

IT CITY

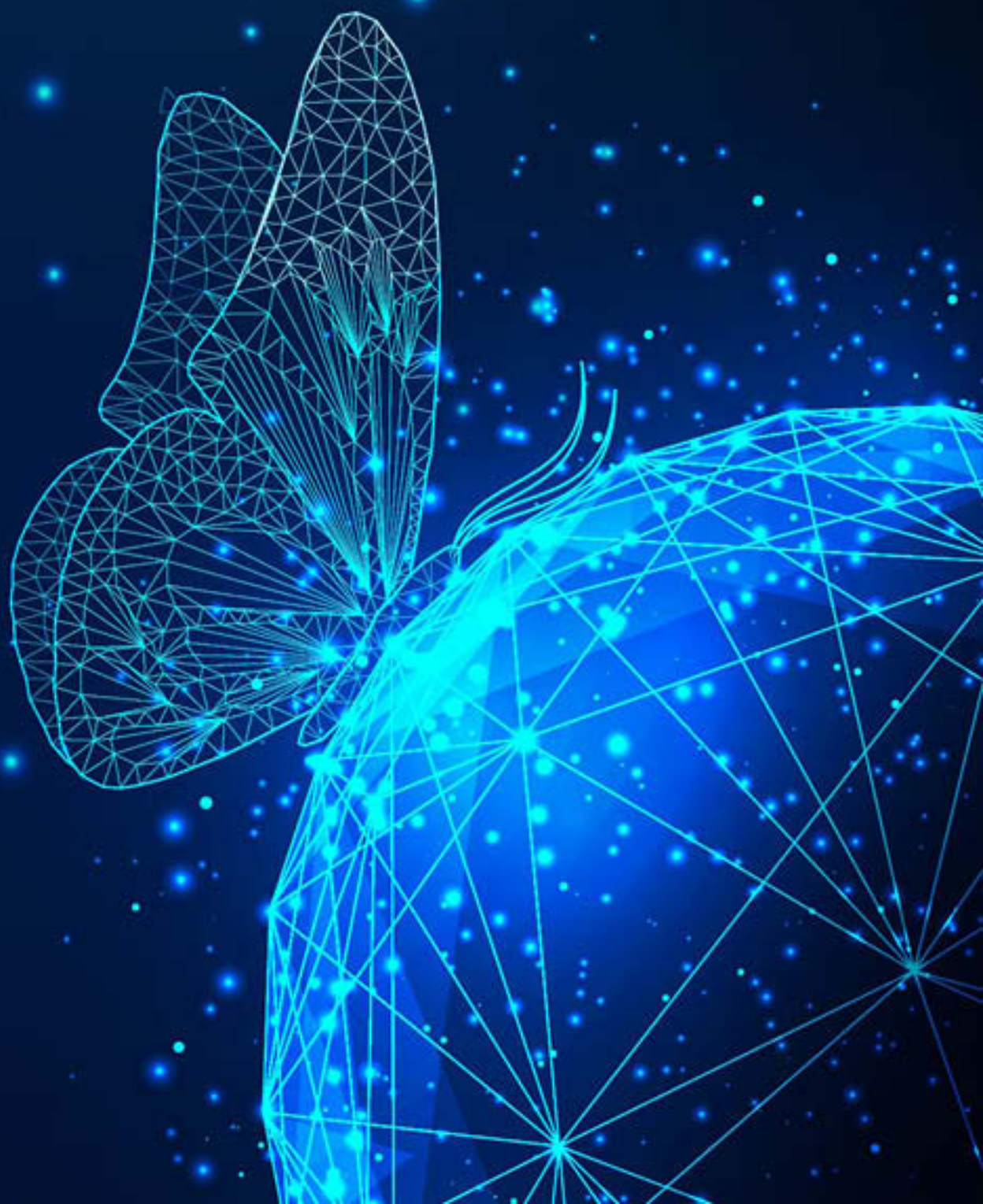


56-1 One Report

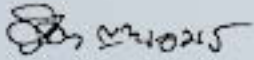
2022

Striving for sustainable business growth

IT CITY






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




Mr. Sophon Intanate
President
IT City Public Company Limited

Message from Chairman of the Board and the President

Year 2022 was a challenging year for the Company amid the economic crisis and the outbreak of Coronavirus Disease 2019 which has widely affected, causing damage to the economy, society, and people's way of life. Although the situation is going to be relieved, economic activities have been continuously conducted under epidemic control measures. Based on the aforementioned situations, IT City has seen changes in consumer behaviors, that is, more consumers choose to purchase products from online channels, and see it as an opportunity to develop online sales channels to be more efficient and convenient in order to accommodate the changing needs of customers and enable the Company to adjust itself in line with consumer behaviors in a timely manner. However, IT City has continued to be strict in cost management and changed its business strategies to keep up with the situations for responding to challenges. Besides, we have strictly adhered to operating our businesses based on our mission aiming to create sustainable business growth for the highest satisfaction of shareholders, business partners, employees, customers, and society under the business operations in accordance with the principles of good corporate governance and business ethics.

On behalf of the Board of Directors of IT City Public Company Limited, I would like to express gratitude to all shareholders, executives, employees, and stakeholders for supporting and entrusting the Company, we are committed to operating our businesses for sustainable growth, taking into account the interests of all stakeholders.

Contents



Part 1



Business Operations and Performance

9

- 10 Structure and Operation of The Company Group
- 24 Risk Management
- 30 Driving business for sustainability
- 37 Analysis and explanation of the management team
- 46 General and other key information





Part 2

Corporate Governance Policy and business ethics 49



- 50 Corporate Governance Policy
- 56 Business ethics
- 62 Corporate Governance Structure and Key Data Relating to the Board, the Sub-Committees, Executives, Employees, and Others
- 75 Report of the Significant Overall Operation in Corporate Governance
- 90 Internal Control and Related Transactions



Part 3

94 Financial Statements



Attachment 1-6

147





01

Business Operations and Performance

Structure and Operation of The Company Group



Vision

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



Mission

- 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

To respond precisely with high speed

To have a good relationship with friendliness

To develop and improve operations with new innovations

Excellence

S
Speed

R
Relationship

I
Innovation

E
Exoellence

E
Energized

V
Value

C
Commitment

To be energized

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

To be committed to success





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, smartphones, 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.



- 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 2018, 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 2018.

On 28 June 2018, 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 2018, and was registered with the Ministry of Commerce on 16 September 2018.



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 2018, and was registered with the Ministry of Commerce on 17 September 2018.

On 27 September 2018, 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 2018, and the remaining of Baht 236.5 million was paid in cash on 1 October 2018.

On 1 October 2018, 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 2018, 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 2018.

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.in.th
Facebook	:	IT CITY ONLINE
Line ID	:	@itcityonline
Youtube	:	IT CITY ONLINE
Tiktok	:	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_it@itcity.co.th

IT CITY



General Information

Company name	IT City Public Company Limited
Location	The Palladium World Shopping, 655 B1, B2, 6th Floor, Ratchaprarop Road, Makkasan, Ratchathewi, Bangkok 10400
Company's registration No.	0107545000349
Tel	0 2666 5030-39
Home Page	www.itcity.co.th
Registered Capital	388,398,859 Baht
Paid-up Capital	388,398,859 Baht
Ordinary Shares	388,398,859 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, smartphones, 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 smartphones and accessories for smartphones, such as charging cords, adapters, reserve batteries and so on. Focuses are made on accessing to consumers who want to purchase smartphones 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 smartphones 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 store-mentioned 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 (2019 - 2022)

Revenue structure	2019		2020		2021		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
Sales revenue								
1. Computer	2,140.40	39.97	2,042.02	29.14	2,498.06	28.87	2,217.02	25.42
2. Printer	386.48	6.84	264.54	3.77	313.21	3.59	340.16	3.90
3. Smart Phone	1,412.45	26.38	3,335.77	47.60	3,784.13	43.54	4,021.58	46.12
4. Accessori	723.29	13.51	600.82	8.57	817.90	9.39	1,017.00	11.66
5. Others Products	345.07	6.44	267.23	3.81	328.86	3.75	331.17	3.80
6. Tools & Spare	217.86	4.07	266.09	3.80	715.90	8.22	501.21	5.75
Total Sales Revenue	5,205.55	97.22	6,776.47	96.70	8,468.06	97.18	8,429.12	96.65
Service income								
7. Rental & Service Incomes	41.36	0.77	31.80	0.45	35.94	0.41	31.31	0.38
8. Others	98.00	1.83	178.92	2.55	200.67	2.30	249.02	2.88
Total Sales and Service	5,344.91	98.82	6,986.99	99.70	8,702.67	99.87	8,708.45	99.86
Others income	9.46	0.18	20.99	0.30	11.40	0.13	11.99	0.14
Total revenue	5,354.37	100.00	7,007.98	100.00	8,714.07	100.00	8,720.44	100.00
Revenue Growth	5.83%		30.88%		24.34%		0.07%	



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:

Computers

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 Phone such as Asus, Huawei, Oppo, Realme, Samsung, Vivo etc.
- Wearable devices such 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 Airroad, Mouse, Keyboard, Computer Software, Ink and Toner cartridge, Printing paper, UPS,

Power bank, Power extension outlet, Loudspeaker, Headphone, Optical Drive, ODDVD, Hard disk, 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:

Service center "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, also added channels to pay for products through various installment programs such as First Choice, Aeon, Samsung finance+, True Pay Next Extra, Dofin Wallet 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. At present, it has 371 branches in total. The IT City creates advantages in the economy 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 2022, the company has a total of 371 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
IT CITY IT CITY takes responsibilities in distributing and selling computers, smartphones, 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.	124	Leading department stores and various IT centres: <ul style="list-style-type: none"> Bangkok and surrounding areas: 39 branches Central region: 18 branches Northern region: 10 branches Eastern region: 17 branches Northeastern region: 25 branches Western region: 4 branches Southern region: 11 branches
IT DOT (It.) IT DOT (It.) takes responsibilities in distributing and selling IOT products, central connecting devices like smartphones 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.	3	Leading department stores and various IT centres: <ul style="list-style-type: none"> Bangkok and surrounding areas: 1 branches Central region: 1 branches Eastern region: 1 branches
ACE 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.	13	Leading department stores and various IT centres: <ul style="list-style-type: none"> Bangkok and surrounding areas: 8 branches Northeastern region: 2 branches Eastern region: 2 branches Northern region: 1 branches
CSC CSC takes responsibilities in distributing and selling smartphones and accessories for smartphones, such as charging cords, adapters, reserve batteries and so on. Focuses are made on accessing to consumers who want to purchase smartphones 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.	132	Leading department stores and various IT centres: <ul style="list-style-type: none"> Bangkok and surrounding areas: 58 branches Central region: 13 branches Northern region: 9 branches Eastern region: 14 branches Northeastern region: 18 branches Southern region: 22 branches
VIVO VIVO distributes all products under the VIVO brand, including smartphones and peripheral equipment to focus on customers who are particularly interested in VIVO-branded products, inside VIVO Brand Shop, in addition to sales, repair service and after-sales service for mobile phones are also provided.	11	Leading department stores and various IT centres: <ul style="list-style-type: none"> Bangkok and surrounding areas: 4 branches Central region: 2 branches Northern region: 3 branches Northeastern region: 1 branches Southern region: 1 branches

Distribution channels and types of goods and services	number of branches	Address
OPPO OPPO distributes all products under the OPPO brand, including smartphones and all peripheral equipment to focus on customers who are especially interested in OPPO-branded products, inside OPPO Brand Shop in addition to sales, repair service and after-sales service for mobile phones are also provided.	14	Leading department stores and various IT centres: <ul style="list-style-type: none"> • Bangkok and surrounding areas: 1 branches • Central region: 2 branches • Northern region: 3 branches • Eastern region: 3 branches • Northeastern region: 1 branches • Western region: 1 branches • Southern region: 3 branches
DTAC Shop DTAC Shop is a representative of DTAC in selling products and services under DTAC's trademarks, which are divided into monthly and prepaid packages, such as SIM cards, Voice and Data packages, and many value-added services of digital content in DTAC Group, including smartphones and tablets of leading brands under DTAC's entitlement such as Apple, Samsung, etc.	45	Leading department stores and various IT centres: <ul style="list-style-type: none"> • Bangkok and surrounding areas: 9 branches • Central region: 7 branches • Eastern region: 11 branches • Northeastern region: 11 branches • Western region: 2 branches • Southern region: 5 branches
HUAWEI HUAWEI distributes all products under the HUAWEI brand, including smartphones, IT products, gadgets, TVs, and all peripheral equipment, including IOT products, to focus on customers who are especially interested in HUAWEI-branded products. Inside HUAWEI Brand Shop, in addition to sales, repair service and after-sales service for mobile phones are also provided.	2	Leading department stores and various IT centres: <ul style="list-style-type: none"> • Northeastern region: 1 branches • Southern region: 1 branches
SAMSUNG SAMSUNG distributes all products under the SAMSUNG brand, including smartphones, tablets, gadgets, and accessories, to focus on customers who are particularly interested in SAMSUNG-branded products.	17	Leading department stores and various IT centres: <ul style="list-style-type: none"> • Bangkok and surrounding areas: 7 branches • Central region: 2 branches • Northern region: 3 branches • Eastern region: 1 branches • Northeastern region: 1 branches • Southern region: 3 branches
REALME REALME distributes all products under the Realme brand, including smartphones, IT products, gadgets, TVs, and IoT products to focus on customers who are especially interested in Realme-branded products. Inside Realme Brand Shop, in addition to sales, repair service and after-sales service for mobile phones are also provided.	8	Leading department stores and various IT centres: <ul style="list-style-type: none"> • Bangkok and surrounding areas: 2 branches • Central region: 1 branches • Northern region: 2 branches • Northeastern region: 2 branches • Southern region: 1 branches
Mi Mi distributes all products under the Xiaomi brand, including smartphone products, IT products, gadgets, TVs, and IoT products to focus on customers who are especially interested in Xiaomi-branded products.	1	Leading department stores and various IT centres: <ul style="list-style-type: none"> • Bangkok and surrounding areas: 1 branches
AMD AMD distributes a full range of AMD products including processors, graphics cards, and various branded notebook and desktop products which drive the processing performance on AMD processors and graphics cards for e-Sports customers or game mania groups.	1	Leading department stores and various IT centres: <ul style="list-style-type: none"> • Bangkok and surrounding areas: 1 branches



Customers and target groups

Operating retail 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 retail 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

Recently, information technology has rapidly changed and has increasingly and continuously played a role both in people's way of life and the business sector which has adapted itself by introducing technologies to play a greater role in business operations. In addition, consumer behaviors have increasingly turned to purchase products through online channels, this can be seen from the sales of products in the e-Commerce market which has grown with a great leap forward and tend to be continuously

expanded. IT City has realized the importance of such changes and continuously adjusted itself to keep up with the context, both in terms of planning and managing the organization with standards. The Company has managed a database of product and service items, including customers and business partners, utilizing software to analyze relevant databases to enhance the efficiency of service provisions and product offerings to consumers that better meet the needs of target groups. Additionally, the Company has also focused on knowledge management in the organization and the development of business models to increase its competitiveness.

In terms of competitiveness strategy, it can be seen that the IT and smartphone market is quite highly competitive, the Company has introduced a financial tool relating to credit cards of both Bank and Non-bank groups to facilitate and add benefits to consumers so that the consumers will be encouraged to make easier purchasing decisions, the Company has also joined hands with network service providers like DTAB to offer monthly package in conjunction with the purchase of mobile phone to customers.

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.

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.

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 2018, 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 main business of IT City and its subsidiaries is the import and retail of IT products, the Company's business operations, therefore, do not directly affect the environment; however, IT City has focused on educating employees about the environment and sustainability, and also reinforced the policy of conducting business on environmental sustainability approach. In 2022, the Board of Directors resolved to appoint the Corporate Governance and Sustainable Development Committee to drive such policy in a concrete way.



Assets used in business

As at 31 December 2022 Company have Assets used in business, as follows:

(Unit: million Baht)

Assets	Consolidated Financial statement/ Separate Financial statements net Book Value
1. Property	4
2. Leasehold improvements	808
3. Office equipment	215
4. Furniture and fixtures	50
5. Motor	32
6. Assets for rent	27
Total	1,136
Less : Accumulated depreciation	930
Less : Allowance for impairment	18
Equipment - net	290
7. Intangible assets - trademark	213
8. Intangible assets - Computer Software	88
9. Intangible assets - Computer Software under development	4
Total	305
Less : Accumulated amortisation	40
Intangible assets - net	265



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 ("SPVI") SPVI'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	1213/68-69 Soi Lat Phrao94, Sriware Road, PhlabPla Sub District Wang Thonglang District, 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 Sub District, Prawet District, Bangkok 10250
Tel.	088 664 1667, 082 008 8953
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:

As at 18 April 2022 (the Record Date), the top ten major shareholders include:

Existing shareholders	As at 18 April 2022	
	No. of share	% of shareholding
1. SVOA Public Co., Ltd	111,868,801	30.48
2. Mr.Pichai Neranartkomol	74,500,000	20.33
3. Mr.Weerasat Punsak-udomsin	19,823,881	5.41
4. Ms.Jarunee Chinwongworskul	18,049,000	4.93
5. Ms.Surangrat Prayoonhong	13,179,801	3.60
6. Mr.Chavalit Viserankul	9,074,100	2.48
7. Ms.Pirada Intanate	5,508,200	1.50
8. Mr.Chawarit Jarusochotpinij	5,000,000	1.38
9. Mr.Chay Manopasee	4,280,000	1.17
10. Mr.Sura Kanittaveekul	3,927,500	1.07
Other shareholders	101,389,876	27.87
Total	388,398,859	100.00

Remark: Investor can see the current top ten major shareholders from company's website www.itcity.co.th before the annual general shareholders meeting.

Registered and paid-up capital

As of 31 December 2022, the Company has a registered capital of 388,398,859 Baht and a paid-up capital of 388,398,859 Baht which were divided into 388,398,859 ordinary shares with a par value of one Baht per share.

Issuance of other securities

The Company does not issue other securities.

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.





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

Board of Directors and Audit Committee

The Board of Directors assigns the Audit Committee to review to ensure that the Company has an appropriate, efficient, and productive risk management system by having the Risk Management Committee be responsible for establishing risk management policies to cover the entire organization, and supervising to have a system or management process to appropriately reduce the impacts on the Company's businesses, and reporting important risk management results to the Board of Directors for acknowledgment if there is any important factor or event that may significantly affect the Company.

Risk Management Committee

The Risk Management Committee consists of independent directors who are representatives of the Board of Directors, and are responsible for defining risk management policies to cover the entire organization and overseeing the establishment of a risk management system or process to appropriately reduce the impacts on the Company's businesses.

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.

The Current and Emerging Risks Associated With the Company's Business Operations are as follows:

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 treebies 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 2021, accounting for 2.16% in the consolidated financial statements and separate financial statements, in 2022 accounting for 1.14% in the consolidated financial statements and separate financial statements of the inventories in that period. The details are as follows:

%	2021		2022	
	Value of Stock (Baht Mil.)	Provision Amount (Baht Mil.)	Value of Stock (Baht Mil.)	Provision Amount (Baht Mil.)
20.00	-	-	28.47	5.89
25.00	82.88	15.71	2.73	0.68
50.00	7.58	3.78	4.79	2.39
100.00	9.73	9.73	4.96	4.96
Total	80.15	29.22	41.95	13.92



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 2022, the proportion of sales of each customer group is 88.82%, 3.73% and 2.02% 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	2021			2022		
	Allowance %	Value of Stock (Baht Mil.)	Provision Amount (Baht Mil.)	Allowance %	Value of Stock (Baht Mil.)	Provision Amount (Baht Mil.)
Not more than 3 Months	-	101.06	-	-	216.84	-
3-6 Months	50.00	0.06	-	50.00	0.05	-
Over 6 Months	100.00	2.79	2.79	100.00	2.79	2.79
Total		103.90	2.79		219.68	2.79

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 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.

As of 31 December 2022 in the consolidated financial statements of the company, there were receivables which were more than 3 months past due, equal to 0.05 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 1.27 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 March 10, 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 December 31, 2021 and 2022, the Company purchased products from SVOA amounting to 2.80 percent and 2.13 percent of its total purchase costs in 2022.

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: Dr. 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

Risks after the COVID-19 outbreak and the likelihood of emerging disease outbreaks are risks the Company must continuously monitor and deal with the situations, including new outbreaks, economic changes, and changes in post-covid-19 consumers behaviors which may affect the Company's operations, such as customer services, operational process adjustment, and

control, etc. The Company has determined that the epidemic risk is one issue in the business continuity management plan, and provided executives and operators with knowledge and understanding of the continuity management in crisis and prepared in advance to cope in order to mitigate the impact of operational disruption and mitigate damages to an acceptable level.

