



IT City

Annual Report 2011

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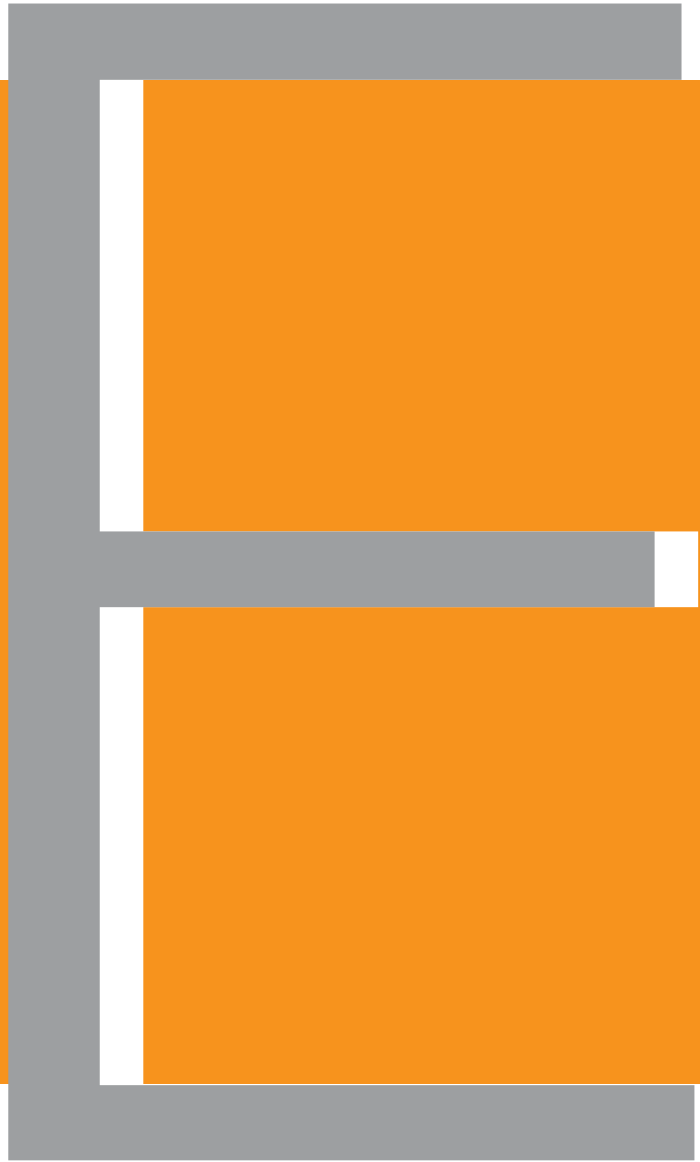
Society by IT City



rich 50 anniversary



ส่วนงานการตลาด
และสาขา





Message from Chairman of the Board



In the year 2010, IT City had the satisfactory business performance. The company could do a new high record in term of revenue and profit, which was well reflected the company's strength, the overall performance shown a positive growth as soon as the overall economic environment had improved. The company's competitive capability was in good shape, the growth of revenue was higher than the industry's average. The operation which was focus on the continuously increase in efficiency led us to reach the economy of scale and serve the customers and partners faster.

In the year 2011, IT City will pay attention to the continuous branches expansion especially in provincial in order to create the convenience to our customers and increase the business transaction to our partners, too. We will commit to be the Thailand's leading IT Superstore under the transparency policy and able to generate the sustainable profit to the shareholders. We will always study the new marketing and selling opportunity in addition to our existing distribution channels to put on our action plan in an appropriate time.

On behalf of the Board of Directors, we would like to thank to all shareholders for the confidence and kind support. The patronage partners and customers as well as all of the company's personnel that help drive the company's success and progress.

A handwritten signature in black ink that reads "Kamol Juntima". The signature is fluid and cursive, with a long horizontal stroke at the end.

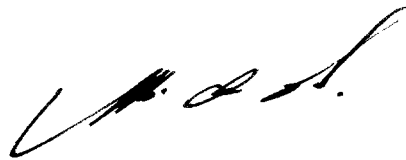
Mr. Kamol Juntima
Chairman of the Board
IT City Public Company Limited

Message from Executive Chairman and President

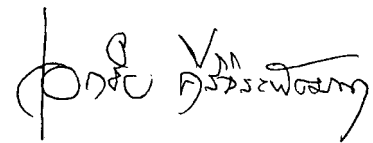
In the year 2010, the company's performance was close to the company's expectation. We achieved the objective in providing the new products to serve the market demand. Since the IT products had a rapid development and be introduced to the market continuously, to provide the interesting, comprehensive and advance products to market was the first priority the company paid attention to. We had expanded 6 branches; 2 branches in Bangkok and circumference and 4 branches in upcountry, which made the company had total 43 branches in the year 2010 where 20 branches in Bangkok and circumference and 23 branches in upcountry.

As the company has put more focus on continuously increasing in working efficiency from the year 2007-2009, it has significant resulted to the year 2010 performance when the revenue shown the positive growth and we confide that it will continue good in the year 2011 on both the company's competitive and profit capability.

In the year 2011, The Thailand's IT market is still growing, the demand for computer is still increasing though there is the high demand for smart phone and tablet PC. IT City will emphasize in providing new products to not only the existing product group like computer, peripherals, accessories and services but also the new product group like smart phone and tablet PC under the "One Stop Shopping" and "Everyday Exhibition" concept. We believe that the year 2011 will be another prosperous year for IT City Public Company Limited; the overall company's performance will be continuously increasing from the year 2010 in term of revenue, profit and branches expansion.



Mr. Min Intanate
Executive Chairman
IT City Public Company Limited



Mr. Ekachai Sirijirapatana
President
IT City Public Company Limited





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Financial Highlight

Ratio Analysis

As at December 31, 2007 to 2010

	2007	2008	2009	2010
Liquidity ratio				
Current ratio (times)	2.37	2.92	2.28	2.36
Quick ratio (times)	1.18	1.52	1.03	0.98
Cash flow liquidity ratio (times)	0.79	0.39	0.46	0.33
Receivables turnover — total sales (times)	34.08	38.17	39.44	46.10
Collection period — total sales (days)	11	9	9	8
Receivables turnover — wholesale (times)	5.62	6.04	5.44	7.17
Collection period — wholesale (days)	64	60	66	50
Inventory turnover (times)	8.43	9.30	8.01	7.36
Inventory turnover period (days)	43	39	45	49
Account payable turnover (times)	13.38	13.32	12.03	11.02
Payment period (days)	27	27	30	33
Cash Cycle (days)	80	71	81	66
Profitability ratio				
Gross profit margin (%)	12.36	12.74	12.87	12.79
Operating profit margin (%)	2.96	2.95	3.29	3.76
Other profit margin (%)	1.03	0.87	0.66	0.66
Quality of earnings (%)	215.53	102.85	122.77	83.03
Net profit margin (%)	2.91	2.87	2.93	3.26
Return on equity (%)	16.88	17.43	16.96	20.67
Efficiency ratio				
Return on total assets (%)	11.55	11.85	11.29	12.97
Return on fixed assets (%)	114.36	131.15	140.05	172.94
Asset turnover (times)	3.97	4.14	3.86	3.98
Financial policy ratio				
Debt to equity (times)	0.55	0.40	0.61	0.58
Interest coverage ratio (times)	4,833.07	5,178.70	139,777.74	Na
Fixed charge coverate ratio (cashflow adequacy) (times)	1.48	0.99	0.95	0.74
Dividend payout ratio (%)	70	100	99	73
Data per share				
Par value (Baht)	1.00	1.00	1.00	1.00
Book value per share (Baht)	2.82	2.95	2.86	2.86
Earnings per share (Baht)	0.49	0.50	0.49	0.60
Dividend per share (Baht)	0.34	0.50	0.49	0.44*
Weighted average number of shares (Share)	332,839,308	334,463,466	335,290,509	335,851,118
Growth rate				
Total assets (%)	7.70	(4.69)	11.20	3.26
Total liabilities (%)	37.97	(23.00)	47.52	(0.08)
Sales and service income (%)	6.27	5.71	(3.72)	10.34
Cost of sales and services (%)	6.68	5.26	(3.86)	10.43
Selling and administrative expenses (%)	9.87	10.09	(5.83)	4.12
Net profit (%)	(7.71)	3.94	(1.87)	23.01

* Interim Dividend

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General Information

Business

IT CITY Public Company Limited is a superstore, selling computers, peripherals and other related IT products (One Stop Shopping IT Products) under the trade name "IT CITY" which is a retail superstore chain, specialising in IT products. Its slogan is "The IT Superstore".

Location

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

Home Page

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

Capital

Its registered capital is 351,734,016 baht which is divided into 351,734,016 shares with a par value of one baht each.

Type and Amount of Stock Sold

Its paid-up capital is 341,684,959 baht consisting of 341,684,959 ordinary shares with a par value of one baht each.

Company's registration No.

0107545000349

Branches

Currently, IT CITY has a total of 43 branches in Bangkok and major cities throughout Thailand. They are as follows:

Branches	Location	Commencement Date
1. Pantip Plaza	5 th Floor, Pantip Plaza	November 1996
2. Zeer Street	2 nd Floor, Zeer Shopping Complex, Rangsit	May 2000
3. IT Grand	3 rd Floor, IT Grand, Bangkae	August 2000
4. Seacon IT Market	1 st Floor, Seacon Square, Srinakarin	April 2001
5. Klang IT Center	5 th Floor, Klang Plaza Nakhon Ratchasima	August 2001
6. Tukcom-Sriracha	3 rd Floor, Tukcom, Sriracha	December 2001
7. Star IT	1st Floor, Rayong Star Complex, Rayong	June 2002
8. IT Mall	4 th Floor, Fortune Tower	August 2002
9. Kadsuankaew	3 rd Floor, Kadsuankaew, Chiang Mai	April 2003
10. IT Plaza	3 rd Floor, IT Plaza, Nakhon Ratchasima	July 2003
11. Central-Rama III	6 th Floor, Central, Rama III	August 2003
12. Central-Bangna	4 th Floor, Central, Bangna	September 2003
13. Central-Airport	3 rd Floor, Central Airport, Chiang Mai	September 2003
14. The Mall-Ngamwongwan	5 th Floor, The Mall, Ngamwongwan	December 2003
15. IT Plaza	4 th Floor, IT Plaza, Samrong	December 2003
16. Nasa Center	3 rd Floor, Nasa Center, Suphanburi	December 2003
17. Pantip-Chiang Mai	2 nd Floor, Pantip Plaza, Chiang Mai	October 2004
18. Future Park-Bang Kae *	1 st Floor, Future Park, Bang Kae	October 2004
19. Tukcom-Pattaya	5 th Floor, Tukcom, Pattaya	December 2004
20. IT Square Laksi	3 rd Floor, Laksi Plaza	October 2005

Branches	Location	Commencement Date
21. Siam Paragon	4 th Floor, Siam Paragon	December 2005
22. Royal Park Ratchaburi	2 nd Floor, Royal Park Shopping Mall	May 2006
23. Phuket	9/17 Moo 6, Thepkrasattri Rd.	June 2006
24. Tukcom-Khonkhan	4 th Floor, Tukcom Kosa, Khonkhan	July 2006
25. Future Park Rangsit	3 rd Floor, Future Park Rangsit	August 2006
26. Pantip Plaza Ngamwongwan	4 th Floor, Pantip Plaza Ngamwongwan	September 2006
27. The Mall Ramkhamhaeng	4 th Floor, The Mall Ramkhamhaeng	October 2006
28. Fashion Island	3 rd Floor, Fashion Island	November 2006
29. Ampo Mall Ayutthaya	3 rd Floor, Ampo Mall Shopping Complex	November 2007
30. Lotus Pinklao	5 th Floor, Tesco Lotus Pinklao	January 2008
31. Top IT Phisanulok	4 th Floor, Topland Arcade	May 2008
32. Nongkhai	2 nd Floor, IT Big Jieng Shopping Complex	November 2008
33. Harbor Mall Lamchabang	3 rd Floor, Harbor Mall Lamchabang Shopping Complex	December 2008
34. Saraburi	3 rd Floor, Taweekit Complex	August 2009
35. Pantip Plaza Bangkokpi	4 th Floor, Pantip Plaza Bangkokpi	September 2009
36. Singburi	3 rd Floor, Chai Saeng Department Store	October 2009
37. Chachoengsao	2 nd Floor, Eastern Complex	December 2009
38. The Mall Bangkae	3 rd Floor, The Mall Bangkae Department Store	February 2010
39. The Mall Nakhonratchasima	3 rd Floor, The Mall Nakhonratchasima Department Store	April 2010
40. Seree Lampang	4 th Floor, Seree Department Store	July 2010
41. Hua Hin	3 rd Floor, Hua Hin Shopping Mall	August 2010
42. Kanchanaburi	3 rd Floor, Kanockan Department Store	October 2010
43. The Square Bangyai	3F Floor, The Square Building	December 2010

Remark : Tawanna Branch has been terminated its operation since June 2010
*Future Park Bangkae Branch has been temporarily closed since August 2010 due to Plaza Redecoration and projected to re-open in Q3, 2011.



References

a) Share registrar :

Thailand Securities Depository Co., Ltd.
4th , 6th-7th Floor, Stock Exchange of Thailand
62 Ratchadapisek Road, Klong Toey,
Klong Toey, Bangkok 10110
Tel : +66 (0) 2229 2888
Fax: +66 (0) 2359 1262

b) Auditor :

Ernst & Young Co., Ltd.
33rd Floor, Lake Ratchada Office Complex
193/136-137 Ratchadapisek Road, Bangkok 10110
Tel: +66 (0) 2264 0777
Fax: +66 (0) 2264 0789-90

c) Lawyer :

Allen & Overy (Thailand) Co., Ltd.
22nd Floor, Sinthorn Building III,
130 Wireless Road, Bangkok 10330
Tel: +66 (0) 2263 7600
Fax: +66 (0) 2263 7699

Thamprawit International Legal and
Account Consultants
481 Soi Intamara 33, Suthisan Road,
Din Daeng, Bangkok 10320
Tel: +66 (0) 2279 0751-2
Fax: +66 (0) 2271 1652

d) Financial Adviser :

Seamico Securities Plc.
15th-17th Floor, Liberty Square Building
287 Silom Road, Bangrak, Bangkok 10500
Tel : +66 (0) 2695 5000
Fax: +66 (0) 2631 1708





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Nature of Business

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

1. IT CITY provides one-stop shopping for IT products (computers and leading peripheral brands). Its main peripheral products are printers, scanners, and digital cameras and its products are divided into four main groups, as follows:

Computers

a) It offers desktop and notebook computers such as Acer, Apple, Asus, BenQ, Gateway, HP, Lenovo, Samsung, Sony, SVOA, Toshiba etc.

b) It also offers various brands of LCD monitors, including leading brands such as Acer, BenQ, LG, Samsung, etc.

Peripherals

It offers a wide selection of printers and scanners.

a) Printers include Ink Jet, Dot Matrix, Laser, Multi function and Photocopier etc. There are various brands such as Brother, Canon, EPSON, HP, Lexmark, OKI, Ricoh, Samsung, Sharp, Xerox, etc.

b) IT CITY has a lot of branded scanners, including Canon, EPSON, HP, etc.

