, USA
- Bachelor of Commerce and Accountancy (Statistics), Chulalongkorn University
- Certificate of Attendance Director Accreditation Program Class 34 (DAP)
- Certificate of Attendance Audit Committee Program, Class 18 (ACP)
- Certificate of Attendance Driving Strategic Success with IT Governance (ITG) Class 3/2016

Share holding 0**Work Experience**

| | | |
|---------|--|--|
| Present | Independent Director, Chairman of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee | IT CITY Pcl. |
| Present | Director | The New Continent Co., Ltd. |
| Present | Information Technology Adviser | MBK Pcl. |
| Present | Director | The Grand UB Co., Ltd. |
| Present | Sub-Committee | Audit Committee Ministry and the Public Sector of Social Development and Human Security. |

| | | |
|--------------|---|-------------------------------------|
| Present | Director | Amorncheewin Co., Ltd |
| 2001-2002 | Director and Audit Committee and Nomination & Remuneration & Governance Committee and Risk Management Committee | Thanachart Capital Public Co., Ltd. |
| 2014-Present | Director and Audit Committee and Nomination & Remuneration Committee | Net Bay Public Co., Ltd. |

Board of Director

Name Mr. Damnoen Kaewthawee

Position Independent Director, Chairman of Nomination & Remuneration Committee, Audit Committee and Risk Management Committee

Age 72

Qualification

- Diploma, Post and Telecommunications School (Class 23) (1965)
- Bachelor's degree in engineering (Communications and Telecommunications), King Mongkut's Institute of Technology Ladkrabang (1970)
- Master's degree in science (Computer Science), Chulalongkorn University (1976)
- Psychological Operations in Administration Course, Class 82, Applied Psychology Institute
- Information Technology for Senior Manage (CIO-20) Civil Service Commission
- Certificate of Attendance Director Accreditation IT Governance (ITG) Class 3/2016

Share holding

Work Experience

| | | |
|--------------|--|---|
| Present | Independent Director, Chairman of Nomination & Remuneration Committee, Audit Committee and Risk Management Committee | IT CITY Pcl. |
| Present | Chairman | Infinite technology corporation co. ltd |
| Present | Chairman | Association The Communications Authority of Thailand association (CATA) |
| 2013-Present | Subcommittee strategy set Technology | Metropolitan Waterworks Authority |
| 2004-2007 | Chairman | Unifunds Co., Ltd. |
| 2006-2007 | Vice President Information Technology | CAT Telecom Pcl. |
| 2008-2009 | Adviser | Uni Central Co., Ltd. |
| 2008-2010 | Director | Audit and evaluation. The Ministry of Culture |

Board of Director

Name Mr. Sarsak Tuntasuwon

Position Independent Director, Chairman of Risk Management Committee and Audit Committee

Age 62

Qualification

- The National Defence College of Thailand (Class 2550)
- Capital Market Academy (CMA 12)
- LL.B Ramkhamhaeng University
- LL.M Ramkhamhaeng University
- Master of Public Administration, NIDA.

Share holding

Work Experience

| | | |
|-----------|---|---|
| Present | Independent Director, Chairman of Risk Management Committee and Audit Committee | IT CITY PCL. |
| 2007-2015 | Deputy Secretary | The Office of Insurance, Ministry of Finance |
| 2006-2007 | Deputy Director | The Department of Insurance, Ministry of Commerce |
| 2000-2006 | Specialist Insurance Law | The Department of Insurance, Ministry of Commerce |
| 1997-2000 | Director of the Legal Division | The Department of Insurance, Ministry of Commerce |

Board of Director

| | |
|----------|---------------------------|
| Name | Dr. Sathit Pitivara, Ph.D |
| Position | Independent Director |
| Age | 54 |

Qualification

- Agricultural extension, Bachelor's Degree from Sukhothai Thammathirat University (1994)
- NIDA-CP: Mini Executive MBA. (1997)
- Public Administration, Master degree from Ramkhamhaeng University (2006)
- Public Administration, Doctor of Philosophy from Burapha University (2012)

Share holding

Work Experience

| | | |
|--------------|----------------------|---|
| Present | Independent Director | IT CITY PCL. |
| 2016-Present | Consultants | Graduate School of Commerce Burapha University |
| 2015-2017 | Special Instructor | Graduate School of Commerce Burapha University |
| 2013-2016 | President | Burapha University Alumni |
| 2012-2014 | Sometimes Teachers | Graduate School of Public Administration |

Board of Director**Name** Mr. Ekachai Sirijirapatana**Position** Director, President and Authorized Director**Age** 64**Qualification**

- Master of Business Information System, Georgia State University
- Certificate of Attendance Director Accreditation Program Class 33 (DAP)

Share holding 0.44**Work Experience**

| | | |
|---------|------------------------|--------------|
| Present | Director and President | IT CITY Pcl. |
|---------|------------------------|--------------|

Board of Director**Name** Mr. Boonjerd Harnvichitchai**Position** Senior Vice President**Age** 58**Qualification**

- Master of Insurance, Georgia State University

Share holding 0**Work Experience**

| | | |
|---------|-----------------------------------|----------------------------|
| Present | Senior Vice President | IT CITY Pcl. |
| Present | Director and Authorized Signatory | Uitox (Thailand) Co., Ltd. |

Board of Director**Name** Mr. Pairoj Amatamahatana**Position** Vice President OPERATION**Age** 58**Qualification**

- Master of Business Information System, Georgia State University

Share holding 0.22**Work Experience**

| | | |
|---------|----------------|--------------|
| Present | Vice President | IT CITY Pcl. |
|---------|----------------|--------------|

Board of Director**Name** Mr. Pravrit Rugpises**Position** General Manager**Age** 55**Qualification**

- Master of Business Administration, Bangkok University

Share holding 0**Work Experience**

Present General Manager IT CITY Pcl.

Board of Director

Name **Ms. Pantipa Thirakanokvilai**

Position Vice President Financial Controller

Age 58

Qualification

- Bachelor of Business Administration, Thammasat University

Share holding 0**Work Experience**

Present Financial Controller IT CITY Pcl.

Board of Director

Name **Mr. Sophon Intanate**

Position Vice President Product & Marketing

Age 36

Qualification

- Master of Commerce (Economics & Banking) The University of Sydney NSW, Australia
- Bachelor of Commerce (Economics & Finance) The University of Sydney NSW, Australia
- Certificate from Director Certification Program (DCP), 2013
- Thailand Insurance Leadership Program

Share holding 0**Work Experience**

| | | |
|--------------|----------------------------------|-----------------------------------|
| Present | Vice President Product Marketing | IT CITY Pcl. |
| 2016-Present | Director | Touch Printing Republic Co., Ltd. |
| 2015-Present | Director | S P V I Public Company Limited |
| 2016 | General Manager | IT CITY Pcl. |
| 2010-2016 | Product Manager | IT CITY Pcl. |
| 2014 | Director | ARIP Public Company Limited |

Board of Director

Name **Ms. Vanida Sangkaew**

Position Financial Manager

Age 52

Qualification

- Bachelor of Business Administration, Bansomdejchopraya Rajabhat University

Share holding 0

Work Experience

Present Financial Manager IT CITY Pcl.

Board of Director

Name Ms. Lalitwadee Puttipongsup

Position Accountant Manager

Age 30

Qualification

- B.B.A. Accounting, Srinakharinwirot University

Share holding 0

Work Experience

2017-Present Accountant Manager IT CITY Pcl.

Secretary

Name Mr. Chanchai Boonyasurakul

Position Company Secretary

Age 58

Qualification

- Bsc. Economics & Administration, Kasetsart University

Share holding 0

Work Experience

| | | |
|--------------|-------------------|------------------------------------|
| 2002-present | Company secretary | IT CITY Pcl. |
| Present | Company secretary | ARIP Pcl. |
| Present | Director | Advanced Research Co. Ltd. |
| Present | Director | Pro Management Solution Co., Ltd |
| Present | Director | Pro Multi Service Co., Ltd. |
| Present | Director | Pro Business Development Co., Ltd. |
| Present | Director | Anet Co., Ltd. |
| Present | Director | Advanced Auditing Co., Ltd. |

Note: Family Relationship among Executives. None

Name Of Director, Executive Management and Controlling Person

| Name | IT CITY | SVOA | Advanced Research Group | Core & Peak |
|---------------------------------|---------|------|-------------------------|-------------|
| 1. Mr. Kamol Juntima | ▲■ | | | |
| 2. Mr. Min Intanate | ●■◆ | | ●■ | ●■ |
| 3. Dr. Wilson Teo Yong Peng | ●■ | ●■ | ●■ | |
| 4. Mr. Prinya Pajityanyong | ●■ | | | |
| 5. Mr. Pipope Chokwathana | ●■ | | | |
| 6. Mr. Weerapat Punsak-udomsin | ● | | | |
| 7. Mr. Vichit Yanamorn | ● | | | |
| 8. Mr. Damnoen Kaewthawee | ● | | | |
| 9. Mr. Sarsak Tuntasuwon | ● | | | |
| 10. Dr. Sathit Pitivara | ● | | | |
| 11. Mr. Ekachai Sirijirapatana | ●■◆ | | | |
| 12. Mr. Boonjerd Harnvichitchai | ◆ | | | |
| 13. Mr. Pairoj Amatamahutana | ◆ | | | |
| 14. Mr. Prawit Rugpises | ◆ | | | |
| 15. Ms. Pantipa Thirakanokvilai | ◆ | | | |
| 16. Mr. Sophon Intanate | ◆ | | | |

Remark: ▲ = Chairman ● = Director ■ = Authorized Director ◆ = Executive in Management Team

Resume of The Head of Internal Audit

| No. | Name | Age (years) | Education | Share holding proposition in IT CITY (%) | Work Experience for the last 5 years | |
|-----|------------------------|----------------|--|--|--------------------------------------|------------------------|
| | Job Title | | | | Period | Job Title |
| 1 | Ms. Chirawan Thipkomut | 49 | Bachelor of Accountancy University of the Thai Chamber of Commerce Master of Business Administration Program University of the Thai Chamber of Commerce | 0 | 2002-Present | Internal Audit Manager |

Related Parties and Connected Transaction



Disclosure of Connected Transaction

Details of Connected Transactions are shown in the remark of Financial Statements, section 6 “Related Parties and Connected Transaction”.

Opinion of the Audit Committee

Members of the Audit Committee of IT CITY have considered the information relating to the above Connected Transactions and are of the view the Connected Transactions are reasonable and determined at market or fair rental price and are not different than transactions with other parties.

Necessity and Reasonableness of the Connected Transactions

The connected transactions were necessary and reasonable and provided maximum benefit to the Company. In addition, they were considered to be normal business transactions, and pricing as well as the terms and conditions were fair and reasonable. Therefore, the Audit Committee provided its opinion, as stated above.

Measures or Procedures to Approve Connected Transactions

In regard to approval of connected transactions, it will be required to comply with regulations of the SET and SEC. Interested parties will have no right to vote to approve such connected transactions. The issues of connected transactions and the acquisition/disposal of assets are already included in the Company’s Articles of Association. Regarding transactions which are considered normal business activities, the Company has already determined the level management who may approve such transactions.

Potential Future Connected Transactions

The Company is expected to continue its business transactions with related parties. The Company has appointed an Audit Committee to be responsible for releasing information of the Company that is complete and accurate in case it engages in connected transactions and/or the disposal and acquisition of assets or if a conflict of interest arises according to the accounting standards of the Accountants Association. The Audit Committee will work with auditors to disclose connected transactions.

Methods to Protect Investors

The Company clearly outlines details of connected transactions in its Articles of Association. Directors who have an interest in said connected transactions have no right to vote on such matters, except for normal business transactions already covered by existing guidelines.

The Audit Committee provides an opinion on the necessity and reasons of the transactions, and the Company discloses the type and value of all connected transactions in its annual report.



Management Discussion and Analysis

Operating Results

Income

Main income of the Company is from sales of products which is accounted for 98.76 percent of total income of the Company. Main products included computer, peripherals smart phone, accessories group and others included office equipment and LED television which are accounting for approximately 95.28 percent of total income of the Company. Income from services is approximately 3.43 percent of total income of the Company for the past 4 years.

In 2016, income from sales and services decreased at the rate of 0.64 percent. Such decreased amount was due to the decreased sales of the existing branches and despite the opening of the new branches. In 2016, even though 11 more branches have been opened and 1 branches have been closed down which made the Company has total 104 branches. In 2017, income from sales and services has growth up 0.11 percent, even though 7 more branches have been opened and 9 branches have been closed down which made the Company has 102 branches in 2017 in total. In 2018, the Company has opened 41 more branches and closed 13 branches, so it has 130 branches in total. Nonetheless, since the requirements of IT products have been impacted from the growth of Smart Phone, therefore the growth rate of income from sales and services was still increased to 2.36 percent. The Company began to resize the existing branches to make them have lesser areas and the new branches are designed to have appropriated space, which is approximately 20-200 square meters only and they are focused on selling the products currently in trend in the market, i.e. Smart Phone and tablet apart from the main product group of computer notebook.

Cost of goods sold and Selling and administrative expenses

From 2015, the growth rate of the cost of goods sold decreased by approximately 0.03 percent. Although the growth rate in sales and services increased in the same period.

From 2015 to 2017, the Company had gross profit margins of 9.86 percent and 10.30 percent and 11.14 percent respectively. For the year 2018, its gross profit margin was 11.49 percent.

From 2015 to 2017 and 2018, its selling and administrative expenses to total income was 11.17 percent. Sales and services expenses consist of staff expenses 23.19 percent; rental expenses, 35.95 percent; and other expenses, including depreciation, utilities, and credit card expenses of 22.74 percent of total selling and administrative expenses. The Company's management believes that in order to compete effectively in the IT market, the Company must manage its selling and administrative expenses more efficiently. To achieve this aim, it adopted a policy to reduce the ratio of selling and administrative expenses to total income.

In the past, although it was the Company's policy not to use external sources of funds such as bank loans as its major source of funds; it did obtain loans from banks. In recent years, the Company was able to generate a sufficient amount of income to repay all of its liabilities. From 2000, the Company had no further borrowings from banks or financial institutions.

Net profit

In 2016 the Company's net profit was 15.36 million Baht, which decreased by 31.25 percent from the performance of 2015 although the growth rate of revenue from sales and services decreased 0.64 percent due to the demand for IT products has affected by the growth of Smart Phone and the intense competition in IT industry has caused lower gross profit margin, while the selling and administrative expenses increased by 5.05 percent due to the opening of 11 new branches and closed 1 and allowance for impairment loss on fixed asset – operating software amount of 13.19 million Baht in quarter 4 of 2016. For the year 2017, the Company's net profit was 63.38 million Baht, which increased by 312.59 percent from the performance of 2016 as the growth rate of revenue from sales and services increased 0.11 percent due to the demand for IT products has affected by the growth of Smart Phone, however, the less intense competition in IT industry has led to higher gross profit margin, while the selling and administrative expenses decreased by 2.89 percent due to the opening of 7 new branches and closed 9.

For the year 2018, the Company's net profit was 42.16 million Baht, which decreased by 33.49 percent from the performance of 2017 as the growth rate of revenue from sales and services increased 2.36 percent due to the demand for IT products has affected by the growth of Smart Phone, however, the less intense competition in IT industry has led to higher gross profit margin, while the selling and administrative expenses increased by 9.45 percent due to the opening of 41 new branches and closed 13.

Financial Status

Assets

The Company's current assets at end of year 2015 to 2017 were 1,672.03 million Baht, 1,809.68 million Baht and 1,519.14 million Baht, respectively. As at December 31, 2017, the Company's current assets represented 78 percent of total current assets, and non-current assets represented 22 percent of the total. Its current assets comprised inventories-net of more than 50 percent, cash and cash at banks of more than 19 percent.

As at December 31, 2018, the Company had total assets of 1,494 million Baht, which decreased by 1.66 percent from decreased of Inventory. Moreover the company's total account receivable has decrease from 101 million Baht to 95 million Baht. The Company's current assets represented 74 percent of total current assets, and non-current assets represented 26 percent assets comprised inventories-net of 47 percent, cash and cash at banks of 19 percent.

Account Receivables

As at December, 31 2017 and 2018, the Company had account receivables of 101.15 million Baht and 95.20 million Baht. The Company's policy in regard to allowance for doubtful accounts is to set aside an allowance for doubtful accounts of 50 percent for accounts ageing more than three months and 100 percent for accounts ageing more than six months but less than one year. As at December 31, 2017, the Company had account ageing more than three months of 105,260 Baht and account ageing more than six months of 0 Baht and set aside an allowance for doubtful account of 52,630 Baht or 0.05 percent of total account.

As at December 31, 2018, the Company had account aging more than three months of 0 Baht and account aging more than six months of 15,480 Baht and set aside an allowance for doubtful accounts of 15,480 Baht or 0.02 percent of total account.

The Company has increased its focus on retailers, which account for 98 percent of its total sales and services, and expects sales from retailers will continue to grow in the future with the aim to increase its cash liquidity and net profit. The increase in sales to retailers has the effect of reducing the risk of incurring bad debts. Most wholesalers are existing customers with good track records. Therefore, the Company does not expect to incur any significant losses from these customers. At present, IT CITY sets aside full provisions for doubtful accounts.

In 2016, 2017 and 2018, the average collection period (wholesale only) was 24 - 32 Days.

Inventories

At the end of 2015, 2016, 2017 and 2018, IT CITY had net inventories of 614.46 million Baht, 719.40 million Baht, 757.62 million Baht and 695.91 Baht respectively. Its net inventories comprised computers, peripherals; accessories included smart phone and other products accounting for 46 Percent 7 Percent 32 Percent and 15 Percent, respectively. The increase of inventories resulted from the number of branches each year. In 2015 opened 11 and closed 1, in 2016 opened 11 and closed 1, in 2017 opened 7 and closed 9. In 2018 opened 31 and closed 13.

