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# Message from Chairman of the Board and the President



2021 was another year in which the world continued to face the COVID-19 pandemic that has affected the economy and the way people live. The Thai economy has inevitably been affected and experienced an economic recession. The Company's business operations have been directly and indirectly affected. COVID-19 creates a challenge that requires the Company to quickly adapt to change. The Company has promoted the agile mindset, a thought process that involves fostering agility, flexibility and adaptability to situations and environments for employees at all levels.

In terms of business operations, changes in consumer behaviour as a result of working and studying from home has led to an increase in demand for IT products. The global high demand of the products has brought about its shortages. Accordingly, the Company has closely monitored the situation to ensure product availability and business continuity.

Mr. Vichit Yanamorn  
Chairman of the Board  
IT City Public Company Limited



2021 was a critical year for our business expansion in which the Company merged with Computer System Connection International Company Limited, one of Thailand's leading Smart phone retailers, to strengthen and improve the Company's competitiveness. After the merger had been completed, the Company restructured its organization to improve efficiency and recruited a new generation of employees to enhance its image and potential through new ideas and technologies which are key to capturing Generation Y and Z customers.

The Company is committed to its business management principles guided by strategies and action plans that are resilient to change, good corporate governance, and fairness for all stakeholders. On behalf of the board of directors and executives of IT City, I would like to thank our stakeholders for their trust and support which has allowed the Company to continue and prosper. The board of directors, executives and employees are determined to fulfill our missions with integrity and accountability to ensure the Company's sustainable growth.

*Sophon I.*

Mr. Sophon Intanate  
President  
IT City Public Company Limited

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# VISION

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

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# MISSION

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

# Organizational Culture

S = Speed

E = Energized

R = Relationship

V = Value

I = Innovation

C = Commitment

E = Excellence

To respond precisely with high speed

To be energized

To have a good relationship with friendliness

To add values to one's self, organization and the society

To develop and improve operations with new innovations

To be committed to success

Excellence



# GOALS IN BUSINESS OPERATION

- To create businesses of the organization that will grow steadily and sustainably.
- To extend distribution channels and marketing to the neighboring regions in order to allow targeted customers to easily access the products and remember the brands of IT City, CSC, ACE, IT Dot, and other product brands, to achieve the goal of being the number one distributor of computers, Smart phones, IT supplementary products and new products, such as IOT and gaming.
- To improve and develop the training plans of the Company to be ready for supporting the business growth and focus on the Company's image in the aspect of professionalism.
- To continually improve and develop the internal system of the organization in order to enhance working efficiency and speed. The Company will remain its management system of power allocation to adapt with changes at all times.
- To maintain good relationships with all partners and become the part in providing assistance, developing and improving the society, and taking responsibilities towards environment for sustainability in a long term.

The company aims to operate its business to be one of the leading retail superstores selling computers, tablets, peripherals, smart phones, IT accessories as well as new product groups such as IOT and integrated gaming under the trade name “IT City”. The aim is to be a retail store in the form of IT superstore under the slogan **“One of The IT Smart Phone and Tablet Superstore Leaders with Sustainable Profit”** due to the Thai economy which has been affected by the Coronavirus (COVID-19) pandemic and changes in consumer behavior. As a result, the company has to adjust and change various operational strategies in order to be in line with the change of the social, economic and technological conditions. The management team has performed duties as assigned by the Board of Directors by analyzing the competing conditions, considering the expansion of branches as well as investments and operations in various fields to enable the company and to create sustainable value for all stakeholders.





# BUSINESS OPERATIONS AND PERFORMANCE

## Major changes and developments

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 10 April 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 11 April 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 6 December 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 19 December 2013.

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 11 August 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 (“TPR”)** 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.

## 2019

On 28 June 2019, the meeting of the Company’s Board of Directors passed a resolution approving the Company to acquire all 1.4 million ordinary shares of Computer System Connection International Co., Ltd. (“CSC”), accounting for 100% of the issued and paid



up ordinary shares. On the same date, the Company entered into a purchase and sale agreement to purchase 1.4 million ordinary shares at a par value of Baht 100 per share of CSC from the existing shareholders for a total consideration of Baht 336.5 million. This share purchase was approved by the Extraordinary General Meeting of the Company's shareholders on 30 August 2019.

**On 28 June 2019**, the meeting of the Company's Board of Directors passed a resolution to decrease the Company's registered share capital by Baht 17.4 million, from Baht 303.8 million (303,798,859 ordinary shares of Baht 1 each) to Baht 286.4 million (286,398,859 ordinary shares of Baht 1 each), by canceling 17.4 million unissued ordinary shares with a par value of Baht 1 per share. These unissued ordinary shares were shares intended to support the exercise of the 17.4 million warrants allocated to directors and employees of the Company under the securities offering scheme for directors and employees (ESOP Scheme), as approved by the Annual General Meeting of the shareholders in 2012, which expired in May 2015. This registered share capital decrease was approved by the Extraordinary Meeting of the Company's shareholders on 30 August 2019, and was registered with the Ministry of Commerce on 16 September 2019.

In addition, the meeting of the Company's Board of Directors passed resolutions to increase the Company's registered share capital by Baht 80.0 million, from Baht 286.4 million (286,398,859 ordinary shares of Baht 1 each) to Baht 366.4 million (366,398,859 ordinary shares of Baht 1 each) by issuing 80.0 million new ordinary shares with a par value of Baht 1 per share, and to allocate the 80 million new ordinary shares through private placements at an offering price of Baht 2.50 per share, or a total of Baht 200 million. This registered share capital increase was approved by the Extraordinary Meeting of the Company's shareholders on 30 August 2019, and was registered with the Ministry of Commerce on 17 September 2019.

**On 27 September 2019**, the meeting of the Company's Board of Directors passed a resolution approving the payment for the ordinary shares of CSC to CSC's existing shareholders, which was in accordance with the above purchase and sale agreement. The Company paid advance for the shares in cash of Baht 100.0 million on 30 September 2019, and the remaining of Baht 236.5 million was paid in cash on 1 October 2019.

**On 1 October 2019**, the shares of Computer System Connection International Co., Ltd. were transferred to the Company, as stipulated in the purchase and sale agreement.

**On 1 October 2019**, the Company received payment for 80 million ordinary shares from share offering to specific investors, with a par value of Baht 1 per share, at an offering price of Baht 2.50 per share, or a total of Baht 200 million. The Company registered its issued and paid-up shares of Baht 366.4 million with the Ministry of Commerce on 2 October 2019.

## 2021

**On 30 April 2021**, the Company had completed the entire business transfer of Computer System Connection International Co., Ltd. However, the Computer System Connection International Co., Ltd. had requested for liquidation with the Department of Business Development, Ministry of Commerce on 14 May 2021 and began the liquidation process.

## 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.itcity.co.th](http://www.itcity.co.th)  
 Facebook : IT CITY ONLINE  
 Line ID : @itcityonline  
 Youtube : IT CITY ONLINE

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: [onlinemaster\\_itc@itcity.co.th](mailto:onlinemaster_itc@itcity.co.th)

## General Information

Company name	IT City Public Company Limited
Location	The Palladium World Shopping, 555 B1, B2, 5 <sup>th</sup> Floor, Ratchaprarop Road, Makkasan, Ratchathewi, Bangkok 10400
Company's registration No.	0107545000349
Tel	0 2656 5030
Home Page	<a href="http://www.itcity.co.th">www.itcity.co.th</a>
Registered Capital	366,398,859 Baht
Paid-up Capital	366,398,859 Baht
Ordinary Shares	366,398,859 Shares



## Nature of Business

IT City Public Company Limited or “IT CITY”. The IT CITY is a joint venture between SVOA Public Company Limited and companies in SahaGroup, including the Company’s staff and partners.

The Company’s main business is selling fully integrated IT products (One Stop Shopping IT Products) through the storefront and online channels. There are departments which take care of corporate customers, government agencies and educational institutions. In the present, we have especially classified storefronts under different trade names for each product group as follows:

- **IT CITY** takes responsibilities in distributing and selling computers, Smart phones, and peripheral devices under the group of traditional IT products. Focuses are made on accessing to broad consumers at every level, and creating IT products which are easily accessed by consumers of every age and gender.
- **CSC** takes responsibilities in distributing and selling Smart phones and accessories for Smart phones, such as charging cords, adapters, reserve batteries and so on. Focuses are made on accessing to consumers who want to purchase Smart phones with good quality made by leading mobile phone manufacturers. There are many models to be chosen from and they are guaranteed to be excellent products.
- **ACE** takes responsibilities in distributing and selling computers, highly efficient custom-built PC, gaming devices and peripheral devices for game players or gamers. It tries to penetrate into the teenager market, focusing on responding the needs of teenagers who love playing games, content creators, and Youtubers that are looking for IT devices with high efficiency and uniqueness.



- **IT DOT (It.)** takes responsibilities in distributing and selling IOT products, central connecting devices like Smart phones and networking devices with high efficiency, and gadgets. Focuses are made on penetrating the market of IT lovers in new generation who search for the Always Connected Lifestyle that involves connections with wireless devices in every aspect in life all the time.

Apart from providing services under the aforementioned official name brands, IT CITY has rights to manage shops of partners in the leading department stores. Such partners are Oppo, vivo, Samsung, Huawei, Realme, and DTAC, the country’s leading network service provider. In addition, to enhance potentials in accessing to consumers, footprints of IT City affiliated shops are added, together with department stores.





## Revenue structure

The table below provides IT CITY's revenue structure over the past four years (2018 - 2021)

Revenue structure	2018		2019		2020		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Sales revenue</b>								
1. Computer	2,356.62	46.58	2,140.40	39.97	2,042.02	29.14	2,498.06	28.67
2. Printer	436.30	8.62	366.48	6.84	264.54	3.77	313.21	3.59
3. Smart Phone	774.25	15.30	1,412.45	26.38	3,335.77	47.60	3,794.13	43.54
4. Accessories	787.63	15.57	723.29	13.51	600.82	8.57	817.90	9.39
5. Others Products	400.19	7.91	345.07	6.44	267.23	3.81	326.86	3.75
6. Tools & Spare parts	219.82	4.34	217.86	4.07	266.09	3.80	715.90	8.22
<b>Total Sales Revenue</b>	<b>4,974.81</b>	<b>98.33</b>	<b>5,205.55</b>	<b>97.22</b>	<b>6,776.47</b>	<b>96.70</b>	<b>8,466.06</b>	<b>97.16</b>
<b>Service income</b>								
7. Rental & Service Incomes	43.28	0.86	41.36	0.77	31.60	0.45	35.94	0.41
8. Others	28.94	0.57	98.00	1.83	178.92	2.55	200.67	2.30
<b>Total Sales and Service income</b>	<b>5,047.03</b>	<b>99.76</b>	<b>5,344.91</b>	<b>99.82</b>	<b>6,986.99</b>	<b>99.70</b>	<b>8,702.67</b>	<b>99.87</b>
Other income	12.22	0.24	9.46	0.18	20.99	0.30	11.40	0.13
<b>Total revenue</b>	<b>5,059.25</b>	<b>100.00</b>	<b>5,354.37</b>	<b>100.00</b>	<b>7,007.98</b>	<b>100.00</b>	<b>8,714.07</b>	<b>100.00</b>
Revenue Growth	1.93%		5.83%		30.88%		24.34%	

## Product information

### Product and service characteristics

#### 1) Retail business center

Retail business center for computer and peripherals, computer components, Digital LED TV and Smart Phone, including being One Stop Shopping IT & Smart Phone products, by supplying leading brands of computer and peripherals, such as printer, scanner and etc. Main products can be classified into 5 categories as follows:

##### Computer

IT CITY is a retailer of personal computers, such as desktop, notebook, tablet, LCD monitor and etc. Details of products are as follows:

- It offers desktop and notebook computers tablet such as Acer, Apple, Asus, Dell, HP, Huawei, Lenovo, MSI, Samsung and Microsoft Surface etc.
- It also offers various brands of LED monitors, including leading brands such as Acer, AOC, Asus, BenQ, Dell, HP, Lenovo, LG, Samsung etc.



##### Peripherals

It offers a wide selection of printers and scanners.

- Printers include Ink Jet, 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.
- 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:

- Smart Phonesuch as Asus, Huawei, Oppo, Realme, Samsung, vivo etc.
- Wearable devicessuch as Fitbit, Huawei, TicWatch, Samsung, Xiaomi, etc.



##### Accessories

It offers various computer accessories like Gaming devices, IP Camera, Internet of Thing (IOT) devices, Car camera, Action Camera, Robot, 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, Harddisk, Computer components, Network equipment, Cable, Carry bags and Smart phone accessories.

##### Others

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

- Leading Digital LED TV brands such as LG, Samsung etc.
- Office Equipment like Photo copiers, fax, office telephone, sticker cutting machine, label printer, barcode scanner, projector etc.
- Small Home Appliances, such as air purifier, small kitchen utensils etc.

#### 2) Maintenance service centre

Providing maintenance service, computer equipment maintenance and selling genuine parts from the manufacturers. The services are provided by expert technicians. The Company has classified the types of services as follows:

- Selling “iCare” service with extended warranty for computers, monitors, projector, LCD television and Smart Phone;
- Samsung Service Center - the service centers are appointed by the manufacturer or distributor of Samsung





products to provide support and maintenance services to customers in repairing products sold by the company and to provide advice in various fields.

- **Huawei Service Center** - a service center appointed by the manufacturer or distributor of Huawei products to provide support and maintenance services to customers in repairing products sold by the company and to provide advice in various fields.

It is a comprehensive service which is different from other competitors. It truly builds a good relationship with customers and is considered to be another way to increase revenue for the company. In addition, the company also coordinates with finance companies in providing payment for goods through various installment programs such as First Choice, Aeon and various financial institutions. This helps facilitate and increase the choice for customers.



## Business Potentials

IT CITY is one of the leading retail business operators of big IT products. As at 31 December 2021, it has 393 branches in total. The IT City creates advantages in the economy of scale which leads to a decrease in the cost proportion of business operations. As a result, there is an increase in sales. Moreover, IT CITY still maintains its rank of the distributor that generates the highest IT product values in the IT retail market. Through the direct purchase with companies and distributors, IT CITY gets more discounts in buying more products. This condition drives IT CITY forward in terms of having ability to create more profits. Furthermore, IT CITY continually strives and it is committed to present products and provide various kinds of services under the concept of “One Stop Shopping”. Moreover, marketing activities are conducted consistently.

## Sales channels for goods and services

The company has channels for selling products and services through branches of stores and online channels. As of 31 December 2021, the company has a total of 393 branches, details of branches are as follows: Leading department stores and various IT centres:

Distribution channels and types of goods and services	number of branches	Address
<b>IT CITY</b> IT CITY takes responsibilities in distributing and selling computers, Smart phones, and peripheral devices under the group of traditional IT products. Focuses are made on accessing to broad consumers at every level, and creating IT products which are easily accessed by consumers of every age and gender.	100	Leading department stores and various IT centres: • Bangkok and surrounding areas: 28 branches • Central region: 16 branches • Northern region: 9 branches • Eastern region: 14 branches • Northeastern region: 23 branches • Western region: 4 branches • Southern region: 6 branches
<b>CSC</b> CSC takes responsibilities in distributing and selling Smart phones and accessories for Smart phones, such as charging cords, adapters, reserve batteries and so on. Focuses are made on accessing to consumers who want to purchase Smart phones with good quality made by leading mobile phone manufacturers. There are many models to be chosen from and they are guaranteed to be excellent products.	181	Leading department stores and various IT centres: • Bangkok and surrounding areas: 71 branches • Central region: 15 branches • Northern region: 14 branches • Eastern region: 23 branches • Northeastern region: 28 branches • Western region: 4 branches • Southern region: 26 branches
<b>ACE</b> ACE takes responsibilities in distributing and selling computers, highly efficient custom-built PC, gaming devices and peripheral devices for game players or gamers. It tries to penetrate into the teenager market, focusing on responding the needs of teenagers who love playing games, content creators, and Youtubers that are looking for IT devices with high efficiency and uniqueness.	11	Leading department stores and various IT centres: • Bangkok and surrounding areas: 7 branches • Central region: 1 branches • Eastern region: 1 branches • Northeastern region: 2 branches
<b>IT DOT (It.)</b> IT DOT (It.) takes responsibilities in distributing and selling IOT products, central connecting devices like Smart phones and networking devices with high efficiency, and gadgets. Focuses are made on penetrating the market of IT lovers in new generation who search for the Always Connected Lifestyle that involves connections with wireless devices in every aspect in life all the time.	6	Leading department stores and various IT centres: • Bangkok and surrounding areas: 3 branches • Central region: 1 branches • Eastern region: 1 branches • Northeastern region: 1 branches

Distribution channels and types of goods and services	number of branches	Address
<b>vivo</b> Distributes all products under the vivo brand, including smart phone products and a bunch of equipment in order to focus on customers who are particularly interested in vivo products. In addition, there is a repair service for mobile phones and various after-sales services in the shop.	10	Leading department stores and various IT centres: <ul style="list-style-type: none"> <li>• Bangkok and surrounding areas: 4 branches</li> <li>• Central region: 2 branches</li> <li>• Northern region: 2 branches</li> <li>• Northeastern region: 1 branches</li> <li>• Southern region: 1 branches</li> </ul>
<b>OPPO</b> Distributes all products under the OPPO brand, including Smart phones and all peripherals in order to focus on customers who are particularly interested in OPPO branded products. In addition to sales within the OPPO Brand Shop, there is also a repair service for mobile phones and various after-sales services.	23	Leading department stores and various IT centres: <ul style="list-style-type: none"> <li>• Bangkok and surrounding areas: 7 branches</li> <li>• Central region: 2 branches</li> <li>• Northern region: 2 branches</li> <li>• Eastern region: 4 branches</li> <li>• Northeastern region: 2 branches</li> <li>• Western region: 2 branches</li> <li>• Southern region: 4 branches</li> </ul>
<b>DTAC Shop</b> Being a representative of DTAC in selling products and providing services under the trademark of DTAC, which can be divided into monthly and top-up payments, such as SIM cards, Voice and Data packages, as well as various digital services in the DTAC group. This includes distribution of Smart phones and tablets from leading brands under the rights of DTAC, such as Apple, Samsung etc.	36	Leading department stores and various IT centres: <ul style="list-style-type: none"> <li>• Bangkok and surrounding areas: 8 branches</li> <li>• Central region: 4 branches</li> <li>• Eastern region: 7 branches</li> <li>• Northeastern region: 9 branches</li> <li>• Western region: 2 branches</li> <li>• Southern region: 6 branches</li> </ul>
<b>Huawei</b> Distributes all products under the Huawei brand, including smart phones, IT products, gadgets, TVs and all peripherals including IOT products and focuses on customers who are interested in the products of Huawei. In addition to sales within the Huawei Brand Shop, there is a repair service for mobile phones and various after-sales Services	7	Leading department stores and various IT centres: <ul style="list-style-type: none"> <li>• Bangkok and surrounding areas: 1 branches</li> <li>• Central region: 2 branches</li> <li>• Northern region: 1 branches</li> <li>• Southern region: 3 branches</li> </ul>
<b>Samsung</b> Distributes all products under the Samsung brand, including smart phones, tablets, gadgets and accessories and focuses on customers who are particularly interested in Samsung products.	13	Leading department stores and various IT centres: <ul style="list-style-type: none"> <li>• Bangkok and surrounding areas: 7 branches</li> <li>• Central region: 1 branches</li> <li>• Northern region: 2 branches</li> <li>• Southern region: 3 branches</li> </ul>
<b>Realme</b> Distributes all products under Realme brand, including smart phones, IT products, gadgets, TVs and IOT products and focuses on customers who are particularly interested in Realme products. In addition to selling within the shop, there is a repair service for mobile phones and various after-sales services.	5	Leading department stores and various IT centres: <ul style="list-style-type: none"> <li>• Bangkok and surrounding areas: 3 branches</li> <li>• Southern region: 2 branches</li> </ul>
<b>Mi</b> Distributes all products under the Xiaomi brand, including smart phones, IT products, gadgets, TVs and IOT products and focuses on customers who are particularly interested in Xiaomi products.	1	Leading department stores and various IT centres: <ul style="list-style-type: none"> <li>• Eastern region: 1 branches</li> </ul>



## Customers and target groups

Operating retailed businesses complies with the policies to operate businesses which focus on direct selling aimed for individual users that are mainly comprised of family groups, students, university students and SMEs. The retailed business of the Company supports the other business aspects which are different from the business operations by SVOA. Focuses are made on selling products and providing services to government agencies, organizations and large private companies. Some of targeted customer groups are similar to the SVOA's customers that are SMEs.

The Company's customer groups are divided into 4 main groups: retail customers, wholesale customers, corporate customers and online customers.

- **Retail customers:** general retail customers who purchase products through stores and through the company's website
- **Wholesale customers:** customers from computer stores or general phone shops who buy products for further resale
- **Corporate Customers:** Juristic persons, Government agencies and educational institutions
- **Online customers:** Customers who purchase products on the company's website

## Market conditions and competition

From the past, information technology has been changing dramatically and has been continuing to play an increasing role in both the way of life of people and the business sectors. The spread of COVID-19 in 2020 and the government's measures to control the spread of the virus have affected the behavior of consumers. It has increasingly turned customers to online shopping. This can be seen from the sales of products in the e-Commerce market which has grown exponentially and has a tendency to grow continuously. The company recognizes the importance of such changes and continuously adapts to the context both in terms of planning and managing the organization with standards. The company has a database of products, services management as well as customers and business partners. We use software to analyze relevant databases which will help increase the efficiency of service and offer products to consumers that meet the needs of the target group. We also focus on knowledge management in the organization and developing business models to increase competitiveness.

At present, the company has received the entire business transferred from CSC which has expertise and

experience in the smart device market for a very long time. This enables the company to strengthen its business both in terms of reaching more consumers from the stores of both companies and brands under the supervision of both companies, including House Brand products. This will result in the increase of profitability for the company and many other leading brands and the bargaining power with suppliers.

In 2021, the company focused on making "omnichannel" by using branches as a "drop point" to provide after-sales services in order to enhance service capabilities. Omnichannel will become the new normal of IT retail IT. Each of them will be interpreted differently according to their potential. The challenge is to adapt and grow the business in all dimensions. This allows customers to receive correct information and the same service both online and offline. This allows everyone to accelerate their own platform development in order to be able to compete with the retail business and the marketplace.

While marketing through online channels which has started during the COVID-19 period, the company has been focusing on using Big Data to analyze customer behavior both on the main website, Facebook and various market places such as Lazada and Shopee as well as building a strong back-end IT system to quickly transform the organization into an online business.

Even though the company has been affected by the epidemic of COVID-19 causing offline sales to drop, especially for the branches in the red area, on the other hand, consumers have gained more demands for IT products such as computers and notebooks since the start of work-from-home and online learning trends, and the demand of computer card products which has is the result of Bitcoin mining trend. Customers would choose buying products through online channels rather than buying from stores. When consumers have higher demand for IT products, the suppliers therefore cannot keep up with the demand. The average price of all IT products tends to increase. It has a positive effect on the IT retail business.

For other major operators who are IT retailers in the market, such as Advice, which stands out for its number of branches spreaded across the country and neighboring countries, COM7 which stands out for its products in Apple group and having strong alliance and JIB which stands out for its gaming marketing. The brands mentioned above are considered to be the ones with clear identity and are most remembered by consumers.



### Purchase of products and services

Providing products and services to meet customer needs is one of the core business processes. Having an effective management system can ensure that the Company's products and services will be able to respond to changing customer's needs as a result of today's technology. The Company is increasing its purchases of quality products to meet customer needs by directly seeking products from domestic and foreign sources in order to ensure quality products at a reasonable price which would allow the Company to compete in the market. During the procurement process, the Company will examine the qualifications and potential of the manufacturers as well as their financial health. Apart from that, the Company will examine its sales and marketing policies as well as product quality and warranty standards before making a purchase decision.

The Company has added products under its own brand, WISE, such as speakers, power banks, and glass film. The Company has selected quality products, which have been tested by the experts, directly from foreign manufacturers. As a result, customers can be confident in the quality and reasonable price of the products. The Company will continue to offer additional products to meet the needs of customers.

Given the risks that may arise from sourcing products from overseas, the Company hedges all of its foreign exchange risks by entering into forward contracts.

### Assets used in business

As at 31 December 2021 Company have Assets used in business, as follows:

(Unit : Million Baht)

Assets	Consolidated Financial/Separate Financial statements net Book Value
1. Property	4
2. Leasehold improvements	772
3. Office equipment	189
4. Furniture and fixtures	49
5. Motor	30
6. Assets for rent	39
7. Assets under construction and installation	4
<b>Total</b>	<b>1,087</b>
Less : Accumulated depreciation	799
<b>Equipment - net</b>	<b>288</b>
8. Intangible assets - trademark	212
9. Intangible assets – Computer Software	89
<b>Total</b>	<b>301</b>
Less : Accumulated amortisation	32
<b>Intangible assets - net</b>	<b>269</b>

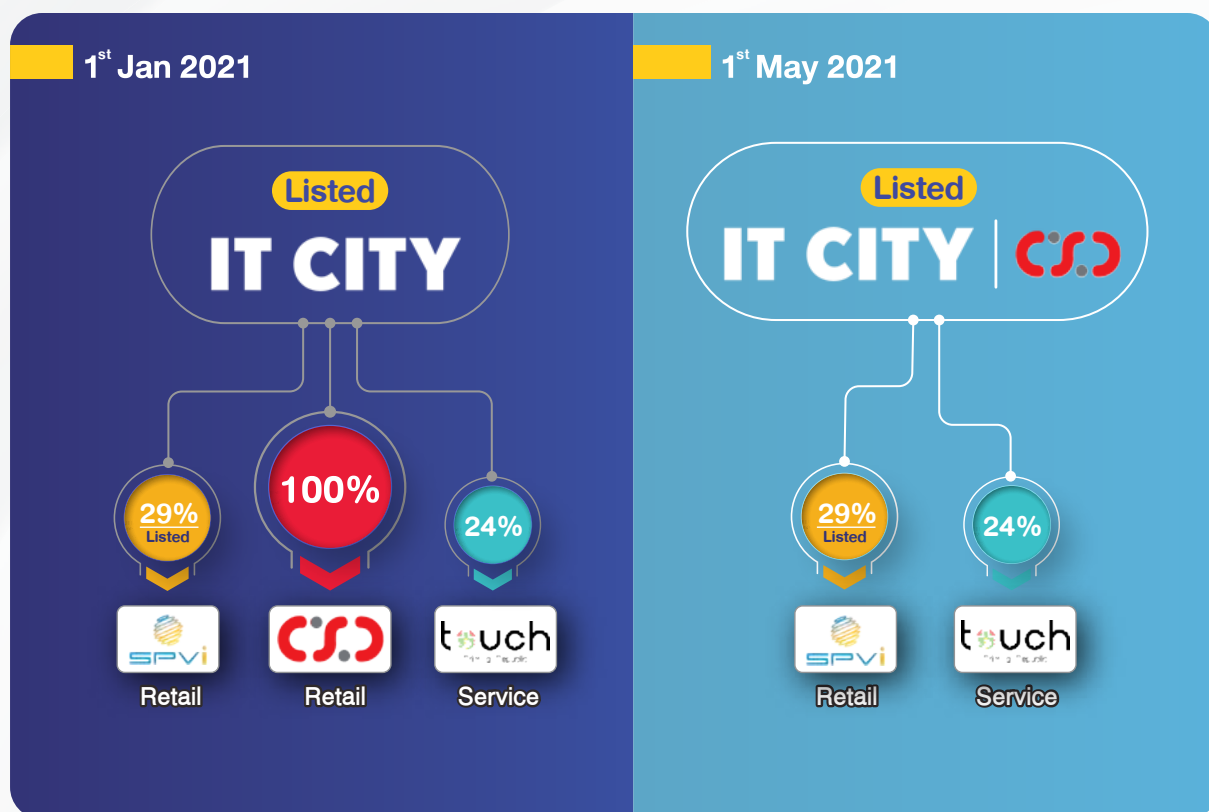
### Inventory Management

The company pays attention to inventory management. It covers the flow of goods from the purchasing process, storage process, product distribution and sales process. In 2019, the company has adopted a new software called Smartcore to replace the old system. This uses POS (Point of Sale) system which connects data between various departments within the organization and develops a data analysis system, including internal communication systems gaining each department in the organization up-to-date information. Such information can be used to find supply goods and manage inventories more efficiently.

### Environmental impact

Since the Company and its subsidiaries's core business is import and retail sales of IT products, the Company's business operations have no impact on the environment. However, the Company has focused on efficient use of resources and has instilled its executives and employees with consciousness for sustainable consumption.

## Shareholding Structure and Management



### Shareholding Structure

IT City Public Company Limited is currently holding Joint Venture Company follow:

IT City Public Company Limited is currently holding 29 percent of **SPVI Public Company Limited's** shares. SPVI operates as a distributor of Apple products through iStudio by SPVI, iBeat by SPVI, U Store by SPVI, Mobi and iCenter (authorized Apple service provider) stores and provides Apple solutions and educational solutions. Aside from that, the Company advises, designs, installs, and follows up on products for customers including organizations, educational institutions, and state-owned enterprises. The Company has a team of engineers who are experienced and certified by Apple to provide after-sales service.