The Company considered the above risks and then carefully formulated a policy to invest in branch expansion, such impact not only gives bad results but also provides the Company with opportunities to sell products and services due to Work From Home behaviors, and online shopping has resulted in the Company developing services through online shopping channels and improving relevant work processes to be more efficient; therefore, the impact does not affect the continuity of business operations. In addition, in the long run, online shopping behavior will become more popular, this is a factor accelerating the Company to adjust itself and develop its online channels to be more efficient.

2. Domestic Investment

As of 31 December 2022, the company has a total of 371 branches nationwide. 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 minimize losses.

2. Inventory Management

As of 31 December 2022 in the consolidated financial statements of the company, there are net inventories of 1,208 million baht. As for the average product sales period of 62 days and the inventory turnover ratio is 5.78 times, 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.

3. Risk of investment in foreign securities

Currently, the company does not have any investment in foreign securities. Therefore, does not have this type of risk.

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 cybersecurity 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, 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 which can help reduce the risks that may result in corruption in the organization, starting from the preparation of an anti-corruption policy and notifying the said policy to all of the Company's stakeholders by announcing on www.itcity.co.th; and operating in accordance with an appropriate internal control framework to mitigate risks, and created awareness and values in anti-corruption among the Company's personnel, through a corporate culture which is considered as an important factor in helping to prevent corruption in the organization.





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. In 2022, the Company's Board of Directors resolved to appoint the Corporate Governance and Sustainable Development Committee to drive such policy to concrete results.

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"> • Appropriate compensation and benefits • Work environment and safety • Equity and fairness • Job security and career advancement 	<ul style="list-style-type: none"> • Appropriate and fair compensation • Fair performance appraisal • Employee development • Provident fund Human rights and equal treatment 	<ul style="list-style-type: none"> • Performance appraisals • Communication through various channels • Listening to employee complaints and feedback
Shareholder/ investor	<ul style="list-style-type: none"> • Good return and profit • Share value • Continuous business growth • Good corporate governance • Equal treatment of shareholders • Receive correct, complete, and timely information • Implementing a risk management system • Good audit and control system 	<ul style="list-style-type: none"> • Transparent, fair, and accountable governance • Appropriate dividend payment • Accurate disclosure following the Guidelines on Disclosure of Information of Listed Companies • Provide opportunity to shareholders to express their opinions and file complaints directly to the Company • Analyse, monitor, verify, and manage organizational risks in the short and long terms 	<ul style="list-style-type: none"> • Annual general meeting • Annual report • Contact through the Company's secretary/website/phone/ email address and other channels • Channels for receiving complaints • Quarterly performance reports • Listed Company Meets Investors activity • Disclosing information through the Company's channels
Customer/ consumer	<ul style="list-style-type: none"> • Receive quality and satisfying products and services • Equal treatment of customers • Good after-sales service 	<ul style="list-style-type: none"> • Conduct business based on integrity, morality, and business ethics • Listen to customers, handle customer complaints, and seek customer feedback to improve service quality • Treat customers fairly 	<ul style="list-style-type: none"> • Customer service centre • Company website • Channels for receiving complaints • Company media such as social media and in-store signs
Supplier	<ul style="list-style-type: none"> • Comply with commercial terms • Fairly comply with contractual terms • Good relationship 	<ul style="list-style-type: none"> • Strictly comply with contractual terms • Make payment on time • Have an anti-corruption policy and promote anti-corruption actions 	<ul style="list-style-type: none"> • Communication through various channels • Channels for receiving complaints • Accurate and clear communication and information • Meeting and solving problems together • Participating in various activities
Community/ society	<ul style="list-style-type: none"> • Provide support for community activities • Conduct business without negative impact on community and society 	<ul style="list-style-type: none"> • Support socially responsible activities • Allocate budget for social support and activities aimed to address social problems • Develop employee volunteers for community and social activities 	<ul style="list-style-type: none"> • Joining the public and private sectors in socially responsible activities • Company media such as social media
Environment	<ul style="list-style-type: none"> • Conduct business without negative impact on the environment • Engage in solving environmental problems 	<ul style="list-style-type: none"> • Cultivate awareness on energy and natural resource conservation • Systematic environmental management 	<ul style="list-style-type: none"> • Socially and environmentally responsible activities



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 unsustainable

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 2022, 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 2022. 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.

- "CyberSecurity 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.

Continuous business process improvement

- Internal Process Development: IT City has emphasized business process development, believing that continuous development will enable the Company to survive and steadily and sustainably grow. In 2022, the Company's Internal Audit Department audited compliance with the Company's policies and procedures according to the plans to increase the efficiency and effectiveness of the Company's operations, leading to continuous improvement and development.

- Source Inspection and Product Safety Standards: IT City has paid attention to the safety of distributed products. Product Department will closely work with distributors or manufacturers on the product in inspection and product safety assurance, taking into account the risk of inferior product and non-standard product delivery, this will affect the confidence of customers, and the Company has also provided operational staff with knowledge on safety standards, Industrial Product Standards (TIS), etc.

In 2022, none of any products or services which is not compliant with safety standards was found in the complaints of customers and government agencies related to safety standards. IT City sells products that pass quality inspections as required by laws that the products must not infringe intellectual property, copyright, or patent.

However, in 2022, the Company received 12 complaints representing 7.69% of all complaints. The company has followed up on problems and resolved complaints completely. By understanding and clarifying information to customers including carrying out repairs and product claims change product returned the product and refunded all complaints to customers.

- Customer Relationship Management is an important strategy under the current high competition, the Company has developed customer relationship management to be more efficient, taking into account many factors including technology, service, product, and strategy, which will result in a higher level of customer satisfaction.





Social Value Creation

- **Associate Trainings and Development** 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 2022, the Company provided 75 training No. of annual training hours is 8 hours per person per year on average 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.

Personnel Potential Development Project in Digital Scheme

In 2022, IT City has applied the learning materials for personnel's working potential development in the digital scheme, that is, Essential Skill Courseware for e-Learning, to develop employee's skills, consisting of:

- **Course "Work Ethics for Sustainable Success"** is a course for all employees, it will support and promote compliance with the principles of good corporate governance in accordance with the guidelines stipulated by the Stock Exchange of Thailand, by adhering to the ideology which has been continuously practiced under the principles of corporate governance and ethics on the basis of balanced and sustainable benefits along with being aware of the important mission to build the confidence in business operations with a good and transparent management system, and fairness to all stakeholders. In 2022, there are 847 employees attending this training course.

- **Course "Simple Accounting for Executive"** is a course for employees in the accounting and finance function and sales operation's function, it is a learning course on how to inspect the work of employees in the Accounting Department and how to measure their performance, the meaning of each transaction, such as assets, liabilities, capital, income, expenses, etc., and internal control system, preliminary examination. In 2022, there are 70 employees attending this training course.

- **Course "Team Management with People Understanding"** is a specific course for managers and supervisors, it is a learning course on how to manage teams to create their potential, strengthen the organization, learn, evaluate, and monitor the team

performance, and how to set goals for the team. In this course contents, it is not only leaders who set goals but also the team, which is an important factor in the organization. The organization will achieve its business goals, rigid and efficient team is considered an important factor; therefore, all team members are considered important resources. The development of a rigid and powerful team requires the development of team personnel and the development of team and personnel, this is an important duty of a team leader. In 2022, there are 97 employees attended this training course.

- **Employment of the Disabled:** IT City has a policy of non-discrimination and equal opportunity in employment, the Company has employed the disabled in accordance with the Empowerment of Persons with Disabilities Act, supported and promoted the disabled to equally work as normal people in positions that they can do. In 2022, the Company has employed the disabled to work in Accounting and Finance Department and Information Department.

- **Employment of LGBTQI people:** The Company has emphasized human rights, promoted diversity and inclusion, and non-discrimination on the basis of sexual orientation and gender identity, the Company has provided LGBTQI employees with working opportunities to encourage them to show their full potential, and have confidence and self-esteem.

- **Employee Care During COVID Situation:** In 2022 when the epidemic situation of COVID-19 continued to spread, IT City has fully cooperated and operates in accordance with the government's measures and orders to help eliminate the spread of COVID-19 with employee health and safety as a top priority, and take measures to prevent and maintain the health and safety of employees as follows:

- Implementing social distancing in both branches and head office;
- Setting up hand washing stations with alcohol gel to kill the virus and periodically cleaning risky contact points;
- Having screening and temperature measurements;
- Checking employees in both branched and head office with ATK;
- Providing all employees with vaccination against COVID-19



Safety Care

The Company has emphasized the safety, occupational health, and work environment of employees, therefore, established a policy on safety, occupational health, and working environment, which is announced on the Company's website. www.itcity.co.th. IT City is committed to conducting its businesses along with compliance with laws and requirements related to health, safety, and the working environment by promoting various safety activities to stimulate employees' safety awareness, such as incentive training, public relations on safety, etc. Besides, the Company has a policy to support resources to operate with safety, occupational health, and working environment so that continuous development will be realized. In 2022, there was 1 accident that caused employees and external people injured at work; however, there were no cases of severe or total injuries.

- **Communication with employees:** The Company has prioritized communication with employees so that they will be aware of the policy and operational guidelines, activities, and information in the same direction. All employees will be notified of many areas of information through the Company's email, notice board, website, etc.

Sustainable Environmental Management

The Company realizes 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 realize 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.

- **Goal Driving:** The Board of Directors resolved to appoint the Corporate Governance and Sustainable Development Committee to drive the goals on corporate governance and corporate sustainability.

- **Reduction of Greenhouse Gas Emissions:** 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. In 2022, the Company participated in the "Care the Bear" Project, a project under the concept of "Change the Climate Change" initiated by the Stock Exchange of Thailand, this project aims that every part of the organization will participate in reducing greenhouse gas emissions, which is a major cause of global warming, through the principle of 6 Cares, aiming to change behaviors to reduce global warming in 6 areas:

- Make a campaign to travel by public transport or travel together;
- Reduce the use of paper and plastic in documents and packaging;
- Refrain from using foam from packaging or foam for decoration;

- Reduce energy consumption from electrical equipment or switch to use energy-saving devices;
- Design by using decorative materials that can be recycled;
- Reduce food waste at events.

In cooperation with business partners, IT City has joined forces with Total Access Communication Public Company Limited ("DTAC") to place waste collection points for mobile phones and electronic devices through the campaign "ThinkHaiD" through 30 branches of IT CITY and CSO, and 25 dtac service centers throughout Bangkok. All collected mobile phones and electronic wastes will be recycled back into the economic system without landfill. The goal together with DTAC is to reduce 420,000 pieces of electronic waste for landfill by the end of 2022, this is an important step in enhancing the cooperation from being a major exclusive partner to being a business partner for sustainable growth.

- **Promotion of Green Procurement:** IT City has focused on procurement which is an important process that supports the Company's business operations in line with sustainable development guidelines, taking into account the environment, society, corporate governance, and building confidence among stakeholders through procurement process and procedure, the Company has disclosed the procurement policy on its website www.itcity.co.th to establish the Company's principles and practices to be in the same direction and has also provided a channel for whistle-blowing about misconduct or complaints.

- **Waste Management:** The disposal methods will be selected based on types of waste, comprising of recyclable and non-recyclable waste. The recyclable waste such as paper boxes will be sold to third-party as a method of waste diverted from disposal, promoting circular economy to generate value for materials outside of the production cycle-creating a win-win situation for sustainable waste management.





Analysis and explanation of the management team



Overview

Overview of annual performance

The operating results of IT City Public Company Limited and its subsidiaries as shown in the consolidated financial statements for 2022 compared with the results of the same period in 2021 are as follows:

	2020 (Baht million)	2021 (Baht million)	2022 (Baht million)	Increase (decrease) (%)
Revenue from sales and services	8,887	8,703	8,708	0.08
Cost of sales and services	6,837	7,291	7,316	0.33
Gross Profit	1,060	1,412	1,389	(1.38)
Other income (including financial income)	21	11	12	9.09
Total revenues	7,008	8,714	8,720	0.07
Selling and distribution expenses	1,008	1,162	1,368	17.73
Other expenses	91	-	-	-
Operating profit (loss)	(28)	261	36	(90.21)
Share of profit from investments in associates	24	38	40	5.26
Finance cost	(50)	(46)	(80)	30.43
Profit (loss) before income tax	(54)	264	16	(93.70)
Income tax	13	(48)	3	(106.25)
Profit (loss) for the year	(41)	206	19	(90.73)
Gross margin ratio (%)	15.02	16.22	16.00	(0.22)
Gross profit (loss) net	(0.56)	2.36	0.22	(2.14)

Revenue from sales and services

As of the end of 2022, the company had 371 branches in total. The company divided the revenue structure by type of revenues as follows:



The company's main income in the consolidated financial statements was from product sales, accounting for 98.85% 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 0.38% and 2.98% of the company's total revenue, respectively.

In 2022, the company's total revenue in the consolidated financial statements increased 0.07% compared to the year 2021. It represented an increase in 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 2022, the company's cost of sales in the consolidated financial statements increased compared to 2021 as a result of a 0.33% increase in annual sales which was in line with the increased sales revenue. The company's gross profit decreasing by 1.35

percent. The gross profit ratio in the consolidated financial statements decreasing by 0.22%, with the gross profit ratio of the year 2022 being 16.00 and the year 2021 being 16.22

Selling and administrative expenses and other expenses

In 2022, the company's selling and administrative expenses in the consolidated financial statements increased by 17.73% compared to the year 2021. 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 88.0% of the total expenses in the consolidated financial statements and 88.8% of total expenses in the consolidated financial statements.

The increase comes from the main expenses that increase from the number of branches added during the year 2022.



Net profit

In 2022, the company had a net profit of 19 million Baht in the financial statements. 90.73% was a result of an decreasing in sales revenue and decreasing gross profit which can be calculated as gross profit margin equalled to 0.22% of the revenue, an decreasing of 2.14% from the year 2021.

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 2022, compared with the results of the same period of the year 2021 are as follows:

	2020 (Baht million)	2021 (Baht million)	2022 (Baht million)	Increase (decrease) (%)
Current assets	1,559	1,910	1,844	(3.48)
Non-current assets	2,380	2,337	2,111	(9.67)
Total assets	3,939	4,247	3,955	(6.89)
Current liabilities	1,817	2,078	2,122	2.12
Non-current liabilities	1,137	978	732	(25.15)
Total liabilities	2,954	3,056	2,854	(6.61)
Total shareholders' equity	985	1,192	1,102	(7.55)
Total liabilities and shareholders' equity	3,939	4,247	3,955	(6.89)

Total assets

At the end of 31 December 2022, the company had total assets of 3,955 million Baht in the consolidated financial statements. Total assets of the company consisted of current assets of 1,844 million Baht, 47% of total assets in the consolidated financial statements. There were non-current assets of 2,111 million Baht, accounting for 53% of total assets in the consolidated financial statements. Compared to total assets at the end of 2021, it was an decrease of 0.07% which was mainly due an decrease in operating assets such as cash inventories and cash equivalents.

Cash and cash equivalents

At the end of 31 December 2022, in the consolidated financial statements, the company had a net increase in cash of 59 million Baht, an decrease of 21% compared to cash and cash equivalents of the previous year. The company had net cash flow in operating activities of 442 million Baht. There was net cash used in investing activities of 187 million Baht. There was cash spent in investment activities for the purchase of equipment and computer software equalled to 189 million Baht. There was cash used in financing activities equalled to 334 million Baht, from cash paid for liabilities under lease agreement which equalled to 425 million Baht, and dividend paid 110 million Baht.



Net trade accounts receivable

As at 31 December 2022, in the consolidated financial statements, the company had trade and other receivables amounting to 326 million Baht, consisting of trade account receivables of 271 million Baht or 87% of trade and other receivables. Other receivables were 109 million Baht or 33% of trade and other receivables. The other debtors consist of other receivables and accrued promotional income.

As at 31 December 2022, 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 1.27%, 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 at 31 December 2022 in the consolidated financial statements, the company had net inventories of 1,206 million Baht. Most of the company's products in the consolidated financial statements consisted of the main products, which are 44% smart phones, 25% of computer equipment, 14 % of accessories and peripherals and 17% of other goods.

As at 31 December 2022, the company had allowance for diminution in inventories value of 14 million Baht, which accounted for only 1.14 percent of inventories in the consolidated financial statements.

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 Time 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 82 days in 2022, and the inventories turnover ratio was 5.78 times in 2022. 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 2022, the company had total liabilities of 2,854 million Baht in the consolidated financial statements. The company's total liabilities consisted of current liabilities of 2,122 million baht, representing 74% of total liabilities in the consolidated financial statements. The company had non-current liabilities of 732 million Baht, accounting for 26% of the total liabilities in the consolidated financial statements. Compared to total Liabilities at the end of 2021, the total decreasing by 8.81%.

Short-term loans from financial institutions

As at 31 December 2022, in the consolidated financial statements, the company had short-term loans from financial institutions in the amount of 931 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 2022, in the consolidated financial statements, the company has trade and other payables of 804 million Baht, consisting of trade and other payables with a total of 672 million Baht or 84 percent of all trade and other payables. There was 87 million Baht of accrued expenses or 11% 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 at 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 2022, it was clear that the company had a strong management structure and had a debt to equity ratio of 2.69 times, a increased from 2021 with a debt to equity ratio of 2.66 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 2022, the company has a paid-up capital with a total of 366,388,859 Baht and a shareholder's equity with a total of 1,102 million Baht. This decrease to 7.55% retained earnings increased from profits with the amount of 19 million Baht in the year.

Appropriateness of the capital structure

When considering the debt to equity ratio in 2019, 2020, 2021 and 2022, it was found that the debt to equity ratio was 1.62 times, 3.0 times, 2.66 and 2.69 times respectively.



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

The country's economy will be improving in 2023 in the aftermath of the COVID-19. Main revenue will come from tourism industry which opens for more foreign tourists due to the COVID-19 recovery in many countries. Furthermore, domestic socio-economic activities will return to normal condition. The government's economic stimulus measures are issued to promote more buying and spending activities in the country. Moreover, the company is expanding its businesses via Omnichannel, the online channel, which promotes online selling on the website: www.itcity.in.th. This is to enhance the customer accesses and changes in the consumer behaviours at present; more customers are buying products via online channels.

The Company still focuses on product procurement and sales that match the customer group. Its branches meet the customer needs, and there are product experts available for taking care of customers directly, via various distribution channels and services: IT CITY, it., ACE, CGO, and Brand Shops. We are committed to focus on personnel development and training for more efficiency, including the becoming of business partnership with DTAC; we have our DTAC Center branches to provide services to customers.

The Company has goals in good corporate governance for sustainability in the organization, leading to the utmost benefits of all stakeholder groups. Furthermore, it has determined strategies and practices on sustainability as guidelines on business operations, covering all aspects: social, environmental, and corporate governance aspects. The Company has designated the Committee on Corporate Governance and Sustainability Development for driving the Company's aforementioned policies to create concrete outcomes. In addition, it emphasizes on the importance of risk management; the Company determined the guidelines on systematic risk management and conducted monitoring activities and risk assessment every 3 months, then reported to the Company's Board of Directors.