To minimize the risk related to inventories, the management has implemented a number of inventory control measures. Each department monitors audits and analyses products and customer's needs and places orders in correlation with sales forecasts. The introduction of new technologies could affect inventories, and in some cases the Company would have to sell its inventories at a loss for its outdated stock.

Moreover, in the fourth quarter of 2005, the company installs new software named "Epicor" to replace the old system. This new software provides the point of sale system which is linked to its accounting system in the near real time basis. It is a groupware programmed designed to enable workers in the Company to easily share the most update information including key analysis such as sale analysis, stock analysis, financial analysis etc. The results are more efficient inventory management and reduced risk related to inventory.

In 2005, the Company adopted a stricter policy in regard to the allowance for the diminishing value of outdated stock. For the ageing of accounts that exceed six months but less than nine months, the Company's policy is to set aside 25 percent for account which exceed nine months but less than one year, 50 percent and for those which exceed one year, 100 percent. As at December 31, 2016 and 2017, the allowance for the diminishing value of outdated stock amounted to 14.18 million Baht and 13.86 million Baht, or 1.93 percent and 1.79 percent of total inventories.

As at December 31, 2018, the allowance for the diminishing value of outdated stock amounted to 15.5 million Baht, or 2.18 Percent of total inventories.

The average inventory turnover for 2015, 2016, 2017 and 2018 were 47 days, 54 days, 61 days and 59 Days, respectively. The average inventory turnover was 7.72 times, 6.63 times, 5.94 times and 6.15 times for 2015, 2016, 2017 and 2018, respectively. As its inventory turnover is quite high, IT CITY does not expect to set aside a significant amount of provisions for outdated stock.

Liquidity

From 2015 to 2018 the current ratio of the Company was 2.10 times, 1.94 times 1.79 times and 1.72 Times and the quick ratio was 0.96 times, 0.91 times 0.58 times and 0.58 Times, respectively. In 2015 - 2018, the current ratio of the Company was high owing to its increase 12 times paid-up capital to existing shareholders, the public and director and/or employee and private investor to support branch expansion and sales growth in great amount. In 2017 the current ratio has decreased due to the share buyback not exceed 63 million shares with total amount of fund of 252 million Baht.

In 2015, the Company has positive net cash flow from the operating activities of 86.17 million Baht due to the Company has enjoyed the revenue decrease of 0.30 percent and net profit has increased of 297.20 percent while the inventory has increased at the rate of 13.03 percent. Moreover, the Company put net cash in the investment activities of 173.15 million Baht cash and cash equivalents have net decrease of 86.98 million Baht with the cash and cash equivalents as of December 31, 2015 reported at 86.60 million Baht.

In 2016, the Company has positive net cash flow from the operating activities of 97.32 million Baht due to the Company has the revenue decrease of 0.64 percent and net profit has decreased of 31.25 percent while the inventory has increased at the rate of 17.08 percent. Moreover, the Company has net cash from the investment activities of 13.23 million Baht cash and cash equivalents have net increase of 93.08 million Baht with the cash and cash equivalents as of December 31, 2017 reported at 179.68 million Baht.

In 2017, the Company has positive net cash flow from the operating activities of 42.63 million Baht due to the Company has the revenue increase of 0.11 percent and net profit has increased of 312.59 percent while the inventory has increased at the rate of 5.31 percent. Moreover, the Company has net cash from the investment activities of 277.44 million Baht cash and cash equivalents have net increase of 54.09 million Baht with the cash and cash equivalents as of December 31, 2017 reported at 233.77 million Baht.

In 2018, the Company has positive net cash flow from the operating activities of 113.60 million Baht due to the Company has the revenue increase of 2.36 Percent and net profit has decreased of 33.49 Percent while the inventory has decreased at the rate 8.15 percent. Moreover, the Company has net cash with the investment activities of 48.92 million Baht cash and cash equivalents have net increase of 12.59 million Baht with the cash and cash equivalents as of December 31, 2018 reported at 246.36 million Baht.

Liabilities

As at the end of 2018, the Company had total liabilities of 664.13 million Baht, which decreased by 2.33 percent compared with 2017 due to the decrease intrade accounts payable.

Since the Company purchases some product items from overseas, the Company has a certain amount due in foreign currency. The Company employs strict risk management control on foreign exchange rates, and thus, the Company bought forward contracts to cover all of its foreign currency debt. As at December 31, 2018. The Company held outstanding forward contracts of USD. 208,573

As at December 31, 2018, the Company had 3 months fixed deposits totaling 12.50 million Baht pledged with a bank to secure a Letter of Guarantee totaling 11.50 million Baht and 200,000 USD.

Source of funds

In the past, the Company's source of funds was obtained from shareholders' equity. As at December 31, 2018, the Company had paid-up capital of Baht 286,398,859 its shareholders' equity was 829.77 million Baht, which decreased by 1.12 percent from 2017, and decrease in retained earnings of Baht 9.39 million due to the share buyback program in 2018. The profit sharing from associate companies equaled 13.86 million Baht.

Appropriateness of the Company's capital structure

As at December 31, 2015, 2016, 2017 and 2018, the Company's debt to equity ratio was 0.60 times, 0.74 times, 0.81 times and 0.80 times. The debt to equity ratio near year 2017 because of 2.33 percent decrease in total liabilities and shareholders' equity has decreased due to the share buyback program in 2018. However, the Company's debt to equity ratio was still low comparing to other companies in the same industry.

Factors and influences on the Company's future prospects

Since the Company plans to open 5 new branches in Bangkok and other big cities in 2019, the Company will require capital to fund the expansion. The Company plans to use current finance from operating activities which is sufficient for investment. The increase in branches will create more sales and profit to the Company, but will not decrease sales of existing branches, as new branches will serve new target market areas. In addition, there is still a high growth rate of domestic demand since the current number of computers per capital is low.

Report of the Board of Directors'
Responsibility for the Financial Statement

Report of the Audit Committee

Report of the Independent Auditor



Report of the Board of Directors' Responsibility for the Financial Statement

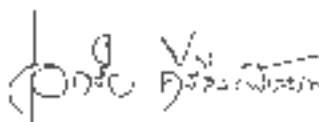
The Board of Directors is responsible for the Financial Statement of IT CITY Public Company Limited which has been prepared in accordance with generally-accepted accounting principles under the appropriate accounting policies abide by regularly. The significant information was sufficiently disclosed in the Notes to Financial Statements.

The Board of Directors has appointed the Audit Committee consisting of Independent Directors to take responsibility for the Financial Statement and ensure the effectiveness of internal control system. Thus, the accounting records would be done in correct, complete and timely manner. Furthermore, the acts of dishonesty or doubtful operations can be prevented. The opinion of the Audit Committee on this issue was presented in the Report of Audit Committee in this annual report.

The Board of Directors agreed that the Company's internal control system can create confidence that the Company's Financial Statement on financial status, business performance and cash flows is presented with the correct content.



Mr. Kamol Juntima
Chairman of the Board



Mr. Ekachai Sirijirapatana
President

Report of the Audit Committee

To the Shareholders,

The Audit Committee of IT CITY Public Company Limited comprises of the following members:

- | | |
|---------------------------|--|
| 1. Mr. Vichit Yanamorn | Independent Director, Chairman of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee |
| 2. Mr. Damnoen Kaewthawee | Independent Director, Chairman of Nomination & Remuneration Committee, Audit Committee and Risk Management Committee |
| 3. Mr. Sarsak Tuntasuwon | Independent Director, Chairman of Risk Management Committee and Audit Committee |

The Audit Committee has independently performed duties as per assigned by the Company's Board of Directors pursuant to the Audit Committee Charter by put emphasis on review of financial statement, corporate governance, internal control system, internal audit, compliance with the laws on Securities and Exchange, requirements of the Stock Exchange of Thailand or the laws related to the Company's business as well as proposal on appointment of the auditor. In 2018, performance of the Audit Committee in material matters could be summarized as follows:

1) The Audit Committee Meeting: Such meetings have been held for 5 times to discuss and exchange opinions with the top management, the auditor and the internal auditor on the relevant topics.

2) Reviewing the financial report: The Audit Committee has reviewed quarterly financial reports and annual financial statements of year 2018 by inviting the management and the auditor to attend the meeting on agenda considering the financial statement to clarify and answer questions of the Audit Committee on accuracy, completeness, adjustment of material accounting transaction, adequacy of information disclosed in the financial statement and observation of the auditor which have already been considered and reviewed. The Audit Committee is of opinion that material information of the financial statement has been reasonably disclosed pursuant to the financial reporting standards.

3) Reviewing corporate governance audit and compliance with the relevant laws and regulations: The Audit Committee has reviewed performance and supervised the Company to perform business correctly as per the specified work systems. The Company has strictly complied with the laws on securities and exchange, regulations of the Stock Exchange of Thailand and other laws related to the Company's business operations to ensure that the Company has correctly and appropriately operated business pursuant to normal business conditions. In 2018, the Audit Committee did not find any transaction which was against the relevant laws and regulations. The Audit Committee deemed that Company performed businesses with regards to the connected transaction and the transaction which might have conflict of interest pursuant to the general trading conditions, fairly and reasonably.

4) Reviewing the internal control system and supervising the internal audit procedures: The adequacy and efficiency of the internal control system have been assessed to ascertain that the Company has appropriated internal control system and the assessment results showed that the Company's internal control system was appropriated and adequate. The Audit Committee has supervised to ensure independency of the internal audit unit and has approved the 2019 internal audit plan. During the reviewing of the audit results, recommendation has been provided and rectification of material issues have been followed-up. In addition, improvement of quality of operational guidelines and monitoring of Smart Core System Development have been made in order to be able to review and supervise the

internal control as well as minimize inefficiency and corruption within the organization.

5) Consideration and proposal on appointment of the auditor and remuneration fee for 2019:

The Audit Committee has considered and selected the auditor including fixed the remuneration fee then proposed to the Board of Directors to request approval from the Shareholders' Meeting on appointment of Miss Sathida Rattananurak and/or Miss Kamonthip Lertwithworathep and/or Miss Siriwan Nitdamrong as the Company's auditor for 2019 and has also considered that the remuneration fee was appropriated.



Mr. Vichit Yanamorn
Chairman of the Audit Committee
12 February 2019

Independent Auditor's Report

To the Shareholders of IT City Public Company Limited

Opinion

I have audited the accompanying financial statements in which the equity method is applied of IT City Public Company Limited, which comprise the statement of financial position as at 31 December 2018, and the related 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, and have also audited the separate financial statements of IT City Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IT City Public Company Limited as at 31 December 2018, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Revenues from sales and services are the accounting transactions that have significant volume of transactions and amounts, and directly affect profit or loss of the Company. The Company has numerous sales and services made by cash and credit cards through a large number of branches nationwide. In addition, because of the intensified competition in the computer and telecommunication equipment industry, the Company has to continually adapt its marketing strategies and promotional activities in order to boost sales. Furthermore, the Company receives rebates and sales promotions from its vendors. There are therefore risks with respect to the amount and timing of the recognition of revenue including rebates and sales promotions from the vendors. I have therefore focused on the revenue recognition of the Company.

I examined the revenue recognition of the Company by assessing and testing the Company's information technology general controls and internal controls with respect to the revenue cycle by making enquires of responsible executives, gaining an understanding of controls and selecting representative samples to test the operation of the designed controls. In addition, I applied a sampling method to select sale and service transactions occurring during the year and near the end of the reporting period to check against the supporting documents and I reviewed credit notes that the Company issued after the end of the reporting period. I also performed analytical procedures on disaggregated data to detect possible irregularities in sale and service transactions throughout the period, particularly for accounting entries made through journal vouchers. Moreover, I applied a sampling method to select supporting documents for rebate and sale promotion transactions during the year to examine the recognition of the rebates and sale promotions granted by vendors.

Allowance for diminution in inventory value

Computers, mobile phones and related accessories are technology products which are constantly developing. Any changes in technology could affect the values of inventories. Estimating the net realisable value of inventories, as disclosed in Note 5 and Note 10 to the financial statements, thus requires significant management judgement, particularly with regard to the estimation of allowance for diminution in the value of slow-moving and obsolete inventories. This requires detailed analysis of the product life cycle, the competitive environment, economic circumstances and the situation within the industry. There is risk with respect to the amount of provision set aside for diminution in the value of inventory.

I assessed and gained an understanding of the internal controls of the Company relevant to the determination of allowance for diminution in the value of inventories by making enquiry of responsible executives. In addition, I assessed the criteria used in determining such allowance and reviewed the consistency of the application. I also compared the inventory holding periods and inventory movements to identify product lines with indicators of lower-than-normal inventory turnover, and performed analysis to compare the net proceeds from sales of goods occurring after the date of the financial statements with the cost of inventories.

Other Information

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the 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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the group to express an opinion on the financial statements, in which the equity method is applied. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.



Kamontip Lertwitworatep
Certified Public Accountant (Thailand) No. 4377
EY Office Limited
Bangkok: 18 February 2019



Financial Statements

IT City Public Company Limited

Statement of financial position

As at 31 December 2018

(Unit: Baht)

| | | Financial statements in which the equity method is applied | | Separate financial statements | |
|------------------------------------|------|--|------------------------------|-------------------------------|------------------------------|
| | Note | As at 31 December 2018 | As at 31 December 2017 | As at 31 December 2018 | As at 31 December 2017 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 7 | 246,360,359 | 233,770,780 | 246,360,359 | 233,770,780 |
| Current investments | 8 | 30,000,000 | 51,358,877 | 30,000,000 | 51,358,877 |
| Trade and other receivables | 9 | 121,099,596 | 121,857,077 | 121,099,596 | 121,857,077 |
| Inventories | 10 | 695,908,895 | 757,621,790 | 695,908,895 | 757,621,790 |
| Withholding tax deducted at source | 11 | 8,731,928 | 12,373,028 | 8,731,928 | 12,373,028 |
| Other current assets | 12 | 4,399,548 | 8,197,448 | 4,399,548 | 8,197,448 |
| Total current assets | | 1,106,500,326 | 1,185,179,000 | 1,106,500,326 | 1,185,179,000 |
| Non-current assets | | | | | |
| Restricted bank deposits | 13 | 12,500,000 | 12,500,000 | 12,500,000 | 12,500,000 |
| Investments in associates | 14 | 109,536,657 | 101,627,512 | 70,000,000 | 71,444,077 |
| Equipment | 15 | 149,078,592 | 123,975,987 | 149,078,592 | 123,975,987 |
| Intangible assets | 16 | 10,188,265 | 2,123,226 | 10,188,265 | 2,123,226 |
| Deposits | | 97,522,804 | 85,169,852 | 97,522,804 | 85,169,852 |
| Deferred tax assets | 23 | 8,568,877 | 8,562,524 | 8,568,877 | 8,559,494 |
| Total non-current assets | | 387,395,195 | 333,959,101 | 347,858,538 | 303,772,636 |
| Total assets | | 1,493,895,521 | 1,519,138,101 | 1,454,358,864 | 1,488,951,636 |

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

IT City Public Company Limited

Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)

| | | Financial statements in which the equity method is applied | | Separate financial statements | |
|---|------|--|------------------------|-------------------------------|------------------------|
| | | As at 31 December 2018 | As at 31 December 2017 | As at 31 December 2018 | As at 31 December 2017 |
| | Note | | | | |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 17 | 639,212,322 | 658,340,407 | 639,212,322 | 658,340,407 |
| Other current liabilities | | 3,051,495 | 3,136,882 | 3,051,495 | 3,136,882 |
| Total current liabilities | | <u>642,263,817</u> | <u>661,477,289</u> | <u>642,263,817</u> | <u>661,477,289</u> |
| Non-current liabilities | | | | | |
| Provision for long-term employee benefits | 18 | 21,863,614 | 18,498,623 | 21,863,614 | 18,498,623 |
| Total non-current liabilities | | <u>21,863,614</u> | <u>18,498,623</u> | <u>21,863,614</u> | <u>18,498,623</u> |
| Total liabilities | | <u>664,127,431</u> | <u>679,975,912</u> | <u>664,127,431</u> | <u>679,975,912</u> |
| Shareholders' equity | | | | | |
| Share capital | 19 | | | | |
| Registered | | | | | |
| 303,798,859 ordinary shares of Baht 1 each | | <u>303,798,859</u> | <u>303,798,859</u> | <u>303,798,859</u> | <u>303,798,859</u> |
| Issued and fully paid up | | | | | |
| 286,398,859 ordinary shares of Baht 1 each | | <u>286,398,859</u> | <u>286,398,859</u> | <u>286,398,859</u> | <u>286,398,859</u> |
| Share premium | | 368,384,650 | 368,384,650 | 368,384,650 | 368,384,650 |
| Retained earnings | | | | | |
| Appropriated - statutory reserve | 20 | 36,679,886 | 36,679,886 | 36,679,886 | 36,679,886 |
| Unappropriated | | 138,304,695 | 147,698,794 | 98,768,038 | 117,512,329 |
| Total shareholders' equity | | <u>829,768,090</u> | <u>839,162,189</u> | <u>790,231,433</u> | <u>808,975,724</u> |
| Total liabilities and shareholders' equity | | <u>1,493,895,521</u> | <u>1,519,138,101</u> | <u>1,454,358,864</u> | <u>1,488,951,636</u> |