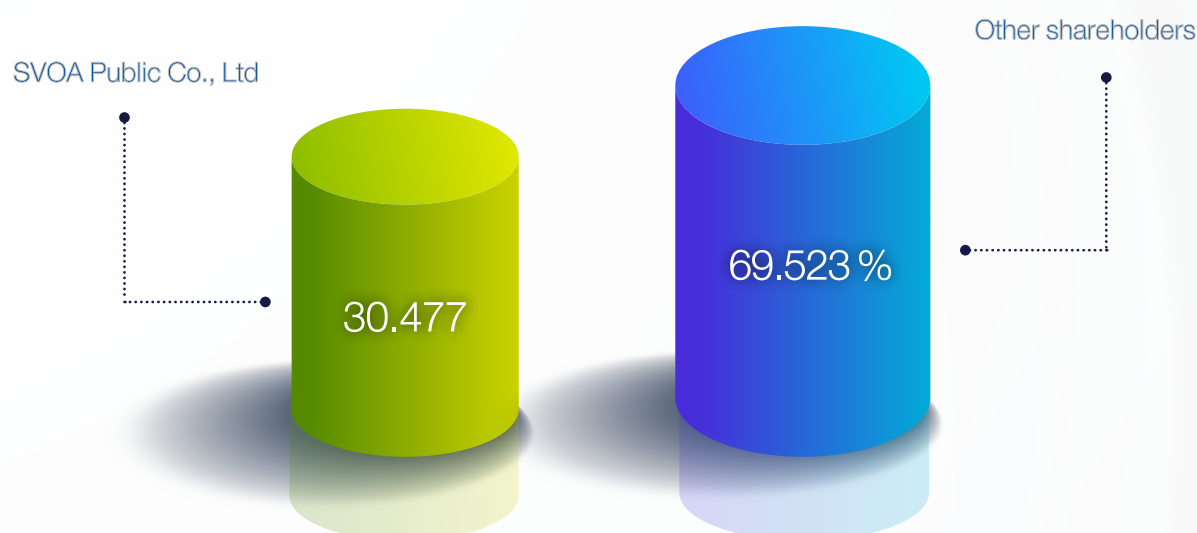
Name of Company	SPVI Public Company Limited
Address	1213/58-59 Soi Lat Phrao 94, Sriwara Road, Plab Pla District WangThonglang, Bangkok 10310
Tel.	0 2559 2901-10
Fax	0 2559 2488
Website	www.spvi.co.th
Registered capital	200,000,000 Baht
Paid-up capital	200,000,000 Baht
Ordinary shares	400,000,000 shares
Price per share	0.50 Baht

IT City Public Company Limited is currently holding 24 percent of **Touch Printing Republic Company Limited** ("TPR") TPR Managing the wholesale and retail business of printers and continuous equipment, comprehensive-customer-advisory printing solution business, as well as providing printing services which produce printed products from the needs of both corporate and individual customers.

Name of Company	Touch Printing Republic Company Limited
Address	65 Soi Phatthanakan 65 Intersection 2-2, Phatthanakan Road, Prawet, Bangkok 10250
Tel.	086 664 1667, 062 008 8853
Website	www.touch-printing.com
Registered capital	50,000,000 Baht
Paid-up capital	50,000,000 Baht
Ordinary shares	5,000,000 shares
Price per share	10 Baht



## Shareholders Structure



### Shareholders

As at 9 March 2022 (the Record Date), the top ten major shareholders include:

Existing shareholders	As at 9 March 2022	
	No. of share	% of shareholding
1. SVOA Public Co., Ltd	111,666,601	30.477
2. Mr.Pichai Neranartkomol	80,000,000	21.834
3. Mr.Weerapat Punsak-udomsin	19,823,881	5.410
4. Mrs.Jarunee Chinwongvorakul	16,803,000	4.586
5. Mrs.Surangrat Prayoonhong	13,162,101	3.592
6. Mr.Chawalit Wisarankul	9,074,100	2.477
7. Ms.Pirada Intanate	6,936,700	1.893
8. Mr.Sura Khanittaweekul	5,297,500	1.446
9. Mr.Chavalit Charaschotepinit	5,000,000	1.365
10. Mr.Chai Manophars	4,488,000	1.225
Other shareholders	94,146,976	25.695
<b>Total</b>	<b>366,398,859</b>	<b>100.00</b>

**Remark :** Investor can see the current top ten major shareholders from company's website ([www.itcity.co.th](http://www.itcity.co.th)) before the annual general shareholders meeting.

### Registered and paid-up capital

As of 31 December 2021, the Company has a registered capital of 366,398,859 Baht and a paid-up capital of 366,398,859 Baht which were divided into 366,398,859 ordinary shares with a par value of one Baht per share.

### 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.

### Issuance of other securities

The Company does not issue other securities.



# RISK MANAGEMENT

## Risk Management Policy

The company realizes the importance of risk management under operating conditions in all activities, which could be uncertain and may affect the operations or the goals of the organization. The company has established a systematic approach to risk management by identifying any risk factors affecting the operations and goals of the organization. We analyze chances of risks and their impacts, prioritize risks and establish guidelines for risk management to prevent and control risks in various fields which may arise from uncertain situations. This will affect the overall success of the organization. In addition, the company has continuously monitored and reported the results of risk management. This gains the company confidence in risk assessment. There are management and measures which are sufficient and appropriate to cover operations throughout the company.

## Risk Management Structure

The Board of Directors assigns the Audit Committee to review and ensure that the company has an appropriate, efficient and effective risk. The Risk Management Committee is responsible for defining risk management policies which cover the entire organization as well as supervising the establishment of a management system or process to appropriately reduce the impact on the business. The committee is responsible for reporting important risk management results to the Board of Directors for acknowledgment in the event that there are important factors or events which may have a significant impact on the company.

## Risk Management Culture

The Company recognizes that corporate culture is a key component to the success of risk management as well as the importance of high-level executives through the process of enhancing corporate culture in order to realize risk management. This includes creating methods for implementing risk management for practical results by requiring the understanding of the corresponding risk factors and defining acceptable risks.

## Risk Factors for the Company's Operations

The Company analyzes risks for its business both current and emerging risks by analyzing both internal and external risk factors which could affect the achievement of the vision, objectives and goals of the company. These are divided into risks related to the company's emerging risks and risks related to sustainability.

### Risk of easily obsolete inventories:

Computers, Smart phones and IT products are products which use high technology and in the present, the development of technology has changed rapidly. As a result, the change in technology will affect unsold inventories and it can cause the company to suffer losses when it has to sell those obsolete products. The company therefore has a risk from inventory management. This is due to the company's inventories which are deteriorating and obsolete. For new product releasing, the company and brand partners plan



together in sales estimates to determine the appropriate amount of inventory. In the event that there may be an error in such an estimate, most of the brand partners will take part in various responsibilities, such as using compensation or freebies to promote products, etc. Compensation may be negotiated to compensate for some of the lost price based on the remaining inventory.

The company has adopted the Smartcore program, which is a new software linked to the Near Real Time accounting system and has developed a data analysis system. This includes internal communication systems making the company's executives aware of up-to-date information. Such information can be applied for products and effective management of inventories. The system will reduce the risk

of obsolete inventories to a certain extent. The company will study and survey the needs and behavior of consumers regularly as well as closely follow the changes in technology. The company also has a good relationship with partners which makes it possible to choose a product model which best meets the needs of customers and responds well to changes in technology.

The company has set aside provisions for obsolete inventories in 2020, accounting for 2.88% in the consolidated financial statements and 2.23% in the separate financial statements, in 2021 accounting for 2.21% in the consolidated financial statements and separate financial statements of the inventories in that period. The details are as follows:

Aging	2020			2021		
	Allowance	Value of Stock	Provision Amount	Allowance	Value of Stock	Provision Amount
	%	(Baht million)	(Baht million)	%	(Baht million)	(Baht million)
Over 6 Months	25.00	27.64	6.91	25.00	62.86	15.71
Over 9 Months	50.00	11.97	5.99	50.00	7.56	3.78
Over 1 Year	100.00	15.81	15.77	100.00	9.73	9.73
Total		55.42	28.67		80.15	29.22

### Account Receivable

At present, the company's customer groups are divided into 3 groups: retail customers from in-store distribution who use cash for trading, retail customers online platforms (websites) who make payments through various methods with a period of time for the payment and corporate customers who use credit for payment.

As of 31 December 2021, the proportion of sales of each customer group is 93.60%, 5.84% and 1.10% from the total sales revenue respectively.

In the event that the company's trade account receivables have bad debts or doubtful accounts, it may affect the company's liquidity in sourcing working capital to purchase company's products.

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.



Consolidated financial statements						
Aging	2020			2021		
	Allowance	Value of Stock	Provision Amount	Allowance	Value of Stock	Provision Amount
	%	(Baht million)	(Baht million)	%	(Baht million)	(Baht million)
Not more than 3 Months	-	164.46	-	-	101.05	-
3-6 Months	50.00	-	-	50.00	0.06	-
Over 6 Months	100.00	2.95	2.75	100.00	2.79	2.79
<b>Total</b>	<b>100.00</b>	<b>167.41</b>	<b>2.75</b>		<b>103.90</b>	<b>2.79</b>

For the aging of accounts that exceed 3 months, the Company had set an allowance of 50 percent. For the aging of accounts that exceed 6 months the Company had set an allowance of 100 percent of the outstanding payment.

As at 31 December 2020, the Company had account aging more than six months of 2.95 million Baht and set aside an allowance of 2.75 million baht for doubtful accounts which accounted for 1.64 percent of all receivables. The remaining 0.2 million Baht has not been set up. The subsidiary expects to receive full repayment since the debtors have entered into installment agreements and have already commenced payments.

As of 31 December 2021 in the consolidated financial statements of the company, there were receivables which were more than 3 months past due, equal to 0.06 million baht. The company did not set aside because the company expected to receive the full amount and received the full amount already paid. There were receivables over 6 months which equaled to 2.79 million baht, with allowance for doubtful accounts of 2.79 million baht. The amount accounted for 2.7 percent of all receivables.

At present, business operations are affected by many risk factors, especially in the past years, when there was an epidemic of coronavirus (COVID-19) causing an impact on business and livelihood. It also has a significant impact on the company's business operations in the future.

The company therefore understands the importance of risk management. A risk management committee has been established and has a systematic risk assessment framework. It continually considers and supervises the business from the strategic level to the operational level, as well as continually enhances awareness of risk management for everyone in the company. This is the Enterprise Risk Management Framework which meets international standards. The risk factors are as follows:

### Risks affecting rights and investments of shareholders

As of 10 March 2022 (which is the Record Date), the company's major shareholder is SVOA Public Company Limited and is the only one holding more than 25% shares, considered to 30.477 of the company's paid-up capital. The shareholding proportion of such major shareholder makes it possible to control the resolutions of the shareholders' meeting. The only exception is the matter which is required by law and the company's Articles of Association: votes has to be not less than three-fourths of the votes from shareholders attending the meeting who have the right to vote. The company has regulations to operate in accordance with business ethics and good corporate governance principles. It includes legal requirements to protect the rights of stakeholders and control the operations of the company to be transparent and accountable.

### The risk from major shareholders which may have a conflict of interest since there are businesses similar to the company

The main businesses of SVOA Plc., 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 31 December 2020 and 2021, the Company purchased products from SVOA amounting to 2.51 percent and 2.80 percent of its total purchase costs in 2020 and 2021.

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. Wilson Teo Yong Peng. 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.

### Strategic Risk

Risks related to the determination of the company's operating policies, investment economy and competition

#### 1. The risk of serious epidemics

In 2021, the overall economy of Thailand and the world has been significantly affected by the coronavirus (COVID-19) epidemic. It directly affected economic activities, especially the tourism sector from the measures to limit travel in and out of the country while the domestic consumption sector contracted. The government, however, has issued various measures to stimulate spending and mitigate economic impacts such as the We Travel Together project, shopping booster projects such as "Kon La Krung" project as well as measures for debt moratorium and assistance through the state welfare card.

Considering the above risks, the company has cautiously formulated a policy to invest in branch expansion. The company increases its potential and manages its risks by opening a new branch (New Form Factor) in the form of Stand Alone branch located outside the department store in a good location. The rental fee is not high, which will allow the company to expand its branches to cover more sales channels. The company also develops sales channels through online channels, including providing same-day delivery for specific areas covered by the delivery company.

#### 2. Domestic Investment

As of 31 December 2021, the company has a total of 393 branches nationwide. There are 59 new branches opened during 2021. The company has a policy to expand branches continuously. There may be a risk that

the performance of the new branch is not in line with the estimates. It might affect the overall performance of the company. The company manages risks by analyzing the return on investment before making every investment decision in order to control the operations of the branches. When a new branch opens, the performance and progress of the plan will be monitored every month. This helps the company plan with the risks and solve problems which may arise in a timely manner.

#### 3. Competition

The company is an IT product retail business with direct and indirect competitors. The Company's direct competitors are supermarkets which retail computers and peripherals, especially department stores with IT departments, retail stores, and IT second-hand stores. The rapid change in technology has caused consumers to switch to a number of newer mobile phones, thus increasing the business of selling second-hand goods. During the economic downturn, it may lead to more consumers buying replacements.

The company's indirect competitors include network service providers which usually operate retail business as well in the form of retail sales to promote the core of their businesses. However, the company has joined as an exclusive partner with DTAC, a large mobile network service provider, to expand distribution channels for DTAC's products and services. Therefore, the content expects that the chances of being affected by indirect competitors' competition are not much. 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 scales and an enhanced customer base. The Company therefore believes the possible effects related to competition would be minimal.

#### 4. Dependence of key suppliers

The company has a proportion of revenue from IT products and Smart phones for more than 50 percent of the total revenue. The company has to rely on suppliers in the group. This allows the company to have very little bargaining power with the group and there may be a risk of not being able to find a replacement if the company has a conflict with the said group. However, the company

expects that such risks are not high since the company is a large retailer with a network of branches covering all over the country. As a result, other companies have to rely on distributors and large groups of retailers as well. Both in terms of sales planning and market demand surveys are also dependent on each other. In addition, the company has a good relationship with business partners for a long time. As for the risks that the big manufacturers will enter the retail business by themselves, there is not much risk in that area since it might cause the loss of relationships with large retailers. Therefore, the manufacturers of products in the above groups as a whole will continue to operate in the same manner as the present.

### Operational risk

Risks associated with operating systems, readiness of information systems and personnel

#### 1. Loss of products

Product loss is one the top risks of retail businesses. The main causes comprise shoplifting, in-transit loss, and failures of internal management systems to deal with such risks. The Company has a 'loss prevention' unit that is responsible for planning and implementing loss prevention for the Company's assets and works cross-departmentally to determine operating procedures and find measures to minimise losses.

#### 2. Inventory Management

As of 31 December 2021 in the consolidated financial statements of the company, there are net inventories of 1,322 million baht. As for the average product sales period of 58 days and the inventory turnover ratio is 6.29 times in 2021, it can be seen that the company has a high inventory turnover ratio and tried to develop the service quality of sales staff, organize promotional programs and improve product arrangement and appearance within the branch. The company also tried to add new products to the store regularly to increase the number of customers and sales, and optimize inventory management to reduce potential damage.

#### 3. Supplying goods

Volume and price risk are major risk factors for retail operators. The company procures and purchases products from both domestic and overseas. Most of the products come from manufacturers and agents in the country. The procurement plan is made in advance in order to hold enough products for sale at all times. There is a specific agency which is responsible for product surveys as well as selecting a manufacturer which has been certified for production standards so that the company can develop product quality and have products which can be replaced continuously.

The company has a policy to diversify its supply and purchase orders to multiple selected manufacturers and agents in order to reduce the risk of relying on a single vendor. This help balance volume and build long-term bargaining power.

### Financial Risk

Considered from finding a source of funds which is suitable and sufficient for business operations and the exchange rate from the purchase of goods and investments of the company.

#### 1. Account Receivable

The company divides its customers into 2 groups: retail customers and wholesale customers. Most of retail customers sell merchandise in cash while wholesale customers sell in large quantities by credit. Most of the company's sales revenue comes from retail customers. For wholesale customers using credit, the company will consider the past purchase history and payment. The management has assessed the repayment period and financial status of each debtor. The company considers which allowance is suitable for doubtful accounts. Therefore, the company does not expect to incur significant damage from default from wholesale receivables.

#### 2. Exchange Rate

The company may be exposed to risks arising from changes in exchange rates from overseas purchases. The company has taken steps to prevent these risks by entering into forward foreign exchange contracts as a tool for risk management.

### Risks related to sustainability

#### 1. Cyber Security Risk

Cyber Security Risk is currently a growing threat due to the fact that digital systems is playing a greater role in the business sector. The company is related to various information used in the work process and data for analysis in order to meet the needs of various stakeholder groups such as customers, business partners and employees with efficiency, accuracy, stability, transparency and in accordance with the laws and regulations.

The company is aware of the importance of cyber-security such as data leaks, misuse of Information This will result in damage to the company in terms of operating results, credibility and the reputation of the company.

In order to manage and reduce such risks, the company has taken various actions such as creating a privacy policy which is published on the website of the company, [www.itcity.co.th](http://www.itcity.co.th), and establishing a Personal





Data Protection Committee including security measures and information technology system management, business continuity planning and emergency recovery in order to tackle new cybercrime and prevent unauthorized access.

## 2. Anti-bribery and corruption

The Company adheres to ethics and morality as the key principles of business operations and will not neglect any incident of possible corruption even if the incident might be beneficial to the Company. In the Company's view, corruption means bribery in any form, meaning corrupting, requesting or offering bribes, extortion, and conflicts of interest of money, property or any other improper benefit to public or private officials or any person,

whether directly or indirectly, in order for such person to act or refrain from performing duties which is to obtain or maintain business or any other improper business benefit, such as misappropriation of assets, manipulation of financial and non-financial reports, seeking or soliciting or receiving valuables from business-related entities.

The Company has anti-corruption measures that can help reduce risks that may lead to corruption in the organization, starting from formulating anti-corruption and no-gift policies, informing such policies to stakeholders, designing and operating appropriate internal control framework to reduce risks, and raising awareness on the values of anti-corruption among the staff of the company.



# DRIVING BUSINESS FOR SUSTAINABILITY

## Sustainable management policy and goals

The Company is committed to conducting business based on good corporate governance with the ultimate goal of sustainable organization, bringing the greatest benefit to all stakeholders. The Company has established strategies and guidelines for sustainability as a code of business conduct covering all dimensions, including society, environment, and governance. The Company has put the concept of sustainable development at the core of its business processes including at the operational levels of the organization.

## Managing impact on stakeholders in the value chain

### Value chain

Integrated supply chain management is one of the key factors of sustainable business operations. The Company is committed to effective supply chain management,

taking into account the society, environment, and good corporate governance, starting from its procurement of products and services, general procurement, to transportation management. The Company has applied technology to build a strong foundation which will be part of its business competitiveness. The Company takes into consideration the relationship of its stakeholders with its business activities, reflecting its commitment to creating products and services that can meet the expectations of all stakeholders.

## Analysing stakeholders in the value chain

All stakeholders are essential to sustainable business growth. The Company has analysed and identified its stakeholders as well as assessed the expectations of internal and external stakeholders to understand their expectations and to address all important issues to prevent risks that may result in business disruption.

Stakeholder	Expectation	Response	Communication/ Engagement
Employee	<ul style="list-style-type: none"> <li>• Appropriate compensation and benefits</li> <li>• Work environment and safety</li> <li>• Equity and fairness</li> <li>• Job security and career advancement</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate and fair compensation</li> <li>• Fair performance appraisal</li> <li>• Employee development</li> <li>• Provident fund</li> <li>• Human rights and equal treatment</li> </ul>	<ul style="list-style-type: none"> <li>• Performance appraisals</li> <li>• Communication through various channels</li> <li>• Listening to employee complaints and feedback</li> </ul>
Shareholder/ investor	<ul style="list-style-type: none"> <li>• Good return and profit</li> <li>• Share value</li> <li>• Continuous business growth</li> <li>• Good corporate governance</li> <li>• Equal treatment of shareholders</li> <li>• Receive correct, complete, and timely information</li> <li>• Implementing a risk management system</li> <li>• Good audit and control system</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent, fair, and accountable governance</li> <li>• Appropriate dividend payment</li> <li>• Accurate disclosure following the Guidelines on Disclosure of Information of Listed Companies</li> <li>• Provide opportunity to shareholders to express their opinions and file complaints directly to the Company</li> <li>• Analyse, monitor, verify, and manage organizational risks in the short and long terms</li> </ul>	<ul style="list-style-type: none"> <li>• Annual general meeting</li> <li>• Annual report</li> <li>• Contact through the Company's secretary/ website/phone/email address and other channels</li> <li>• Channels for receiving complaints</li> <li>• Quarterly performance reports</li> <li>• Listed Company Meets Investors activity</li> <li>• Disclosing information through the Company's channels</li> </ul>
Customer/ consumer	<ul style="list-style-type: none"> <li>• Receive quality and satisfying products and services</li> <li>• Equal treatment of customers</li> <li>• Good after-sales service</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct business based on integrity, morality, and business ethics</li> <li>• Listen to customers, handle customer complaints, and seek customer feedback to improve service quality</li> <li>• Treat customers fairly</li> </ul>	<ul style="list-style-type: none"> <li>• Customer service centre</li> <li>• Company website</li> <li>• Channels for receiving complaints</li> <li>• Company media such as social media and in-store signs</li> </ul>





Stakeholder	Expectation	Response	Communication/Engagement
Supplier	<ul style="list-style-type: none"> <li>• Comply with commercial terms</li> <li>• Fairly comply with contractual terms</li> <li>• Good relationship</li> </ul>	<ul style="list-style-type: none"> <li>• Strictly comply with contractual terms</li> <li>• Make payment on time</li> <li>• Have an anti-corruption policy and promote anti-corruption actions</li> </ul>	<ul style="list-style-type: none"> <li>• Communication through various channels</li> <li>• Channels for receiving complaints</li> <li>• Accurate and clear communication and information</li> <li>• Meeting and solving problems together</li> <li>• Participating in various activities</li> </ul>
Community/society	<ul style="list-style-type: none"> <li>• Provide support for community activities</li> <li>• Conduct business without negative impact on community and society</li> </ul>	<ul style="list-style-type: none"> <li>• Support socially responsible activities</li> <li>• Allocate budget for social support and activities aimed to address social problems</li> <li>• Develop employee volunteers for community and social activities</li> </ul>	<ul style="list-style-type: none"> <li>• Joining the public and private sectors in socially responsible activities</li> <li>• Company media such as social media</li> </ul>
Environment	<ul style="list-style-type: none"> <li>• Conduct business without negative impact on the environment</li> <li>• Engage in solving environmental problems</li> </ul>	<ul style="list-style-type: none"> <li>• Cultivate awareness on energy and natural resource conservation</li> <li>• Systematic environmental management</li> </ul>	<ul style="list-style-type: none"> <li>• Socially and environmentally responsible activities</li> </ul>

## Sustainable management on the environment, society, and governance

### Sustainable development strategy

To achieve the ultimate goal of organizational sustainability which will bring the greatest benefit to all stakeholders, the Company has created four main strategies across three dimensions: environment, society, and governance as the key drivers for sustainable business development which consist of:

- 1) Good corporate governance
- 2) Continuous business process improvement
- 3) Social value creation
- 4) Sustainable environmental management

### Guidelines for sustainable development

#### Good corporate governance

- 1) Achieve transparency in business and disclose sufficient and verifiable information to stakeholders
- 2) Strive to create shared values and strike a balance between stakeholders
- 3) Promote equal treatment of stakeholders
- 4) Establish an anti-corruption policy and strictly comply with the policy
- 5) Manage business risks and review the adequacy and appropriateness of the internal control process

- 6) Recognise and focus on data protection and privacy of those involved.

#### Continuous business process improvement

- 1) Strive to operate a comprehensive business to enhance competitiveness and meet customer needs
- 2) Sustainably create added value of products and services by taking into account stakeholders across the value chain
- 3) Improve operational efficiency, adaptability, and competitiveness to respond to changing environment

#### Creating shared social values

- 1) Strive to conduct business by taking into account society as a whole
- 2) Cultivate social responsibility consciousness of employees and stakeholders
- 3) Promote community and stakeholder engagement
- 4) Provide learning and development programmes for employees
- 5) Create a work environment that takes into account health, safety, and occupational health
- 6) Adhere to equal and non-discriminatory treatment of stakeholders

### Sustainable environmental management

- 1) Recognise and focus on operating business without creating environmental impact
- 2) Recognise and focus on strict compliance with environmental laws
- 3) Promote organizational culture to increase employee's awareness and engagement with the Company's environmental objectives and goals
- 4) Directly and indirectly reduce greenhouse gas emissions and energy consumption
- 5) Manage waste and residual materials arising from operations by reducing consumption and increasing reuse
- 6) Incorporate environmental issues as a factor in risk assessment for corporate decision-making, organise activities and provide support directly and indirectly to reduce environmental impact
- 7) Support environmentally friendly procurement process

### Operating results on sustainable

With a commitment to conducting business based on good corporate governance and sustainable business operations to bring benefits to all stakeholders in the business value chain, the Company, in 2021, undertook sustainability activities across three dimensions: environment, society, and governance as follows:

#### Good corporate governance

The Company believes that good corporate governance will build a strong foundation for the organization's sustainable growth. The Company has established a corporate governance policy in accordance with the Good Corporate Governance Guidelines of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) as a code of conduct for the Company's directors, executives, and employees.

**"Corporate Governance"** The Company achieved the "Very Good" corporate governance score from the Thai Institute of Directors (IOD) for the Corporate Governance Report of Thai Listed Companies in the year 2021. The Company regularly monitors advancement in corporate governance policy at the international level and makes regular updates to keep up with new developments. Additionally, the principles of corporate governance and business ethics have been incorporated as part of the new employee orientation.

**"Cyber Security and Data Protection"** The board of directors is committed to complying with the Personal Data Protection Act (PDPA) and other data protection laws. The board has assigned the management team to ensure compliance with the laws and has provided training on the requirements of the Personal Data Protection Act (PDPA). The Company is committed to appropriate marketing and communication that respects the privacy of customers. The Company website outlines its 'Personal Data Protection Policy', which provides details of policies and practices for collecting and processing personal data of customers.

In addition to protecting personal information of customers, the Company is aware of information security and information technology infrastructure. In 2021, the Company was assessed by external examiners for application control and penetration testing.

#### Continuous business process improvement

The Company focuses on business process improvement, believing that continuous improvement will enable the Company to survive and grow stably and sustainably. In 2021, the Company hired external auditors to review the Company's compliance with its policies and procedures to improve efficiency and effectiveness of the Company's operations, which will lead to continuous improvement and development.



## Social Value Creation

The Company realises the importance of employees who are the driving forces of an organization. The Company focuses on personnel development and educational training that can lead to quality performance. In 2021, the Company provided 46 training and development programmes for salespeople in terms of hard and soft skills to develop active, self-improving, and effective salespeople such as training on products, sales planning techniques for each target customer, situational and customer needs analysis, and pre-sales preparation.

## Sustainable Environmental Management

The Company realises that environmental stewardship is essential. Even though the Company's business does not directly affect the environment, the Company is committed to encouraging all employees to realise their roles and responsibilities in environmental protection and

efficient use of resources. In the Company's risk management plan, it has incorporated impact assessment covering environmental and social issues to determine the priority of issues that need to be addressed.

In addition, the Company focuses reducing greenhouse gas emissions as it directly affects rising temperatures and global climate change, which can bring about significant damage to the Thai economy. Nevertheless, the Company is in the process of formulating the policies and guidelines to achieve greenhouse gas emissions reduction in operations, taking into consideration the Company's businesses.

The Company will communicate and promote engagement with employees at all levels and stakeholders throughout the value chain to raise awareness of and take actions to support the reduction of greenhouse gas emissions.





# ANALYSIS AND EXPLANATION OF THE MANAGEMENT TEAM

## Overview

In 2021, the Thai economy was severely affected similar to the rest of the global economy due to the COVID-19 outbreak, which started at the end of the second quarter of 2021. Governments in many countries, including Thailand, had imposed strict control measures which affected economic activities in Thailand and inevitably weakened purchasing power, despite the Thai government's support measures such as the Kon La Krueng (Half-Half) co-payment scheme, the Ying Chai Ying Dai scheme, and financial measures through state-owned specialised financial institutions. Additionally, the Thai economy faced the outbreak of the Omicron variant of COVID-19 at the end of the fourth quarter of 2021, creating uncertainty in economic recovery. Domestic consumption

and investment continued to decline sharply and the overall economy stood below its pre-epidemic level.

Despite the negative impact of COVID-19 on businesses, including the Company which had to close its branches following the government's measure, the Company's e-Commerce business has grown dramatically, and the Company has been able to maintain its sales growth continuously in response to the new normal lifestyle of online shopping. It is expected that sales will continue to grow after recovery from the COVID-19 pandemic.

The Company's overall sales continue to grow well fueled by consumer's increased use of technology as a result of working from home, e-learning, and online gaming that aimed to encourage social distancing and by the government's support measures.