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. None the less, 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

	2020	2021	2022
Liquidity ratio			
Current ratio (times)	0.86	0.92	0.87
Quick ratio (times)	0.17	0.18	0.20
Cash flow liquidity ratio (times)	0.16	0.24	0.21
Receivables turnover — total sales (times)	39.22	65.49	54.77
Collection period — total sales (days)	9	5	7
Receivables turnover — wholesale (times)	7.45	5.36	7.38
Collection period — wholesale (days)	48	67	49
Inventory turnover (times)	5.89	6.29	5.79
Inventory turnover period (days)	60	57	62
Account payable turnover (times)	9.22	10.93	10.66
Payment period (days)	39	33	34
Cash Cycle (days)	69	92	77
Profitability ratio			
Gross profit margin (%)	15.02	16.22	16.00
Operating profit margin (%)	(0.70)	2.88	0.28
Other profit margin (%)	0.64	0.66	0.69
Quality of earnings (%)	(548.90)	188.92	1,808.32
Net profit margin (%)	(0.69)	2.36	0.22
Return on equity (%)	(4.08)	18.86	1.68
Efficiency ratio			
Return on total assets (%)	(1.26)	5.01	0.47
Return on fixed assets (%) ^a	42.65	42.15	37.65
Asset turnover (times)	2.14	2.13	2.13
Financial policy ratio			
Debt to equity (times)	3.00	2.66	2.69
Interest coverage ratio (times)	(0.10)	6.66	1.25
Fixed charge coverage ratio (cashflow adequacy) (times)	0.65	0.87	0.72
Dividend payout ratio (%)	-	61	-

	2020	2021	2022
Data per share			
Par value (Baht)	1.00	1.00	1.00
Book value per share (Baht)	2.69	3.25	3.01
Earnings per share (Baht)	(0.11)	0.56	0.06
Dividend per share (Baht)	-	0.30	-
Weighted average number of shares (Share)	366,398,859	366,398,859	366,398,859
Growth rate			
Total assets (%)	51.00	7.84	(6.87)
Total liabilities (%)	87.60	3.44	(6.60)
Sales and service income (%)	30.72	24.56	0.07
Cost of sales and services (%)	28.87	22.79	0.34
Selling and administrative expenses (%)	35.69	15.24	17.82
Net profit (%)	(268.46)	599.56	(90.64)

*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	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. 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".
Location Head Office	The Palladium World Shopping, 655 B1, B2, 6 th Floor, Ratchaprasong Road, Makhaan, Ratchathewi, Bangkok 10400
Location IT City Warehouse	2002 Moo 9, Sukhumvit Road, Teparek, Muang Samutprakarn Samutprakarn, Samutprakarn, 10270
Home Page	www.itcity.co.th
Tel:	0 2656 5030-39
Fax:	0 2656 5049
Capital	Its registered capital is 388,398,859 Baht which is divided into 388,398,859 shares with a par value of one Baht each.
Type and Amount of Stock Sold	Its paid-up capital is 388,398,859 Baht consisting of 388,398,859 ordinary shares with a par value of one Baht each.
Company's registration No.	0107545000349

References

1. Share registrar:

Thailand Securities Depository Co., Ltd.
14th Floor, Stock Exchange of Thailand
83 Ratchadapisek Road, Din Daeng, Bangkok 10400
Tel: +66 (0) 2009 9382
Fax: +66 (0) 2009 9001 Ext.8382

2. Auditor:

EY Office Limited.
33rd Floor, Lake Ratchada Office Complex
193/136-137 Ratchadapisek Road, Klongtoey, Bangkok 10110
Tel: +66 (0) 2264 0777
Fax: +66 (0) 2264 0789-90

3. Lawyer:

Kudun and Partners Limited
127 Gaysorn Tower, 23rd 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 2022, the Company has no legal dispute, provided that the case or dispute has not yet been finalized

Secondary market

-None-

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

-None-







02

Corporate Governance Policy



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.

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.

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 of 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 side, 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 Risk Management 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.

Independence and Neutrality of the Director

The Board of Directors independently performs the duty and exercises its discretion in considering and making decisions on the matters both from the Executive and the major shareholders. Each director has duty and is independent to raise queries and express the opinions or object in case of the disagreed opinions in the matter that affects the benefits of the shareholders or stakeholders.

Nomination and Appointment of the Director and Topmost Executives

The Nomination and Remuneration Committee shall consider screening the experts who will be appointed as the director and topmost executive by considering from the suitability from the accepted skill, knowledge and competency, transparent work history, maturity and stability, possession of the appropriate qualifications according to the Company's Articles of Association, and consistent with the business operation strategies of the Company, including knowledge and specialization or necessary skill for reinforcing the strength and effectiveness of the Board to be the professional and diversified directors. The structure, size, and composition of the Board are also concurrently considered. However, the Nomination and Remuneration Committee gives an opportunity to the directors and stakeholders to participate in nominating the directors who are qualified according to the prescribed rules and procedures of selection.

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 burden, duties, and responsibilities of each director, under the consideration and approval of the Shareholders' Meeting.

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.

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.

Development of the Board of Directors and Executives

The Board of Directors has established a policy for the development of Directors and Executives in order to increase their knowledge, understanding and skills which concern the business of the Company or other courses which will be beneficial to their continued discharge of duties. This is achieved through orientation, information updates and internal and external training for new Directors, existing Directors, Executives and Executives who have been appointed to serve as a Director of a company under GC Group. This covers individuals whose work involves corporate governance of the Company as well such as the Company Secretary, the Secretary to the Sub-Committees and Investor Relations Officers.





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. However, the Company has disclosed the security policy for its information system. On its website www.itcity.co.th

Data Privacy Management

All executives and employees of the Company's have an obligation to fully aware of and understand the importance of data privacy. They shall strictly obey the laws, policies, rules, regulations, or guidelines of the company's as well as other organizations related to data privacy protection. The matters are including supervision, management, collection, usage, and disclosure of the data privacy under the possession and supervision of the company. The storage of the data privacy must be safe and secure. Moreover, the appropriate deletion and destruction process of unnecessary data must be provided to prevent the company, the Board of Directors, Executive, Employees, and relevant stakeholders from unfavorable impacts.

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 offense pursuant to the Securities and Exchange Act B.E. 2535 (1992) (as amended).

Therefore, the Company has required all directors, executives, employees, and related parties to not use insider information against third parties or non-involved persons before being disclosed to the public through the Stock Exchange of Thailand, through securities trading measures, which is disclosed on the Company's website. www.itcity.co.th

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 68 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, CGO, H and IT Dot brands, and brands in order to achieve the headmost goal in computer, smartphone, 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.

Policy on Supervision of Joint Venture Operations

The Board of Directors is responsible for managing the Company's businesses and operations and managing its joint ventures to be in accordance with the Company's main business plan upon the resolutions of shareholders in good faith, under the laws, the Company's objectives, and regulations, and also supervising the Company and its joint ventures to comply with the regulations of the Stock Exchange of Thailand.





Business ethics

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.

Observance of Relevant Laws, Rules and Regulations and Respect of Cultural Differences

The Company is concerned about the observance of relevant laws, rules and regulations and respect of cultural differences where the company's has presence. The company has provided a policy on such matters and disclosed it on the company's website www.itcity.co.th. Therefore, the employees of the company's should abide by them and proceed in accordance with the good practices listed below:

- 1) Comply with orders, announcements and regulation issued by the company.
- 2) Comply with criteria, requirements and rules of relevant agencies and enforce them upon the company.
- 3) Acknowledge and understand the duty and responsibility of observance of the laws and regulations relating to the discharge of duties.
- 4) Review compliance with relevant laws, rules and regulations. Cooperate, promote and ensure regular observance.
- 5) Study, understand and comply with the laws, rules and regulations of the countries in which the Company invests or operates a business. All Employees are

advised to respect the good traditions and cultures of such locality as well. If the rules, regulations, work procedures, traditions and cultures of such locality are found to differ from the practices of the company; Employees are advised to consult the relevant authorities before commencing any action.

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

- 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.

Employee Policies and Treatment

The Company is committed to conducting its businesses in accordance with the policy of corporate governance and business ethics, by giving importance to human resource management and development system, under the human resource management policy appeared on the Company's website www.itcity.co.th, with 3 main principles as follows:

- 1) Fairness and Equality: Treating all employees with fairness on employment, promotion, compensation, and prevention of unfair actions at all levels.
- 2) Integrity: Emphasizing and adhering to the duties of employees at all levels with integrity for public benefit.
- 3) Respect Individuality of Employees: Prioritizing and accepting differences in ideas, beliefs, and ways of life of employees, including treating employees with dignity and valuing self-respect as an individual.

Human Rights Policy

Human rights policy is one of sub-topics on human resource management policy disclosed by the Company on its website www.itcity.co.th. The Company has adhered to being responsible to society and all stakeholders in accordance with the principles of corporate governance and business ethics in terms of human rights protection, the Company is committed to strictly respecting human rights according to internationally accepted standards, especially, supporting the compliance with the Universal Declaration of Human Rights (UDHR), the United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Labor Organization Declaration on Fundamental Principles and Rights at Work (ILO), and regulations of society and communities in the countries where the Company operates. The Company's Board of Directors, executives, and employees at all levels are required to recognize the importance and respect human rights in all aspects of every individual, including society and community, in accordance with the laws of each country and the treaties that each country has obligations to comply with, including:

- Equally treating everyone based on human rights principles and non-discrimination;
- Avoid actions that violate human rights;
- Supporting and promoting human rights.

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 fast 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 bribery 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 Safety, Occupational Health, and Working Environment are an important component of business operations. IT City is committed to operating its businesses and complies with laws and requirements related to health, safety, and working environment so that its operations are in line with the corporate values, therefore, a policy on safety, occupational health, and working environment is established and disclosed on

the Company's website www.itcity.co.th, with following policy guidelines:

- 1) Work safety: this is the duty of all workers and employees to mainly consider the safety of themselves, their colleagues, and the Company's properties at all times when working.
- 2) Worker's safety: this is the responsibility of all levels of supervisors.
- 3) Supervisors are responsible for introducing and acting as a model in complying with safety rules in the workplace for subordinates.
- 4) The Company assumes that all employees participate in the prevention of accidents and environmental conservation, welcomes all suggestions and opinions of employees, then takes them into consideration, and improves and solves defects as appropriate, so that all employees will be safe as much as possible.
- 5) The Company promotes and supports safety activities that stimulate employee safety awareness, such as training, incentives, public relations on safety, etc.
- 6) The Company supports resources in the operations of safety, occupational health, and working environment to achieve continuous development.
- 7) The Company will always enhance and develop the environment inside the Company, workplace, and the cleanliness of its Company's premises, to prevent accidents and diseases due to work, leading to the quality of working life and good health of employees.

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 abuse or misconduct or complaint as follows:

- 1) Company Secretary:
IT City Public Company Limited,
The Palladium World Shopping Mall
666 Fl. B1, B2, 6th Ratchaprarop Rd., Makkasan
Sub District, Ratchathe District, Bangkok 10400
or E-mail: companyseo@itcity.co.th
- 2) Internal Audit Department:
IT City Public Company Limited,
The Palladium World Shopping Mall
666 Fl. B1, B2, 6th Ratchaprarop Rd., Makkasan
Sub District, Ratchathe District, Bangkok 10400
or E-mail: ohirawan_p@itcity.co.th

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

Any employee or officer who files complaint, notifies abuse, 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 2022, 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.5/2022 on 21 December 2022.

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 2022 from Thai Institute of Directors (IOD), and earned the overall average score of the assessment result at 80% that is in "Very Good" level and in the same level as the assessment result in last year.

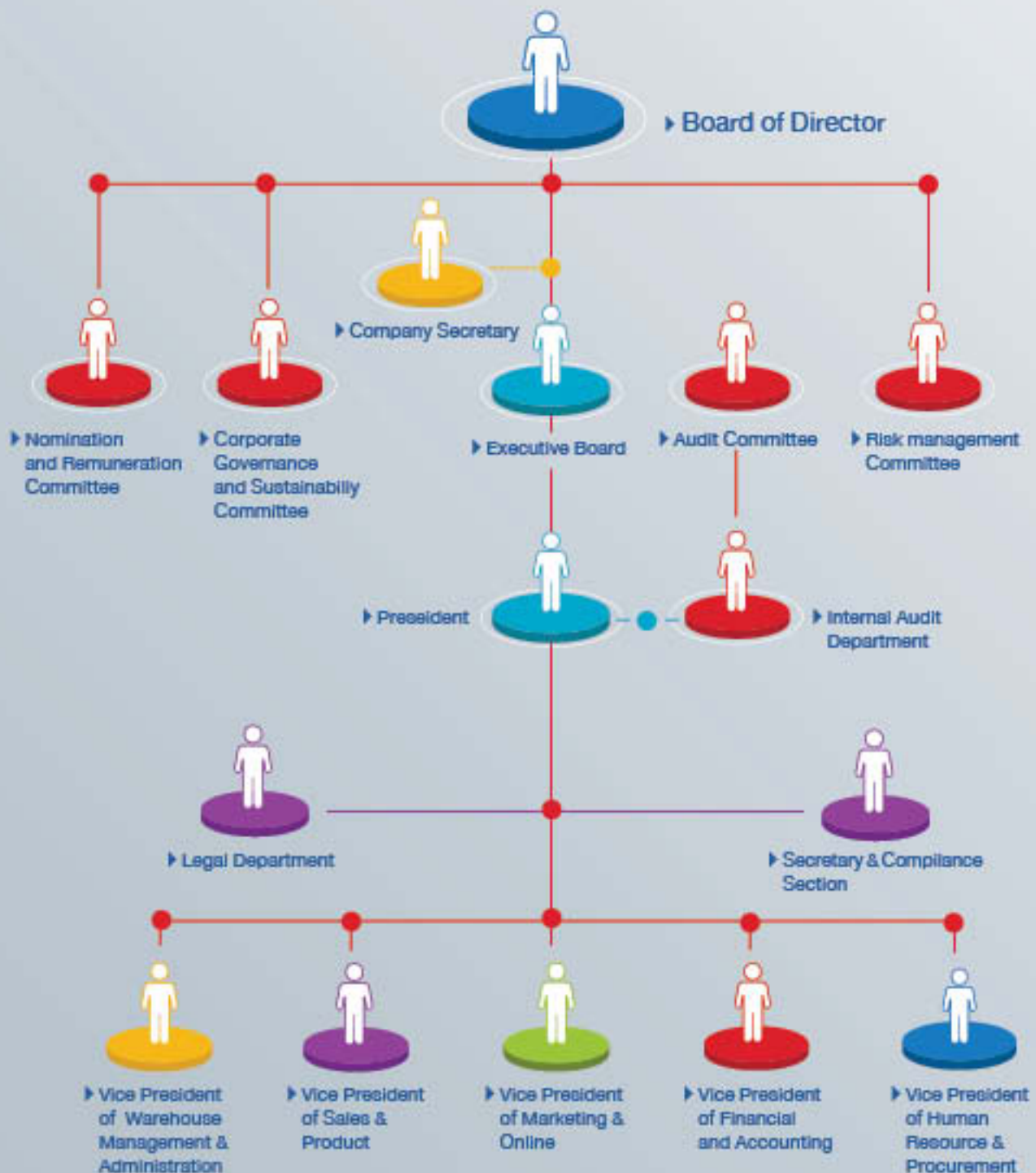
Project for the Assessment of the Shareholders' Meeting Organizing Quality

The Company was assessed to be in "Excellent" criteria in the Project for the Assessment of the 2022 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



Data of the Board

The Company's management structure consists of the Board of Directors and another 4 Sub-Committees that are the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, Corporate Governance and Sustainable Development 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, the members of the Corporate Governance and Sustainable Development 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

The Board of Directors consists of 11 individuals including:

- There are 5 Independent Directors accounted for more than one-third of the board members that are independent from the Executives and major shareholders.
- 8 Non-executive Directors and 3 directors who are executives.
- Over the past 2 years, all directors have never been employed as an associate and become a shareholder or partner of EY Office Limited, an external audit firm of the Company and its subsidiaries.

List and Position of the Board of Directors

As at 31 December 2022, the Board of Directors consisted of 11 members (each a Director), as follows:

- | | |
|---------------------------------|---|
| 1. Mr.Viohit Yanamom | Chairman of the Board,
Independent Director,
Chairman of Audit Committee
and Member of the Risk
Management Committee |
| 2. Mr.Ekachai
Sirirapetana | Director and Executive
Chairman |
| 3. Dr.Wilson
Teo Yong Peng | Director |
| 4. Mr.Weerapat
Punsak-udomai | Director |
| 5. Mr.Pipope
Chakwathana | Director, Member of the
Nomination & Remuneration
Committee and Member of
the Corporate Governance
and Sustainable Development
Committee |
| 6. Mr.Piohai
Nerananthakomol | Director and Vice Executive
Chairman |
| 7. Mr.Sophon Intanate | Director and President |
| 8. Mr.Gasak
Tuntasuwan | Independent Director,
Member of the Audit
Committee and Chairman
of Risk Management
Committee |
| 9. Dr.Sathit Pijivara | Independent Director and
Chairman of Nomination
& Remuneration Committee |

- | | |
|-----------------------------------|--|
| 10. Mr.Chatthaphum
Khanthiriyi | Independent Director
and Member of the Corporate
Governance and Sustainable
Development Committee |
| 11. Mr.Ronnawat
Suwannapirom | Independent Director,
Member of the Audit
Committee, Member of the
Nomination & Remuneration
Committee, Member of the Risk
Management Committee and
Chairman of Corporate
Governance and Sustainable
Development Committee |

The Company's Secretary

The Company's Secretary is Miss. Rattanaorn Koompan.
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

- 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.
- 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.
- 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.
- Not having or used to have business relationship with the Company, holding company, subsidiary company, associated company or juristic person with possible conflict in a way which may prevent independent judgment, as well as not being or used to be the major shareholder, non independent director or management member of the entity having business relationship with the company, holding company, subsidiary company, associated company or juristic person with possible conflict.

Business relationship shall include normal trading transaction to the lease or rent of real estate, transaction related to assets or services, or financial support provision or reception by means of borrowing or lending, guarantee, providing collateral as well as

other similar actions which make the company or its counter parties having liability against the other worth more than three percent of the net tangible assets of the company or more than Baht twenty million, whichever is lower. In addition, the calculation of such liability shall be as per the criteria on calculation of connected transaction as stipulated in the notification of the Securities and Exchange Commission re-disclosure of information and operations of the listed company concerning the connected transactions, *mutatis mutandis*. However, such consideration of liability shall be inclusive of the liabilities incurred during one-year period prior to the date of commencement of business relationship with the same person.

- e. 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.
- f. Not being or used to be the service provider in any professions 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.
- g. 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.
- h. 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 Sirirapattana 2) Mr.Pichai Nananakomol, 3) Mr.Sophon Intanate, either two out of the above three directors shall jointly sign their names together with the affixation of the Company's seal.

In addition, the Board of Directors' Meeting No.8/2021 on 14 December 2021 resolved to authorize Mr.Ekachai Sirirapattana and Mr.Sophon Intanate, to countersign with Mr.Wannaporn Chansereewithaya, 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 Sirirapattana and Mr.Sophon Intanate in countersigning with Mr.Wannaporn Chansereewithaya 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.
- f) 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.
- g) The Board of Directors shall determine the management structure, appointment of the Executive Committee, Chief Executive Officer, and members of other Committees.
- h) The Board of Directors shall monitor the Company's performance so as to compare it with the overall business plan and budget.
- i) 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.
- j) 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
 - 1) Run the Board of Directors meeting according to the agenda, articles of Association and Law
 - 2) 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
 - 3) Clearly summarize the resolutions of the meeting and what needs to be done next
 - 4) 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 so 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

The Chairman of the Board of Directors is an independent director and contributes to promoting the performance of the Board of Directors in accordance with the principles of corporate governance, and takes care of the interests of all parties with fairness.

The Company's Chairman and top management have different responsibilities, the company, therefore, separates the person holding the position of Chairman from the person holding the position of the top executive.

Meeting Attendance, Quorum and Voting

The Company's Articles of Association stipulate that in the Board of Directors meetings, whether at the face-to-face meeting or the meeting via electronic media, a minimum of one-half of the total number of directors must present at the meeting to constitute a quorum. However, in order to engage the Company's directors in the consideration and voting in the Board of Directors' meeting, the Company, therefore, requires that at the time the Board of Directors vote in the Board of Directors' meeting, at least two-thirds of the total number of directors are required.

Director's tenure

In every Annual General Meeting of Shareholders, one third of the Directors shall retire from the position; the Director who served the longest shall retire. Nevertheless, a retiring director is eligible for re-election. Apart from the retirement, the Directors may leave from his/her position in the event of:

- 1) Resignation
- 2) Death
- 3) Lack of qualifications or possess prohibited character under Section 88 of the Public Company Act B.E. 2535 and Securities and Exchange Act B.E. 2535
- 4) The Shareholders Meeting resolved to dismiss under Section 76 of the Public Company Act B.E. 2535
- 5) Dismissal ordered by the Court





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 88 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.

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

Independent Director

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

- 1) Mr.Vichit Yanamom
- 2) Mr.Chatthaphum Khantiviriya
- 3) Mr.Ronnawat Suwannapirom
- 4) Mr.Sarsak Tuntasuwon
- 5) Dr.Sathit Pitivara

Audit Committee

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

- | | |
|-----------------------------|--|
| 1) Mr.Vichit Yanamom | Chairman of Audit Committee and Independent Director |
| 2) Mr.Sarsak Tuntasuwon | Member of the Audit Committee and Independent Director |
| 3) Mr.Ronnawat Suwannapirom | Member of the Audit Committee and Independent Director |

Ms.Chirawan Thipkomut is the Secretary to the Audit Committee

Note: Mr.Vichit Yanamom graduated in accounting and is knowledgeable and experienced in reviewing the Company's financial statements.

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:
 - 2.1) Death;
 - 2.2) Resignation;
 - 2.3) Retirement from the Company's director status;
 - 2.4) The Board of Directors' resolution for retirement;
 - 2.5) 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 credibility 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 Nomination and Remuneration Committee consists of 3 members as follows:

- | | |
|-----------------------------|--|
| 1) Dr.Satit Pajivara | Chairman of Nomination & Remuneration Committee and Independent Director |
| 2) Mr.Pipope Chokwathana | Member of the Nomination & Remuneration Committee |
| 3) Mr.Ronnawat Suwannapirom | Member of the Nomination & Remuneration Committee and Independent Director |

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:
 - 3.1) Retire from the position of the company's director
 - 3.2) Resign
 - 3.3) Pass Away
 - 3.4) Resign with the decision of the Board of Directors
 - 3.5) 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 SEO 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.
 - c) Review the charter of the Nomination and Remuneration Committee on a regular basis.
 - d) Perform any other tasks related to recruiting and consideration of remuneration as assigned by the Board of Directors

Risk Management Board of Directors

The Risk Management Committee consists of 3 members as follows:

- 1) Mr.Garsak Tunjasuwon Chairman of Risk Management committee and Independent Director

- 2) Mr.Vichit Yanamom Member of the Risk Management Committee and Independent Director
- 3) Mr.Ronnawat Suwannapirom Member of the Risk Management Committee and Independent Director

Ms.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:
 - 2.1) retirement from the Company's director
 - 2.2) Pass Away
 - 2.3) Resign
 - 2.4) Resign with the decision of the Board of Directors
 - 2.5) 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.