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

IT City Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2018

(Unit: Baht)

| | | Financial statements in which the equity method is applied | | Separate financial statements | |
|---|------|--|----------------------|-------------------------------|----------------------|
| | | 2018 | 2017 | 2018 | 2017 |
| | Note | | | | |
| Profit or loss | | | | | |
| Revenues | | | | | |
| Sales and service income | | 5,050,376,688 | 4,933,829,496 | 5,050,376,688 | 4,933,829,496 |
| Dividend income | 14.2 | - | - | 4,640,000 | 1,392,000 |
| Other income | 21 | 54,593,957 | 68,186,125 | 54,593,957 | 68,186,125 |
| Total revenues | | <u>5,104,970,645</u> | <u>5,002,015,621</u> | <u>5,109,610,645</u> | <u>5,003,407,621</u> |
| Expenses | | | | | |
| Cost of sales and service | | 4,470,313,688 | 4,384,297,502 | 4,470,313,688 | 4,384,297,502 |
| Selling and distribution expenses | | 472,191,092 | 428,560,355 | 472,191,092 | 428,560,355 |
| Administrative expenses | | 126,541,508 | 118,547,980 | 126,676,322 | 123,103,903 |
| Total expenses | | <u>5,069,046,288</u> | <u>4,931,405,837</u> | <u>5,069,181,102</u> | <u>4,935,961,760</u> |
| Profit before share of profit from investments in associates, finance cost and income tax expenses | | <u>35,924,357</u> | <u>70,609,784</u> | <u>40,429,543</u> | <u>67,445,861</u> |
| Share of profit from investments in associates | 14.2 | 13,858,408 | 6,304,019 | - | - |
| Profit before finance cost and income tax expenses | | <u>49,782,765</u> | <u>76,913,803</u> | <u>40,429,543</u> | <u>67,445,861</u> |
| Finance cost | | (689,072) | (583,567) | (689,072) | (583,567) |
| Profit before income tax expenses | | <u>49,093,693</u> | <u>76,330,236</u> | <u>39,740,471</u> | <u>66,862,294</u> |
| Income tax expenses | 23 | (6,935,997) | (12,948,656) | (6,932,967) | (12,951,686) |
| Profit for the year | | <u>42,157,696</u> | <u>63,381,580</u> | <u>32,807,504</u> | <u>53,910,608</u> |

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

IT City Public Company Limited

Statement of comprehensive income (continued)

For the year ended 31 December 2018

(Unit: Baht)

| | | Financial statements in which the equity method is applied | | Separate financial statements | |
|---|----|--|--------------------|-------------------------------|--------------------|
| | | 2018 | 2017 | 2018 | 2017 |
| Other comprehensive income | | | | | |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods | | | | | |
| Actuarial loss | | - | (1,426,544) | - | (1,426,544) |
| Less: Income tax effect | 23 | - | 285,309 | - | 285,309 |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax | | - | (1,141,235) | - | (1,141,235) |
| Other comprehensive income for the year | | - | (1,141,235) | - | (1,141,235) |
| Total comprehensive income for the year | | <u>42,157,696</u> | <u>62,240,345</u> | <u>32,807,504</u> | <u>52,769,373</u> |
| Earnings per share | 24 | | | | |
| Basic earnings per share | | | | | |
| Profit for the year | | <u>0.147</u> | <u>0.204</u> | <u>0.115</u> | <u>0.173</u> |
| Weighted average number of ordinary shares (shares) | | <u>286,398,859</u> | <u>310,735,845</u> | <u>286,398,859</u> | <u>310,735,845</u> |

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

IT City Public Company Limited

Statement of changes in shareholders' equity

For the year ended 31 December 2018

(Unit: Baht)

| Financial statements in which the equity method is applied | | | | | | | |
|--|------|----------------------------------|---------------|-----------------|-------------------|-------------------------------------|----------------------------|
| | Note | Issued and paid up share capital | Share premium | Treasury shares | Retained earnings | | Total shareholders' equity |
| | | | | | Statutory reserve | Appropriated Treasury share reserve | |
| Balance as at 1 January 2017 | | 349,398,859 | 368,384,650 | - | 36,679,886 | - | 1,042,897,758 |
| Total comprehensive income for the year | | - | - | - | - | - | 62,240,345 |
| Dividend paid | 25 | - | - | - | - | - | (13,975,914) |
| Treasury shares | 19 | - | - | (252,000,000) | - | - | (252,000,000) |
| Retained earnings - transferred to treasury share reserve | 19 | - | - | - | - | 252,000,000 | - |
| Treasury shares cancellation | 19 | (63,000,000) | - | 252,000,000 | - | (252,000,000) | - |
| Balance as at 31 December 2017 | | 286,398,859 | 368,384,650 | - | 36,679,886 | 147,698,794 | 839,162,189 |
| Balance as at 1 January 2018 | | 286,398,859 | 368,384,650 | - | 36,679,886 | - | 839,162,189 |
| Total comprehensive income for the year | | - | - | - | - | - | 42,157,696 |
| Dividend paid | 25 | - | - | - | - | - | (51,551,795) |
| Balance as at 31 December 2018 | | 286,398,859 | 368,384,650 | - | 36,679,886 | 138,304,695 | 829,768,090 |

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

IT City Public Company Limited

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2018

(Unit: Baht)

| Separate Financial Statements | | | | | | | | |
|---|------|----------------------------------|---------------|-----------------|-------------------|------------------------|----------------|----------------------------|
| | Note | Issued and paid up share capital | Share premium | Treasury shares | Retained earnings | | | Total shareholders' equity |
| | | | | | Appropriated | | Unappropriated | |
| | | | | | Statutory reserve | Treasury share reserve | | |
| Balance as at 1 January 2017 | | 349,398,859 | 368,384,650 | - | 36,679,886 | - | 267,718,870 | 1,022,182,265 |
| Total comprehensive income for the year | | - | - | - | - | - | 52,769,373 | 52,769,373 |
| Dividend paid | 25 | - | - | - | - | - | (13,975,914) | (13,975,914) |
| Treasury shares | 19 | - | - | (252,000,000) | - | - | - | (252,000,000) |
| Retained earnings - transferred to treasury share reserve | 19 | - | - | - | - | 252,000,000 | (252,000,000) | - |
| Treasury shares cancellation | 19 | (63,000,000) | - | 252,000,000 | - | (252,000,000) | 63,000,000 | - |
| Balance as at 31 December 2017 | | 286,398,859 | 368,384,650 | - | 36,679,886 | - | 117,512,329 | 808,975,724 |
| Balance as at 1 January 2018 | | 286,398,859 | 368,384,650 | - | 36,679,886 | - | 117,512,329 | 808,975,724 |
| Total comprehensive income for the year | - | - | - | - | - | - | 32,807,504 | 32,807,504 |
| Dividend paid | 25 | - | - | - | - | - | (51,551,795) | (51,551,795) |
| Balance as at 31 December 2018 | | 286,398,859 | 368,384,650 | - | 36,679,886 | - | 98,768,038 | 790,231,433 |

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

IT City Public Company Limited

Cash flow statement

For the year ended 31 December 2018

(Unit: Baht)

| | Financial statements in which the equity method is applied | | Separate financial statements | |
|--|--|--------------|-------------------------------|--------------|
| | 2018 | 2017 | 2018 | 2017 |
| Cash flows from operating activities | | | | |
| Profit before tax | 49,093,693 | 76,330,236 | 39,740,471 | 66,862,294 |
| Adjustments to reconcile profit before tax to | | | | |
| net cash provided by (paid from) operating activities: | | | | |
| Depreciation and amortisation | 49,722,555 | 51,481,393 | 49,722,555 | 51,481,393 |
| Increase (decrease) in allowance for | | | | |
| inventory obsolescence | 1,672,441 | (317,523) | 1,672,441 | (317,523) |
| Increase (decrease) in allowance for doubtful accounts | (37,150) | 52,630 | (37,150) | 52,630 |
| Increase in allowance for impairment loss on assets | 150,348 | 314,181 | 150,348 | 314,181 |
| Increase in allowance for impairment loss on deposits | 1,471,867 | - | 1,471,867 | - |
| Net loss from/allowance for impairment loss on | | | | |
| investment in associate | - | - | 134,814 | 4,555,923 |
| Loss on write-off of inventory | 12,897 | 890,098 | 12,897 | 2,234,499 |
| Loss on disposals/write-off of equipment | 4,065,480 | 2,234,499 | 4,065,480 | 890,098 |
| Share of profit from investments in associates | (13,858,408) | (6,304,019) | - | - |
| Provision for long-term employee benefits | 3,941,291 | 2,269,104 | 3,941,291 | 2,269,104 |
| Dividend income from associate | - | - | (4,640,000) | (1,392,000) |
| Interest income | (2,911,030) | (3,791,715) | (2,911,030) | (3,791,715) |
| Profit from operating activities before | | | | |
| changes in operating assets and liabilities | 93,323,984 | 123,158,884 | 93,323,984 | 123,158,884 |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | 471,199 | 58,657,207 | 471,199 | 58,657,207 |
| Inventories | 52,379,846 | (44,998,686) | 52,379,846 | (44,998,686) |
| Other current assets | 6,339,589 | (789,220) | 6,339,589 | (789,220) |
| Other non-current assets | (13,824,819) | (1,617,884) | (13,824,819) | (1,617,884) |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | (19,128,085) | (90,203,478) | (19,128,085) | (90,203,478) |
| Other current liabilities | (85,387) | (294,742) | (85,387) | (294,742) |
| Provision for long-term employee benefit | (576,300) | - | (576,300) | - |
| Cash from operating activities | 118,900,027 | 43,912,081 | 118,900,027 | 43,912,081 |
| Cash paid for income tax | (16,058,055) | (13,437,478) | (16,058,055) | (13,437,478) |
| Cash received from withholding tax refund | 10,215,116 | 12,157,604 | 10,215,116 | 12,157,604 |
| Net cash from operating activities | 113,057,088 | 42,632,207 | 113,057,088 | 42,632,207 |

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

IT City Public Company Limited

Cash flow statement (Continue)

For the year ended 31 December 2018

(Unit: Baht)

| | Financial statements in which the equity method is applied | | Separate financial statements | |
|--|--|----------------------|-------------------------------|----------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Cash flows from investing activities | | | | |
| Decrease in current investments | 21,358,877 | 298,641,123 | 21,358,877 | 298,641,123 |
| Repayment from associated company dissolution | 1,309,263 | 12,000,000 | 1,309,263 | 12,000,000 |
| Dividend received from associate | 4,640,000 | 1,392,000 | 4,640,000 | 1,392,000 |
| Interest income | 3,234,462 | 4,097,035 | 3,234,462 | 4,097,035 |
| Proceeds from disposals of equipment | 28,037 | 102,669 | 28,037 | 102,669 |
| Purchase of equipment | (71,094,859) | (38,796,793) | (71,094,859) | (38,796,793) |
| Purchase of computer software | (8,391,494) | - | (8,391,494) | - |
| Net cash from (used in) investing activities | <u>(48,915,714)</u> | <u>277,436,034</u> | <u>(48,915,714)</u> | <u>277,436,034</u> |
| Cash flows from financing activities | | | | |
| Cash paid for treasury shares | - | (252,000,000) | - | (252,000,000) |
| Dividend paid | (51,551,795) | (13,975,914) | (51,551,795) | (13,975,914) |
| Net cash used in financing activities | <u>(51,551,795)</u> | <u>(265,975,914)</u> | <u>(51,551,795)</u> | <u>(265,975,914)</u> |
| Net increase in cash and cash equivalents | 12,589,579 | 54,092,327 | 12,589,579 | 54,092,327 |
| Cash and cash equivalents at beginning of year | 233,770,780 | 179,678,453 | 233,770,780 | 179,678,453 |
| Cash and cash equivalents at end of year (Note 7) | <u>246,360,359</u> | <u>233,770,780</u> | <u>246,360,359</u> | <u>233,770,780</u> |
| Supplemental cash flow information | | | | |
| Non-cash related transactions from investing activities | | | | |
| Transfer inventories to equipment | 7,647,711 | 6,204,219 | 7,647,711 | 6,204,219 |

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

IT City Public Company Limited

Notes to financial statements

For the year ended 31 December 2018

1. General information

IT City Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is SVOA Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the distribution of computers, mobile phones and related accessories and its registered address is 604/3 Pantip Plaza Bldg., 5th- 6th Fl., Petchburi Road, Tanon Petchburi, Rajthevee,

As at 31 December 2018, the Company operates 130 branches (2017: 102 branches).

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company has adopted a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

During the current Year, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believes that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

| | |
|-------------------------|--|
| TAS 11 (revised 2017) | Construction contracts |
| TAS 18 (revised 2017) | Revenue |
| TSIC 31 (revised 2017) | Revenue - Barter Transactions Involving Advertising Services |
| TFRIC 13 (revised 2017) | Customer Loyalty Programmes |
| TFRIC 15 (revised 2017) | Agreements for the Construction of Real Estate |
| TFRIC 18 (revised 2017) | Transfers of Assets from Customers |

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

(c) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued the set of TFRSs related to financial instruments consisting of five accounting standards and interpretations, as follows:

Financial Reporting Standards:

| | |
|--------|------------------------------------|
| TFRS 7 | Financial Instruments: Disclosures |
| TFRS 9 | Financial Instruments |

Accounting Standard:

| | |
|--------|-------------------------------------|
| TAS 32 | Financial Instruments: Presentation |
|--------|-------------------------------------|

Financial Reporting Standard Interpretations:

| | |
|----------|---|
| TFRIC 16 | Hedges of a Net Investment in a Foreign Operation |
| TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances and goods returned.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Rebate

Rebate is recognised as income on an accrual basis.

Rental income of peripheral equipment

Rental income of peripheral equipment is recognised as revenue on a monthly accrual basis in accordance with the agreement.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Inventories

Inventories are valued at the lower of cost (under the first-in, first-out method) and net realisable value. The net realisable value of inventory is estimated from the estimated selling price in the ordinary course of business, less the estimated costs to complete the sale. Allowance for diminution in inventory value will be set up for obsolete, slow moving or deteriorated inventories.

4.5 Investments

a) Investments in associates are accounted for in the financial statements in which the equity method is applied using the equity method.

b) Investments in associates are accounted for in the separate financial statements using the cost method. The Company recognised loss on impairment of investments in associates (if any) in profit or loss.

4.6 Equipment and depreciation

Equipment are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of equipment is calculated by reference to their cost on a straight-line basis over the estimated useful lives as follows:

| | | |
|------------------------|---|---------|
| Leasehold improvements | - | 6 years |
| Office equipment | - | 5 years |
| Furniture and fixtures | - | 5 years |
| Tools | - | 5 years |
| Motor vehicles | - | 5 years |
| Assets for rent | - | 5 years |

Depreciation is included in determining income.

No depreciation is provided on assets under construction and installation.

4.7 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised on a systematic basis over the useful economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of intangible assets with finite useful lives is as follows.

| | <u>Useful lives</u> |
|-------------------|---------------------|
| Computer software | 10 years |

4.8 Related party transactions

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

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

4.9 Long-term leases

Leases of assets which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the assets.

Leases of assets which do not transfer all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

4.10 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at end of reporting period.

Gains and losses on exchange are included in determining income.

4.11 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined based on actuarial techniques, using the Projected Unit Credit Method by an independent actuarial company.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.13 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.14 Treasury share

Treasury share is stated at cost and presented as a reduction from shareholders' equity. Gains on disposal of treasury share are determined by reference to its carrying amount and are taken to premium on treasury share, losses on disposal of treasury share are determined by reference to its carrying amount and are taken to premium on treasury share and retained earnings, consecutively.

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, debt collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in inventory value

The determination of allowance for diminution in inventory value requires management to make judgements and estimates. The allowance for decline in net realisable value is estimated based on the selling price expected in the ordinary course of business less the estimated costs to complete the sale; and allowance for obsolete, slow-moving and deteriorated inventories is estimated based on the approximate aging of each type of inventory.

Equipment and depreciation

In determining depreciation of equipment, the management is required to make estimates of the useful lives and residual values of the equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

| | 2018 | 2017 | Pricing policy |
|--|------|------|--|
| <u>Transactions with major shareholder</u> | | | |
| <u>(SVOA Public Company Limited)</u> | | | |
| Sales of goods | 1 | - | At cost plus approximately 13 percent average profit margin |
| Marketing support income | 2 | 1 | Prices agreed by the parties |
| Purchases of goods | 111 | 93 | At cost plus approximately 2 percent average profit margin (2017: 3 percent) |
| Management fee expenses | 1 | 1 | Contract price |
| Promotion expenses | 3 | - | Prices agreed by the parties |
| <u>Transactions with associated company</u> | | | |
| Dividend income | 5 | 1 | At the declared rate |
| Purchases of goods | 1 | - | Market price |
| <u>Transactions with related companies</u> | | | |
| Sales of goods | 2 | - | At cost plus approximately 5 percent average profit |
| Service fee expenses | 9 | 11 | Market price |
| Computer software development cost | 6 | - | Contract price |

The balances of the accounts as at 31 December 2018 and 2017, between the Company and those related parties are as follows:

(Unit: Thousand Baht)

| | 2018 | 2017 |
|---|------|------|
| Trade and other receivables - related parties | | |
| (Note 9) | | |
| Major shareholders | 204 | 297 |
| Related companies | | |
| (related by common shareholders and common directors) | 133 | 111 |
| Total trade and other receivables - related parties | 337 | 408 |

(Unit: Thousand Baht)

| | 2018 | 2017 |
|---|--------|--------|
| Trade and other payables - related parties | | |
| (Note 17) | | |
| Major shareholders | 9,106 | 13,931 |
| Associated companies | 626 | - |
| Related companies | | |
| (related by common shareholders and common directors) | 2,601 | 2,938 |
| Total trade and other payables - related parties | 12,333 | 16,869 |

Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Company had employee benefit expenses to its directors and management as below.

(Unit: Million Baht)

| | 2018 | 2017 |
|------------------------------|------|------|
| Short-term employee benefits | 24.0 | 23.0 |
| Post-employment benefits | 1.0 | 1.0 |
| Total | 25.0 | 24.0 |

7. Cash and cash equivalents

(Unit: Thousand Baht)

| | 2018 | 2017 |
|---------------|---------|---------|
| Cash | 13,936 | 10,579 |
| Bank deposits | 232,424 | 223,192 |
| Total | 246,360 | 233,771 |

As at 31 December 2018, bank deposits in savings accounts and fixed deposits carried interests between 0.10 and 1.20 percent per annum (2017: between 0.10 and 1.25 percent per annum).