## Overview of annual performance

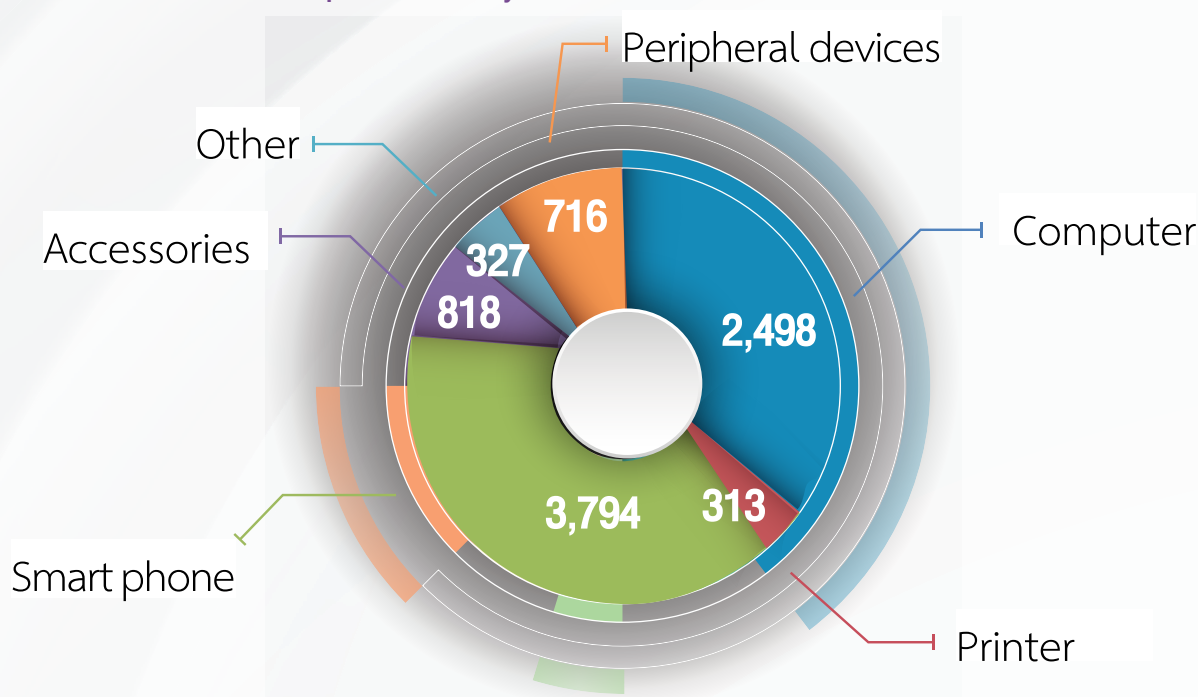
The operating results of IT City Public Company Limited and its subsidiaries as shown in the consolidated financial statements for 2021 compared with the results of the same period in 2020 are as follows:

	2019 (Baht million)	2020 (Baht million)	2021 (Baht million)	increase (decrease) (%)
Revenue from sales and services	5,345	6,987	8,703	24.56
Cost of sales and services	4,607	5,937	7,291	22.81
<b>Gross Profit</b>	<b>738</b>	<b>1,050</b>	<b>1,412</b>	<b>34.48</b>
Other Income (including financial income)	8	21	11	(47.62)
<b>Total revenues</b>	<b>5,353</b>	<b>7,008</b>	<b>8,714</b>	<b>24.34</b>
Selling and distribution expenses	743	1,009	1,162	15.16
Other expenses	-	91	-	(100.00)
<b>Operating profit (loss)</b>	<b>2</b>	<b>(29)</b>	<b>261</b>	<b>1,000.00</b>
Share of profit from investments in associates	24	24	38	58.33
Finance cost	7	(50)	(46)	(8.00)
<b>Profit (loss) before income tax</b>	<b>19</b>	<b>(54)</b>	<b>254</b>	<b>570.37</b>
Income tax	5	13	(48)	469.23
<b>Profit (loss) for the year</b>	<b>24</b>	<b>(41)</b>	<b>205</b>	<b>600.00</b>
Gross margin ratio (%)	13.81	15.02	16.22	1.20
<b>Gross profit(loss) net</b>	<b>0.46</b>	<b>(0.59)</b>	<b>2.36</b>	<b>2.95</b>

### Revenue from sales and services

As of the end of 2021, the company had 393 branches in total, with 59 branches more from 2020. The company divided the revenue structure by type of revenues as follows:

#### Revenue structure from product sales year 2021



The company's main income in the consolidated financial statements was from product sales, accounting for 97.16% of the company's total revenue. The main products were mobile phones, computers and accessories. There was also income from rent and service fees. There were other income accounted for 0.41% and 2.43% of the company's total revenue, respectively.

In 2021, the company's total revenue in the consolidated financial statements increased 24.34% compared to the year 2020. It represented an increase in computer and smartphone mainly. The growth in sales was driven by the increasing demand from the change of consumers' behaviours both purchasing from branches and online channels.

### Cost of sales and gross profit

In 2021, the company's cost of sales in the consolidated financial statements increased compared to 2020 as a result of a 22.81% increase in annual sales which was in line with the increased sales revenue. The company's gross profit increased by 34.48 percent. The gross profit ratio in the consolidated financial statements increased by 1.2%, with the gross profit ratio of the year 2021 being 16.22 and the year 2020 being 15.02. This was the result of the increase in the accessories selling with high gross profit.

### Selling and administrative expenses and other expenses

In 2021, the company's selling and administrative expenses in the consolidated financial statements increased by 15.16% compared to the year 2020. The company's main selling and administrative expenses were rental and service charges, personnel management expenses, utility expenses, depreciation credit card fees. The total accounted for 88.8% of the total expenses in the consolidated financial statements and 87.4% of total expenses in the consolidated financial statements.

Other expenses in 2020 came from the company's detection of fraudulent behaviours of its employees through an online payment system. The damage amounted to approximately 91 million baht. The company investigated the case and filed a complaint to the police. Being prudent, the company set aside full allowance for the loss from the damage and recorded it as expenses from other comprehensive income.

Comparison of the impact of the adoption of Thai Financial Reporting Standards (TFRS), issue no. 16, Lease Agreements, there were impacts from the actual expenses incurred in the adoption of the aforementioned standards as follows:

consolidated financial statements			
Costs in effect of Standard No. 16	Befor Impact of Standard No. 16 (Baht Million)	After Impact of Standard No. 16 (Baht Million)	effect (more cost) (Baht Million)
Rental and service fees according to the conditions of Accounting Standard No. 16	471.8	78.1	393.7
Depreciation-Right-of-use	-	386.2	(386.2)
Financial cost- Right-of-use	-	24.8	(24.8)
<b>Total</b>	<b>471.8</b>	<b>489.1</b>	<b>(17.3)</b>

Separate financial statements			
Costs in effect of Standard No. 16	Befor Impact of Standard No. 16 (Baht Million)	After Impact of Standard No. 16 (Baht Million)	effect (more cost) (Baht Million)
Rental and service fees according to the conditions of Accounting Standard No. 16	387.2	48.4	338.8
Depreciation-Right-of-use	-	333.4	(333.4)
Financial cost- Right-of-use	-	19.6	(19.6)
<b>Total</b>	<b>387.2</b>	<b>401.4</b>	<b>(14.2)</b>

### Net profit

In 2021, the company had a net profit of 205 million baht in the financial statements. 600% was a result of an increase in sales revenue and increased gross profit which can be calculated as gross profit margin equaled to 2.36% of the revenue, an increase of 2.95% from the year 2020.

### Statement of financial position (Consolidated Financial Statements)

The operating results of IT City Public Company Limited and its subsidiaries according to the consolidated financial statements for the year 2021, compared with the results of the same period of the year 2020 are as follows:

	2019 (Baht million)	2020 (Baht million)	2021 (Baht million)	increase (decrease) (%)
Current assets	1,576	1,559	1,910	22.5%
Non-current assets	1,032	2,380	2,337	-1.8%
<b>Total assets</b>	<b>2,608</b>	<b>3,939</b>	<b>4,247</b>	<b>7.8%</b>
Current liabilities	1,485	1,817	2,078	14.4%
Non-current liabilities	89	1,137	978	-14.1%
<b>Total liabilities</b>	<b>1,574</b>	<b>2,954</b>	<b>3,056</b>	<b>3.4%</b>
Total shareholders' equity	1,034	985	1,192	21.0%
<b>Total liabilities and shareholders' equity</b>	<b>2,608</b>	<b>3,939</b>	<b>4,247</b>	<b>7.8%</b>



### Total assets

At the end of 31 December 2021, the company had total assets of 4,247 million baht in the consolidated financial statements. Total assets of the company consisted of current assets of 1,910 million baht, 45% of total assets in the consolidated financial statements. There were non-current assets of 2,337 million baht, accounting for 55% of total assets in the consolidated financial statements. Compared to total assets at the end of 2020, it was an increase of 7.8% which was mainly due to an increase in operating assets such as cash inventories and cash equivalents.

### Cash and cash equivalents

At the end of 31 December 2021, in the consolidated financial statements, the company had a net increase in cash of 138 million baht, an increase of 99% compared to cash and cash equivalents of the previous year. The company had net cash flow in operating activities of 473 million baht. There was net cash used in investing activities of 69 million baht, There was cash spent in investment activities for the purchase of equipment and computer software equaled to 85 million baht. There was cash used in financing activities equaled to 266 million baht, from cash paid for liabilities under lease agreement which equaled to 345 million baht.

### Net trade accounts receivable

As of 31 December 2021, in the consolidated financial statements, the company had trade and other receivables amounting to 259 million baht, consisting of trade account receivables of 101 million baht or 39% of trade and other receivables. Other receivables were 158 million baht or 61% of trade and other receivables. The other debtors consist of other receivables and accrued promotional income.

As of 31 December 2021, the company had an allowance for expected credit losses. The company had trade account receivables aged over 6 months in the amount of 2.79 million baht, representing only 2.68%, with allowance of 2.79 million baht for doubtful accounts. This accounted to 100% of trade account receivables which were older than 6 months in total.

The company, however, has a strong credit policy and has a diverse base of wholesale customers. Most of the wholesale customers are existing customers with good trading history. Therefore, the company does not expect that it will face significant losses in collection of its trade accounts receivables since the company has a strict bad debt provision policy.

### Net inventories

As of 31 December 2021 in the consolidated financial statements, the company had net inventories of 1,322 million baht. Most of the company's products in the consolidated financial statements consisted of the main products, which are 40% smart phones, 44% of computer equipment, 9.8% of accessories and peripherals and 6.2% of other goods.

As of 31 December 2021, the company had allowance for diminution in inventories value of 29 million baht, which accounted for only 2.9 percent of inventories in the consolidated financial statements.

The company set aside more stringent provisions for obsolete inventories. The company will set aside for obsolete inventories over 6 months but not over 9 months which equals to 25% of inventories, and for products over 9 months but not over 1 year, equal to 50% of inventories. For products older than 1 year, the company will set aside reserves for obsolete inventories in full.

As the company is a distributor of IT products which are high-tech products that are constantly evolving. Therefore, the Company is exposed to risk from deterioration in popularity and out-of-date inventories, therefore, the management of the company has given importance to managing inventories to be concise and most effective. The company has departments responsible for product especially in which each department will study, examine, and monitor product characteristics and the needs of the target customers towards that product. After that, the information is used to plan pre-orders as well as follow the direction of changes in the needs of the company's customers to support the decision and to carry out an appropriate marketing plan. If the company finds that some existing products are becoming obsolete or become less popular or the company knows that the product manufacturers have a plan to offer new products to the market, the Company may consider to organize sales promotions in order to drain outdated or deteriorated products and the products which are expected to be outdated or deteriorated in the near future for the best interest of the company.

The company introduced a new software called Smartcore to replace the old system by adopting the POS (Point of Sale) system for management by linking to the accounting system in the form of Near Real Times and developing data analysis systems including communication systems within the organization. The results are that the company's management can get up-to-date, accurate and fast information so that it can be used to procure products and/or managing inventories for increased efficiency.

In addition, the company has an average selling period of 57 days in 2021, and the inventories turnover ratio was 6.29 times in 2021. There was a turnover of inventories at a relatively high ratio. Therefore, the company expects that there will be no significant provision for obsolete inventories.

### Total Liabilities

At the end of 2021, the company had total liabilities of 3,056 million baht in the consolidated financial statements. The company's total liabilities consisted of current liabilities of 2,078 million baht, representing 68% of total liabilities in the consolidated financial statements. The company had non-current liabilities of 978 million baht, accounting for 32% of the total liabilities in the consolidated financial statements. Compared to total Liabilities at the end of 2020, the total increased by 3.4%.

### Short-term loans from financial institutions

As of 31 December 2021, in the consolidated financial statements, the company had short-term loans from financial institutions in the amount of 730 million baht which was an increase from the borrowed amount used in business operations from the previous year.

### Trade and other payables

As at 31 December 2021, in the consolidated financial statements, the company has trade and other payables of 942 million baht, consisting of trade and other payables with a total of 756 million baht or 80 percent of all trade and other payables. There was 142 million baht of accrued expenses or 15% of all trade and other payables. Advance income of 44 million baht, representing 5% of all trade and other payables.

### Entire business transfer transaction from subsidiary company

On 30 April 2021, the company entered into an entire business transfer agreement with Computer System Connection International Co., Ltd. (subsidiary) to take asset transfer, liabilities and obligations to the company. The company agreed to pay compensation for the entire business transfer in the total amount of 97.8 million baht, which was the price based on the net book value of assets and liabilities as of 30 April 2021 according to the subsidiary's financial statements.

On 30 April 2021, the Annual General Meeting of Shareholders of Computer System Connection International Co., Ltd. passed a resolution approving the dissolution of the business. The subsidiary registered its dissolution with the Ministry of Commerce on 14 May 2021 and is currently in the process for liquidation.

As of 31 December 2021, the company has a balance of consideration for the entire business transfer payable to its subsidiary with the amount of 97.8 million baht. This is included as a part of other payables in the financial statements.

The company recorded the difference between the compensation and the net book value of assets and liabilities at the date of the transaction with the amount of 247.4 million baht which was a surplus from business transfer under common control.

The company also recorded the reduction of all such surpluses with investments in subsidiaries as of the date of the acceptance of the entire business transfer. The difference arose from a list of identifiable assets acquired and liabilities acquired from the date the company gained control of the subsidiary in 1 October 2019 ("Acquisition Date"). This consisted of intangible assets, trademarks, goodwill and deferred tax liabilities

### Capital Structure

The company manages by using short-term loans with low interest rates as well as working capital from sales. By the end of 2021, it was clear that the company had a strong management structure and had a debt to equity ratio of 2.56 times, a decrease of 3.0 times from 2020 with a debt to equity ratio of 3.0 times.

### Source of funds

From the past, the company has been using the source of funds from the shareholders' equity and from the working capital of operations. As of 31 December 2021, the company has a paid-up capital with a total of 366,398,859 baht and a shareholder's equity with a total of 1,192 million baht. This increase to 21.0% of shareholders' equity in 2020 as a result of retained earnings increased from profits with the amount of 207 million baht in the year.

### Appropriateness of the capital structure

When considering the debt to equity ratio in 2018, 2019, 2020 and 2021, it was found that the debt to equity ratio was 0.80 times, 1.52 times, 3.0 times and 2.56 times respectively. The total decrease accounted for 14.1 percent of total liabilities in 2020.

### Factors and influences which may affect operations and financial position in the future

The company plans to open branches in Bangkok and major provinces in many provinces. By 2022, the company aims to open 40 more branches nationwide in which the opening of such branches, the company plans to use working capital from operations which is sufficient for investment. For branch expansion, the company expects that it will be able to increase its sales and net profit without affecting the sales of each existing branch. The company has a policy to open new branches to cover new service areas which do not duplicate existing branches, and the growth rate of computer and Smart phone demand in Thailand which is still high.

### Investment Policy in Subsidiaries and Associated Companies

The Company focuses on investing in businesses that are in line with the Company's goals, vision and growth strategy, which will lead to higher operating income or profits. Requests for approval of investment in subsidiaries or associates must be in accordance with the Notification of the Capital Market Supervisory Board and the Board of the Stock Exchange of Thailand Re: Acquisition or Disposition of Assets and/or Re: Connected Transactions (whichever the case may be).

For such investment, the Company focuses on long-term investments that can generate good returns for the Company and shareholders as a whole. The Company takes into consideration the fundamentals of the business when choosing a potential investment or invests in businesses that will enhance the Company's competitiveness.

Nonetheless, the Company may consider investing in other non-core businesses in the future given that the investment is consistent with the Company's business conditions and strategic plans.





## Ratio Analysis

Consolidated financial statements of IT City Public Company Limited and its subsidiaries

Liquidity ratio		2019	2020	2021
Current ratio	(times)	1.06	0.86	0.92
Quick ratio	(times)	0.25	0.17	0.18
Cash flow liquidity ratio	(times)	(0.07)	0.16	0.24
Receivables turnover – total sales	(times)	35.74	39.22	65.49
Collection period – total sales	(days)	10	9	5
Receivables turnover – wholesale	(times)	11.64	7.45	5.36
Collection period – wholesale	(days)	31	48	67
Inventory turnover	(times)	4.58	5.99	6.29
Inventory turnover period	(days)	79	60	57
Account payable turnover	(times)	6.65	9.22	10.93
Payment period	(days)	54	39	33
Cash Cycle	(days)	55	69	92
Profitability ratio				
Gross profit margin	(%)	13.81	15.02	16.22
Operating profit margin	(%)	(0.11)	(0.70)	2.88
Other profit margin	(%)	0.61	0.64	0.56
Quality of earnings	(%)	1,663.59	(548.90)	188.92
Net profit margin	(%)	0.46	(0.59)	2.36
Return on equity	(%)	2.62	(4.08)	18.86
Efficiency ratio				
Return on total assets	(%)	1.00	(1.26)	5.01
Return on fixed assets	(%)*	34.63	42.65	42.15
Asset turnover	(times)	2.19	2.14	2.13
Financial policy ratio				
Debt to equity	(times)	1.52	3.00	2.56
Interest coverage ratio	(times)	(3.06)	(0.10)	6.56
Fixed charge coverate ratio (cashflow adequacy)	(times)	(1.46)	0.65	0.87
Dividend payout ratio	(%)	45	-	61
Data per share				
Par value	(Baht)	1.00	1.00	1.00
Book value per share	(Baht)	2.82	2.69	3.25
Earnings per share	(Baht)	0.080	(0.11)	0.56
Dividend per share	(Baht)	0.03	-	0.30
Weighted average number of shares	(Share)	306,563,242	366,398,859	366,398,859
Growth rate				
Total assets	(%)	74.60	51.00	7.84
Total liabilities	(%)	137.10	87.60	3.44
Sales and service income	(%)	5.90	30.72	24.56
Cost of sales and services	(%)	3.75	28.87	22.79
Selling and administrative expenses	(%)	27.59	35.69	15.24
Net profit	(%)	(42.03)	(268.46)	598.56

\*Return = Net Profit before Depreciation and Amortization/Assets = Fixed Assets



# GENERAL AND OTHER KEY INFORMATION

## General Information

Company name	IT City Public Company Limited
Symbol	IT
Business	<p>IT City Public Company Limited is the Retail Superstore chain selling Computers, Tablet, Peripherals, Smart Phone, other related IT products including new products such as IOT and Gaming.</p> <p>We're Professional under the trade name "IT CITY" which is a retail superstore chain, specializing in IT products. Its slogan is "The IT Superstore".</p>
Location	<p>Head Office : The Palladium World Shopping, 555 B1, B2, 5<sup>th</sup> Floor, Ratchaprarop Road, Makkasan, Ratchathewi, Bangkok 10400</p> <p>IT City Warehouse : 2002 Moo 9, Sukhumvit Road, Tambon Teparak, Amphoe Muang Samutprakarn, Samutprakarn, 10270</p>
Home Page	<a href="http://www.itcity.co.th">www.itcity.co.th</a>
Tel	0 2656 5030-39
Fax	0 2656 5049
Capital	Its registered capital is 366,398,859 Baht which is divided into 366,398,859 shares with a par value of one Baht each.
Type and Amount of Stock Sold	Its paid-up capital is 366,398,859 Baht consisting of 366,398,859 ordinary shares with a par value of one Baht each.
Company's registration No.	0107545000349

## References

### 1. Share registrar:

Thailand Securities Depository Co., Ltd.  
14<sup>th</sup> Floor, Stock Exchange of Thailand  
93 Ratchadapisek Road, Din Daeng, Bangkok 10400  
Tel: +66 (0) 2009 9382  
Fax: +66 (0) 2009 9001 Ext. 9382

### 2. Auditor:

EY Office Limited.  
11<sup>th</sup> Floor, Lake Ratchada Office Complex  
193/136-137 Ratchadapisek Road, Bangkok 10110  
Tel: +66 (0) 2264 0777  
Fax: +66 (0) 2264 0789-90

### 3. Lawyer:

Kudun and Partners Limited  
127 Gaysorn Tower, 23<sup>rd</sup> Floor, Unit C,F  
Ratchadamri Road, Lumpini, Pathumwan,  
Bangkok 10330, Thailand  
Tel : +66 (0) 2838 1750

## Other key information

-None-

## Legal Disputes

As of 31 December 2020, the company found a case of dishonest behavior of the company's employees through the online payment system of the company. The damage value is approximately 90 million baht, which is more than 5% of the company's shareholders' equity as of 31 December 2020, which is the end of the company's accounting period. The company has recorded such damage as a reserve expense, full damage in the 2020 financial statements.

The company has fired the employees and legal action both civil and criminal has been done against those involved. The company has conducted a review of the payment system from the company's online sales channels and other payment methods for the amount of payment received whether it was correct and complete. The company did not find any additional damage in addition to the damage mentioned above. The company also sent a notice to the service providers of the online merchandising platform with which the company transacted to. We have specified the company's bank account as a single account for payment of goods only and do not allow any other person to modify or add to the bill payment account if there is no written notice

from the company given. The company has increased the frequency of checking and reviewing online product sales on all platforms and let the internal audit department of the company thoroughly examine the online merchandising platform the company currently has. The aim is to identify risks and prevent fraudulent actions and to do so on additional platforms in the future before they are put into operation.

The Board of Directors has resolved to appoint a working group to investigate further details and set guidelines for revisions and improvements to the company's internal control system. The working group has checked the facts and could not find any additional details. From the recommendation of the working group, the Board of Directors has therefore approved measures for management and prevention of fraud related to electronic transactions and additional cybersecurity. In addition, there was a resolution approving the hiring of P&L IT Audit Company Limited to examine the internal control system to comply with the company's policies and operating regulations, general technology control, application control and penetration testing. The results of the internal audit on information technology revealed that the company's information system control has been properly compiled. The results of the internal audit on compliance with the company's policies and operating regulations have found that there is an internal control system which is sufficient enough to enable the company to increase efficient and effective operations without any significant errors.

At present, the company has already taken legal action against related parties. On March 15, 2021, Samut Prakan Provincial Court issued a judgment against the company's employees who acted dishonestly. They received a total sentence of 20 years in prison and had to pay reimbursement to the company with the total number of 90,561,141.10 baht. The company believes that the internal audit system of the company is still effective, appropriate and sufficient and such disputes do not have a material negative impact on the assets or business operations of the company.

## Secondary market

-None-

## Financial institutions frequently contacted (only if the Company issues a debenture)

-None-





# Corporate Governance Policy

## Overview of Operation Policy and Guidelines

The Board of Directors realizes the importance of good corporate governance which is necessary for the business operation and gives the company an efficient management system. It is an important part in promoting the company's business continuously and steadily. It will create confidence for shareholders, investors and related parties as well as create the best benefits for the company in the long run. Therefore, the company has established the Good Corporate Governance Policy which is in accordance with the principles of corporate governance for companies listed on the Stock Exchange of Thailand. The objectives are for the corporate governance of the company. The full version of the Good Corporate Governance and Business Ethics Manual appears on the company's website: [www.itcity.co.th](http://www.itcity.co.th).

## Corporate Governance Policy

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.

## Good Corporate Governance Principles

### 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 personnel 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



## Duties and Responsibilities of the Board of Directors toward the Shareholders: Determination of the Strategic Directions and the Corporate Governance Policy

The Board of Directors is responsible for the shareholders on the business operation of the Company and the corporate governance according to the goal and guideline causing the maximum benefits to the shareholders within a framework of the good ethics and a concern on the benefits of all stakeholders. The Board of Directors has duty to comply with the laws, objectives, and Articles of Association of the Company, and the resolution of the Shareholders' Meeting by honestly and prudently performing the duty and maintaining the benefits of shareholders both in short-term and long-term.

To ensure the Company's operations to be taken place in a direction causing the maximum benefits to the shareholders, the Board of Directors shall supervise to establish the vision, mission, goal, policies, operating directions, long-term strategies, plan and annual budget of the Company.

The Executive is entrusted to present, and the Board of Directors expresses its opinions, and fully discuss with the Executive for mutual consent before considering and approving.

Meanwhile, the Board of Directors is determined to govern the management according to the setting goal by formulating and operating according to the principle and policy of good governance.

## Shareholder Policy: Rights and Equality of the Shareholders and the Shareholders' Meeting

The Board of Directors establishes the governance policy for the equitable treatment of shareholders and protection of the basic rights. The organizing process



the shareholders' meeting supports all shareholders to conveniently attend the meeting, provide an opportunity for the shareholders to enable to give a proxy to an independent director, and suitably allocate time in order to promote the shareholders to have the equal opportunity to express their opinions and raise any queries in the meeting according to the meeting agenda.

The Board of Directors shall not needlessly add the meeting agenda that is not notified in advance, particularly the important agenda of which the shareholders must take time to study the information before making their decisions. In addition, the Company also gives an opportunity to the minor shareholders to propose the matters, or nominate a person who is qualified according to the rules prescribed by the Company to be considered and elected as the Company's director; and strictly complies with the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission regarding the conflict of interest. The Board of Directors mainly gives precedence to prudent, fair, and transparent management of the related party's conflict of interest, and complete, clear and timely disclosure of the said information for the Company's benefits. In addition, the Company also establishes the governance policy for the insider trading in the Company's rules and regulations, and penalty in case where the executives or the employees disclose the Company's insider information to the public or utilize for their own benefits, and also completely disclose the Company's shareholding of the Board of Directors and the top executives.

### Conflict of Interest Policy

The Board of Directors adheres to policy on not to allow the directors, executives, and employees to take the opportunity from the Company's director, executive, or employee status to exploit the personal benefits. Therefore, the directors are prohibited to operate the business which is competitive with the Company, avoid the entry into the transactions which are related with themselves, possibly causing the conflict of interest with the Company, or in case of necessity to be enter such transactions, the Board of Directors shall supervise to ensure the transparency and impartiality in the entry into such transactions as if the entry into the transactions with the third parties. However, the directors, executives, or employees who have gain and loss on the said transactions, shall not participate in consideration and approval.

In the case within the related party transactions under the Notification of the Stock Exchange of Thailand, the Board of Directors shall supervise to ensure the strict compliance with the rules, procedures, and disclosure of the related party transaction information of the listed companies.

### Stakeholder Policy

The Board of Directors is aware of the rights of stakeholders. Therefore, promotes the collaboration between the Company and the stakeholders, as well as the key related parties, for instance, employees, customers, business partners, creditors, government agencies, communities



where the Company is located, as well as public society. The ethics handbook for the directors, executives, and employees has been established to mainly adhere in working on the fairness and balance basis in synergy of mutual benefits.

Moreover, the Board of Directors also determines to ensure the reporting of information relating to the Company's operations that should be aware by the stakeholders and the related parties, and the reporting of the information on the annual report and website, etc., and the provision of two-way communication channels for the stakeholders and the unfairly treat from the Company's acts, and all groups of stakeholders' complaint channel, and conclusion of the reports to the Board of Directors for acknowledgement.

### 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.

### Risk Management Policy

The Board of Directors establishes the Company's risk management system relating to all areas, covering the risk factors relating to vision, goal, and strategies in business, finance, production, and other operation by taking into account the likelihood and severity level of impact, and clearly formulates the preventive and corrective measures and the person in charge, and also formulates the reporting, monitoring, and evaluating measures. The Risk Management Committee in the management level is established to perform the duty in regularly presenting the plan and action result according to the plan of the Audit Committee, and periodically reporting the Board of Directors. The risk management system and effectiveness are assessed at least once a year, and in every period of which a change in risk level is detected.

### Internal Control Policy

The Board of Directors always manages the Company with the internal control system covering all areas in finance, operation, execution according to the related laws, regulations and rules; and having the efficient and adequate check and balance mechanism in protecting and overseeing the shareholders' investments and the Company's assets. It also manages to determine a hierarchy of the approval power and responsibilities of the executives and employees with self-check and balance, and formulate the operating rules in writing. There is an independent internal audit unit that directly reports to the Audit Committee and performs the duty in auditing the operation of all work units both business unit and support unit to be line with the prescribed rules.

### Performance Monitoring and Assessment Policy

The Board of Directors determines that the Executive shall regularly report the actual overall operations in comparison with the goal for acknowledgement of the Board of Directors in order to ensure that the overall operation is in line with the setting goal, as well as report the finance and operating progress in various areas. In the case where the operation is not in line with the prescribed plan, the Board of Directors shall participate to correct and improve or supervise the Executive to present the plan to solve the situations.

The Board of Directors arranges the assessment of the Executive Chairman, and the top executives in descending order, using the goal and rules for assessment that connected with the strategic plan and annual plan for considering and determining the suitable remuneration and motivation measures.

### Succession Policy

The Board of Directors realizes on the significance of the Company's efficient and effective administration, as well as continuous business operation, bringing about the sustainable growth and advance of the organization. Thus, the Company has commenced to prepare the succession plan by determining the succession procedure and process of the Executive Chairman, Vice Executive Chairman, President, Vice President, and other top executive positions in order to ensure that there are the executives with knowledge and competency in succession of the key organizational position accordingly.

### Information Technology Management Policy

The Company manages the data and information system covering the operations in organizational level, financial reporting level, operating unit level, and policy-based practical level, and practical levels used in controlling in order to ensure the efficient communication so that the Board of Directors, the executives, employees, shareholders, investors, and all groups of stakeholders are accurately and completely informed of the key data. In addition, the Company also arranges the channels where the employees or the third parties can notify the complaints to the Board of Directors or the Audit Committee or the related agencies through the channels appeared in this corporate governance and business ethics policy.

### Anti-Corruption Policy

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.

### Policy for Managing the Confidential Information Affecting the Securities Price

The Board of Directors highly realizes on the significance of the prevention of the Company's insider information for personal benefits. However, the insider trading is an offence pursuant to the Securities and Exchange Act B.E. 2535 (1992) (as amended).

Therefore, the Company establishes a policy for determining and prohibiting the directors, executives, and employees, as well as the related parties to use the insider information with the third parties or non-related parties before disclosing to the public for acknowledgement all over through the Securities Exchange of Thailand.

Moreover, the Company's directors and executives (including spouse and underage child) shall report the change in the securities holding to the Office of the Securities and Exchange Commission pursuant to Section 59 of the Securities and Exchange Act B.E. 2535 (1992) (as amended) within 3 (three) working days from the date of changing of the securities holding, as well as deliver the copy to the Corporate Secretary in order to gather and quarterly present to the Board of Directors' Meeting.