Accessories

It offers Air Card, computer mouse, CD and DVD disks, software, ink, AC outlets, printing paper, UPS, speaker, optical drive, harddisk, modem, network equipment Router, Calculator etc.

Others

It offers computer desks, facsimile machines, telephones, sticker cutting tools, label printers, VDO camera, digital camera, LCD Television, Audio system, small home appliances, MP3 Player, LCD Projector, Mobile Phone, Smart Phone, etc.

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

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

(b) "iClinic" to provide software installation and upgrade, computer setup and virus removal service;

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

The above operations are the integrated services which can distinguish the Company from its competitors. It can be regarded as an enhancement of good customer relationship and can a strategy to help boosting up revenues of the Company. To facilitate its customers, IT CITY has also cooperated with a financial firm to provide information on how to pay for the repair and maintenance service through several payments such as Easy Buy, 1st Choice, Paylite, Aeon etc.

Revenue structure

The table below provides IT CITY's revenue structure over the past four years (2007 - 2010)

Revenue structure	2007		2008		2009		2010	
	Amount	%	Amount	%	Amount	%	Amount	%
Sales revenue								
1. Computer	2,352.20	42.28	2,468.18	42.04	2,370.30	42.01	2,767.66	44.46
2. Peripherals	819.36	14.73	807.73	13.76	712.86	12.64	802.34	12.89
3. Accessories	1,355.96	24.37	1,450.87	24.71	1,377.98	24.43	1,138.43	18.29
4. Others	906.97	16.30	1,034.71	17.62	1,073.85	19.03	1,382.88	22.22
	5,434.49	97.68	5,761.49	98.13	5,534.99	98.11	6,091.31	97.86
Service income								
5. Spareparts	55.92	1.01	33.25	0.57	35.13	0.63	32.26	0.52
6. Services	14.27	0.26	22.59	0.38	33.44	0.59	59.35	0.95
7. Others	1.39	0.02	3.41	0.05	0.75	0.01	0.69	0.01
Sales and Service income	5,506.07	98.97	5,820.74	99.13	5,604.31	99.34	6,183.61	99.34
Other income	57.24	1.03	50.91	0.87	37.39	0.66	40.90	0.66
Total revenue	5,563.31	100.00	5,871.65	100.00	5,641.70	100.00	6,224.51	100.00
Revenue Growth	6.49%		5.54%		-3.92%		10.33%	



Company's objectives

IT CITY aims to become one of Thailand's IT superstore leaders with sustainable profits. At the end of 2011 the company plans to expand to cover 51 branches nationwide. This will enable IT CITY to become increasingly competitive with others in terms of economies of scale. The company also expects to be able to maintain first tier distribution from direct purchase from manufacturers and producers. This will enable IT CITY to make more rebate in a high volume purchase. Moreover, the company is continuously committed to offer a wide variety of products and services under the "One Stop Shopping" concept.

The Meeting of the Board of Directors of IT City Public Company Limited ("IT City") No. 5/2010 held on 15th December, 2010 has resolved to approve the investment in newly set-up Joint Venture Company ("JV Company") in the amount of 48 million baht being 40 percent of 120 million baht registered capital of "JV Company". The "JV Company" will be set-up within 60 days and will operate as authorized distributor of IT product and related accessories branded Apple through the opening of I studio, U store and other distribution channels.

The benefit that "IT City" expects to receive from this investment beside the dividend from "JV Company", "IT City" will co-operate with "JV Company" to sell IT product and related accessories branded APPLE in "IT City"'s branches. This will enable "IT City" to increase revenue and profit in the future.





Risk Factors

I. Risk associated with the Company's business

Obsolete Inventory

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

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

From the beginning of 2002, to improve the efficiency of inventory management, the Company adopted a stringent policy to set aside an allowance for the diminishing value of outdated stock by considering the aging of inventory. For the end of 2009 and 2010, the allowance for outdated stock represented 0.89 percent and 0.94 percent of total inventories. Details are shown as follows:

Aging	2009			2010		
	Allowance %	Value of Stock (Baht Mil.)	Provision Amount (Baht Mil.)	Allowance %	Value of Stock (Baht Mil.)	Provision Amount (Baht Mil.)
Over 6 Months	25.00	5.28	1.32	25.00	7.12	1.78
Over 9 Months	50.00	2.23	1.12	50.00	4.05	2.03
Over 1 Year	100.00	3.88	3.88	100.00	3.43	3.43
Total		11.39	6.32		14.60	7.24

Accounts Receivable

IT CITY sells computers and peripherals to two main groups of customers, which are retail and wholesale customers. The Company sells on a cash-only basis to retail customers, whilst it provides credit terms for wholesale customers. As at December 31, 2010, the total proportion of retail and wholesale sales was approximately 94 : 6. In the event wholesale customers default on payments, the Company would face a liquidity problem in terms of having insufficient funds to use as working capital for further purchases.

However, the Company has a stringent credit policy and has a wide coverage of wholesale customer base. As these customers have long-term relationships and credible records with the Company, it does not expect to sustain significant damage from uncollectable accounts receivable. Moreover, the Company has applied a strict policy to set aside allowances for doubtful accounts. For the aging of accounts that exceed three months, the Company had set an allowance of 50 percent. For the aging of accounts that exceed six months the Company had set an allowance of 100 percent of the outstanding payment. As at December 31, 2009, the aging of accounts over three months amounted to baht 0.02 million and the aging of accounts over six months amounted to baht 0.42 million, respectively. The total amount of provisions for doubtful accounts receivable was baht 0.43 million or accounting for 0.31 percent from all total account receivable.

As at December 31, 2010, the aging of accounts over three months amounted to baht 0.26 million and the aging of accounts over six months amounted to baht 0.34 million, respectively. The total amount of provisions for doubtful accounts receivable was baht 0.47 million, or accounting for 0.36 percent of total accounts receivable.

2. Risk related to competition

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

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

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

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

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

As at November 25, 2010 (the most recent date), IT CITY's major shareholder was SVOA Plc., holding 33.30 percent of the total paid-up capital of IT CITY. Such major shareholding proportion would result in SVOA's ability to control resolutions of shareholders' meetings regarding legal and regulation issues which require at least three-fourths of the total number of shareholders who attend the meeting and have the right to vote. As SVOA's shareholding is more than 25 percent, it is able to vote certain resolutions which would contribute to the inability to vote of minor shareholders.

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

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

IT CITY and the SVOA group of companies have related transactions in terms of purchase and sales transactions. For the year ended December 31, 2009 and 2010, the Company purchased products from SVOA amounting to 7.53 percent and 6.43 percent of its total purchase costs in 2009 and 2010, respectively. The Company sold products to SVOA amounting to 1.14 percent and 0.29 percent of its total wholesale volume in 2009 and in 2010, respectively.

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

1) SVOA and IT CITY are independent entities, although they share one director : Mr. Thienchai Srivichit. 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.

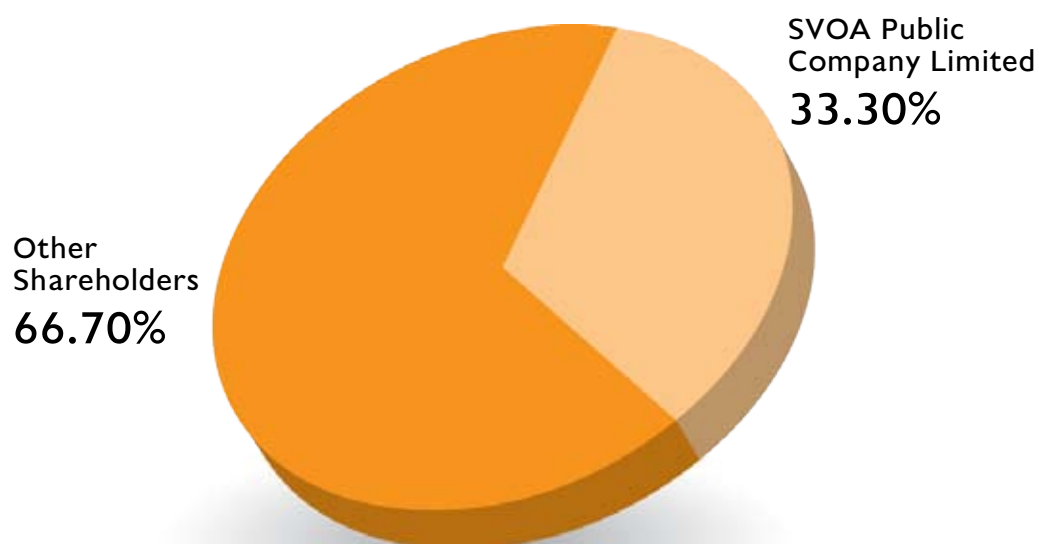


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Shareholding Structure and Management

Shareholding Structure



Shareholders :

As at November 25, 2010 (the most recent date), the top ten major shareholders include:

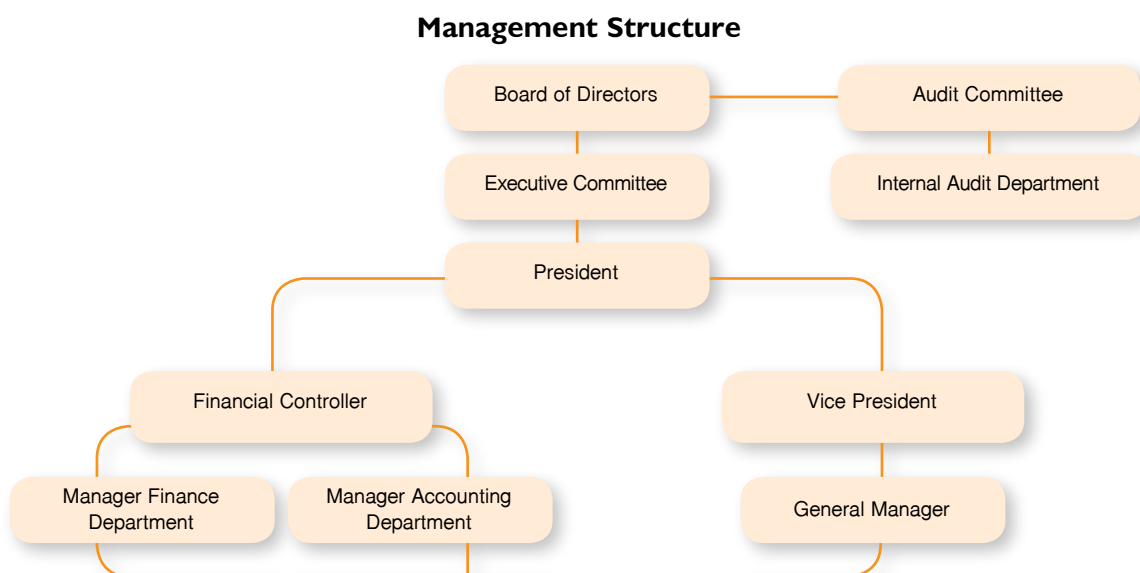
Existing shareholding	As at November 25, 2010	
	No. of share	% of shareholding
1. SVOA Public Co., Ltd	111,666,601	33.30
2. Dr. Pongsak Thammathataree	27,550,000	8.22
3. PHATRA SECURITIES PCL.	16,072,900	4.79
4. Ms. Patchara Kiatnuntavimon	14,912,794	4.45
5. Mr. Weerapat Punsak-udomsin	13,891,455	4.14
6. Ms. Paopilas Hemvachiravarakorn	9,000,000	2.68
7. Mr. Suchart Panichpakdee	8,843,320	2.64
8. Mr. Suthee Prasertsrithong	7,000,000	2.09
9. Ms. Pawinee Punsak-udomsin	5,585,026	1.67
10. Sampantamitr Co.,Ltd.	3,541,218	1.06
Other shareholders	117,227,195	34.96
Total	335,290,509	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.

Dividend Policy

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

Management



The Company is governed by three bodies : the Board of Directors, the Executive Committee and the Audit Committee.

Board of Directors

As at December 31, 2010, the Board of Directors consisted of 11 members (each a Director), as follows:

- | | |
|---------------------------------|--|
| 1. Mr. Kamol Juntima | Chairman of the Board |
| 2. Mr. Thienchai Srivichit | Director |
| 3. Mr. Min Intanate | Director |
| 4. Mr. Boonpakorn Chokvathana | Director |
| 5. Mr. Karmthon Punsak-udomsin | Director |
| 6. Mr. Sujin Jityanyong | Director |
| 7. Mr. Noravat Suwarn | Independent Director and Chairman of Audit Committee |
| 8. Mr. Vichit Yanamorn | Independent Director and Audit Committee |
| 9. R.Sub.Lt. Suree Buranathanit | Independent Director and Audit Committee |
| 10. Mr. Damnoen Kaewthawee | Independent Director and Audit Committee |
| 11. Mr. Ekachai Sirijirapatana | President |

The Company's Secretary

The Company's Secretary is Mr. Chanchai Boonyasurakul.

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

1. Holding shares not more than one percent of total shares with voting rights of the Company, holding company, subsidiary company, associated company or juristic person with possible conflict, which shall be inclusive of the share held by related persons of such independent director.

2. Not being or used to be the director who takes part in the management of the Company, or an employee, staff member or advisor who receives a regular salary or is a controlling person of the Company, holding company, subsidiary company, associated company, subsidiary company of the same level or juristic person with possible conflict.

3. Not being a person who is related by blood or by laws as a parent, spouse, sibling and child including a child's spouse, to any management member, major shareholder, controlling person or the person who has been proposed to become the management member or controlling person of the company or subsidiary company.

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

Business relationship shall include normal trading transaction to the lease or rent of real estate, transaction related to assets or services, or financial support provision or reception by means of borrowing or lending, guarantee, providing collateral as well as other similar actions which make the company or its counter parties having liability against the other worth more than three percent of the net tangible assets of the company or more than Baht twenty million, whichever is lower. In addition, the calculation of such liability shall be as per the criteria on calculation of connected transaction as stipulated in the notification of the Securities and Exchange Commission re. disclosure of information and operations of the listed company concerning the connected transactions, mutatis mutandis. However, such consideration of liability shall be inclusive of the liabilities incurred during one-year period prior to the date of commencement of business relationship with the same person.

5. Not being or used to be the auditor of the Company, holding company, subsidiary company, associated company or juristic person with possible conflict and not being the major shareholder, non-independent director or management member or managing partner of the audit firm with staff being the auditor of the Company, holding company, subsidiary company, associated company or juristic person with possible conflict.

6. Not being or used to be the service provider in any professionals including legal advisor or financial advisor receiving the service fee exceeding Baht two million per year from the Company, holding company, subsidiary company, associated company or juristic person with possible conflict. Nevertheless, in the case of the professional service provider being the juristic person, the consideration shall extend to the major shareholder, non-independent director management member or managing partner of such professional service provider.

7. Not being the director who has been appointed as the representative of the Company major shareholder or shareholder whom is related to the major shareholder of the Company.

8. Having noother characteristics which may prevent from having independent opinions concerning with the business operation of the Company.

The Authorized Directors

The authorized directors comprise two groups : Group 1 - Mr. Kamol Juntima, Mr. Thienchai Srivichit, Mr. Min Intanate and Mr. Ekachai Sirijirapatana : and Group 2 - Mr. Boonpakorn Chokvathana, Mr. Sujin Jityanyong and Mr. Karmthon Punsak-udomsin. Any one of each group may co-sign documents with the Company's seal affixed.