8. Current investments

Current investments as at 31 December 2018 as presented in statements of financial position were fixed bank deposits with maturity of more than three months, carrying interest at the rate of 1.63 percent per annum (2017: between 1.38 and 1.40 percent per annum).

9. Trade and other receivables

(Unit: Thousand Baht)

| | 2018 | 2017 |
|---|---------|---------|
| Trade receivables - related parties | | |
| Aged on the basis of due dates | | |
| Not yet due | 163 | 261 |
| Past due | | |
| Up to 3 months | 169 | 125 |
| Total trade receivables - related parties | 332 | 386 |
| Trade receivables - unrelated parties | | |
| Aged on the basis of due dates | | |
| Not yet due | 72,826 | 53,524 |
| Past due | | |
| Up to 3 months | 22,038 | 47,189 |
| 3 - 6 months | - | 105 |
| 6 - 12 months | 15 | - |
| Total trade receivables - unrelated parties | 94,879 | 100,818 |
| Less: Allowance for doubtful accounts | (15) | (53) |
| Total trade receivables - unrelated parties - net | 94,864 | 100,765 |
| Total trade receivables - net | 95,196 | 101,151 |
| Other receivables | | |
| Other receivables - related parties | 5 | 22 |
| Other receivables - unrelated parties | 25,712 | 20,175 |
| Accrued interest income | 186 | 509 |
| Total other receivables | 25,903 | 20,706 |
| Total trade and other receivables - net | 121,099 | 121,857 |

10. Inventories

(Unit: Thousand Baht)

| | Cost | | Allowance of diminution in inventory value - Inventory obsolescence | | Inventories - net | |
|------------------|---------|---------|---|----------|-------------------|---------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Finished goods | 711,445 | 765,964 | (15,536) | (13,863) | 695,909 | 752,101 |
| Goods in transit | - | 5,521 | - | - | - | 5,521 |
| Total | 711,445 | 771,485 | (15,536) | (13,863) | 695,909 | 757,622 |

During the current year, the Company reduced cost of inventories by Baht 1.7 million to reflect the net realisable value, which was presented as cost of sales (2017: the Company reversed the write-down of cost of inventories by Baht 0.3 million and reduced the amount of inventories recognised as expenses during the year).

11. Withholding tax deducted at source

The balances of withholding tax deducted at source as at 31 December 2018 and 2017, aged by year, are summarised below.

(Unit: Thousand Baht)

| Year | Financial statements in which the equity method is applied and Separate financial statements | |
|------|---|---------------|
| | 2018 | 2017 |
| 2016 | - | 10,247 |
| 2017 | 2,159 | 2,126 |
| 2018 | 6,573 | - |
| | <u>8,732</u> | <u>12,373</u> |

In August 2018, the Company received full amount of withholding tax refund for 2016. The withholding tax refund for 2017 is currently under the consideration of the Revenue Department officer. However, the Company's management believes that the amount will be fully refunded from the Revenue Department. Therefore, no provision for contingent loss is set up in the accounts.

12. Other current assets

Details of other current assets are as follows:

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied and Separate financial statements | |
|-----------------|---|--------------|
| | 2018 | 2017 |
| Undue input VAT | 1,285 | 8,157 |
| Others | 3,114 | 40 |
| Total | <u>4,399</u> | <u>8,197</u> |

13. Restricted bank deposits

As at 31 December 2018, the Company pledged its fixed bank deposits totalling Baht 12.5 million (2017: Baht 12.5 million) with a bank to secure letters of guarantees issued by the bank on behalf of the Company to guarantee the purchases of goods and services as required in the ordinary course of business of the Company.

14. Investments in associates

14.1 Details of associates

(Unit: Thousand Baht)

| Company's name | Nature of business | Country of incorporation | Investments | | | | | | | | | |
|---|---|--------------------------|-------------------------|------|--|---------|---|--|---|--------------------------------|--------|--------|
| | | | Shareholding percentage | | Financial statements in which the equity method is applied | | Separate financial statements in which cost method is applied | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| 2018 Percent | | 2017 Percent | | 2018 | | 2017 | | Allowance for impairment loss on investments | | Investments in associate - net | | |
| S P V I Public Company Limited | Distribution of IT products and related accessories | Thailand | 29 | 29 | 95,793 | 87,224 | 58,000 | 58,000 | - | - | 58,000 | 58,000 |
| Uitox (Thailand) Company Limited | E-commerce (Dormant in 2017) | Thailand | - | 33 | - | 1,429 | - | 6,000 | - | (4,556) | - | 1,444 |
| Touch Printing Republic Company Limited | Import and distribution of printing equipment and turnkey solution for printing service | Thailand | 24 | 24 | 13,744 | 12,975 | 12,000 | 12,000 | - | - | 12,000 | 12,000 |
| Total | | | | | 109,537 | 101,628 | 70,000 | 76,000 | - | (4,556) | 70,000 | 71,444 |

On 10 November 2015, the meeting of the Board of Directors of the Company passed a resolution approving the Company's investment in a new company in Thailand named Uitox (Thailand) Company Limited, in order to sell computers and related accessories via the e-commerce platform of Uitox (Thailand) Company Limited. The Company acquired 60,000 ordinary shares of Baht 300 each, totaling Baht 18 million. The amount paid included a share premium of Baht 12 million because the Company expected that the investee company would be able to operate cross-border electronic business as it had a network of branches in multiple countries.

In May 2017, the Company negotiated with the shareholders of this associate in order to return the portion of the investment in excess of the par value because certain restrictions had resulted in the cross-border business being unsuccessful. On 11 May 2017, the Extraordinary General Meeting of the shareholders of Uitox (Thailand) Company Limited passed a resolution to return investment of Baht 12 million to the Company, and on 12 May 2017, the Company received the return of the invested funds. The percentage shareholding of the Company in this associate remains unchanged.

On 28 September 2018, the Extraordinary General Meeting of the shareholders of Uitox (Thailand) Company Limited passed a resolution approving the associate to dissolve its operation. On 18 October 2018, the associate registered with the Ministry of Commerce for dissolution of its business.

On 25 December 2018, Uitox (Thailand) Company Limited completed registration of its liquidation, and made payment for return of investment to the Company of Baht 1.3 million. The Company recognised loss from investment in this associate in profit or loss in the separate financial statements of approximately Baht 0.1 million.

14.2 Share of profit (loss) and dividend received

During the years, the Company recognised its share of profit (loss) from investments in the associates in the financial statements in which the equity method is applied and dividend income in the separate financial statements in which cost method is applied as follows:

(Unit: Thousand Baht)

| Company | Financial statements in which the equity method is applied | | Separate financial statements in which cost method is applied | |
|---|---|---------|---|-------|
| | Share of profit (loss) from investments in associates during the year | | Dividend received during the year | |
| | 2018 | 2017 | 2018 | 2017 |
| S P V I Public Company Limited | 13,209 | 8,931 | 4,640 | 1,392 |
| Uitox (Thailand) Company Limited | (120) | (3,224) | - | - |
| Touch Printing Republic Company Limited | 769 | 597 | - | - |
| Total | 13,858 | 6,304 | 4,640 | 1,392 |

14.3 Fair value of investment in listed associate

As at 31 December 2018, the fair value of the investment in S P V I Public Company Limited, calculated based on latest bid price of the shares on the last trading day of the period as quoted on the MAI and in proportion to the Company's shareholding, was approximately Baht 128 million (2017: Baht 208 million).

Investment in listed associate for which fair value is disclosed in the financial statements is categorised within Level 1 which is used of quoted market prices in an observable active market for such asset.

14.4 Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

| | S P V I Public Company Limited | | Touch Printing Republic Company Limited | |
|--|-----------------------------------|------------|--|-----------|
| | 2018 | 2017 | 2018 | 2017 |
| Current asset | 492 | 393 | 62 | 57 |
| Non-current assets | 109 | 100 | 15 | 13 |
| Current liabilities | (258) | (181) | (19) | (15) |
| Non-current liabilities | (15) | (11) | - | (1) |
| Net assets | 328 | 301 | 58 | 54 |
| Shareholding percentage (%) | 29% | 29% | 24% | 24% |
| Share of net assets | 95 | 87 | 14 | 13 |
| Elimination entries | - | - | - | - |
| Carrying amounts of associates based on equity method | 95 | 87 | 14 | 13 |

Summarised information about comprehensive income

(Unit: Million Baht)

| | S P V I Public Company Limited | | Touch Printing Republic Company Limited | |
|-----------------------------------|-----------------------------------|-----------|--|----------|
| | 2018 | 2017 | 2018 | 2017 |
| Revenue | 2,589 | 2,096 | 179 | 159 |
| Profit (loss) | 45 | 30 | 3 | 3 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | 45 | 30 | 3 | 3 |

15. Equipment

(Unit: Thousand Baht)

| | Leasehold improvements | Office equipment | Furniture and fixtures | Tools | Motor vehicles | Assets for rent | Assets under construction and installation | Total |
|--|------------------------|------------------|------------------------|-------|----------------|-----------------|--|----------|
| Cost: | | | | | | | | |
| 1 January 2017 | 492,235 | 122,037 | 44,765 | 907 | 12,573 | 52,982 | - | 725,499 |
| Additions | 22,440 | 5,098 | - | - | - | - | 11,258 | 38,796 |
| Transfer from inventory | - | 92 | - | - | - | 6,112 | - | 6,204 |
| Disposals | (34,147) | (11,217) | (1,068) | - | (321) | (14,957) | - | (61,710) |
| Transfers in (out) | 10,814 | 838 | - | - | - | (486) | (11,166) | - |
| 31 December 2017 | 491,342 | 116,848 | 43,697 | 907 | 12,252 | 43,651 | 92 | 708,789 |
| Additions | 46,405 | 9,795 | 469 | - | 9,494 | - | 4,932 | 71,095 |
| Transfer from inventory | 2,787 | 115 | - | - | - | 4,746 | - | 7,648 |
| Disposals/write-off | (36,477) | (4,544) | (265) | - | - | - | - | (41,286) |
| Transfers in (out) | 4,733 | 309 | - | - | - | (112) | (4,930) | - |
| 31 December 2018 | 508,790 | 122,523 | 43,901 | 907 | 21,746 | 48,285 | 94 | 746,246 |
| Accumulated depreciation: | | | | | | | | |
| 1 January 2017 | 385,590 | 103,896 | 44,248 | 907 | 12,573 | 45,571 | - | 592,785 |
| Depreciation for the year | 37,828 | 8,006 | 251 | - | - | 5,002 | - | 51,087 |
| Accumulated depreciation on disposals/write-off | (31,829) | (11,200) | (1,066) | - | (321) | (14,957) | - | (59,373) |
| on transfer | - | 484 | - | - | - | (484) | - | - |
| 31 December 2017 | 391,589 | 101,186 | 43,433 | 907 | 12,252 | 35,132 | - | 584,499 |
| Depreciation for the year | 37,189 | 7,396 | 222 | - | 494 | 4,095 | - | 49,396 |
| Accumulated depreciation on disposals/write-off | (32,411) | (4,517) | (264) | - | - | - | - | (37,192) |
| on transfer | - | 112 | - | - | - | (112) | - | - |
| 31 December 2018 | 396,367 | 104,177 | 43,391 | 907 | 12,746 | 39,115 | - | 596,703 |
| Allowance for impairment loss | | | | | | | | |
| 1 January 2017 | - | - | - | - | - | - | - | - |
| Increase during the year | 314 | - | - | - | - | - | - | 314 |
| 31 December 2017 | 314 | - | - | - | - | - | - | 314 |
| Increase during the year | 465 | - | - | - | - | - | - | 465 |
| Reversal during the year | (314) | - | - | - | - | - | - | (314) |
| 31 December 2018 | 465 | - | - | - | - | - | - | 465 |
| Net book value: | | | | | | | | |
| 31 December 2017 | 99,439 | 15,662 | 264 | - | - | 8,519 | 92 | 123,976 |
| 31 December 2018 | 111,958 | 18,346 | 510 | - | 9,000 | 9,170 | 94 | 149,078 |
| Depreciation for the year: | | | | | | | | |
| 2017 (Baht 5.0 million included in cost of sales and services, and the balance in selling and administrative expenses) | 51,087 | | | | | | | |
| 2018 (Baht 4.0 million included in cost of sales and services, and the balance in selling and administrative expenses) | 49,396 | | | | | | | |

As at 31 December 2018, certain equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 367 million (2017: Baht 384 million).

16. Intangible assets

The net book value of intangible assets as at 31 December 2018 and 2017 is presented below.

(Unit: Thousand Baht)

| | Computer software | Computer software under installation | Total |
|--------------------------------|-------------------|--------------------------------------|----------|
| As at 31 December 2018 | | | |
| Cost | 15,729 | 8,391 | 24,120 |
| Less: Accumulated amortisation | (13,932) | - | (13,932) |
| Net book value | 1,797 | 8,391 | 10,188 |
| As at 31 December 2017 | | | |
| Cost | 15,729 | - | 15,729 |
| Less: Accumulated amortisation | (13,606) | - | (13,606) |
| Net book value | 2,123 | - | 2,123 |

A reconciliation of the net book value of intangible assets for the years 2018 and 2017 is presented below.

(Unit: Thousand Baht)

| | 2018 | 2017 |
|-------------------------------------|--------|-------|
| Net book value at beginning of year | 2,123 | 2,517 |
| Acquisition during the year | 8,391 | - |
| Amortisation for the year | (326) | (394) |
| Net book value at end of year | 10,188 | 2,123 |

17. Trade and other payables

(Unit: Thousand Baht)

| | 2018 | 2017 |
|------------------------------------|---------|---------|
| Trade payables - related parties | 9,625 | 13,819 |
| Trade payables - unrelated parties | 549,358 | 560,576 |
| Other payables - related parties | 2,708 | 3,050 |
| Other payables - unrelated parties | 11,493 | 14,564 |
| Accrued expenses | 45,505 | 45,458 |
| Unearned revenues | 20,523 | 20,873 |
| Total trade and other payables | 639,212 | 658,340 |

18. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

| | 2018 | 2017 |
|---|---------------|---------------|
| Provision for long-term employee benefits at beginning of year | 18,499 | 14,803 |
| Included in profit or loss: | | |
| Current service cost | 3,452 | 1,901 |
| Interest cost | 489 | 368 |
| Included in other comprehensive income: | | |
| Actuarial (gain) loss arising from | | |
| Demographic assumptions changes | - | 2,381 |
| Financial assumptions changes | - | 1,046 |
| Experience adjustments | - | (2,000) |
| Benefits paid during the year | (576) | - |
| Provision for long-term employee benefits at end of year | 21,864 | 18,499 |

As at 31 December 2018, the Company expects to pay Baht 0.5 million of long-term employee benefits during the next year (2017: nil).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 26 years (2017: 26 years).

Significant actuarial assumptions are summarised below.

(Unit: percent per annum)

| | 2018 | 2017 |
|--|---------|---------|
| Discount rate | 2.04 | 2.04 |
| Future salary increase rate (depending on age) | 3 | 3 |
| Staff turnover rate (depending on age) | 10 - 35 | 10 - 35 |

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below.

(Unit: percent per annum)

| | 2018 | | 2017 | |
|----------------------|-------------|-------------|-------------|-------------|
| | Increase 1% | Decrease 1% | Increase 1% | Decrease 1% |
| Discount rate | (1.62) | 1.86 | (1.14) | 1.30 |
| Salary increase rate | 2.13 | (1.89) | 1.30 | (1.16) |
| Turnover rate | (1.70) | 0.57 | (1.20) | 0.38 |

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits

plan amendment and the Company has additional liabilities for long-term employee benefits of approximately Baht 5.5 million. The Company will reflect the effect of the change by recognising past services costs as expenses in profit or loss of the period in which the law is effective.

19. Treasury shares / Appropriated retained earnings for treasury shares

On 11 April 2017, the Annual General Meeting of shareholders of the Company passed a resolution to approve share buyback program for financial management with the total amount of fund of Baht 252 million. The share buyback price shall be Baht 4.00 per share and the number of shares to be bought back shall not exceed 63 million shares or equivalent to 18.03 percent of total paid-up shares of the Company. The meeting also approved the responsibilities of the Company's Board of Directors or person(s) assigned by the Board of Directors to consider and determine details or conditions in respect of general proposal of the share buyback program from the shareholders. Subsequently on 20 April 2017, the Company prepared the proposal to buy back shares from shareholders with the buyback period from 8 May 2017 to 22 May 2017. The Company had purchased back 63 million ordinary shares, for a total of Baht 252 million or 18.03% of the total paid-up shares of the Company, which was the full amount of fund of the buyback program.

According to the letter No. Gor Lor Tor. Chor Sor. (Vor) 2/2548 of the Office of the Securities and Exchange Commission, dated 14 February 2005, concerning the acquisition of treasury shares, a public limited company may purchase back treasury shares in an amount not exceeding the amount of its retained earnings and is to appropriate an equal amount of retained earnings to a reserve for treasury shares, which must be maintained until the Company either sells the treasury shares or reduces its paid-up share capital by an amount equal to the value of the treasury shares which it could not sell. During the second quarter of 2017, the Company appropriated the full required amount of retained earnings to a reserve for the treasury shares.

On 8 November 2017, the Board of Directors of the Company passed a resolution to approve the sale of all shares repurchased from shareholders during 23 - 27 November 2017 (6 months after the completion date of the share repurchase and not later than 3 years from this time). In the event that the Company does not or is unable to dispose of all repurchased shares within the set period, the Company is to reduce its paid-up share capital by canceling any remaining unsold shares. At the end of the Company's resale period, there were still 63 million unsold repurchased shares.