### Sustainable Development Policy

With the determination of the corporate business creation for secure and sustainable growth adhered by the Company all the time, the Company operates its business with the Principle of Good Governance, and management aiming for creating a sustainable balance among the economy, society, and environment, and also adopting







the international operating guidelines in formulating the sustainable development strategy, for enhancing the business competitiveness and creating the value to all parties of stakeholders as follows.

#### **Creation of Corporate Business for Secure and Sustainable**

With expansion of distribution and marketing channels all over the Kingdom of Thailand, the target group of customers can easily access the products, and well recognize the IT City, CSC, ACE and IT Dot brands, and brands in order to achieve the headmost goal in computer, Smart phone, IT accessories, and new groups of products, for instance, IOT and gaming.

#### **Continuous Development of the Corporate Internal Control System**

To continually improve and develop the internal system of the organization in order to enhance working efficiency and speed. The Company will remain its management system of power allocation to adapt with changes at all times.

#### **Enhancement of the Employee Competitiveness**

To improve and develop the training plans of the Company to be ready for supporting the business growth and focus on the Company's image in the aspect of professionalism.

#### **Maintenance of Good Relationship with All Business Partners**

To maintain good relationships with all partners and become the part in providing assistance, developing and improving the society, and taking responsibilities towards environment for sustainability in a long term.

#### **Corporate Culture and High Corporate Attitude**

It is regarded as the duty of the Board of Directors in organizing the Company to have an appropriate corporate culture by entrusting the Executive to present the desired corporate culture, and oversee to ensure the efficient communication to the employees for reinforcing the mutual understanding and. The Board of Directors has duty to behave itself as a good model.







## Business Ethics

### Principle of the Business Operation 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.

The Company shall take its best effort to develop the business for the continuous and sustainable growth and generation of good return on investment of the shareholders by adhering to the principle of the equitable shareholder treatment.

### Compliance with the Related Laws and Rules

The Company aims for respecting and complying with the related laws, rules, and regulations in wherever it enters to operate the business, and establishing as the following policies.

1. The directors, executives, and employees shall comply with the laws, rules, and regulations, and respect the local traditions in the areas and/or the countries where the Company enters to operate the business.
2. The directors, executives, and employees shall comply with the requirements of the Stock Exchange of Thailand, and the Office of the Securities and Exchange Commission.
3. The directors, executives, and employees shall comply with the Company's rules.
4. The directors, executives, and employees shall not assist, support, or collaborate to promote the avoidance of compliance with the laws or rules.
5. The directors, executives, and employees shall collaborate with the supervisory agency, and report the data relating to violation or breach of the laws or rules to the said agency.

### Conflict of Interest and Confidentiality Shareholder Responsibility

The Company adheres as the significant policy to not allow the directors, executives, and employees take the opportunity from the Company's director, executive or employee status for exploitation. Therefore, the Company establishes as the practice for the Company's directors, executives, and employees as follows.

1. Avoid the entry into the transactions that are related to them and may cause conflict of interest with the Company.
2. In the event of necessity to enter such transaction for the Company's interest, such transaction shall be entered as if the entry of transaction with the third party, the directors, executives, or employees who have gain and loss in that regard shall not take part in consideration and approval.
3. In the case where it is within the scope of connection under the Notifications of the Stock Exchange of Thailand, the rules and procedures, and disclosure of the related party information of the listed companies shall be strictly complied.
4. In the case where the director, executive, and employee or family member who are involved in or are the shareholders in the business that is competitive with the Company's business or any business that may cause the conflict of interest with the Company, a written notice shall be given to the President.
5. In the case where the director, executive, or employee are the director, partner, or advisor of the Company or other business organizations, the said position holding shall not be in conflict with the Company's interest and the direct duty performance in the Company.

### Supervision on the Insider Trading

The Board of Directors highly realizes on the significance of preventing the use of the Company's insider information for personal interest. Therefore, the confidentiality policy for the information that has not yet been publicly disclosed is established, whereas it determines that the said information can be particularly recognized by the related parties only.

However, the Company has notified the executives for acknowledgement about the duty in reporting the holding of the Company's securities by them, their spouse and underage child, as well as reporting the change in the securities holding with the Office of the SEC, and the Stock Exchange pursuant to Section 275 of the Securities and Exchange Act B.E. 2535 (1992).

Moreover, the Company prohibits the directors, executives, and employees, including the said persons' spouse and underage child to purchase, sell, transfer or accept the transfer of the Company's securities using the insider information that has not yet been publicly disclosed. In the case where the directors, executives, and their spouse and underage child to purchase, sell, transfer, or accept the transfer of the Company's securities that are not within the scope of the above case, they shall report to the Office of the SEC and the Stock Exchange every time of purchase, sale, transfer, or acceptance of the transfer of securities, and deliver the copy of this report to the Vice President of Finance to be kept as evidence every time.

### Management of the Confidential Information that affects the Securities Price

The Company gives precedence to the management of confidential information that affects the securities price. It is deemed as one of the duties of the Board, executives, employees, advisors of the Company and its affiliated companies that the following operating guidelines shall be adhered.

1. Establish the internal control system for prevention of the confidential information leakage.
2. Cultivate to be the corporate culture via the regular communication in order to ensure that the related parties are aware of their duty in the Company's confidentiality.
3. Limit a minimum number of persons who can access the confidential information on need to know basis and have the control system for the contractual parties and other service providers of the Company to be accessible to the Company's system.
4. Take precaution in case of receiving or forwarding the information to the third parties, whereas every party must be aware of his/her own duty in part that is related to the use of information and the control of the confidential information.
5. Have the appropriate information technology system and control.

## Responsibility on the Company and the Properties of Company

### Protection of the Company's Properties

The Company promotes the maximum efficiency of the executives and employees in use of the Company's resources and properties in order to enhance the good competitiveness and services to the customers. The following is determined as the operating guideline of the executives and employees.

1. They shall economically use the Company's properties and resources for maximum interest.
2. They shall help overseeing any of the Company's properties not to be wrongfully devalued or lost.
3. They shall not use for personal interest or for other person who is not related to the Company's business.

### Document Preparation

1. Must prepare the documents with honesty and diligence according to the prescribed standards.
2. Prohibit to counterfeit the books, reports, or documents of the Company. Use of Computer and Information Technology.

### Use of Computer and Information Technology

1. Computer, information technology and information used in operation shall be regarded as the Company's properties. The executives and employees should not use computer and information technology for personal interest.
2. The executives and employees are prohibited to disclose Password or any protected systems of the Company, which are used in access of the Company's information system, to other persons.
3. The executives and employees are prohibited to disclose the information in any protected data system of the Company or the data purchased by the Company without permission.
4. The executives and employees are prohibited to change, duplicate, delete, or destroy any protected data of the Company without permission.
5. The executives and employees are prohibited to publicize, reproduce, or use the illegal software, and are prohibited to reproduce the copyrighted software for whatever reasons without permission from the software manufacturing company.

## Expression of the Opinions and Giving the Interview to Mass Media

The Company determines that the Executive Chairman, the Vice Executive Chairman, and the President, shall have power to give an interview or reply the queries of the shareholders, investors, mass media, and third parties. Other top executives may use the data under the permission of the Executive Board.

## Exercise of the Political Rights

The Company supports the directors, executives, and employees to exercise their own rights as the good citizen according to laws. However, the directors, executives, and employees are prohibited to participate in any activities that may cause the understanding that the Company is involved with or supports any political parties. The following is determined as the practice of the directors, executives, and employees.

1. The individual right as good citizen should be exercised according to the constitutional law and other related laws.
2. They are entitled to participate in the political activities in their name other than working hours and not in the name of the Company.
3. They are prohibited to participate in any activities that may cause understanding that the Company is involved with or supports any political party or any powerful group.
4. They are prohibited to use the Company's properties to support any political party or any powerful group.

## The Company's Stakeholder Treatment Shareholder Policy and Treatment

The Company well realizes that the shareholders are the business owners and the Company has duty to create added value to the shareholders in long term. Therefore, the directors, executives, and employees are determined to comply with the following guidelines.

1. Perform the lawful duty with integrity, make decision on any executions with fairness to the major and minor shareholders for the maximum interest of the overall shareholders.
2. Regularly and completely present the Company's status report, turnover, financial and accounting position, and other reports on fact basis.
3. Equitably notify all shareholders for acknowledgement about the future corporate trend both in positive and negative aspects based on the possibility and availability of adequate supporting and reasonable data.

4. Perform the duty by applying managerial knowledge and skill at full capacity in all events.
5. Reinforce the duty performance having the standard operating system and good control with the adequate data and referable evidence.
6. Not exploit for the personal and related party's benefit using any information which has not yet been publicly disclosed or take any actions in the nature that may cause conflict of interest with the organization.

## Towards employees

1. Applying leadership to coordinate and operate with knowledge and abilities to achieve corporate effectiveness.
2. Promoting collaboration, good working environment, disciplines, teamwork and consciousness among employees.
3. Giving priority to the development of employees' knowledge and abilities for the whole organization and on regular basis.
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.
5. Considering appointments, rotation, awards and punishment for employees with honesty and based on the knowledge, abilities and appropriateness of that employee.
6. Providing fair remunerations to employees.
7. Treating employees with politeness and respect towards their individuality and human dignity.

## Customer Policy and Treatment

The Company realizes on the importance of customers toward the Company's business success. Therefore, it intends to always seek for the procedure to more efficiently and effectively fulfill the customer needs. The following is established as the policy and practice.

1. Provide the quality services, completely and properly disclose the news information relating to the services, not distort the fact that causes the customer misunderstanding on the quality, quantity or any conditions of the said goods and service.
2. Fairly treat the customers, not discriminate, avoid the use of confidential information of the customers for the third party's benefit.
3. Improve and reinforce the new services for customer satisfaction, deliver the goods and provide



- the services that are quality on or above the customer expectation at fair price.
4. Strictly comply with the conditions available with the customers. In the case of failure to comply with any clauses of conditions, a notice shall be given to the customers for acknowledgement in order to mutually consider finding the problem-solving guideline.
  5. Treat the customers politely and efficiently to be trusted by the customers.
  6. Give advice on the instruction of the Company's goods and services for the maximum efficiency and interest of the customers.

#### **Business Partner and/or Creditor Policy and Treatment**

The Company establishes the policy for the equitable and fair treatment to the business partners and/or creditors by taking into account the maximum interest of the Company based on the receipt of return that is fair for both parties, avoiding the situation that may cause conflict of interest, complying with the commitment, providing fact data and correct reports. The problem-solving shall be negotiated and the solution shall be arrived based on the business relationship with the following operating guideline.

1. Find the guideline for reinforcing the good relationship and sustainability between the organization and business partners to be well taken place, consisting of goodwill and satisfaction of all parties, and bringing about the quality and proper services to fulfill the need and saving.
2. Comply with the good policy of the Company by adhering to behaving well, not giving and receiving the bribe, not supporting the act that is illegal or vulnerable to the economy or security of the country.
3. Comply with the conditions strictly agreed, and in case of failure to comply with any clause of conditions, an advance notice shall be immediately given to the creditor for mutual consideration on finding the problem-solving guideline.
4. Behave under the framework of the rule of good competition.
5. Comply with the borrowing conditions according to the agreements and duties that should be available with the creditors.

#### **Business Competitor Policy and Treatment**

The Company establishes the business competitor treatment policy to be consistent with the international principle under the framework of laws relating to the practice of business competition, infringement of secret or perception of business secret with the fraudulence method. The operating guidelines are as follows.

1. Treat the business competitor under the framework of the rule of fair competition.
2. Not seek for the confidential information of the business competitor using the dishonest and illegal procedure.
3. Not discredit the business competitor with defamation or any false and unjust acts.

#### **Anti-Corruption Policy and Operating Guideline**

The Company aims for anti-corruption by not allowing and accepting any corruptions at all, and determines that the Company and the parties related to the business operation shall comply with the anti-corruption policy, covering the compliance of all related work units to execute or perform any acts by emphasizing on transparency, and taking into account the integrity in contacting and entering the transactions with the officers or the agencies in order to avoid the executions that may result in the improper act and conflict with the principle of good governance, and countering bribes to the officers for facilitation or business benefits of the Company. The highest disciplinary penalty shall also be determined for the said offender.

#### **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. 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.
3. Supervise on good occupational health and working environment and encourage everybody to be healthy and working happily.
4. Evaluate and reduce environment impact by emphasizing on improvement and reduction at original sources including effective usage of resources.
5. 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.

6. 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.

## Social and Public Responsibility

The Company supports the undertakings which are useful for the community and public society, does not perform any acts that will discredit the country, natural resources, and environment, does not collaborate or support any person who does the business, which is illegal or vulnerable to the society and the security of the country, and also cultivate the awareness of community and public social responsibility to be arisen in the organization.

The Company intends to operate the business together with social responsibility by adhering to the Business Ethics and Corporate Governance Code. The Company's activity implementation focuses on the employee participation with public mind in order to continuously cultivate the awareness of social responsibility to the all levels of employees in the organization. The Company is involved in the role of supporting the social activities in various periods and occasions under the expectation of the maximum interest to the society and community, implements the activities that are creative and beneficial in supporting the activities of agencies, and supporting monetary matters and equipment for education, for promotion of the youth and Thai society's strong quality of life in order to reinforce the sustainable social foundation of the country accordingly.

## 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:

- **Corporate Secretary: by sending a letter via postal service or directly by hand to: Corporate Secretary,**  
IT City Public Company Limited, The Palladium World Shopping Mall 555 Fl. B1,B2 ,5<sup>th</sup> Ratchaprarop Rd., Makkasan Subdistrict, Ratchathe District, Bangkok 10400 or E-mail: chanchai\_b@itcity.co.th
- **Internal Audit Department:**  
IT City Public Company Limited, The Palladium World Shopping Mall 555 Fl. B1,B2 ,5<sup>th</sup> Ratchaprarop Rd., Makkasan Subdistrict, Ratchathe District, 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.

## Key Changes and Developments of the Corporate Governance Policies, Operating Guidelines, and System in Last Year

In 2021, the Company reviewed the corporate governance policies and operating guidelines in last year in order to ensure the appropriateness and consistency with the Company's situations. The said policies and operating guidelines have been approved by the Board of Directors' Meeting No. 5/2021 on 9 November 2021.

## Certification of the Assessments Relating to Good Corporate Governance

### Project for the Survey of Corporate Governance of Thai Listed Companies

The Company was assessed on the Corporate Governance of Thai Listed Companies for 2021 from Thai Institute of Directors (IOD), and earned the overall average score of the assessment result at 81% that is in "Very Good" level and in the same level as the assessment result in last year.

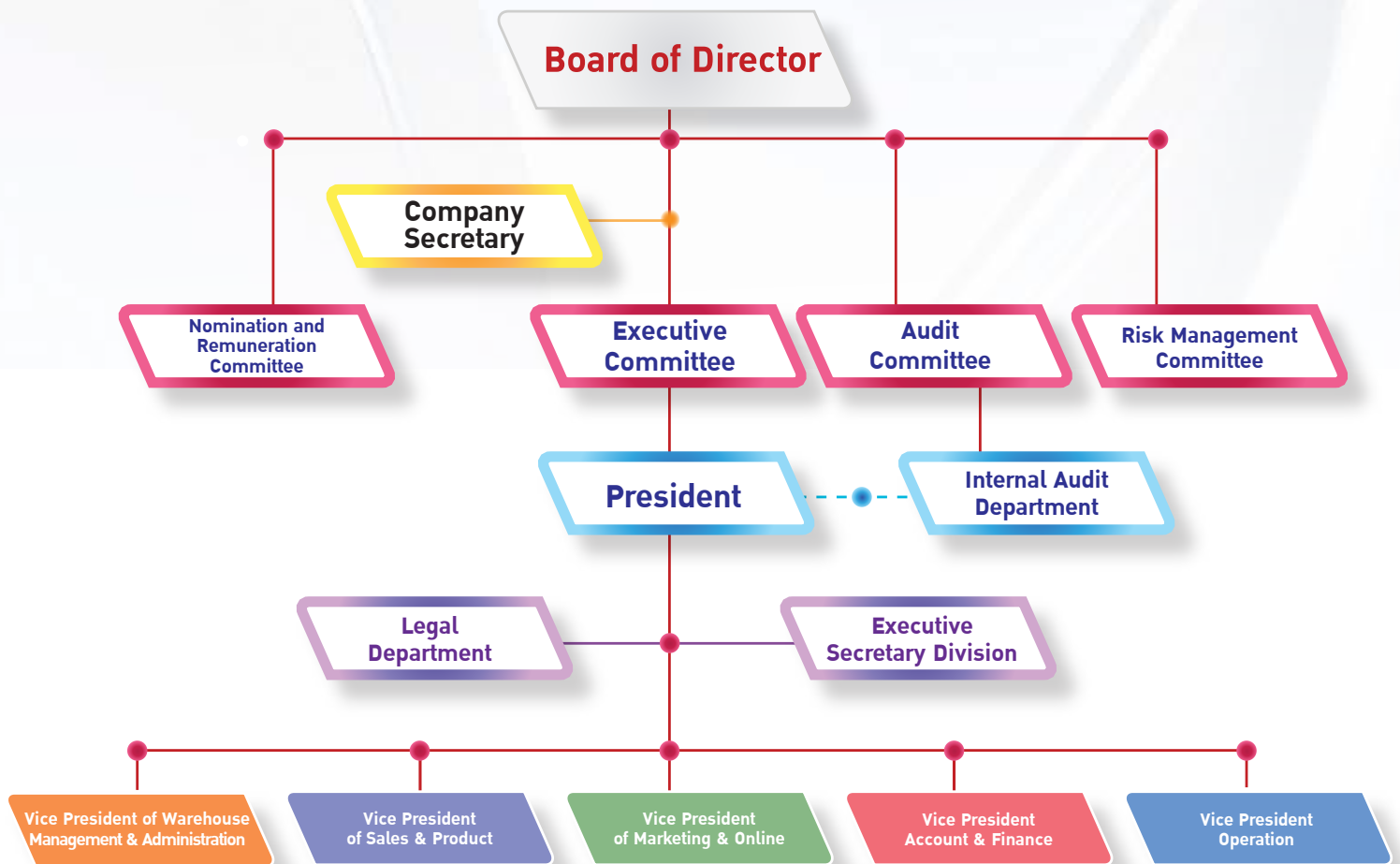
### Project for the Assessment of the Shareholders' Meeting Organizing Quality

The Company was assessed to be in "Excellent" criteria in the Project for the Assessment of the 2021 Annual Shareholders' Meeting Organizing Quality, carried out by Thai Investors Association.

# Corporate Governance Structure

and Key Data Relating to the Board, the Sub-Committees,  
Executives, Employees, and Others

## Corporate Governance Structure





## Data of the Board and the Sub-Committees

Name of directors	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee
1. Mr.Vichit Yanamorn	Chairman of the Board and Independent Director	Chairman of Audit Committee	Director	Director
2. Mr.Ekachai Sirijirapatana	Executive Director	-	-	-
3. Mr.Wilson Teo Yong Peng	Director	-	-	-
4. Mr.Weerapat Punsak-udomsin	Director	-	-	-
5. Mr.Pipope Chokwathana	Director	-	-	-
6. Mr.Pichai Neranartkomol	Executive Director	-	-	-
7. Mr.Sophon Intanate	Executive Director	-	-	-
8. Mr.Damnoen Kaewthawee	Independent Director	Director	Chairman of Nomination & Remuneration Committee	Director
9. Mr.Sarsak Tuntasuwon	Independent Director	Director	-	Chairman of Risk Management Committee
10. Dr.Sathit Pitivara	Independent Director	-	Director	-
11. Mr.Chatlhaphum Khantiviriya	Independent Director	-	-	-

## Summary Data of the Meeting Attendance of the Directors

Name of directors	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Annual General Meeting
1. Mr.Vichit Yanamorn	7/7	6/6	1/1	4/4	1/1
2. Mr.Ekachai Sirijirapatana	7/7	-	-	-	1/1
3. Mr.Wilson Teo Yong Peng	7/7	-	-	-	1/1
4. Mr.Weerapat Punsak-udomsin	7/7	-	-	-	1/1
5. Mr.Pipope Chokwathana	7/7	-	-	-	1/1
6. Mr.Pichai Neranartkomol	7/7	-	-	-	1/1
7. Mr.Sophon Intanate	7/7	-	-	-	1/1
8. Mr.Damnoen Kaewthawee	7/7	6/6	1/1	4/4	1/1
9. Mr.Sarsak Tuntasuwon	7/7	6/6	-	4/4	1/1
10. Dr.Sathit Pitivara	7/7	-	1/1	-	1/1
11. Mr.Chatlhaphum Khantiviriya	7/7	-	-	-	1/1

**Directors holding company's shares are as follows:**

As at 31 December 2021

Name of directors	No. of Sharee	
	As at 31 December 2020	As at 31 December 2021
Mr.Vichit Yanamorn	-	-
Spouse	-	-
Minor	-	-
Mr.Ekachai Sirijirapatana	1,266,978	1,266,978
Spouse	-	-
Minor	-	-
Mr.Pichai Neranartkomol	80,000,000	80,000,000
Spouse	-	-
Minor	-	-
Mr.Wilson Teo Yong Peng	-	-
Spouse	-	-
Minor	-	-
Mr.Weerapat Punsak-udomsin	19,823,881	19,823,881
Spouse	-	-
Minor	-	-
Mr.Pipope Chokwathana	319,000	1,465,859
Spouse	20,000	20,000
Minor	-	-
Mr.Sophon Intanate	-	-
Spouse	-	-
Minor	-	-
Mr.Damnoen Kaewthawee	-	-
Spouse	-	-
Minor	-	-
Mr.Sarsak Tuntasuwon	-	-
Spouse	-	-
Minor	-	-
Dr.Sathit Pitivara	-	-
Spouse	-	-
Minor	-	-
Mr.Chatlhaphum Khantiviriya	-	-
Spouse	-	-
Minor	-	-



## Data of the Board

The Company's management structure consists of the Board of Directors and another Sub-Committees that are the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Executive Board. The directors of the Company, the members of the Audit Committee, the members of the Nomination and Remuneration Committee, the members of the Risk Management Committee, including the executives of each set of the Sub-Committee shall possess the qualifications and non-prohibited characteristics as determined by the related laws. However, the detail of the Company's management structure is as follows.

## Board of Directors

As at 31 December 2021, the Board of Directors consisted of 11 members (each a Director), as follows:

1. Mr.Vichit Yanamorn Chairman of the Board, Independent Director, Chairman of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee
2. Mr. Ekachai Sirijirapatana Director and Executive Chairman
3. Mr. Wilson Teo Yong Peng Director
4. Mr. Weerapat Punsak-udomsin Director
5. Mr. Pipope Chokwathana Director
6. Mr. Pichai Neranartkomol Director and Vice Executive Chairman
7. Mr. Sophon Intanate Director and President
8. Mr. Damnoen Kaewthawee Independent Director, Audit Committee, Chairman of Nomination & Remuneration Committee and Risk Management Committee
9. Mr.Sarsak Tuntasuwon Independent Director, Audit Committee and Chairman of Risk Management Committee

10. Dr.Sathit Pitivara

Independent Director and Nomination & Remuneration Committee

11. Mr.Chatlhaphum Khantiviriya

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

- A) 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.
- B) 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.
- C) 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.
- D) 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
- E) 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.

- F) 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.
- G) 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.
- H) 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.
- I) 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.Ekachai Sirijirapatana 2) Mr.Wilson Teo Yong Peng,
- 3) Mr.Weerapat Punsak-udomsin, 4) Mr.Pipope Chokwathana,
- 5) Mr.Pichai Neranartkomol, 6) Mr.Sophon Intanate, either

two out of the above six directors shall jointly sign their names together with the affixation of the Company's seal.

In addition, the Board of Directors' Meeting No. 6/2021 on 14 December 2021 resolved to authorize Mr.Ekachai Sirijirapatana and Mr. Sophon Intanate, to countersign with Mr.Wannaporn Chansereewitthaya, in performing a juristic act, and/or entering into the contract in order to request for using or receiving the services, or signing in any other documents with the juristic person, government agency, private enterprise organization or any other person in any executions relevant to the ordinary course of the Company's business, relevant to the branch opening, and relevant to the contact with the bank or financial institution, so as to flexibly operate in the matter relating to the operations of the Company's daily routines.

However, the above authorization to Mr. Ekachai Sirijirapatana and Mr.Sophon Intanate in countersigning with Mr.Wannaporn Chansereewitthaya excludes the power and/or the authorization in approving any transactions that the said authorized persons or the person who may have conflict of interest has gain and loss or benefit in any other nature, and the conflict with the Company or its subsidiaries (if any) according to the regulations of the Stock Exchange of Thailand. The approval on the said nature shall be proposed to the Board of Directors' Meeting and/or the Shareholders' Meeting for considering and approving the said transactions as prescribed in the Articles of Association of the Company or the related laws, unless it is the approval on the transaction that is in the nature of the Company's ordinary course of business transactions, where the consideration framework has been clearly formulated.

### Scope of Authority and Responsibilities 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) 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 he or she has a direct or indirect interest in any contract which is made by the Company; and 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.

### **Roles and Duties of Chairman**

- A) Be the leader of the Board of Directors and in the Board of Directors' meetings
- Run the Board of Directors meeting according to the agenda, articles of Association and Law
  - Allocate enough time and encourage all directors to discuss freely and exchange opinions and use discretion carefully, taking into account all stakeholders in its entirety
  - Clearly summarize the resolutions of the meeting and what needs to be done next
  - Set up a Board of Directors meeting without any directors from the management.
- B) Be the leader in the shareholders' meeting in accordance with the agenda, Articles of Association and Law and allocate time appropriately as well as give shareholders an opportunity to express their opinions equally, and ensure that shareholders' inquiries are properly and transparently answered
- C) Strengthen good relationship between the Board of Directors and the Management and support the performance of the management's duties in accordance with the company policy
- D) Supervise the disclosure of information and manage it transparently in case of conflict of interest
- E) Supervise the Board of Directors to have an appropriate structure and composition
- F) Supervise the performance of the Board of Directors as a whole as well as for sub-committees and each director s that it is efficient and effective
- G) Supervise the assessment of the overall performance of the Board of Directors, individual company directors, chairman and various committees and bring the results to improve the performance and enhance knowledge of the company's directors and sub-committees

### **Director's tenure**

In every Annual General Meeting of Shareholders, the one-third of the directors shall proportionally vacate the office. If the number of directors is indivisible into

three portions, the directors in the number that is closest to one-third portion shall vacate the office. The directors who shall vacate the office in the first year and the second year after transformation shall draw lots. In the following years, the directors who are in the office for longest term shall vacate the office. The retired directors may be newly elected by the Shareholders' Meeting.

### Nomination of the Directors

The Board of Directors has appointed the Nomination and Remuneration Committee to consider the person who has knowledge, competency, experience, and good work history, leadership, broad vision, including virtue, ethics, and good attitude toward the organization in order to perform the duty to nominate the person who will hold the Company's director position, and determine the remuneration of directors according to the operating guidelines prescribed by the Stock Exchange of Thailand until the Board of Directors will completely establish the regulations for duty performance of the Nomination and Remuneration Committee. Thus, in selecting a person who will hold the Company's director position, the Nomination and Remuneration Committee shall consider selecting according to the regulations of qualifications

pursuant to Section 68 of the Public Limited Companies Act B.E. 2535 (1992), and propose the Board of Directors for consideration in order to propose the Shareholders' Meeting to consider appointing the director, using majority vote according to the following rules and procedures.

- A) Each shareholder shall have one vote per one share.
- B) 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.
- C) In a case where there is a tie amongst Board candidates, the Chairman of the meeting shall cast the deciding vote.

### Payment Policy for the Remuneration of Directors

The Nomination and Remuneration Committee shall consider determining the remuneration of directors from the Company's turnover, business size, and the Board of Directors' responsibilities in comparison with other listed companies that are in the same industry as the Company by taking into account the burdens, duties, and responsibilities of each director, under the consideration and approval of the Shareholders' Meeting.

### Payment of the Remuneration of Individual Director

#### (1) Monetary Remuneration

The 2021 Annual General Meeting of Shareholders on 7 April 2021 resolved the determination of the remuneration of the Company's directors by dividing into monthly remuneration and meeting allowance.

Position	2021	
	Remuneration (Baht/Month)	Meeting allowance (Baht/Month)
Chairman of the Board	200,000	-
Director	30,000	-
Chairman of Audit Committee	20,000	-
Audit Committee	10,000	-
Chairman of Nomination & Remuneration Committee	-	6,250
Nomination & Remuneration Committee	-	5,000
Chairman of Risk Management Committee	-	6,250
Risk Management Committee	-	5,000





## Detail of the Remuneration of the Company's Directors in 2020 and 2021

Name of Director	2020	2021
1. Mr.Vichit Yanamorn	1,920,000	2,420,000
2. Mr.Ekachai Sirijirapatana	-	-
3. Mr.Wilson Teo Yong Peng	351,000	360,000
4. Mr.Weerapat Punsak-udomsin	351,000	360,000
5. Mr.Pipope Chokwathana	351,000	360,000
6. Mr.Pichai Neranartkomol	-	-
7. Mr.Sophon Intanate	-	-
8. Mr.Damnoen Kaewthawee	501,750	500,000
9. Mr.Sarsak Tuntasuwon	486,750	500,000
10. Dr.Sathit Pitivara	356,000	360,000
11. Mr.Chatlhaphum Khantiviriya	351,000	430,000
<b>Total</b>	<b>4,668,500</b>	<b>5,295,000</b>

(1) Directors No. 2, 6, 7 have proposed that they will not receive compensation for holding the position of director, as a permanent employee of the company

## (2) Non-Monetary Remuneration/Other Remunerations

-N/A-

## Information Relating to the Sub-Committees

The Board of Directors has appointed various sub-committee to help oversee the business of the company. The company has disclosed the charter of the sub-committees on the company's website: [www.itcity.co.th](http://www.itcity.co.th)

## Independent Director

the members of the Company's independent director were as follows:

1. Mr.Vichit Yanamorn
2. Mr.Damnoen Kaewthawee
3. Mr.Sarsak Tuntasuwon
4. Mr.Sathit Pitivara
5. Mr.Chatlhaphum Khantiviriya

**Remark:** Mr.Vichit Yanamorn possess knowledge and experience in auditing the financial statement of the company

## Audit Committee

the members of the Company's Audit Committee were as follows:

1. Mr.Vichit Yanamorn  
Chairman of Audit Committee
2. Mr.Damnoen Kaewthawee  
Audit Committee
3. Mr.Sarsak Tuntasuwon  
Audit Committee

Ms.Chirawan Thipkomut is the Secretary to the Audit Committee

## Office Term of the Audit Committee

1. The office term of the members of the Audit Committee shall be 2 years per term.

2. The members of the Audit Committee shall retire upon:

- Death;
- Resignation;
- Retirement from the Company's director status;
- The Board of Directors' resolution for retirement;
- Disqualification of the audit committee member

3. Upon the committee member's retirement by rotation or the event of failure to be in the office until the full term, the Board of Directors shall appoint a new committee member in replacement to be complete within 3 (three) months from the date of which the number of directors is incomplete, and the appointed persons shall have the office term for just equaling to the remaining term of the retired directors.