Director Meeting for the year 2010

Name	Total Attendance	Total Absence
1. Mr. Kamol Juntima	5	-
2. Mr. Thienchai Srivichit	5	-
3. Mr. Min Intanate	5	-
4. Mr. Boonpakorn Chokvathana	4	1
5. Mr. Karmthon Punsak-udomsin	5	-
6. Mr. Sujin Jityanyong	5	-
7. Mr. Noravat Suwarn	5	-
8. Mr. Vichit Yanamorn	5	-
9. R.Sub.Lt. Suree Buranathanit	5	-
10. Mr. Ekachai Sirijirapatana	5	-
11. Mr. Damnoen Kaewthawee	4	-

Authorized Duties of the Board of Directors

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

(1) 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.

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

(3) 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.

(4) 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.

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

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

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

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

(8) 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.

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

a) he or she has a direct or indirect interest in any contract which is made by the Company; and

b) when he or she holds shares or debentures of the Company or an affiliated company, and shall indicate any increase or decrease in the number of the director's total number of shares.

Executive Committee

As at December 31, 2010, the members of the Company's Executive Committee were as follows:

1. Mr. Min Intanate	Executive Chairman
2. Mr. Ekachai Sirijirapatana	President
3. Mr. Pairoj Amatamahatana	Vice President
4. Ms. Pantipa Thirakanokvilai	Financial Controller

Authorized Duties of the Executive Committee

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

(1) Consider the annual budget as proposed by the management before submission to the Board. The Executive Committee approves of changes and additions of the interval annual budget during the period in which there is no Board meeting and provides a report of its actions to the next Board meeting.

(2) Approve expenditures not exceeding 30 million baht.

(3) Approve important investments which were already contained in the budget and approved by the Board.

(4) Act as a consultant to management in respect of financial policy, marketing, personnel management, and others.

(5) Allocate pension funds which were already approved by the Board to employees or any persons in the employ of the Company.

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

Audit Committee

As at December 31, 2010, the members of the Company's Audit Committee were as follows:

- | | |
|---------------------------------|--|
| 1. Mr. Noravat Suwarn | Independent Director and Chairman of Audit Committee |
| 2. Mr. Vichit Yanamorn | Independent Director and Audit Committee |
| 3. R.Sub.Lt. Suree Buranathanit | Independent Director and Audit Committee |
| 4. Mr. Damnoen Kaewthawee | Independent Director and Audit Committee |

Note : Mr. Noravat Suwarn possesses knowledge and experience in auditing the financial statement of the company and has passed the training course on Finance for Non-Finance Director of IOD.

Authorized Duties of the Audit Committee

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

(1) 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;

(2) 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;

(3) 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;

(4) 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;

(5) 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;

(6) 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:

6.1 an opinion on the accuracy, completeness and creditability of the Company's financial report,

6.2 an opinion on the adequacy of the Company's internal control system,

6.3 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,

6.4 an opinion on the suitability of an auditor,

6.5 an opinion on the transactions that may lead to conflicts of interests,

6.6 the number of the audit committee meetings, and the attendance of such meetings by each committee member,

6.7 an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and

6.8 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;

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

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

Ongoing Management

As at December 31, 2010, the Company's current management team was as follows:

1. Mr. Min Intanate	Executive Chairman
2. Mr. Ekachai Sirijirapatana	President
3. Mr. Pairoj Amatamahutana	Vice President
4. Ms. Pantipa Thirakanokvilai	Financial Controller
5. Mr. Prawit Rugsises	General Manager
6. Ms. Vanida Sangkaew	Manager, Finance
7. Ms. Khumpean Tonyot	Manager, Accounting

Authorities and Duties of the President

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

(1) To be responsible for day-to-day operations.

(2) To carry out the Company's policies and to develop strategies according to policies set out by the Board of Directors.

(3) To ensure that such policies and strategies are applied properly so as to be in line with the objectives, regulations, policies, orders or resolutions by the shareholders, the Board, or the Executive Committee.

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

In addition, Board meeting No.5/2010 held on December 15, 2010 resolved to authorize Ms. Pantipa Thirakanokvilai, the Financial Controller, to co-sign along with Mr. Kamol Juntima or Mr. Thienchai Srivichit to conduct any litigation and/or make any agreement, document with any juristic person, government sector, state enterprise or others in the Company's normal course of business. This includes the opening of new branches and contacting banks or financial institutions. The resolution will enhance the Company's daily business operations.

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

Appointment of Directors

No nominating committee has been established to select appropriate persons to hold the office of a director of the Company. The Board of Directors shall select a director according to qualifications as stated in the Public Limited Companies Act B.E. 2535, Section 68. The Board of Directors shall be elected by meetings of shareholders by majority vote.

Shareholder Voting Rights for the Selection of Directors

The Board of Directors shall be appointed by a shareholders' meeting according to the following procedures:

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

Remuneration of Management

Monetary Remuneration

- a. The overall remuneration for the Board of Directors in the form of gratuity allowance and bonuses for 10 Directors throughout the year 2010 was 8,417,500 baht with the following details

Name	Position	Total Monthly Remuneration for 2010	2010 Annual Bonus
1. Mr. Kamol Juntima	Chairman of the Board	3,307,500	500,000
2. Mr. Thienchai Srivichit	Director	360,000	100,000
3. Mr. Min Intanate	Director and Executive Chairman	360,000	100,000
4. Mr. Boonpakorn Chokvathana	Director	360,000	100,000
5. Mr. Kamthorn Punsak-udomsin	Director	360,000	100,000
6. Mr. Sujin Jityanyong	Director	360,000	100,000
7. Mr. Noravat Suwarn	Independent Director and Chairman of Audit Committee	600,000	100,000
8. Mr. Vichit Yanamorn	Independent Director and Audit Committee	480,000	100,000
9. R.Sub.Lt. Suree Buranathanit	Independent Director and Audit Committee	480,000	100,000
10. Mr.Damnoen Kaewthawee	Independent Director and Audit Committee	350,000	100,000
Total		7,017,500	1,400,000

- Remark :**
- (1) No.1 has been appointed by the Board of Directors to constantly supervise the management of the Executive Committee to ensure that it is in line with the Board of Directors' policy and has a position car for operation.
 - (2) The annual bonus of year 2010 for the Board of Directors will be paid upon approval from shareholders' meeting to be held on 29 March 2011.

b. The overall remuneration for management and the Director who belongs to management in the form of salaries and bonuses for 7 persons in the year 2010 is 14.96 million baht.

Other remunerations (if any)

The Company has paid the provident fund for 4 members of its management for 2010 with total amount of 412,830.60 baht.

Code of best practice

The Company is aware of the importance of the Code of Best Practice. The Board of Directors intends to fulfil all conditions of the code in accordance with the SET's guidelines for directors of listed companies.

Moreover, the Board of Directors has agreed to follow the Principles of Good Corporate Governance for Listed companies 2006 outlined by the SET, to benefit its operations. The Board will ensure that the Company and its management team maintain a high standard of best practice and transparency, which will result in an increase in confidence amongst shareholders, investors and other related parties.

Monitoring of Insider Trading

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

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

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

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

Employees

As at December 31, 2010, IT CITY had 522 employees, as follows:

Department	Number of employees (persons)
Management	6
Wholesale and Warehouse	51
Retail and Product Management	62
Hardware Management - Store	22
Showroom sales - Store	109
Stock control - Store	70
Customer service - Store	61
Cashier - Store	92
Account, Finance, Personal and Administration	25
Marketing, MIS and Maintenance	19
Internal auditor	5
Total	522

As at December 31, 2009, total employees of the Company numbered 538.

Monetary compensation, including salaries and bonuses, to employees totalled 106.61 million baht for the year ended 2009 and baht 104.70 million for the year 2010. As at December 31, 2009 and 2010, the Company contributed baht 1,181,198 and baht 1,340,961 to the provident fund.

Human Resource Development Policy

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

Labour Disputes Over the Past Three Years

None.

Internal Controls

The Board of Directors meeting No. 5/2010 dated December 15, 2010 at which four Audit Committee members were present considered the results of an internal control questionnaire issued by the SEC concerning IT CITY's internal control system in five areas. These were organization and environment, risk management, management control, information and communication, and systems monitoring.

The Board was of the opinion that the Company implements an efficient internal control system aimed at protecting the company and its subsidiary's assets from improper management and potential conflicts of interest (according to part 3, section 3.3 to 3.7 in the assessment form). As far as internal control systems of other areas are concerned, the Board of Directors is of the opinion that the Company engages in good corporate governance with no material deficiency in its internal control systems.

APPENDIS I : RESUMES OF DIRECTORS AND MANAGEMENT

No.	Name	Age (years)	Education	Share holding proposition in IT CITY (%)	Work Experience for the last 5 years		
					Period	Job Title	Company Name & Type of Business
1	Mr. Kamol Juntima Chairman and Authorized Director	72	Master of Public Administration, The National Institute of Development Administration Bachelor of Commerce, Bachelor of Accountancy Thammasat University National Defence College Degree (Class 33) Certificate, Directors Certification Program (Class 3) Certificate, Chairman 2000 (Class 4/2001)	0.12	Present	Chairman	IT CITY Plc.
					Present	Director and Nominating Committee	Sahaviriya Steel Industries Plc.
					Present	Independent Director and Audit Committee	Electronic Industry Plc.
					Present	Director	TRIS Corporation Limited
					Present	Director	Westcoast Engineering Co., Ltd.
					Present	Chairman of Audit Committee and Evaluate, Government	Ministry of Education
					Present	Academic Committee in Finance and Accounting	Office of the Civil Service
					Present	Chairman of Ethics Committee	Federation of Accounting Professions
					2000- 2002	Chairman of the Board	Financial Sector Restructuring Authority
					1997- 1998	Comptroller General	Ministry of Finance
					1996- 1998	Chairman of the Board	The Government Lottery Office
1995- 1996	Chairman of the Board	Small Industry Finance, Corporation (SIFC)					

No.	Name	Age (years)	Education	Share holding proposition in IT CITY (%)	Work Experience for the last 5 years		
					Period	Job Title	Company Name & Type of Business
2	Mr. Thienchai Srivichit Director and Authorized Director	79	The Institute of Chartered Accountants in England & Wales, London, UK National Defence College Degree Certificate of Attendance Director Accreditation Program Class 36 (DAP) Certificate of Attendance Director Accreditation Program Class 18 (RCP)	0.80	Present	Director	IT CITY Plc.
					Present	Chairman	SVOA Plc.
					1974 - Present	Lecturer	Bank Accounting Ramkhamhaeng University
					1988 - Present	Special Professor	Business Administration Faculty, Ramkhamhaeng University
3	Mr. Min Intanate Director and Executive Chairman and Authorized Director	56	Ph.D. in Science (honorary) Information of Technology for Management, Mahasarakam University Bachelor (honorary) of Science, Engineering and Agricultural Technology, Rajamangala University of Technology Bachelor of Architecture, Fu Hsing Institute of Technology (Taiwan) Certificate of Attendance Director Accreditation Program Class 36 (DAP) The Role of the Chairman Program Class 12 (RCP)	0.11	Present	Director and Executive Chairman	IT CITY Plc.
					1987 - Present	Director	Advanced Research Group Co., Ltd.
					1989 - Present	Director and Executive Chairman	ARIP Plc.
					1995 - Present	Director and Executive Chairman	Business Online Plc.
					1995 - Present	Director	Core and Peak Co., Ltd.
					2000 - Present	Director	National Credit Bureau Co., Ltd.
					Present	Director	SPVI Co., Ltd.

No.	Name	Age (years)	Education	Share holding proposition in IT CITY (%)	Work Experience for the last 5 years		
					Period	Job Title	Company Name & Type of Business
4	Mr. Boonpakorn Chokvathana Director and Authorized Director	75	Assumption Commercial College (1956) Bachelor's Degree of Economics, University of Nottingham, United Kingdom 1962 Director Accreditation Program Class 3/2003, Thai Institute of Directors Director Certification Program Class 68/2005, Thai Institute of Directors Role of Compensation Committee Program Class 7/2008, Thai Institute of Directors	0.45	Present	Chairman	Newcity (Bangkok) Plc.
					Present	Chairman of the Nomination and Remuneration Committee	Bumrungrad Hospital Plc.
					Present	Chairman	Dr. Thiam Chokvathana Foundation
					Present	Vice Chairman	Saha Pathana Inter-Holding Plc.
					Present	Vice Chairman	Saha Pathanapibul Plc.
					Present	Director of Audit Committee	Bumrungrad Hospital Plc.
					Present	Director	Bumrungrad Hospital Plc.
5	Mr. Karmthon Punsak-udomsin Director and Authorized Director	75	Secondary School, Pei Ing School Certificate of Attendance Director Accreditation Program Year 2003 Class 3 (DAP) Certificate of Attendance Director Certification Program Year 2005 Class 68 (DCP)	0.32	Present	Director	IT CITY Plc.
					Present	Director	Saha Patana Interholding Plc.
					1999 - Present	Vice Chairman	Thai President Foods Plc.
					1995 - Present	Director	Sampantamitr Co., Ltd.
					1998 - Present	Chairman	Universe Beauty Co., Ltd.
					1983 - Present	Chairman	Unifunds Co., Ltd.
					1981 - Present	Director	President Holding Co., Ltd.
					1980 - Present	Chairman	Uni Central Co., Ltd.
6	Mr. Sujin Jityanyong Director and Authorized Director	81	Secondary School Certificate of Attendance Director Accreditation Program Class 49 (DAP) Finance for Non-Finance Director Program (FN)	0.28	Present	Director	IT CITY Plc.
					1999 - Present	Chairman	Sampantamitr Co., Ltd
					1992 - Present	Director	Universe Beauty Co., Ltd.
					1992 - Present	Director	Bangkok Nylon Plc.
					1979 - Present	Director	Sahanamtextile Co., Ltd.

No.	Name	Age (years)	Education	Share holding proposition in IT CITY (%)	Work Experience for the last 5 years		
					Period	Job Title	Company Name & Type of Business
7	Mr. Noravat Suwarn Independent Director and Chairman of Audit Committee	70	Master of Science (Ag. Econ.), University of Wisconsin-Madison, USA Bachelor of Economics, Thammasat University Certificate from the Director Accredited Program, Office of the Civil Service Commission (OCSO) National Defence College Degree (Class 35) Certificate, Directors Certification Program (Class 15) The Role of The Chairman Program (RCP) 12/2005 Certificate of Audit Committee Program, IOD Class 18/2007	0	Present	Chairman	Business Online Plc.
					Present	Independent Director and Chairman of Audit Committee	IT CITY Plc.
					Present	Chairman	Online Business and Information Business Group, ARG
					Present	Chairman	Ether North Co., Ltd.
					Present	Chairman	Kurnia Insurance (Thailand) Co., Ltd.
					Present	Director	Thai Sato Tableware Co., Ltd.
					Present	Audit Committee and Evaluate, Government	Ministry of Tourism and Sports
					1999 - 2001	Director General of a Government Department	Department of Insurance, Ministry of Commerce
					1997 - 1999	Director General of a Government Department	Department of Commercial Registration, Ministry of Commerce
8	Mr. Vichit Yanamorn Independent Director and Audit Committee	64	Master of Science (Computer Science), University of IOWA, USA Bachelor of Commerce and Accountancy (Statistics), Chulalongkorn University Certificate of Attendance Director Accreditation Program Class 34 (DAP) Certificate of Audit Committee Program, IOD Class 18/2007	0	Present	Independent Director and Audit Committee	IT CITY Plc.
					Present	Director	The New Continent Co., Ltd.
					Present	Adviser to Information Technology Committee	Thanachart Capital Plc.
					Present	Independent Director	Thai Feedmill Co., Ltd.
					Present	Director	The Grand UB Co., Ltd.
					2001 - 2002	Senior Executive Vice President, Information Technology Service Group	Siam Commercial Bank Plc.