The Corporate Governance and Sustainable Development Committee

The Corporate Governance and Sustainable Development Committee consists of 3 members as follows:

- | | |
|------------------------------|---|
| 1) Mr.Rannawat Suwannapirom | Chairman of Corporate Governance and Sustainable Development Committee and Independent Director |
| 2) Mr.Pipope Chakwathana | Member of Corporate Governance and Sustainable Development Committee |
| 3) Mr.Chattaphum Khantivirya | Member of Corporate Governance and Sustainable Development Committee and Independent Director |

Ms. Rattapanorn Koompan is the secretary of the Corporate Governance and Sustainable Development Committee.

Term of Office of the Corporate Governance and Sustainable Development Committee

- The term of office for the Corporate Governance and Sustainable Development Committee is 2 years, the members will be retired by rotation and may be re-appointed by the Board of Directors.
- In the event that any member of the Corporate Governance and Sustainable Development Committee is retired due to any reason other than the retirement by rotation under (1), such as the termination of the Company's director status or resignation or being removed, the Board of Directors shall appoint a fully qualified person as a member of the Corporate Governance and Sustainable Development Committee so that the number of members of the Corporate Governance and Sustainable Development Committee

will be fully occupied as stipulated in the charter by the Board of Directors. The replacing member of the Corporate Governance and Sustainable Development Committee shall be in office only for the remaining term of that retired member.

Scope of Authority and Responsibilities of the Corporate Governance and Sustainable

Development Committee

- a) To determine the guidelines, propose policies/practices on code of conduct and business ethics including anti-corruption policy/measure in accordance with the corporate governance system to the Board of Directors and the management to define the Company's regulations, so that the corporate guidelines will be standardized and correct.
- b) To suggest, review policy/practice regarding the responsibilities to various groups of the Company's stakeholders, and to supervise, give advice, monitor the progress of operations, and evaluate the effectiveness of corporate governance practices.
- c) To promote integrated organizational management, including Governance, Risk Management & Internal Control, and Compliance (GRC) for effectiveness.

Sustainable Development Area

- a) To determine, and review policies and strategies and improve the Company's sustainable development goals with the balance of Environmental, Social, and Governance (ESG) and complying with best practices of national standards and global international standards.
- b) To give advice and promote the establishment of principles, policies, and strategies, including the Company's operations to be in line with the principle of sustainable development in order to achieve the goals and maintain a leadership position in sustainability from external organizations, and encourage the Board of Directors, all executives, and employees to effectively comply with the Company's sustainable development guidelines.
- c) To supervise, monitor, evaluate, and disclose the sustainable development operations to be balanced and efficient for maximum benefit to the Company and its stakeholders.

Directors holding company's shares are as follows:

31 December 2022

Name of directors	No. of Sharee As at	
	31 December 2021	31 December 2022
Mr.Viohit Yanamom	-	-
Spouse	-	-
Minor	-	-
Mr.Ekachai Sirinratana	1,266,978	1,266,978
Spouse	-	-
Minor	-	-
Mr.Piohai Nerasartkomol	80,000,000	74,500,000
Spouse	-	-
Minor	-	-
Dr.Wilson Teo Yong Peng	-	-
Spouse	-	-
Minor	-	-
Mr.Weerapat Punsak-udomai	19,823,881	19,823,881
Spouse	-	-
Minor	-	-
Mr.Pipape Chakwathana	1,465,859	1,465,859
Spouse	20,000	20,000
Minor	-	-
Mr.Sophon Intanate	-	-
Spouse	-	-
Minor	-	-
Mr.Ronnawat Suwannapirom	-	-
Spouse	-	-
Minor	-	-
Mr.Sarsak Tunjesuwan	-	-
Spouse	-	-
Minor	-	-
Dr.Sathit Pitivara	-	-
Spouse	-	-
Minor	-	-
Mr.Chathaphum Khantiviriya	-	-
Spouse	-	-
Minor	-	-

Ongoing Management

As at 31 December 2022, the Company's current management team was as follows:

- | | |
|----------------------------------|---|
| 1) Mr.Ekachai Sirirapattana | Executive Chairman |
| 2) Mr.Suwat Panichpakdee | Vice Executive Chairman |
| 3) Mr.Pichai Nananakomol | Vice Executive Chairman |
| 4) Mr.Sophon Intanate | President |
| 5) Mr.Pairoj Amatamahutana | Vice President of Warehouse Management & Administration |
| 6) Ms.Wannaporn Chanaareewittaya | Vice President of Financial and Accounting |
| 7) Mr.Khanaphon Piyakarnangkul | Vice President of Sales & Product |
| 8) Mr.Kasame Sritetphapich | Vice President of Marketing & Online |
| 9) Ms.Kamonvor Nananakomol | 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.

- 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.
- Approve the spending according to the Company's Approval Power Handbook
- 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.
- Being the Advisory Body of the Management on the financial, marketing, personnel management, and other operations policies.
- 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.

Remuneration for Managing Director

The remuneration of the Managing Director is appropriately defined under clear and transparent guidelines, the Nomination and Remuneration Committee will consider and review the remuneration of the Managing Director to propose to the Board of Directors for consideration and approval, factors to be considered including the performance in line with the Company's goals both in short and long terms, the Company's performance and the compliance with duties and responsibilities.

Remuneration for Executives

The Chief Officer will annually consider and evaluate the performance of individual executives to determine the remuneration of executives in the forms of salary and bonus.

Total Remuneration of Executives and Executive Directors

In 2022, the company paid salary compensation to 8 executives totaling 19.58 million Baht and provided a provident fund. There were 7 executives participating in the project, accounting for 77.78% of all executives.

Employee Data

As at 31 December 2020 - 2022, total employees and personnel of the Company have been 388 persons, 1,181 persons and 1,482 persons, respectively, being classified by the line as follows.

Type of Personnel	31 December 2020 (person)	31 December 2021 (person)	31 December 2022 (person)
Executives	6	9	9
Warehouse Group	47	47	77
Warehouse Group	282	980	1,248
Accounting, Finance and Human Resources	24	58	82
Marketing and Information Division	21	92	79
Legal, Internal Audit and Secretary	8	9	9
Total	388	1,101	1,482

**In 2022, there were 679 male employees and 803 female employees.

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 2020 - 2022, the company has paid salaries to employees with the total amount of 320 million Baht, 357 million Baht and 391 million Baht, respectively

Group Insurance and Provident Fund

In 2022, the Company has made group insurance for its employees and provided a provident fund with 280 employees participating in the program, accounting for 18.89% of all employees.

Employee Development Policy

The organization can be driven by capable personnel; therefore, human resource development is important and contributes to retaining capable employees to stay with the organization in the long run. IT City has prioritized human resource development planning to match the desired goals by conducting a survey of employees' needs, working problems, necessary skills, and actual performance evaluation with the competencies expected by the organization so that the training courses will be planned and developed to meet the needs, the personnel development is divided by the Company as follows:

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 managed 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 Ms.Rattapanorn Koompan 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 JirawanThipkomutto 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.

Top Executive Taking Responsibility In Accounting and Finance

The Company has appointed Miss Wannaporn Chansareewittaya, Deputy Managing Director of Accounting and Finance, to be the top executive taking responsible in accounting and finance, please see her data in Attachment 1.

Accounting Supervisor

The Company has assigned Miss Lalitwadee Puttipongsap to take responsibility in supervising accounting, please see her data in Attachment 1.

Investor Relations

The Company has entrusted Miss Nunnapaa 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: ir@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 2022 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.

	Fiscal Year of 2021	Fiscal Year of 2022
Fee	2.80 Million Baht	2.65 Million Baht

Non-Audit Fee

- N/A -





Report of the Significant Overall Operation In Corporate Governance

Summary of Board of Directors' Performance in the Past Year Appointment of Sub-committees

The Company believes that a good corporate governance process is the foundation of sustainable growth, the Company's policies and guidelines on corporate governance will reflect the basic principles of corporate governance including integrity, fairness, transparency, compliance with roles, duties, and responsibilities. In 2022, the Board of Directors resolved to appoint the Corporate Governance and Sustainable Development Committee to carry out corporate governance, responsible for formulating corporate governance policies, sustainability policies, anti-corruption measures, business ethics, and work practices and continuously reviewing the corporate governance policy to keep pace with changes and to be in compliance with the corporate governance principles of regulators based on laws and international practices as appropriate.

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 2022, the 5 independent directors have no business relationship or professional service in excess of the specified criteria. All 5 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

Selection of Directors

The Company appointed the Nomination and Remuneration Committee, which consists of 2 Independent Director from totaling of 3 individuals, to determine selection criteria of an appropriate individual in accordance with the Company policy to be nominated as the Director or Sub-committees, by the following methods:

- 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.

Open opportunity for the shareholder to participate in the nomination of candidates to be elected as directors in advance. In 2022, The nomination was available from 1 December 2021 to 31 December 2021 and announced through the SET portal system of the Stock Exchange of Thailand under the News section and the Company's website, for the nomination method and procedure. In 2022, none of the shareholders has nominated any candidate to be elected as director.

- 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).

In 2022, there were 4 following directors who retired by rotation from their positions as their term expired:

1. Mr.Damnoen Kaewthawee
2. Mr.Ekachai Sirijirapattana
3. Mr.Sarsak Tuntassuwon
4. Mr.Weerasat Punsak-udomai

The Nomination and Remuneration Committee had considered the members of the Board of Directors and the individual qualifications of each director in various aspects, and viewed that the three directors i.e.(1) Mr.Ekachai Sirijirapattana, (2) Mr.Sarsak Tuntassuwon and (3) Mr.Weerasat Punsak-Udomai, who were due to retire by rotation were well-qualified in terms of education, knowledge, skill, experience and work performance, and their performance during their terms had provided benefits to the Company. In addition, these three directors did not possess any prohibited characteristics or conduct any business or hold shares in any companies that were competitors of the Company.

Mr.Damnoen Kaewthawee, an independent director of the Company, notified his intention to not renew the term of office for the position of independent director due to his own mission, then proposed to appoint Mr.Ronnawat Suwannapirom who is qualified for the Company's business to hold the position of an independent director to replace the position of Mr.Damnoen

Kaewthawee. The Nomination and Remuneration Committee proposed this issue to the Board of Directors and it was resolved to be an agenda at the 2022 Annual General Meeting of Shareholders, where the meeting resolved to approve the re-appointment of all 3 directors for another term.

Performance Evaluation of the Board of Directors

In 2022, the Board of Directors evaluated the performance of the Board of Directors on the team and individual basis, and of all sub-committees divided as follows:

- Performance Evaluation of the Board of Directors on a team basis;
- Performance Evaluation of Sub-Committees on a team basis;
- Performance Evaluation of the Board of Directors on an individual basis.



Process for Performance Evaluation of the Board of Directors

The Company Secretary will deliver the performance evaluation forms for the Board of Directors, Sub-committees, and individual directors to the Company's directors after completing the performance evaluation, and will collect, analyze summarize the results, and report the evaluation results to the Board of Directors for the acknowledgment to improve the performance of the Board of Directors, director remuneration and commission by scrutinizing the suitability such as business expansion, profit growth, the Company's stock value based on market prices, dividend payment, and the number of meeting attendances. In addition, the comparison was also made with references from the same industry.

Criteria for Performance Evaluation of the Board of Directors

The Company has established criteria and evaluated the performance of the Board of Directors, sub-committees, and individual directors at least once a year, the Company has applied and adapted the examples of performance evaluation for the Board of Directors, Sub-committees, and Individual Directors of the Stock Exchange of Thailand to be consistent to the use of the Company.

In 2022, the Company conducted the performance evaluation of the Board of Directors on a team basis, on an individual basis, and of sub-committees, as follows:

- Performance Evaluation of the Board of Directors on a team basis: It evaluates the following topics: structure and qualifications of the Board of Directors, the Board's meetings, roles, duties, and responsibilities, the relationship with management, self-development of directors, and development of executives. The average score was 3.7, representing 93.7%

- Performance Evaluation of the Board of Directors on an individual basis: It evaluates the following topics: the Board's meetings, roles, duties, and responsibilities. The average score is 4.0, representing 99.7%.

- Performance Evaluation of the Audit Committee: It evaluates the following topics: the performance of the Audit Committee, the meeting process, and efficiency in performing duties. The average score is 4.0, representing 100%.

- Performance Evaluation of the Nomination and Remuneration Committee: It evaluates the following topics: duty performance of the Nomination and Remuneration Committee meeting process, and efficiency in performing duties. The average score is 4.0, representing 100%.

- Performance Evaluation of the Risk Management Committee evaluates the following topics: duty performance of the Risk Management Committee, meeting process, and efficiency in performing duties. The average score is 4.0, representing 100%.

These performance evaluation forms rates with a score range of 0 to 4 as follows:

- 0 = Strongly disagree or no action on that topic
- 1 = Disagree or take slight action on that topic
- 2 = Agree or take moderate action on that topic
- 3 = Quite agree or well take action on that topic
- 4 = Strongly agree or excellently take action on that topic

The Board Orientation

The Company has the policy to organize an orientation to every newly appointed Director to acknowledge the roles, duty, and responsibility, including providing knowledge, understanding the business, and operating in every part of the Company. The purpose is to prepare the readiness to perform the Directors' duties by presenting the documents and the information that will assist the newly appointed Directors in performing their roles such as the Directors' Handbook, Company's Good Corporate Governance and Business Code of Conduct Handbook,

Company's Articles of Association, capital and shareholding structures, annual report, Form 55-1 (One Report), business performance, laws and best practices guidelines, training programs for directors as well as other information related to the business operation to Create a better understanding about the Company and its operation to the newly appointed Directors. The Company has provided an orientation for one new director in year 2022

Development of Directors and Executives

In 2022, there were training and knowledge development for senior executives and the Company Secretary to enable them to effectively perform their duties. Details of their attendance in training courses are summarized as follows:

Program	Facilitator
Senior Executives	
Income Under Thai Financial Reporting Standard No. 15 and Thai Financial Reporting Standard for NPAs Chapter 18	Dhamniti Seminar and Training Co., Ltd.
FOCUS on Key Issues in Auditing Financial Statements	Dhamniti Seminar and Training Co., Ltd.
Management Accounting for Planning and Decision-making	Dhamniti Seminar and Training Co., Ltd.
Training Project on the Ethics of Professional Accountants for Certified Public Accountant Only, Class 8	Federation of Accounting Professions
a new journey to the digital fundraising	Kasikorn Bank
Upgrading Financial Personnel to the Next Normal Financial Professional	Stock Exchange of Thailand
ESG Understanding and Professional System Setup	Federation of Accounting Professions
CFO's Challenges with Financial Reporting in Economic Fluctuations Period	EY Office Company Limited
Company Secretary	
Compliance Management and Rules to be prepared specifically	Siripattana Training Center, National Institute of Development Administration
New AGM Checklist 2023	Thai Investors Association

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.

Director Meeting for the year 2022

In 2022, IT City held a total of 5 Board of Directors meetings, which were scheduled in advance and notified all directors. Prior to every meeting, the Company will deliver the meeting invitation letter and meeting documents to the Board of Directors at least 7 days in advance of the meeting date. In 2022, the Board of Directors attended the meetings as follows:

Name of directors	Total Attendance
1. Mr.Vichit Yanamorn	5/5
2. Mr.Ekachai Sirirapatsana	4/5
3. Dr.Wilson Teo Yong Peng	5/5
4. Mr.Weerapat Punsak-udomain	5/5
5. Mr.Pipope Chokwathana	5/5
6. Mr.Pichai Nersanartkomol	5/5
7. Mr.Gophon Intanate	5/5
8. Mr.Sarsak Tuntesuwan	5/5
9. Dr.Satit Pijvara	5/5
10. Mr.Chathaphum Khatvivirya	5/5
11. Mr.Damnoen Kaewthawee	1/5
12. Mr.Ronnawat Suwannapirom	4/5

Note: (1) Mr.Damnoen Kaewthawee has retired from the position of Independent Director, member of the Audit Committee, Chairman of the Nomination and Remuneration Committee, and member of the Risk Management Committee, since 8 April 2022.

(2) Mr.Ronnawat Suwannapirom has taken the position of independent director since 5 April 2022 and become a member of the Audit Committee, a member of the Nomination and Remuneration Committee, and a member of the Risk Management Committee since 12 May 2022, and has become the Chairman of the Corporate Governance and Sustainable Development Committee since 21 December 2022.

In addition, the Board of Directors has determined that non-executive directors can conduct meetings among themselves as appropriate. No executive directors participated in such meetings to discuss various issues related to management that have material impact to the Company. In 2022, there was a meeting of non-executive directors 1 time on 11 January 2022. The purpose of this meeting was to examine the overall organization management, material issues that could have impact on the business and required improvement

Meeting Attendance and Remuneration of Individual Directors

A) Monetary Remuneration

The 2022 Annual General Meeting of Shareholders on 5 April 2022 resolved the determination of the remuneration of the Company's directors by dividing into monthly remuneration and meeting allowance.

Position	2022	
	Remuneration (Baht/Month)	Meeting allowance (Baht/Month)
Chairman of the Board	200,000	-
Director	30,000	-
Chairman of Audit Committee	20,000	-
Member of the Audit Committee	10,000	-
Chairman of Nomination & Remuneration Committee	-	6,250
Nomination & Remuneration Committee	-	5,000
Chairman of Risk Management Committee	-	6,250
Member of the Risk Management Committee	-	5,000

No. of Meeting Attend and Details of Monetary Remuneration for directors in 2022 are as follows:

Name - Surname	No. of Meeting Attend (time)					Remuneration and Meeting Allowances (Baht)			
	Board of Director, 5 meeting	Audit Committee, 5 meeting	Nomination and Remuneration Committee, 3 meeting	Risk Management Committee, 5 meeting	Annual General Meeting of Shareholders	Monthly Remuneration	Remuneration for Nomination and Remuneration Committee Meeting	Remuneration for Risk Management Committee Meeting	Total
1. Mr.Vichit Yanamorn	5/5	5/5	2/3	5/5	1/1	2,400,000	10,000	25,000	2,635,000
2. Mr.Ekchal Sirijirapattana	4/5				1/1				
3. Dr.Wilson Teo Yong Peng	5/5				1/1	360,000			460,000
4. Mr.Weeapat Punsak-udomai	5/5				1/1	360,000			460,000
5. Mr.Piropo Chokwathana	5/5		1/3		1/1	360,000	5,000		465,000
6. Mr.Pichai Narananikomol	5/5				1/1				
7. Mr.Sophon Intanate	5/5				1/1				
8. Mr.Samsak Tunasuwon	5/5	5/5		5/5	1/1	480,000		31,250	611,250
9. Dr.Sathit Phivara	5/5		3/3		1/1	360,000	16,250		476,250
10. Mr.Chalithaphum Khansivithya	5/5				1/1	410,000			510,000
11. Mr.Damnoen Kaewthawee	1/5	1/5	1/3	2/5	1/1	160,000	6,250	10,000	100,000
12. Mr.Pornawut Suwannapitrom	4/5	3/5	1/3	3/5		341,667	5,000	15,000	

Notes: (1) Mr.Vichit Yanamorn proposed not to receive his remuneration for directorship and the Chairman of the Audit Committee because he has received the remuneration for the Chairman of the Board of Directors.

(2) 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

(3) Mr.Vichit Yanamorn resigned from the Nomination and Remuneration Committee since May 2022.

(4) Mr.Piropo Chokwathana has become a member of the Nomination and Remuneration Committee since 12 May 2022 and a member of the Corporate Governance and Sustainable Development Committee since 21 December 2022.

(5) Mr.Damnoen Kaewthawee retired from the position of Independent Director, Member of the Audit Committee, Chairman of the Nomination and Remuneration Committee, and member of the Risk Management Committee since 6 April 2022

(6) Mr.Pornawut Suwannapitrom has taken the position of Independent director since 6 April 2022, a member of the Audit Committee, a member of the Nomination and Remuneration Committee, and a member of the Risk Management Committee since 12 May 2022, and the Chairman of the Corporate Governance and Sustainable Development Committee since 21 December 2022.

(7) The Corporate Governance and Sustainable Development Committee has been appointed on 21 December 2022, and there is no meeting yet.