4. In the case where the director who retires by rotation from the director status and is elected to resume the office, the said director shall resume the director office as before.

## Authorized Duties of the Audit Committee

According to Board meeting No. 3/2008 on 6 August 2008, it was resolved that the authorized duties of the Audit Committee are 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 Board of Directors' Meeting No. 5/2021, held on November 9, 2021, resolved to approve November 1, 2021 as the start date of the Nomination and Remuneration Committee's tenure. which consists of 3 independent committees as follows:

- Mr.Damnoen Kaewthawee  
Chairman of Nomination & Remuneration Committee
- Mr.Vichit Yanamorn  
Nomination & Remuneration Committee
- Mr.Sathit Pitivara  
Nomination & Remuneration Committee

Ms. Nannaphat Thirakanokvilai is the Secretary to the Nomination & Remuneration Committee

### Term of the Nomination and Remuneration Committee

1. The term of office is 2 years each.
2. Members of the Nomination and Remuneration Committee who have retired by rotation may be re-appointed
3. Nomination and Remuneration Committee is out if the position in any of the following cases:
  - Retire from the position of the company's director
  - Resign
  - Pass Away
  - Resign with the decision of the Board of Directors
  - Lack of qualifications for being a member of the Nomination and Remuneration Committee
4. In case the position of the Nomination and Remuneration Committee is vacant, the Board of Directors is responsible for appointing other directors with full qualifications as members of the Nomination and Remuneration Committee. The new candidate must be in the position within 3 months from the date which the number of Nomination and Remuneration Committee members is incomplete.

## Authorized Duties of The Nomination & Remuneration Committee

### 1) Recruitment

A) Consider the structure and composition of the Board of Directors and sub-committees, including the qualifications of the directors which has to be appropriate to the size and nature of the business of the company and present to the Board of Directors and/or the shareholders' meeting or approval

B) Consider the rules and procedures which are suitable for the company on the nomination of persons to hold the position of directors

C) Consider the selection of qualified persons who are not contrary to official regulations to hold the position of director. The qualifications of a person who is going to be an independent director must at least comply with the rules prescribed by the SEC for submission. The naked will be presented to the Board of Directors and/or the shareholders' meeting or approval

D) Consider and select qualified directors to be members of the committees and present to the Board of Directors for appointing consideration

### 2) Compensation consideration

A) Consider or review the format and criteria for payment of all types of directors' remuneration. Make them appropriate and fair to present to the Board of Directors. Consider approval before presenting to the shareholders' meeting for approval.

B) Determine the annual remuneration of directors in accordance with the rules of payment and present it to the Board of Directors for an approval before presenting to the shareholders' meeting.

3) Review the charter of the Nomination and Remuneration Committee on a regular basis.

4) Perform any other tasks related to recruiting and consideration of remuneration as assigned by the Board of Directors

## Risk Management Board of Directors

The Board of Directors Meeting No. 5/2021, held on November 9, 2021, resolved to approve November 11, 2021 as the start date of the Risk Management Committee's tenure. which consists of 3 independent committees as follows:

- Mr. Sarsak Tuntasuwon  
Chairman of Risk Management committee
  - Mr. Damnoen Kaewthawee  
Member of the Risk Management Committee
  - Mr. Vichit Yanamorn  
Member of the Risk Management Committee
- Mrs. Wannaporn Chansareewittaya is the Secretary to the Risk Management Committee

## Office Term of the Risk Management Committee

1. The office term of the members of the Risk Management Committee is 2 years per term. When the office term of the members of the Risk Management Committee is expired, or there is any event where the member of the Risk Management Committee fails to hold the full office term, resulting in incomplete number of directors based on the composition, the Chairman of the Board shall appoint the new member of the Risk Management Committee to replace the vacancy within 3 (three) months from the date of which the number of directors is incomplete for the operating continuity of the Risk Management Committee. The replacing member can be in the office for just equaling to the remaining office term of the replaced member of the Risk Management Committee. If the said case is the case of the Chairman of the Risk Management Committee, the Board of Directors shall execute the said appointment.

2. The member of the Risk Management Committee shall immediately retire upon:

- Retire from the position of the company's director
- Pass Away
- Resign
- Resign with the decision of the Board of Directors
- Resolution of the Board of Directors for retirement

disqualification of the member of the Risk Management Committee status

## Authorized Duties of Risk Management Board of Directors

A) Determine and review the risk management framework, Risk Management Charter, Administrative policies and processes as well as suggest guidelines for managing risks related to the company's business appropriately and efficiently in accordance with the direction of operational strategies, business plans, and changing circumstances.

B) Support and develop risk management at all levels throughout the organization. This includes having various tools continuously and effectively and promoting the development of risk management culture in the organization.

C) Supervise, monitor and review important risk management plans and reports along with giving advice. This is to ensure that the risk is managed effectively and appropriately at an acceptable level and in line with the risk management policy.

D) Report important risk management results to the Board of Directors for acknowledgment. In the event that there are important factors or events which may have a significant impact on the company, they must report to the Board of Directors for consideration as soon as possible.



E) When performing its duties, the Risk Management Committee may seek approval from an independent consultant when considered necessary and appropriate while the company is responsible for the expenses.

### Ongoing Management

As at 31 December 2021, the Company's current management team was as follows:

1. Mr.Ekachai Sirijirapatana  
Executive Chairman
2. Mr.Suwat Panichpakdee  
Vice Executive Chairman
3. Mr.Pichai Neranartkomol  
Vice Executive Chairman
4. Mr.Sophon Intanate  
President
5. Mr.Pairoj Amatamahutana  
Vice President Operation
6. Ms.Wannaporn Chansareewittaya  
Vice President of Finance
7. Mr.Khanaphon Piyalaksanangkul  
Vice President of Sales & Product
8. Mr.Kasame Srilertchaipanich  
Vice President of Marketing
9. Ms.Kamonvor Neranartkomol  
Vice President of Human Resource & Procurement

### Scope of Authority and Responsibilities of the Executive Board

Pursuant to the Minutes of the Board of Directors' Meeting No. 5/2002 on 14 November 2002, the scope of authority and responsibilities of the Executive Board was determined to manage the matters relating to the Company's normal operations and administrative works, establish the business policies, management project budget, and powers in administering the Company, rules of the business operations to be consistent with the economic situations in order to propose the Board of Directors' Meeting for consideration and approval and/or consent, as well as audit and monitoring on the Company's performance according to the established policies. The significant authority and responsibilities can be summarized as follows.

- A) Consider the annual budget allocation as proposed by the Management before proposing to the Board of Directors for consideration and approval, and consider the approval on change and increase in the annual expenditure budget at the time where the Board of Directors is not held, and then propose to the Board of Directors for acknowledgement in the next meeting.
- B) Approve the spending according to the Company's Approval Power Handbook
- C) Approving the spending of the important

investments determined in the annual expenditure budget as entrusted by the Board of Directors or as ever approved in principle by the Board of Directors.

- D) Being the Advisory Body of the Management on the financial, marketing, personnel management, and other operations policies.
- E) Allocate gratuity and reward being approved by the Board of Directors to the employees or workers of the Company or any persons who perform the undertakings for the Company.

However, the power the Executive Board shall exclude the approval on any transactions that may have conflicts or any transactions that the Executive Board or the related parties of the Executive Board has gain and loss or benefit in any other nature that is in conflict with the Company or its subsidiaries (if any) according to the regulations of the Stock Exchange of Thailand. In approving the said nature of transactions, the said transactions shall be proposed to the Board of Directors' Meeting and/or the Shareholders' Meeting for consideration and approval as prescribed in the Company's Articles of Association or the related laws, unless it is the approval on transactions that are in the nature of the Company's ordinary course of business transactions clearly determined in the consideration framework.

### Payment Policy for Total Remuneration of Executives and Employees

The Company appropriately establishes the payment policy for the remuneration of employees in all levels by taking into account the remuneration and benefit rate that is in a similar level as other companies in the same industry, and considering the employee performance evaluation result as element, resulting in the Company's ability to retain the employees who have the high potential and good performance with the Company under the current business competition situation. In addition, the Company also considers the yearly bonus payment from the performance referring to the assessment of the Company's overall operation as motivation and reward for the employees who operate to meet the setting goal.

Other than the remuneration payment, the Company also provides the appropriate welfare to the employees, for instance, travelling expense, accommodation expense, Provident Fund, life and health insurance, etc.

### Total Remuneration of Executives and Executive Directors

In 2021, the company paid salary compensation to 9 executives totaling 17.53 million baht and provided a provident fund. There were 8 executives participating in the project, accounting for 88.9% of all executives.

## Employee Data

As at 31 December 2019 – 2021, total employees and personnel of the Company have been 408 persons, 386 persons, and 1,161 persons, respectively, being classified by the line as follows.

Type of Personnel	31 December 2019 (person)	31 December 2020 (person)	31 December 2021 (person)
Executives	9	6	9
Warehouse Group	57	47	47
Sales and Product	301	282	980
Accounting, Finance and Human Resources	29	24	58
Marketing and Information Division	7	21	92
Legal, Internal Audit and Secretariat	5	6	9
<b>Total</b>	<b>408</b>	<b>386</b>	<b>1,161</b>

### Significant Change in the Number of Employees in the Past 3 Years Period

In 2021, the number of the Company's employees increased from last year due to the branch expansion and acceptance of the transfer of all businesses from Computer System Connection International Co., Ltd., on 1 May 2021.

### Employee Rewards

In 2019 – 2021, the company has paid salaries to employees with the total amount of 196 million baht, 171 million baht and 298 million baht, respectively

### Group Insurance and Provident Fund

The Company has made group insurance for its employees and provided a provident fund with 261 employees participating in the program, accounting for 22.6% of all employees.

### Employee Development Policy

The personnel is the crucial basic resource that help driving the organization to make the goal achievable. In addition, from the current occurred COVID-19 pandemic situation, both society and business have been changed. Therefore, it is necessary for the organization to train and develop the skills to be corresponding with and suitable for the context of New Normal situation for the top executives up to the operators in all levels so that the business can be driven under the current changes. The Company has classified the personnel development into the following groups.

- **All Employees**

The employees are developed to be potential in working with the knowledge enhancement and skill development in the line in order to support the growth

and enhance the competitiveness of the business; as well as adjustment of the work method to be consistent with the situations in the current age, for instance, Work Quality Improvement Course, Communication and Coordination Skill Course, and Ethics and Anti-Corruption Course, etc.

- **Branch Employees**

The development on the service, provision of product knowledge, and management are emphasized so that the employees are skilled, and maintain the good operating standards in order to create the impression and confidence to the customers who use the services, for instance, Service Excellence Course, Operation Planning Course, and Communication and Coordination Skill Course, etc.

- **Operating Level Employees**

The employees are developed in skills, knowledge and competence, and importance of the work roles and duties in order to enhance the employee potential for the maximum working efficiency, and enable to fulfill the corporate needs and goals at full efficiency, for instance, Self-Development Course, Empathic Communication Psychology Course, Work Quality Improvement Course, and Action Plan Course, etc.

- **Supervisory and Manager Level Employees**

The Company realizes on the significance of the supervisory and manager level employee development in Strategic Thinking, Leadership Development, Positive Attitude Creation, and other skills necessary for the business, because the supervisors and the managers are the representatives of the departments in driving the corporate achievements to be successful and attain the setting goals, for instance, Strategic Planning Course, Proactive Leader Course, and Taxation and Account Update Course, etc.

- **Executive Level Employees**

As the executives play the key role toward the achievement of the corporate goals, the Company, therefore, has prepared the executive level development plan through the development of the leadership skill for developing the executive potentials to be ready and enable to be the transformational leader in driving the organization to achieve the setting corporate goals both in terms of overall efficiency and competitiveness, for instance, Strategic Planning Course, Problem Solving and Decision-Making Techniques Course, Delegation of Work and Coaching Course, and Communication and Motivation Course, etc.

Other than the aforesaid trainings, the Company has also manage the corporate knowledge through the collection of the body of knowledge available in the organization so that all employees can access the body of knowledge and efficiently operate, resulting in an enhancement of the corporate competitiveness. The Company has publicized the body of knowledge, for instance, the detail of operating procedures, product-related data, promotion, etc., via Smart Core System, in order to ensure the unlimited self-learning of the employees.

### Significant Labor Disputes in the Past 3 Years

-N/A-

### Other Key Information

#### Corporate Secretary

The Board of Directors resolved to appoint Mr.Chanchai Boonyasurakul to hold the corporate secretary position, whereas the qualifications of the corporate secretary position holder is appeared in **Attachment 1**. The Corporate Secretary shall have the duties and responsibilities as determined in Section 89/15 and 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008) with responsibilities, diligence, and integrity, and shall perform according to the laws, the Company's objectives, and Articles of Association, the resolution of the Board of Directors, as well as the resolution of the Shareholders' Meeting. However, the scope of authority and responsibilities of the corporate secretary is as follows.

1) Prepare and maintain the Directors' Register, Appointment Notice of the Board of Directors' Meeting, Minutes of the Board of Directors' Meeting, Annual Report, and Appointment Notice of the Shareholders' Meeting, and Minutes of the Shareholders' Meeting.

2) Maintain the Report of Stakeholding reported by directors or executives, and submit the its copy to the

Chairman of the Board within 7 (seven) working days from the received date of the Report.

3) Organize the Shareholders' Meeting and the Board of Directors' Meeting according to laws, the Company's Articles of Association, and practices, and oversee and coordinate to ensure the compliance with the Meeting's resolution.

4) Follow up and supervise to ensure the disclosure of information, and report the information in part relating to the rules, notifications, and requirements of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and the Capital Market Supervisory Board.

5) Supervise the activities of the Board of Directors, and carry out other matters as entrusted by the Board of Directors.

6) Take other actions as determined by the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and the Capital Market Supervisory Board.

#### Head of Internal Auditor

The Company has entrusted Miss Jirawan Thipkomut to hold the head of internal auditor to perform the duty in governing the compliance with the regulations of the Compliance Unit for the Company's business operation. The qualifications of the holder of the Company's head of internal auditor position is appeared in **Attachment 3**.

#### Investor Relations

The Company has entrusted Miss Nunnapas Thirakanokvilai, to be responsible for communicating the investors, institutions, shareholders, and analysts and related government sector. At present, the investors can contact to request to be informed of the data that can be disclosed by the Company at:

E-mail : nannaphat\_t@itcity.co.th

Tel : 0 2656 5030-39 Fax. 0 2656 5049

Website: www.itcity.co.th

#### Remuneration of Auditor

The Company has appointed EY Office Company Limited as the Company's auditor approved by the 2021 Annual General Meeting of Shareholders as the auditor that is independent and reliable, and has no relationship or gain and loss with the Company. The Company has paid the remuneration from auditing the Company's account as per the following detail.

Unit : Million Baht

Audit Fee	Fiscal Year of 2020	Fiscal Year of 2021
IT City Public Company Limited	2.00	2.80
Subsidiaries	1.84	0.58
<b>Total</b>	<b>3.84</b>	<b>3.38</b>





# Report of the Significant Overall Operation in Corporate Governance

## Conclusion of the Duty performance of the Board in Last Year

In last 2021, the Board of Directors performed the duty to govern the Management to manage the Company's business to achieve the goals and objectives under the laws and the corporate governance. In 2021, the Board of Directors and the Management mutually reviewed the policies and the compliance with the Corporate Governance Policy, and performed the duty to manage and operate the Company's business according to the laws, the Company's objectives and Articles of Association, as well as the resolution of the shareholders, with diligence and transparency for the benefits of the Company and the overall shareholders. The significant operations in the corporate governance are as follows.

## Nomination, Development, and Assessment of the Duty Performance of the Board

### Rules of the Independent Director Selection (Qualifications/Nomination Process)

The Board of Directors shall mutually consider the qualifications of the person who will hold the independent director position by considering from the qualifications and the non-prohibited characteristics pursuant to the Public Limited Companies Act, the Securities Act, the Notifications of the Capital Market Supervisory Board, including the Notifications of the Related Regulations and/or Rules. The independent director shall possess the qualifications, education, and specialization, work experiences, and other suitability in combination, in order to be proposed to the Shareholders' Meeting for further considering and appointing. The Company establishes the policy for appointing at least one-third of total number of directors, whereas the

independent director of the Company shall possess the following qualifications.

### Qualifications of the Independent Director

- 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
- 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) Not being a person related by blood or registration under laws, i.e. father, mother, spouse, person, or person to be nominated as executive or controlling person of the Company or its subsidiary.
- 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.

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.

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.

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.

8) Not having any characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business operation.

In the past year 2021, the 3 independent directors have no business relationship or professional service in excess of the specified criteria. All 3 independent directors have qualifications in accordance with the specified criteria which do not affect the performance of their duties and independent opinions.

### **Nomination and appointment of the director and the top executive**

#### **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 percent 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 select 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.

In last 2021, the Company has appointed Mr. Suwant Panitchpakdi, who is the person with knowledge, competency, and experiences in administration, to hold the Vice Chairman of the Executive Board position according to the resolution of the Board of Directors' Meeting No. 7/2020. The effective date is from 1 January 2021.

## Meeting Attendance of Remuneration of the Board of Directors on Individual Basis

### Director Meeting for the year 2021

Name of directors	Total Attendance
1. Mr.Vichit Yanamorn	7/7
2. Mr.Ekachai Sirijirapatana	7/7
3. Mr.Wilson Teo Yong Peng	7/7
4. Mr.Weerapat Punsak-udomsin	7/7
5. Mr.Pipope Chokwathana	7/7
6. Mr.Pichai Nernartkomol	7/7
7. Mr.Sophon Intanate	7/7
8. Mr.Damnoen Kaewthawee	7/7
9. Mr.Sarsak Tuntasuwon	7/7
10. Mr.Sathit Pitivara	7/7
11. Mr.Chatlhaphum Khantiviriya	7/7

## 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.

## Monitoring for the compliance with the corporate governance policy and operating guidelines

The Board of Directors is determined to manage the organization to be efficient and attain the objectives, and highly confident that the corporate governance process will contribute to improvement of the Company's performance for sustainable growth, and as the key of success, for instance, maximum value addition to the shareholders. Thus, the Board of Directors adhere to comply with the main characteristics



of the corporate governance process consisting of integrity, transparency, independence, duty accountability, fairness, and social responsibility. The Corporate Governance Code reflects the value, operating guidelines, and directions used for the Company's internal practice.

In last 2021, the Board of Directors reviewed, developed and improved the corporate governance and business ethics. According to the corporate governance assessment result of Thai listed companies for 2021 from Thai Institute of Directors (IOD), the Company earned the overall average assessment result at 81% that is in "Very Good" level, and the Company arranged the self-assessment of the executives and employees in order to create an awareness on the corporate governance policy.

### Prevention of Conflict of Interest

The Company adheres to be the significant policy not to allow the directors, executives, and employees to take the opportunity from the Company's director, executive, or employee status to exploit the personal benefits. In 2021, the Company had none of the event that might cause conflict of interest.

### Insider Trading for Exploitation

The Board of Directors realizes on the significance in preventing the use of the Company's insider information for the personal benefits. Therefore, the policy for the securities trading of the directors, executives, and employees has been established and thoroughly announced all over the organization, and disclosed in the Company's website.

However, the Company has notified the executives for acknowledgement on the duty in reporting the holding of the securities in the Company by them, and their spouse and underage child, and reporting the change in securities holding to the Office

of the SEC, and the SET pursuant to Section 59 and the penalty pursuant to Section 275 of the Securities and Exchange Act B.E. 2535 (1992).

Moreover, the Company has also determined the "Person Designated by the Company" referring to a person who has position and duty in perceiving the Company's insider information (including his/her spouse or the person who cohabits as husband and wife), and underage child of the said person, as well as any juristic person of which its shares are held by the said person or the said person's spouse or person who cohabits as husband and wife or underage child in total of not exceeding 30% of total voting rights, and the shareholder proportion is highest in that juristic person. It is prohibited to trade the Company's securities in 30 days period before disclosure of quarterly and yearly financial statements, and other periods that will be periodically defined. The trading can be performed after the Company's disclosure of the data and information for at least 24 hours.

### Anti-Corruption

The Company has established the anti-corruption policy in writing as the clear operating guideline, communicated to the executives and employees, disseminated via the Company's website, and provided the reporting channel if detecting the violation of the policy or detection of the corruption act, and established the whistleblower protection measures.

### Compliant and Whistleblowing

In 2021, the Company had none of complaints relating to the wrongful act of the corporate governance policy, and had none of whistleblowing relating to the corruption from the employees and third parties.

### Report of the Audit Committee's Duty performance in Last Year

Number of meetings and meeting attendances of the Audit Committee on individual basis

Name List of the Audit Committee	Total Number of Meeting Attendances/Meetings
1. Mr.Vichit Yanamorn	6/6
2. Mr.Damnoen Kaewthawee	6/6
3. Mr.Sarsak Tuntasuwon	6/6



The Audit Committee shall mutually convene the meeting at least one time in each quarter. The Chairman of the Audit Committee may call for the additional meeting if requested from the member of the Audit Committee, the Head of the Internal Audit Unit, the auditor, or the Chairman of the Board, when there is a necessary agenda requiring the mutual discussion. In the meeting, the members of the Audit Committee not less than half of total members of the Audit Committee shall attend the meeting in order to meet a constituted quorum. In the case where the Chairman of the Audit Committee is not present in the meeting or unable to

perform his/her duty, the members of the Audit Committee who attend the meeting shall select one member of the Audit Committee to preside over the meeting. A majority vote of the members of the Audit Committee who attend the meeting and vote shall be adhered as the resolution of the meeting. If there is a tie, the Chairman of the Meeting shall vote for another vote as casting vote. The Audit Committee may invite the related parties to attend the meeting for clarifying, remarking the opinions, or delivering the documents requested as necessary in part relating to the meeting.

### Duty performance of the Audit Committee

Please see Attachment 6 – The Report of the Audit Committee

### Conclusion of the Duty performance of Other Sub-Committees

The Company consists of other Sub-Committees that are (1) the Nomination and Remuneration Committee, (2) the Risk Management Committee.

### Number of Meetings and Meeting Attendances in 2021

The Nomination and Remuneration Committee

Name List of the Normination and Remuneration Committee	Total Number of Meeting Attendance/Meetings
1. Mr.Vichit Yanamorn	1/1
2. Mr.Damnoen Kaewthawee	1/1
3. Mr.Sathit Pitivara	1/1

In the year 2021, the Nomination and Remuneration Committee held 1 meeting, and performed the duties as entrusted by the Board of Directors in considering the nomination of the directors in replacement of the directors who retired by rotation, and proposing the remuneration of directors.

A) Review and nominate the qualified persons according to the laws and criteria related to the positions of directors in place of the retiring directors by considering recruiting, selecting, and presenting people with qualifications, experience, knowledge, and abilities that are beneficial and suitable for the nature of the business of the Company to propose to the Board of Directors meeting and the shareholders' meeting for further consideration.

A retiring director may be re-elected. The directors with interests shall abstain from voting.

B) Consider the board of directors and the committees' remuneration by considering the duties, responsibilities, performance, financial status of the Company, and rate of compensation which can be compared with the standard to propose to the Board of Directors and the shareholders' meeting for approval.

According to good corporate governance principles for the best interest of shareholders, investors, and all stakeholders, the Nomination and Remuneration Committee has performed its duties with care, prudence, transparency, fairness, and honest opinion.





### Risk Management Committee

Name List of the Risk Managment Committee	Total Number of Meeting Attendance/Meetings
1. Mr.Vichit Yanamorn	4/4
2. Mr.Damnoen Kaewthawee	4/4
3. Mr.Sarsak Tuntasuwon	4/4

In the year 2021, the Risk Management Committee held total of 4 meetings, and performed the duties as entrusted by the Board of Directors in verifying and presenting the risk management policies, and governing the development and compliance with the framework of the enterprise-wide risk management. The summary of important matters are as follows:

- Review and approve the Charter of the Risk Management Committee and propose to the Board of Directors for approval
- Consider appointing Ms. Wannaporn Chansereewittaya to be the secretary of the Risk Management Committee and replace the former Risk Management Committee

secretary who resigned with her abilities and qualifications which are suitable for the position

- Review and approve the risk management action plan which has conducted an analysis and assessment of corporate risks. There are 22 risk issues covering all 4 risk areas, namely, Strategic Risk, Operation Risk, Financial Risk and Compliance Risk. This is considered by combining likelihood risk and the level of impact (Consequence)

In the year 2021, the company has appointed a risk management working group and provided a training to create knowledge and understanding of risks and risk management along with learning-by-doing workshop activities.





# Internal Control and Related Transactions

## Internal control

The Board of Directors and executives have given importance to internal control as an important mechanism which enables the organization to achieve its objectives. The Board of Directors has set up sub-committees consisting of the Audit Committee, Risk Management Committee and Nomination and Remuneration Committee. This will be a mechanism for checks and balances. The Internal Audit Department is independent in its duties to assess the effectiveness and adequacy of the internal control system.

At the Board of Directors' meeting No. 6/21, held on 14 December 2021, with the Audit Committee attending the meeting, the Board of Directors considered and evaluated the company's internal control system by questioning information from the management. The Board of Directors considers the company's internal control system in various areas in accordance with the guidelines of COSO (The Committee of Sponsoring Organizations of the Treadway Commission).

The Board of Directors and the Audit Committee had the same opinion as the internal auditors that the company has an adequate and appropriate internal control system. No major deficiencies were found in the company's internal control system which may affect the achievement of the main objectives of the organization as follows:

### 1) The sufficiency and suitability of the internal control system

#### Control Environment

The company has appropriately established an organizational structure, scope of duties, responsibilities

of employees, authorities and approval authority, policies, regulations and operating procedures. There is also a control and compliance with the control of information technology appropriately.

The Board of Directors and sub-committees are independent from the management and have knowledge and expertise in business as well with the charter of the various committees such as the Audit Committee Charter, Risk Management Committee Charter, Nomination and Remuneration and Committee Charter in order to perform the duties of the Board of Directors efficiently and in accordance with the company's good corporate governance guidelines.

The company has a policy of good corporate governance, business ethics, and anti-corruption measures in writing. The policy of good corporate governance and business ethics was reviewed in the Board of Directors' meeting No. 5/21, held on 9 November 2021. Monitoring and evaluation of the company's Code of Conduct was followed up. This is arranged for executives and employees via an online system annually.

#### Risk Assessment

The company understands the importance of risk management. The Risk Management Committee is responsible for overseeing corporate risks and setting up a risk management working group to review and assess risks covering both internal and external factors. There is also a follow-up on operational plans in order to manage risks at both the organizational and departmental levels. Training was provided to provide employees with a knowledge and understanding of risks through training and to focus on the new law which

affects the change in operations: Personal Data Protection Act 2019. External consultants were invited to educate directors, executives and related employees gaining them realization of the importance of the new law.

### Control Activities

The Board of Directors has appointed 3 sub-committees comprising the Nomination and Remuneration Committee, Audit Committee and the Risk Management Committee To perform duties within the scope and authority assigned with an aim to assure that the operations of the management is proper. Important policies in business have been set to be used as a guideline for the company' operations appropriately, systematically and efficiently. It enables the operation to achieve the objectives and goals set. There are a scope of authority and the allowance of approval authority of the management at each level in writing clearly.

The Board of Directors has agreed to hire P&L IT Audit Co., Ltd., an external expert to audit the internal control system for compliance with the company's policies and regulations, Information Technology General Controls, Application Control and penetration testing. The results of the audit found that the company's internal control system was appropriate and sufficient. No significant flaws have been found.

### Information and Communication

The Company has provided appropriate information systems and communication channels both internally and externally through the company's intranet system and website for all parties involved to receive accurate, complete, timely information on various matters appropriately and sufficiently.

### Monitoring Activities

The Company has monitored the operating results to ensure that the business goals are met through the Board of Directors' meetings and hold a monthly management meeting covering all important activities, Control Self-Assessment (CSA) and Office of the Securities and Exchange Commission. The Internal Audit Department is responsible for assessing the adequacy and appropriateness of the internal control system and the management made improvements according to recommendations and findings from the audit results.

There are regular audits according to the internal audit plans by the Internal Audit Department, who reports directly to the Audit Committee.

**2) In 2021, the company did not find any significant deficiencies in the company's internal control system which may affect the achievement of the main objectives of the organization**

**3) In 2021, the Audit Committee and the Board of Directors had some opinions and recommendations for the development and improvement of the corresponding operational process**

**4) Internal Audit Department is an independent unit within the company and reports to the Audit Committee**

The Internal Audit Department is responsible for auditing and assessing the adequacy of the company's internal control system, both financial and non-financial information. This includes reviewing compliance with various rules and giving suggestions to improve the company's operations in order ensure that the company fully complies with the rules and regulations of the relevant laws. There is good governance and internal control and the company can achieve the operational objectives.