No.	Name	Age (years)	Education	Share holding proposition in IT CITY (%)	Work Experience for the last 5 years		
					Period	Job Title	Company Name & Type of Business
9	R.Sub.Lt. Suree Buranathanit Independent Director and Audit Committee	76	Master of Political Science, Ramkhamhaeng University Bachelor of Political Science, Chulalongkorn University Certificate of Attendance Director Accreditation Program Class 18 Certificate of Thai Institute of Director Class 17 (ACP) Certificate of Audit Committee Program, IOD Class 18/2007	0	Present	Independent Director and Audit Committee	IT CITY Plc.
					Present	Independent Director and Audit Committee	Asia Metal Plc.
					Present	Distinguished Member of National Scout Council and Executive Director	Boy Scout Thai Council
					Present	Member of the Bangkok University Council	Bangkok University
					Present	Director	Thai Woman Watch
					Present	Adviser	Association of Private Higher Education Institutions of Thailand
					Present	Adviser	The Border Patrol Police Association of Thailand
					Present	Mediator	Thanyaburi Provincial Court
					Present	Adviser to the Subcommittee of Boyscout Activities	Committee on Education
					Present	Chairman	Voraboon Housing Estate Juristic Person
					Present	Adviser	Sacred Heart Convent Alumni Association

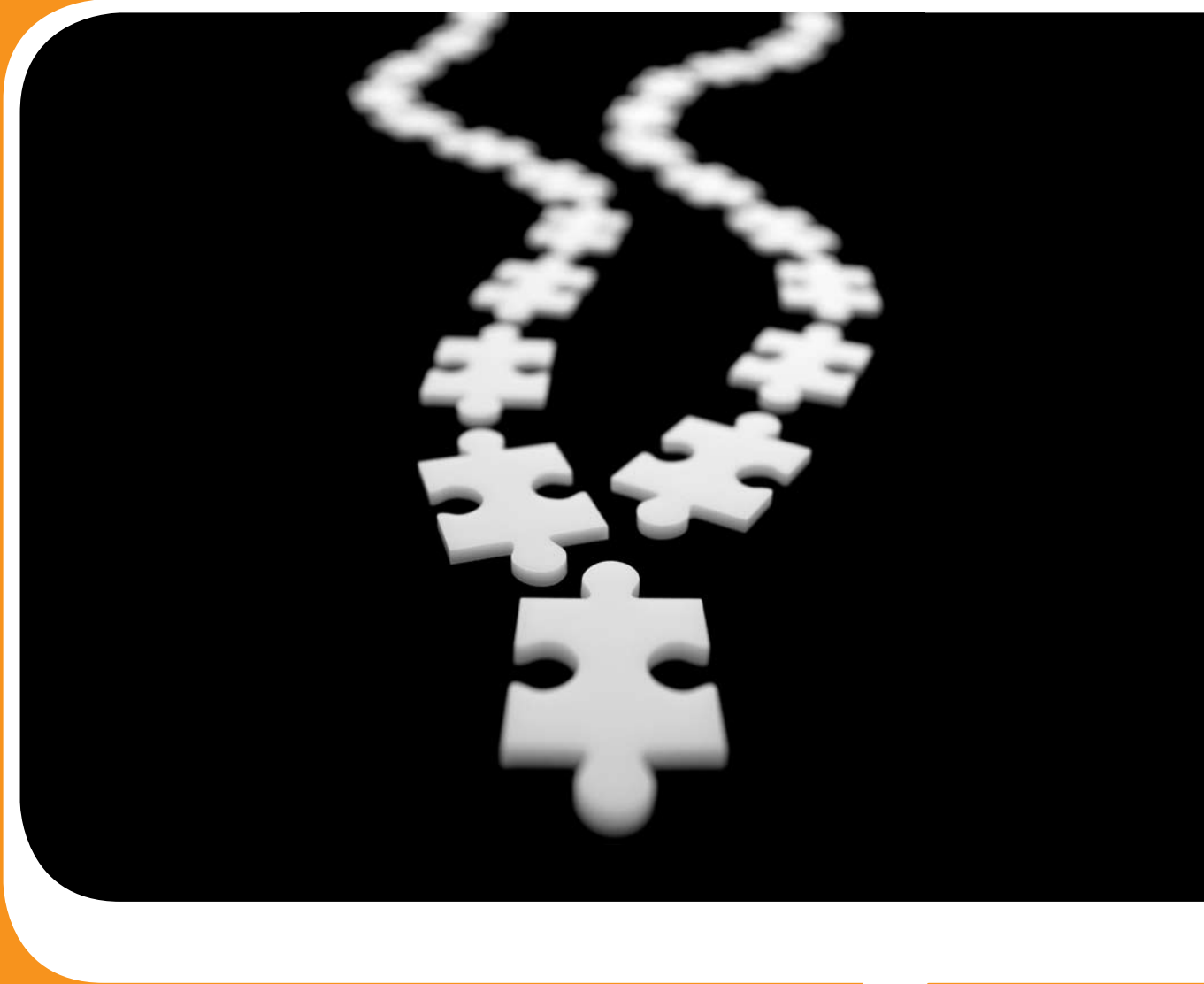
No.	Name	Age (years)	Education	Share holding proportion in IT CITY (%)	Work Experience for the last 5 years		
					Period	Job Title	Company Name & Type of Business
10	Mr. Damnoen Kaewthawee Independent Director and Audit Committee	64	Diploma, Post and Telecommunications School (Class 23) (1965) Bachelor's degree in engineering (Communications and Telecommunications), King Mongkut's Institute of Technology Ladkrabang (1970) Master's degree in science (Computer Science), Chulalongkorn University (1976) Psychological Operations in Administration Course, Class 82, Applied Psychology Institute Information Technology for Senior Management Course, (CIO-20) Civil Service Commission Certificate of Attendance Director Accreditation Program (DAP)	0	Present	Independent Director and Audit Committee	IT CITY Plc.
					2008 - 2010	Member of the Audit and Evaluation Commission	The Ministry of Culture
					2008 - 2009	Adviser to the Savings Co-op Operations Committee	Communications Authority of Thailand
					2007	Member of the Executive Committee for Development and Planning of Cost System	CAT Telecom Plc.
					2007	Member of the Committee for Inventory Audit and Adjustment in ERP System	CAT Telecom Plc.
					2006 - 2007	Project Manager	E-marketplace Project
					2004 - 2007	Adviser to the Committee	The Parliament (ICT)
					2004 - 2007	Senior Executive Vice President, Information Technology	CAT Telecom Plc.
11	Mr. Ekachai Sirijirapatana Director, President and Authorized Director	56	Master of MBIS Georgia State University Certificate of Attendance Director Accreditation Program Class 33 (DAP)	0.13	Present	Director and President	IT CITY Plc.
					Present	Director	SPVI Co., Ltd.
12	Mr. Pairoj Amatamahatana Vice President	50	Master of MBIS, Georgia State University	0.19	Present	Vice President	IT CITY Plc.
13	Mr. Pravitt Rugsises General Manager	47	Master of Business Administration, Bangkok University	0.17	Present	General Manager	IT CITY Plc.

No.	Name	Age (years)	Education	Share holding proposition in IT CITY (%)	Work Experience for the last 5 years		
					Period	Job Title	Company Name & Type of Business
14	Ms. Pantipa Thirakanokvilai Financial Controller	50	Bachelor of Business Administration, Thammasat University	0.11	Present	Financial Controller	IT CITY Plc.
					Present	Director	SPVI Co., Ltd.
15	Ms. Vanida Sangkaew Financial Manager	44	Bachelor of Business Administration, Rajabhat Institute Ban Somdejch	0	Present	Financial Manager	IT CITY Plc.
16	Ms. Khumpean Tonyot Accountant Manager	42	B.B.A. Accounting Ramkhamhaeng University	0	Present	Accountant Manager	IT CITY Plc.
					2004 - 2006	Accountant	TS Logistics Co., Ltd.
					2001 - 2003	Accountant	E.V.S. Entertainment Co., Ltd.

NAME OF DIRECTORS, EXECUTIVE MANAGEMENT AND CONTROLLING PERSONS

Name	IT CITY	SVOA	Advanced Research Group	Core & Peak
1. Mr. Kamol Juntima	▲ ■			
2. Mr. Thienchai Srivichit	● ■	▲ ■		
3. Mr. Min Intanate	● ■ ▼		● ■	● ■
4. Mr. Boonpakorn Chokvathana	● ■			
5. Mr. Karmthon Punsak-udomsin	● ■			
6. Mr. Sujin Jityanyong	● ■			
7. Mr. Noravat Suwarn	●			
8. Mr. Vichit Yanamorn	●			
9. R.Sub.Lt. Suree Buranathanit	●			
10. Mr. Damnoen Kaewthawee	●			
11. Mr. Ekachai Sirijirapatana	● ■ ▼			
12. Mr. Pairoj Amatamahatana	▼			
13. Ms. Pantipa Thirakanokvilai	▼			

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



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Related Parties and Connected Transaction

Disclosure of Connected Transaction

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

Opinion of the Audit Committee

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

Necessity and Reasonableness of the Connected Transactions

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

Measures or Procedures to Approve Connected Transactions

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

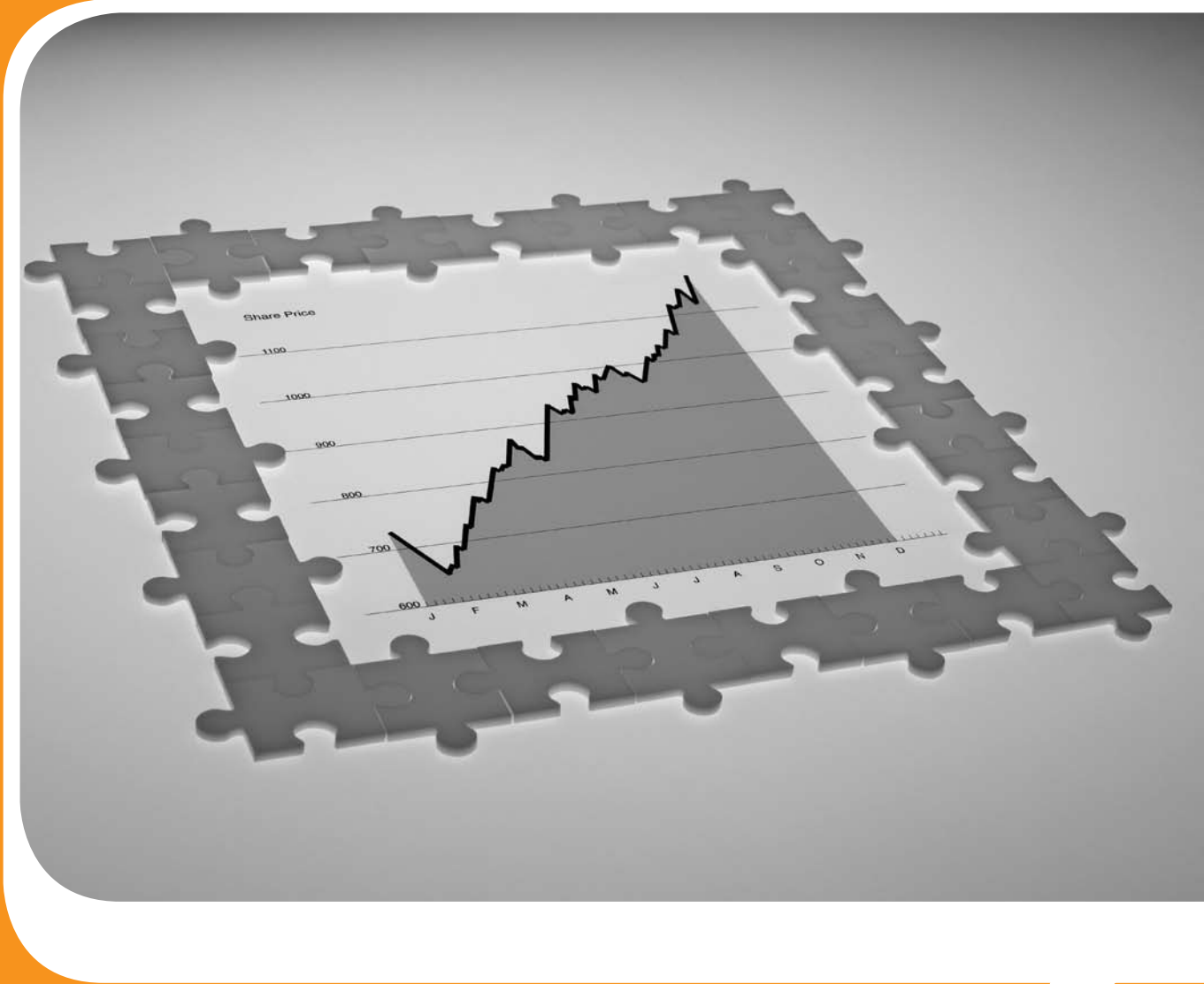
Potential Future Connected Transactions

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

Methods to Protect Investors

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

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



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Management Discussion and Analysis

Operating Results

Income

IT CITY's main source of income derives from sales and services, which represent 99.20 percent of the Company's total revenues. Over the past four years, sales of computers, peripherals and accessories has represented roughly 80.12 percent of the Company's total revenues, and service income accounted for 1.23 percent.

From 2007, revenue from sales and services increased continuously with average growth rates of approximately 4.65 percent. The increase in sales and services was due to the development of the education system, advancements in information technology, and an increased influence of internet technology. This resulted in an expansion of the Thai IT industry both for the government and private sectors. Computers have become vital tools in the workplace and in educational institutions. Demand for computers for home use has been rising steadily. As the average computer penetration in Thailand is quite low, the Company believes there is plenty of room for growth and development of IT in Thailand.

Apart from the above external factors, sales and services in 2008 increased by 5.71 percent from 2007 and in 2009 decreased by 3.72 percent from 2008 as a result of sales increases in existing branches and additional branches from 31 branches in 2007, 34 branches in 2008, 38 branches in 2009 and become 43 branches from the opening of 6 additional branches but closed 1 in 2010. For the year 2010, sales and services income increase by 10.34 percent from 2009. The increase in the number of new branches provides the Company with better access to the retail market and the ability to expand along with growth in population. The Company selects locations that are suitable to provide a wide range of services to its target groups.

The Company also focuses on selecting a wide variety of quality products to serve its target group. The Company educates its employees concerning its products so that they are able to answer product enquiries by customers.

Cost of goods sold

From 2007, the growth rate of the cost of goods sold increased by approximately 4.63 percent, which was in line with an increase in sales and services in the same period.