B) Non-Monetary Remuneration/Other Remunerations

The Company has applied the Directors and Officers Liability Insurance for the Company's directors and executives.

Supervision on operation of the associated company

Nomination or 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 disclosure 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 accounting 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 2022, the Board of Directors reviewed and improved the corporate governance and business ethics in the Board of Directors' Meeting No.5/2565 on 21 December 2022. According to the corporate governance assessment result of Thai listed companies for 2022 from Thai Institute of Directors (IOD), the Company earned the overall average assessment result at 80% 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 2022, 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.

In 2022, the Company Secretary notified the persons designated by the Company to be aware of the Blackout Period, those persons were prohibited from trading the Company's securities for 30 days prior to the disclosure of quarterly and annual financial statements, and other periods to be determined by the Company from time to time, and they could trade after the Company's disclosure for at least 24 hours.

In 2022, the Company had not received any complaints related to the misconduct regarding the insider information of directors and executives.

Anti-Corruption

The Board of Directors has demonstrated its commitment to anti-corruption, the Board of Directors has issued anti-corruption policies and measures to ensure that the Company and its personnel will take actions to prevent and fight against corruption, as guidelines, and to have a clear control system in practices, relevant guidelines are as follows:

1. **Anti-corruption:** IT City shall not tolerate of any corruption and requires itself and those involved in the Company's business operations to follow the Anti-Corruption Policy and also impose the maximum disciplinary penalty on those who commit such offenses.
2. **Political conduct:** The Company is politically neutral, without any policy to provide political assistance or act in favor of any political party or group, and all employees must not use the Company's assets to support any political party or any power group in exchange for special privileges or wrongful benefits.
3. **Acceptance of gifts, assets, or other benefits:** All directors, executives, and employees must not personally accept money or any other benefits from customers, business partners, or any person as a result of working on behalf of the Company. IT City has no policy to offer money, incentive, gift, or privileges in any form to customers, business partners, external organizations, or any person to gain business, except for traditional business receptions, trade discounts, and the Company's promotional programs.

The Policy has been disseminated to all associates and stakeholders of the company via accessible communication channels including Intranet, in-house board announcement, associate's orientation, etc.

The Company requires that risk management is the responsibility of everyone from directors to executives and employees, the corruption-related risk is considered in assessing the risks that may occur in the Company's activities, this kind of risk will be managed and controlled in an appropriate manner, such as

1. The Company stipulated procurement practices, objectives of transactions, reimbursement, and any contract making/ entering. In every step in the procurement process, supporting documents or evidences must be enclosed while approval authority at each step is properly set with transparency in compliance with laws, practices, and processes that the Company imposed. Procurement shall also be audited on a regular basis.
2. Budget control and working procedure are clearly specified.
3. The disbursement must be approved and verified according to authority level in all cases.
4. The Company set up a human resources management system to promote right values and build anti-corruption culture. Employees are informed and communicated of the anti-corruption policy as well as the Code of Conduct and Business Ethics.

Compliant and Whistleblowing

The Company has assigned Internal Audit and Company Secretary departments as a complaint handling center to receive complaint regarding suspicious or improper activity and monitor the complying of code of conduct. The Company's associates, suppliers, customers, shareholders and stakeholders are able to report any suspicious or improper activity to the Company so that appropriate investigation can be conducted.





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

Any employee or officer who files complaint, notifies abuse, 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.

In 2022, 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	5/5
2. Mr.Sareak Tuntasuwan	5/5
3. Mr.Damnoen Kaewthawee	1/5
4. Mr.Ronnawat Suwannapirom	4/5

Note: (1) Mr.Damnoen Kaewthawee has retired from the position of the Audit Committee since 6 April 2022.
(2) Mr.Ronnawat Suwannapirom has taken the position of the Audit Committee since 12 May 2022.

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

Report of the Nomination and Remuneration Committee

Dear Shareholders

The Nomination and Remuneration Committee has performed its duties as assigned by the Board of Directors, under the responsibilities specified in the Nomination and Remuneration Committee Charter for determining the criteria and policies for the nomination and considering remuneration for the Company's directors, managing directors, and sub-committees including determining the criteria and policies for payment of remuneration and other benefits to the Company's directors and sub-committees. The committee also has the duty of considering annual remuneration and other benefits for the managing directors, and sub-committees. The Nomination and Remuneration Committee comprises 3 members as follows:

- | | |
|-----------------------------|---|
| 1. Dr.Sathit Pitivara | Chairman of the Nomination and Remuneration Committee |
| 2. Mr.Pipope Chokwathana | Member of Nomination and Remuneration Committee |
| 3. Mr.Ronnawat Suwannapirom | Member of Nomination and Remuneration Committee |

In 2022, the Nomination and Remuneration Committee held 3 meetings which can be summarized as follows: The Meeting Attendance of the Nomination and Remuneration Committee

Name List of the Nomination and Remuneration Committee	Total Number of Meeting Attendance/Meetings
1. Dr.Sathit Pitivara	3/3
2. Mr.Pipope Chokwathana	1/3
3. Mr.Viohit Yanamorn	2/3
4. Mr.Damnoen Kaewthawee	1/3
5. Mr.Ronnawat Suwannapirom	1/3

Remark: (1) Mr.Damnoen Kaewthawee resigned from the Chairman of Nomination and Remuneration Committee in 8 April 2022.
(2) Mr.Viohit Yanamorn resigned from the Member of Nomination and Remuneration Committee in 12 May 2022.
(3) Mr.Ronnawat Suwannapirom has been appointed as the Member of Nomination and Remuneration Committee in 12 May 2022.
(4) Mr.Pipope Chokwathana has been appointed as the Member of Nomination and Remuneration Committee in 12 May 2022.

Key Performance in 2022 are summarized as follows:

1. Considered recruiting and selecting four persons to be appointed as the Company's directors, and two subcommittee members in replacement of vacant position. The consideration was based on the appropriate qualifications according to the Public Company Limited Act B.E. 2535 and has no prohibited characteristics as specified by law, by taking into account the qualifications, experience, knowledge, and skills. The name lists were proposed to the Board of Directors' meeting for approval. In this regard, the Company also gave an opportunity for the minority shareholders to nominate persons for holding Company's director position from 1 December 2022 to 31 December 2022, in order to propose to the Board of Directors and the Annual General Meeting of Shareholders for the year 2023. However, none of the shareholders nominated any person.

2. Considered the remuneration of the Board of Directors and subcommittees by considering suitability for duties, entrusted responsibilities, performance, and the remuneration rate compared with the industry benchmark in order to be proposed to the Board of Directors and the Annual General Meeting of Shareholders for approval.

3. Considered the remuneration of the Managing Director base on the assigned duties and responsibilities, the performance of the Company in comparison with the established targets and the real economic situations, as well as comparing with similar-sized listed companies or companies in the same industry in order to motivate and retain quality top executives.

4. Followed up and monitored the Company's appropriate succession plan and continuity of management for top executives and important positions in order to prepare personnel for supporting and conforming to the expansion of business.

5. Assessed the performance of the year 2022 through individual and group self-assessments. Overall, the Nomination and Remuneration Committee performed its duties effectively and in accordance with the specified scope of duties.

In this regard, the Nomination and Remuneration Committee has performed its duties with utmost care and caution according to the principles of good corporate governance by adhering to the benefit of the Company and all stakeholders.



(Dr.Sathit Pitivara)
Chairman of Nomination and Remuneration Committee
IT CITY Public Company Limited

Message from the Risk Management Committee

Dear Shareholders

The Risk Management Committee of IT City Public Company Limited was appointed by the Board of Directors, consisting of Mr. Gorasak Tuntassuwan as Chairman of the Risk Management Committee, Mr. Vichit Yanamom and Mr. Ronnawat Suwannapirom as members of the Risk Management Committee, and Miss Wannaporn Chansareewittaya as the secretary of the Risk Management Committee.

The Company has focused on risk management, especially, managing risks affecting the achievement of the Company's objectives and business goals to achieve the objectives and goals set, and has appointed a risk management working group consisting of senior executives in each functional line, and those responsible for risks in each department to regularly assess risk factors that may affect the business operations.

In 2022, the Risk Management Committee performed its duties as assigned by the Board of Directors and the Risk Management Committee Charter, to be responsible for setting and reviewing policies, goals, and risk management framework, monitoring the assessment and quantification of key risks, covering strategic risk, operation risk, financial risk, and compliance risk. There were 5 meetings in 2022. The meeting attendance of an individual member of the Risk Management Committee.

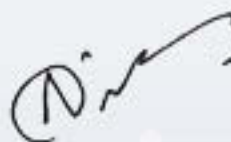
Name List of the Risk Management Committee	Total Number of Meeting Attendance/Meetings
1. Mr.Gorasak Tuntassuwan	5/5
2. Mr.Vichit Yanamom	5/5
3. Mr.Damnoen Kaewthawee	2/5
4. Mr.Ronnawat Suwannapirom	3/5

Note: (1) Mr.Damnoen Kaewthawee has retired from the Risk Management Committee, since 6 April 2022.
(2) Mr.Ronnawat Suwannapirom has taken the position of a member of the Risk Management Committee since 12 May 2022.

Key Performance in 2022 are summarized as follows:

1. To consider the risk management plan and corporate risk in 2022 that the management assessed and classified the risk level, and consider the impacts to be at an acceptable level or reduce the opportunities to happen in the future so that risk management plan are in line with business plans and goals.
2. To monitor and review the implementation of the risk management plan set by the Company's management to ensure that the Company has systematic and effective risk management.
3. To report the results to the Board of Directors to ensure that the Company has effective risk management which is complied with the internal control system and good corporate governance guidelines.

The Risk Management Committee is confident that the Company has a continuous and systematic risk management, which is conducted with caution, discretion, and efficiency. This will result in the Company's business operations sustainably and steadily growing as the Company's goals.



(Mr.Gorasak Tuntassuwan)
Chairman of the Risk Management Committee
IT CITY Public Company Limited

Report of the Corporate Governance and Sustainable Development

The Corporate Governance and Sustainable Development Committee was appointed by the Board of Directors' Meeting No. 5/2022 on 21 December 2022; therefore, the performance report has not been prepared yet.

Rights of Shareholders

IT City has recognized and prioritized the rights of shareholders without any action to violate or lessen the rights of shareholders, the Company equally provides all shareholders with fundamental rights, i.e. the right to exercise ownership of shares they hold, stock trading and transfer, dividend payment, profit sharing, consideration of all forms of remunerations, sufficient and timely information about the business, attending the shareholders' meeting or granting a proxy to others to attend the meeting, exercising the right to vote for the appointment or removal of any directors, auditor appointment, and matters affecting the Company, etc. In 2022, IT City has promoted the rights of shareholders as follows:

- Disseminate the information and details on the exercising of rights in several aspects via the channels of the Stock Exchange of Thailand and the Company's website, with consideration to equality in access to information, the duration and convenience in exercising rights, without any particular actions to limit the access to the source of company information or obstruct communication among shareholders.
- To continuously promote the rights of shareholders in the meetings. The 2022 Annual General Meeting of Shareholders was held on 5 April 2022 at 14:00 hrs. at ASIO Room, 31st Floor, MS Siam Tower, No. 1023 Rama III Road, Chong Nonsi Sub-district, Yannawa District, Bangkok Metropolis; in selecting meeting venue, the Company is also aware of the health and safety of shareholders as a top priority under the situation of COVID-19 outbreak, the Company prepared a meeting room of suitable size with sufficient space for social distancing to accommodate all attendees.

Before the Meeting

- All shareholders are entitled to propose the meeting agendas and nominate any person to be considered for election as director in advance from 1 December 2021 to 31 December 2021 via the Company's website and sending to the Company Secretary in advance of the meeting date. All details and guidelines are announced on the Company's website, and the said rights were also disseminated on the website of the Stock Exchange of Thailand. For the 2022 Annual General Meeting of Shareholders, none of any agenda and director nomination was proposed by any shareholders.
- Keep shareholders informed 41 days in advance of the meeting date of the Annual General Meeting of shareholder 2022 so that they can prepare before attending the meeting. Communication on the matter was made through the Stock Exchange of Thailand's channels and the Company's website on 23 February 2022, which was also the same day that the Board of Directors agreed upon the meeting date.
- Distribution of the invitation letter for the Annual General Meeting of Shareholders both Thai and English versions on the Company's website since 8 March 2022, which is 30 days prior to the meeting date, and the invitation letter will be delivered to shareholders since 21 March 2022.
- Facilitated shareholders including individual shareholders, juristic and institutional investors, who could not attend the meeting by themselves, by sending the proxy Form A, B, and C together with the meeting notice. These forms can also be downloaded from the Company's website. Moreover, the Company has nominated a list of independent directors' names and backgrounds that shareholders could appoint to be the proxy. In the Annual General Meeting of Shareholders 2022, Mr. Vihiit Yanamorn, an Independent Director, was appointed as a proxy in casting votes on behalf of the shareholders.





On the Meeting Day

- All shareholders could register for the meeting more than 2 hours in advance of the meeting time and were facilitated before the meeting, for example, preparing a venue and having an appropriate number of receptionists to welcome.
- Before starting the meeting, the Chairman of the Board of Directors explained to the shareholders their rights under the Company's Articles of Association, the meeting process, how to exercise the right to vote, and equally provided all shareholders with the right to inquiries and opinions at the meeting. The Company has applied the barcode system in implementing a shareholder meeting management system for registration, vote count, and results, this helps to efficiently and quickly conduct the meeting.
- Arranged an independent, external inspector, who performed a legal counsel role to monitor the meeting and ensure that the meeting was transparent and complied with the laws and the Company's regulations.
- The Chairman allocated enough time for the meeting and appropriately conducted the meeting with absolute transparency according to the agenda specified in the meeting notice. Neither have there ever been any occasions where documents containing essential information were distributed to the shareholders right in the meeting without prior notice, nor the inclusion of other additional agendas that are not stated in the meeting notice, which can be unfair to shareholders who did not attend the meeting.

- Shareholders were allowed to join in the meeting even though the meeting had already commenced but they could only vote in the agendas that had not yet been voted.
- Shareholders were encouraged to express their opinions and ask questions. The Chairman, the Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee, President and the external auditor also presented in the meeting to answer

After the Meeting

- Submitted the meeting's resolutions and accompanying details, i.e. the number of votes in each agenda to the Stock Exchange of Thailand on the date of the meeting so that absent shareholders can immediately reach the information
- Prepared the meeting minutes, in Thai and English, and distributed via the Stock Exchange of Thailand's channels and the Company's website within 14 days after the meeting and submitted a copy to the Stock Exchange of Thailand and the Ministry of Commerce by the indicated due date.

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.

In 2022, the Company organized the activity in the Opportunity Day event which is the event where the listed companies will meet investors, organized by the Stock Exchange of Thailand for 2 days which were on 24 February 2022 and 10 August 2022.

In 2022, none of any incidents where the Company did not announce or disclose any material data within a specified period was found by the regulators.

Consideration of the Role of Stakeholders

The Company places high significance on all stakeholders, holding on to everyone's mutual and sustainable benefits as the principles. Policies and roles imposed upon stakeholders are clearly written down in "Business Ethics Manual", with details as follows:

Shareholder	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. Regularly and completely present the Company's status report, turnover, financial and accounting position, and other reports on fact basis. 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.
employees	Giving priority to the development of employees' knowledge and abilities for the whole organization and on regular basis. 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. Considering appointments, rotation, awards and punishment for employees with honesty and based on the knowledge, abilities and appropriateness of that employee. Providing fair remunerations to employees.
Customer	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. Fairly treat the customers, not discriminate, avoid the use of confidential information of the customers for the third party's benefit. 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. Treat the customers politely and efficiently to be trusted by the customers.
Business Partner and/or Creditor	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. 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. 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.
Business Competitor	Treat the business competitor under the framework of the rule of fair competition. Not seek for the confidential information of the business competitor using the dishonest and illegal procedure. Not discredit the business competitor with defamation or any false and unjust acts.

The Safety of Personal Data

The protection on the personal data of customers and stakeholders is an important duty in responsibly conducting businesses. IT City is committed to complying with rules and regulations required by laws, and to strictly and carefully supervising both documentation and operational system to maintain the personal data of customers, business partners, and employees in a secure, stable, and transparent manner, based on the Personal Data Protection Act B.E. 2562 (2019).

The Company has appointed a personal data protection working group to carry out the promotion and protection of personal data in line with the Personal Data Protection Act B.E. 2562 (2019) prescribing the security measures and appropriate verification system to prevent the loss, access, change, correction, deletion, destruction or disclosure of personal data without authority or consent of the data subject. The control mechanism related to the personal data protection management system is also reviewed and a Data Protection Officer is also appointed to have the authority to supervise and inspect the collection, use, or disclosure of personal data, assess risks, handle requests and complaints.

Please learn more details about the personal data protection policy on the Company's website www.itcity.co.th

Data Privacy Safety Statistics

	2021	2022
Number of complaints on personal data breach	0	0
Number of complaints on personal data breach from third party regulators	0	0





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.5/2022, held on 21 December 2022, 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.5/2022, held on 21 December 2022. 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

IT City has prioritized risk management and established the Risk Management Committee to take responsibility for overseeing corporate risks. In 2022, the Risk Management Working Group (WG) announced its appointment and review, this WG will review and assess risks covering both internal and external factors, monitor action for risk management at both corporate and departmental levels, organize training for employees to have knowledge and understanding of risks and business continuity management, external consultants are invited to provide executives and related employees knowledge so that they will realize the importance and operate under the risk management and business continuity framework.

Control Activities

The Board of Directors has appointed 4 sub-committees comprising the Nomination and Remuneration Committee, Audit Committee Risk Management Committee and the Corporate Governance and Sustainability 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's 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.

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 2022, 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 2022, 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 to 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 Thipkornut, 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.



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.



The image is a composite graphic for a 'Financial Statements' cover. It features a person in a dark suit and a light blue patterned tie. A hand is shown holding a glowing orange light, with several gold coins floating around it. In the bottom right corner, there are stacks of silver coins. The background is a light blue gradient with a faint grid pattern. Overlaid on the image are several graphical elements: a large '03' in green and blue, the title 'Financial Statements' in orange, and a blue line graph with an upward-pointing arrow. The overall theme is finance and business growth.