On 7 December 2017, the Company registered with the Ministry of Commerce to decrease its share capital by canceling Baht 63 million of unsold treasury shares (63 million ordinary shares of Baht 1 each). As a result, the Company's registered share capital decreased from Baht 366.8 million (366.8 million ordinary shares of Baht 1 each) to Baht 303.8 million (303.8 million ordinary shares of Baht 1 each) and its issued and paid up share capital decreased from Baht 349.4 million (349.4 million ordinary shares of Baht 1 each) to Baht 286.4 million (286.4 million ordinary shares of Baht 1 each). On 13 December 2017, the Board of Directors of the Company acknowledged the registration of the decrease in the Company's share capital.

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

At present, the Company already set aside a statutory reserve of not less than 10 percent of its registered capital.

21. Other income

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied and Separate financial statements | |
|--------------------------|--|--------|
| | 2018 | 2017 |
| Marketing support income | 16,995 | 37,890 |
| Distribution income | 16,199 | 15,551 |
| Interest income | 2,911 | 3,792 |
| Commission income | 9,182 | 8,509 |
| Others | 9,307 | 2,444 |
| Total | 54,594 | 68,186 |

22. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

| | 2018 | 2017 |
|--|-----------|-----------|
| Cost of goods | 4,432,444 | 4,353,270 |
| Rental and service center expenses from operating lease agreements | 220,789 | 196,785 |
| Salary, wages and other employee benefits | 187,607 | 168,167 |
| Depreciation and amortisation | 49,722 | 51,481 |
| Utilities expenses | 35,781 | 37,963 |
| Transportation expenses | 18,130 | 15,924 |
| Office supply expenses | 14,386 | 7,289 |
| Impairment loss on investment in associate | - | 4,556 |
| Increase (decrease) in allowance for inventory obsolescence | 1,673 | (318) |

23. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied | | Separate financial statements | |
|---|--|---------------|-------------------------------|---------------|
| | 2018 | 2017 | 2018 | 2017 |
| Current income tax: | | | | |
| Current corporate income tax charge | 6,942 | 11,312 | 6,942 | 11,312 |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | (6) | 1,637 | (9) | 1,640 |
| Income tax expenses reported in the statements of comprehensive income | <u>6,936</u> | <u>12,949</u> | <u>6,933</u> | <u>12,952</u> |

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied and Separate financial statements | |
|---|--|-------|
| | 2018 | 2017 |
| Deferred tax relating to actuarial loss | - | (285) |

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

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied | | Separate financial statements | |
|---|--|---------|-------------------------------|--------|
| | 2018 | 2017 | 2018 | 2017 |
| Accounting profit before tax | 49,094 | 76,330 | 39,740 | 66,862 |
| Applicable tax rate | 20% | 20% | 20% | 20% |
| Accounting profit before tax multiplied by income tax rate | 9,819 | 15,266 | 7,948 | 13,372 |
| Effects of: | | | | |
| Non-deductible expenses | 124 | 69 | 124 | 69 |
| Income not subject to tax | (2,796) | (2,175) | (928) | (278) |
| Additional expense deductions allowed | (211) | (211) | (211) | (211) |
| Total | (2,883) | (2,317) | (1,015) | (420) |
| Income tax expenses reported in the statement of comprehensive income | 6,936 | 12,949 | 6,933 | 12,952 |

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

| | Statements of financial position | | | |
|--|--|------------------------|-------------------------------|------------------------|
| | Financial statements in which the equity method is applied | | Separate financial statements | |
| | As at 31 December 2018 | As at 31 December 2017 | As at 31 December 2018 | As at 31 December 2017 |
| Deferred tax assets | | | | |
| Allowance for diminution in inventory value | 3,107 | 2,773 | 3,107 | 2,773 |
| Accumulated depreciation - assets for rent | 699 | 1,102 | 699 | 1,102 |
| Provision for long-term employee benefits | 4,373 | 3,700 | 4,373 | 3,700 |
| Allowance for impairment loss on assets | 93 | 63 | 93 | 63 |
| Allowance for impairment loss on deposits | 294 | - | 294 | - |
| Allowance for doubtful accounts | 3 | 10 | 3 | 10 |
| Allowance for impairment of investment in associate | - | - | - | 911 |
| Share of loss from impairment in associate which the Company plans to sell in the future | - | 915 | - | - |
| Total | 8,569 | 8,563 | 8,569 | 8,559 |

24. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

25. Dividends

Details of dividend payment are set out below.

| | Approved by | Total Dividends paid (Thousand) Baht | Dividend paid per share (Baht) |
|--|---|--------------------------------------|--------------------------------|
| 2018 | | | |
| Dividends on the unappropriated retained earnings subject to income tax at rate of 20% | Annual General Meeting of the shareholders on 11 April 2018 | 51,552 | 0.18 |
| Total dividends paid for the year 2018 | | 51,552 | 0.18 |
| 2017 | | | |
| Dividends on the unappropriated retained earnings subject to income tax at rate of 30% | Annual General Meeting of the shareholders on 11 April 2017 | 13,976 | 0.04 |
| Total dividends paid for the year 2017 | | 13,976 | 0.04 |

26. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Managing Director.

The Company is principally engaged in a single reportable operating segment in the distribution of computers, mobile phones and related accessories. Its operations are carried on in the single geographic area in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographic area.

Major customers

For the years 2018 and 2017, the Company has no major customer with revenue of 10 percent or more of its revenues.

27. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by Siam Commercial Bank Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2018 amounting to approximately Baht 2.1 million (2017: Baht 1.9 million) were recognised as expenses.

28. Commitments and contingent liabilities

28.1 Operating lease and related service commitments

The Company has entered into several operating lease agreements and service agreements in respect of the lease of office building, warehouse and branch areas. The terms of the agreements are generally between 1 and 5 years.

Future minimum payments required under these operating lease agreements and service agreements were as follows:

(Unit: Million Baht)

| | As at 31 December | |
|----------------------------------|-------------------|------|
| | 2018 | 2017 |
| Payable: | | |
| In up to 1 year | 168 | 187 |
| In over 1 year and up to 5 years | 144 | 162 |
| In over 5 years | - | 2 |

28.2 Guarantees

As at 31 December 2018, there were outstanding bank guarantees of Baht 11.5 million (2017: Baht 22 million) and USD 200,000 or equivalent to approximately Baht 6.5 million (2017: USD 200,000 or equivalent to approximately Baht 6.6 million) issued by a bank on behalf of the Company to guarantee the purchases of goods and services as required in the ordinary course of business of the Company.

29. Financial instruments

29.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, restricted bank deposits, and trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

| As at 31 December 2018 | | | | | |
|------------------------------|------------------------------------|------------------------|----------------------|------------|-------------------------|
| | Fixed interest rates within 1 year | Floating interest rate | Non-interest bearing | Total | Effective interest rate |
| | | | | | (% per annum) |
| Financial assets | | | | | |
| Cash and cash equivalents | - | 232 | 14 | 246 | 0.10 - 1.20 |
| Current investments | 30 | - | - | 30 | 1.63 |
| Trade and other receivables | - | - | 121 | 121 | - |
| Restricted bank deposits | 13 | - | - | 13 | 1.00 |
| | <u>43</u> | <u>232</u> | <u>135</u> | <u>410</u> | |
| Financial liabilities | | | | | |
| Trade and other payables | - | - | 639 | 639 | - |
| | <u>-</u> | <u>-</u> | <u>639</u> | <u>639</u> | |

(Unit: Million Baht)

| As at 31 December 2018 | | | | | |
|------------------------------|------------------------------------|------------------------|----------------------|-------|-------------------------|
| | Fixed interest rates within 1 year | Floating interest rate | Non-interest bearing | Total | Effective interest rate |
| | | | | | (% per annum) |
| Financial assets | | | | | |
| Cash and cash equivalents | - | 223 | 11 | 234 | 0.10 - 1.25 |
| Current investments | 51 | - | - | 51 | 1.38 - 1.40 |
| Trade and other receivables | - | - | 122 | 122 | - |
| Restricted bank deposits | 13 | - | - | 13 | 1.00 |
| | 64 | 223 | 133 | 420 | |
| Financial liabilities | | | | | |
| Trade and other payables | - | - | 658 | 658 | |
| | - | - | 658 | 658 | |

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from purchasing of goods that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial liabilities denominated in foreign currencies are summarised below.

| Foreign currency | Financial liabilities as at 31 December | | Exchange rate - selling rate as at 31 December | |
|------------------|---|-------------------|--|--|
| | 2018 (Million) | 2017 (Million) | 2018 (Baht per 1 foreign currency unit) | 2017 (Baht per 1 foreign currency unit) |
| US dollar | 0.1 | 0.3 | 32.6148 | 32.8472 |

Forward exchange contracts outstanding are summarised below

| As at 31 December 2018 | | | |
|------------------------|---------------|------------------------------------|---------------------------|
| Foreign currency | Bought amount | Contractual exchange rate | Contractual maturity date |
| | (Million) | (Baht per 1 foreign currency unit) | |
| US dollar | 0.21 | 32.72 - 33.09 | January - February 2019 |

| As at 31 December 2017 | | | |
|------------------------|---------------|------------------------------------|---------------------------|
| Foreign currency | Bought amount | Contractual exchange rate | Contractual maturity date |
| | (Million) | (Baht per 1 foreign currency unit) | |
| US dollar | 0.21 | 32.67 - 32.87 | January - February 2018 |

29.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rate, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

30. Capital management

The primary objectives of the Company's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value.

The Company manages its capital position with reference to its debt-to-equity ratio. As at 31 December 2018, the Company's debt-to-equity ratio according to the financial statements in which the equity method is applied was 0.80:1 (2017: 0.81:1) and the separate financial statements was 0.83:1 (2017: 0.84:1).

31. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 18 February 2019.



The Principle of Good Governance

The Principles of Good Governance

The Board of Directors is determined to manage the Company efficiently to achieve objectives. It is firmly convinced that good corporate governance will bolster the Company's operating result growth sustainably. It is also the key to success, which is to maximize value for its shareholders. Therefore, the Board of Directors strictly complies with the principles of good corporate governance, which are: Integrity, Transparency, Independence, Accountability, Fairness, Social responsibility. These corporate-governance principles are reflected in the values, guidelines and directions of the practices internally adopted by the Company. They should provide assurances that the business can compete effectively under the business ethics in compliance with international standards, laws and the principles of good corporate governance set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand.

Corporate Governance Policy

1) The Board of Directors, executives and employees adhere to performing in compliance with the laws and applying corporate governance principles to business operations by integrating with the vision, mission, strategy and Long term goal of the organization, as well as enhancing the organization to have an efficient administration system, which will help boost confidence of shareholders, investors and all stakeholders.

2) The Board of Directors respects the rights of shareholders, treats all shareholders equally and provides convenience to shareholders in the exercise of rights in various matters.

3) The Board of Directors promotes the process of enhancing good relationship and cooperation between the Company and all stakeholders and sets an appropriate communication channel for the purpose.

4) The Board of Directors sets policy and code of ethics of the Company to be guidelines for all stakeholders such as shareholders, customers and consumers, competitors, trade partners, creditors, employees, the community, the environment and the society.

5) The Board of Directors takes the role of determining vision and mission and approving guidelines for setting of business strategies, policies, plans and budgets, as well as monitoring and supervising the management to take actions according to the policies established in an efficient and effective way, in order to maximize business value and shareholder wealth.

6) The Board of Directors institutes the organization structure with clear delegation of duties and responsibilities of the Board of Directors, Sub-Committees, Executive Chairman and Management and puts in place appropriate and sufficient internal control and internal audit system, risk management system, prevention of conflicts of interest and use of insider information.

7) The Board of Directors monitors and ensures that the preparation of financial statements and information of the Company is in accordance with the generally accepted accounting standards, disclosure of information is sufficient and reliable and the Company has capable and independent auditor.

8) The Board of Directors ensures that the Company communicates and discloses important financial or non-financial information relating to the Company sufficiently, accurately, completely, reliably, transparently, thoroughly and in a timely manner, through various channels and the Investor Relations Department, which can be accessed conveniently and equitably.

9) The Board of Directors may appoint Board committees as deemed appropriate to help screen important matters and report operating results to the Board of Directors' meeting regularly, as well as report operating results to the shareholders in the annual report of the Company.

10) The Board of Directors of the company has created a system to organize its personal in all important management positions properly and fairly.

11) The board of directors play an important role in formally creating guidelines for great management and business morality so that the executives and all employees can understand and follow strictly and has a measure for the guidelines following up.

Fruitful results from continued adherence on implementation of good corporate governance principles and code of conduct with the Company's managerial and business operations including development of efficiency of corporate governance to make it suitable with the Company led to positive assessment results from renowned institutes as follows:

Corporate Governance Report of Thai Listed Companies 2018

IT City Public Co., Ltd. achieved the "Good" CG scoring from the Corporate Governance Report of Listed Companies 2018 arranged by Thai Institute of Directors (IOD), with scores of 79.

Assessment on quality for arrangement of 2018 Annual General Meeting of Shareholders

The Company's scores from quality assessment on arrangement of the 2018 Annual General Meeting of Shareholders was at "Very Good" with scores of 93.

Performance

The Company complied with good corporate governance principles throughout 2018, except with regards to the following issues:

- 1) The policies on limiting the number of listed companies of which each director holds a position and on the chief executive officer serving as director in other companies since the CEO and all directors have performed their duties very well and can help develop the Company. Setting such limits may result in losses or lost opportunities to have competent persons serve as directors. The Board of Director reviews the performance, knowledge, capabilities and qualifications of each director every year.
- 2) The Company has not set up a corporate governance committee since it assigned related units to ensure compliance with good corporate principles and they have performed well.

Compliance with corporate governance principle is divided into 5 sections as follows:

1. Rights of Shareholders

In 2018 the Company held a general shareholder's meeting within 4 months after the end of the Company's fiscal year. The Company disseminated invitation letters to the general shareholders' meeting. It also presented documents and the detailed agenda on the Company's website 1 month prior to the meeting day, in order to provide shareholders sufficient time to go through the material. In addition, the Company also sent invitation letters to the general shareholders' meeting, accompanied with documents and the detailed agenda, map showing the meeting location, and the annual report, to the shareholders for 21 days prior to the meeting day. The invitation, information of date, time, and place of the meeting, together with the agenda were also published in a newspaper for 3 consecutive days prior to the meeting day. Nine of the Company's directors participated in the 2016 meeting including the Chairman, Director and Executive Chairman, the Chairman of the Audit Committee and the Audit Committee.

Before the meeting started, the Chairman announced the number of shareholders or persons appointed by proxy, and how to vote, how to count vote, and how to use the ballot for the meeting. All shareholders were given opportunities and sufficient time to ask questions about the Company's performance from the Directors and top management, as well as to voice their opinions and suggestions. Each shareholder had an equal right to exercise their vote.

All significant matters raised by the shareholders regarding the Company's business operations were recorded in the minutes of the meeting by the Company's Secretary Which were completely prepared within 14 days after the meeting date. The minutes of the meeting were disseminated on the Company's website.

2. The Equitable Treatment of Shareholders

The Board of Directors has the policies for equitable treatment of shareholders. They will be practiced and defended the basic rights that mentioned in the first principle equally. The Company will facilitate all shareholders, they can conveniently participate the meeting. The shareholders are allowed to appoint their representatives by offering them an alternative to appoint "Independent Director" as their representatives. In addition, the Company will handle the meeting properly, shareholders can comments and raise any questions with equal rights during the meeting in accordance with the meeting agenda. The Board of Directors will not allow the presentation of any agenda that did not handover in advance, especially the important agenda that required time to study the concerned information before making decision, except the urgent agenda. Moreover, the Company also provides opportunities for the minority shareholders to propose agenda for the Shareholders' Meeting including the opportunity to nominate candidates who have qualifications as per criteria specified by the Company for the Company's directors since 2009 Annual General Meeting of Shareholders, The minority shareholders can propose agenda or nominate candidates for the Company's directors during December for the period of 1 month. During 2016 Annual General Meeting of Shareholders, the minority shareholders have not proposed agenda or any candidate.

The Company was strictly abided by the regulations outlined by The Stock Exchange of Thailand and The Office of Securities and Exchange Commission. The Board of Directors recognizes the importance to manage the conflict of interest raised by all concerned parties with prudence fairness and transparency. The information disclosure was completely done, clear and on time basis for the Company's benefits. Moreover, the company issued the policies on monitoring of insider trading as stated in the company's regulations to exercise punishment measures towards executives or employees who disclose internal information, publicize the prohibited information or for their own benefits. The Company disclosed the shareholding structure along with shares held by director and management in its annual report.

3. Role of Stakeholders

The Company runs the business by abiding to their responsibilities towards all concerned parties for sustainable mutual benefits. The Board of Directors regulated the management system which enabled the Company to confidently state that the Company will provide fair treatment with strict measures towards all concerned parties, including shareholders, employees, customers, suppliers, creditors, business and social competitors. Moreover, the Company regulated the business ethics in written form as guidelines and best practices for all employees.

During the Meeting of the Board of Directors No.3/2003 held on March 5, 2003, the business ethics practices have been prescribed so that the directors, executives and all employees can acknowledge about the operating standards that the organization expects from them. In addition, the Board of Directors and the management shall provide strongly support for such practices and shall inform all employees for their acknowledgment as follows:

1. Behavioral Guidelines:

All Directors, management team and employees must be committed to

- 1.1 Being a good citizen by following the legal duties and responsibilities while performing good deeds for society.
- 1.2 Abiding by the rules and regulation of Company and its reputation.
- 1.3 Fulfilling the corporate objectives based on the Good Governance guidelines and refraining from using authority in favor of personal benefits.

2. Rules for Directors

Apart from the Behavioral Guidelines, members of Board of Directors should conform to the following rules:

- 2.1 Recruiting the capable management team and provide them sufficient authorities to operate and manage corporate businesses
- 2.2 Promoting the business ethics in operations for management team and employees
- 2.3 Performing duties in accordance to applicable laws with honesty. All decisions should be made in favor of major and minor shareholders to optimize the shareholder benefits
- 2.4 Refraining the exploitation of insider's information in favor of personal, relative's or related persons' benefits.