From 2007 to 2009, the Company had gross profit margins of 12.36, 12.74 and 12.87 percent, respectively. For the year 2010, its gross profit margin was 12.79 percent. To reflect the real cost of goods sold of its IT business, the Company included provisions for outdated stock as the cost of goods sold. As a result, the gross profit margins for 2007 to 2010 are 12.36 percent, 12.74 percent, 12.86 percent and 12.78 percent respectively.

The Company's policy is to maintain a gross profit margin not less than 11 percent. IT CITY aims to continue its good relationships with suppliers. The Company makes an effort to maintain its position as a first tier distributor of computer products and tries to minimize the cost of its products.

Selling and administrative expenses

From 2007 to 2009 and 2010, its selling and administrative expenses to total income was 9.37 percent. Sales and services expenses consist of staff expenses, 25.28 percent; rental expenses, 29.84 percent ; and other expenses, including depreciation, utilities, and credit card expenses of 27.84 percent of total selling and administrative expenses. The Company's management believes that in order to compete effectively in the IT market, the Company must manage its selling and administrative expenses more efficiently. To achieve this aim, it adopted a policy to reduce the ratio of selling and administrative expenses to total income.

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

Net profit

For the years 2007 to 2009, the Company's net profit was baht 161.88 million, baht 168.26 million and baht 165.12 million respectively. In 2008, the Company's net profit was increased by 3.94 percent due to the growth from sales, both from expansion of its existing branches and from opening of new branches. However, in 2009, net profit of the Company decreased by 1.87 percent due to the economic turmoil situations worldwide causing the decrease in consumer confidence. Its ROE in 2007-2009 were 16.88 percent, 17.43 percent and 16.96 percent respectively, which was in accordance with the increase in net profit. In 2010, the Company paid a dividend to shareholders of 0.49 baht per share, or at 100 percent of its net profit. The Company's policy is to pay a cash dividend of not less than 50 percent of net profit after tax, except for a year in which the Company requires funds for business expansion.

For the year 2010, the Company's net profits was baht 203.11 million, which increased by 23.01 percent from the performance of 2009 because the growth rate of revenue from sales and services increased 10.34 percent due to the worldwide economic improvement, while the selling and administrative expenses increased by 4.12 percent due to six new branch opening and one closed down in 2010.

Financial Status

Assets

The Company's current assets at end of year 2007 to 2009 was baht 1,453.58 million, baht 1,385.39 million and baht 1,540.55 million, respectively. As at

December 31, 2009, the Company's current assets represented 86.48 percent of total current assets, and non-current assets represented 13.52 percent of the total. Its current assets comprised inventories-net of more than 45.77 percent, cash and cash at banks of more than 30.00 percent.

As at December 31, 2010, the Company had total assets of baht 1,590.79 million, which increased by 3.26 percent due to the increase in inventories at year end. Moreover, the company's total account receivable has decreased from baht 137.98 million to baht 129.41 million. The Company's current assets represented 86.32 percent of total current assets, and non-current assets represented 13.68 percent of the total. Its current assets comprised inventories-net of 47.80 percent, cash and cash at banks of 27.60 percent.

As at the end of 2007 to 2010, the return on total assets was 11.55 percent, 11.85 percent, 11.29 percent and 12.97 percent, respectively. The increase in return on total assets implied that the Company is successful in enhancing its operational efficiency to increase its profit. The increase in the number of new branches generated more profit for the Company.

Account Receivables

As at December, 31 2009 and 2010, the Company had account receivables of baht 138.41 million and baht 129.88 million, and net account receivables of baht 137.98 million and baht 129.41 million. The Company's policy in regard to allowance for doubtful accounts is to set aside an allowance for doubtful accounts of 50 percent for accounts ageing more than three months and 100 percent for accounts ageing more than six months but less than one year. As at December 31, 2009, the Company had account ageing more than three months of baht 0.02 million and account ageing more than six months of baht 0.42 million and set aside an allowance for doubtful account of baht 0.43 million or 0.31 percent of total account.

As at December 31, 2010, the Company had account aging more than three months of baht 0.26 million and account aging more than six months of baht 0.34 million and set aside an allowance for doubtful accounts of baht 0.47 million or 0.36 percent of total account.

The Company has increased its focus on retailers, which account for 94 percent of its total sales and services, and expects sales from retailers will continue to grow in the future with the aim to increase its cash liquidity and net profit. The increase in sales to retailers has the effect of reducing the risk of incurring bad debts. Most wholesalers are existing customers with good track records. Therefore, the Company does not expect to incur any significant losses from these customers. At present, IT CITY sets aside full provisions for doubtful accounts.

In 2008, 2009 and 2010, the average collection period (wholesale only) was 50-66 days.

Inventories

At the end of 2007, 2008, 2009 and 2010, IT CITY had net inventories of baht 578.34 million, baht 513.74 million, baht 705.17 million and baht 760.32 million respectively. Its net inventories comprised computers, peripherals, accessories and other products accounting for 39.61 percent, 12.44 percent, 24.90 percent and 23.05 percent, respectively. The increases in inventories resulted from a rise in sales and the number of branches each year. In 2007, the Company opened one new branch, in 2008 four and closed one, in 2009 four, in 2010 six and closed one.

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

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

In 2005, the Company adopted a stricter policy in regard to the allowance for the diminishing value of outdated stock. For the ageing of accounts that exceed six months but less than nine months, the Company's policy is to set aside 25 percent for account which exceed nine months but less than one year, 50 percent and for those which exceed one year, 100 percent. As at December 31, 2007 and 2008, the allowance for the diminishing value of outdated stock amounted to baht 5.84 million and baht 6.32 million, or 1.12 percent and 0.89 percent of total inventories.

As at December 31, 2010, the allowance for the diminishing value of outdated stock amounted to baht 7.24 million or 0.94 percent of total inventories.

The average inventory turnover for 2007, 2008, 2009 and 2010 were 43 days, 39 days, 45 days and 49 days, respectively. The average inventory turnover was 8.43 times, 9.30 times, 8.01 times and 7.36 times for 2007, 2008, 2009 and 2010, respectively. As its inventory turnover is quite high, IT CITY does not expect to set aside a significant amount of provisions for outdated stock.

Liquidity

From 2007 to 2010 the current ratio of the Company was 2.37 times, 2.92 times, 2.28 times and 2.36 times, and the quick ratio was 1.18 times, 1.52 times, 1.03 times and 0.98 times, respectively. In 2007-2010, the current ratio of the Company was high owing to its increase 9 times paid-up capital to existing shareholders, the public and director and/or employee and private investor to support branch expansion and sales growth in great amount.

In 2007, the Company has positive net cash flow from the operating activities of baht 351.27 million due to the Company has enjoyed the revenue growth of 6.49 percent but net profit has decreased of 7.71 percent while the inventory has decreased at the rate of 2.16 percent. Moreover, the Company put net cash in the investment activities of baht 6.94 million while the net cash flow used in financing activities was baht 199.35 million.

The said amount can be divided into cash received from share subscriptions of baht 0.41 million and cash for dividend paid for business operation in 2006 of baht 119.79 million and the interim dividend payment for financial year 2007 was baht 79.89 million and interest paid of baht 0.08 million. Therefore cash and cash equivalents have net increase of baht 144.98 million with the cash and cash equivalents as of December 31, 2007 reported at baht 445.97 million.

In 2008, the Company has positive net cash flow from the operating activities of baht 176.39 million due to the Company has enjoyed the revenue growth of 5.54 percent but net profit has increased of 3.94 percent while the inventory has decreased at the rate of 11.17 percent. Moreover, the Company put net cash in the investment activities of baht 219.07 million while the net cash flow used in financing activities was baht 118.40 million.

The said amount can be divided into cash received from share subscriptions of baht 2.13 million and cash for dividend paid for business operation in 2007 of baht 33.31 million and the interim dividend payment for financial year 2008 was baht 87.18 million and interest paid of baht 0.04 million. Therefore cash and cash equivalents have net decrease of baht 161.08 million with the cash and cash equivalents as of December 31, 2008 reported at baht 284.89 million.

In 2009, the Company has positive net cash flow from the operating activities of baht 226.46 million due to the revenue has decreased by only 3.92 percent and net profit has decreased only by 1.87 percent while the inventory has increased at the rate of 37.26 percent. Moreover, the Company put net cash in the investment activities of baht 36.19 million while the net cash flow used in financing activities was baht 197.82 million.

The said amount can be divided into cash received from share subscriptions of baht 197.82 million and cash for dividend paid for business operation in 2008 of baht 80.47 million and the interim dividend payment for financial year 2009 was baht 117.35 million and interest paid of baht 0.002 million. Therefore cash and cash equivalents have net increase of baht 64.83 million with the cash and cash equivalents as of December 31, 2009 reported at baht 349.72 million.

In 2010, the Company has positive net cash flow from the operating activities of baht 192.85 million due to the Company has enjoyed the revenue growth of 10.34 percent and net profit has increased of 23.01 percent while the inventory has increased at the rate of 7.82 percent. Moreover, the Company put net cash in the investment activities of baht 36.42 million while the net cash flow used in financing activities was baht 152.39 million.

The said amount can be divided into cash received from ESOP warrants exercising of baht 42.07 million and cash for dividend paid for business operation in 2009 of baht 164.29 million and the interim dividend payment for financial year 2010 was baht 147.53 million. Therefore cash and cash equivalents have net increase of baht 76.87 million with the cash and cash equivalents as of December 31, 2010 reported at baht 426.59 million.

Liabilities

As at the end of 2010, the Company had total liabilities of baht 582.72 million, which decreased by 0.08 percent compared with 2009 due to more cash payment to trade creditors in 2010 to take advantage of cash discount.

Since the Company purchases some product items from overseas, the Company has a certain amount due in foreign currency. The Company employs strict risk management control on foreign exchange rates, and thus, the Company bought forward contracts to cover all of its foreign currency debt. As at December 31, 2010, the Company held outstanding forward contracts of USD 105,265.

As at December 31, 2010, the Company had 3 months fixed deposits totaling baht 12.50 million pledged with a bank to secure a Letter of Guarantee totaling baht 24 million.



Source of funds

In the past, the Company's source of funds was obtained from shareholders' equity. As at December 31, 2010, the Company had paid-up capital of baht 341,684,959. Its shareholders' equity was baht 1,008.08 million, which increased by 5.30 percent from 2009 owing to increase in paid-up capital and increase in retained earnings of baht 8.64 million.

On December 31, 2010, the Company's registered capital was baht 351,734,016 divided into 351,734,016 shares at a par value of baht 1 per share and paid up capital of baht 341,684,959 divided into 341,684,959 shares at a par value of baht 1 per share and had 9,967,500 of ESOP-W. The details of paid-up capitals increment and warrants issue are shown in financial budget remark : 13 and 14.

Appropriateness of the Company's capital structure

As at December 31, 2007, 2008, 2009 and 2010, the Company's debt to equity ratio was 0.55 times, 0.40 times, 0.61 times and 0.58 times. The debt to equity ratio decrease in 2010 because of 0.08 percent decrease in total liabilities. However, if the Company opens more branches, it is possible that the ratio will increase again.

Factors and influences on the Company's future prospects

Since the Company plans to open 8 new branches in Bangkok and other big cities in 2011, the Company will require capital to fund the expansion. The Company plans to use current finance from operating activities which is sufficient for investment. The increase in branches will create more sales and profit to the Company, but will not decrease sales of existing branches, as new branches will serve new target market areas. In addition, there is still a high growth rate of domestic demand since the current number of computers per capita is low.





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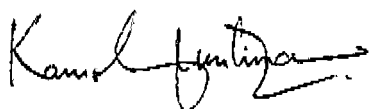
Report of the Board of Directors' Responsibility for the Financial Statement

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

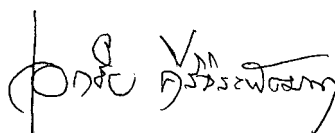
The Board of Directors is responsible for the Financial Statement of IT CITY Public Company Limited which has been prepared in accordance with generally-accepted accounting principles under the appropriate accounting policies abide by regularly. The significant information was sufficiently disclosed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

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

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



Mr. Kamol Juntima
Chairman of the Board



Mr. Ekachai Sirijirapatana
President



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Audit Committee's Report

Audit Committee's Report

To the Shareholders,

The Audit Committee of IT CITY Public Company Limited comprises 3 members namely:

1. Mr. Noravat Suwarn Independent Director and Chairman of the Audit Committee
2. Mr. Vichit Yanamorn Independent Director and Audit Committee
3. R.Sub.Lt. Suree Buranathanit Independent Director and Audit Committee

On May 10, 2010, the Board of Directors has appointed an additional member of Audit Committee in order to comply with the structural criteria of the directors of the listed company, namely:

4. Mr. Damnoen Kaewthawee Independent Director and Audit Committee

The Audit Committee performed its duties pursuant to scope of responsibilities assigned by the Company's Board of Directors to supervise the operations of the Company to ensure the clarity of management and responsibilities of the Board of Directors or the executives towards the Company's shareholders in order to make sure that they would conform with the cooperate policies completely and correctly. In 2010, the Audit Committee held 5 meetings and 2 members of the Audit Committee have attended those meetings, one member has attended 4 out of 5 meetings and the newly appointed Audit Committee member has attended all 3 meetings. Other participants who also attended those meetings included the top management, the auditor and the internal auditor of the relevant agenda. The results of the operation of the Audit Committee can be concluded as follows:

1) The Audit Committee has reviewed the quarterly and the annual financial statements of year 2010 by enquiring and listening to explanations of the management and the auditors to ensure that the said financial statements were executed with the general accepted accounting standards. The preparation process and the information disclosure of such financial statements were sufficient, complete and credible. The Committee also reviewed disclosures of the related transactions between the Company and the affiliated company, including the connected transactions and potential conflict-of-interest transactions.

2) The Audit Committee has reviewed and deemed that the Company places importance on the good governance practices which makes the internal control of the Company adequately, appropriately and effectively. The Audit Committee has supervised the internal audits to ensure that they were corresponding to the approved plans and followed up the operations requested to be revised suggested in the auditing report in the material matters to enable proper internal controls as well as followed up the operations pursuant to the resolution of the Audit Committee, the Board of Directors, and the top management. Moreover, the Committee has considered and approved the internal audit plans of 2011 on mission, scope of works, responsibilities and independence which has been appropriated adjusted to reflect the changing risks.

3) The Audit Committee has reviewed the compliance with laws on Securities and Exchange, Regulations of the Stock Exchange of Thailand and any other laws related to businesses of the Company. According to the audit reports of the internal audit team, the Audit Committee deemed that the Company has complied with the relevant rules, orders and regulations and no material deficiencies have been found.

4) The Audit Committee has reviewed and evaluated the Self Appraisal Report in accordance with the Audit Committee's Charter assigned by the Company's Board of Directors pursuant to the good governance guidelines of the Stock Exchange of Thailand. The Committee was satisfied with its performance in year 2009 and rated itself with excellent results.