03

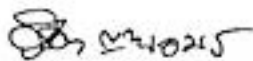
Financial Statements

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

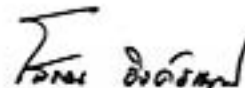
The Board of Directors is responsible for the Financial Statement of IT CITY Public Company Limited which has been prepared in accordance with generally-accepted accounting principles under the appropriate accounting policies abide by regularly. The significant information was sufficiently disclosed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



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 2022, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of 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 2022, 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 including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

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

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

Revenue recognition

Revenues from sales and services are the accounting transactions that have significant volume of transactions and amounts, and directly affect profit or loss of the 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 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, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Kamontip Lertwitworstep
Certified Public Accountant (Thailand) No. 4377

EY Office Limited
Bangkok, 22 February 2023

IT City Public Company Limited and its subsidiary
Statement of financial position
As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
Assets					
Current assets					
Cash and cash equivalents	7	216,994,490	275,650,672	216,994,490	275,650,672
Trade and other receivables	6, 8	325,526,260	259,329,924	325,526,260	259,329,924
Current portion of finance lease receivables	14.2	4,782,903	-	4,782,903	-
Inventories	9	1,205,800,976	1,322,013,697	1,205,800,976	1,322,761,538
Withholding tax deducted at source		75,908,469	39,788,057	75,908,469	39,788,057
Other current assets		15,212,715	13,238,137	15,212,715	13,238,137
Total current assets		1,844,225,813	1,910,020,487	1,844,225,813	1,910,768,328
Non-current assets					
Finance lease receivables - net of current portion	14.2	4,486,945	-	4,486,945	-
Investments in associates	10	179,719,248	160,114,753	70,000,000	70,000,000
Investment in subsidiary	11	-	-	89,067,005	89,067,005
Investment properties	12	8,200,000	8,200,000	8,200,000	8,200,000
Property, plant and equipment	13	290,338,650	288,006,127	290,338,650	288,006,127
Right-of-use assets	14.1	999,936,140	1,272,767,446	999,936,140	1,272,767,446
Intangible assets	15	264,611,927	269,179,884	264,611,927	269,179,884
Goodwill	16	77,384,995	77,384,995	77,384,995	77,384,995
Deferred tax assets	24	22,788,466	19,420,515	22,788,466	19,420,515
Other non-current assets		263,895,718	242,216,080	263,895,718	242,216,080
Total non-current assets		2,111,362,089	2,337,289,800	2,090,709,846	2,336,242,052
Total assets		3,955,587,902	4,247,310,287	3,934,935,659	4,247,010,380

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	17	930,750,179	729,706,388	930,750,179	729,706,388
Trade and other payables	6, 18	803,824,587	941,868,206	901,637,559	1,039,681,179
Current portion of lease liabilities	14.1	375,495,754	387,171,784	375,495,754	387,171,784
Income tax payable		-	9,014,383	-	9,014,383
Other current liabilities		11,443,388	10,320,120	11,443,388	10,320,120
Total current liabilities		2,121,513,908	2,078,080,881	2,219,326,880	2,175,893,854
Non-current liabilities					
Lease liabilities - net of current portion	14.1	647,285,530	888,341,321	647,285,530	888,341,321
Provision for decommissioning		19,246,668	18,636,378	19,246,668	18,636,378
Provision for long-term employee benefits	19	22,908,944	21,090,267	22,908,944	21,090,267
Deferred tax liabilities	24	42,512,000	42,512,000	42,512,000	42,512,000
Other non-current liabilities		435,924	7,004,408	435,924	7,004,408
Total non-current liabilities		732,389,066	977,584,374	732,389,066	977,584,374
Total liabilities		2,853,902,974	3,055,665,255	2,951,715,946	3,153,478,228
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		210,221,533	300,181,637	91,756,318	202,068,757
Total shareholders' equity		1,101,684,928	1,191,645,032	983,219,713	1,093,532,152
Total liabilities and shareholders' equity		3,955,587,902	4,247,310,287	3,934,935,659	4,247,010,380

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit or loss					
Revenues					
Revenue from contracts with customers	21	8,708,446,352	8,702,675,769	8,708,446,352	7,621,991,199
Dividend income	10.2	-	-	20,300,000	14,008,000
Other income		11,829,294	11,206,285	11,829,294	14,018,590
Total revenues		8,720,275,646	8,713,882,054	8,740,575,646	7,650,017,789
Expenses	22				
Cost of sales and services		7,315,274,424	7,290,700,824	7,316,022,264	6,405,822,121
Selling and distribution expenses		1,034,313,065	880,894,776	1,034,313,065	723,973,081
Administrative expenses		334,380,485	280,809,175	334,380,485	254,088,362
Total expenses		8,683,967,974	8,452,404,775	8,684,715,814	7,383,883,564
Operating profit		36,307,672	261,477,279	55,859,832	266,134,225
Share of profit from investments in associates	10.2	39,548,928	37,518,047	-	-
Finance income		159,357	189,876	159,357	189,876
Finance cost	23	(60,505,822)	(45,559,645)	(60,505,822)	(40,261,20)
Profit (loss) before income tax		15,510,135	253,625,557	(-4,486,633)	226,062,894
Income tax	24	3,705,051	(48,376,092)	3,705,051	(45,815,882)
Profit (loss) for the year		19,215,186	205,249,465	(781,582)	180,247,012
Other comprehensive income					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gain (loss)	19	485,499	2,852,051	485,499	2,852,051
Less: Income tax effect	24	(97,100)	(570,410)	(97,100)	(570,410)
Share of other comprehensive income from associates Actuarial gain (loss)	10.2	355,567	(517,627)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		743,966	1,764,014	388,399	2,281,641
Other comprehensive income for the year		743,966	1,764,014	388,399	2,281,641
Total comprehensive income for the year		19,959,152	207,013,479	(-393,183)	182,528,653

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit (loss) attributable to:					
Equity holders of the Company		19,215,186	205,249,465	(781,582)	180,247,012
Non-controlling interests of the subsidiary		-	-		
		19,215,186	205,249,465		
Total comprehensive income attributable to:					
Equity holders of the Company		19,959,152	207,013,479	(393,183)	182,528,653
Non-controlling interests of the subsidiary		-	-		
		19,959,152	207,013,479		
Earnings (loss) per share	25				
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		0.052	0.560	(0.002)	0.492
Weighted average number of ordinary shares (shares)		366,398,859	366,398,859	366,398,859	366,398,859

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 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit (loss) before tax	15,510,135	253,625,557	(4,486,633)	226,062,894
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	517,454,015	474,677,855	517,454,015	410,979,507
Reduction in lease payments by lessors	(6,915,967)	(50,390,681)	(6,915,967)	(44,055,673)
Allowance for expected credit losses (reversal)	(416,732)	35,500	(416,732)	35,500
Allowance for diminution in inventory value (reversal)	(15,274,029)	553,071	(15,274,029)	3,507,367
Loss on write-off of inventory	-	247,582	-	247,582
Share of profit from investments in associates	(39,548,928)	(37,518,047)	-	-
Dividend income from associates	-	-	(20,300,000)	(14,008,000)
Loss on disposals/write-off of equipment	10,861,686	9,844,428	10,861,686	7,994,990
Provision for loss and loss on write-off of withholding tax	-	12,069,806	-	10,877,343
Net difference of right-of-use assets and lease liabilities arising from termination of contracts	6,444,935	(559,398)	6,444,935	(54,772)
Allowance for impairment loss on assets	28,217,593	415,819	28,217,593	415,819
Reversal of allowance for impairment loss on right-of-use assets	-	(91,699)	-	(91,699)
Reversal of provision for decommissioning	(2,092,795)	(2,497,201)	(2,092,795)	(1,581,726)
Other provision for liabilities (reversal)	(6,568,484)	1,824,341	(6,568,484)	820,883
Provision for long-term employee benefits	2,304,176	2,467,609	2,304,176	2,110,221
Unrealised gain on exchange rate	(61,534)	(61,069)	(61,534)	(61,069)
Interest income	(159,357)	(189,876)	(159,357)	(189,876)
Interest expenses	60,505,822	45,559,645	60,505,822	40,261,207
Profit from operating activities before changes in operating assets and liabilities	570,260,536	710,013,242	569,512,696	643,270,498
Operating assets (increase) decrease				
Trade and other receivables	(65,779,604)	89,899,527	(65,779,604)	711,166,323
Finance lease receivables	(9,269,848)	-	(9,269,848)	-

IT City Public Company Limited and its subsidiary
Cash flow statement (continued)
For the year ended 31 December 2022

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Inventories	128,323,254	(333,550,820)	129,071,094	(350,176,593)
Other current assets	(1,974,578)	(2,262,393)	(1,974,578)	(8,065,354)
Other non-current assets	(34,294,085)	(33,906,712)	(34,294,085)	(33,324,975)
Operating liabilities increase (decrease)				
Trade and other payables	(72,788,345)	81,453,257	(72,788,345)	(478,580,268)
Other current liabilities	78,580	4,383,214	78,580	4,040,767
Provision for long-term employee benefits	-	(14,217,981)	-	(5,477,320)
Cash from operating activities	514,555,910	501,811,334	514,555,910	482,853,078
Cash paid for interest expenses	(27,502,570)	(20,279,484)	(27,502,570)	(20,279,155)
Cash paid for income tax	(44,894,795)	(32,446,381)	(44,894,795)	(21,719,111)
Cash received from withholding tax refund	-	23,735,015	-	18,164,144
Net cash from operating activities	442,158,545	472,820,484	442,158,545	459,018,956

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 2022

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from investing activities				
Dividend received from associates	20,300,000	14,008,000	20,300,000	14,008,000
Interest received	159,357	272,554	159,357	189,889
Proceeds from disposals of equipment	692,291	1,104,948	692,291	26,444
Purchase of equipment	(175,590,150)	(66,344,984)	(175,590,150)	(58,577,283)
Purchase of computer software	(12,381,971)	(18,567,905)	(12,381,971)	(18,567,905)
Net cash used in investing activities	(166,820,473)	(69,527,387)	(166,820,473)	(62,920,855)
Cash flows from financing activities				
Cash received from short-term loans from financial institutions	3,210,007,883	2,217,146,793	3,210,007,883	2,217,146,793
Repayment of short-term loans from financial institutions	(3,008,964,092)	(2,137,439,071)	(3,008,964,092)	(2,137,439,071)
Cash paid for lease liabilities	(425,118,789)	(345,754,590)	(425,118,789)	(296,917,718)
Dividend paid	(109,919,256)	-	(109,919,256)	-
Net cash used in financing activities	(333,994,254)	(266,046,868)	(333,994,254)	(217,209,996)
Net increase (decrease) in cash and cash equivalents	(58,656,182)	137,246,229	(58,656,182)	178,888,105
Cash and cash equivalents at beginning of year	275,650,672	138,404,443	275,650,672	79,006,531
Cash and cash equivalents of subsidiary at the date of entire business transfer	-	-	-	17,756,036
Cash and cash equivalents at end of year (Note 7)	216,994,490	275,650,672	216,994,490	275,650,672
	-	-	-	-
Supplemental cash flow information				
Non-cash related transactions				
Transfer inventories to equipment	3,163,497	6,233,032	3,163,497	6,233,032
Payables for acquisitions of plant and equipment	12,877,805	68,446,207	12,877,805	68,446,207
Payables for acquisitions of computer software	1,930,786	11,556,125	1,930,786	11,556,125
Payable for the entire business transfer from subsidiary	-	-	97,812,973	97,812,973
Right-of-use assets increase from lease agreements	246,217,592	332,880,335	246,217,592	332,880,335

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 2022

(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 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
Balance as at 1 January 2022	366,398,859	488,384,650	36,679,886	300,181,637	1,191,645,032
Profit for the year	-	-	-	19,215,186	19,215,186
Other comprehensive income for the year	-	-	-	743,966	743,966
Total comprehensive income for the year	-	-	-	19,959,152	19,959,152
Dividend paid (Note 26)	-	-	-	(109,919,256)	(109,919,256)
Balance as at 31 December 2022	366,398,859	488,384,650	36,679,886	210,221,533	1,101,684,928

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 2022

(Unit: Baht)

	Separate financial statements					
	Note	Issued and paid up share capital	Share premium	Retained earnings		Total shareholders' equity
				Appropriated statutory reserve	Unappropriated	
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
Balance as at 1 January 2022		366,398,859	488,384,650	36,679,886	202,068,757	1,093,532,152
Profit for the year		-	-	-	(781,582)	(781,582)
Other comprehensive income for the year		-	-	-	388,399	388,399
Total comprehensive income for the year		-	-	-	(393,183)	(393,183)
Dividend paid (Note 26)		-	-	-	(109,919,256)	(109,919,256)
Balance as at 31 December 2022		366,398,859	488,384,650	36,679,886	91,756,318	983,219,713

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 2022

1. General Information

IT City Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its major shareholder is SVOA Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the distribution of computers, mobile phones and related accessories and its registered address is 666 The Pinnacle World Shopping, B1-B2 and 6th Floor, Ratchaprarop Road, Makasan, Ratchathewi, Bangkok.

As at 31 December 2022, the Company operated 371 branches (2021: 362 branches).

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their

presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

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

Percentage of shareholding	Nature of business	Country of Incorporation	Registered capital		Percentage of shareholding	
			2022	2021	2022	2021
			(Million Baht)	(Million Baht)	(Percent)	(Percent)
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 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 2022. These financial

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

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

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

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, 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	-	2 - 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 that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

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

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.

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.

Regular way purchases and sales of financial assets

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the settlement date, i.e., the date on which an asset is delivered.

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
	2022	2021	2022	2021	
<u>Transactions with subsidiary company</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	-	11	At cost plus approximately 2 percent average profit margin
Rental income	-	-	-	8	Contract price
Purchases of goods	-	-	-	87	At cost plus approximately 2 - 20 percent average profit margin
Purchases of assets	-	-	-	1	Prices agreed by the parties
Entire business transfer	-	-	-	845	Prices agreed by the parties
<u>Transactions with entity with significant influence over the Group (SVOA Public Company Limited)</u>					
Purchases of goods	185	248	185	248	At cost plus approximately 7 percent average profit margin (2021: 7 percent)
<u>Transactions with associates</u>					
Sales of goods	1	1	1	1	Market price
Dividend income	20	14	20	14	At the declared rate
Purchases of goods	-	1	-	1	Market price
<u>Transactions with related companies</u>					
Sales of goods	14	5	14	5	Market price
Service fee expenses	1	4	1	4	Market price
Computer software development cost	2	21	2	21	Contract price
Promotional fee expenses	5	3	5	3	Contract price

The balances of the accounts as at 31 December 2022 and 2021 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Trade and other receivables - related parties (Note 8)</u>				
Entities with significant influence over the Group	2,110	975	2,110	975
Associates	-	238	-	238
Related companies (related by common shareholders and common directors)	885	402	885	402
Total trade and other receivables - related parties	2,995	1,615	2,995	1,615
<u>Trade and other payables - related parties (Note 18)</u>				
Subsidiary	-	-	97,813	97,813
Entities with significant influence over the Group	18,847	8,620	18,847	8,620
Associates	-	3,098	-	3,098
Related companies (related by common shareholders and common directors)	2,085	9,259	2,085	9,259
Total trade and other payables - related parties	20,712	20,977	118,525	118,790

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 in 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 2022 and 2021, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Short-term employee benefits	24.2	27.2	24.2	23.8
Post-employment benefits	0.1	0.7	0.1	0.7
Total	24.3	27.9	24.3	24.5

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).

7. Cash and cash equivalents

(Unit: Thousand Baht)

Cash
Bank deposits
Total

Consolidated/Separate financial statements	
2022	2021
19,017	20,367
197,977	255,284
216,994	275,651

As at 31 December 2022, bank deposits in savings accounts and fixed deposits carried interests between 0.15 and 0.40 percent per annum (2021: between 0.05 and 0.25 percent per annum).



8. Trade and other receivables

(Unit: Thousand Baht)

Trade receivables – related parties

Aged on the basis of due dates

Not yet due

Past due

Up to 3 months

Total trade receivables – related parties

Trade receivables – unrelated parties

Aged on the basis of due dates

Not yet due

Past due

Up to 3 months

3 - 6 months

6 - 12 months

Over 12 months

Total trade receivables – unrelated parties

Less: Allowance for expected credit losses

Total trade receivables – unrelated parties – net

Total trade receivables – net

Other receivables

Other receivables – related parties

Other receivables – unrelated parties

Accrued commission income

Total other receivables

Less: Allowance for expected credit losses

Total other receivables – net

Total trade and other receivables – net

Consolidated/Separate financial statements	
2022	2021
771	1,229
2,113	202
2,884	1,431
193,430	82,748
20,521	18,870
49	63
6	-
2,787	2,787
216,793	102,468
(2,787)	(2,787)
214,006	99,681
216,890	101,112
111	186
44,592	32,508
63,933	125,944
108,636	168,638
-	(417)
108,636	168,218
325,526	269,330

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

(Unit: Thousand Baht)

	Consolidated/Seperate financial statements	
	2022	2021
Beginning balance	3,204	83,730
Provision for expected credit losses	-	35
Write off	(417)	(80,561)
Ending balance	2,787	3,204

During 2021, the Company wrote off approximately Baht 80.5 million of other receivable which was employee receivable, and allowance for expected credit losses of such amount 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	
	2022	2021	2022	2021	2022	2021
Finished goods	1,219,746	1,351,233	(13,945)	(29,219)	1,205,801	1,322,014
Total	1,219,746	1,351,233	(13,945)	(29,219)	1,205,801	1,322,014

(Unit: Thousand Baht)

	Seperate financial statements					
	Cost		Allowance of diminution in Inventory value - Inventory obsolescence		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	1,219,746	1,351,981	(13,945)	(29,219)	1,205,801	1,322,762
Total	1,219,746	1,351,981	(13,945)	(29,219)	1,205,801	1,322,762

During the current year, the Group reversed the write-down of cost of inventories by Baht 15.3 million and reduced the amount of inventories recognised as expenses during the year (the Company only: Baht 15.3 million). (2021: reduced cost of inventories by Baht 0.8 million which was included in cost of sales, to reflect the net realisable value (the Company only: Baht 3.5 million)).

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			
			2022 Percent	2021 Percent	2022	2021	2022	2021
S P V I Public Company Limited	Distribution of IT products and related accessories	Thailand	29	29	159,030	142,271	58,000	58,000
Tough Printing Republic Company Limited	Import and distribution of printing equipment and turnkey solution for printing service	Thailand	24	24	20,689	17,844	12,000	12,000
Total					179,719	160,115	70,000	70,000

10.2 Share of comprehensive income 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	
	2022	2021	2022	2021	2022	2021
S P V I Public Company Limited	36,704	37,282	355	(518)	20,300	12,760
Tough Printing Republic Company Limited	2,845	256	-	-	-	1,248
Total	39,549	37,538	355	(518)	20,300	14,008

10.3 Fair value of investment in listed associate

As at 31 December 2022, 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 644 million (2021: Baht 835 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		Touoh Printing Republic Company Limited	
	2022	2021	2022	2021
Current assets	742	511	97	85
Non-current assets	311	280	9	10
Current liabilities	(411)	(182)	(18)	(19)
Non-current liabilities	(92)	(117)	(2)	(2)
Net assets	550	492	86	74
Shareholding percentage	29%	24%	24%	24%
Share of net assets	159	142	21	18
Carrying amounts of associates based on equity method	159	142	21	18

Summarised information about comprehensive income

(Unit: Million Baht)

	S P V I Public Company Limited		Touoh Printing Republic Company Limited	
	2022	2021	2022	2021
Revenue	5,618	5,673	213	173
Profit	127	129	12	1
Other comprehensive income	1	(2)	-	-
Total comprehensive income	128	127	12	1

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	
	2022	2021	2022 %	2021 %	2022	2021
Computer System Connection International Co., Ltd.	140,000	140,000	100	100	89,067	89,067

Entire Business Transfer from subsidiary

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 87.8 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 2022, 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) (2021: Baht 97.8 million).

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	17,768
Trade and other receivables	180,948
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	632,176
Intangible assets - Computer software	7,088
Intangible assets - Trademark	212,660
Goodwill	77,385
Deferred tax assets	6,841
Other non-current assets	92,748
Total assets	1,822,337
Liabilities	
Trade and other payables	886,173
Other current liabilities	1,977
Lease liabilities	627,634
Provision for decommissioning	6,761
Provision for long-term employee benefits	6,777
Deferred tax liabilities	42,612
Other non-current liabilities	5,267
Total liabilities	1,277,091
Net assets	345,246

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 represent land held for sale for capital appreciation. As at 31 December 2022, 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 (2021: 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 / Separate financial statements		Effect to fair value where an assumption value is increased
	2022	2021	
Price per square wah (Baht)	17,500	17,500	Increase in fair value



13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							
	Land	Building and building improvements	Office equipment	Furniture and fixtures	Motor vehicles	Assets for rent	Assets under construction and installation	
Cost								
1 January 2021	3,540	537,513	188,820	242,710	39,844	38,867	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)	-	-	(88,102)
Transfers in (out)	-	198,310	388	(198,310)	-	(337)	(49)	-
31 December 2021	3,540	772,077	189,475	51,565	30,370	39,034	3,801	1,089,882
Additions	-	92,583	25,348	-	1,704	-	377	120,022
Transfer from inventory	-	-	2,841	-	-	622	-	3,163
Disposals/write-off	-	(57,912)	(4,160)	(1,852)	(190)	(12,208)	-	(76,322)
Transfers in (out)	-	1,501	2,300	-	-	-	(3,801)	-
31 December 2022	3,540	808,259	215,804	49,713	31,884	27,348	377	1,136,725
Accumulated depreciation								
1 January 2021	-	433,225	123,050	157,737	33,781	30,318	-	778,091
Depreciation for the year	-	47,360	18,307	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	138,490	33,587	26,411	33,691	-	801,440
Depreciation for the year	-	83,368	20,980	4,329	2,237	2,783	-	93,695
Accumulated depreciation on disposals/write-off	-	(48,802)	(4,113)	(1,478)	(190)	(12,195)	-	(64,768)
31 December 2022	-	597,825	153,357	36,438	28,458	24,289	-	830,367
Allowance for impairment loss								
1 January 2021	-	-	-	-	-	-	-	-
Increase during the year	-	416	-	-	-	-	-	416
31 December 2021	-	416	-	-	-	-	-	416
Increase during the year	-	16,019	-	-	-	-	-	16,019
Disposals during the year	-	(416)	-	-	-	-	-	(416)
31 December 2022	-	16,019	-	-	-	-	-	16,019
Net book value								
31 December 2021	3,540	200,400	52,985	17,978	3,959	5,343	3,801	288,008
31 December 2022	3,540	204,415	62,247	13,275	3,426	3,059	377	290,339
Depreciation for the year								
2021 (Baht 3.7 million included in cost of sales and services, and the balance in selling and administrative expenses)								80,501
2022 (Baht 2.8 million included in cost of sales and services, and the balance in selling and administrative expenses)								93,695

(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 2021	-	538,957	110,348	32,275	21,498	38,867	48	737,993
Additions	-	90,354	19,489	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
Disposals/write-off	-	(42,830)	(3,142)	(2,518)	-	-	-	(48,490)
Transfers in (out)	-	-	398	-	-	(337)	(49)	-
31 December 2021	3,540	772,077	189,437	48,853	30,370	39,034	3,801	1,087,112
Additions	-	92,583	25,348	-	1,704	-	377	120,022
Transfer from inventory	-	-	2,841	-	-	522	-	3,163
Disposals/write-off	-	(57,912)	(4,160)	(1,852)	(190)	(12,208)	-	(76,322)
Transfers in (out)	-	1,501	2,300	-	-	-	(3,801)	-
31 December 2022	3,540	808,259	215,568	47,001	31,884	27,348	377	1,133,975
Accumulated depreciation								
1 January 2021	-	432,853	90,353	30,213	15,487	30,318	-	599,204
Depreciation for the year	-	47,319	13,833	3,180	2,116	3,872	-	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	-	-



(Unit: Thousand Baht)

	Separate financial statements (Continue)						
	Land	Building and building improvements	Office equipment	Furniture and fixtures	Motor vehicles	Assets for rent	Assets under construction and installation
31 December 2021	-	571,281	136,452	30,875	28,411	33,891	-
Depreciation for the year	-	63,366	20,990	4,329	2,237	2,783	-
Accumulated depreciation on disposals/write-off	-	(46,802)	(4,113)	(1,478)	(190)	(12,185)	-
31 December 2022	-	587,825	153,319	33,726	28,458	24,289	-
Allowance for impairment loss							
1 January 2021	-	-	-	-	-	-	-
Increase during the year	-	416	-	-	-	-	-
31 December 2021	-	416	-	-	-	-	-
Increase during the year	-	16,019	-	-	-	-	-
Decrease during the year	-	(416)	-	-	-	-	-
31 December 2022	-	16,019	-	-	-	-	-
Net book value							
31 December 2021	3,540	200,400	62,995	17,978	3,959	5,343	3,801
31 December 2022	3,540	204,415	62,247	13,275	3,426	3,059	377
Depreciation for the year							
2021 (Baht 3.7 million included in cost of sales and services, and the balance in selling and administrative expenses)							70,120
2022 (Baht 2.8 million included in cost of sales and services, and the balance in selling and administrative expenses)							93,895

As at 31 December 2022, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 593 million (2021: Baht 603 million) (the Company only: Baht 593 million (2021: Baht 603 million)).