The Internal Audit Department has an annual audit plan. The preparation of the audit plan is in accordance with the principles of risk assessment affecting the operations of the company and covers the operating processes of the organization. This has been approved by the Audit Committee. The scope of work of the Internal Audit Department includes auditing, monitoring, reviewing sufficiency and the efficiency of the company's internal control system.

The head of the internal audit is Ms. Jeerawan Thipkomut, who is of the opinion that the Audit Committee is a person with knowledge and understanding of the activities and operations of the company. She is qualified to perform such duties appropriately (Please see more details about the Chief of Internal Audit of the company in **attachment 3**, details of the Chief of Internal Audit) She has performed duties as the secretary of the Audit Committee supporting the Audit Committee to perform the tasks assigned by the Board of Directors and as a consultant giving opinions in various fields related. The Audit Committee will approve the appointment, transfer, and dismissal of the company's internal audit supervisor.

### Disclosure of Connected Transaction

Details of Connected Transactions are shown in the remark of Financial Statements, section 7 “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.

In the event that the Audit Committee has no expertise in considering potential intercompany transactions, either the company will provide independent experts or the auditor of the company will give opinions on the said connected transactions to support the decision of the board of directors or shareholders depending on each case.





# 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.Vichit Yanamorn  
Chairman of the Board



Mr.Sophon Intanate  
President



The background of the image is a collage of financial data visualizations. It includes a bar chart at the top with a label 'May' and a status bar below it that reads '93% Updating Feeds 1:25 PM'. Below this is a line graph with a grid. At the bottom, there is another bar chart and a line graph showing two distinct peaks. The overall color scheme is light blue and white, giving it a professional, data-driven appearance.

# FINANCIAL STATEMENTS



## Independent Auditor's Report

To the Shareholders of IT City Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of IT City Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of 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 and its subsidiary and of IT City Public Company Limited as at 31 December 2021, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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

### Emphasis of Matter

I draw attention to Note 11 to the consolidated financial statements. On 30 April 2021, the Company entered into the entire business transfer agreement with the subsidiary to acquire the subsidiary's assets, liabilities and other commitments and obligations at the net book value of the assets and liabilities as at 30 April 2021. My opinion is not qualified in respect of this matter.

### 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 Group. The Group has numerous sales and services made by cash and credit cards through a large number of branches nationwide including online sales channel. In addition, because of the intensified competition in the computer and telecommunication equipment industry, the Group has to continually adapt its marketing strategies and promotional activities in order to boost sales. Furthermore, the Group 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 Group.

I examined the revenue recognition of the Group by assessing and testing the Group'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 Group 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 rebate

and sale promotion transactions during the year to examine the recognition of the rebates and sale promotions granted by vendors against the supporting documents.

### **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 value of inventories. Estimating the net realisable value of inventories, as disclosed in Note 9 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 inventories.

I assessed and gained an understanding of the internal controls of the Group relevant to the determination of allowance for diminution in the value of inventories by making enquiries 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.

### **Goodwill and trademark with indefinite useful life**

I have focused my audit on the consideration of the impairment of goodwill and trademark with indefinite useful life arising from the business combination, as discussed in Note 15 and 16 to the financial statements, because the assessment of impairment of goodwill and trademark is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There is risk with respect to the value of goodwill and trademark.

For the consideration of the impairment of goodwill and trademark with indefinite useful life, I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in

preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Company and of the industry and tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rate. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill and trademark, as well as sensitivity of the impact of changes in key assumptions to the cash flow projections.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to

modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, 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: 23 February 2022



**IT City Public Company Limited and its subsidiary**  
**Statement of financial position**  
**As at 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2021	As at 31 December 2020	As at 31 December 2021	As at 31 December 2020
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	275,650,672	138,404,443	275,650,672	79,006,531
Trade and other receivables	6, 8	259,329,924	349,347,629	259,329,924	789,586,102
Inventories	9	1,322,013,697	995,496,562	1,322,761,538	634,629,536
Withholding tax deducted at source		39,788,057	62,205,488	39,788,057	26,349,767
Other current assets		13,238,137	13,517,433	13,238,137	7,666,509
<b>Total current assets</b>		<b>1,910,020,487</b>	<b>1,558,971,555</b>	<b>1,910,768,328</b>	<b>1,537,238,445</b>
<b>Non-current assets</b>					
Investments in associates	10	160,114,753	137,122,333	70,000,000	70,000,000
Investment in subsidiary	11	-	-	89,067,005	336,500,000
Investment properties	12	8,200,000	8,200,000	8,200,000	-
Property, plant and equipment	13	288,006,127	251,250,567	288,006,127	138,789,015
Right-of-use assets	14.1	1,272,767,446	1,413,831,593	1,272,767,446	761,880,018
Intangible assets	15	269,179,884	245,807,833	269,179,884	25,611,169
Goodwill	16	77,384,995	77,384,995	77,384,995	-
Deferred tax assets	24	19,420,515	37,751,954	19,420,515	28,350,465
Other non-current assets		242,216,080	208,309,368	242,216,080	116,145,177
<b>Total non-current assets</b>		<b>2,337,289,800</b>	<b>2,379,658,643</b>	<b>2,336,242,052</b>	<b>1,477,275,844</b>
<b>Total assets</b>		<b>4,247,310,287</b>	<b>3,938,630,198</b>	<b>4,247,010,380</b>	<b>3,014,514,289</b>

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

**IT City Public Company Limited and its subsidiary**  
**Statement of financial position (continued)**  
**As at 31 December 2021**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	17	729,706,388	649,998,666	729,706,388	649,998,666
Trade and other payables	6, 18	941,868,206	793,951,438	1,039,681,179	659,711,686
Current portion of lease liabilities	14.2	387,171,784	367,051,606	387,171,784	205,703,904
Income tax payable		9,014,383	-	9,014,383	-
Other current liabilities		10,320,120	5,535,409	10,320,120	3,901,097
Total current liabilities		2,078,080,881	1,816,537,119	2,175,893,854	1,519,315,353
Non-current liabilities					
Lease liabilities - net of current portion	14.2	888,341,321	1,036,327,292	888,341,321	552,573,058
Provision for decommissioning		18,636,378	17,749,477	18,636,378	10,173,101
Provision for long-term employee benefits	19	21,090,267	35,692,690	21,090,267	20,532,714
Deferred tax liabilities	24	42,512,000	42,512,000	42,512,000	-
Other non-current liabilities		7,004,408	5,180,067	7,004,408	916,564
Total non-current liabilities		977,584,374	1,137,461,526	977,584,374	584,195,437
Total liabilities		3,055,665,255	2,953,998,645	3,153,478,228	2,103,510,790
Shareholders' equity					
Share capital					
Registered					
366,398,859 ordinary shares of Baht 1 each		366,398,859	366,398,859	366,398,859	366,398,859
Issued and fully paid up					
366,398,859 ordinary shares of Baht 1 each		366,398,859	366,398,859	366,398,859	366,398,859
Share premium		488,384,650	488,384,650	488,384,650	488,384,650
Retained earnings					
Appropriated - statutory reserve	20	36,679,886	36,679,886	36,679,886	36,679,886
Unappropriated		300,181,637	93,168,158	202,068,757	19,540,104
Total shareholders' equity		1,191,645,032	984,631,553	1,093,532,152	911,003,499
Total liabilities and shareholders' equity		4,247,310,287	3,938,630,198	4,247,010,380	3,014,514,289

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

**IT City Public Company Limited and its subsidiary**  
**Statement of comprehensive income**  
**for the year ended 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Profit or loss</b>					
<b>Revenues</b>					
Revenue from contracts with customers	21	8,702,675,769	6,986,985,655	7,621,991,199	4,179,627,284
Dividend income	10.2	-	-	14,008,000	11,600,000
Other income		11,206,285	20,499,423	14,018,590	21,115,438
<b>Total revenues</b>		<b>8,713,882,054</b>	<b>7,007,485,078</b>	<b>7,650,017,789</b>	<b>4,212,342,722</b>
<b>Expenses</b>	22				
Cost of sales and services		7,290,700,824	5,937,389,975	6,405,822,121	3,610,370,047
Selling and distribution expenses		880,894,776	792,583,851	723,973,081	410,791,230
Administrative expenses		280,809,175	215,532,835	254,088,362	127,552,985
Other expenses	8	-	90,561,141	-	90,561,141
<b>Total expenses</b>		<b>8,452,404,775</b>	<b>7,036,067,802</b>	<b>7,383,883,564</b>	<b>4,239,275,403</b>
<b>Operating profit (loss)</b>		<b>261,477,279</b>	<b>(28,582,724)</b>	<b>266,134,225</b>	<b>(26,932,681)</b>
Share of profit from investments in associates	10.2	37,518,047	23,769,438	-	-
Finance income		189,876	495,073	189,876	301,134
Finance cost	23	(45,559,645)	(49,976,865)	(40,261,207)	(25,753,244)
<b>Profit (loss) before income tax</b>		<b>253,625,557</b>	<b>(54,295,078)</b>	<b>226,062,894</b>	<b>(52,384,791)</b>
Income tax	24	(48,376,092)	13,126,545	(45,815,882)	12,488,718
<b>Profit (loss) for the year</b>		<b>205,249,465</b>	<b>(41,168,533)</b>	<b>180,247,012</b>	<b>(39,896,073)</b>
<b>Other comprehensive income</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain	19	2,852,051	5,420,237	2,852,051	5,724,815
Less: Income tax effect	24	(570,410)	(1,084,047)	(570,410)	(1,144,963)
Share of other comprehensive income from associates - Actuarial loss		(517,627)	(1,306,014)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	10.2	1,764,014	3,030,176	2,281,641	4,579,852
Other comprehensive income for the year		1,764,014	3,030,176	2,281,641	4,579,852
<b>Total comprehensive income for the year</b>		<b>207,013,479</b>	<b>(38,138,357)</b>	<b>182,528,653</b>	<b>(35,316,221)</b>

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

**IT City Public Company Limited and its subsidiary**  
**Statement of comprehensive income (continued)**  
**for the year ended 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		205,249,465	(41,168,533)	180,247,012	(39,896,073)
Non-controlling interests of the subsidiary		-	-		
		<u>205,249,465</u>	<u>(41,168,533)</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		207,013,479	(38,138,357)	182,528,653	(35,316,221)
Non-controlling interests of the subsidiary		-	-		
		<u>207,013,479</u>	<u>(38,138,357)</u>		
<b>Earnings (loss) per share</b>	25				
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		0.56	(0.11)	0.49	(0.11)
Weighted average number of ordinary shares (shares)		<u>366,398,859</u>	<u>366,398,859</u>	<u>366,398,859</u>	<u>366,398,859</u>

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



**IT City Public Company Limited and its subsidiary**  
**Cash flow statement**  
**for the year ended 31 December 2021**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	253,625,557	(54,295,078)	226,062,894	(52,384,791)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	474,677,855	448,873,258	410,979,507	253,188,756
Reduction in lease payments by lessors	(50,390,681)	(65,362,748)	(44,055,673)	(33,557,546)
Provision for expected credit losses	35,500	93,729,750	35,500	93,729,750
Allowance for diminution in inventory value (reversal)	553,071	2,121,074	3,507,367	(2,253,578)
Loss on write-off of inventory	247,582	12,308,994	247,582	12,308,994
Compensation from insurance company	-	(15,252,646)	-	(15,252,646)
Share of profit from investments in associates	(37,518,047)	(23,769,438)	-	-
Dividend income from associates	-	-	(14,008,000)	(11,600,000)
Loss on disposals/write-off of equipment	9,844,428	7,453,792	7,994,990	4,300,260
Provision for loss and loss on write-off of withholding tax	12,069,806	85,124	10,877,343	85,124
Net difference of right-of-use assets and lease liabilities arising from termination of contracts	(559,398)	558,359	(54,772)	155,310
Allowance for impairment loss on assets	415,819	-	415,819	-
Allowance for impairment loss on right-of-use assets (reversal)	(91,699)	91,699	(91,699)	91,699
Reversal of provision for decommissioning	(2,497,201)	(1,303,227)	(1,581,726)	(477,458)
Provision for long-term employee benefits	2,467,609	3,759,133	2,110,221	2,683,452
Unrealised (gain) loss on exchange rate	(61,069)	59,295	(61,069)	-
Interest income	(189,876)	(495,072)	(189,876)	(301,134)
Interest expenses	45,559,645	52,475,280	40,261,207	25,349,052
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>708,188,901</b>	<b>461,037,549</b>	<b>642,449,615</b>	<b>276,065,244</b>
Operating assets (increase) decrease				
Trade and other receivables	89,899,527	(75,828,506)	711,166,323	(476,679,075)
Inventories	(333,550,820)	(25,440,537)	(350,176,593)	(13,752,641)
Other current assets	(2,262,393)	(6,692,345)	(8,065,354)	(2,600,151)
Other non-current assets	(33,906,712)	(22,012,514)	(33,324,975)	(12,844,750)
Operating liabilities increase (decrease)				
Trade and other payables	81,453,257	(13,235,476)	(478,580,268)	(1,995,852)
Other current liabilities	4,383,214	1,905,943	4,040,767	142,123
Other non-current liabilities	1,824,341	3,771,409	820,883	916,564
Provision for long-term employee benefits	(14,217,981)	(6,126,656)	(5,477,320)	(5,135,890)
<b>Cash from (used in) operating activities</b>	<b>501,811,334</b>	<b>317,378,867</b>	<b>482,853,078</b>	<b>(235,884,428)</b>
Cash paid for interest expenses	(20,279,484)	(27,451,813)	(20,279,155)	(16,290,588)
Cash paid for income tax	(32,446,381)	(22,587,067)	(21,719,111)	(9,243,370)
Cash received from withholding tax refund	23,735,015	2,073,894	18,164,144	2,073,894
<b>Net cash from (used in) operating activities</b>	<b>472,820,484</b>	<b>269,413,881</b>	<b>459,018,956</b>	<b>(259,344,492)</b>

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

**IT City Public Company Limited and its subsidiary**  
**Cash flow statement (continued)**  
**for the year ended 31 December 2021**

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Cash flows from investing activities</b>				
Decrease in restricted bank deposits	-	125,933,724	-	-
Dividend received from associates	14,008,000	11,600,000	14,008,000	11,600,000
Interest received	272,554	1,506,919	189,889	301,170
Proceeds from disposals of equipment	1,104,948	247,159	26,444	245,844
Purchase of equipment	(66,344,984)	(82,733,795)	(58,577,283)	(33,978,141)
Purchase of computer software	(18,567,905)	(16,380,950)	(18,567,905)	(8,892,450)
<b>Net cash from (used in) investing activities</b>	<b>(69,527,387)</b>	<b>40,173,057</b>	<b>(62,920,855)</b>	<b>(30,723,577)</b>
<b>Cash flows from financing activities</b>				
Cash received from short-term loans from financial institutions	2,217,146,793	3,011,625,656	2,217,146,793	1,909,998,666
Repayment of short-term loans from financial institutions	(2,137,439,071)	(3,040,203,105)	(2,137,439,071)	(1,510,000,000)
Repayment of long term loan	-	(770,500)	-	-
Cash paid for lease liabilities	(345,754,590)	(313,742,960)	(296,917,718)	(172,980,220)
Dividend paid	-	(10,991,935)	-	(10,991,935)
<b>Net cash from (used in) financing activities</b>	<b>(266,046,868)</b>	<b>(354,082,844)</b>	<b>(217,209,996)</b>	<b>216,026,511</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>137,246,229</b>	<b>(44,495,906)</b>	<b>178,888,105</b>	<b>(74,041,558)</b>
Cash and cash equivalents at beginning of year	138,404,443	182,900,349	79,006,531	153,048,089
Cash and cash equivalents of subsidiary at the date of entire business transfer	-	-	17,756,036	-
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>275,650,672</b>	<b>138,404,443</b>	<b>275,650,672</b>	<b>79,006,531</b>
<b>Supplemental cash flow information</b>				
Non-cash related transactions				
Transfer inventories to equipment	6,233,032	3,129,709	6,233,032	(13,752,641)
Payables for acquisitions of plant and equipment	68,446,207	12,402,402	68,446,207	4,302,318
Payables for acquisitions of computer software	11,556,125	1,075,350	11,556,125	1,075,350
Payable for the entire business transfer from subsidiary	-	-	97,812,973	-
Right-of-use assets increase from lease agreements	332,880,335	505,382,261	332,880,335	280,091,439
Right-of-use assets decrease from termination of leases	(85,536,021)	(34,222,815)	(18,536,346)	(3,280,354)

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

**IT City Public Company Limited and its subsidiary**  
**Statement of changes in shareholders' equity**  
**for the year ended 31 December 2021**

(Unit : Baht)

	Note	Consolidated financial statements				
		Issued and paid up share capital	Share premium	Retained earnings		Total shareholders' equity
				Appropriated – statutory reserve	Unappropriated	
Balance as at 1 January 2020		366,398,859	488,384,650	36,679,886	142,298,450	1,033,761,845
Loss for the year		-	-	-	(41,168,533)	(41,168,533)
Other comprehensive income for the year		-	-	-	3,030,176	3,030,176
Total comprehensive income for the year		-	-	-	(38,138,357)	(38,138,357)
Dividend paid	26	-	-	-	(10,991,935)	(10,991,935)
Balance as at 31 December 2020		366,398,859	488,384,650	36,679,886	93,168,158	984,631,553
Balance as at 1 January 2021		366,398,859	488,384,650	36,679,886	93,168,158	984,631,553
Profit for the year		-	-	-	205,249,465	205,249,465
Other comprehensive income for the year		-	-	-	1,764,014	1,764,014
Total comprehensive income for the year		-	-	-	207,013,479	207,013,479
Balance as at 31 December 2021		366,398,859	488,384,650	36,679,886	300,181,637	1,191,645,032

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

IT City Public Company Limited and its subsidiary  
Statement of changes in shareholders' equity (continued)  
for the year ended 31 December 2021

(Unit: Baht)

	Note	Separate financial statements				
		Issued and paid up share capital	Share premium	Retained earnings		Total shareholders' equity
				Appropriated – statutory reserve	Unappropriated	
Balance as at 1 January 2020		366,398,859	488,384,650	36,679,886	65,848,260	957,311,655
Loss for the year		-	-	-	(39,896,073)	(39,896,073)
Other comprehensive income for the year		-	-	-	4,579,852	4,579,852
Total comprehensive income for the year		-	-	-	(35,316,221)	(35,316,221)
Dividend paid	26	-	-	-	(10,991,935)	(10,991,935)
Balance as at 31 December 2020		366,398,859	488,384,650	36,679,886	19,540,104	911,003,499
Balance as at 1 January 2021		366,398,859	488,384,650	36,679,886	19,540,104	911,003,499
Profit for the year		-	-	-	180,247,012	180,247,012
Other comprehensive income for the year		-	-	-	2,281,641	2,281,641
Total comprehensive income for the year		-	-	-	182,528,653	182,528,653
Balance as at 31 December 2021		366,398,859	488,384,650	36,679,886	202,068,757	1,093,532,152

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



## IT City Public Company Limited and its subsidiary

Notes to consolidated financial statements  
for the year ended 31 December 2021

### 1. General information

#### 1.1 Company 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 555 The Palladium World Shopping, B1-B2 and 5<sup>th</sup> Floor, Ratchaprarop Road, Makkasan, Ratchathewi, Bangkok.

As at 31 December 2021, the Company operated 362 branches (2020: 128 branches)

#### 1.2 Coronavirus disease 2019 pandemic

A new wave of the Coronavirus disease 2019 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets,

#### 2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of IT City Public Company Limited (hereinafter called as “the Company”) and its subsidiary (hereinafter called as “the subsidiary”) (collectively as “the Group”) as below.

Company’s name	Nature of business	Country of incorporation	Registered capital		Percentage of shareholding	
			2021 (Million Baht)	2020 (Million Baht)	2021 (Million Baht)	2020 (Million Baht)
Computer System Connection International Co., Ltd.	Distribution of mobile phones, accessories and related services	Thailand	140	140	100	100

As described in Note 11 to the financial statements, the Company acquired the entire business of Computer System Connection International Company Limited (the subsidiary) at the net book value of the assets and liabilities as at 30 April 2021. The subsidiary registered its dissolution with the Ministry of Commerce on 14 May 2021 and is currently in the liquidation process.

b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be

provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

#### 2. Basis of preparation

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

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

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

consolidated until the date when such control ceases.

d) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

g) The Company applies the acquisition method for business combinations when control is transferred except those with entities under common control.

The Company measures any non-controlling interests at its proportionate interest in the identifiable net assets of the acquirees.

Transaction costs incurred in connection with a business combination, such as consulting fees, are expensed as incurred.

### **2.3 The separate financial statements present investments in subsidiary and associates under the cost method.**

## **3. New financial reporting standards**

### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

However, the Group elected to adopt the amendments to TFRS 16 Leases, relating to COVID-19-related rent concessions. These amendments provide a practical expedient that permits a lessee to not assess whether rent concessions are lease modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the conditions are met, i.e., the change in lease payments results in a revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease preceding the change; any reduction in lease payments affects only payments originally due on or before 30 June 2022; and there is no substantive change to other terms and conditions of the lease.

The Group applies the practical expedient to all rent concessions that meet the above conditions and the effects of the application of this expedient, due to resulting changes in payments under leases are recognised in profit or loss for the year ended 31 December 2021, amounting to Baht 50.4 million (2020: Baht 65.4 million) (the Company only: Baht 44.1 million, 2020: Baht 33.6 million). There was no impact on the opening balance of retained earnings.

### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

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

## **4. Significant accounting policies**

### **4.1 Revenue and expense recognition**

#### **• Sale of goods**

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

#### **• Rendering of services**

Revenue, from which the Group is agent to satisfy a performance obligation, is recognised in the net amount of consideration that the entity retains after paying the other consideration received in exchange for the goods and services to be provided by that party.

#### **• 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 systematic basis that is consistent with the pattern of revenue recognition in accordance with the agreement.

#### **• Interest income**

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

#### **• Dividends**

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

- **Finance cost**

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

#### 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 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.

#### 4.4 Investments in subsidiary and associates

a) Investments in associates are accounted for in the consolidated financial statements using the equity method.

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

#### 4.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less allowance for loss on impairment (if any).

Investment properties represent land held for capital appreciation, on which no depreciation is provided.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

#### 4.6 Property, plant and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	-	20	years
Leasehold improvements	-	5 - 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 land and assets under construction and installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### 4.7 Intangible assets and amortisation

Intangible assets acquired through business combinations are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

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

A summary of the intangible assets with finite useful lives are as follows:

	Useful lives
Computer software	10 years

No amortisation is provided on computer software under development.

Intangible asset with indefinite useful life, which is trademark, is not amortised, but is tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful life of the intangible asset is reviewed annually.

#### 4.8 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combinations over the fair value of the net assets acquired. If the fair value of

the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less accumulated impairment losses (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in business combinations is allocated to each of the Group's cash generating units (or group of cash-generating units) that are expected to benefit from the combinations. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### 4.9 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

- **The Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

- **Right-of-use assets**

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, decommissioning cost, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

Depreciation of right-of-use assets is calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Right-of-use building space	-	1 - 13 years
Vehicles	-	5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

- **Lease liabilities**

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounts the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

- **Short-term leases and leases of low-value assets**

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

- **The Group as a lessor**

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



added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

#### 4.10 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 associates, 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.

#### 4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's and its subsidiary's functional currency.

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

Gains and losses on exchange are included in determining income.

#### 4.12 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from

the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### 4.13 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

###### A) Defined contribution plans

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

###### B) Defined benefit plans

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

#### 4.14 Provisions

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

#### 4.15 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 Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

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

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

#### 4.16 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

- **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value

through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

- **Financial assets at amortised cost**

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the profit or loss when the asset is derecognised, modified or impaired.

- **Financial assets at FVOCI (debt instruments)**

The Group measures financial assets at FVOCI if the financial asset is held to collect contractual cash flows and to sell the financial asset and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the profit or loss.

- **Financial assets at FVTPL**

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value including interest income recognised in the profit or loss.

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

- **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the profit or loss.

- **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

- **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due, and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

- **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **4.17 Fair value measurement**

Fair value is the price that would be received from sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation 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 Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 5. Significant accounting judgements and estimates

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

### Leases – The Group as a lessee

- **Determining the lease term with extension and termination options**

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

- **Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate (IBR) to discount lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

### 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 declining 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 inventories and the prevailing market condition.

## Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### 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.

### Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different cash-generating units, including a sensitivity analysis, are disclosed and further explained in Note 16.



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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2021	2020	2021	2020	
<u>Transactions with subsidiary company</u> (eliminated from the consolidated financial statements)					
Sales of goods	-	-	11	31	At cost plus approximately 2 percent average profit margin
Rental income	-	-	6	2	Contract price
Purchases of goods	-	-	67	67	At cost plus approximately 2 - 20 percent average profit margin
Purchases of assets	-	-	1	2	Prices agreed by the parties
Entire business transfer	-	-	345	-	Prices agreed by the parties
<u>Transactions with entity with significant influence over the Group</u> (SVOA Public Company Limited)					
Sales of goods	-	2	-	2	At cost plus approximately 4 percent average profit margin
Marketing support income	-	2	-	2	Prices agreed by the parties
Purchases of goods	248	133	248	133	At cost plus approximately 7 percent average profit margin (2020: 5 percent)
Management fee expenses	-	1	-	1	Contract price
<u>Transactions with associates</u>					
Sales of goods	1	2	1	2	Market price (2020: At cost plus approximately 5 percent average profit margin)
Dividend income	14	12	14	12	At the declared rate
Purchases of goods	1	-	1	-	Market price
<u>Transactions with related companies</u>					
Sales of goods	5	1	5	1	Market price (2020: At cost plus approximately 11 percent average profit margin)
Service fee expenses	7	10	7	10	Market price
Computer software development cost	21	13	21	13	Contract price

**The balances of the accounts as at 31 December 2021 and 2020 between the Company and those related parties are as follows:**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Trade and other receivables</b>				
<b>- related parties (Note 8)</b>				
Subsidiary	-	-	-	654,132
Entities with significant influence over the Group	975	647	975	647
Associates	239	600	239	600
Related companies (related by common shareholders and common directors)	402	238	402	238
Total trade and other receivables - related parties	1,616	1,485	1,616	655,617
<b>Trade and other payables</b>				
<b>- related parties (Note 8)</b>				
Subsidiary	-	-	97,813	7,981
Entities with significant influence over the Group	8,620	19,653	8,620	19,653
Associates	3,098	-	3,098	-
Related companies (related by common shareholders and common directors)	9,259	3,796	9,259	3,796
Total trade and other receivables - related parties	20,977	23,449	118,790	31,430

#### Sublease and subservice agreements

The Company entered into several sublease and subservice agreements, granting twelve leasehold rights to Computer System Connection International Co., Ltd. Sublease and subservice fees are charged according to the terms of the agreements. The agreements are effective for a period of 2 to 6 months, expiring within April 2021.

#### Building space lease agreement

On 1 June 2020, the Company entered into a lease agreement for lease of building space to Computer System Connection International Co., Ltd., under which

the subsidiary agrees to pay rental to the Company at a rate of Baht 0.3 million per month. The lease agreement is for a period of 11 months, from 1 June 2020 to 30 April 2021.

#### Distribution center building lease agreement

On 15 October 2020, the Company entered into a lease agreement for lease of distribution center building to Computer System Connection International Co., Ltd., under which the subsidiary agrees to pay rental to the Company at a rate of Baht 0.3 million per month. The lease agreement is for a period of 6 months, from 15 October 2020 to 30 April 2021.

## Directors and management's benefits

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefit	27.2	31.1	23.8	20.0
Post-employment benefits	0.7	0.2	0.7	-
<b>Total</b>	<b>27.9</b>	<b>31.3</b>	<b>24.5</b>	<b>20.0</b>

During the year 2021, the Group paid post-employment benefits to its directors and management of approximately Baht 8.4 million (the Company only: Baht 2.8 million) (2020: the Company paid post-employment benefits of Baht 5.1 million).

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	20,367	18,734	20,367	11,523
Bank deposits	255,284	119,670	255,284	67,484
<b>Total</b>	<b>275,651</b>	<b>138,404</b>	<b>275,651</b>	<b>79,007</b>

As at 31 December 2021, bank deposits in savings accounts and fixed deposits carried interests between 0.05 and 0.25 percent per annum (2020: between 0.05 and 0.30 percent per annum).



## 8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	1,229	1,041	1,229	562,006
Past due				
Up to 3 months	202	367	202	89,011
3 - 6 months	-	-	-	2,059
<b>Total trade receivables - related parties</b>	<b>1,431</b>	<b>1,408</b>	<b>1,431</b>	<b>653,076</b>
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	82,748	108,381	82,748	88,283
Past due				
Up to 3 months	16,870	54,672	16,870	29,498
3 - 6 months	63	-	63	-
Over 12 months	2,787	2,952	2,787	2,752
<b>Total trade receivables - unrelated parties</b>	<b>102,468</b>	<b>166,005</b>	<b>102,468</b>	<b>120,533</b>
Less: Allowance for expected credit losses	(2,787)	(2,752)	(2,787)	(2,752)
<b>Total trade receivables - unrelated parties - net</b>	<b>99,681</b>	<b>163,253</b>	<b>99,681</b>	<b>117,781</b>
<b>Total trade receivables - net</b>	<b>101,112</b>	<b>164,661</b>	<b>101,112</b>	<b>770,857</b>
Other receivables				
Other receivables - related parties	185	77	185	2,541
Other receivables - unrelated parties	32,506	113,239	32,506	107,043
Accrued commission income	125,944	162,349	125,944	123
<b>Total other receivables</b>	<b>158,635</b>	<b>275,665</b>	<b>158,635</b>	<b>109,707</b>
Less: Allowance for expected credit losses	(417)	(90,978)	(417)	(90,978)
<b>Total other receivables - net</b>	<b>158,218</b>	<b>184,687</b>	<b>158,218</b>	<b>18,729</b>
<b>Total trade and other receivables - net</b>	<b>259,330</b>	<b>349,348</b>	<b>259,330</b>	<b>789,586</b>

Set out below are the movements in the allowance for expected credit losses of trade and other receivables.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Beginning balance	93,730	8,210	93,730	-
Provision for expected credit losses	35	93,730	35	93,730
Write off	(90,561)	(8,210)	(90,561)	-
Ending balance	3,204	93,730	3,204	93,730

The significant increase in allowance for expected credit losses of trade and other receivables in 2020 was mainly because the Company detected the misconduct of its employee through the collection system from online sales channel of a platform, with total damages of approximately Baht 90.5 million. The amount of such damages was presented as other receivables as of 31 December 2020. The Company investigated the facts and

filed a police report of this matter, and for prudence, the Company set aside a full allowance for expected credit losses for the damages since the case remained under investigation by the police at that time.