5) The Audit Committee has considered the selection of the auditors and remuneration and proposed to the Board of Directors to request for the Approval from the Shareholders' Meeting to appoint Miss Saifon Inkaew and/or Miss Siriwan Suratepin and/or Mr. Wichart Lokatekrawee as the Company's Auditor of 2011 and remuneration is 1,080,000 baht (one million and eighty thousand baht)



Mr. Noravat Suwarn

Chairman of the Audit Committee

16 February 2011



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Report of Independent Auditor

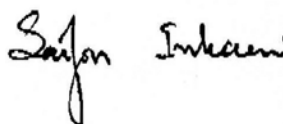
Report of Independent Auditor

To the Shareholders of IT City Public Company Limited

I have audited the balance sheets of IT City Public Company Limited as at 31 December 2010, the related statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the management of the Company as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. The financial statements of IT City Public Company Limited as at 31 December 2009 and for the year then ended, as presented herein for comparative purpose, were audited by another auditor of our firm who, under his report dated 23 February 2010, expressed an unqualified opinion on these statements.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IT City Public Company Limited as at 31 December 2010, the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.



Saifon Inkaew

Certified Public Accountant (Thailand) No. 4434

Ernst & Young Office Limited
Bangkok: 22 February 2011



Financial Statements

IT City Public Company Limited

Balance sheets

As at 31 December 2010 and 2009

(Unit: Baht)

	Note	2010	2009
Assets			
Current assets			
Cash and cash equivalents	7	426,588,577	349,717,768
Current investments		-	100,000,000
Trade accounts receivable	8		
Related parties	6	984,111	22,650,946
Unrelated parties - net		128,421,091	115,326,235
Total trade accounts receivable - net		129,405,202	137,977,181
Other accounts receivable			
Related parties	6	117,968	541,795
Unrelated parties		39,000,225	21,608,633
Total other accounts receivable		39,118,193	22,150,428
Inventories - net	9	760,323,718	705,172,759
Other current assets			
Prepaid expenses		1,235,462	167,801
Interest receivable		330,902	142,620
Others		3,714,571	4,405,718
Total other current assets		5,280,935	4,716,139
Total current assets		1,360,716,625	1,319,734,275
Non-current assets			
Restricted bank deposits	10	12,500,000	12,500,000
Equipment - net	11	153,655,224	151,873,704
Intangible assets - software - net	12	11,235,734	7,593,813
Deposits		52,684,546	48,852,630
Total non-current assets		230,075,504	220,820,147
Total assets		1,590,792,129	1,540,554,422

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

IT City Public Company Limited

Balance sheets (continued)

As at 31 December 2010 and 2009

(Unit: Baht)

	Note	2010	2009
Liabilities and shareholders' equity			
Current liabilities			
Trade accounts payable			
Related parties	6	42,958,235	41,908,391
Unrelated parties		447,469,559	446,174,933
Total trade accounts payable		490,427,794	488,083,324
Other accounts payable			
Related parties	6	2,692,066	1,695,515
Unrelated parties		7,379,658	8,554,218
Total other accounts payable		10,071,724	10,249,733
Other current liabilities			
Corporate income tax payable		33,206,041	29,493,576
Accrued expenses		36,734,007	44,930,403
Value added tax payable		5,210,421	4,503,797
Others		7,065,038	5,933,977
Total other current liabilities		82,215,507	84,861,753
Total liabilities		582,715,025	583,194,810
Shareholders' equity			
Share capital			
Registered			
351,734,016 ordinary shares of Baht 1 each	13	351,734,016	351,734,016
Issued and paid up			
341,684,959 ordinary shares of Baht 1 each	14		
(2552: 335,290,509 ordinary shares of Baht 1 each)		341,684,959	335,290,509
Share premium	14	326,421,034	290,740,003
Retained earnings			
Appropriated - statutory reserve	17	35,173,402	35,173,402
Unappropriated		304,797,709	296,155,698
Total shareholders' equity		1,008,077,104	957,359,612
Total liabilities and shareholders' equity		1,590,792,129	1,540,554,422
		-	-

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

IT City Public Company Limited

Income statements

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Note	2010	2009
Revenues			
Sales and service income	6	6,183,606,114	5,604,311,472
Other income		40,907,258	37,393,714
Total revenues		6,224,513,372	5,641,705,186
Expenses			
Cost of sales and service	6	5,392,465,983	4,883,108,567
Selling expenses		199,996,183	182,898,640
Administrative expenses		334,096,676	328,459,602
Management's remuneration		23,379,064	24,542,790
Other expenses - loss on write-off of equipment		519,224	3,801
Total expenses		5,950,457,130	5,419,013,400
Income before finance cost and corporate income tax		274,056,242	222,691,786
Finance cost		(894,162)	(846,252)
Income before corporate income tax		273,162,080	221,845,534
Corporate income tax		(70,051,574)	(56,724,632)
Net income for the year		203,110,506	165,120,902
Earnings per share			
	16		
Basic earnings per share			
Net income		0.60	0.49
Weighted average number of ordinary shares (shares)		335,851,118	335,290,509
Diluted earnings per share			
Net income		0.60	0.49
Weighted average number of ordinary shares (shares)		338,253,388	335,290,509

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

IT City Public Company Limited

Statements of cash flows

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	2010	2009
Cash flows from operating activities		
Net income before tax	273,162,080	221,845,534
Adjustment to reconcile net income before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	61,080,487	63,049,553
Gain on disposal of equipment	(120,023)	(1,856)
Loss on write-off of equipment	519,224	3,801
Loss on write-off of inventories	-	248,323
Increase (decrease) in allowance for doubtful accounts	39,788	(950,460)
Write-off of bad debt	-	93,102
Write-off of inventories from physical count	32,662	197,118
Provision for inventory obsolescence	918,238	476,281
Interest income	(3,516,306)	(5,763,654)
Interest expenses	-	2,026
Income from operating activities before change in operating assets and liabilities	332,116,150	279,199,768
Operating assets decrease (increase):		
Trade accounts receivable - related parties	21,666,835	7,197,090
Trade accounts receivable - unrelated parties	(13,134,644)	(12,161,752)
Other accounts receivable - related parties	423,827	193,659
Other accounts receivable - unrelated parties	(17,391,592)	13,839,818
Inventories	(56,092,965)	(192,320,642)
Other current assets	(376,514)	1,011,862
Other non-current assets	(3,831,916)	(1,635,899)
Operating liabilities increase (decrease):		
Trade accounts payable - related parties	1,049,844	19,136,195
Trade accounts payable - unrelated parties	1,294,626	145,517,519
Other accounts payable - related parties	996,551	1,413,478
Other current liabilities	(7,533,272)	12,979,091
Cash flows from operating activities	259,186,930	274,370,187

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

IT City Public Company Limited

Statements of cash flows (continued)

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	2010	2009
Cash flows from operating activities (continued)		
Cash paid for corporate income tax	(66,339,109)	(47,907,153)
Net cash flows from operating activities	192,847,821	226,463,034
Cash flows from investing activities		
Decrease in current investment	100,000,000	70,000,000
Cash received from disposal of equipment	121,915	1,869
Purchase of equipment and computer software	(67,033,937)	(39,728,473)
Interest income	3,328,024	5,913,932
Net cash flows from investing activities	36,416,002	36,187,328
Cash flows from financing activities		
Cash receipt from exercise of warrant	42,075,481	-
Dividend paid	(194,468,495)	(197,821,400)
Cash paid for interest expenses	-	(2,026)
Net cash flows used in financing activities	(152,393,014)	(197,823,426)
Net increase in cash and cash equivalents	76,870,809	64,826,936
Cash and cash equivalents at beginning of the year	349,717,768	284,890,832
Cash and cash equivalents at end of the year	426,588,577	349,717,768
Supplemental cash flow information		
Non-cash related transactions		
Transfer equipment to inventories	8,894	33,197
Write-off of bad debt and allowance for doubtful account	-	12,349,981

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

IT City Public Company Limited

Statements of changes in shareholders' equity

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Note	Issued and paid up share capital	Share premium	Retained earnings			Total
				Appropriated	Unappropriated		
Balance as at 31 December 2008		335,290,509	290,740,003	35,173,402	328,856,196		990,060,110
Dividend paid	18	-	-	-	(197,821,400)		(197,821,400)
Net income for the year		-	-	-	165,120,902		165,120,902
Balance as at 31 December 2009		335,290,509	290,740,003	35,173,402	296,155,698		957,359,612
Balance as at 31 December 2009		335,290,509	290,740,003	35,173,402	296,155,698		957,359,612
Increase in share capital and share premium from warrant exercised	14	6,394,450	35,681,031	-	-		42,075,481
Dividend paid	18	-	-	-	(194,468,495)		(194,468,495)
Net income for the year		-	-	-	203,110,506		203,110,506
Balance as at 31 December 2010		341,684,959	326,421,034	35,173,402	304,797,709		1,008,077,104

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

Notes to financial statements

For the years ended 31 December 2010 and 2009

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 and related accessories and its registered address is 604/3 Pantip Plaza Building, 5-6th Floor, Petchburi Road, Thanonpetchburi, Ratchavee, Bangkok.

As at 31 December 2010, the Company operates 43 branches (2009: 38 branches).

2. Basis of preparation

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2009, issued under the Accounting Act B.E. 2543.

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

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

3. Adoption of new accounting standards

During the current year, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below.

a) Accounting standards that are effective for fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements (revised 2009)	
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures

TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate

b) Accounting standards that are effective for fiscal years beginning on or after 1 January 2013:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards which management expects the impact on the financial statements in the year when they are adopted.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In addition, an entity has to evaluate and make a provision for post-employment benefits as required by labor law using actuarial techniques. Currently, the Company accounts for such employee benefits when they are incurred.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Rendering of services

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

Rebate

Rebate is recognised as income on an accrual basis.

Rental income of peripheral equipment

Rental income of peripheral equipment is recognized as revenue on the monthly accrual basis in accordance with payments due under the agreement.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

Inventories are valued at the lower of cost (first-in, first-out method) and net realisable value.

The net realizable 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 stock obsolescence, slow moving or deteriorated inventories.

4.5 Equipment and depreciation

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

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

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

Depreciation is included in determining income.

No depreciation is provided on construction in progress.

4.6 Intangible assets

Intangible assets are initially measured at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

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

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

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

4.7 Related party transactions

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

They also include companies and individuals 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.

4.8 Long-term leases

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

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

4.9 Foreign currencies

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

Gains and losses on exchange are included in determining income.

4.10 Impairment of assets

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

4.11 Employee benefits

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

4.12 Corporate Income Tax

Income tax is provided in the accounts at the amount expected to be paid to the taxation authority which is calculated by the rate of 25 percent on taxable profits determined in accordance with tax legislation after adding back certain expenses which are disallowable for tax computation purposes. In 2010 and 2009, the Company used its right to a reduced corporate income tax rate under the Royal Decree No. 475 B.E. 2551 issued under the Revenue Code concerning reduced revenue rates.

4.13 Financial instruments

Financial instruments presented in the balance sheets consist of cash and cash equivalent, trade accounts receivable and trade accounts payable. The accounting policy is separately disclosed in the related notes.

The Company has no policy to speculate in or engage in the trading of any financial derivative instruments.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgments and estimates are as follows:

Allowance for doubtful accounts

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

Allowance for diminution in value of inventory

The determination of allowances for diminution in the value of inventory, requires management to make judgments and estimates. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less the estimated costs to complete the sales; and provision for obsolete, slow-moving and deteriorated inventories that is estimated based on the approximate useful life of each type of inventory.

Equipment/Depreciation

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

6. Related party transactions

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

(Unit: Thousand Baht)

	2010	2009	Pricing policy
Transactions with major shareholder (SVOA Public Company Limited)			
Sales of goods	17,667	63,721	At cost plus approximately 17 percent average profit margin (2009: 12 percent)
Service income	158	41	Market price
Marketing support income	2,102	2,892	Prices agreed by the parties
Purchases of goods	177,778	215,443	At cost plus approximately 8 percent average profit margin (2009: 7 percent)
Service fee	1,361	737	Market price
Management fee	625	612	Contract price
Marketing support expenses	1,000	-	Prices agreed by the parties
Transactions with related companies			
Sales of goods	136	207	At cost plus approximately 15 percent average profit margin (2009: 15 percent)
Service income	84	39	Market price
Marketing support income	1,614	1,005	Prices agreed by the parties
Purchases of goods	186,199	183,143	At cost plus approximately 6 percent average profit margin (2009: 2 percent)
Service fee	8,221	3,574	Market price
Purchases of fixed assets	950	998	Market price

The balances of the accounts as at 31 December 2010 and 2009 between the Company and those related companies are as follows:

(Unit: Baht)

	Relationship	2010	2009
Trade accounts receivable - related parties			
SVOA Public Company Limited	Major shareholders and common directors	979,111	22,573,326
Data One Asia (Thailand) Company Limited	Common shareholders and common directors	-	77,620
Asys Computer Company Limited	Common shareholders and common directors	5,000	-
Total trade accounts receivable - related parties		<u>984,111</u>	<u>22,650,946</u>
Other accounts receivable and advance to related parties			
SVOA Public Company Limited	Major shareholders and common directors	98,761	374,500
Asys Computer Company Limited	Common shareholders and common directors	19,207	167,295
Total other accounts receivable and advance to related parties		<u>117,968</u>	<u>541,795</u>
Trade accounts payable - related parties			
SVOA Public Company Limited	Major shareholders and common directors	3,064,134	13,058,127
Asys Computer Company Limited	Common shareholders and common directors	39,894,101	28,850,264
Total trade accounts payable - related parties		<u>42,958,235</u>	<u>41,908,391</u>
Other accounts payable - related parties			
SVOA Public Company Limited	Major shareholders and common directors	423,185	133,422
Core & Peak Company Limited	Common shareholders and common directors	575,178	466,948
A Net Company Limited	Common shareholders and common directors	1,031,908	1,091,935
Data One Asia (Thailand) Company Limited	Common shareholders and common directors	-	3,210
ARIP Public Company Limited	Common shareholders and common directors	661,795	-
Total other accounts payable - related parties		<u>2,692,066</u>	<u>1,695,515</u>

Directors and management's remuneration

In 2010 the Company had salaries, bonuses, meeting allowances and gratuities of their directors and management recognised as expenses totaling Baht 23.4 million (2009: Baht 24.5 million).

7. Cash and cash equivalents

	(Unit: Baht)	
	2010	2009
Cash	22,963,685	18,589,995
Bank deposits	183,624,892	208,895,035
Bills of exchange	220,000,000	122,232,738
Total	426,588,577	349,717,768

As at 31 December 2010, bank deposits in savings accounts, fixed deposits and bills of exchange carried interests between 0.25 and 1.75 percent per annum (2009: between 0.25 and 1.50 percent per annum).

8. Trade accounts receivable

The balances of trade accounts receivable as at 31 December 2010 and 2009, aged on the basis of due dates, are summarised below.