3. Rules for Management Team

Apart from the Behavioral Guidelines, management team should conform to the following rules:

3.1 Towards shareholders

- 3.1.1 Performing duties in accordance to applicable laws with honesty. All decisions should be made in favor of major and minor shareholders to optimize the shareholder benefits.
- 3.1.2 Regularly reporting the corporate status with complete and factual details.
- 3.1.3 Performing duties by implementing the best knowledge and skills in management in all cases.
- 3.1.4 Promoting operations based on standard systems and good controls with sufficient data and referable evidences.
- 3.1.5 Not exploiting benefits for personal or related person's favors based on corporate information that is not exposed to public.
- 3.1.6 Not revealing confidential information of Company to external parties.
- 3.1.7 Not performing any actions that may cause conflicts with corporate benefits.

3.2 Towards employees

- 3.2.1 Applying leadership to coordinate and operate with knowledge and abilities to achieve corporate effectiveness.
- 3.2.2 Promoting collaboration, good working environment, disciplines, teamwork and consciousness among employees.
- 3.2.3 Giving priority to the development of employees' knowledge and abilities for the whole organization and on regular basis.
- 3.2.4 Following the laws and regulations related to employees and communicating with employees to make them understand and aware of their rights, duties and responsibilities towards themselves and related parties.
- 3.2.5 Considering appointments, rotation, awards and punishment for employees with honesty and based on the knowledge, abilities and appropriateness of that employee.
- 3.2.6 Providing fair remunerations to employees.
- 3.2.7 Treating employees with politeness and respect towards their individuality and human dignity.

3.3 Towards customers, partners, creditors, competitors and society.

- 3.3.1 Providing quality services, revealing complete information on services with accuracy and without elaboration.
- 3.3.2 Treating customers fairly with no exception, avoiding providing confidential information of customers in favor of third parties.
- 3.3.3 Improving and creating new services to provide customer satisfaction.
- 3.3.4 Seeking to enhance good and sustainable relationships with partners to achieve goodwill and satisfaction for all parties, thus bringing quality, accurate, affordable and fast services that serves requirements.
- 3.3.5 Abiding by the good policies of Company by avoiding giving and receiving bribes, not supporting illegal actions or actions that threaten national economy and stability.
- 3.3.6 Following the rules of good commercial competition.
- 3.3.7 Optimizing the natural resources with minimum waste and seeking alternatives to replace natural resources by considering current and future environment.
- 3.3.8 Preserving, improving and maintaining buildings, places and environment to keep them in tidy, good and sanitary conditions.
- 3.3.9 Maintaining and improving security standards to minimize accidents and dangers towards places and environments.
- 3.3.10 Not helping, supporting or conforming to the actions that may violate laws or regulations.
- 3.3.11 Follow the loan condition based on the agreement, and the responsibilities that should act to the creditors.

4. Rules for employees

Apart from the Behavioral Guidelines, employees should conform to the following rules:

- 4.1 Perform duties faithfully and diligently.
- 4.2 Maintain secret of customers, trade partners and organization in strict confidentiality.
- 4.3 Treat other colleagues without prejudice, encourage for team work and unity among colleagues.
- 4.4 Pay attention to livelihood and well-being of colleagues by mainly considering about living in harmony and happily.
- 4.5 Pay attention to and participate in activities which can enhance quality, efficiency and development of organization to operational excellence.
- 4.6 Seek, develop, improve one own skills and capability constantly;
- 4.7 Take heed and contribute to preservation of working environment to make it clean, safe and pleasant regularly.
- 4.8 Do not defame or destroy prestige or progress of other person or organization, directly or indirectly, with or without any factual information

Apart from oversee all stakeholders, i.e. shareholders, customers and other interested persons as mentioned above, the Company focused on participation mechanism of the interested persons. Therefore, the policy which allowed the interested persons to contact or lodge complaint concerning the managerial tasks of the Company, fraudulent acts and misconduct of the executives and employees at management level has been specified by providing communication channel to directly communicate with the Board of Directors via the Company Secretary, Mr. Chanchai Boonyasurakul at email: chanchai_b@itcity.co.th or send a written notice to the Company Secretary Department at IT City Public Co., Ltd., No. 604/3, 5-6 floor, Pantip Plaza Building, 5th-6th Floor, Petchburi Road, Thanon Petchburi Sub-district, Rajthevee District, Bangkok 10400.

Additional Guidelines on the Prevention of Corruption Involvement

The Board of Directors has specified additional practices on prevention on involvement of corruption which has been approved by the Audit Committee and the Board of Directors, with details as follows:

1. Process on corruption risks assessments

The Company has implemented the risk management system which is appropriated with nature of the Company's business operations to prevent and suppress fraudulent act and corruption. Such operations include identification of incident which has high risk from corruption and corruption which might incur from business operations, assessment of risk levels on likelihood and impact, formulation of anti-corruption measures which are suitable with risks assessed, method for measurement of success as well as resources which are required to be used for risk reduction and monitor on performance pursuant to the specified risk management plan.

2. Practices on supervision and control for prevention and monitor of corruption risks

2.1 Arrange for audit process, assessment of internal control system and risk management which covering major work systems, such as selling & marketing system, procurement, employment, preparation of contract, preparation and control system of budget, accounting recording system, payment system and etc., in order to prevent and monitor corruption risks, as well as to provide suggestions on suitable solution.

2.2 Provide channel for notifying clue or complaint on violation of the law or the Company's business ethics or practices for prevention on involvement of corruption or on any suspicion of financial reports or internal control system. There must be protection measures for the person who provides information or clues (the whistle blower or informant) and his/her information shall be kept confidential. Furthermore, there shall be inspection measures and disciplinary penalty imposed by the Company and/or relevant laws. In case the whistle blower/informant can be contacted, the Company shall notify the investigation result in writing for acknowledgement.

2.3 The involved line of manager shall be responsible for follow-up on operations, improvement and rectification of any mistake or error (if any) and report to the authorized person pursuant to line of command for acknowledgement.

3. Guidelines on monitoring and evaluating compliance with the guidelines on the prevention of corruption involvement. as follows :

3.1 The management and the employees are specified to conduct self-assessment of their performance on compliance with the Company's corporate governance manual, business ethics, practices for prevention on involvement of corruption and rules of employees constantly.

3.2 The Internal Audit Unit has duties to audit internal control system, risk management and corporate governance and provide recommendations on continued basis based on the annual audit plan which has been approved from the Audit Committee. After that significant audit results including recommendations shall be reported to the Audit Committee.

3.3 The Internal Audit Unit has been assigned to take responsibility for testing and assessment of fraud and corruption risks continually so that the anti-corruption measures can be efficiently implemented including constantly review and improve anti-corruption measures.

3.4 If, after investigation, it is found that there is evidence with reasonable cause to believe that there exists a transaction or action which may significant impact on the Company's financial positions including violation of law or the Company's business ethics or practices for prevention on involvement of corruption or suspicious abuse in financial reports or internal control system, the Audit Committee shall report to the Company's Board of Directors for improvement/rectification within the period of time the Audit Committee deems appropriated.

Moreover, the Company shall regularly arrange trainings to the employees to provide knowledge on the Company's anti-corruption practices and policy.

Protection of person who informs clue on misconduct

The employee or the officer who truthfully filed a complaint, notified the clue or provided information (the whistle blower or the informant) without any intention to defame or cause damage to any person or the Company shall be protected by the Company, for instance, position, job or workplace of such person shall not be changed, or he/she shall not be suspended from work, nor be threatened, harassed, layoff or any act which may be regarded as unfair treatment. However, in case it is necessary to change or cancel the protection measure before the arrangement under this policy can be finalized, such undertaking must be granted approval from the Audit Committee first.

Policy for quality, professional health, safety, and environment

The Company is well aware of importance of quality of product, conservation of energy and environment, global warming situation, occupational health and safety as they are part of the business. Therefore, quality, energy, environment, occupational health and safety management system has been established and top management and all employees are required to observe the following practices:

1. Comply with the law on safety, occupational health and environment including relevant standards and regulations.
2. Develop quality management system throughout the organization, by establishing continued and efficient work processes to deliver products with qualified standards, excellent services for maximum satisfaction of the customers.
3. Adhere to safety as an essential part of operation, by focusing on control and supervision of operation and working environment of the operators to prevent the loss from accident, fire or occupational illness or injury.
4. Supervise on good occupational health and working environment and encourage everybody to be healthy and working happily.
5. Evaluate and reduce environment impact by emphasizing on improvement and reduction at original sources including effective usage of resources.
6. The right of all employees shall be respected and protected pursuant to the laws and regulations of Thai labor standards. In addition, their knowledge and capability shall be developed continually and moral shall be strengthened.

The Company's management at all levels shall be responsible and be role model for development and maintenance of quality, occupational health, safety and environmental management system by providing adequate resources to make all employees participate in implementation of such policy

Policy for environmental training management of employees

The Company realizes the importance of the employees by regarded that they are valuable resources, hence the management system on environment training has been established and provided to the employees so that they can be observed as guideline and practice as follows:

1. The employees at all professionals and levels shall be adequately and continually developed on environmental conservation through knowledge provision and by trainings.
2. New employees shall be trained on environmental operation and management.
3. The Company's management at all levels shall be responsible and be role model for development and maintenance of environmental management system by providing adequate resources to make all employees participate in implementation of such policy.

Violation or files a complaint

The Company has a policy to comply with the laws on non-infringement of intellectual property or copyright and shall not encourage the employees to perform any act which is regarded as violation of intellectual property or copyright of other without permission. Such policy has been announced as practices with regard to usage of computer network to be observed by all employees and it has also been communicated via the Company's internet system.

4. Disclosure and Transparency

The Company recognizes the significance to completely, timely, transparently disclose essential corporate information, especially the financial reports and non-financial data, in accordance with regulations of The Stock Exchange of Thailand and The Office of Securities and Exchange Commission, Thailand with easy accessibility to data on equal and credible basis. Besides the obliged distribution of information, the channel of SET as stated in the Form of Annual Data Transaction (Form 56-1) and the annual report, the Company discloses information both in Thai and English through the other channels such as the Company's website which is updated regularly.

The Board of Directors gives highest priority to the quality of "Financial Statement" with the policies to regulate and control the precision of information presented in the financial statement to be in line with certified accounting standards and approved by independent auditors. Along with the information disclosure as stated by relevant regulations.

The Board of Directors reveal the roles and responsibilities of the Board of Directors and the Audit Committee; the records of meetings and the attendance of each Director annually; as well as the remunerations to Directors in terms of forms and patterns; auditors' remuneration and other expenses. In addition, the Company also stipulated the policy for trading stock that the Company's directors and executives must report about the trading the Company's stock to the Board of Directors for acknowledgement and such information must also be disclosed in the Company's website and annual report.

Policy for Stock Trading

1. Directors and executives are obligated to report their shareholding to the SEC in accordance to the Section 59 of the Securities and Exchange Act B.E. 2535, and to submit the report to the Board of Directors upon every trading, transferring, or receiving the stock transferring;
2. Directors and executives who could access to the important inside information, including the Company's financial statements which may affect the stock price shall avoid or refrain from trading the Company's stock within the period before the dissemination of the information;
3. All levels of staff of the Company and their family shall be refrained from trading stocks whether by themselves or through the brokers when they still possess the information not yet disclosed to the public.

Directors and executives holding company's shares are as follows:

| No. | Name of Directors | No. of Shares As at December 31, 2017 | No. of Shares As at December 31, 2018 |
|-----|-----------------------------|---|---|
| 1 | Mr. Kamol Juntima | 1,007,312 | 1,007,312 |
| 2 | Mr. Min Intanate | 803,000 | 803,000 |
| 3 | Mr. Ekachai Sirijirapatana | 1,266,978 | 1,266,978 |
| 4 | Dr. Wilson Teo Yong Peng | - | - |
| 5 | Mr. Prinya Pajityanyong | 437,688 | 1,472,688 |
| 6 | Mr. Pipope Chokwathana | 200,000 | 319,000 |
| 7 | Mr. Weerapat Punsakudomsin | 19,823,881 | 19,823,881 |
| 8 | Mr. Vichit Yanamorn | - | - |
| 9 | Mr. Damnoen Kaewthawee | - | - |
| 10 | Mr. Sarsak Tuntasuwon | - | - |
| 11 | Dr. Sathit Pitivara | - | - |
| 12 | Mr. Boonjerd Harnvichitchai | - | - |
| 13 | Mr. Pairroj Amatamahatana | 639,440 | 639,440 |
| 14 | Mr. Pravrit Rugpises | - | - |
| 15 | Ms. Pantipa Thirakanokvilai | - | - |
| 16 | Mr. Sophon Intanate | - | - |
| 17 | Ms. Vanida Sangkaew | - | - |
| 18 | Ms. Laliwadee Puttipongsup | - | - |

Relations with investors

With regard to investor relations, the parent company has still not set up a separate division to oversee this aspect; however, has assigned Miss Nannaphat Thirakanokwilai, Supervisor of Administration Department to administer this on the Company's behalf in communicating with investor institutions and shareholders including analysts and related government agencies, At present, investors can enquire for any information that is disclosed by the company by telephone 0-2656-5030 Ext. 427 or Email: nannaphat_t@itcity.co.th

5. Responsibilities of the Board

The Board of Directors is well aware of its roles, duties and responsibilities for directing the Company's operation, monitoring the Management's operation, performing duties with knowledge, competence, transparency, due care and accountability for the Company and its shareholders and being independent of the Management. Here are the key guidelines on the Board's operations:

1. Board Composition

- 1.1 The Board of Directors determines the board composition that fits with the Company's business size, whereby it is set to be composed of at least 5 members, not less than 1/2 of the directors must reside in Thailand and at least one of whom must be experienced in accounting and finance field.

- 1.2 Of the total number of board members, at least 1/3 and no fewer than 3 persons must be independent directors.
- 1.3 The Board of Directors must be partially composed of non-executive directors so as to ensure checks and balances against the executive directors and a minimum of 1/3 of the total board members must be independent directors.

2. Qualifications of Board of Directors

The Company has specified qualifications of the Board of Directors as follows:

- 2.1 Meeting the qualifications and not possessing the prohibited characteristics prescribed in the Public Limited Companies Act B.E. 2535 or other related laws, as well as the regulations of the SET, The SEC and the Company's Articles of Association.
- 2.2 Being an expert with knowledge, capability and experience that are beneficial to the Company's operation.
- 2.3 Having a leadership skill, vision and independent decision-making ability to ensure the maximum benefit to the Company and the shareholders.
- 2.4 Being responsible to serve as the director and able to spare full time to perform the duty, assuming accountability to shareholders and duty of care and protecting the Company's interests.
- 2.5 Performing duties with integrity, honesty, ethics and adherence to laws, good corporate governance principles and code of business conduct.

3. Qualifications of the Independent Director

- 3.1 Holding shares not exceeding one (1.00) percent of the total number of voting rights of the Company, its parent company, subsidiary, associated company or juristic person with possible conflict, including the shares held by related persons of such independent director
- 3.2 Neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, associated company, same-level subsidiary or juristic person with possible conflict.
- 3.3 Not being a person related by blood or registration under laws, i.e. father, mother, spouse, sibling, and child, including spouse of the child; of executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary.
- 3.4 Neither having nor having been a business relationship with the Company, its parent company, subsidiary, associated company, or juristic person with possible conflict, in the manner which may interfere with his or her independent judgment, and neither being nor having been a significant shareholder, director who is not the independent director or executive of a person having business relationship with the Company, its parent company, subsidiary, associated company or juristic person with possible conflict. The term "business relationship" also includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Applicant or its counterparty being subject to indebtedness payable to the other party in the amount of three (3) percent or more of the net tangible assets of the Applicant or twenty (20) million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Securities and Exchange Commission concerning rules on connected transactions, mutatis mutandis. The

combination of such indebtedness shall include indebtedness taking place during the course of one (1) year prior to the date on which the business relationship with the same person commences.

- 3.5 Neither being nor having been an auditor of the Company, its parent company, subsidiary, associated company or juristic person with possible conflict nor major shareholder, director who is not the independent director, executive or managing partner of an audit firm which employs auditor of the Company, its parent company, subsidiary, associated company or juristic person with possible conflict.
- 3.6 Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two (2) million Baht from the Company, its parent company, subsidiary, associated company or juristic person with possible conflict. In addition, in case the professional advisor is the juristic person, it shall include major shareholder, director who is not the independent director, executive or managing partner of such professional advisor.
- 3.7 Not being a director who has been appointed as a representative of the Company, major shareholder or shareholders who are related to the Company's major shareholders.
- 3.8 Not having any characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business operation.

4. Term of Service of Director

Directors shall hold the terms as stipulated in the Public Limited Companies Act B.E. 2535 and the Company's Articles of Association, which reads "At each annual general meeting, of shareholders, 1/3 of the directors, or if the number is not a multiple of 3, then the number nearest to 1/3, must retire from office. The directors who have been the longest in office shall retire first. The retiring directors may be re-elected." The Nomination & Remuneration Committee will select and nominate qualified persons to be directors to the Board of Directors before seeking approval from the shareholders' meeting.

The Board of Directors has stipulated that members of the Audit Committee, Nomination and Remuneration Committee (Risk Management Committee) shall each have a term of 3 years and may be re-appointed as deemed fit by the Board of Directors.

5. Independence of the Board and the Management

1. Segregation of duties between the Chairman of the Board and the Executive Chairman
The Board of Directors promoted good corporate governance and specified that the Chairman of the Board must not be the same person as the Executive Chairman. In addition, authority and duties have been clearly segregated where approval and operations shall be as per the delegation of authority which has been considered and approved by the Board in order to make the Board independently check and balance operations of the management.
2. Balance of power of directors
The Board of Directors specified that the Board's composition must be appropriated and roles, duties and responsibilities between the Board and the Management must be clearly segregated. All directors can independently express their opinions on the Company's operations with integrity with aim to preserve the Company's benefits and without being dominated. In addition, they shall be responsible to perform duties pursuant to the laws, the Company's regulations including resolution of the Board's Directors' meeting and the shareholders' meeting.