During 2021, the Company wrote off such amount of other receivable and allowance for expected credit losses for the damages since the case was final and the court rendered its judgment.

## 9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Allowance of diminution in inventory value - Inventory obsolescence		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	1,351,233	1,017,846	(29,219)	(28,666)	1,322,014	989,180
Goods in transit	-	6,317	-	-	-	6,317
Total	1,351,233	1,024,163	(29,219)	(28,666)	1,322,014	995,497

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Allowance of diminution in inventory value - Inventory obsolescence		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	1,351,981	647,004	(29,219)	(14,155)	1,322,762	632,849
Goods in transit	-	1,781	-	-	-	1,781
Total	1,351,981	648,785	(29,219)	(14,155)	1,322,762	634,630

During the current year, the Group reduced cost of inventories by Baht 0.6 million (2020: Baht 2.1 million) which was included in cost of sales, to reflect the net realisable value (the Company only: Baht 3.5 million (2020: reversed the write-down of cost of inventories by Baht 2.3 million and reduced the amount of inventories recognised as expenses during the year)).

## 10. Investments in associates

### 10.1 Details of associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		Separate financial statements	
					Carrying amount based on equity method		Carrying amount based on cost method	
			2021	2020	2021	2020	2021	2020
			Percent	Percent				
S P V I Public Company Limited	Distribution of IT products and related accessories	Thailand	29	29	142,271	118,286	58,000	58,000
Touch Printing Republic Company Limited	Import and distribution of printing equipment and turnkey solution for printing service	Thailand	24	24	17,844	18,836	12,000	12,000
Total					160,115	137,122	70,000	70,000

### 10.2 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 consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company	Consolidated financial statements				Separate financial statements	
	Share of profit from investments in associates		Share of other comprehensive income from investments in associates		Dividend received	
	2021	2020	2021	2020	2021	2020
S P V I Public Company Limited	37,262	20,408	(518)	(1,306)	12,760	11,600
Touch Printing Republic Company Limited	256	3,361	-	-	1,248	-
Total	37,518	23,769	(518)	(1,306)	14,008	11,600

### 10.3 Fair value of investment in listed associate

As at 31 December 2021, the fair value of the investment in S P V I Public Company Limited, calculated based on the 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 835 million (2020: Baht 336 million).

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

### 10.4 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	
	2021	2020	2021	2020
Current assets	511	591	85	88
Non-current assets	280	274	10	13
Current liabilities	(182)	(273)	(19)	(22)
Non-current liabilities	(117)	(183)	(2)	(1)
<b>Net assets</b>	<b>492</b>	<b>409</b>	<b>74</b>	<b>78</b>
Shareholding percentage (%)	29%	29%	24%	24%
<b>Share of net assets</b>	<b>143</b>	<b>118</b>	<b>18</b>	<b>19</b>
Carrying amounts of associates based on equity method	143	118	18	19

#### Summarised information about comprehensive income

(Unit: Million Baht)

	S P V I Public Company Limited		Touch Printing Republic Company Limited	
	2021	2020	2021	2020
Revenue	5,573	3,635	173	197
Profit	129	70	1	14
Other comprehensive income	(2)	-	-	-
<b>Total comprehensive income</b>	<b>127</b>	<b>70</b>	<b>1</b>	<b>14</b>

## 11. Investment in subsidiary

Details of investment in subsidiary as presented in the separate financial statements are as follows:

(Unit: Thousand Baht)

Subsidiary company	Paid up capital		Shareholding percentage		Investment value under cost method	
	2021	2020	2021	2020	2021	2020
			Percent	Percent		
Computer System Connection International Co., Ltd.	140,000	140,000	100	100	89,067	336,500



### Entire Business Transfer from subsidiary

On 17 June 2020, the meeting of the Company's Board of Directors passed a resolution for the business restructuring by way of the entire business transfer from Computer System Connection International Co., Ltd. (the "EBT Transaction"). The Company will undertake the business of distribution of smart phone from the subsidiary, and the subsidiary will be dissolved in accordance with the Thai Revenue Code. This EBT Transaction was approved by the Annual General Meeting of the Company's shareholders on 5 August 2020.

On 30 April 2021, the Company entered into the entire business transfer agreement with Computer System Connection International Co., Ltd. to acquire assets, liabilities and other commitments and obligations to the Company. The Company agreed to pay a consideration for the transfer of the business of totaling Baht 97.8 million

which was the net book value of assets and liabilities as at 30 April 2021 based on the financial statements of the subsidiary.

On 30 April 2021, the Annual General Meeting of the shareholders of Computer System Connection International Company Limited passed a resolution to approve the dissolution of the subsidiary. The subsidiary registered its dissolution with the Ministry of Commerce on 14 May 2021 and is currently in the liquidation process.

As at 31 December 2021, the Company had balance of Baht 97.8 million of the consideration payable to its subsidiary for the entire business transfer, which was included in other payables - related parties (Note 18).

The assets and liabilities that the Company acquired from the entire business transfer of Computer System Connection International Co., Ltd. and their net book value as at 30 April 2021 were as follows.

(Unit: Thousand Baht)

#### Assets

Cash and cash equivalents	17,756
Trade and other receivables	180,946
Inventories	347,944
Withholding tax deducted at source	39,820
Other current assets	48
Investment properties	8,200
Property, plant and equipment	98,820
Right-of-use assets	532,175
Intangible assets - Computer software	7,096
Intangible assets - Trademark	212,560
Goodwill	77,385
Deferred tax assets	6,841
Other non-current assets	92,746
<b>Total assets</b>	<b><u>1,622,337</u></b>

#### Liabilities

Trade and other payables	686,173
Other current liabilities	1,977
Lease liabilities	527,634
Provision for decommissioning	6,751
Provision for long-term employee benefits	6,777
Deferred tax liabilities	42,512
Other non-current liabilities	5,267
<b>Total liabilities</b>	<b><u>1,277,091</u></b>
<b>Net assets</b>	<b><u><u>345,246</u></u></b>

The Company accounted for the difference between the consideration and the net book value of assets and liabilities at the date of acquisition amounting to Baht 247.4 million as surplus on business transfer under common control and reduced the entire amount of such surplus with the balance of investment in subsidiary as of the date of the entire business transfer from the subsidiary.

The difference was related to the list of identified assets acquired and liabilities assumed since the date that the Company gained controlling authority of the subsidiary on 1 October 2019 (the “Acquisition Date”), which consists of intangible assets - brand, goodwill and deferred tax liabilities as shown above.

## 12. Investment properties

Investment properties acquired through business combination in 2019 represent land held for sale for capital appreciation. As at 31 December 2021, the fair value of the investment properties, which was determined based on the market comparison approach performed by an accredited independent valuer, was Baht 8.2 million (2020: Baht 8.2 million). The fair value measurement for investment properties has been categorised as a Level 2 fair value.

Key assumptions used in the valuation are summarised below.

	As at 31 December				
	Consolidated financial statements		Separate financial statements		Effect to fair value where as an assumption value is increased
	2021	2020	2021	2020	
Price per square wah (Baht)	17,500	17,500	17,500	-	Increase in fair value

### 13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							
		Building and building improvements	Office equipment	Furniture and fixtures	Motor vehicles	Assets for rent	Assets under construction and installation	
	Land							Total
Cost								
1 January 2020	3,540	522,260	173,854	229,986	40,092	44,152	3,788	1,017,672
Additions	-	8,118	17,280	38,214	220	-	24,437	88,269
Transfer from inventory	-	-	1,060	-	-	2,070	-	3,130
Disposals/write-off	-	(19,122)	(25,144)	(26,025)	(1,276)	(8,162)	-	(79,729)
Transfers in (out)	-	26,257	1,770	535	808	(1,193)	(28,177)	-
31 December 2020	3,540	537,513	168,820	242,710	39,844	36,867	48	1,029,342
Additions	-	79,084	19,695	19,808	-	-	3,802	122,389
Transfer from inventory	-	-	3,729	-	-	2,504	-	6,233
Disposals/write-off	-	(42,830)	(3,155)	(12,643)	(9,474)	-	-	(68,102)
Transfers in (out)	-	198,310	386	(198,310)	-	(337)	(49)	-
31 December 2021	3,540	772,077	189,475	51,565	30,370	39,034	3,801	1,089,862
Accumulated depreciation								
1 January 2020	-	417,017	133,196	157,868	32,918	33,990	-	774,989
Depreciation for the year	-	30,849	13,808	22,724	2,119	5,629	-	75,129
Accumulated depreciation on disposals/write-off	-	(14,641)	(25,094)	(22,855)	(1,276)	(8,161)	-	(72,027)
on transfer	-	-	1,140	-	-	(1,140)	-	-
31 December 2020	-	433,225	123,050	157,737	33,761	30,318	-	778,091
Depreciation for the year	-	47,360	16,307	11,039	2,123	3,672	-	80,501
Accumulated depreciation on disposals/write-off	-	(34,791)	(3,166)	(9,722)	(9,473)	-	-	(57,152)
on transfer	-	125,467	299	(125,467)	-	(299)	-	-
31 December 2021	-	571,261	136,490	33,587	26,411	33,691	-	801,440

	Consolidated financial statements							
	Land	Building and building improvements	Office equipment	Furniture and fixtures	Motor vehicles	Assets for rent	Assets under construction and installation	Total
Allowance for impairment loss								
1 January 2020	-	-	-	-	-	-	-	-
31 December 2020	-	-	-	-	-	-	-	-
Increase during the year	-	416	-	-	-	-	-	416
31 December 2021	-	416	-	-	-	-	-	416
Net book value								
31 December 2020	3,540	104,288	45,770	84,973	6,083	6,549	48	251,251
31 December 2021	3,540	200,400	52,985	17,978	3,959	5,343	3,801	288,006

#### Depreciation for the year

2020 (Baht 5.6 million included in cost of sales and services, and the balance in selling and administrative expenses) 75,129

2021 (Baht 3.7 million included in cost of sales and services, and the balance in selling and administrative expenses) 80,501

(Unit: Thousand Baht)

	Separate financial statements							
	Land	Building and building improvements	Office equipment	Furniture and fixtures	Motor vehicles	Assets for rent	Assets under construction and installation	Total
Cost								
1 January 2020	-	519,800	129,842	45,219	21,746	44,152	3,322	764,081
Additions	-	10,022	2,810	792	220	-	24,436	38,280
Transfer from inventory	-	-	1,060	-	-	2,070	-	3,130
Disposals/write-off	-	(19,122)	(25,134)	(13,804)	(1,276)	(8,162)	-	(67,498)
Transfers in (out)	-	26,257	1,770	68	808	(1,193)	(27,710)	-
31 December 2020	-	536,957	110,348	32,275	21,498	36,867	48	737,993
Additions	-	80,354	19,469	19,096	-	-	3,802	122,721
Increase from the entire business transfer from subsidiary	3,540	197,596	58,647	-	8,872	-	-	268,655
Transfer from inventory	-	-	3,729	-	-	2,504	-	6,233



	Separate financial statements							
	Land	Building and building improvements	Office equipment	Furniture and fixtures	Motor vehicles	Assets for rent	Assets under construction and installation	Total
Disposals/write-off	-	(42,830)	(3,142)	(2,518)	-	-	-	(48,490)
Transfers in (out)	-	-	386	-	-	(337)	(49)	-
31 December 2021	3,540	772,077	189,437	48,853	30,370	39,034	3,801	1,087,112
Accumulated depreciation								
1 January 2020	-	416,768	106,523	43,590	14,645	33,990	-	615,516
Depreciation for the year	-	30,726	7,779	408	2,098	5,629	-	46,640
Accumulated depreciation on disposals/write-off	-	(14,641)	(25,089)	(13,785)	(1,276)	(8,161)	-	(62,952)
on transfer	-	-	1,140	-	-	(1,140)	-	-
31 December 2020	-	432,853	90,353	30,213	15,467	30,318	-	599,204
Depreciation for the year	-	47,319	13,833	3,180	2,116	3,672	-	70,120
Increase from the entire business transfer from subsidiary	-	125,879	35,128	-	8,828	-	-	169,835
Accumulated depreciation on disposals/write-off	-	(34,790)	(3,161)	(2,518)	-	-	-	(40,469)
on transfer	-	-	299	-	-	(299)	-	-
31 December 2021	-	571,261	136,452	30,875	26,411	33,691	-	798,690
Allowance for impairment loss								
1 January 2020	-	-	-	-	-	-	-	-
31 December 2020	-	-	-	-	-	-	-	-
Increase during the year	-	416	-	-	-	-	-	416
31 December 2021	-	416	-	-	-	-	-	416
Net book value								
31 December 2020	-	104,104	19,995	2,062	6,031	6,549	48	138,789
31 December 2021	3,540	200,400	52,985	17,978	3,959	5,343	3,801	288,006

**Depreciation for the year**

2020 (Baht 5.6 million included in cost of sales and services, and the balance in selling and administrative expenses)	46,640
2021 (Baht 3.7 million included in cost of sales and services, and the balance in selling and administrative expenses)	70,120

As at 31 December 2021, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 603 million (2020: Baht 555 million) (the Company only: Baht 603 million (2020: Baht 448 million)).

## 14. Leases

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 1 and 13 years.

### 14.1 Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements			
	Right-of-use building space	Vehicles	Total
1 January 2020	1,308,154	6,092	1,314,246
Additions during the year	505,383	-	505,383
Write-off during the year - net book value at write-off date	(34,223)	-	(34,223)
Depreciation for the year	(369,650)	(1,832)	(371,482)
Allowance for impairment	(92)	-	(92)
31 December 2020	1,409,572	4,260	1,413,832
Additions during the year	332,880	-	332,880
Write-off during the year - net book value at write-off date	(85,537)	-	(85,537)
Depreciation for the year	(386,675)	(1,825)	(388,500)
Reversal of allowance for impairment	92	-	92
31 December 2021	1,270,332	2,435	1,272,767

(Unit: Thousand Baht)

Separate financial statements			
	Right-of-use building space	Vehicles	Total
1 January 2020	689,729	-	689,729
Additions during the year	280,091	-	280,091
Write-off during the year - net book value at write-off date	(3,280)	-	(3,280)
Depreciation for the year	(204,568)	-	(204,568)
Allowance for impairment	(92)	-	(92)
31 December 2020	761,880	-	761,880
Additions during the year	332,880	-	332,880
Increase from the entire business transfer from subsidiary	528,520	3,655	532,175
Write-off during the year - net book value at write-off date	(18,536)	-	(18,536)
Depreciation for the year	(334,504)	(1,220)	(335,724)
Reversal of allowance for impairment	92	-	92
31 December 2021	1,270,332	2,435	1,272,767

## 14.2 Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Lease liabilities	1,353,247	1,481,651	1,353,247	783,783
Less: Deferred interest expenses	(77,734)	(78,272)	(77,734)	(25,506)
Total	1,275,513	1,403,379	1,275,513	758,277
Less: Portion due within one year	(387,172)	(367,052)	(387,172)	(205,704)
Lease liabilities - net of current portion	888,341	1,036,327	888,341	552,573

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance at beginning of year	1,403,379	1,288,335	758,277	680,885
Add: Additions during the year	330,128	502,849	330,128	278,625
Accretion of interest during the year	24,247	24,965	19,039	8,430
Increase from the entire business transfer from subsidiary	-	-	527,634	-
Less: Payments during the year	(345,755)	(313,743)	(296,918)	(172,980)
Termination of contracts due to branch closures during the year	(86,095)	(33,664)	(18,591)	(3,125)
Reduction in lease payments by lessors	(50,391)	(65,363)	(44,056)	(33,558)
Balance at end of year	1,275,513	1,403,379	1,275,513	758,277

A maturity analysis of lease payments is disclosed in Note 30.1 under the liquidity risk.

### 14.3 Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Depreciation expense of right-of-use assets	388,500	371,482	335,724	204,568
Interest expense on lease liabilities	24,247	24,965	19,039	8,430
Expense relating to short-term leases	14,439	203	8,790	-
Expense relating to variable lease payments	5,543	2,726	5,543	2,726

The Group has lease contracts for office building space that contains variable payments based on sales. The lease term is 6 months to 3 years.

### 14.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 365.7 million (2020: Baht 316.7 million) (the Company only: Baht 311.3 million 2020: Baht 175.7 million), including the cash outflows related to short-term leases and variable lease payments that do not depend on an index or a rate.

## 15. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements			
	Trademark	Computer software	Software under development	Total
<b>Cost</b>				
1 January 2020	212,560	46,192	-	258,752
Additions	-	-	17,456	17,456
Transfer in (out)	-	7,488	(7,488)	-
31 December 2020	212,560	53,680	9,968	276,208
Additions	-	28,371	678	29,049
Disposals	-	(3,807)	-	(3,807)
Transfer in (out)	-	8,963	(8,963)	-
31 December 2021	212,560	87,207	1,683	301,450
<b>Accumulated amortisation</b>				
1 January 2020	-	28,138	-	28,138
Amortisation for the year	-	2,262	-	2,262
31 December 2020	-	30,400	-	30,400
Amortisation for the year	-	5,677	-	5,677
Accumulated depreciation on disposals	-	(3,807)	-	(3,807)
31 December 2021	-	32,270	-	32,270
<b>Net book value</b>				
31 December 2020	212,560	23,280	9,968	245,808
31 December 2021	212,560	54,937	1,683	269,180



(Unit: Thousand Baht)

	Separate financial statements			
	Trademark	Computer software	Software under development	Total
<b>Cost</b>				
1 January 2020	-	32,283	-	32,283
Additions	-	-	9,968	9,968
31 December 2020	-	32,283	9,968	42,251
Additions	-	28,371	678	29,049
Increase from the entire business transfer from subsidiary	212,560	17,590	-	230,150
Transfer in (out)	-	8,963	(8,963)	-
31 December 2021	212,560	87,207	1,683	301,450
<b>Accumulated amortisation</b>				
1 January 2020	-	14,660	-	14,660
Amortisation for the year	-	1,980	-	1,980
31 December 2020	-	16,640	-	16,640
Increase from the entire business transfer from subsidiary	-	10,494	-	10,494
Amortisation for the year	-	5,136	-	5,136
31 December 2021	-	32,270	-	32,270
<b>Net book value</b>				
31 December 2020	-	15,643	9,968	25,611
31 December 2021	212,560	54,937	1,683	269,180

Trademark acquired through business combination is renewed every 10 years and has allowed the Group to determine that this asset has an indefinite useful life. This asset was tested for impairment as described in Note 16 to the financial statements.

## 16. Goodwill and brand with indefinite useful life

As discussed in Note 11 to the financial statements, there were goodwill and trademark with indefinite useful life acquired through the entire business transfer from Computer System Connection International Co., Ltd. (the subsidiary) as below.

(Unit: Thousand Baht)

Goodwill	77,385
Trademark	212,560

For the annual impairment testing, the recoverable amount of the cash generating unit (CGU) has been determined based on value in use using the income approach, which is measured using cash flow projections based on financial budgets approved by management covering a five-year period. The fair value measurement is categorised within Level 3 of the fair value hierarchy.

Key assumptions used in fair value measurement of goodwill and trademark with indefinite useful life as at 31 December 2021 and 2020 are summarised below.

	(Unit: Percent per annum)	
	31 December 2021	31 December 2020
Long-term growth rates	1.8	1.8
Pre-tax discount rates	9.7	9.1

The management has considered growth rate from the expected market growth and pre-tax discount rate as a pre-tax rate to reflect the risks specific to the CGU.

The management has considered the above and believes that there is no impairment loss on goodwill and trademark with indefinite useful life.

## 17. Short-term loans from financial institutions

Movements of short-term loans from financial institutions during the years ended 31 December 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Balance at beginning of year	649,999	678,576	649,999	250,000
Add: Increase during the year	2,217,146	3,011,626	2,217,146	1,909,999
Less: Repayment during the year	(2,137,439)	(3,040,203)	(2,137,439)	(1,510,000)
Balance at end of year	729,706	649,999	729,706	649,999

As at 31 December 2021, the Company had short-term loans from commercial banks which carry interest at the rates of 3.00 to 4.25 percent per annum (2020: 3.00 to 4.25 percent per annum).

Short-term loan agreements contain certain covenants as specified in the agreements that, among other things, require the Company to maintain certain debt to equity ratio at the rate prescribed in the agreements, and the portion of the Company's shares held by the major shareholders.

## 18. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade payables - related parties	8,620	19,496	8,620	27,467
Trade payables - unrelated parties	715,475	589,900	715,475	541,628
Other payables - related parties (Note 11)	12,357	3,953	110,170	3,963
Other payables - unrelated parties	19,899	68,030	19,899	7,488
Accrued expenses	141,598	99,096	141,598	65,744
Unearned revenues	43,919	13,476	43,919	13,422
Total trade and other payables	941,868	793,951	1,039,681	659,712

## 19. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Provision for long-term employee benefits at beginning of year	35,693	43,480	20,533	28,710
Increase from the entire business transfer from subsidiary	-	-	6,777	-
Included in profit or loss:				
Current service cost	2,125	3,283	1,806	2,382
Interest cost	342	477	303	302
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(174)	(896)	(174)	(896)
Financial assumptions changes	(2,699)	167	(2,699)	(20)
Experience adjustments	21	(4,691)	21	(4,809)
Benefits paid during the year	(14,218)	(6,127)	(5,477)	(5,136)
<b>Provision for long-term employee benefits at end of year</b>	<b>21,090</b>	<b>35,693</b>	<b>21,090</b>	<b>20,533</b>

As at 31 December 2021, the Group expects to pay Baht 2.7 million of long-term employee benefits during the next year (2020: Baht 12.9 million) (the Company only: Baht 2.7 million (2020: Baht 5.4 million)).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefits for the Group is 16 years (2020: 13 - 14 years) (the Company only: 16 years (2020: 14 years)).

Significant actuarial assumptions are summarised below.

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	2.76	1.49 - 1.50	2.76	1.49
Future salary increase rate (depending on age)	3.5	0 - 4	3.5	0 - 3
Staff turnover rate (depending on age)	3 - 40	3 - 46	3 - 40	3 - 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 2021 and 2020 are summarised below.

(Unit: Million Baht)

		31 December 2021			
		Consolidated financial statements		Separate financial statements	
		Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate		(2.08)	2.46	(2.08)	2.46
		Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Salary increase rate		2.20	(1.90)	2.20	(1.90)
		Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Staff turnover rate		(2.28)	2.87	(2.28)	2.87

(Unit: Million Baht)

	31 December 2020			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(2.71)	3.22	(1.76)	2.11
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Salary increase rate	2.89	(2.49)	1.87	(1.60)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Staff turnover rate	(2.86)	3.61	(1.72)	2.11

## 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. Revenue from contracts with customers

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Type of goods or services:</b>				
Sales of electronic equipment	8,474,494	6,776,465	7,445,271	4,103,399
Marketing support income	81,751	97,914	65,444	27,492
Rental of peripheral equipment	19,330	26,383	19,330	26,383
Commission income	118,906	81,008	83,751	17,136
Agent for repair and sales of equipment	8,195	5,216	8,195	5,217
<b>Total revenue from contracts with customers</b>	<b>8,702,676</b>	<b>6,986,986</b>	<b>7,621,991</b>	<b>4,179,627</b>
<b>Timing of revenue recognition:</b>				
Revenue recognised at a point in time	8,683,346	6,960,603	7,602,661	4,153,244
Revenue recognised over time	19,330	26,383	19,330	26,383
<b>Total revenue from contracts with customers</b>	<b>8,702,676</b>	<b>6,986,986</b>	<b>7,621,991</b>	<b>4,179,627</b>

## 22. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cost of goods	7,270,915	5,920,534	6,386,397	3,604,864
Depreciation and amortisation	474,678	448,873	410,980	253,188
Salary, wages and other employee benefits	357,284	320,412	297,924	170,576
Rental and service center expenses from lease agreements	70,248	76,777	46,850	24,488
Utilities expenses	47,289	44,611	41,319	28,239
Office supply expenses	18,224	14,112	16,313	6,967
Transportation expenses	12,871	15,638	9,556	8,434
Increase (decrease) in allowance for inventory obsolescence	553	2,121	3,507	(2,254)
Expected credit losses	35	93,730	35	93,730

## 23. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Interest expense on borrowings	20,681	28,493	20,681	18,193
Interest expense on lease liabilities	24,879	21,484	19,580	7,560
<b>Total finance cost</b>	<b>45,560</b>	<b>49,977</b>	<b>40,261</b>	<b>25,753</b>

## 24. Income tax

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Current income tax:</b>				
Current corporate income tax charge	30,615	3,746	30,615	3,746
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	17,761	(16,873)	15,201	(16,235)
<b>Income tax reported in profit or loss</b>	<b>48,376</b>	<b>(13,127)</b>	<b>45,816</b>	<b>(12,489)</b>

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax relating to actuarial gain	570	1,084	570	1,145

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Accounting profit (loss) before tax	253,626	(54,295)	226,063	(52,385)
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	50,725	(10,859)	45,213	(10,477)
Effects of:				
Non-deductible expenses	5,288	1,459	4,542	519
Income not subject to tax	(7,504)	(4,754)	(2,802)	(2,320)
Additional expense deductions allowed	(1,198)	(378)	(1,137)	(211)
Unrecognised tax losses of subsidiary	1,065	-	-	-
Others	-	1,405	-	-
Total	(2,349)	(2,268)	603	(2,012)
<b>Income tax reported in profit or loss</b>	<b>48,376</b>	<b>(13,127)</b>	<b>45,816</b>	<b>(12,489)</b>

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

(Unit: Thousand Baht)

	Statements of financial position as at 31 December			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Deferred tax assets</b>				
Allowance for expected credit losses	641	18,774	641	18,663
Allowance for diminution in inventory value	5,844	5,733	5,844	2,831
Accumulated depreciation of assets	726	976	726	946
Allowance for impairment loss on assets	318	253	318	253
Provision for long-term employee benefits	4,218	7,139	4,218	4,107
Provision for service liabilities	1,845	1,370	1,845	190
Unused tax losses	-	687	-	-
Leases	5,829	2,820	5,829	1,360
Total	19,421	37,752	19,421	28,350
<b>Deferred tax liabilities</b>				
Intangible assets from business combination	(42,512)	(42,512)	(42,512)	-
Total	(42,512)	(42,512)	(42,512)	-
Total deferred tax assets (liabilities) - net	(23,091)	(4,760)	(23,091)	28,350

## 25. Earnings (loss) per share

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit (loss) for the year				
(Thousand Baht)	205,249	(41,169)	180,247	(39,896)
Weighted average number of ordinary shares				
(Thousand shares)	366,399	366,399	366,399	366,399
Basic earnings (loss) per share				
(Baht)	0.56	(0.11)	0.49	(0.11)

## 26. Dividends

Details of dividend payment are set out below.

	Approved by	Total Dividends paid	Dividend per share
2020		(Thousand Baht)	(Baht)
Interim dividends on the unappropriated retained earnings	Board of Directors' Meeting on 1 April 2020	10,992	0.03
Total dividends paid for the year 2020		10,992	0.03

## 27. 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 Group 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 2021 and 2020, the Group had no major customer with revenue of 10 percent or more of its revenues.

As at 31 December 2021 and 2020, future minimum payments required under these lease and service agreements were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Payable:				
In up to 1 year	59	78	59	26
In over 1 year and up to 5 years	35	61	35	15

In addition, the Company has obligations to pay rental and service fee at the percentage of sales under lease and service agreements for lease of certain branch areas.

## 28. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rate of 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. During the year 2021, the contribution of the Group amounting to Baht 3.7 million (2020: Baht 3.8 million) and of the Company amounting to Baht 3.0 million (2020: Baht 2.0 million) were recognised as expenses.

## 29. Commitments and contingent liabilities

### 29.1 Lease and related service commitments

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



## 29.2 Guarantees

As at 31 December 2021, there were outstanding bank guarantees of approximately Baht 61.5 million (the Company only: Baht 48.2 million) (2020: Baht 46.7 million, the Company only: Baht 15.4 million) issued by the banks on behalf of the Group to guarantee the purchases of goods and services as required in the ordinary course of business of the Group.

## 30. Financial instruments

### 30.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, trade and other payables and loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables, deposits with banks and other financial instruments. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group 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.

#### Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates

are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Investments are made only in bank deposits with approved counterparty banks with credit-ratings at investment grade assigned by international credit agencies and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed and updated throughout the year. The limits are set to minimise concentration risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

#### Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks and short-term loans from financial institutions. However, since most of the Group'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)

	Consolidated financial statements				
	As at 31 December 2021				
	Fixed interest rates		Floating		Effective interest rate (% per annum)
	Within 1 year	1 to 5 years	interest rate	Non-interest bearing	
Financial assets					
Cash and cash equivalents	-	-	136	140	276
Trade and other receivables	-	-	-	259	259
	-	-	136	399	535
Financial liabilities					
Short-term loans from financial institutions	730	-	-	-	730
Trade and other payables	-	-	-	942	942
Lease liabilities	387	888	-	-	1,275
	1,117	888	-	942	2,947

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2021				
	Fixed interest rates		Floating		Effective interest rate
	Within 1 year	1 to 5 years	interest rate	Non-interest bearing	
Financial assets					
Cash and cash equivalents	-	-	119	19	138
Trade and other receivables	-	-	-	349	349
	-	-	119	368	487
Financial liabilities					
Short-term loans from financial institutions	650	-	-	-	650
Trade and other payables	-	-	-	794	794
Lease liabilities	367	1,036	-	-	1,403
	1,017	1,036	-	794	2,847

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2021					
	Fixed interest rates		Floating		Total	Effective interest rate
	Within 1 year	1 to 5 years	interest rate	Non-interest bearing		(% per annum)
Financial assets						
Cash and cash equivalents	-	-	136	140	276	0.05 - 0.30
Trade and other receivables	-	-	-	259	259	-
	-	-	136	399	535	
Financial liabilities						
Short-term loans from financial institutions	730	-	-	-	730	3.00 - 4.25
Trade and other payables	-	-	-	1,040	1,040	-
Lease liabilities	387	888	-	-	1,275	3.04 - 5.17
	1,117	888	-	1,040	3,045	

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2021					
	Fixed interest rates		Floating		Total	Effective interest rate
	Within 1 year	1 to 5 years	interest rate	Non-interest bearing		(% per annum)
Financial assets						
Cash and cash equivalents	-	-	67	12	79	0.05 - 0.30
Trade and other receivables	-	-	-	790	790	-
	-	-	67	802	869	
Financial liabilities						
Short-term loans from financial institutions	650	-	-	-	650	3.00 - 4.25
Trade and other payables	-	-	-	660	660	-
Lease liabilities	206	552	-	-	758	3.04 - 5.17
	856	552	-	660	2,068	

### Foreign currency risk

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

As at 31 December 2021 and 2020, there were no outstanding balance of financial assets and liabilities denominated in foreign currency.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

### Liquidity risk

The Group needs liquidity to meet its obligations and is responsible for its own cash balances and the raising of internal and external credit lines to cover the liquidity needs. The Group monitors the risk of a shortage of liquidity position by recurring liquidity planning an adequate level of cash and cash equivalents, unused committed and uncommitted credit lines with various banks to meet its liquidity requirements.

(Unit: Thousand Baht)

Consolidated financial statements			
As at 31 December 2021			
	Less than 1 year	1 to 5 years	Total
Short-term loans from financial institutions	729,706	-	729,706
Trade and other payables	941,868	-	941,868
Lease liabilities	423,432	929,815	1,353,247
Total	2,095,006	929,815	3,024,821

(Unit: Thousand Baht)

Consolidated financial statements			
As at 31 December 2020			
	Less than 1 year	1 to 5 years	Total
Short-term loans from financial institutions	649,999	-	649,999
Trade and other payables	793,951	-	793,951
Lease liabilities	391,833	1,089,818	1,481,651
Total	1,835,783	1,089,818	2,925,601

(Unit: Thousand Baht)

Separate financial statements			
As at 31 December 2021			
	Less than 1 year	1 to 5 years	Total
Short-term loans from financial institutions	729,706	-	729,706
Trade and other payables	1,039,681	-	1,039,681
Lease liabilities	423,432	929,815	1,353,247
Total	2,192,819	929,815	3,122,634

(Unit: Thousand Baht)

Separate financial statements			
As at 31 December 2020			
	Less than 1 year	1 to 5 years	Total
Short-term loans from financial institutions	649,999	-	649,999
Trade and other payables	659,712	-	659,712
Lease liabilities	213,669	570,114	783,783
Total	1,523,380	570,114	2,093,494

### 30.2 Fair values of financial instruments

Since the majority of the Group'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.

### 31. 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 Group manages its capital position with reference to its debt-to-equity ratio. As at 31 December 2021, the Group's debt-to-equity ratio was 2.56:1 (2020: 3.00:1) and the Company's was 2.88:1 (2020: 2.31:1).

### 32. Events after the reporting period

On 23 February 2022, the meeting of the Board of Directors of the Company passed a resolution approving the payment of annual dividend for 2021 from the Company's retained earnings at Baht 0.30 per share, or a total of Baht 109.9 million. The payment of dividend will later be proposed for approval in the Annual General Meeting of the Company's shareholders.

### 33. Approval of financial statements

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



# CERTIFICATION OF THE ACCURACY OF INFORMATION

The Company has carefully reviewed the information in this Annual Registration Statement / Annual Report and certifies that such information is accurate, complete, contains no false or misleading statements, or no omission of any material facts that should have been stated in. In addition, the Company hereby certifies that:

- 1) The financial statements and financial information that are summarized in the Annual Registration Statement / Annual Report contain accurate and complete information about the financial position, performance, and cash flow of the Company and its subsidiaries.
- 2) The Company has set up a suitable disclosure system to ensure that the material information of both the Company and its subsidiaries are disclosed accurately and completely, including supervising to have compliance with the said system.
- 3) The Company has established a good internal control system and supervision to ensure compliance with the said system. The company has informed the internal control assessment information to the Audit Committee of the company. This covers deficiencies and significant changes in the internal control system, including wrongful acts which may affect the preparation of financial reports of the company and its subsidiaries.

As evidence that all documents are the same documents certified by the Company, the Company has assigned Ms. Wannaporn Chansareewittaya to sign this document on every page. If any pages do not contain Ms. Wannaporn Chansareewittaya signature, it will not be considered that the Company has certified the accuracy as mentioned above.

Name	Position	Signature
Mr.Vichit Yanamorn	Chairman of the Board, Independent Director, of Audit Committee, Member of the Nomination & Remuneration Committee and Member of the Risk Management Committee	
Mr.Ekachai Sirijirapatana	Director and Executive Chairman	
The Authorized Person		
Ms.Wannaporn Chansareewittaya	Vice President of Finance	

# Attachment 1 – 6

# Board of Directors, Executives and Secretary

## Mr. Vichit Yanamorn

Age : 75

Share holding (%) : 0

### Job Title

Chairman of the board, Independent Director, Chairman of Audit Committee, Nomination & Remuneration Committee, Risk Management Committee

### Education

- Master of Science (Computer Science), University of IOWA, USA
- Bachelor of Commerce and Accountancy (Statistics), (Second Class Honors) Chulalongkorn University

### Director Accreditation program

- 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

### Work Experience

Period	Job Title	Company Name
Present	<ul style="list-style-type: none"><li>• Chairman of the board</li><li>• Independent Director</li><li>• Chairman of Audit Committee</li><li>• Nomination &amp; Remuneration Committee</li><li>• Risk Management Committee</li></ul>	IT CITY Pcl.
Present	<ul style="list-style-type: none"><li>• Director</li></ul>	The New Continent Co., Ltd.
Present	<ul style="list-style-type: none"><li>• Information Technology Adviser</li></ul>	MBK Pcl.
Present	<ul style="list-style-type: none"><li>• Director</li></ul>	The Grand UB Co., Ltd.
Present	<ul style="list-style-type: none"><li>• Director</li></ul>	Amorncheewin Co., Ltd.
2015 - Present	<ul style="list-style-type: none"><li>• Non-Executive Director</li><li>• Risk Management Committee</li><li>• Nomination &amp; Remuneration Committee</li></ul>	Thanachart Capital Public Co., Ltd.
2014 - Present	<ul style="list-style-type: none"><li>• Independent Director</li><li>• Audit Committee</li><li>• Nomination &amp; Remuneration Committee</li></ul>	Net Bay Public Co., Ltd.

**Mr.Ekachai Sirijirapatana****Age : 67****Share holding (%) : 0.3458****Job Title**

Director, Executive Chairman and Authorized Director

**Education**

- Master of Business Information System, Georgia State University

**Director Accreditation program**

- Certificate of Attendance Director Accreditation Program Class 33 (DAP)

**Work Experience****Period**

Present

**Job Title**

- Director
- Executive Chairman

**Company Name**

IT CITY Pcl.

# Mr. Wilson Teo Yong Peng

Age : 55

Share holding (%) : 0

## Job Title

Director and Authorized Director

## Education

- DBA, Doctor of Business Administration, University of Manchester (UK)
- ASEP, Advanced Senior Executive Program, Kellogg School of Management (USA)
- MBA, Master of Business Administration, Oxford Brookes University (UK)
- FCCA, Fellow of The Association of Chartered Certified Accountants (UK)
- FCA, Fellow of Institute of Singapore Chartered Accountants
- FCPA, Fellow of Certified Practising Accountants (Australia)
- ASEAN CPA, ASEAN Chartered Professional Accountant
- IIA, The Institute of Internal Auditors (USA)

## Director Accreditation program

- DAP, Director Accreditation Program

## Work Experience

Period	Job Title	Company Name
Present	• Director	IT CITY Pcl.
Present	• Director	ARIP Public Co., Ltd.
Present	• Director	SVOA Pcl.
Present	• Director	ABIKS Development Co., Ltd.
Present	• Director	Asys Computer Co., Ltd.
Present	• Director	Digitech One Co., Ltd.
2006-2019	• Director	Business Online Public Co., Ltd.
2006-2019	• Director	Data One Asia (Thailand) Co., Ltd.
2006-2019	• Director	Acerts Co., Ltd.
2000-2018	• Director	Anew Corporation Co., Ltd.
2000-2018	• Director	Advanced Research Group Co., Ltd.
2012-2013	• Director	Lease IT Public Co., Ltd.



## **Mr. Weerapat Punsak-udomsin**

**Age : 51**

**Share holding (%) : 5.4105**

### **Job Title**

Director and Authorized Director

### **Education**

- Bachelor of Business Administration (Management), Bangkok University

### **Director Accreditation program**

- Certificate from Director Certification Program (DCP), Class 283/2019

### **Work Experience**

<b>Period</b>	<b>Job Title</b>	<b>Company Name</b>
Present	• Director	IT CITY Pcl.
2019 - Present	• President	Universe Beauty Co., Ltd.
1996 - Present	• Director	Universe Beauty Land 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.

## Mr. Pipope Chokwathana

Age : 45

Share holding (%) : 0.4001

### Job Title

Director and Authorized Director

### Education

- Bachelor of Management Information System, The University of Central Florida, (U.S.A.)

### Director Accreditation program

- Certificate of Director Certification Program (DCP), Class 264/2018

### Work Experience

Period	Job Title	Company Name
Present	• Director	IT CITY Pcl.
2004 - Present	• Director • Managing Director • Chief of Executive Director	New City (Bangkok) Pcl.
2008 - Present	• Executive Director	Saha Pathana Inter Holding Pcl.
Present	• Assistance Secretary	The Federation of Thai Industry
Present	• Director	Boonwattanachok Co., Ltd
Present	• Director	Ekpakorn Co., Ltd
Present	• Director	Saha Capital Tower Co., Ltd.
Present	• Director	Chokwatana Co., Ltd.
Present	• Director	Sahapat Real Estate Co., Ltd.
Present	• Director	Shop Global (Thailand) Co., Ltd.

## **Mr.Pichai Neranartkomol**

**Age : 64**

**Share holding (%) : 21.8341**

### **Job Title**

Director, Vice Executive Chairman and Authorized Director

### **Education**

- Bachelor of Engineering, Chulalongkorn University

### **Director Accreditation program**

- Certificate from Director Certification Program (DCP), Class 180/2013

### **Work Experience**

<b>Period</b>	<b>Job Title</b>	<b>Company Name</b>
Present	<ul style="list-style-type: none"> <li>• Director</li> <li>• Executive Vice President</li> </ul>	IT CITY Pcl.
1983 - 2020	<ul style="list-style-type: none"> <li>• Chief Executive Officer</li> </ul>	Computer System Connection International Co.,Ltd.

## Mr.Sophon Intanate

Age : 39

Share holding (%) : 0

### Job Title

Director, President and Authorized Director

### Education

- Master of Commerce (Economics & Banking) The University of Sydney NSW, Australia
- Bachelor of Financial Economics, The University of Sydney, NWS, Australia
- Thailand Insurance Leadership Program (2013)

### Director Accreditation program

- Certificate from Director Certification Program (DCP), 2013

### Work Experience

Period	Job Title	Company Name
Present	<ul style="list-style-type: none"><li>• Director</li><li>• President</li></ul>	IT CITY Pcl.
Aug 2018 - Nov 2019	<ul style="list-style-type: none"><li>• Vice President Product Marketing</li></ul>	IT CITY Pcl.
2016 - Present	<ul style="list-style-type: none"><li>• Director</li></ul>	Touch Printing Republic Co., Ltd.
2015 - Present	<ul style="list-style-type: none"><li>• Director</li></ul>	S P V I Pcl.
2016 - 2018	<ul style="list-style-type: none"><li>• General Manager</li></ul>	IT CITY Pcl.
2010 - 2016	<ul style="list-style-type: none"><li>• Product Manager</li></ul>	IT CITY Pcl.
2014	<ul style="list-style-type: none"><li>• Director</li></ul>	ARIP Pcl.

## Mr.Damnoen Kaewthawee

Age : 75

Share holding (%) : 0

### Job Title

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

### Education

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

### Director Accreditation program

- Certificate of Attendance Director Accreditation Program (DAP 174/2563)

### Work Experience

Period	Job Title	Company Name
2010 - Present	<ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Audit Committee</li> <li>• Chairman of Nomination &amp; Remuneration Committee</li> <li>• Risk Management Committee</li> </ul>	IT CITY Pcl.
2014 - Present	<ul style="list-style-type: none"> <li>• Chairman of the Board</li> <li>• Independent Director</li> <li>• Audit Committee</li> </ul>	Bangkok Sheet Metal Pcl.
2018 - Present	<ul style="list-style-type: none"> <li>• Chairman of the Board</li> </ul>	Kumwell Corporation Pcl.
2007- Present	<ul style="list-style-type: none"> <li>• Chairman of the Board</li> </ul>	Infinite Technology Corporation Co., Ltd
Present	<ul style="list-style-type: none"> <li>• Adviser</li> </ul>	Association The Communications Authority of Thailand association (CATA)
2013 - 2014	<ul style="list-style-type: none"> <li>• Subcommittee strategy set Technology</li> </ul>	Metropolitan Waterworks Authority
2004 - 2007	<ul style="list-style-type: none"> <li>• Adviser</li> </ul>	The Communications Authority of Thailand Savings Co-operative Ltd.
2006 - 2007	<ul style="list-style-type: none"> <li>• Vice President Information Technology</li> </ul>	CAT Telecom Pcl.
2008 - 2009	<ul style="list-style-type: none"> <li>• Adviser</li> </ul>	The Commission Telecommunications Secretariat of the Council of Representatives
2008 - 2010	<ul style="list-style-type: none"> <li>• Director</li> </ul>	Audit and evaluation, The Ministry of Culture



## Mr.Sarsak Tuntasuwon

Age : 65

Share holding (%) : 0

### Job Title

Independent Director, Audit Committee and Chairman of Risk Management Committee

### Education

- Master of Public Administration NIDA.
- LL.B Ramkhamhaeng University
- LL.M Ramkhamhaeng University
- Capital Market Academy (CMA12)
- The National Defence College of Thailand (Class 2550)

### Work Experience

Period	Job Title	Company Name & Type of Business
Present	<ul style="list-style-type: none"><li>• Independent Director</li><li>• Audit Committee</li><li>• Chairman of Risk Management Committee</li></ul>	IT CITY Pcl.
2007 - 2015	<ul style="list-style-type: none"><li>• Deputy Secretary</li></ul>	The Office of Insurance Commission, Ministry of Finance
2006 - 2007	<ul style="list-style-type: none"><li>• Deputy Director</li></ul>	The Department of Insurance, Ministry of Commerce
2000 - 2006	<ul style="list-style-type: none"><li>• Specialist Insurance Law</li></ul>	The Department of Insurance, Ministry of Commerce
1997 - 2000	<ul style="list-style-type: none"><li>• Director of the Legal Division</li></ul>	The Department of Insurance, Ministry of Commerce

## Mr.Sathit Pitivara

Age : 57

Share holding (%) : 0

### Job Title

Independent Director and Nomination & Remuneration Committee

### Education

- Doctor of Philosophy Program in Public Administration, Burapha University (2012)
- Master of Public Administration, Ramkhamhaeng University (2006)
- NIDA-CP: Mini Executive MBA. (1997)
- Bachelor of Agriculture (Agricultural Extension), Sukhothai Thammathirat Open University (1994)

### Work Experience

Period	Job Title	Company Name & Type of Business
Present	<ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Nomination &amp; Remuneration Committee</li> </ul>	IT CITY Pcl.
2015 - 2017	<ul style="list-style-type: none"> <li>• Special Instructor</li> </ul>	Graduate School of Commerce, Burapha University
2013 - 2015	<ul style="list-style-type: none"> <li>• University Council committee</li> </ul>	Burapha University
2013 - 2015	<ul style="list-style-type: none"> <li>• Alimni Association President</li> </ul>	Burapha University
2003 - 2012	<ul style="list-style-type: none"> <li>• Manager</li> </ul>	wangnamyen dairy Co., Ltd.

## Mr.Chattaphum Khantiviriya

Age : 60

Share holding (%) : 0

### Job Title

Independent Director

### Education

- Master of Business Administration, Kasetsart University
- Bachelor of Accountancy, Chulalongkorn University

### Director Accreditation program

- Audit Committee Program (ACP) 2005
- Company Secretary Program 2005
- Director Certification Program (DCP) 2005
- Role of the Compensation Committee (RCC) 2005

### Work Experience

Period	Job Title	Company Name & Type of Business
Present	• Independent Director	IT CITY Pcl.
Present	• Independent Director • Audit Committee	Communication & System Solution Pcl.
Present	• Director	More Return Pcl.
Present	• Director	Global Service Center Pcl.
2007 - 2011	• Chief Finance Officer	Major Cineplex Group Pcl.
May - Dec 2006	• Deputy Director of Finance & Accounting	RS Pcl.
1998 - 2006	• Senior Head of Finance & Accounting	Major Cineplex Group Plc.

## **Mr.Suwat Panichpakdee**

**Age : 64**

**Share holding (%) : 0**

### **Job Title**

Vice Executive Chairman

### **Education**

- Master of science in Finance, Georgia State University

### **Work Experience**

<b>Period</b>	<b>Job Title</b>	<b>Company Name &amp; Type of Business</b>
Present	• Vice Executive Chairman	IT CITY Pcl.

## **Mr.Pairoj Amatamahatana**

**Age : 61**

**Share holding (%) : 0.1745**

### **Job Title**

Vice President of Warehouse Management & Administration

### **Education**

- Master of Business Information System, Georgia State University

### **Work Experience**

<b>Period</b>	<b>Job Title</b>	<b>Company Name &amp; Type of Business</b>
Present	• Vice President of Warehouse Management & Administration	IT CITY Pcl.

## **Ms. Wannaporn Chansareewittaya**

**Age : 32**

**Share holding (%) : 0**

### **Job Title**

Vice President of Finance

### **Education**

- Bachelor of Accounting , Chiangmai University

### **Director Accreditation program**

- CFO's Orientation Course, Thailand Securities Institute (TIS)
- ASEAN Chartered Professional Accountant: ASEAN CPA
- CFO Refresher (2/2021)

### **Work Experience**

<b>Period</b>	<b>Job Title</b>	<b>Company Name &amp; Type of Business</b>
Oct 2020 - Present	• Vice President of Finance	IT CITY Pcl.
Oct 2019 - Sep 2020	• Chief Financial Officer	Computer System Connection International Co., Ltd.
Oct 2018 - Sep 2019	• Audit Manager	EY Co., Ltd.
Apr 2012 - Sep 2018	• Audit Assistant	EY Co., Ltd.



## Mr.Khanaphon Piyalaksanangkul

Age : 40

Share holding (%) : 0

### Job Title

Vice President of Sales & Product

### Education

- Bachelor of Business Administration Program, Majoring in Economics and International Business, Dhonburi Rajabhat University

### Work Experience

Period	Job Title	Company Name & Type of Business
Oct 2020 - Present	• Vice President of Sales & Product	IT CITY Pcl.
2012 - Sep 2020	• Chief Marketing Officer	Computer System Connection International Co., Ltd.
2011 - 2012	• Head of Marketing	OPPO THAI Co., Ltd.
2010 - 2011	• Senior Shop Manager	Real Move Co., Ltd.
2004 - 2010	• Shop Manager	Hutchchison Cat Wireless Multimedia Co., Ltd.

## **Mr. Kasame Srilertchaipanich**

**Age : 40**

**Share holding (%) : 0**

### **Job Title**

Vice President of Marketing & Online

### **Education**

- Combined Bachelor of Mechanical (Space) Engineering/Science (Physics/Mathematics)  
University of Sydney, Australia 2005

### **Work Experience**

<b>Period</b>	<b>Job Title</b>	<b>Company Name &amp; Type of Business</b>
Present	• Vice President of Marketing & Online	IT CITY Pcl.
2017 - Sep 2020	• Manager of Marketing & Online	IT CITY Pcl.
2015-2017	• Director of Production and Design Department	Smile Exhibition Co., Ltd.
2010-2014	• Senior Editor Aerospace Magazine	Aero Spicy Co., Ltd.
2008-2010	• Senior Engineer Department of Device Design	International Aero Engineering Co., Ltd.
2006-2007	• Engineer for Design and Production Quality Analysis Department of Special Project	Loxley Pcl.

## **Ms. Kamonvor Neranartkomol**

**Age : 38**

**Share holding (%) : 0**

### **Job Title**

Vice President of Human Resource & Procurement

### **Education**

- Master of Business Administration School of Management Science  
Sukhothai Thammathirat

### **Work Experience**

<b>Period</b>	<b>Job Title</b>	<b>Company Name &amp; Type of Business</b>
Present	• Vice President of Human Resource & Procurement	IT CITY Pcl.
2010-2020	• Chief Operating Officer	Computer System Connection International Co., Ltd.

## **Mr.Chanchai Boonyasurakul**

**Age : 62**

**Share holding (%) : 0**

### **Job Title**

Company Secretary

### **Education**

- Bsc. Economics & Administration, Kasetsart University

### **Work Experience**

<b>Period</b>	<b>Job Title</b>	<b>Company Name &amp; Type of Business</b>
2002 - present	• Company secretary	IT CITY Pcl.
Present	• Company secretary	ARIP Pcl.
Present	• Director	Advanced Auditing Co.,Ltd.

Remark : 1) Duties and Responsibilities of Company Secretary and the coordinating representative Appears in part 2 of the report titled "Other Key Information".  
 2) Miss Wannaporn Chansareewittaya Deputy Director of Accounting and Finance is the highest responsible person in accounting and finance  
 3) Mr. Pichai Neranartkomol is related to being the father of Ms. Kamonvorn Neranartkomol.  
 for other people in order There is no family relationship between directors and executives.

## Attachment 1

### Name Of Director, Executive Management and Controlling Person in 2021

	IT CITY	SVOA	ABIKS	Asys Computer	Digitech One	CSC
1. Mr.Vichit Yanamorn	▲					
2. Mr.Ekachai Sirijirapatana	●■◆					
3. Dr.Wilson Teo Yong Peng	●■	●■	●■	●■	●■	
4. Mr.Weerapat Punsakudomsin	●■					
5. Mr.Pipope Chokwathana	●■					
6. Mr.Pichai Neranartkomol	●■◆					●■
7. Mr.Sophon Intanate	●■◆					
8. Mr.Damnoen Kaewthawee	●					
9. Mr.Sarsak Tuntasuwon	●					
10. Mr.Sathit Pitivara, Ph.D	●					
11. Mr.Chattaphum Khantiviriya	●					
12. Mr.Suwat Panichpakdee	◆					
13. Mr.Pairoj Amatamahatana	◆					●■
14. Ms.Wannapom Chansareewittaya	◆					
15. Mr.Khanaphon Piyalaksanangkul	◆					
16. Mr. Kasame Srilertchaipanich	◆					
17. Ms. Kamonvor Neranartkomol	◆					

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

\*\*IT City Public Company Limited received the entire business transfer from Computer System Connection International Company Limited (Subsidiary). On 1 May 2021

## Attachment 2 Details of the directors of the subsidiary Shown in Attachment 1

## Attachment 3

## Resume of The Head of Internal Audit

**Ms.Chirawan Thipkomut****Age : 52****Share holding (%) : 0****Job Title**

Internal Audit Manager

**Education**

- Bachelor of Accountancy University of the Thai Chamber of Commerce
- Master of Business Administration Program University of the Thai Chamber of Commerce

**Work Experience****Period**

2002-Present

**Job Title**

- Internal Audit Manager

**Remark :** There is no family relationship between directors and executives.

## Attachment 4

Assets used in business operations and details of property appraisals

- 4.1 Details of assets used in business Appears in the report, Part 1, titled Assets used in Business operations
- 4.2 Details about the property appraisal list
  - None -

## Attachment 5

The full version of Policy and practice guidelines for corporate governance and business ethics of the company is disclosed on [www.itcity.co.th](http://www.itcity.co.th) in the Corporate Governance section.

The full information of the charter of the sub-committees has been disclosed on [www.itcity.co.th](http://www.itcity.co.th) in the Corporate Governance section.



## Attachment 6

### Report of the Audit Committee

Dear shareholders,

The Audit Committee of IT City Public Company Limited consists of the following committees:

- |                            |                                 |
|----------------------------|---------------------------------|
| 1. Mr. Wichit Yanamorn     | Chairman of the Audit Committee |
| 2. Mr. Damnoen Kaewtawee   | Member of the Audit Committee   |
| 3. Mr. Sorasak Tantasuwana | Member of the Audit Committee   |

The Audit Committee has performed duties as assigned by the Board of Directors and according to the charter of the Audit Committee which is in line with the best practices of the Securities and Exchange Commission the company. There are adequate risk management and internal control system. In 2021, the Audit Committee held a total of 6 meetings with the auditors, management and internal auditors for the related matters which can be summarized as follows:

#### Financial Report

Review the quarterly financial statements and financial statements for the year 2021 by meeting with auditors, management and internal auditors to consider financial reports and disclose information in financial statements, accounting policy and important estimates, as well as inspection remarks and reviewing the auditor's financial statements.

Hold a specific meeting with the auditor without the management attending the meeting to discuss the auditor's independence in the performance of duties and opinions. The auditors confirmed that they can proceed as planned without obstacles and could express their opinions independently in accordance with the auditing standards. The Audit Committee had an opinion that the financial statements for the year ended December 31, 2021 are accurate as they should be according to financial reporting standards and have adequate disclosure of information.

#### Compliance Review

Reviewing compliance with securities and stock exchange laws, Regulations of the Stock Exchange of Thailand and laws related to the company's business. This includes complying with the company's requirements. The Audit Committee has an opinion that no significant issues were found on non-compliance with the law and various requirements.

#### Review of connected transactions and transactions which may lead to conflicts of interest

The Audit Committee has considered and reviewed the connected transactions and transactions which may lead to conflicts of interest.

The Company and its group companies according to the Stock Exchange of Thailand announcement Securities Commission and stock exchange The Audit Committee has an opinion consistent with the auditor that Entering into such transactions is subject to general trading conditions. are fair, reasonable and disclose information accurately and completely

#### Reviewing the Effectiveness of the Internal Control Process

In January 2021, the company encountered a problem of employee fraud through online sales channels. The Company has immediately investigated and controlled transactions related to the fraud and took legal action, both civil and criminal. From the investigation by the checking working group, initially, there were no significant flaws in the company's internal control system, however, the company has reviewed, modified and improved the payment system for online sales channels making it effective and ensured that such corruption can occur again.

To ensure that the control over the company's technology system is prudent and cautious and employees are complying with the regulations set forth, the Board of Directors agreed to hire P&L IT Audit Co., Ltd., an external expert to inspect the internal control system to comply with the company's policies and regulations, General control of information technology, application control and penetration testing. The results of the audit are as follows:

Checked Matters	Inspection Period	Inspection Results
<b>Information Technology Control</b> 1. Access Control 2. Input Control 3. Process Control 4. Output Control 5. Problem Management 6. Information Security Risk Management	March-April 2021	Control number 6 has been properly implemented.
<b>Review of compliance with policies and operating regulations</b> 1. Determination of organizational structure, the scope of duties and responsibilities of employees 2. Authorization/approval power and sample signature 3. Determination of policies/regulations/operation procedures	March-April 2021	Policy and Operation Manual has an internal control system in the areas which are substantial enough to enable the company to increase efficiency and effectiveness for its operations. Increase the confidence of senior management that the company has a reliable information system and without any significant errors and ensure that the company has an adequate internal control system
Review of compliance with policies and operating regulations from 17 departments	25 October — 5 November 2021	<p>The company has adopted the policy and operating manual and communicated to employees and executives thoroughly. Compliance with the established policies and operating manuals, there is an internal control system which is significant enough to enable the company to achieve its objectives as follows:</p> <ol style="list-style-type: none"> <li>1) Increase the efficiency and effectiveness of the company's operations.</li> <li>2) For the confidence of senior management, the company has a reliable information system and no material errors.</li> <li>3) Ensuring that the company has an adequate internal control system and employees have to operate according to the specified internal control system. Even though in the implementation of the policy and some operating manuals, there are some errors found. The company immediately corrected them. In addition, it has been proposed to the Board of Directors to review the authority to approve the purchase requisition and purchase orders clearly.</li> </ol>

The Audit Committee assessing the internal control system in 2021 agreed that the company's internal control system is appropriate and sufficient. No significant flaws have been found. This is consistent with the internal audit results of external experts.

#### Supervision of internal audit work

The Audit Committee has approved the annual audit plan and has followed up on the implementation of the plan. The results of the audit group are quarterly. Advice and Follow up on remedial actions were given on significant issues to create good internal control and to increase efficiency and the effectiveness of the audit.

#### Consideration for proposing the appointment of auditors and audit fees for the year 2022

The Audit Committee has considered and selected an auditor from EY Company Limited and set the remuneration at the appropriate level and proposed to the Board of Directors for approval from the annual general meeting of shareholders.



Mr.Vichit Yanamorn  
 Chairman of the Audit Committee  
 February 21, 2022







## บริษัท ไอที ซิตี้ จำกัด (มหาชน)

IT CITY PUBLIC COMPANY LIMITED

ศูนย์การค้า เดอะ พาลาเดียม เวิลด์ช้อปปิ้ง  
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