(Unit: Baht)						
Age of receivables	2010			2009		
	Related parties	Other parties	Total	Related parties	Other parties	Total
Not yet due	38,933	72,196,071	72,235,004	21,821,177	71,801,149	93,622,326
Past due						
less than 3 months	945,178	56,093,325	57,038,503	829,769	43,513,074	44,342,843
3 - 6 months	-	263,391	263,391	-	24,025	24,025
6 - 12 months	-	886	886	-	21,651	21,651
over 12 months	-	340,870	340,870	-	400,000	400,000
Total	984,111	128,894,543	129,878,654	22,650,946	115,759,899	138,410,845
Less: Allowance for doubtful accounts	-	(473,452)	(473,452)	-	(433,664)	(433,664)
Trade accounts receivable - net	984,111	128,421,091	129,405,202	22,650,946	115,326,235	137,977,181

9. Inventories

(Unit: Baht)

	Allowance of diminution in value of inventory							
	Cost		Reduction cost to net realisable value				Inventory-net	
			Stock obsolescence					
	2010	2009	2010	2009	2010	2009	2010	2009
Finished goods	761,770,167	707,817,564	-	-	(7,236,519)	(6,318,280)	754,533,648	701,499,284
Goods in transit	5,790,070	3,673,475	-	-	-	-	5,790,070	3,673,475
Total	767,560,237	711,491,039	-	-	(7,236,519)	(6,318,280)	760,323,718	705,172,759

10. Restricted bank deposits

The Company pledged fixed deposits at bank totalling approximately Baht 12.5 million (31 December 2009: Baht 12.5 million) with a bank to secure letter of guarantees issued by the bank on behalf of the Company in respect of the purchase of goods and services as required in the ordinary course of business of the Company.

11. Equipment

(Unit: Baht)

	Leasehold improvements	Office equipment	Furniture and fixtures	Tools	Motor vehicles	Assets for rent	Construction in progress	Total
Cost:								
31 December 2009	288,511,053	100,941,686	49,906,832	1,433,835	29,417,405	17,499,189	5,841,108	493,551,108
Additions	250,000	9,024,478	3,342,666	-	-	4,812,654	44,560,739	61,990,537
Disposal	(23,587,992)	(6,950,531)	(5,740,245)	(473,799)	-	(10,145)	-	(36,762,712)
Transfers in (out)	50,021,847	424,760	-	-	-	(44,760)	(50,401,847)	-
31 December 2010	<u>315,194,908</u>	<u>103,440,393</u>	<u>47,509,253</u>	<u>960,036</u>	<u>29,417,405</u>	<u>22,256,938</u>	<u>-</u>	<u>518,778,933</u>
Accumulated depreciation:								
31 December 2009	192,710,855	79,510,965	40,683,539	1,433,746	21,722,291	5,616,008	-	341,677,404
Depreciation on disposals/transfer in (out)	(23,151,338)	(6,927,508)	(5,657,662)	(473,770)	-	(22,425)	-	(36,232,703)
Depreciation for the year	34,805,005	9,776,810	3,904,823	-	4,544,631	6,647,739	-	59,679,008
31 December 2010	<u>204,364,522</u>	<u>82,360,267</u>	<u>38,930,700</u>	<u>959,976</u>	<u>26,266,922</u>	<u>12,241,322</u>	<u>-</u>	<u>365,123,709</u>
Net book value:								
31 December 2009	<u>95,800,198</u>	<u>21,430,721</u>	<u>9,223,293</u>	<u>89</u>	<u>7,695,114</u>	<u>11,883,181</u>	<u>5,841,108</u>	<u>151,873,704</u>
31 December 2010	<u>110,830,386</u>	<u>21,080,126</u>	<u>8,578,553</u>	<u>60</u>	<u>3,150,483</u>	<u>10,015,616</u>	<u>-</u>	<u>153,655,224</u>
Depreciation for the year:								
2009								<u>61,795,922</u>
2010								<u>59,679,008</u>

As at 31 December 2010, certain leasehold improvements, office equipment, furniture and fixtures, tools and motor vehicles have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 198 million (2009: Baht 172 million).

12. Intangible assets - software

	(Unit: Baht)	
	2010	2009
Software - at cost	12,536,306	12,536,306
Addition	5,043,400	-
Accumulated amortisations	(6,343,972)	(4,942,493)
Net	<u>11,235,734</u>	<u>7,593,813</u>
Amortisation expenses included in the income statements for the year	<u>1,401,479</u>	<u>1,253,631</u>

13. Share capital

Issued and paid up share capital

On 30 November 2010, 6,032,500 warrants were exercised to purchase 6,394,450 ordinary shares at a price of Baht 6.58 per share. The Company registered the increase in its paid-up share capital from Baht 335,290,509 (335,290,509 ordinary shares of Baht 1 each) to Baht 341,684,959 (341,684,959 ordinary shares of Baht 1 each) with the Ministry of Commerce in December 2010.

14. Warrants

On 27 March 2006, an Annual General Meeting of the Company's shareholders approved the issuance of 16 million warrants (ESOP), free of charge. These warrants are allotted to not more than 35 employees, directors and/or other employees.

On 25 July 2006, the Company allocated and issued 16 million warrants, free of charge, to directors and/or employees, with the first exercise date being 30 November 2007 and the last exercise date being 18 - 22 July 2011. The details are as follows:

<u>Issuance to</u>	<u>Number of units</u> (Million)	<u>Term of warrants</u>
The Company's directors and/or employees	16.0	Not exceeding 5 years since 25 July 2006

The exercise ratio of the warrant is 1:1 and the exercise price is Baht 7 per 1 ordinary share. The warrants are exercisable after 12 months of the date the warrants are allotted and the Exercise Restrictions are as follows:

- Up to 25 percent of all allotted warrants are exercisable after 12 months from the allotted date but no later than 24 months of such allotted date.
- Up to 25 percent of all allotted warrants are exercisable after 24 months from the allotted date but no later than 36 months of such allotted date.

- Up to 25 percent of all allotted warrants are exercisable after 36 months from the allotted date but no later than 48 months of such allotted date.
- The remainder of unexercised warrants is exercisable without restrictions after the 48 months after the warrants are allotted until the warrants expire.
- Any unexercised warrants are cumulative and re-exercisable on the following exercise dates throughout the term of the warrants.
- In case a director and/or an employee resigns from the Company or ceases to be a director or employee of the Company at any time during the term of the warrants, his or her rights in the exercised warrants will come to an end immediately.

The Company agreed not to list the warrants in the Stock Exchange of Thailand.

Because the annual dividends paid to shareholders for the year 2008 exceeded 70 percent of net income after deducting corporate income tax, on 11 May 2009, the Board of Directors of the Company passed a resolution to approve the revision of the exercise price and exercise ratio of the warrants offered to the Company's directors and the employees, from Baht 7.0 per 1 ordinary share to Baht 6.73 per 1 ordinary share and the exercise ratio of the warrants from 1:1 to 1:1.04, in order to be consistent with the conditions for a rights adjustment in the prospectus.

Because the annual dividends paid to shareholders for the year 2009 exceeded 70 percent of net income after deducting corporate income tax, on 10 May 2010, the Board of Directors of the Company passed a resolution to approve the revision of the exercise price and exercise ratio of the warrants offered to the Company's directors and the employees, from Baht 6.73 per 1 ordinary share to Baht 6.58 per 1 ordinary share and the exercise ratio of the warrants from 1:1 to 1:1.06, in order to be consistent with the conditions for a rights adjustment in the prospectus.

During the year 2010, the Company's directors and the employees had exercised their rights to convert 6,032,500 warrants with the exercise ratio of 1 warrant for 1.06 ordinary shares, and exercisable at a price of Baht 6.58 per share as summarized below.

Exercise date	Number of exercised warrants	Ordinary shares from exercise of warrants		Premium on share capital from exercise of warrants	Cash receipts from warrants exercised	Registration date with the Ministry of Commerce
		(Shares)	(Baht)	(Baht)	(Baht)	
30 November 2010	(Units) 6,032,500	(Shares) 6,394,450	(Baht) 6,394,450	(Baht) 35,681,031	(Baht) 42,075,481	1 December 2010

As at 31 December 2010, the warrant of 9,967,500 units were unexercised (2009: 16 million units).

15. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Baht)	
	2010	2009
Salary and wages and other employee benefits	178,885,664	169,935,307
Rental and service center expenses from operating lease agreements	177,240,930	167,422,468
Depreciation and amortization	61,080,487	63,049,553
Utilities expenses	53,747,226	55,686,698
Transportation expenses	19,121,263	16,629,553
Office supply expenses	10,376,178	9,929,571

16. Earnings per share

Basic earnings per share is calculated by dividing the net income for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing net income for the year by the sum of the weighted average number of ordinary shares in issue during the year plus and weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

Reconciliation between basic earnings per share and diluted earnings per share is presented below.

	For the year ended 31 December					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2010	2009	2010	2009	2010	2009
	(Baht)	(Baht)	(Shares)	(Shares)	(Baht)	(Baht)
Basic earnings per share						
Net income	203,110,506	165,120,902	335,851,118	335,290,509	0.60	0.49
Effect of dilutive potential ordinary shares						
Warrants - ESOP: 9,967,500 units (2009: 16,000,000 units)	-	-	2,402,270	-		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	203,110,506	165,120,902	338,253,388	335,290,509	0.60	0.49

There was no calculation of potential diluted ordinary shares as a result of exercise of warrant for diluted earnings per share calculation for the year ended 31 December 2009 since the exercise price of warrant exceeded the weighted average fair value of the ordinary shares of the Company.

17. 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 earnings 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.

18. Dividend paid

Dividends declared in 2010 and 2009 consisted of the following:

		(Unit: Baht)	
	Approved by	Total Dividends	Dividend per share
2010			
Dividends on the unappropriated retained earnings for the year 2009	Annual General Meeting of the shareholders on 31 March 2010	46,940,671	0.14
Interim dividends in respect of the income for the period from 1 January 2010 to 31 March 2010	Board of Director's meeting on 10 May 2010	40,234,861	0.12
Interim dividends in respect of the income for the period from 1 April 2010 to 30 June 2010	Board of Director's meeting on 10 August 2010	46,940,671	0.14
Interim dividends in respect of the income for the period from 1 July 2010 to 30 September 2010	Board of Director's meeting on 10 November 2010	60,352,292	0.18
Total dividends paid for the year 2010		<u>194,468,495</u>	<u>0.58</u>
2009			
Dividends on the unappropriated retained earnings for the year 2008	Annual General Meeting of the shareholders on 24 March 2009	80,469,722	0.24
Interim dividends in respect of the income for the period from 1 January 2009 to 31 March 2009	Board of Director's meeting on 11 May 2009	20,117,431	0.06
Interim dividends in respect of the income for the period from 1 April 2009 to 30 June 2009	Board of Director's meeting on 11 August 2009	40,234,861	0.12
Interim dividends in respect of the income for the period from 1 July 2009 to 30 September 2009	Board of Director's meeting on 10 November 2009	56,999,386	0.17
Total dividends paid for the year 2009		<u>197,821,400</u>	<u>0.59</u>

19. Commitments and contingent liabilities

19.1 Lease and related service commitments

The Company has entered into several lease agreements and service agreement in respect of the lease of office building, warehouse and branch areas. The terms of the agreements are generally between 1 and 19 years.

As at 31 December 2010, future minimum lease payments required under these operating leases contracts were as follows.

	<u>Million Baht</u>
Payable within:	
Less than 1 year	180
1 to 5 years	427
More than 5 years	562

19.2 Bank guarantees

As at 31 December 2010, there were outstanding bank guarantees of approximately Baht 24 million and USD 0.2 million (2009: Baht 24 million) issued by a bank on behalf of the Company in respect of the purchases of goods and services as required in the ordinary course of business the Company.

20. Provident fund

The Company and its employees have jointly established a provident fund as approved by the Ministry of Finance in accordance with the Provident Fund Act B.E. 2530. The fund is monthly contributed to by employees at the rate of 5 percent of their basic salary, and by the Company at the same rate and will be paid to an employee upon termination in accordance with the rules of the fund. The fund is managed by Siam Commercial Bank Asset Management Co., Ltd. During the year 2010, the Company contributed Baht 1.3 million (2009: Baht 1.2 million) to the provident fund.

21. Financial information by segment

The Company's operations involve a single industry segment in the distribution of computers and related accessories and are carried on in the single geographic area in Thailand. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to this industry segment and geographic area.

22. Future minimum rental revenue under operating lease agreements

The Company has entered into several peripheral equipment lease agreements, with terms generally between 1 and 5 years. The equipment leased under these operating lease agreements as at 31 December 2010 will generate future minimum rental revenue as follows.

	<u>Million Baht</u>
Receivable within:	
Less than 1 year	14
1 to 5 years	12

23. Financial instruments

23.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, short-term investment, trade accounts receivable and trade account payable. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Interest rate risk

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

Significant financial assets and liabilities as at 31 December 2010 classified by type of interest rates are summarized 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)

	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
Financial Assets					
Cash and cash equivalent	220	184	23	427	0.25 - 1.75
Trade accounts receivable	-	-	129	129	
	<u>220</u>	<u>184</u>	<u>152</u>	<u>556</u>	
Financial liabilities					
Trade accounts payable	-	-	490	490	
	<u>-</u>	<u>-</u>	<u>490</u>	<u>490</u>	

Foreign currency risk

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

As at 31 December 2010, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets	Financial liabilities	Exchange rate as at 31 December 2010	
			(Baht per 1 foreign currency unit)	
			Buying rate	Selling rate
US dollar	-	187,701	30.0063	30.2963

As at 31 December 2010, there are outstanding foreign exchange forward contracts to purchase USD 105,265 at the rates of Baht 30.095 - 30.230 per US dollar, which will mature in January and February 2011.

23.2 Fair values of financial instruments

Since the majority of the Company's financial assets and liabilities are short-term in nature, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

24. Capital management

The primary objectives of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at 31 December 2010, the Company had a debt-to-equity ratio of 0.58:1 (2009: 0.61:1).

25. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2009 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

(Unit: Baht)

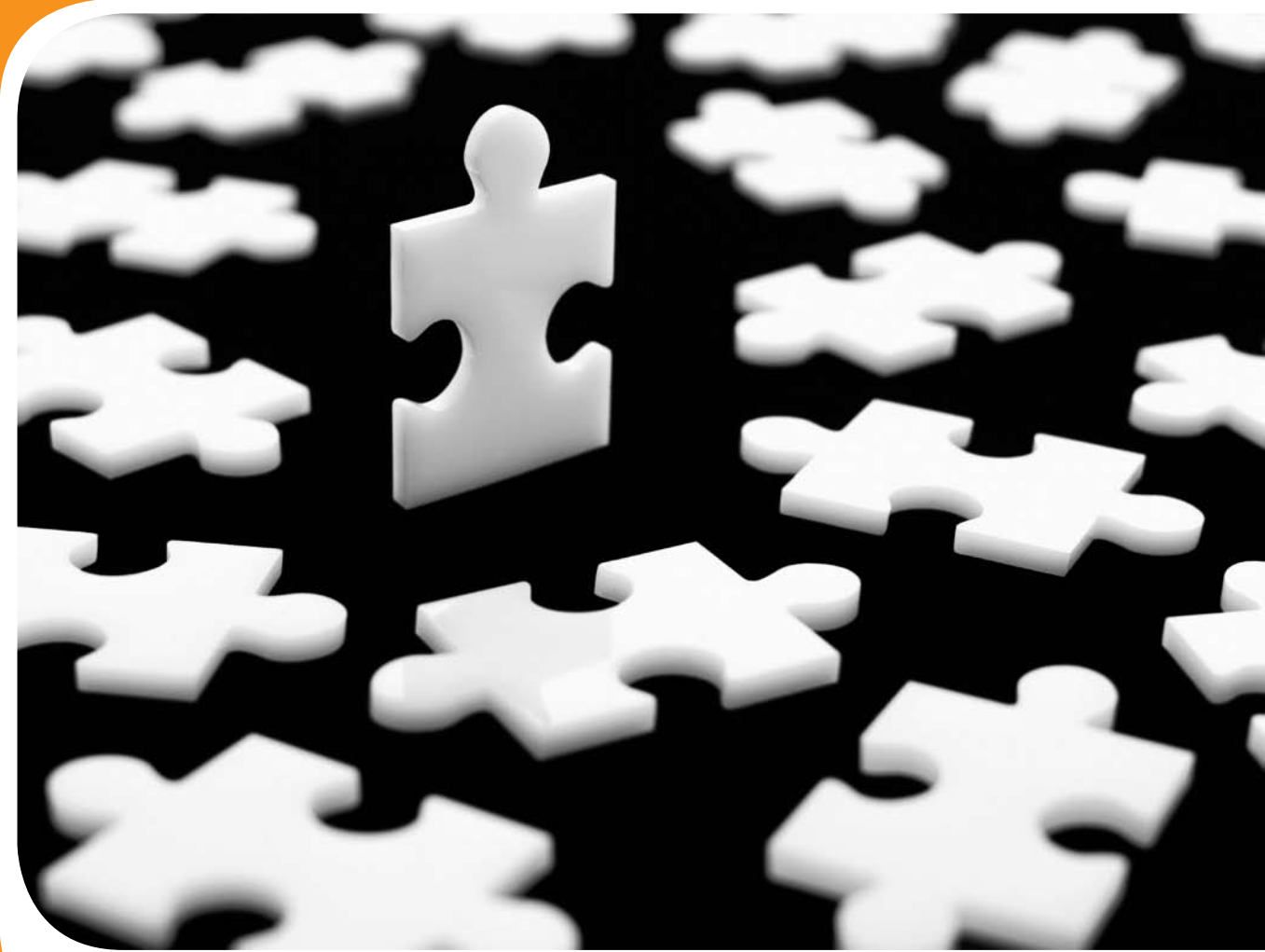
	As reclassified	As previously reported
Current investments	100,000,000	112,500,000
Restricted bank deposits	12,500,000	-

26. Investments in associated company

On 15 December 2010, a meeting of Board of Directors of the Company passed a resolution approving participation in investment in a new company in Thailand named SPVI Company Limited, to engage in the distribution of IT products and related accessories under the Apple brand, for distribution to iStudio, U Store and other distributors. This new company has a registered share capital comprising 12,000,000 shares of Baht 10 per share, or a total of Baht 120 million, with the Company holding 40 percent of registered share capital, totaling Baht 48 million. Such company was registered with the Ministry of Commerce on 6 January 2011 and the Company paid in the full amount of its investment on 25 January 2011.

27. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 22 February 2011.



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The Principle of Good Governance

Policies regarding Codes of Best Practice

The Board of Directors gives the highest priority to the Principles of Good Corporate Governance and Code of Best Practice for Directors Listed Companies outlined by The Stock Exchange of Thailand (SET) and The Office of Securities and Exchange Commission (SEC) which are in accordance with the Company's Good Corporate Governance Policies including fair treats towards all related parties, transparent guidelines for practices regarding structure, components, duties, responsibilities, freedom and director's operations clear data disclosure and strict risk management.

1. Rights of Shareholders

The Company respects the rights of each shareholder, the Board of Directors recognizes the right of ownership. From this, the shareholder can control the Company's policy by appointing their representatives to act as members of the Board of Directors who have right to make decisions related to Company's policy. Hence, the Company should promote the shareholder to concern on their benefits provided: they should take part in providing opinion recommendations and votes during the shareholder meeting. They can take part in making decision on significant issued including the Board of Director Appointment, Auditor Appointment and Dividend Allocation. In addition, the shareholder has rights to make any enactment or amendment of decisions concerned to the Company's policy and the prospectus of the Company. Moreover, the Company should provide complete information, disclosure, transparency and verifiable.

The Company held The Annual General Meeting of Shareholders within 3 months after the end of the Company's fiscal year and issued an invitation letter which includes date, time, venue, map and the meeting agendas which gathered all concerned data to the director's recommendation handed over to shareholders. Moreover, they should attach the meeting's regulation as well as the voting procedure to all shareholders in advance based on the regulation outlined by The Stock Exchange of Thailand. The information disclosure should be distributed within the Company's website in advance prior to the documentation distribution. The Company will begin this process starting from The Annual General Meeting in year 2007. The reason is that they will provide opportunities to each shareholder to make consideration in advance before receiving documentation from the Company.

2. Equitable Treatment of Shareholders

The Board of Directors has the policies for equitable treatment of shareholders. They will be practiced and defended the basic rights that mentioned in the first principle equally. The Company will facilitate all shareholders, they can conveniently participate the meeting. The shareholders are allowed to appoint their representatives by offering them an alternative to appoint "Independent Director" as their representatives. In addition, the Company will handle the meeting properly, shareholders can comments and raise any questions with equal rights during the meeting in accordance with the meeting agenda. The Board of Directors will not allow the presentation of any agenda that did not handover in advance, especially the important agenda that required time to study the concerned information before making decision, except the urgent agenda.

Moreover, the Company also provides opportunities for the minority shareholders to propose agenda for the Shareholders' Meeting including the opportunity to nominate candidates who have qualifications as per criteria specified by the Company for the Company's directors since 2009 Annual General Meeting of Shareholders, The minority shareholders can propose agenda or nominate

candidates for the Company's directors during December for the period of 1 month. During 2010 Annual General Meeting of Shareholders, the minority shareholders have not proposed any candidate.

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

3. Role of Stakeholders

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

According to the Board of Directors' Meeting No. 3/2546 on March 5, 1993, the operating guidelines concerning the business ethics has been specified, so that the directors, the management and all employees can be well aware of the operating measures expected by the organization. In addition, the directors and the management have fully provided support for such measures and it has been informed to the employees for their acknowledgement as follows:

1. Behavioral Guidelines :

All Directors, management team and employees must be committed to

1.1 Being a good citizen by following the legal duties and responsibilities while performing good deeds for society.

1.2 Abiding by the rules and regulation of Company and its reputation.

1.3 Fulfilling the corporate objectives based on the Good Governance guidelines and refraining from using authority in favor of personal benefits.

2. Rules for Directors

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

2.1 Recruiting the capable management team and provide them sufficient authorities to operate and manage corporate businesses

2.2 Promoting the business ethics in operations for management team and employees

2.3 Performing duties in accordance to applicable laws with honesty. All decisions should be made in favor of major and minor shareholders to optimize the shareholder benefits

2.4 Refraining the exploitation of insider's information in favor of personal, relative's or related persons' benefits.

3. Rules for Management Team

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

3.1 Towards shareholders

3.1.1 Performing duties in accordance to applicable laws with honesty. All decisions should be made in favor of major and minor shareholders to optimize the shareholder benefits

3.1.2 Regularly reporting the corporate status with complete and factual details

3.1.3 Performing duties by implementing the best knowledge and skills in management in all cases

3.1.4 Promoting operations based on standard systems and good controls with sufficient data and referable evidences

3.1.5 Not exploiting benefits for personal or related person's favors based on corporate information that is not exposed to public

3.1.6 Not revealing confidential information of Company to external parties

3.1.7 Not performing any actions that may cause conflicts with corporate benefits

3.2 Towards employees

3.2.1 Applying leadership to coordinate and operate with knowledge and abilities to achieve corporate effectiveness

3.2.2 Promoting collaboration, good working environment, disciplines, teamwork and consciousness among employees

3.2.3 Giving priority to the development of employees' knowledge and abilities for the whole organization and on regular basis

3.2.4 Following the laws and regulations related to employees and communicating with employees to make them understand and aware of their rights, duties and responsibilities towards themselves and related parties

3.2.5 Considering appointments, rotation, awards and punishment for employees with honesty and based on the knowledge, abilities and appropriateness of that employee

3.2.6 Providing fair remunerations to employees

3.2.7 Treating employees with politeness and respect towards their individuality and human dignity

3.3 Towards customers, partners, creditors, competitors and society

3.3.1 Providing quality services, revealing complete information on services with accuracy and without elaboration

3.3.2 Treating customers fairly with no exception, avoiding to provide confidential information of customers in favor of third parties

3.3.3 Improving and creating new services to provide customer satisfaction

3.3.4 Seeking to enhance good and sustainable relationships with partners to achieve goodwill and satisfaction for all parties, thus bringing quality, accurate, affordable and fast services that serves requirements

3.3.5 Abiding by the good policies of Company by avoiding to give and receive bribes, not supporting illegal actions or actions that threatens national economy and stability

3.3.6 Following the rules of good commercial competition

3.3.7 Optimizing the natural resources with minimum waste and seeking alternatives to replace natural resources by considering current and future environment

3.3.8 Preserving, improving and maintaining buildings, places and environment to keep them in tidy, good and sanitary conditions

3.3.9 Maintaining and improving security standards to minimize accidents and dangers towards places and environments

3.3.10 Not helping, supporting or conforming to the actions that may violate laws or regulations

3.3.11 Follow the loan condition based on the agreement, and the responsibilities that should act to the creditors

4. Rules for employees

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

4.1 Performing duties with honesty, diligence and patience

4.2 Strictly keeping confidential information of customers, partners and Company

4.3 Treating colleagues without prejudice to promote teamwork spirit and harmony among employees

4.4 Taking care of colleagues by considering the well-being of employee community

4.5 Paying attention and participating to all activities that will enhance corporate quality, effectiveness and development towards excellence

4.6 Regularly seeking, improving and increasing personal knowledge and ability

4.7 Taking care and giving hand in maintaining clean and pleasant working environment

4.8 Not accusing or discrediting directly or indirectly other person's or company's reputations without factual information

4. Disclosure and Transparency

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

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.

Apart from disclosure stipulated by the requirements, the Board of Directors also deemed that the followings should also be disclosed: roles and responsibilities of the Board of Directors and the Audit Committee, number of the meetings held, number of the meeting each director attended during the past year as well as remuneration made to the directors, both forms and characteristics of such remuneration.

5. Responsibilities of the Board

Apart from playing vital part in defining corporate vision, the Board of Directors collaborated with the management in planning the operation in the short and long run, financial policies, risk management and overall corporate image. Moreover, they took part in overseeing, examining and assessing corporate operation and the performance of management team with freedom as they place shareholders' maximum benefits in the first place.

The Board of Directors holds the annual meeting at least four times a year and each meeting must have clear meeting agenda along with necessary document for the Board of Directors to study and consider in advance. Each agenda must be fairly approved based on the benefits of shareholders and related parties by allowing free expression of opinions and reasonable time allocation for debates and opinions from all participants. The Chairman of the Board will appropriately administrate the meeting time as the participation of the Board of Directors has been reported in the annual report. The company's management committee must be present at the meeting to report the operation, propose issues, provide data and comments and acknowledge the policies and decision made by the Board of Directors to implement the policies and plans effectively.

Currently, among 11 committees of the Board of Directors, 4 of them are Independent Directors and 2 of them are Chairman of the Board and President of the Company. The Company selected the members of the Board of Directors based on their supreme qualifications and expertise from various fields, leadership, exceptional vision, morals and ethics, excellent background and ability to express idea without constraints. Moreover, the Company clearly specified duties and responsibilities for each member to optimize their performance.

To direct and oversee tasks which require expertise and freedom, the Board of Directors appointed the Specific Committee to take care of and filter the said tasks. To date, the Specific Committee is the Audit Committee which comprises of 4 Independent Directors. The Company comes up with policy to appoint more Specific Committee as necessary in any changing situation. However, the Specific Committee must report the operating results to the Board of Directors in a given time.

Role of Chairman of the Board and President of the Company, The Chairman of the Board is a leader in terms of defining vision and controlling the performance of top executives. On the other, the President has the main roles to lead management team to perform in accordance with the policies set by the Board of Directors. Therefore, the Company stated these two positions cannot be held one person to clearly separate the roles while enabling the balance of business operation.

The Company provided appropriate remuneration for the Board of Directors and Management including monetary and other remunerations. When compared to others in the same industry, the Company can maintain its industrial leadership and disclose clear information in annual report. The remuneration for the Board of Directors was based on their scope responsibilities and the Company's business performance with approval from shareholders' meeting. On the other hand, the remuneration for management was approved by the Board of Directors based on their scope of responsibilities and the Company's business performance.





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T@n@n@n@n@n@n@n / IT Mall, Fortune Tower Tel. 0 2941 1474	S@n@n@n@n@n@n@n / Teeweeh Complex, Samut Tel. 0 2931 4400
n@n@n@n@n@n@n / Kiatsookae, Chiang Mai Tel. 0 5399 4911	Wu@Tel@Warin@n@n@n / Pantip Plaza, Bangkok Tel. 0 2147 9199
S@n@n@n@n@n@n@n / IT Plaza, Nakhon Ratchasima Tel. 0 4497 1444	S@n@n@n@n@n@n@n@n / Sany@ / Chaisang Department Store, Songkai Tel. 0 3939 0999
(S@n@n@n@n@n@n@n) / Central, Rama 9 Tel. 0 2911 7500	S@n@n@n@n@n@n@n@n@n@n / Eastern Complex, Chachoengsao Tel. 0 3949 2900
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S@n@n@n@n@n@n@n / IT Plaza, Samking Tel. 0 2994 9111	S@n@n@n@n@n@n@n@n / Hua Hin Shopping Mall, Hua Hin Tel. 0 3991 9199
S@n@n@n@n@n@n@n@n / New Center, Suphobkai Tel. 0 2999 1911	S@n@n@n@n@n@n@n@n@n@n@n / Karoon Department Store, Kanchaburi Tel. 0 3491 2912
S@n@n@n@n@n@n@n@n / Pantip Plaza, Chiang Mai Tel. 0 5399 8999	S@n@n@n@n@n@n@n@n@n / The Square Shop, Mangyai Tel. 0 2199 0277
S@n@n@n@n@n@n@n / Takson, Pattaya Tel. 0 3972 4111	S@n@n@n@n@n@n@n@n@n@n / Mahachulalongkornrajavidyalaya Tel. 0 2389 7000
S@n@n@n@n@n@n@n / IT Square, Laksi Tel. 0 2919 6979	S@n@n@n@n@n@n@n@n@n@n / Intra Mall, Department Store, Samprakan Tel. 0 2389 1919
S@n@n@n@n@n@n@n / Siam Paragon Tel. 0 2919 9999	S@n@n@n@n@n@n@n@n@n@n / Chaisongkhro, Phran Tel. 0 5448 1199
S@n@n@n@n@n@n@n@n / Royal Park, Natchaburi Tel. 0 2939 0999	S@n@n@n@n@n@n@n@n@n@n / Rai-91 Plaza Tel. 0 4992 0299
S@n@n@n@n@n@n@n / Phuket Tel. 0 7629 6949	S@n@n@n@n@n@n@n@n@n@n / Teeweeh Burirom Tel. 0 4491 4999
S@n@n@n@n@n@n@n@n / Takson Fasa, Khonkaen Tel. 0 4999 9777	S@n@n@n@n@n@n@n@n@n@n / Tak Com Chonburi Tel. 0 3919 4021-29
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บริษัท ทีพีพี จำกัด (มหาชน)

IT CITY PUBLIC COMPANY LIMITED

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