Roles and duties of the Chairman of the Board

- Toward the Company

To build up sustainable stability to businesses of the Company and its Group in overall picture under the corporate mission and vision by strengthen corporate culture on performing and managing businesses under good corporate governance principles.

- Toward the Board of Directors

Supervise to ensure that the Board has structure and qualifications suitable for operations for best interest of the shareholders and all related parties, as well as encourage and supervise the Board to demonstrate roles and responsibilities of their duties devotedly, honesty and creativity by taking into consideration the Company's utmost interests.

- Toward the management team

Encourage the management team to manage business transparently, smoothly and with maximum effectiveness under set of rules of laws and regulatory bodies to achieve pursuant to the Company's business plans and policies together with the promotion on development of skill and potency on continued basis.

- Toward the employees, shareholders and stakeholders

Strengthen confidence and trust of the employees, shareholders and stakeholders and acceptance of the Company's business operations by put emphasis on business undertaking with ethics and conscious mind on responsibility to all stakeholders, society and environment.

Roles and duties of the Executive Chairman

The Executive Chairman has power and duties to manage the Company and its subsidiary as per entrusted by the Board and managed the Company's businesses pursuant to work plans or budgets which have been approved by the Board with integrity and carefulness and preservation of benefits of the Company and all group of stakeholders. Power and duties of the Executive Chairman include the followings:

1. Incorporate the Company's vision and mission into operational strategy for maximum efficiency.
2. Supervise managerial tasks of the Company to make them connect and support each other throughout the Company.
3. Manage and control general administration works of the Company to ensure compliance with the Company's objectives, policies, rules, regulations including corporate governance, business ethics and delegation of authority and the operating results to the Board constantly.
4. Formulate/Specify human resources management policy and support operations of all departments so that they can efficiently develop and use existing potential to the fullest extent.
5. Provide recommendation and transfer working experiences on formulation of business strategies to executives and employees for beneficial operations of the Company.
6. Manage the Company's financial matters and usage of budget for maximum benefit and efficiency.
7. Perform other duties as per assigned by the resolution of the Board' meeting and/or resolution of the shareholders' meeting.

Nonetheless, under the objectives, the Company's Articles of Association and the relevant laws, the Executive Chairman cannot exercise his power with the Company if he has interest in such matter or in case exercise of power may cause conflict of interest in whatever nature, except a resolution has been granted from Board's meeting with attendance of the Independent Director only.

Subcommittees

The Board of Directors appointed 2 subcommittees: the Audit Committee and the Nominating and Compensation Committee.

1. Audit Committee

The Audit Committee comprises 4 independent directors, who are qualified pursuant to requirements by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. All Audit Committee members have respectable knowledge and working experiences. With backgrounds in accounting or financial degrees and experiences, Mr. Vichit Yanamorn have the knowledge and competency required to review creditability of financial statements.

- | | |
|---------------------------|--|
| 1. Mr. Vichit Yanamorn | Independent Director, Chairman of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee |
| 2. Mr. Damnoen Kaewthawee | Independent Director, Chairman of Nomination & Remuneration Committee, Audit Committee and Risk Management Committee |
| 3. Mr. Sarsak Tuntasuwon | Independent Director, Chairman of Risk Management Committee and Audit Committee |
| 4. Dr. Sathit Pitivara | Independent Director |
- Ms. Chirawan Thipkomut is the Secretary to the Audit Committee

Scope, duties and responsibilities of the Audit Committee

According to minute of the Board's meeting No. 3/2008 on August 6, 2008, scope of duties and responsibilities of the Audit Committee as per assigned by the Board which was required to report to the Board was as follows:

(a) Review the Company's financial reports to ensure that they are correctly and adequately by coordinating with the auditor and the responsible executives to prepare quarterly and annual financial reports. The Audit Committee may suggest the auditor to review or audit any transaction which is deemed necessary or important during auditing process.

(b) Review appropriateness and efficiency of the Company's internal control system and internal audit system. Consider independency of the Internal Audit Unit, as well as approve appointment, transfer and dismissal of the Chief of Internal Audit Unit or any other unit in charge of internal audit.

(c) Review the Company's compliance with the law on securities and exchange, regulations of the stock exchange and laws relevant to the Company's business.

(d) Consider, select, nominate an independent person to be the Company's auditor and propose remuneration fee, as well as attend the meeting with the auditor without participation of the Management at least once a year.

(e) Consider connected transaction or transaction which may have conflict of interest to ensure that they are compliance with the laws and regulations of the stock exchange and such transactions are reasonable and for the best interest of the Company.

(f) Prepare the Audit Committee's report and disclose in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee and at least must contain the following information:

- 1) Opinion on accuracy, completeness and credibility of the Company's financial reports.
- 2) Opinion on adequacy of the Company's internal control system
- 3) Opinion on compliance with the law on securities and exchange, regulations of the stock exchange or the laws pertaining to the Company's businesses.
- 4) Opinion on appropriateness of the auditor.
- 5) Opinion on transaction which may have conflict of interest.

- 6) Number of the Audit Committee meeting held and attendance of each member.
- 7) Overall opinion or observation that the Audit Committee obtained from performing duties pursuant to the Audit Committee Charter.
- 8) Other matters which should be made available to shareholders and general investors within scope of duties and responsibilities assigned by the Board.
- (g) Perform other operations assigned by the Board of Directors with approval from the Audit Committee.
- (h) Report operations of the Audit Committee for the Board's acknowledgement constantly at least once every quarter.

2. Nomination and Compensation Committee

The Nomination and Compensation Committee, which have been established from the Board during the Board's meeting No. 5/2016 on December 14, 2016, consists of 3 members, where 2 of them are the independent directors. The names and meeting-attendance records of the Nomination and Compensation Committee for 2015 as follows:

- | | |
|---------------------------|--|
| 1. Mr. Damnoen Kaewthawee | Independent Director, Chairman of Nomination & Remuneration Committee, Audit Committee and Risk Management Committee |
| 2. Mr. Kamol Juntima | Chairman and Nomination & Remuneration Committee |
| 3. Mr. Vichit Yanamorn | Independent Director, Chairman of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee |

The Nomination and Compensation Committee

The Nomination and Compensation Committee has performed duties as per assigned by the Board with scope of authority, duties and responsibilities as follows:

1. Nomination

- 1) Prescribe criteria and policy on nomination of the Board and the Committees by taking into consideration appropriateness of structure and component of the Board. Specify qualifications of the directors to propose to the Board and/or the shareholders' meeting for approval as the case may be.
- 2) Consider, select and nominate the appropriated person to hold a position as director who shall retire by rotation and/or in case of vacancy of position and/or appointment of additional director.
- 3) Perform other tasks as per assigned by the Board.

2. Determination of remuneration

- 1) Prepare criteria and policy on determination of remuneration of the Board and the Committees to propose to the Board and/or to the shareholders' meeting for approval, as the case may be.
- 2) Determine necessary and appropriate remuneration, both cash and non-cash of the Board, individually. Remuneration shall be considered based on suitability of amount of task, responsibilities, performance and comparison with the companies of similar business and benefits expected to be gained from the director, then propose for the Board's consideration and further propose for the shareholders' meeting approval.
- 3) Be in charge of the Board on clarification and answering any question regarding the Board's remuneration to the shareholders' meeting.
- 4) Report policy, principle/reason for determination of remuneration of the director and the executives pursuant to requirements of the Stock Exchange of Thailand and disclose in the Annual Registration Statement (Form 56-1) and the Annual Report of the Company.
- 5) Perform other tasks relevant to determination of remuneration as per assigned by the Board. The management and functional units/departments shall report or present the relevant information and document to the Nomination and Compensation Committee to support the Committee's operations, so that they can be achieved as per assigned.

Nomination and appointment of the director and the top executive

The Nomination and Compensation Committee selects qualified persons to be candidates for directors and top executives based on their skills, knowledge and competency. They should have acceptable experiences, transparent work records, maturity and stability. In addition to having appropriate qualifications in line with the Company's Articles of Association and business strategies, they should have special knowledge and expertise, as well as the necessary skills to enhance the strengths and effectiveness of the Board of Directors. These criteria were set to ensure a diversity of professional directors, taking into account the structure, size and composition of the board. The Nomination and Compensation Committee also allows directors and shareholders to propose qualified candidates in line with the criteria and selection method.

Criteria and method on selection of the director candidate

- 1) The Company allows one or more shareholders with combined shares of not less than 0.1% of the Company's paid-up capital to propose eligible director candidates through the Company's website or by mail to the Secretary to the Board of Directors, who will forward the proposals to the Nomination and Compensation Committee. The Company will notify the timeframe for accepting such proposals through the Stock Exchange of Thailand.
- 2) Majority shareholders may propose suitable director candidates to the Nomination and Compensation Committee.
- 3) The Nomination and Compensation Committee will consider submitting the names of suitable director candidates to the Board of Directors, to be subsequently proposed at a shareholders' meeting.
- 4) The shareholders' meeting shall elect the directors using a majority vote based on the following criteria and methods:
 - 4.1 One share is entitled to one vote.
 - 4.2 Shareholders vote to elect one by one the candidates proposed to be nominated directors.
 - 4.3 The candidates are ranked in descending order and are appointed as directors in that order until all the director positions are filled. Where the votes of candidates are tied, the chairman of the meeting has the casting vote.
- 5) At each Annual General Shareholders' meeting, one third of the directors shall be removed from duties. If the number of directors to be removed is not exactly one third, the closest number shall apply. The procedure for the selection of their substitutes shall be according to (1) - (4)

Selection of top executives

In selecting top executives, the Executive Board will initially consider suitable qualified persons, with knowledge, competencies, experiences, leadership, management skills and good understanding of the Company's business. Their names will be proposed to the Nomination and Compensation Committee for endorsement and then to the Board of Directors for approval.

Supervision on operation of the associated company

Nomination of exercise of right to appoint the person to be the director in the associated company shall be performed by the Management with approval from the Board of Directors. The person who will be appointed to be the director in the associated company has duty to maintain maximum benefits of such associated company. The Company has supervised the associated company on disclose of financial position and performance; related transaction between the associated company and the connected person and disclosure of information which must conform to the Company's criteria

as well as the storing of complete and correct according records which can be auditable and compilation for preparation of financial statement within the specified period of time.

Oversee on usage of inside information

Supervision on usage of inside information

The Board recognized importance on prevention of exploitation of inside information for personal gain, hence it specified a policy to keep information which has not yet been disseminated to the public in confidence and such information can be accessible by the relevant persons on need to know basis only.

In addition, the Company has informed the executives on obligations to report their holding of the Company's securities including of their spouses and children under legal age as well as any change in shareholding to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand pursuant to Section 59 and penalty provision pursuant to Section 275 of the Securities and Exchange Act B.E. 2535.

The Company also prohibited the directors, the executives and all employees including their spouses and children under legal age to purchase, sell, transfer or receipt of transfer of the Company's securities by using inside information which has not been disseminated to the public. In the event that the directors, the executives including their spouses and children under legal age purchase, sell, transfer or receipt of transfer the Company's securities which are not regarded as per above prohibition, they shall report to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand every time within 3 days after such transaction and a copy of such report shall be submitted to the Financial Controller for filing and as evidence every time.

In addition, if it is found any person as abovementioned exploits the Company's inside information for personal gain, such person shall be imposed with severe disciplinary penalty and shall be subject to penalty pursuant to the Company's regulations of the employees.

Audit fee

Audit fee

The Company paid audit fee to:

- The Company's auditor during the previous fiscal year totaled 0 Baht.
- The auditor's audit firm, the person or business related to the auditor and the auditor's audit firm during the previous fiscal year totaled 1,359,000 Baht.

Non-audit fee

The Company has paid other expenses (non-audit fee) which included observation for destroy of defective/damaged goods, transportation cost and photocopy cost to:

- The Company's auditor during the previous fiscal year total 42,441 Baht. In addition, in the future the Company has to pay the agreed services but has not yet finished during previous fiscal year amounted to - Baht.
- The auditor's audit firm, the person or business related to the auditor and the auditor's audit firm during the previous fiscal year totaled - Baht. In addition, in the future the Company has to pay the agreed services but has not yet finished during previous fiscal year amounted To - Baht.

130 สาขาทั่วประเทศ

| กรุงเทพฯ และปริมณฑล | | หมายเลขโทรศัพท์ |
|---------------------|---|-----------------|
| 1 | พันธุ์ทิพย์พลาซ่า ประตูน้ำ ชั้น 5 5 th Floor, Pantip Plaza | 0-2656-5030 |
| 2 | เชียร์ รังสิต ชั้น 3 3 rd Floor, Zeer Rangsit Complex, Rangsit | 0-2992-6800 |
| 3 | ซีคอนสแควร์ ศรีนครินทร์ ชั้น 1 1 st Floor, Seacon Square, Srinakarin | 0-2721-8480-8 |
| 4 | ไอทีมอลล์ ฟอรั่มทาวน์ ชั้น 4 4 th Floor, Fortune Tower | 0-2641-1474 |
| 5 | เซ็นทรัลพลาซ่า 3 ชั้น 6 6 th Floor, Central Plaza Rama III | 0-2211-7500 |
| 6 | เซ็นทรัลพลาซ่า ชั้น 4 4 th Floor, Central Plaza Bangna | 0-2399-0020 |
| 7 | เดอะมอลล์ งามวงศ์วาน ชั้น 5 5 th Floor, The Mall Ngamwongwan | 0-2550-1111 |
| 8 | ไอทีพลาซ่า สำโรง สมุทรปราการ ชั้น 4 4 th Floor, IT Plaza Samrong | 0-2394-0111 |
| 9 | ไอทีสแควร์ หลักสี่พลาซ่า ชั้น 2 2 nd Floor, IT Square Laksri Plaza | 0-2576-0576 |
| 10 | สยามพารากอน ชั้น 4 4 th Floor, Siam Paragorn | 0-2610-9866 |
| 11 | ฟิวเจอร์พาร์ครังสิต ชั้น 3 3 rd Floor, Future Park Rangsit | 0-2958-0666 |
| 12 | พันธุ์ทิพย์พลาซ่า งามวงศ์วาน ชั้น 4 4 th Floor, Pantip Plaza Ngamwongwan | 0-2953-5395 |
| 13 | เดอะมอลล์ รามคำแหง ชั้น 4 4 th Floor, The Mall Ramkhamhang | 0-2369-3199 |
| 14 | แฟชั่นไอส์แลนด์ ชั้น 3 3 rd Floor, Fashion Island | 0-2947-5955 |
| 15 | เดอะมอลล์ บางแค ชั้น 3 3 th Floor, The Mall Bangkae | 0-2454-1884 |
| 16 | เมกา บางนา ชั้น 2 2 nd Floor, Mega Bangna Shopping Center | 0-2105-1699 |
| 17 | ซีคอนสแควร์ บางแค ชั้น 3 3 rd Floor, Seacon Bangkae | 0-2458-2618 |
| 18 | เซ็นทรัลพลาซ่า แจ้งวัฒนะ ชั้น 4 4 th Floor Central Plaza Chaengwattana | 0-2835-3425 |
| 19 | เซ็นทรัลพลาซ่า พระราม 2 ชั้น 3 3 rd Floor Central Plaza Rama II | 0-2872-4590 |
| 20 | ฟอรั่มเมอร์เคียว อาคารฟอรั่มทาวน์ ชั้น 4 4 th Floor Fortune Mercure, Fortune Tower | 0-2642-1603 |
| 21 | บิ๊กซี ซูเปอร์เซ็นเตอร์ กล้วยพฤกษ์ ชั้น 1 1 st Floor, Big C Supercenter Kanlapaphruek | 0-2416-4652 |
| 22 | เซ็นทรัลพลาซ่า เวสต์เกต ชั้น 2 2 nd Floor, Central Plaza West Gate | 0-2194-2835 |
| 23 | เดอะมอลล์ บางกะปิ ชั้น 3 3 rd Floor, The Mall Bangkok | 0-2734-2338 |
| 24 | เซ็นทรัลพลาซ่า ปิ่นเกล้า ชั้น 2 2 nd Floor, Central Plaza Pinklao | 0-2884-7008 |

| 25 | โรบินสัน ศรีสมาน นนทบุรี ชั้น 2F 2F Floor, Robinson Srisaman Department Store Nonthaburi | 0-2501-5807 |
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| 26 | เทสโก้โลตัส ลาดพร้าว ชั้น 2 2 nd Floor, Tesco Lotus Ladprao | 0-2513-6657 |
| 27 | เทสโก้โลตัส แจ้งวัฒนะ ชั้น 1 1 st Floor, Tesco Lotus Chaeng Watthana | 0-2573-3980 |
| 28 | เทสโก้โลตัส บางแค ชั้น 2 2 nd Floor, Tesco Lotus Bangkae | 06-1410-8162 |
| 29 | พันธุ์ทิพย์พลาซ่า 2 ชั้น 1 1 st Floor, Pantip Plaza | 0-2254-9780 |
| 30 | เทสโก้โลตัส นครินทร์ นนทบุรี ชั้น 1 1 st Floor, Tesco Lotus Nakhon In, Nonthaburi | 0-2403-3971 |
| 31 | เทสโก้โลตัส กำแพงแสน นครปฐม ชั้น 1 1 st Floor, Tesco Lotus Kam Paeng Saen, Nakhon Pathom | 0-3435-1607 |
| 32 | เทสโก้โลตัส บางกรวย-ไทรน้อย นนทบุรี ชั้น 1 1 st Floor, Tesco Lotus, Bang Krui Sai Noi, Nonthaburi | 0-2194-0824 |
| 33 | เทสโก้โลตัส ศรีนครินทร์ ชั้น 1 1 st Floor, Srinakarin | 0-2138-0561 |
| 34 | เชียร์ 2 ศูนย์การค้าเชียร์รังสิต ชั้น 2 2 nd Floor, Zeer Rangsit Complex, Rangsit | 09-2823-1658 |
| 35 | ACE MEGA BANGNA ศูนย์การค้าเมกา บางนา ชั้น 2 2 nd Floor, Mega Bangna Shopping Center | 09-2823-2009 |
| 36 | เทสโก้โลตัส บางปะกอก ชั้น 3 3 rd Floor, Tesco Lotus Bang Pakok | 08-4438-0433 |
| 37 | ACE ZPELL ศูนย์การค้าฟิวเจอร์พาร์ครังสิต ชั้น 3 3 rd Floor, Future Park Rangsit | 0-2150-9273 |
| 38 | เกตเวย์ บางซื่อ ศูนย์การค้าเกตเวย์ ชั้น 2 2 nd Floor, Gateways at Bangsue Shopping Mall | 09-2823-2156 |
| ภาคกลาง | | หมายเลขโทรศัพท์ |
| 1 | นาซ่ามอลล์ สุพรรณบุรี ชั้น 3 3 rd Floor, Nasa Center, Suphanburi | 0-3550-1211 |
| 2 | ศูนย์การค้ารอยัลพาร์ค ราชบุรี ชั้น 2 2 nd Floor, Royal Park Ratchaburi | 0-3235-0555 |
| 3 | ไชยแสงดีพาร์ทเมนต์สโตร์ สิงห์บุรี ชั้น 3 3 rd Floor, Chai Saeng Department Store, Singburi | 0-3653-0383 |
| 4 | เทสโก้โลตัส สมุทรสงคราม ชั้น 1 1 st Floor, Tesco Lotus, Samutsongkhram | 0-3471-2617 |
| 5 | เทสโก้โลตัส สิงห์บุรี (ท่าวัง) ชั้น 1 1 st Floor, Tesco Lotus Tha Wung, Singburi | 0-3651-1262 |
| 6 | เทสโก้โลตัส สามพราน นครปฐม ชั้น 1 1 st Floor, Tesco Lotus Samphran, Nakhonpathom | 0-3431-2074 |
| 7 | เทสโก้โลตัส สุพรรณบุรี ชั้น 1 1 st Floor, Tesco Lotus Suphanburi | 0-3552-5521 |
| 8 | ศูนย์การค้าสุขอนันต์ สระบุรี ชั้น 2 2 nd Floor, Suk-anan Park Saraburi | 0-3671-1922 |