14. Leases

14.1 The Group as a lessee

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.

a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Right-of-use building space	Vehicles	Total
1 January 2021	1,409,572	4,280	1,413,852
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	(388,875)	(1,825)	(388,500)
Reversal of allowance for impairment	92	-	92
31 December 2021	1,270,332	2,435	1,272,767
Additions during the year	242,284	3,934	246,218
Write-off during the year - net book value at write-off date	(102,815)	-	(102,815)
Depreciation for the year	(414,179)	(2,255)	(416,434)
31 December 2022	995,822	4,114	999,936

(Unit: Thousand Baht)

	Separate financial statements		
	Right-of-use building space	Vehicles	Total
1 January 2021	791,880	-	791,880
Additions during the year	332,880	-	332,880
Increase from the entire business transfer from subsidiary	528,520	3,855	532,375
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
Additions during the year	242,284	3,934	246,218
Write-off during the year - net book value at write-off date	(102,815)	-	(102,815)
Depreciation for the year	(414,179)	(2,255)	(416,434)
31 December 2022	995,822	4,114	999,936

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2022	2021
Lease liabilities	1,093,038	1,353,247
Less: Deferred interest expenses	(70,255)	(77,734)
Total	1,022,781	1,275,513
Less: Portion due within one year	(375,498)	(387,172)
Lease liabilities - net of current portion	647,283	888,341

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Balance at beginning of year	1,275,513	1,403,379	1,275,513	758,277
Add: Additions during the year	244,242	330,128	244,242	330,128
Accretion of interest during the year	31,231	24,247	31,231	18,039
Increase from the entire business transfer from subsidiary	-	-	-	527,634
Less: Payments during the year	(425,119)	(345,755)	(425,119)	(298,818)
Termination of contracts due to branch closures during the year	(98,170)	(88,095)	(98,170)	(18,591)
Reduction in lease payments by lessors	(8,918)	(50,391)	(8,918)	(44,058)
Balance at end of year	1,022,781	1,275,513	1,022,781	1,275,513

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

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	418,434	388,600	418,434	335,724
Interest expense on lease liabilities	31,231	24,247	31,231	18,039
Expense relating to short-term leases	17,240	14,439	17,240	8,790
Expense relating to variable lease payments	5,572	5,543	5,572	5,543

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.

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 447.9 million (2021: Baht 385.7 million) (the Company only: Baht 447.9 million 2021: Baht 311.3 million), including the cash outflows related to short-term leases and variable lease payments that do not depend on an index or a rate.

Furthermore, the Group elected to adopt the practical expedient relating to COVID-19-related rent concessions. The practical expedient permits a lessee not to assess whether rent concessions are lease modifications. The Group applies the practical expedient to [all / some] rent concessions that meet all of the conditions, 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 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 2022, amounting to Baht 6.9 million (2021: Baht 50.4 million) (the Company only: Baht 6.9 million, 2021: Baht 44.1 million).

14.2 The Group as a lessor

The Group has entered into finance leases for its computer tablets at the lease terms are between 2 years.

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements
	2022
Undiscounted lease payments receivable under finance leases	
Within 1 year	4,783
Over 1 year and up to 5 years	4,783
Total	9,566
Less: Deferred interest income	(286)
Finance lease receivables	9,270
Less: Portion due within one year	(4,783)
Finance lease receivables - net	4,487

15. Intangible assets

(Unit: Thousand Baht)

Cost

1 January 2021

Additions

Disposals

Transfer in (out)

31 December 2021

Additions

31 December 2022

Accumulated amortisation

1 January 2021

Amortisation for the year

Accumulated depreciation on disposals

31 December 2021

Amortisation for the year

31 December 2022

Net book value

31 December 2021

31 December 2022

Consolidated financial statements			
Trademark	Computer software	Software under development	Total
212,580	53,680	9,988	276,208
-	28,371	678	29,049
-	(3,807)	-	(3,807)
-	8,963	(8,963)	-
212,580	87,207	1,683	301,450
-	792	1,985	2,757
212,580	87,999	3,648	304,207
-	30,400	-	30,400
-	5,677	-	5,677
-	(3,807)	-	(3,807)
-	32,270	-	32,270
-	7,325	-	7,325
-	39,595	-	39,595
212,580	54,937	1,683	269,190
212,580	48,404	3,648	264,612

(Unit: Thousand Baht)

	Separated financial statements			
	Trademark	Computer software	Software under development	Total
Cost				
1 January 2021	-	32,283	9,968	42,251
Additions	-	29,371	678	29,049
Increase from the entire business transfer from subsidiary	212,680	17,680	-	230,160
Transfer in (out)	-	8,963	(8,963)	-
31 December 2021	212,680	87,207	1,683	301,450
Additions	-	792	1,966	2,757
31 December 2022	212,680	87,999	3,648	304,207
Accumulated amortisation				
1 January 2021	-	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
Amortisation for the year	-	7,325	-	7,325
31 December 2022	-	39,595	-	39,595
Net book value				
31 December 2021	212,680	54,937	1,683	269,180
31 December 2022	212,680	48,404	3,648	264,612

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	212,660

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 2022 and 2021 are summarised below.

	(Unit: Percent per annum)	
	31 December 2022	31 December 2021
Long-term growth rates	1.8	1.8
Pre-tax discount rates	10.6	9.7

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 2022 and 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2022	2021
Balance at beginning of year	729,706	649,989
Add: Increase during the year	3,210,008	2,217,148
Less: Repayment during the year	(3,008,984)	(2,137,439)
Balance at end of year	930,730	729,706

As at 31 December 2022, the Company had short-term loans from commercial banks which carry interests at the rates of 3.15 to 3.75 percent per annum (2021: 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 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	
	2022	2021	2022	2021
Trade payables - related parties	18,877	8,620	18,877	8,620
Trade payables - unrelated parties	631,028	715,475	631,028	715,475
Other payables - related parties (Note 11)	2,035	12,357	99,848	110,170
Other payables - unrelated parties	20,352	19,899	20,352	19,899
Accrued expenses	87,431	141,598	87,431	141,598
Unearned revenues	44,301	43,919	44,301	43,919
Total trade and other payables	803,824	941,868	901,837	1,038,681

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	
	2022	2021	2022	2021
Provision for long-term employee benefits at beginning of year	21,080	35,893	21,080	20,533
Increase from the entire business transfer from subsidiary	-	-	-	8,777
Included in profit or loss:				
Current service cost	1,796	2,125	1,796	1,906
Interest cost	508	342	508	303
Included in other comprehensive income:				
Actuarial (gain) loss arising from:				
Demographic assumptions changes	-	(174)	-	(174)
Financial assumptions changes	(1,305)	(2,899)	(1,305)	(2,899)
Experience adjustments	820	21	820	21
Benefits paid during the year	-	(14,218)	-	(5,477)
Provision for long-term employee benefits at end of year	22,909	21,080	22,909	21,080

As at 31 December 2022, the Group expects to pay Baht 2.8 million of long-term employee benefits during the next year (2021: Baht 2.7 million) (the Company only: Baht 2.8 million (2021: Baht 2.7 million)).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefits for the Group is 15 years (2021: 16 years) (the Company only: 15 years (2021: 16 years)).

Significant actuarial assumptions are summarised below.

(Unit: Percent per annum)

	Consolidated/Separate financial statements	
	2022	2021
Discount rate	3.33	2.78
Future salary increase rate (depending on age)	3.5	3.5
Staff turnover rate (depending on age)	3 - 40	3 - 40

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below.

(Unit: Million Baht)

	Consolidated/Separate financial statements			
	31 December 2022		31 December 2021	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(2.14)	2.52	(2.08)	2.48
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Salary increase rate	2.28	(1.97)	2.20	(1.90)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Staff turnover rate	(2.32)	2.90	(2.28)	2.87



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	
	2022	2021	2022	2021
Type of goods or services:				
Sales of electronic equipment	8,435,867	8,474,484	8,435,867	7,445,271
Marketing support income	108,771	81,751	108,771	65,444
Rental of peripheral equipment	15,436	19,330	15,436	19,330
Commission income	142,252	118,908	142,252	83,751
Agent for repair and sales of equipment	8,320	8,195	8,320	8,195
Total revenue from contracts with customers	8,708,446	8,702,678	8,708,446	7,621,991
Timing of revenue recognition:				
Revenue recognised at a point in time	8,693,010	8,683,348	8,693,010	7,602,661
Revenue recognised over time	15,436	19,330	15,436	19,330
Total revenue from contracts with customers	8,708,446	8,702,678	8,708,446	7,621,991

22. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cost of goods	7,314,762	7,270,916	7,315,509	6,286,397
Depreciation and amortisation	517,454	474,878	517,454	410,980
Salary, wages and other employee benefits	390,502	357,284	390,502	297,924
Rental and service center expenses from lease agreements	163,302	70,248	163,302	48,850
Utilities expenses	55,557	47,289	55,557	41,319
Office supply expenses	22,901	19,224	22,901	16,313
Transportation expenses	10,848	12,871	10,848	9,558
Increase (decrease) in allowance for inventory obsolescence	(15,274)	553	(15,274)	3,507
Allowance for impairment loss on assets	28,218	416	28,218	416

23. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interest expense on borrowings	28,547	20,681	28,547	20,681
Interest expense on lease liabilities	31,959	24,879	31,959	19,580
Total finance cost	60,506	45,560	60,506	40,261

24. Income tax

Income tax for the years ended 31 December 2022 and 2021 is made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Current income tax:				
Current corporate income tax charge	-	30,815	-	30,815
Adjustment in respect of income tax of previous year	(240)	-	(240)	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(3,465)	17,761	(3,465)	15,201
Income tax reported in profit or loss	(3,705)	48,376	(3,705)	45,816

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

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2022	2021
Deferred tax relating to actuarial gain	97	570

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Accounting profit (loss) before tax	15,510	253,828	(4,487)	226,083
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	3,102	50,725	(897)	45,213
Adjustment in respect of income tax of previous year	(240)	-	(240)	-
Effects of:				
Non-deductible expenses	1,493	5,288	1,642	4,542
Income not subject to tax	(7,910)	(7,504)	(4,060)	(2,802)
Additional expense deductions allowed	(150)	(1,198)	(150)	(1,137)
Unrecognised tax losses of subsidiary	-	1,085	-	-
Total	(8,567)	(2,349)	(2,568)	603
Income tax reported in profit or loss	(3,705)	48,376	(3,705)	45,816

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/Separate financial statements	
	2022	2021
Deferred tax assets		
Allowance for expected credit losses	668	641
Allowance for diminution in inventory value	2,789	5,844
Accumulated depreciation of assets	510	726
Allowance for impairment loss on assets	5,961	318
Provision for long-term employee benefits	4,485	4,218
Provision for service liabilities	410	1,845
Unused tax losses	662	-
Leases	7,313	5,829
Total	22,788	19,421
Deferred tax liabilities		
Intangible assets from business combination	(42,512)	(42,512)
Total	(42,512)	(42,512)
Total deferred tax liabilities - net	(19,724)	(23,091)

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.

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Profit (loss) for the year (Thousand Baht)	19,215	206,249	(792)	180,247
Weighted average number of ordinary shares (Thousand shares)	368,399	368,399	368,399	368,399
Basic earnings (loss) per share (Baht)	0.052	0.560	(0.002)	0.492

26. Dividends

Details of dividend payment are set out below.

	Approved by	Total Dividends paid	Dividend paid per share
		(Thousand Baht)	(Baht)
<u>2022</u>			
Dividends on the unappropriated retained earnings	Annual General Meeting of the shareholders on 5 April 2022	108,919	0.30
Total dividends paid for the year 2022		108,919	0.30

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 2022 and 2021, the Group had no major customer with revenue of 10 percent or more of its revenues.

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 2022, the contributions of the Group amounting to Baht 3.6 million (2021: Baht 3.7 million) and of the Company amounting to Baht 3.6 million (2021: Baht 3.0 million) were recognised as expenses.

29. Commitments and contingent liabilities

29.1 Commitments and contingent liabilities

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 13 years.

As at 31 December 2022 and 2021, future minimum payments required under these lease and service agreements were as follows:

	(Unit: Million Baht)	
	Consolidated/Separate financial statements	
	2022	2021
Payable:		
In up to 1 year	51	69
In over 1 year and up to 5 years	22	35

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.

29.2 Guarantees

As at 31 December 2022, there were outstanding bank guarantees of approximately Baht 77.2 million (the Company only: Baht 76.8 million) (2021: Baht 61.6 million, the Company only: Baht 48.2 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 short-term loans from financial institutions. 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.

FINANCIAL STATEMENTS



BALANCE SHEET



INCOME STATEMENTS



CASH FLOWS



EQUITY

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 2022					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1 to 5 years				
Financial assets						-
Cash and cash equivalents	-	-	139	78	217	0.15 - 0.40
Trade and other receivables	-	-	-	328	328	-
Finance lease receivables	5	4	-	-	9	3.04
	5	4	139	404	552	
Financial liabilities						
Short-term loans from financial institutions	931	-	-	-	931	3.15 - 3.75
Trade and other payables	-	-	-	804	804	-
Lease liabilities	375	647	-	-	1,022	3.04 - 5.17
	1,306	647	-	804	2,757	

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2021					
	Fixed Interest rates		Floating interest rate	Non-Interest bearing	Total	Effective interest rate
	Within 1 year	1 to 5 years				
						(% per annum)
Financial assets						-
Cash and cash equivalents	-	-	136	140	276	0.05 - 0.25
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	-	-	-	842	842	-
Lease liabilities	387	888	-	-	1,275	3.04 - 5.17
	1,117	888	-	842	2,847	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2022						
	Fixed Interest rates		Floating interest rate	Non-Interest bearing	Total	Effective Interest rate
	Within 1 year	1 to 5 years				
						(% per annum)
Financial assets						-
Cash and cash equivalents	-	-	139	78	217	0.15 - 0.40
Trade and other receivables	-	-	-	328	328	-
Finance lease receivables	5	4	-	-	9	3.04
	5	4	139	404	552	
Financial liabilities						
Short-term loans from financial institutions	931	-	-	-	931	3.15 - 3.75
Trade and other payables	-	-	-	902	902	-
Lease liabilities	375	847	-	-	1,022	3.04 - 5.17
	1,308	847	-	902	2,855	

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2022					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1 to 5 years				
						(% per annum)
Financial assets						
Cash and cash equivalents	-	-	138	140	278	0.05 - 0.25
Trade and other receivables	-	-	-	259	259	-
	-	-	138	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	

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 2022 and 2021, the Company had no significant outstanding financial assets and liabilities denominated in foreign currencies.

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.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

Consolidated financial statements			
As at 31 December 2022			
	Less than 1 year	1 to 5 years	Total
Short-term loans from financial institutions	930,750	-	930,750
Trade and other payables	903,824	-	903,824
Lease liabilities	402,590	690,456	1,093,038
Total	2,137,154	690,456	2,827,610

(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	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 2021			
	Less than 1 year	1 to 5 years	Total
Short-term loans from financial institutions	930,750	-	930,750
Trade and other payables	901,637	-	901,637
Lease liabilities	402,590	690,456	1,093,038
Total	2,234,967	690,456	2,925,423

(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

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 2022, the Group's debt-to-equity ratio was 2.69:1 (2021: 2.66:1) and the Company's was 3.00:1 (2021: 2.88:1).

32. Approval of financial statements

These financial statements were authorised for issue by the Company's board of directors on 22 February 2023.





Attachment 1–6

Board of Directors, Executives and Secretary

Attachment 1 Details of Directors, Executives, Controlling Persons Person taking the highest responsibility in accounting and finance Accounting Supervisor and company secretary

Mr. Vichit Yanamorn

Age : 76

Share holding (%) : 0

Inauguration day

7 October 2002

Position

Chairman of the board, Independent Director, Chairman of Audit 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 3/2018

Work Experience

Job Title	Position	Company Name
Present	<ul style="list-style-type: none"> Chairman of the board Independent Director Chairman of Audit Committee and Risk Management Committee 	IT CITY Pol.
Present	<ul style="list-style-type: none"> Information Technology Adviser 	MBK Pol.
Present	<ul style="list-style-type: none"> Director 	The Grand UB Co., Ltd.
Present	<ul style="list-style-type: none"> Director 	Amornheewin Co., Ltd.
Present	<ul style="list-style-type: none"> Authorized Director 	USO INTERNATIONAL GROUP CO., LTD.
2015 - Present	<ul style="list-style-type: none"> Non-Executive Director, Risk Management Committee Nomination & Remuneration Committee 	Thansohart Capital Public Co., Ltd.
2014 - Present	<ul style="list-style-type: none"> Independent Director Audit Committee Nomination & Remuneration Committee 	Net Bay Public Co., Ltd.

Mr.Ekachai Sirilrapatana**Age : 68****Share holding (%) : 0.3458****Inauguration day**

7 October 2002

Position

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

Time	Position	Company Name & Type of Business
Present	<ul style="list-style-type: none"> • Director • Executive Chairman 	IT CITY Pol.

Dr. Wilson Teo Yong Peng

Age : 56

Share holding (%) : 0

Inauguration day

11 April 2018

Position

Director

Education

- DBA, Doctor of Business Administration, University of Manchester (U.K.)
- ASEP, Advanced Senior Executive Program, Kellogg School of Management (U.S.A.)
- MBA, Oxford Brookes University (U.K.)
- FCOA, Fellow of The Association of Chartered Certified Accountants (U.K.)
- FQA, Fellow of Institute of Singapore Chartered Accountants
- FOPA, Fellow of Certified Practising Accountants (Australia)
- ASEAN CPA, ASEAN Chartered Professional Accountant
- IIA, The Institute of Internal Auditors (U.S.A.)

Director Accreditation program

- Director Accreditation Program, Thai Institute of Directors
- Company Secretary Program, Thai Institute of Directors
- CFO's Refresher Course, The Stock Exchange of Thailand
- Creating An Innovation Culture, Sasri Graduate Institute of Chulalongkorn University
- WSO Display Critical Thinking & Analytical Skills, Institute of Singapore Chartered Accountants
- Unlocking the Power of AI in the Digital Age, The University of Manchester
- Cyber Security and Board/Audit and Risk Committee Responsibility, CPA Australia

Work Experience

Time	Position	Company Name & Type of Business
Present	• Director	IT CITY PCL
Present	• Director	SVOA PCL
Present	• Director	ARIP PCL
Present	• Director	Asys Computer Co., Ltd.
Present	• Director	ABIKS Development Co., Ltd.
Present	• Director	Digitech One Co., Ltd.
2008 - 2020	• Director	Business Online Public Co., Ltd.
2008 - 2020	• Director	Data One Asia (Thailand) Co., Ltd.
2008 - 2019	• Director	Anew Corporation Co., Ltd.
2000 - 2020	• Director	Acerta Co., Ltd.
2000 - 2019	• Director	Advanced Research Group Co., Ltd.
2012 - 2013	• Director	Lease IT Public Co., Ltd.