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| 9 | เทสโก้โลตัส ชัยนาท ชั้น 1 1 st Floor, Tesco Lotus Chainat | 0-5641-2318 |
| 10 | เทสโก้โลตัส โรจนะ อยุธยา ชั้น 2 2 nd Floor, Tesco Lotus Rochana, Ayutthaya | 0-3533-0355 |
| 11 | เทสโก้โลตัส นครนายก ชั้น 1 1 st Floor, Tesco Lotus Nakhonnayok | 0-3731-6741 |
| 12 | โรบินสัน กาญจนบุรี ชั้น 2F 2F Floor, Robinson Department Store Kanchanaburi | 0-3460-3268 |
| 13 | บลูพอร์ต หัวหิน ชั้น 3 ศูนย์การค้าบลูพอร์ต ริสอร์ท มอลล์ 3 rd Floor, Blu'port Hua Hin Resort Mall | 0-3290-8243 |
| 14 | เซ็นทรัลพลาซ่า มหาชัย สมุทรสาคร ชั้น 2 2 nd Floor, Central Plaza Mahachai Samut Sakhon | 0-3446-6827 |
| 15 | มาร์เก็ตวิลเลจ หัวหิน ศูนย์การค้ามาร์เก็ตวิลเลจ ชั้น 32 3 rd Floor, Market Village Hua Hin | 0-3252-6140 |
| 16 | เทสโก้โลตัส อุทอง สุพรรณบุรี ชั้น 1 1 st Floor, Tesco Lotus U-Thong, Suphanburi | 0-3549-5177 |
| 17 | เทสโก้โลตัส ราชบุรี ชั้น 1 1 st Floor, Tesco Lotus Ratchaburi | 0-3232-0203 |
| 18 | เทสโก้โลตัส ลพบุรี ชั้น 1 1 st Floor, Tesco Lotus Lopburi | 0-3642-2593 |
| 19 | เทสโก้โลตัส โคกสำโรง ลพบุรี ชั้น 1 1 st Floor, Tesco Lotus Khok Samrong Lopburi | 09-2823-1822 |
| ภาคเหนือ | | หมายเลข โทรศัพท์ |
| 1 | เซ็นทรัลแอร์พอร์ต เชียงใหม่ ชั้น 3 3 rd Floor, Central Airport, Chiang Mai | 0-5320-1990 |
| 2 | พันธุ์ทิพย์พลาซ่า เชียงใหม่ ชั้น 2 2 nd Floor, Phantip Plaza, Chiang Mai | 0-5328-8333 |
| 3 | ท็อปแลนด์อาร์เชด ฟิสนุลอก ชั้น 2 2 nd Floor, Topland Arcade, Phisanulok | 0-5522-5385 |
| 4 | ห้างมาร์คโฟร์พลาซ่า แพร่ ชั้น 3 3 rd Floor, Markfour Plaza, Phrae | 0-5362-7000 |
| 5 | เทสโก้โลตัส รวมโชค เชียงใหม่ ชั้น 1 1 st Floor, Tesco Lotus Ruamchok, Chiangmai | 0-5324-3276 |
| 6 | เซ็นทรัลเฟสติวัล เชียงใหม่ ชั้น 3 3 rd Floor, Central Festival, Chiangmai | 0-5399-8999 |
| 7 | เทสโก้โลตัส หล่มสัก เพชรบูรณ์ ชั้น 1 1 st Floor, Tesco Lotus Lom Sak, Phetchabun | 0-5670-4375 |
| 8 | เทสโก้โลตัส The Walk นครสวรรค์ ชั้น 1 1 st Floor, Tesco Lotus The Walk, Nakhonsawan | 0-5638-2219-220 |
| 9 | บิ๊กซี ซูเปอร์เซ็นเตอร์ ฟิสนุลอก ชั้น 2 2 nd Floor, Big C Supercenter, Phisanulok | 0-5530-1305 |
| 10 | ศูนย์การค้าศรีพงษ์พาร์ค อุดรดิต์ ชั้น 1 1 st Floor, Sripong Park Shopping Complex, Uttaradit | 0-5541-4990 |
| 11 | เซ็นทรัลพลาซ่า ลำปาง ชั้น 2 2 nd Floor, Central Plaza Lampang | 0-5481-1850 |

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| 12 | เซ็นทรัลพลาซ่า ฟิสนุลอก ชั้น 2 2 nd Floor, Central Plaza Phisanulok | 0-5533-8615 |
| 13 | วีส์แควร์ นครสวรรค์ ชั้น B B Floor, V-Square Department Store | 0-5623-3062 |
| 14 | เทสโก้โลตัส เชียงของ เชียงราย ชั้น 1 1 st Floor, Tesco Lotus Chiang Khong, Chiang Rai | 0-5372-7148, 06-3197-6865 |
| 15 | เทสโก้โลตัส พะเยา ชั้น 1 1 st Floor, Tesco Lotus Phayao | 0-5443-1248 |
| 16 | เทสโก้โลตัส อุดรดิต์ ชั้น 1 1 st Floor, Tesco Lotus Uttaradit | 09-2274-9772 |
| ภาคตะวันออก | | หมายเลข โทรศัพท์ |
| 1 | ดีคคอม ศรีราชา ชั้น 3 3 rd Floor, Tukcom, Sriracha | 0-3877-3377 |
| 2 | สตาร์พลาซ่า ระยอง ชั้น 1 1 st Floor, Rayong Star Complex, Rayong | 0-3886-1899 |
| 3 | ดีคคอม พัทยา ชั้น 5 5 th Floor, Tukcom, Pattaya | 0-3872-4111 |
| 4 | ฮาร์เบอร์มอลล์ แหลมฉก ชลบุรี ชั้น 3 3 rd Floor, Harbor Mall Lamchabang, Shopping Complex, Chonburi | 0-3849-3516 |
| 5 | ดีคคอม ชลบุรี ชั้น 3 3 rd Floor, Tuk Com, Chonburi | 0-3818-4031 |
| 6 | เทสโก้โลตัส แกลง ระยอง ชั้น 1 1 st Floor, Tesco Lotus Klaeng, Rayong | 0-3867-0488 |
| 7 | แหลมทองช้อปปิ้งพลาซ่า ชลบุรี ชั้น 2 2 nd Floor, Laemtong Shopping Plaza, Chonburi | 0-3815-3811 |
| 8 | โรบินสัน ปราจินบุรี ชั้น 2 2 nd Floor, Robinson Department Store Prachinburi | 0-3745-4867 |
| 9 | ดีคคอม ศรีราชา 2 ชั้น G G Floor, Tukcom Kosa | 0-3831-2596 |
| 10 | เซ็นทรัลพลาซ่า ระยอง ชั้น 2 2 nd Floor, Central Plaza Rayong | 0-3894-2718 |
| 11 | ฮาร์เบอร์ พัทยา ชั้น 3 ศูนย์การค้าฮาร์เบอร์ พัทยา 3 rd Floor, Harbor Pattaya Department Store | 0-3819-5979 |
| 12 | เทสโก้โลตัส บ่อวิน ชลบุรี ชั้น 1 1 st Floor, Tesco Lotus Bo Win Chonburi | 0-3819-8437 |
| 13 | บิ๊กซี สระแก้ว ชั้น 1 1 st Floor, Big C Supercenter Sa Kaeo | 0-3724-7145 |
| 14 | เทสโก้โลตัส ชลบุรี ชั้น 1 1 st Floor, Tesco Lotus Chonburi | 0-3828-4206, 06-4932-7463 |
| 15 | เทสโก้โลตัสพนัสนิคม ชลบุรี ชั้น 1 1 st Floor, Tesco Lotus Phanat Nikhom, Chonburi | 0-3819-6875 |
| 16 | เทสโก้โลตัส วังน้ำเย็น สระแก้ว ชั้น 1 1 st Floor, Tesco Lotus Wang Nam Yen, Sa Kaeo | 0-3755-0408 |
| 17 | เทสโก้โลตัส อรัญประเทศ สระแก้ว ชั้น 1 1 st Floor, Tesco Lotus Aranyaprathet, Sa Kaeo | 06-3179-6856 |
| 18 | เทสโก้โลตัส อมตะนคร ชลบุรี ชั้น 1 1 st Floor, Tesco Lotus Amata Nakorn, Chonburi | 0-3811-1686 |

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| 19 | เทสโก้โลตัส จันทบุรี ชั้น 1 1 st Floor, Tesco Lotus Chanthaburi | 09-2274-9641 |
| 20 | เทอร์มินอล 21 พัทยา ศูนย์การค้าเทอร์มินอล 21 ชั้น 1 1 st Floor, Terminal 21 Shopping Mall Pattaya | 0-3325-2335 |
| 21 | เทสโก้โลตัส อุดมฤกษ์ ระยอง ชั้น 1 1 st Floor, Tesco Lotus Amata Nakorn, Chonburi | 09-8254-9473 |
| 22 | เทสโก้โลตัส ระยอง ชั้น 1 1 st Floor, Tesco Lotus Rayong | 09-2823-1642 |
| 23 | เทสโก้โลตัส มาบตาพุด ชลบุรี ชั้น 1 1 st Floor, Tesco Lotus Map Ta Phut, Chonburi | 09-2823-2123 |
| ภาคตะวันออกเฉยงเหนือ | | หมายเลขโทรศัพท์ |
| 1 | บิ๊กเจียง หนองคาย ชั้น 2 2 nd Floor, Big Jieng, NongKhai | 0-4246-4967 |
| 2 | เดอะมอลล์ นครราชสีมา ชั้น 3 3 rd Floor, The Mall, Nakhonratchasima | 0-4439-3433 |
| 3 | เซ็นทรัลพลาซ่า ขอนแก่น ชั้น 5 5 th Floor Central Plaza Khonkhan | 0-4328-8144 |
| 4 | ศูนย์การค้าดิคคอมแลนด์มาร์ค อุดรธานี ชั้น 1, 3 1 st , 3 rd Floor, Landmark Plaza Tukcom, Udon Thani | 0-4224-7313 |
| 5 | ทวิจิกซูเปอร์เซ็นเตอร์ บุรีรัมย์ ชั้น 1 1 st Floor, Taweekit Supercenter, Burirum | 0-4460-2271 |
| 6 | เสริมไทยคอมเพล็กซ์ มหาสารคาม ชั้น 2 2 nd Floor, Sermthai Complex, Mahasarakham | 0-4397-0721 |
| 7 | โรบินสัน ร้อยเอ็ด ชั้น 2 2 nd Floor, Robinson Department Store, Roi-Et | 0-4354-0872 |
| 8 | โรบินสัน มุกดาหาร ชั้น 2F 2 nd Floor, Robinson Department Store, Mukdahan | 08-5667-4975 |
| 9 | โรบินสัน บุรีรัมย์ ชั้น 2F 2F Floor, Robinson Department Store, Burirum | 0-4460-0659 |
| 10 | เซ็นทรัลพลาซ่า อุดรธานี ชั้น 2 2 nd Floor, Central Plaza Udon Thani | 0-4292-1336 |
| 11 | เทสโก้โลตัส พยัคฆภูมิพิสัย มหาสารคาม ชั้น 1 1 st Floor, Tesco Lotus Phayakkhaphum Phisai Mahasarakham | 0-4379-1590 |
| 12 | เทอร์มินอล 21 นครราชสีมา ชั้น 3 3 rd Floor, Terminal 21 Nakhonratchasima | 0-4449-8959 |
| 13 | บิ๊กซี ซูเปอร์เซ็นเตอร์ ร้อยเอ็ด ชั้น 1 1 st Floor, Big C Supercenter Roi-Et | 0-4362-4711 |
| 14 | เทสโก้โลตัส ยโสธร ชั้น 1 1 st Floor, Tesco Lotus Yasothorn | 0-4571-1282 |
| 15 | เซ็นทรัลพลาซ่า นครราชสีมา ชั้น 2 2 nd Floor, Central Plaza Nakhon Ratchasima | 0-4422-9389 |
| 16 | เทสโก้โลตัส โพนทอง ร้อยเอ็ด ชั้น 1 1 st Floor, Tesco Lotus Phon Thong, Roi Et | 0-4357-2421 |

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| 17 | เทสโก้โลตัส นครพนม ชั้น 1 1 st Floor, Tesco Lotus Nakhon Phanom | 0-4253-0712, 06-3197-6831 |
| 18 | เทสโก้โลตัส สมเด็จ กาฬสินธุ์ ชั้น 1 1 st Floor, Tesco Lotus Somdet, Kalasin | 0-4386-1126, 06-3197-6861 |
| 19 | เทสโก้โลตัส อุทุมพรพิสัย ศรีสะเกษ ชั้น 1 1 st Floor, Tesco Lotus Uthumphon Phisai, Si Sa Ket | 04-5692-2112 |
| 20 | เทสโก้โลตัส ปราสาท สุรินทร์ ชั้น 1 1 st Floor, Tesco Lotus Prasat, Surin | 0-4455-1398 |
| 21 | เทสโก้โลตัส ฝิบูลมังสาหาร อุบลราชธานี ชั้น 1 1 st Floor, Tesco Lotus Phibun Mangsahan, Ubon Ratchathani | 0-4525-1960 |
| 22 | เทสโก้โลตัส ศรีสะเกษ ชั้น 1 1 st Floor, Tesco Lotus Si Sa Ket | 09-2823-2043 |
| 23 | เทสโก้โลตัส บ้านผือ อุดรธานี ชั้น 1 1 st Floor, Tesco Lotus Ban Phue, Udon Thani | 09-8254-9509 |
| 24 | เทสโก้โลตัส พล ขอนแก่น ชั้น 1 1 st Floor, Tesco Lotus Phon Khon Kaen | 09-2823-2154 |
| 25 | เทสโก้โลตัส ประโคนชัย บุรีรัมย์ ชั้น 1 1 st Floor, Tesco Lotus Pra Khon Chai, Buriram | 09-2823-2087 |
| 26 | เทสโก้โลตัส บริบือ มหาสารคาม ชั้น 1 1 st Floor, Tesco Lotus Borabue, Mahasarakham | 08-1803-0954 |
| ภาคใต้ | | หมายเลขโทรศัพท์ |
| 1 | เทสโก้โลตัส เวียงสระ สุราษฎร์ธานี ชั้น 1 1 st Floor, Tesco Lotus Wiangsa, Suratthani | 0-7725-7263 |
| 2 | เทสโก้โลตัส สงขลา ชั้น 1 1 st Floor, Tesco Lotus, Songkhla | 0-7430-7961 |
| 3 | เทสโก้โลตัส ฉลอง ภูเก็ต ชั้น 1 1 st Floor, Tesco Lotus Chalong, Phuket | 0-7637-4654 |
| 4 | เซ็นทรัลเฟสติวัล หาดใหญ่ ชั้น 3 3 rd Floor, Central Festival, Hatyai | 0-7433-9713 |
| 5 | เทสโก้โลตัส สามกอง ภูเก็ต ชั้น 1 1 st Floor, Tesco Lotus Samkong, Phuket | 0-7630-4477 |
| 6 | เซ็นทรัลพลาซ่า นครศรีธรรมราช ชั้น 2 2 nd Floor Central Plaza Nakonsrithammarat | 0-7539-2757 |
| 7 | เทสโก้โลตัส สุราษฎร์ธานี ชั้น 1 1 st Floor, Tesco Lotus Suratthani | 0-7740-5887 |
| 8 | เทสโก้โลตัส ถลาง ภูเก็ต ชั้น 1 1 st Floor, Tesco Lotus Thalang, Phuket | 09-2823-1925 |



BEYOND EXPECTATION

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