Mr. Weerapat Punsak-udomsin

Age : 52

Share holding (%) : 5.4105

Inauguration day

8 August 2018

Position

Director

Education

- Bachelor of Business Administration (Management), Bangkok University

Director Accreditation program

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

Work Experience

Time	Position	Company Name & Type of Business
Present	• Director	IT CITY Plc.
Oct 2019 - Present	• President	Universe Beauty Co., Ltd.
1996 - Present	• Director	Universe Beauty Land Co., Ltd.
1994 - Present	• Director	Unicentral Co., Ltd.
1994 - Present	• Director	Unitunda Co., Ltd.
1994 - Present	• Director	Uniwealth Co., Ltd.
1990 - Present	• Director	U.B.Chemical Industries Co., Ltd.

Mr. Pipope Chokwathana

Age : 46

Share holding (%) : 0.4001

Inauguration day

11 April 2018

Position

Director, Nomination and Remuneration Committee and Chairman of the Corporate Governance and Sustainability Committee

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

Time	Position	Company Name & Type of Business
Present	<ul style="list-style-type: none">• Director• Nomination and Remuneration Committee• Chairman of the Corporate Governance and Sustainability Committee	IT CITY Plc.
2004 - Present	<ul style="list-style-type: none">• Director• Managing Director• Chief of Executive Director	New City (Bangkok) Plc.
2008 - Present	<ul style="list-style-type: none">• Executive Director	Saha Pathana Inter Holding Plc.
Present	<ul style="list-style-type: none">• Director	The Federation of Thai Industry
Present	<ul style="list-style-type: none">• Director	Boonwattanasahok Co., Ltd.
Present	<ul style="list-style-type: none">• Director	Ekpekom Co., Ltd.
Present	<ul style="list-style-type: none">• Director	Saha Capital Tower Co., Ltd.
Present	<ul style="list-style-type: none">• Director	Chokwathana Co., Ltd.
Present	<ul style="list-style-type: none">• Director	Sahapat Real Estate Co., Ltd.
Present	<ul style="list-style-type: none">• Director	Shop Global (Thailand) Co., Ltd.

Mr. Pichai Neranartkomol

Age : 65

Share holding (%) : 20.3330

Inauguration day

28 June 2019

Position

Director, Executive Vice President and Authorized Director

Education

- Bachelor of Engineering, Chulalongkorn University

Director Accreditation program

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

Work Experience

Time	Position	Company Name & Type of Business
Present	<ul style="list-style-type: none"> • Director • Executive Vice President 	IT CITY Plc.
1993 - 2020	<ul style="list-style-type: none"> • Chief Executive Officer 	Computer System Connection International Co., Ltd.

Mr. Sophon Intanate

Age : 40

Share holding (%) : 0

Inauguration day

8 August 2018

Position

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, NSW, Australia
- Thailand Insurance Leadership Program (2013)

Director Accreditation program

- Certificate from Director Certification Program (DOP), 2013

Work Experience

Time	Position	Company Name & Type of Business
Present	• Director • President	IT CITY Pol.
Aug 2018 - Nov 2018	• Vice President Product Marketing	IT CITY Pol.
2018 - Present	• Director	Touah Printing Republic Co., Ltd.
2015 - Present	• Director	S P V I Pol.
2018 - 2019	• General Manager	IT CITY Pol.
2010 - 2016	• Product Manager	IT CITY Pol.
2014	• Director	ARIP Pol.

Mr.Sarsak Tuntasuwon

Age : 66

Share holding (%) : 0

Inauguration day

9 May 2018

Position

Independent Director, Chairman of Risk Management Committee and Audit 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

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

Dr.Sathit Pitivara

Age : 58

Share holding (%) : 0

Inauguration day

9 May 2018

Position

Independent Director and Chairman of Nomination & Remuneration Committee

Education

- Doctor of Philosophy Program in Public Administration, Burapha University (2012)
- Master of Public Administration, Ramkhamhaeng University (2008)
- NIDA-OP: Mini Executive MBA. (1997)
- Bachelor of Agriculture (Agricultural Extension), Sukhothai Thammathirat Open University (1994)

Work Experience

Time	Position	Company Name & Type of Business
Present	<ul style="list-style-type: none">• Independent Director• Chairman of Nomination & Remuneration Committee	IT CITY Pl.
2015 - 2017	<ul style="list-style-type: none">• Special Instructor	Graduate School of Commerce, Burapha University
2013 - 2015	<ul style="list-style-type: none">• University Council Committee	Burapha University
2013 - 2015	<ul style="list-style-type: none">• Alumni Association President	Burapha University
2010 - 2012	<ul style="list-style-type: none">• Dairy and Dairy Products Committee	Ministry of Agriculture and Cooperatives
2003 - 2012	<ul style="list-style-type: none">• Manager	Wangnamyen Dairy Co., Ltd
1989 - 2002	<ul style="list-style-type: none">• Sales Manager	Charoen Pokphand Group (CPF)

Mr. Chattaphum Khantiviriya

Age : 61

Share holding (%) : 0

Inauguration day

6 November 2019

Position

Independent Director, Member of the Corporate Governance and Sustainability Committee

Education

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

Director Accreditation program

- Audit Committee Program (AOP) ปี 2005
- Company Secretary Program ปี 2005
- Director Certification Program (DOP) ปี 2005
- Role of the Compensation Committee (ROC) ปี 2005

Work Experience

Time	Position	Company Name & Type of Business
Present	<ul style="list-style-type: none"> Independent Director Member of the Corporate Governance and Sustainability Committee 	IT CITY Plc.
Present	<ul style="list-style-type: none"> Independent Director Audit Committee 	Communication & System Solution Plc.
Present	<ul style="list-style-type: none"> Director 	More Return Plc.
Present	<ul style="list-style-type: none"> Director 	Global Service Center Plc.
2007 - 2011	<ul style="list-style-type: none"> Chief Finance Officer 	Major Cineplex Group Plc.
May - Dec 2006	<ul style="list-style-type: none"> Deputy Director of Finance & Accounting 	RS Plc.
1998 - 2006	<ul style="list-style-type: none"> Senior Head of Finance & Accounting 	Major Cineplex Group Plc.

Inauguration day

5 April 2022

Position

Independent Director, Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Chairman of the Corporate Governance and Sustainability Committee

Education

- Bachelor of Science (Management) Kasetsart University
- Master of Business Administration Oklahoma City University U.S.A.

Director Accreditation program

- Certificate of Director Certification Program Class 211/2015 (DCP)
- Certificate of Advanced Audit Committee Program Class 22/2016 (AACP)
- Executive Program for Senior Management, Kellogg School of Business
- Fiscal Management Program Class 3/2012, Fiscal Policy Research Institute Foundation

Work Experience

Time	Position	Company Name & Type of Business
Present	<ul style="list-style-type: none"> Independent Director, Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Chairman of the Corporate Governance and Sustainability Committee 	IT CITY Plc.
Dec. 2018 - Present	Expert Member of Committee Public Sector Audit Evaluation Committee	Ministry of Finance
Apr. 2020 - Present	Expert Member of Committee Commission of Taxation	The Revenue Department
Apr. 2015 - Jun. 2017	<ul style="list-style-type: none"> Member of Board of Director, Chairman of the Audit Committee 	PTT Energy Resources Company Limited
Apr. 2015 - Sep. 2017	Member of Board of Director	Playing Cards Factory, Excise Department
1984 - 2017	<ul style="list-style-type: none"> Tax Economist / Tax Auditor / Chief of Area Revenue Branch Offices / Chief of Mae Hong Son Area Revenue Office / Chief of Chonburi 3 Area Revenue Office / Chief of Regional Revenue Office 9 / Deputy Director-General / Principal Advisor on Tax Base Regional Revenue Office 9 / Deputy Director-General / Principal Advisor on Tax Base 	The Revenue Department

Mr. Suwat Panichpakdee

Age : 65

Share holding (%) : 0

Position

Executive Vice President

Education

- Master of Science in Finance, Georgia State University

Work Experience

Time	Position	Company Name & Type of Business
Present	• Executive Vice President	IT CITY Pol.

Mr.Pairoj Amatamahatana

Age : 62

Share holding (%) : 0.1745

Position

Vice President of Warehouse Management & Administration

Education

- Master of Business Information System, Georgia State University

Work Experience

Time	Position	Company Name & Type of Business
Present	Vice President of Warehouse Management & Administration	IT CITY Pcl.



Mr.Khanaphon Piyalakseanangkul**Age : 41****Share holding (%) : 0****Position**

Vice President of Sales & Product

Education

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

Work Experience

Time	Position	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	Hutchhison Cat Wireless Multimedia Co., Ltd.

Mr. Kasame Srilertoahaipanich

Age : 41

Share holding (%) : 0

Position

Vice President of Marketing & Online

Education

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

Work Experience

Time	Position	Company Name & Type of Business
Present	• Vice President of Marketing & Online	IT CITY Pol.
2017 - Sep 2020	• Manager of Marketing & Online	IT CITY Pol.
2015 - 2017	• Director of Production and Design Department	Smile Exhibition Co., Ltd.
2010 - 2014	• Senior Editor Aerospace Magazine	Aero Spioy Co., Ltd.
2008 - 2010	• Senior Engineer Department of Device Design	International Aero Engineering Co., Ltd.
2008 - 2007	• Engineer for Design and Production Quality Analysis Department of Special Project	Laxley Pol.

Ms.Kamonvor Neranartkomol**Age : 39****Share holding (%) : 0****Position**

Vice President of Human Resource & Procurement

Education

- Master of Business Administration School of Management Science, Sukhothai Thammathirat

Work Experience

Time	Position	Company Name & Type of Business
Present	• Vice President of Human Resource & Procurement	IT CITY Pcl.
2010 - 2020	• Chief Operating Officer	Computer System Connection International Co., Ltd.

Position

Vice President of Financial and Accounting

Education

- Bachelor of Accounting , Chiangmai University

Director Accreditation program

- Director Accreditation Program Class 174/2020, Thai Institute of Directors Association (IOD)
- OFO'S Orientation Course, The Stock Exchange of Thailand (SET)
- OFO Refresher ปีที่ 2/2564, The Stock Exchange of Thailand (SET)

Work Experience

Time	Position	Company Name & Type of Business
Oct 2020 - Present	• Vice President of Financial and Accounting	IT CITY Plc.
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.



Miss Lalitwadee Puttipongsup**Age : 34****Share holding (%) : 0****Position**

General Manager of Accounting

Education

- Bachelor of Business Administration (Major : Accounting), Grinakharinwirot University
- Business Leadership in an Uncertain World (DITP) - Apr 2022
- Cost Accounting and Enterprise's Success (SET) - Mar 2022
- Financial Concepts for Business Management (SET) - Mar 2022

Work Experience

Time	Position	Company Name & Type of Business
2019 - Present	• General Manager of Accounting	IT CITY Pol.

Position

Company Secretary

Education

- Bachelor of Business Administration School of Management Science, Sukhothai Thammathirat

Director Accreditation program

- Certificate of Company Secretary Program (OSP) Class 115/2021, Thai Institute of Directors (IOD)
- Certificate of Company Reporting Program (ORP) Class 30/2021, Thai Institute of Directors (IOD)
- Certificate of Compliance Management and rules that must be prepared specifically Class 4/2022, NIDA
- Forensic Medicine for Lawyers Class 1/2022, FSTO

Work Experience

Time	Position	Company Name & Type of Business
2022 - Present	• Company Secretary	IT CITY Pol.
2021 - 2022	• Deputy Company Secretary	IT CITY Pol.
2018 - 2020	• Secretary of Chief Executive Officer	Computer System Connection International Co., Ltd.

Information on holding positions as directors or executives in associated companies or several related companies

name	IT CITY	SVOA	ABIKS	Aaya Computer	Digitech One	Touch Printing	CSC
1. Mr.Vichit Yanamorn	▲						
2. Mr.Ekachai Sirijirapatana	● ■ ◆						
3. Dr.Wilson Teo Yong Peng	●	● ■	● ■	● ■	● ■		
4. Mr.Weerapet Punsakudomai	●						
5. Mr.Pipope Chokvathana	●						
6. Mr.Pichai Neranartkomol	● ■ ◆						
7. Mr.Sophon Intanate	● ■ ◆					●	●
8. Mr.Sarsak Tuntasuwon	●						
9. Dr.Sethit Pitivara	●						
10. Mr.Chattaphum Khantiviriya	●						
11. Mr.Ronnawet Suwannapirom	●						
12. Mr.Suwat Panichpakdee	◆						
13. Mr.Pairoj Amatamahatana	◆						
14. Ms.Wannapom Chansareewittaya	◆						
15. Mr.Khanaphon Piyekasangkul	◆						
16. Mr.Kasame Srilertchaipanich	◆						
17. Ms.Kamonvor Neranartkomol	◆						

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

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

Ms. Chirawan Thipkomut

Age Year : 53

Share holding (%) : 0

Position

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

Time	Position	ชื่อหน่วยงาน/บริษัท
2002- Present	<ul style="list-style-type: none"> • Bachelor of Accountancy University of the Thai Chamber of Commerce • Master of Business Administration Program University of the Thai Chamber of Commerce 	IT CITY Pol.

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 in the Corporate Governance section. The full information of the charter of the sub-committees has been disclosed on www.itcity.co.th in the Corporate Governance section.

Attachment 6 Report of the Audit Committee

The Audit Committee consists of 3 independent directors who are qualified, knowledgeable, and experienced in performing their duties as assigned by the Board of Directors and in accordance with the Charter of the Audit Committee. In 2022, the Audit Committee held 5 meetings in total and quarterly reported to the Board of Directors, as follows:

Name	Position	Meeting Attendance*
1. Mr.Vichit Yanamorn	• Chairman of the Audit Committee	5/5
2. Mr.Sarak Tunjauwon	• Member of the Audit Committee	5/5
3. Mr.Ronnawat Suwannapirom	• Member of the Audit Committee	3/3
4. Mr.Damnoen Kaewthawee	• Member of the Audit Committee	3/1

Remarks: (1) In 2022, the Audit Committee held one meeting with the Auditor without the attendance of management.
(2) Mr.Ronnawat Suwannapirom has been appointed as a member of the Audit Committee on 12 May 2022.
(3) Mr.Damnoen Kaewthawee resigned from the Member of Audit Committee in 6 April 2022.

The Audit Committee independently performs their duties by reviewing the Company's compliance with the rules and regulations, and providing adequate risk management and internal control systems. In 2022, the Audit Committee held a meeting with the Auditor, management and internal auditors as following summary:

Review of Financial Reports

The Audit Committee reviewed the Company's quarterly financial reports and annual financial statements for 2022 together with the Auditor, management and internal auditors to review the accuracy and completeness of the financial reports, accounting policy, connected transactions, or transactions that may have conflict of interest, a adjustment of account entries, important estimates, and adequate, accurate and complete disclosures.

The Audit Committee specifically has a meeting with the Auditor without the attendance of the management to discuss the independence of the Auditor's duty performance and opinion expression to ensure that the preparation of financial reports complies with the requirements of laws and accounting standard in accordance with Generally Accepted Accounting Principles.

The Audit Committee expressed the opinion that the financial statements for the year ended 31 December 2022 are materially accurate in accordance with financial reporting standards and that the disclosure is sufficient.

Review on good corporate governance and compliance with relevant laws and regulations

The Audit Committee has reviewed and supervised the Company to comply with the rules and regulations of the Securities and Exchange Commission and of the Stock Exchange of Thailand and laws related to the Company's business operations, and has also reviewed the process of receiving complaints and whistleblowing about the corruptions to ensure that IT City has completely complied with such rules and regulations.

Review on the effectiveness of the internal control process and the supervision of internal audit.

In 2022, the Audit Committee assessed the internal control system and expressed the opinion that IT City's internal control system is appropriate and adequate, none of material errors were found.

The Audit Committee has approved the annual audit plan, quarterly monitored the Audit Group's performance as planned and audit results, and monitored the corrective actions for significant issues to achieve good internal control. The Audit Committee found that the internal control system is adequately and properly efficient to the business operations and consistent with the Auditor's opinion that the review reports none of any significant errors found.

Consideration on the appointment of the Auditor and audit fee for 2023

The Audit Committee selected the Auditors from EY Office Limited, considered the audit fee, presented to the Board of Directors for consideration and approval to propose for approval from the 2023 Annual General Meeting of Shareholders.

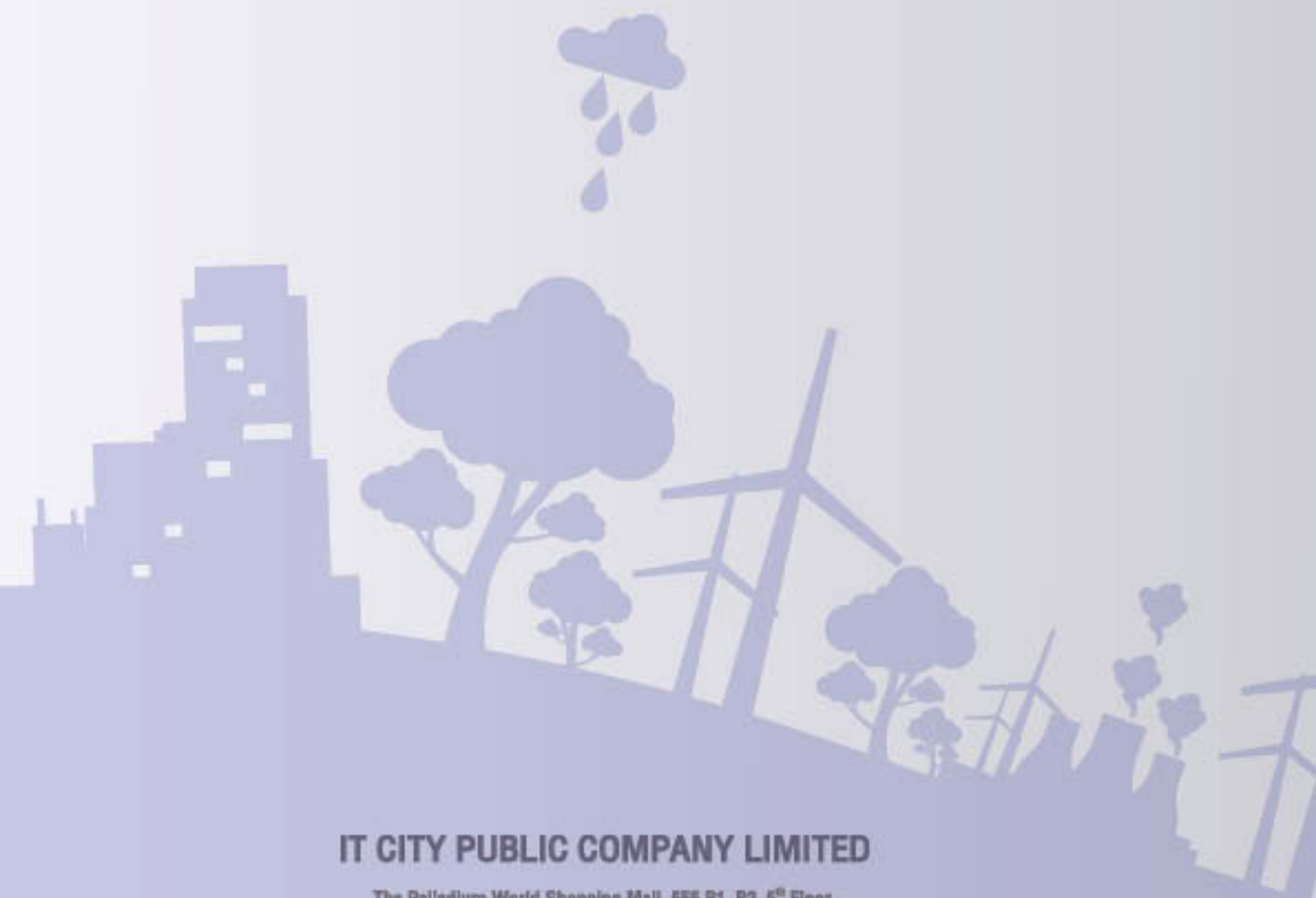
Duty performance in accordance with the Charter of the Audit Committee

Based on the self-assessment of the Audit Committee in 2022, the Audit Committee applied knowledge and competency, caution, prudence and sufficient independence, and creatively expressed opinions and suggestions in reviewing, preparation of financial statements, consideration of connected transactions or transactions that may have conflicts of interest, risk management, review of internal control, good corporate governance, review the Company's compliance with laws related to its business, compliance with anti-corruption measures, consideration, selection and proposal for the appointment of Auditor, good corporate governance, and preparation on the Report of the Audit Committee. The overall result concluded that the Audit Committee fully performed the duties in accordance with its Charter to support the Company to have sustainable corporate governance.



Mr. Vichit Yanamorn
Chairman of the Audit Committee
IT CITY Pol.





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